



February 13, 2014

The El Paso Central Appraisal District Board of Directors held its regular meeting on Thursday, February 13, 2014, at 5:38 p.m., in the Conference Room of the El Paso Central Appraisal District at 5801 Trowbridge, with the following members present:

Rey Sepulveda, Chairman
Patricia McLean, Secretary
Ed Archuleta

Dee Margo
Ann Morgan Lilly
Laure Searls

There was a quorum, with six members present. Mr. Joe Longoria, Legal Counsel was present for the entire meeting.

First order of business was to recite the pledge of Allegiance to the flag of the United States of America.

AGENDA ITEM I – SWEARING IN OF BOARD MEMBERS

The Honorable Alejandro (Alex) Gonzalez, County Court at Law #4, El Paso, Texas administered the oath of office to the Board of Directors of EPCAD.

AGENDA ITEM 2 – ELECTION OF BOARD OF OFFICERS

Ms. Searls nominated Mr. Gandara for Chairman. Ms. Lilly nominated Mr. Sepulveda. Ms. Searls stated she did not think Mr. Sepulveda was going to run again, therefore, she withdrew her nomination. Mr. Sepulveda was elected Chairman by acclamation.

Mr. Archuleta nominated Ms. McLean as Secretary. Mr. Margo seconded the motion. Motion passed unanimously.

Mr. Archuleta nominated Ms. Lilly as Vice-Chair. Mr. Margo seconded the motion. Motion passed unanimously.

AGENDA ITEM 3 – APPROVAL AND SIGNING OF MINUTES FOR OCTOBER 10, 2013

Mr. Margo made a motion to accept the October 13, 2013 minutes as presented. Ms. Lilly seconded the motion. Motion passed unanimously.

AGENDA ITEM 4 – PUBLIC COMMENT

Mr. Michael Rooney, member of the public addressed the board.

AGENDA ITEM 5 – EMPLOYEE RECOGNITION

Ana Cordova was recognized for her service of 30 years and Elvira “Vera” Dickerson for her service of 20 years. Both employees were presented certificates and congratulated by the Board and those in attendance.

AGENDA ITEM 6 – DISCUSSION & POSSIBLE ACTION REGARDING APPOINTMENT OF APPRAISAL REVIEW BOARD (ARB) CHAIR PERSON & SECRETARY

Ms. Kilgore stated the Property Tax Code changed recently stating that the Board of Directors no longer appoints members to the ARB. This is now being conducted by Judge Patrick Garcia of the 384th District Court of El Paso, Texas. However, according to the Property Tax Code, the Board of Directors does appoint an ARB chair person and secretary. Notices were sent out to all the ARB members in December, 2013 asking if anyone was interested in these positions to notify EPCAD in writing, in order to let the Board of Directors know. The only responses received were from Aimee Raspopovich, the present ARB Chair Person, and Fred Munoz the current Secretary. No other inquiries were received.

Mr. Margo moved for approval of Ms. Raspopovich and Mr. Munoz as Chair Person and Secretary respectively. Ms. Lilly seconded the motion. Motion passed unanimously.

AGENDA ITEM 7 – DISCUSSION & POSSIBLE ACTION REGARDING 2012/2013 FINANCIAL AUDIT & INVESTMENT POLICY

Ms. Kilgore announced that the auditors Jesus Ortiz, C.P.A., and Deana Parra, Staff Member from Peña Briones McDaniel & Company – EPCAD’s external auditors were in attendance. Mr. Ortiz gave a brief overview of the audit report for the fiscal year ended September 30, 2013.

Mr. Ortiz directed the board’s attention to pages one and two of the audit report. The report shows the financial statements which are reported in a qualified opinion, which is a clean report where it is stated that the financial statements are presented fairly in all material aspects, with accounting principles generally accepted in the U.S. Secondly, on pages 21 and 22, it is also reported as it pertains to government accounting standards, which addresses internal control over financial reporting and compliance. This report indicates there were no deficiencies in internal control noted, and also there were no instances of non-compliance noted.

In addition to the financial statements provided is a condensed five year summary of financial information. Overall, EPCAD’s financial position and results of operation for 2013 have remained relatively consistent with prior years. The working capital has also remained virtually unchanged, taking the current assets minus the liabilities. The liabilities are all operational and current, and there are no long-term liabilities at this time with an approximate amount of \$1,168,000.

Monies due taxing jurisdictions shows an amount of \$1,034,455.00, for which the detail can be found on page 20. This essentially reflects expenditures under budget which are in turn credited to the various taxing entities. In addition, on the five year summary, average costs have increased approximately 2% on average each year. This means costs have been controlled by the district. Specific variances, as shown on pages 16 and 17, shows 2013 expenditures of budget versus actual, of which some of the larger ones were – employee benefits, legal fees, professional fees which were less than originally anticipated. Fixed assets increased a bit due to upgrades to the building and information systems equipment which were required for the year. Page 18 shows a comparison of expenditures 2013 versus 2012 and that the overall increase was approximately 3.8% over prior years with no significant increases.

Concerning EPCAD's Investment Policy – at this point no changes are required in order to be in compliance with the Texas Public Funds Investment Act. The only recommendation to be made to the board is changes to the brokers and dealers. The recommendation is the removal of the First National Bank of Fabens, Capitol Bank, Compass Bank, Pioneer Bank and Plains Capital Bank due to being non-responsive.

Ms. Kilgore advised that when EPCAD goes out to bid for the depository, all banks on EPCAD's Investment Policy list are notified. EPCAD's Authorized Broker/Dealers list has been updated and reflects the changes previously discussed.

Mr. Margo questioned the accrued vacation leave on page 14 – does EPCAD have a “use it or lose it” vacation policy. Ms. Kilgore replied “yes” EPCAD does. Ms. Kilgore said the timeline on vacation is as follows: If an employee is allowed ten days per year, they are allowed at the time of their anniversary to carryover ten days and still retain ten days. The next year if it is not used, it is not permitted to be carried over. This was approved by the board of directors several years ago.

Mr. Archuleta wanted to know why a small bank was included from McAllen, Texas. Ms. Kilgore replied that they submitted a quote last year. However, since they are non-responsive, as was Plains Capital Bank, they were removed. Mr. Archuleta also asked if Human Resources and payroll are also examined during the audit. Mr. Ortiz replied yes, however there were no inconsistencies found during the audit.

Mr. Margo made a motion to approve the financial audit as presented. Ms. Searls seconded the motion. Motion passed unanimously.

AGENDA ITEM 8 – DISCUSSION & POSSIBLE ACTION REGARDING REVIEW OF FINANCIAL STATEMENTS, OCTOBER, NOVEMBER, DECEMBER, 2013

Ms. Rosa Goldman, Chief Financial Officer, presented the October, November, December, 2013 Financial Statements. All financial statements are on file and a matter of record in the District's accounting office.

As requested by the Board at the August 2013 meeting, Ms. Goldmann presented a Power Point overview of EPCAD's financial picture for the previously stated months.

Ms. McLean made a motion to approve the financial statements for October, November and December, 2013. Ms. Searls seconded the motion. Motion passed unanimously.

AGENDA ITEM 9 - MONTHLY HEALTH BENEFITS USAGE REPORT – OCTOBER, NOVEMBER, DECEMBER, 2013 & JANUARY, 2014

Ms. Gabrielle Melendez, Human Resource Manager, presented the Health Benefits Usage Report for January, 2014. October, November and December, 2013 appear on the Monthly Health Usage Report.

For January, 2014, the Year-to-Date Loss Fund \$247,651.53, with the Year-to-Date Paid Subject to Loss Fund of \$211,178.11, leaving EPCAD with a positive balance of \$36,473.42.

Mr. Archuleta stated that since some of the board members are new, it would be appreciated if staff could prepare a report showing trends from the previous year for information purposes only.

AGENDA ITEM 10 – DISCUSSION, POSSIBLE ACTION & APPROVAL OF NEW EPCAD TELEPHONE SYSTEM

Ms. Kilgore said that due to the technical aspects of this item, David Stone, Assistant Chief Appraiser would report and advise on this item. In addition, this item is in the present budget (2013/2014) and has been approved for implementation. The present phone system is at a point where it is no longer repairable.

David Stone stated that EPCAD's current phone system is over 25 years old and replacement parts are no longer available. Therefore, it is imperative that the phone system be replaced. The board made it a part of the budget for this fiscal year at \$160,000.00. EPCAD has a quote from Sigma Solutions in El Paso which is partner with Cisco for a new phone system at a cost of \$159,872.07. They are part of the State of Texas DIR contracts and has been vetted by the State and the system approved by the State as a low cost system, therefore, EPCAD is not required to go to bid. This system is the same system that is in use at the City of El Paso, County of El Paso, El Paso Community College, University Medical Center and the Workforce Solutions for Upper Rio Grande. EPCAD has selected to go with proven technology which is in use in other government entities in the area; therefore, staff is request the Board approve this item.

Mr. Archuleta asked what kind of upgraded features it has i.e., things it has that we presently do not have. In reply, Mr. Stone said, voice override, with the capability as we move personnel around from one phone to another in-house. With the present system, when someone is moved to a new work area, the telephone company is called to make the change. The new system is modular which will make it easier to replace parts, etc.

Mr. Archuleta made a motion to approve the purchase of the new phone system as previously stated. Mr. Margo seconded the motion. Motion passed unanimously.

AGENDA ITEM 11 – DISCUSSION & POSSIBLE ACTION REGARDING CHANGING DAY & TIME OF BOARD OF DIRECTORS' MEETINGS

Ms. Kilgore stated that several board members requested that this item be placed on the agenda for discussion.

Mr. Sepulveda stated that the membership comes from various parts of the county. Many board members serve on various boards, some with conflicting dates and times.

Mr. Archuleta stated that EPCAD's meeting start time of 5:30 p.m., presents a traffic problem as well as a challenge in order to arrive on time for the meeting. Mr. Archuleta suggested 6 p.m., but the board members said that would be worse. Ms. Searls suggested a start time of 5 p.m.

Ms. Searls made a motion to keep the meeting on the second Thursday with a start time of 5 p.m. Ms. McLean seconded the motion. Motion passed unanimously.

AGENDA ITEM 12 – TAXPAYER LIAISON OFFICER REPORT

Ms. Tracy Carter, Taxpayer Liaison Officer (TLO) distributed to each board member, applications from the new Appraisal Review Board (ARB) members.

Ms. Kilgore stated that due to new legislation, Board of Directors and appraisal staff are not allowed to have any say on who gets appointed. However, the board can still remove an ARB member for a few reasons, i.e., ex parte, not attending training, if bias is proven, etc. If bias is proven, a letter can be sent to the judge stating bias for which the judge will investigate. All appointments and removals are dictated by the judge.

Ms. Carter told the board she has the honor of working with Judge Garcia, providing clerical assistance to him for this process. This year Judge Garcia appointed nineteen members, five reappointed, two are members who previously served, but due to H.B. 585 they were able to sit out a year and then re-apply. In addition, there are twelve new members appointed and eleven members who have one year left to serve for a grand total of thirty members.

This year there are many new responsibilities for the TLO. Ms. Carter attended a meeting with the State Comptroller's Office in Austin, and they require that all CAD's have computers in their lobbies so that any person interested in providing input through the Comptroller's ARB survey, must be directed to the computer terminals in the appraisal district office, to complete the survey electronically. If the taxpayer wishes to answer the survey in writing, he or she may do so, but only after the hearing in the appraisal district office. Ms. Carter explained that this information is included in the packet she distributed to them. Ms. Carter will also be assisting the property

owners with the completion of their survey. EPCAD has initiated the process of translating the ARB survey in Spanish; the translation will be shared with other appraisal districts in the State.

Ms. Carter also has the responsibility to make sure the ARB follows the State Comptroller's model hearing procedures and that the ARB procedures and the copy of the survey is displayed in the ARB Lobby and each hearing room. EPCAD's internal evaluation sheet will still continue to be utilized. The three (3) computers for taxpayers to submit their comments will be located on the 3rd floor outside of the ARB hearing rooms.

Ms. Carter included a copy of the ARB comment spread sheet compiled from hearings in January. Ms. Carter attended the Comptroller's meeting regarding items discussed above as well as the Texas Association of Appraisal Districts (TAAD) annual conference in Ft. Worth, which were very beneficial.

All ARB members have been registered for the mandatory ARB State Comptroller training, April 15 and 16. EPCAD will bring in the ARB's attorney for a third day of training. If someone does not attend these days of training, again the TLO will let the Chief Appraiser know so that this item can be placed on the EPCAD agenda under the Executive Session.

Ms. McLean asked what the procedure is for the board to become aware if an ARB member should need to be removed. Ms. Kilgore replied if ex parte is involved, the TLO will advise the Chief Appraiser, who will proceed from there. If it deals with a member not attending training, this will be brought to the attention of the Board of Directors via Executive Session as shown on the agenda. Ms. Carter will keep the Board of Directors updated on all the changes regarding the ARB and their functions.

AGENDA ITEM 13 – CHIEF APPRAISER REPORT

Ms. Kilgore directed the Board's attention to the packets they have each been given. Aside from the packet containing information about Commissioner Lewis's mother's services, also included are articles on the equity issue within the State; which is a big issue since it concerns funding to the appraisal districts. Appraisals Districts are losing monies because of law suits that are being settled because of the equity issue. The final MAPS review is also included, in which EPCAD exceeded all categories 100%.

The International Association of Assessing Officers (IAAO) magazine is also included. Ms. Kilgore has been working with IAAO, the State of Texas and other Chief Appraisers on the MAPS review to get those who have the IAAO issued Certificate of Excellence in Assessment Administration (CEAA), to be relieved of some of the requirements for MAPS. The State Comptroller's Office announced this week that those appraisal districts that have the CEAA will only have one question out of the four categories, two categories will have to answer all the questions, but the other two categories will only have to answer one question each.

A new appraisal district board of Directors' manual issued by the State Comptroller's Office was passed out to the members of the Board.

EPCAD'S technology department has been invited to be a presenter at the prestigious IAAO Conference this August in Sacramento, California. EPCAD is number three (3) out of 31 and will be giving a 90 minute presentation regarding technology trends and tools.

The field work is pretty much completed for 2014 and departments are running edits and totals, as well as testing. Notices should go out the first week of April, the goal is April 2nd for residential and some of commercial. Everything is running according to schedule.

AGENDA ITEM 14 – DISCUSSION & POSSIBLE ACTION REGARDING EXECUTIVE SESSION UNDER THE AUTHORITY OF TEX.GOV'T. CODE § 551.071 AND 551.074 TO DISCUSS LEGAL AND PERSONNEL MATTERS

In accordance with the Open Meetings act, TEX.GOV.CODE § 551.071 & § 551.074 the Board of Directors went into Executive Session at 6:41 p.m. to discuss legal and personnel matters. The Board returned to open session at 8:02 p.m. No action was taken in Executive Session.

- A. Executive Director/Chief Appraiser Evaluation
- B. Executive Director/Chief Appraiser Contract
- C. GAC Investments LLP vs EPCAD, Cause No. 2010TX1246
- D. 5 Star Tech I LP vs EPCAD, Cause No. 2012DTX04058
- E. 5 Star Tech I L.P., vs EPCAD, Cause No. 2012DTX04060
- F. 5 Star Tech I L.P., vs EPCAD, Cause No. 2012DTX04059
- G. 1220/1280 Don Haskins, Ltd., vs EPCAD, Cause No. 2012DTX04062
- H. 1220/1280 Don Haskins, Ltd., vs EPCAD No. 2012DTX04063
- I. F-Star Socorro, L.P, vs EPCAD, Cause No. 2012DTX04065
- J. Unit 82 Joint Venture vs EPCAD, Cause No. 2012DTX04076
- K. Unit 82 Joint Venture vs EPCAD, Cause No. 2012DTX04077
- L. Unit 82 Joint Venture vs EPCAD, Cause No. 2012DTX04083
- M. Burnham Properties Ltd., vs EPCAD, Cause No. 2011DTX02880
- N. Franklin Property Company of Palisades LLC and Franklin Property Company of Cielo Vista LLC vs EPCAD, Cause No. 2012DTX03712
- O. Physician Reliance Network Inc. (El Paso Cancer Treatment Center-Gateway) vs EPCAD, Cause No. 2010TX1286
- P. Physician Reliance LP (El Paso Cancer Treatment Center – Grandview) vs EPCAD, Cause No. 2010TX1287
- Q. Physician Reliance LP vs EPCAD, Cause No. 2011DTX06210
- R. River Oaks El Mercado LLC vs EPCAD, Cause No. 2011DTX03887
- S. Verde 9560 Joe Rodriguez Dr., LP vs EPCAD, Cause No. 2011DTX04503
- T. Macy's West Stores Inc vs EPCAD, Cause No. 2012DTX03692
- U. K Partners El Paso Hotel 1LP vs EPCAD, Cause No. 2011DTX03022
- V. Ryder Truck Rental Inc., vs EPCAD, Cause No. 2011DTX06595
- W. Ignacio I Vasquez and Ignacio R. Vasquez vs EPCAD, Cause No. 2012DTX03693
- X. Steve Forti vs EPCAD, Cause No. 2012DTX03978
- Y. Valero Marketing & Supply Co., vs EPCAD, Cause No. 2013DTX1002
- Z. GAC Investments LLP vs EPCAD, Cause No. 2012DTX04068
- AA. Dimant Family LLC vs EPCAD, Cause No. 2011DTX03248
- BB. LLD & MLP vs EPCAD, Cause No. 2011DTX04998
- CC. Crossroads Valley Apartments LLC vs EPCAD, Cause No. 2013DTX0106

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- DD. Frank R. Warren and Joanne C. Warren, Trustees of the Frank R. Warren and Joanne C. Warren Revocable Trust vs EPCAD, Cause No. 2013DTX0857
- EE. Michael Andreas & Andreas Investments vs EPCAD, Cause No. 2012DTX03718
- FF. ELP Rio Grande Enterprises LLC vs EPCAD, Cause No. 2011TX070
- GG. ELP Sun City Enterprises LLC vs EPCAD, Cause No. 2011TX071
- HH. Miller Family Trust vs EPCAD, Cause No. 2012DTX03704
- II. Peinado E. Development Co., vs EPCAD, Cause No. 2011DTX03893
- JJ. RRE Foxglove Holdings, LP vs EPCAD, Cause No. 2009TX1204
- KK. RRE Foxglove Holdings LP vs EPCAD, Cause No. 2012DTX03963
- LL. RRE Santa Fe Holdings LP vs EPCAD, Cause No. 2010TX1283
- MM. RRE Wind Tree Holdings LLC vs EPCAD, Cause No, 2010TX1284
- NN. Block Harold M., Jr., & Jennie M. vs EPCAD, Cause No. 2010TX1252
- OO. EPT Real Estate Inc., vs EPCAD, Cause No. 2011TX656
- PP. 1430 EP Partners LLC vs EPCAD, Cause No. 2011DTX03558
- QQ. Durazno Street Partners LP vs EPCAD, Cause No. 2013DTX0993
- RR. Fiesta Realty Inc., vs EPCAD, Cause No. 2013DTX1014
- SS. Miranda & Boyaki vs EPCAD, Cause No. 2011-2946
- TT. Shiana Inc, vs EPCAD, Cause 2012DTX03702
- UU. Shiana Inc, vs EPCAD, Cause No. 2013DTX0860
- VV. River Oaks Properties vs EPCAD, Cause No. 2011DTX04021
- WW. EPCAD vs El Paso Outlet Center LLC, Cause No. 2011DTX03133

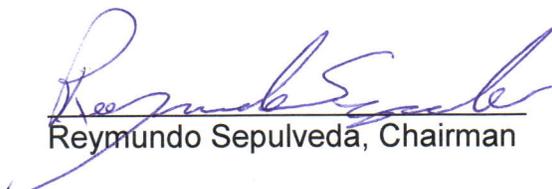
AGENDA ITEM 15 – DISCUSSION & POSSIBLE ACTION REGARDING A-WW ABOVE

Ms. McLean made a motion to postpone item B until the next meeting. Ms. Searls seconded the motion. Motion passed unanimously.

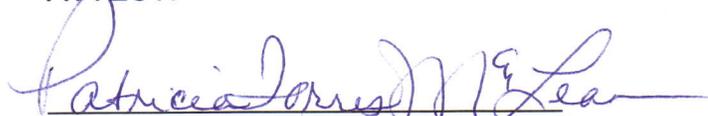
Ms. Searls made a motion to approve Item A as approved by the Board. Ms. Lilly seconded the motion. Motion passed unanimously.

Ms. Searls made a motion to ratify items C-X and approve items Y-WW. Mr. Archuleta seconded the motion. Motion passed unanimously.

There being no further business to come before the Board, the meeting was adjourned at 8:36 p.m.


Reymundo Sepulveda, Chairman

ATTEST:


Patricia McLean, Secretary