



March 12, 2015

The El Paso Central Appraisal District Board of Directors held its regular meeting on Thursday, March 12, 2015 in the Conference Room of the El Paso Central Appraisal District at 5801 Trowbridge Drive, El Paso, Texas. As Chairman Romero was not present, the meeting was initiated by Vice-Chair Ann Morgan Lilly at 5:08 p.m. with the following members present:

Ed Archuleta
Benjamin Morales
Ann Morgan Lilly

Dee Margo
Paul Pearson
Vincent Perez

There was a quorum, with six members present. Ms. Carmen Hegeman, legal counsel, was in attendance for the entire meeting.

Mr. Jerry Romero joined the meeting at 5:24 p.m.

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

ACTION AGENDA ITEM I – APPROVAL AND SIGNING OF THE MINUTES

Mr. Margo moved for approval of the February 12, 2015 minutes as presented; Mr. Archuleta seconded. The motion carried.

AGENDA ITEM 2 – EMPLOYEE RECOGNITION

Mr. David Stone, Assistant Chief Appraiser, announced that Ms. Bertha Johnson, who was to be recognized for her 25 years of service, was unfortunately called away on a family emergency. He furthered that Ms. Johnson's service was yet another example of EPCAD's employee dedication to serving the taxpayers of El Paso County.

AGENDA ITEM 3 – PUBLIC COMMENT

Mr. Stone stated that no one had signed-up for public comment.

ACTION AGENDA ITEM 4 – REVIEW OF FINANCIAL STATEMENTS – JANUARY, 2015

Ms. Rosa Goldmann, Chief Financial Officer, presented the financial report for January 2015. The financial report includes the balance sheets; the report of revenues, expenditures and

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changes in cash balance; actual-to-budget, investment report and the notes to the financial report. As requested by the Board at the August 2013 meeting, Ms. Goldmann presented a PowerPoint review of EPCAD's financial picture for the stated month. She noted that as no funds had been used, the litigation reserve remained at \$600,000.00.

Mr. Margo moved for approval of the financial statements as presented; Mr. Perez seconded the motion; the vote was called and carried.

AGENDA ITEM 5 – MONTHLY HEALTH BENEFITS USAGE REPORT – FEBRUARY 2015

Mr. Stone, in the absence of Ms. Gabrielle Melendez, presented the Health Benefits Usage Report for February 2015.

The Year-to-Date Loss Fund for February 2015 was \$386,011.35, with the Year-to-Date paid Subject to-Loss Fund being \$601,777.07; which leaves a positive balance of \$11,380.02. Mr. Stone noted that two catastrophic claims occurred in February. Reimbursement of \$125,000.00 is expected from the re-insurer. As EPCAD pays into the fund on a monthly basis, Mr. Stone furthered that along with the reimbursement, EPCAD should catch-up in a matter of time and staff does not anticipate any problems.

Mr. Archuleta and Mr. Margo inquired if the \$600,000.00 was an actual expenditure. Mr. Stone responded that it was an expenditure. Mr. Margo asked what the stop-loss amount was; Mr. Stone stated that \$55,000 per individual and \$30,000 for group. Mr. Margo inquired if this type of event continues, did EPCAD have a plan B. Mr. Stone responded that a look at the contingency might be plan B. Ms. Lilly inquired in what time-frame EPCAD expects to receive the reimbursement. Mr. Stone replied that he did not have that information. Mr. Margo added that the broker should be contacted to expedite the process. Mr. Perez commented on the cumulative amount and Mr. Archuleta added that not much more than one night in an emergency room could produce a bill in the double digits. As it stands, this is atypical to previous years.

ACTION AGENDA ITEM 6 – DISCUSSION & POSSIBLE ACTION REGARDING EPCAD'S BOARD MEETING DATES & TIME

Mr. Stone stated that Mr. Romero had placed this item on the agenda to see if the second Thursday of the month at 5 p.m. continued to work well with everyone's schedule. Ms. Lilly opened the floor to discussion of a change in the Board meeting dates and time. The Board concurred that no changes should occur. No action was taken on the item.

AGENDA ITEM 7 – PRESENTATION OF THE 2015/2016 PROPOSED PRELIMINARY BUDGET

Copies of the 2015/2016 Proposed Preliminary Budget were distributed to Board members.

Mr. Vincent Perez stated that the Budget committee had met and Ms. Searls, the chairman of the committee, had asked that he avail the Board of some information.

Mr. Margo inquired what members were on the Budget committee. Mr. Perez stated that he, Ms. Searls and Mr. Paul Pearson. Mr. Perez requested that Board members be provided with a copy of the budget number spreadsheet reviewed by the committee members. He continued that the preliminary budget number was 3.9% above the previous year's; with the majority of the increases falling under payroll related expenses. Mr. Perez informed the Board that the Budget committee is scheduled to meet again prior to the next Board of Directors' meeting. Mr. Stone added that the Preliminary Budget document would be sent to the entities the following day, Friday, March 13, 2015. Mr. Perez continued that the entities can advise EPCAD of their recommended changes, preferably prior to the April 1 committee meeting.

Mr. Stone informed the Board that this document was the preliminary budget draft for each member to review with their respective entities and provide feedback for the Budget Workshop which is held next month in place of a regular meeting. Any questions or recommendations made prior to the committee meeting or the Budget Workshop can be addressed as soon as possible. Mr. Stone reminded the Board that the Budget Workshop, although open to the public, was not recorded, in order that members could work and discuss in all candor. It is at the Boards' discretion to call another meeting if more time is needed to discuss. The May meeting is the time when the Budget is posted for approval at the public hearing. After which time, the budget is sent to the taxing entities and can still be disapproved by a resolution if a majority of the voting entities (El Paso County, all the municipalities, the school districts and the El Paso Community College) agree to disapprove it. At which point, a new budget will have to be established and finalized by mid-July.

Ms. Lilly turned the meeting over to Chairman Jerry Romero, who joined the meeting at 5:23 p.m. Mr. Romero reminded the Board members that this proposal was a preliminary budget for the singular purpose of Board members and their entities to review the items for appropriateness and make recommendations; after such adjustments, the budget can be proposed.

Mr. Archuleta commented that the Budget Workshop should be televised. Ms. Lilly agreed. Mr. Stone added that the May meeting, when the budget is normally approved, is recorded and televised. Mr. Archuleta reiterated that he felt that both the April workshop and the May meeting should both be televised. Mr. Perez agreed. Mr. Romero added that if the consensus of the board was that it should be televised, barring any legal issue, then it should be so. Ms. Carmen Hegeman, legal counsel, addressed the board regarding budget timeline issues.

Mr. Romero inquired of the outcome of item six (6). Mr. Margo responded that no action had been taken. Mr. Romero requested that the item be re-visited. He furthered that he had placed the item on the agenda primarily because he has out-of-town business on the second Thursday of each month and there are conflicts with in-bound flight times to El Paso, which delay him from attending from the start of the meeting. Mr. Romero stated that he had reviewed the meeting dates of all the taxing entities to avoid other conflicts and therefore proposed the third Wednesday or third Thursday of each month. After a brief discussion, it was decided to formally change the EPCAD Board of Directors' meeting date to the third Thursday of each month at

5:00 p.m.; with the exception of the April 2015 Budget Workshop meeting, which will be held at 6:00 p.m. to allow Mr. Perez and Mr. Romero commuting time from out-of-town events. A motion and a second were made; the vote was called and carried.

Mr. Archuleta reiterated his suggestion that the April Budget Workshop meeting be televised and that the public be advised as such. Mr. Romero confirmed that it would be televised. Mr. Stone informed the board that a notice would be posted at the County of El Paso and City of El Paso offices. Mr. Archuleta continued that a press release or newspaper advertisement of some sort would be beneficial to inform the public. Mr. Romero agreed that also due to the change in meeting time that notification should be placed to that effect and that the meeting would be televised.

Mr. Margo requested of Chairman Romero if item seven (7) could be revisited. Mr. Margo provided several observations from the previous years' budget process for the benefit of new board members – Mr. Pearson, Mr. Morales and Mr. Perez. Mr. Romero and Mr. Perez inquired if specific comparisons were included in the budget information. Mr. Stone directed the Board's attention to the sections within the document where the comparisons were shown.

AGENDA ITEM 8 – OVERVIEW OF THE 2015 APPRAISAL PROCESS

Presentations including a Power Point were made by the following EPCAD staff: Mr. Bill Gonzalez, Statistical Coordinator; Mr. Jorge Rodriguez, Business Personal Property Manager; Ms. Michelle Martinez, Commercial Manager; and Ms. Christal Pickett, Residential Department Manager. Questions were posed and comments were made by Mr. Archuleta, Mr. Perez, Mr. Romero, Ms. Lilly and Mr. Margo regarding the methodology of appraising commercial and residential properties and procedures in the levels of protest.

Mr. Charles Williams of Wardlaw Appraisal Group (WAG) addressed the Board briefly with an update of the transition from the previously contracted firm to Wardlaw Appraisal Group; which has included meeting with staff to establish EPCAD's expectations and what is required of WAG; importation of data; WAG has received copies of appraisal documentation; and WAG has established contact with the organizations which they will appraise; and finally, inspections have been made of most of the properties listed within the contract. WAG has begun to develop unit appraisals and has begun to receive renditions for this year. Mr. Williams continued that through meetings with EPCAD staff, WAG is informed of the protest process timelines and that of the ARB. Mr. Williams concluded that the work is progressing well. Mr. Archuleta inquired how many properties had been assigned to Wardlaw. Mr. Williams responded approximately 650; these properties are owned by about 250 companies. This concluded the appraisal process presentations.

The Board moved to go into Executive session at 6:40 p.m.

AGENDA ITEM 9 – 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 6:43 p.m. to discuss legal and personnel matters. No action was taken in Executive Session.

A. JC & GD INVESTMENTS CO., INC	vs. EPCAD, Cause No.	2013DTX1072
B. EPT 3334Z APARTMENTS LP	vs. EPCAD, Cause No.	2013DTX0983
C. FRANCIS PROPERTIES I, LTD	vs. EPCAD, Cause No.	2013DTX1099
D. RIVER OAKS PROPERTIES, LTD.	vs. EPCAD, Cause No.	2011DTX03473
E. EPT SAND PEBBLE APARTMENTS LP	vs. EPCAD, Cause No.	2011DTX03303
F. EPT VISTA VILLAGE HOLDING CO. LLC	vs. EPCAD, Cause No.	2012DTX03607
G. SL BA INDUSTRIAL LLC (6055 THREADGILL, 9526 RAILROAD DRIVE, AND 9566 RAILROAD DRIVE)	vs. EPCAD, Cause No.	2014DTX0726
H. YARBROUGH PLAZA DEVELOPMENT, LLP	vs. EPCAD, Cause No.	2011DTX02524
I. EPT SAN MATEO APARTMENTS LP	vs. EPCAD, Cause No.	2013DTX0986
J. GOVERNMENT EMPLOYEES CREDIT UNION OF EL PASO	vs. EPCAD, Cause No.	2013DTX0969
K. INTERNATIONAL PAPER COMPANY	vs. EPCAD, Cause No.	2011DTX05378
L. SILVA ENTERPRISES INC	vs. EPCAD, Cause No.	2013DTX0963
M. MAURICE EVANS	vs. EPCAD, Cause No.	2014DTX0608
N. MS PROPERTY LLC	vs. EPCAD, Cause No.	2013DTX0962
O. CROMO PARTNERS LLC	vs. EPCAD, Cause No.	2014DTX0563
P. IRVING J SHERMAN TRUSTEE	vs. EPCAD, Cause No.	2013DTX1089
Q. JRK COLINAS DEL SOL LLC	vs. EPCAD, Cause No.	2012DTX03705
R. MOHAMMAD R. FAROKHNIA AND MOHAMMED Z. FAROKHNIA	vs. EPCAD, Cause No.	2011DTX03341
S. COSTCO WHOLESALE CORPORATION	vs. EPCAD, Cause No.	2010TX1182
T. CHICK-FIL-A, INC. AS OWNER AND LESSEE	vs. EPCAD, Cause No.	2013DTX0991

ACTION AGENDA ITEM 10 – DISCUSSION & POSSIBLE ACTION REGARDING A – T AS LISTED IN ITEM 9.

The Board came out of Executive Session at 6:57 p.m. where no action was taken. Regular session was resumed at 6:58 p.m.