MINUTES

BOARD OF DIRECTORS’ REGULAR MEETING

JANUARY 13, 2011

The El Paso Central Appraisal District Board of Directors held a regular meeting on Thursday, January 13, 2011, at 5:50 p.m., in the Conference Room of the El Paso Central Appraisal District at 5801 Trowbridge, with the following members present:

Raymundo Sepulveda, Chairman
Gary Gandara, Vice Chairman
Yvonne Sanchez, Secretary
Alfredo Borrego
Ann Morgan Lilly
Anna Perez
Robert Ward

Ann Morgan Lilly and Anna Perez joined the meeting at 5:54 p.m.

Seven members being present, there was a quorum.

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

Mr. Joe Longoria, EPCAD legal counsel, was present for the entire meeting.

AGENDA ITEM I – ELECTION OF OFFICERS FOR 2011

Ms. Kilgore advised there are 3 officers to be elected, those being Chairman, Vice-Chairman and Secretary.

Mr. Gandara made a motion to retain Mr. Sepulveda as Chairman. Ms. Sanchez seconded the motion. Motion passed unanimously.

Mr. Ward nominated Mr. Gandara as Vice-Chairman. Mr. Borrego seconded the motion. Motion passed unanimously.

Mr. Ward nominated Ms. Sanchez as Secretary. Mr. Gandara seconded the motion. Motion passed unanimously.

AGENDA ITEM 2 - APPROVAL & SIGNING OF MINUTES FOR DECEMBER 9, 2010

Mr. Borrego made a motion to approve the December 9, 2010 minutes as presented. Ms. Sanchez seconded the motion. Motion passed unanimously.

AGENDA ITEM 3 - PUBLIC COMMENT

No public comment was made.

AGENDA ITEM 4 – DISCUSSION & POSSIBLE ACTION REGARDING 2009/2010 FINANCIAL AUDIT

Mr. Gandara, Chair of the Finance Committee, introduced Mr. Réne Peña, C.P.A., a principal with Peña
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Brienes McDaniel & Company. The same company that prepared EPCAD’s financial audit for 2009/2010. The full details of the audit were discussed in the Finance Advisory Committee meeting prior to the Board meeting.

Mr. Peña gave a five year financial summary, and congratulated the EPCAD staff for their fiscal responsibility and stated that things were running smoothly.

EPCAD’s assets have grown over the last five years from 4.9 million to 7.5 million dollars, which reflects a 2.5 million increase during this period, which is about a 40% increase and a sizeable growth in a five 5 year Period.

Total assets have also grown about 3 million dollars from 9.8 million to 12.4 million This past year, total assets grew from 11 to 12 million, which reflects a modest growth during the past years.

Total liabilities during this same period have grown 20% over this five year period, which is one-half growth of the overall assets. All this has created a net asset position – the net assets is the capital base which has grown from 4.7 to 5.7 million which is a million dollar increase, about a 20% increase over a 5 year period, which is very reasonable. The majority of this is in the infrastructure, the building itself.

The revenue side has held consistently for the last 4 years. The amount of revenue that EPCAD required while EPCAD has grown; 40% has remained almost stagnant for a 4-1/2 year period.

On the expenditure side, EPCAD’s total expenditures are 10.7 million compared to 10.5 million last year. The expenditures during this time have been very stable. As EPCAD has grown 40% in overall size, EPCAD has been able to maintain the same revenue (which comes from the taxing jurisdictions) and has cut costs and maintained costs on a very positive note.

The total amount due back to the entities is similar to where it was last year, therefore, maintaining costs has allowed EPCAD to retain the same amount of credits/refunds against the next quarter billing.

The deferred revenue set aside reflects the amount of money coming into the first quarter of 2011. Over a 5 year period EPCAD has grown 40%, but it has kept the costs very stagnant and revenue coming in is fairly stagnant as well.

This audit report is an unqualified report. The financial statements are fairly stated and as shown on page 1 of the Report – Management Discussion and Analysis – this is where management sits down and reviews what has happened this past year and is a recap of the above. Overall, EPCAD’s current cash position reflects the liquidity, which is positive – 5.7 million in current assets and total assets of 12.4 million. More than fifty percent of all assets are current assets, which is a 7% increase over last year and the bottom line reflects the additional cash coming in from the taxing jurisdictions.

The current liabilities also went up about 7% ($800,000.00) which represents the revenues coming in from the taxing jurisdictions. All in all, the total net assets has grown only modestly by 5.3 million to 5.7 million, about $390,000 growth over the prior year. This also reflects the full payoff of a $529,000 debt. In 2011 EPCAD will be paying off another debt and in one more year, EPCAD will be debt free.

Regarding taxing jurisdictions, revenues went up only about 2% from total of 10.5 million to 10.7 million. The total expenditures – personnel costs have actually gone down from 7.4 to 7.2 million. The net personnel costs has gone down $130,000 which a 2% reduction.

Mr. Peña is not recommending any changes, and congratulates EPCAD management on a job well done in keeping costs in line.

Mr. Gandara directed the Board’s attention to page 24 of the report which shows the credit/refunds to the taxing entities, and congratulated Ms. Kilgore and her staff on a job well done.
Mr. Gandara made a motion to accept the 2010/2011 audit as presented. Mr. Ward seconded the motion. Motion passed unanimously.

AGENDA ITEM 5 – REVIEW OF FINANCIAL STATEMENTS – OCTOBER & NOVEMBER, 2010

Ms. Rosa Goldmann, Comptroller, presented the October and November, 2010 Financial Statements. All financial statements are on file and a matter of record in the District’s accounting office.

Ms. Sanchez made a motion to approve the financial statements as presented. Mr. Borrego seconded the motion. Motion passed unanimously.

AGENDA ITEM 6 - MONTHLY HEALTH BENEFIT USAGE REPORT

Ms. Gabrielle Melendez, Human Resource Manager, presented the Health Benefit Usage Report for November and December, 2010. The Year-to-Date Loss Fund for November is $125,771, with the Year-to-Date Paid Subject to Loss Fund $53,266.71, with a positive balance of $62,506.71.

The Year-to-Date Loss Fund for November is $189,736.84, with the Year-to-Date Paid Subject to Loss Fund $100,362.67, showing a positive balance of $89,374.17.

AGENDA ITEM 7 – RECOGNITION OF EPCAD EMPLOYEES

Ms. Kilgore advised the Board that EPCAD is celebrating its 30th anniversary this year. In recognition of this occasion, employee recognitions will begin.

Ms. Kilgore explained to the Board that she wanted to showcase the employees who have reached milestone periods in their employment by presenting them to the Board of Directors and acknowledging their service to EPCAD.

The employees being honored this evening have been with EPCAD 25 and 30 years respectively, are as follows:

25 Years – Manny Corrales, Ana Cordova, Becky Reyes, Sandra Salinas, Patricia Quinteros, Virginia Aguayo and Diana Garza

30 Years – Angie Apodaca, Liz Dueñas, David Loya, Cindy Ramos, Ana Reyes and Vangie Sanchez.

Each honoree was introduced to the Board members, as well as their respective supervisors and given a certificate by Board Chairman, Rey Sepulveda, who thanked them for their loyal service.

Sandra Salinas, Residential Appraiser thanked Ms. Kilgore on behalf of those employees recognized tonight.

AGENDA ITEM 8 - DISCUSSION & POSSIBLE ACTION REGARDING – EXECUTIVE SESSION UNDER THE AUTHORITY OF TEX.GOV’T. CODE § 551.071 & 551.074 TO DISCUSS LEGAL AND PERSONNEL MATTERS

In accordance with the Open Meetings Act, TEX. GOV’T. CODE § 551.071 & 551.074, the Board of Directors went into Executive Session at 6:25 p.m. to discuss legal and personnel matters. The Board returned to open session at 7:05 p.m. No action was taken in Executive Session.

A. Butterfield Trail Apartments Partnership vs EPCAD, Cause No. 2009TX973
B. Yarbrough Plaza Medical Building vs EPCAD, Cause No. 2009TX1095
C. EPT Copper Commons Apartments, LP vs EPCAD, Cause No. 2010TX137
D. Barn Joint Venture vs EPCAD, Cause, Cause No. 2010TX391
E. Barn Joint Venture vs EPCAD, Cause No. 2010TX1255
F. Bartlett Apartments, LLC vs EPCAD, Cause No. 2010TX940
G. The Texans, Inc. vs EPCAD, Cause No. 2010TX996
H. Pronghorn Properties, Ltd., and Antelope Hills, Ltd., vs EPCAD, Cause No. 2010TX1031
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I.  GGIA II Limited vs EPAD, Cause No. 2010TX1087
J.  Hotel Don Quixote Ltd. vs EPACD, Cause No. 2010TX1807
K.  Western Refining Company vs EPACD, Cause No. 2009TX1007
L.  Chief Appraiser evaluation.

AGENDA ITEM 9 – DISCUSSION & POSSIBLE ACTION REGARDING A-M ABOVE

Ms. Anna Perez made a motion to accept the recommendation of legal counsel and settle items A-J. Ms. Sanchez seconded the motion. Motion passed unanimously.

Items K and L were for discussion only and no action was required.

Ms. Perez made a motion to postpone item M until the February, 2011 meeting. Mr. Sanchez seconded the motion passed unanimously.

AGENDA ITEM 10 – CHIEF APPRAISER REPORT

Ms. Kilgore directed the Board’s attention to an invitation from the Texas Association of Assessing Officers (TAAO) Far West Texas Chapter’s installation banquet to be held at the Cattlemen’s Restaurant in Fabens on January 21st.

Last year, David Stone and Ms. Kilgore visited with the taxing entities in November, December and January to talk about the EPCAD budget, as well as a chance to introduce themselves to the entities. This year – February and March Ms. Kilgore, David Stone and Albert Molina will revisit the entities. This process will be done yearly. This year the visit will be a little later than usual in order to give the entities estimated values and how they will affect their entity. In March, staff will present to the Board what EPCAD is looking at regarding the notices. The news media will be notified when the notices are mailed.

Mr. Ward said that he applauded EPCAD on the good job they do, as well the employee recognition that was implemented tonight. Mr. Ward further stated, that he thought it was wonderful that EPCAD employs one of the longest serving employee (30 years) in the State. David Loya, Appraiser, is one of six. Ms. Sanchez said that when employees stay with a company, 20, 25 and 30 years, it is a sign of a great organization. Ms. Perez complimented Ms. Kilgore on improving communications between the taxing entities as well as the taxpayers.

There being no further business to come before the Board, the meeting was adjourned at 7:18 p.m.

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Reymundo Sepulveda, Chairman

ATTEST:

[Signature]
Monne Sanchez, Secretary