MINUTES

BOARD OF DIRECTORS’ REGULAR MEETING

FEBRUARY 10, 2011

The El Paso Central Appraisal District Board of Directors held a regular meeting on Thursday, February 10, 2011, at 5:40 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
Isela Castañon-Williams

Eddie Holguin, Jr.
Ann Morgan Lilly
Anna Perez
Robert Ward

Ms. Perez joined the meeting at 5:48 p.m. and Mr. Holguin joined the meeting at 5:52 p.m.

Nine 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.

Ms. Carmen Hegeman, EPCAD legal counsel, was present only for the executive session.

AGENDA ITEM I – APPROVAL & SIGNING OF MINUTES FOR JANUARY 13, 2011

Ms. Sanchez made a motion to approve the January 13, 2011 minutes as presented. Mr. Ward seconded the motion. Motion passed unanimously.

AGENDA ITEM 2 - PUBLIC COMMENT

No public comment was made.

AGENDA ITEM 3 – MONTHLY BENEFIT USAGE REPORT – JANUARY, 2011

Ms. Gabrielle Melendez, Human Resource Manager, presented the Health Benefit Usage Report for January, 2011. The Year-to-Date Loss Fund for January is $254,910.89, with the Year-to-Date Paid Subject to Loss Fund $135,166.13, leaving a positive balance of $119,724.76.

AGENDA ITEM 4 – DISCUSSION & POSSIBLE ACTION REGARDING AGREEMENT FOR APPRAISAL SERVICES WITH CAPITOL APPRAISAL GROUP INC.

Ms. Kilgore advised that the contract for industrial appraisal services is before them for approval. The total amount of the contract is $369,220.00. Capitol Appraisal Group is not increasing their fee for the fifth year in a row. They handle approximately 650 accounts. In addition to Western Refinery, their accounts consist of communication companies such as Southwestern Bell, AT&T, the railroads, all the utility companies, various pipe lines, hospitals, and cable companies. These businesses require engineering expertise, which Capitol Appraisal provides.

Ms. Kilgore further explained that there are only two companies that do this kind of work in the State of Texas. Capitol Appraisal is one of the two. Capitol Appraisal does the property tax appraisals for refineries for the majority of the large appraisal districts as well as some smaller ones, i.e., Harris (Houston) County and Bexar (San Antonio) County.
Ms. Morgan Lilly stated that she did not have time to review the contract and expressed concerns that an RFP (Request for Proposal) was not issued for these services.

Ms. Perez also stated that she had not had the opportunity to review the contract and asked how CAD assess the performance of Capitol Appraisal and its services. Ms. Kilgore replied that EPCAD does an in-house assessment and so does the State Comptroller’s Office via the annual property value study that is done for all appraisal districts.

Capitol has a very good reputation with the State Comptroller’s Office and the State Comptroller’s Office has always given Capitol a very positive review of their work. EPCAD has used Capitol since EPCAD began in the 1980’s.

Ms. Perez inquired if there is anything in writing that confirms the performance of Capitol Appraisal. Ms. Kilgore replied that it shows in the appraisal numbers provided to the entities, the Comptroller’s annual property value study, and this year, the Methods and Procedures Review (MAPS) that is currently being performed by the State Comptroller’s office. Ms. Kilgore also advised that EPCAD would like to stay within the State of Texas when acquiring these services due to Texas’s unique property tax system and that Capitol Appraisal has that historical knowledge. Ms. Perez conveyed an interest in going out to bid next year for this service.

Due to deadlines with the State, Capitol has already started working and submitting values for 2011. The existing contract expires today, February 10, 2011.

Ms. Sanchez asked if EPCAD has policies in place for contract services. Ms. Kilgore replied that EPCAD will go out for an RFP when required to do so by code. Ms. Kilgore stated that if the general consensus of the Board is to go out to bid for 2012, in order to avoid any negative perceptions, EPCAD will issue an RFP for appraisal services in the fall of 2011 for 2012.

Ms. Perez made a motion to accept the Capitol Appraisal Group contract in the amount of $369,220.00 for 2011. Ms. Sanchez seconded the motion. The motion passed unanimously.

AGENDA ITEM 5 - RECOGNITION OF EPCAD EMPLOYEES

Ms. Kilgore advised the Board that EPCAD in continuing its 30th anniversary celebration, the following employees are being honored this evening.

20 Years – Jon Bertka, Beverly Byrd, Rosa Garcia, Bertha Johnson, Lourdes Kane, Raul Madrigal, Jewel Reinhardt and Jose Urena.

30 Years – Manny Corrales

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

AGENDA ITEM 6 – DISCUSSION & POSSIBLE ACTION REGARDING PURCHASE OF NETWORK STORAGE

Mr. Stone, Assistant Chief Appraiser, requested permission to purchase approximately 7.5 terabytes of disc storage for the computer system. EPCAD has done an analysis of it’s yearly storage needs, and it has been determined that EPCAD needs about 7.4 terabytes yearly for stored data. EPCAD’s new system retains multiple years of data. As a result, EPCAD’s computer storage needs are going to increase as we keep more and more information.

Since EPCAD has been on the new system, we have been able to scan documents and save documents, i.e., (evidence) that the taxpayers present at their hearings in addition to recordings of the Appraisal Review Board hearings, as well as deeds and exemption applications. Storing of these documents have eliminated the paper files. The storage of these documents are easily called up, when needed.
EPCAD has $20,000 allocated in the present budget for this purchase. No less than three vendors will be contacted on the approved information systems list in the State to make sure the vendors are reputable, etc., which will eliminate the process of an RFP. The State allows EPCAD to buy from approved vendors. The vendor with the best price will be selected not to exceed $20,000 in the budget. If the purchase price exceeds $20,000, then staff will come back to the Board for permission to purchase.

Ms. Kilgore advised that every report submitted to the Comptroller’s Office is done electronically. Paper reports are no longer acceptable. The Comptroller’s Office is gearing all appraisal districts towards electronic submission of reports.

Mr. Borrego made a motion to approve the request for network storage in the form of terabytes. Ms. Isela Castañon-Williams seconded the motion. Motion passed unanimously.

AGENDA ITEM 7 - 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 6:28 p.m. to discuss legal and personnel matters. The Board returned to open session at 8:13 p.m. No action was taken in Executive Session.

A. EPT Sand Pebble Apartments, L.P., vs EPCAD, Cause No. 2009TX918
B. EPT Valley Ridge Apartments, L.P. vs EPCAD, Cause No. 2009TX1117
C. EPT San Pedro Apartments, LP vs EPCAD, Cause No. 2010TX938
D. Calvin Kessler and Geraldine Kessler vs EPCAD, Cause No. 2009TX923
E. Armour, Ltd., vs EPCAD, Cause No. 2009TX943
F. Antelope Hills, Ltd., vs EPCAD, Cause No. 2009TX975
G. Ulloa Corporation vs EPCAD, Cause No. 2009TX976
H. Sumie Guerrero and Jessica Guerrero, Trustees of the Alejandro Guerrero Testamentary Trust vs EPCAD, Cause No. 2009TX1114
I. Cavalier Investment Co., Inc. vs EPCAD, Cause No. 2009TX1344
J. Cavalier Investment Company, Inc., vs EPCAD, Cause No. 2010TX1011
K. Cavalier Investment Company, Inc., vs EPCAD, Cause No. 2010TX1097
L. Silvia Martinez vs EPCAD, Cause No. 2010TX145
M. Amex Properties, LLC vs EPCAD, Cause No. 2010TX809
N. Franklin Self Storage, LLC vs EPCAD, Cause No. 2010TX834
O. EPT Citadel Vista Village Apartments, LLC vs EPCAD, Cause No. 2010TX943
P. Spectrum Properties vs EPCAD, Cause No. 2010TX989
Q. 5515 Alabama, LP vs EPCAD, Cause No. 2010TX993
R. HPELP, LP. vs EPCAD, Cause No. 2010TX1000
S. Helen of Troy, LP vs EPCAD, Cause No. 2010TX1041
T. River Oaks Properties, Ltd., vs EPCAD, Cause No. 2010TX1044
U. River Oaks Properties, Ltd., vs EPCAD, Cause No. 2010TX1103
V. River Oaks Properties, Ltd., vs EPCAD, Cause No. 2010TX1104
W. Maurice W. Sullivan, Trustee, Kathryn G. Crosby, Trustee vs EPCAD, Cause No. 2010TX1047
X. 780 Resler LLC vs EPCAD, Cause No. 2010TX1048
Y. Kathuria Family Trust vs EPCAD, Cause No. 2010TX1100
Z. Chief Appraiser evaluation.

AGENDA ITEM 8 – DISCUSSION & POSSIBLE ACTION REGARDING A-Y ABOVE

Ms. Castañon-Williams made a motion to accept the recommendation of legal counsel and settle items A-Y. Mr. Ward seconded the motion. Motion passed unanimously.
ITEM Z – CHIEF APPRAISER EVALUATION

Mr. Sepulveda stated that the evaluation period is from October 2009 thru September 2010. The areas of evaluation and the outcome are as follows:

1. Accomplishment of goals – Rating – Outstanding
2. Budgeting and Finance – Rating – Outstanding
3. Planning, governance and reporting – Rating – Outstanding
4. Community Relations – Rating – Outstanding
5. Human Resources – Rating – Outstanding
7. Facilities – Rating – Satisfactory

Other comments received from the Board are: “Longevity of staff a great plus”, “proud of you Ms. Kilgore and staff for receiving the IAAO award” and “the meticulous way Ms. Kilgore handles legal and logistical details”. Overall rating for the period October, 2009 thru September, 2010 – OUTSTANDING. Rating instrument attached.

Ms. Kilgore thanked the Board and stated she appreciated the Board’s confidence, and stated there are still many more things to be accomplished. In addition, Ms. Kilgore read aloud a letter she prepared to Chairman Sepulveda’s attention which stated her feelings on EPCAD and staff, (copy attached).

AGENDA ITEM 9 – CHIEF APPRAISER REPORT

Ms. Kilgore stated that EPCAD weathered the snow and ice storm quite well. EPCAD’s management staff came to work even though EPCAD was closed due to the weather Wednesday and Thursday. EPCAD attempted to open on Friday and management was available to check on everything. On Wednesday night a small water pipe that addresses the condensation for the UPS unit sprung a leak. As this needed to be re-routed, a plumber attended to this repair on Friday. The eliminator in the HVAC chiller sustained some damage which was also addressed. As the district did not have power on Friday, the workday was cancelled. EPCAD did not lose any computer data, no roof or ceiling damage was sustained. The only major damage occurred on Saturday morning with a broken pipe in the HVAC System. The water was turned off until plumbers were available for repair on Monday. Unfortunately, the Public Service Board (PSB) had the water off in this quadrant. EPCAD opened for business on Monday at 8 a.m. Portable toilet facilities were provided for staff on Monday. A plumber was on-site on Monday afternoon and was able to attend to the repairs. The water was turned back on mid-day Tuesday. After the PSB turned the water on, it was discovered there were leaks in the HVAC system. Trane, the company who services this kind of unit, spent all of Wednesday addressing this issue. Although there was water damage to sheetrock, there was no major damage to the building.

EPCAD’s insurance carrier Texas Municipal League (TML) has been notified and a report has been filed. All invoices for the charges related to the weather will be submitted to TML for payment. Ms. Perez asked that the damages caused directly by freezing temperatures be segregated from those attributed to the electricity being off or the water being shut off. Ms. Kilgore explained that some of the inconveniences were due to the rolling electricity and some were due to the freezing temperatures. Ms. Kilgore said that once all this information is collected, the Board will be given an update. Mr. Sepulveda said there may also be a mold issue involved. EPCAD’s insurance deductible is $1,000.00.

EPCAD has received the 2010 State Comptroller’s Property Value Study. The Comptroller’s Office collects a random sampling of all categories of property value on a yearly basis. Properties include residential, multi family, apartments, land commercial and rural land, commercial industrial, commercial, personal property, utilities, etc. Ms. Kilgore was very proud to say that EPCAD’s values were accepted by the State Comptroller’s Office in all nine school districts. EPCAD’s ratios were between 95 and 100%, 100% being the top. The allowance is 95-105%. The average of all the nine school districts was 97%. The local values were certified to the school districts, therefore, no protests will be filed with the Comptroller’s Office. All school districts are in compliance. This is the second year in a row that EPCAD’s numbers were accepted without any question.
Letters will be sent out this coming month concerning the 100% disabled veterans' exemption as the 100% veterans' can change from year-to-year. This is done in order to verify correct application of the 100% exemption. EPCAD currently has over 1,800 accounts subject to this exemption. Chief Appraisers throughout the State of Texas have the right to request applicants to re-apply for the exemption per Texas Property Tax Code.

There being no further business to come before the Board, the meeting was adjourned at 8:18 p.m.

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[Signature]
Gary Gandara, Vice-Chairman

ATTEST:

[Signature]
Yvonne Sanchez, Secretary