MINUTES

BOARD OF DIRECTORS' REGULAR MEETING

AUGUST 11, 2011

The El Paso Central Appraisal District Board of Directors held a regular meeting on Thursday, August 11, 2011, at 5:38 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
Alfredo Borrego

Eddie Holguin, Jr.
Ann Morgan Lilly
Patricia Torres McLean

Six members being present, there was a quorum, with Mr. Holguin joining the meeting at 5:53 p.m.

Ms. Carmen Hegeman, EPCAD 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 1 – APPROVAL & SIGNING OF MINUTES FOR June 9, 2011

Mr. Gandara made a motion to approve the June 9, 2011, minutes as presented. Mr. Borrego seconded the motion. Motion passed unanimously.

AGENDA ITEM 2 – PRESENTATION TO OUTGOING BOARD MEMBER – ROBERT S. WARD

Mr. Sepulveda and Ms. Kilgore presented Mr. Ward with a plaque and thanked him for his service to the Board. Mr. Ward stated it was a pleasure to serve on the Board.

AGENDA ITEM 3 – PUBLIC COMMENT

No public comment was made.

AGENDA ITEM 4 – REVIEW OF FINANCIAL STATEMENTS FOR MAY & JUNE, 2011

Ms. Rosa Goldmann, Comptroller, presented the May and June, 2011 Financial Statements. All financial statements are on file and a matter of record in the District’s accounting office.

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

AGENDA ITEM 5 – DISCUSSION & POSSIBLE ACTION REGARDING EPCAD’S BANKING DEPOSITORY

Ms. Kilgore stated that this item was brought before the Board in 2009, as it requires going out to bid every two (2) years, but can be carried over for an additional 2 years with Board's permission. In 2009, EPCAD went out to bid and contacted 13 different banking institutions located in El Paso, Dallas and California. The only bid received was from Wells Fargo, which was the same banking institution EPCAD was using at the time.

EPCAD would like to continue using Wells Fargo for an additional two (2) years and go out to bid as required by Code in 2013.
Ms. McLean asked what costs are associated with bidding for a banking depository. Ms. Goldmann replied that the newspaper ad is approximately $400.00 in addition to staff time. Ms. Goldmann further explained that most banking institutions are not interested in bidding for the depository as EPCAD does not have large reserves or rainy day funds. The item before the Board today is for the EPCAD checking account depository.

Ms. Goldmann explained to the Board that the quarterly payments received from the participating taxing entities are invested for short term deposits of 30, 60 and 90 days. This is a separate procedure and EPCAD does bid this investment out routinely on a quarterly basis.

Mr. Borrego made a motion to approve extending the El Paso Central Appraisal District banking depository for two (2) years with Wells Fargo. Ms. Lilly seconded the motion. Motion passed unanimously.

AGENDA ITEM 6 - MONTHLY BENEFITS USAGE REPORT – JUNE & JULY, 2011

Ms. Kilgore, presented the Health Benefits Usage Report(s) for June and July, 2011, due to the absence of Ms. Melendez, Human Resource Manager. Ms. Melendez is out of town in Midland/Odessa presenting a Customer Service Training seminar which she developed.

The Year-to-Date Loss Fund for June was $590,849.89, with the Year-to-Date Paid Subject to Loss Fund of $517,910.95. The Specific Year-to-Date Reimbursement for June is $85,719.49 with the Aggregate Year-To-Date Specific of $34,685.20, showing a positive balance of $123,973.23.

The Year-to-Date Loss Fund for July was $658,440.44 with the Year-to-Date Paid Subject to Loss Fund of $552,107.63. The Specific Reimbursement Year-to-Date was $90,174.69 with the Aggregate Specific of $34,624.06 resulting in a positive balance of $161,883.44.

AGENDA ITEM 7 – DISCUSSION & POSSIBLE ACTION REGARDING EPCAD’S CASUALTY INSURANCE(S)

Ms. Kilgore advised that re-rate information has been received for the 2011/2012 casualty insurance(s) from Texas Municipal League (TML), EPCAD’s current liability insurance provider. TML is a risk pool and EPCAD has (since 2003), received refunds from TML based on the overall performance of the pool. Ms. Kilgore also stated that it appears EPCAD will receive another refund in September of this year.

The total proposed amount for the casualty insurance(s) is $49,775.00 which is a slight decrease from last year. Ms. Kilgore is requesting that the Board allow EPCAD to remain with TML. Ms. Kilgore explained to the Board that when EPCAD submits a claim, the TML response time is very good. Ms. McLean asked if the casualty insurance(s) are put out for bid. Ms. Kilgore replied that EPCAD has not gone out for bid for this recently. Ms. Lilly stated that when the City of El Paso goes out to bid, they usually do better than TML.

Mr. Gandara made a motion to approve the renewal of the casualty insurance as presented. Mr. Borrego seconded. Motion passed unanimously.

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 5:55 p.m. to discuss legal and personnel matters. The Board returned to open session at 6:26 p.m. No action was taken in Executive Session.
AGENDA ITEM 9 – DISCUSSION & POSSIBLE ACTION REGARDING A-U ABOVE

Mr. Borrego moved to ratify Item A and approve items B and C. Mr. Gandara seconded the motion. Motion passed unanimously.

Mr. Borrego moved to give EPCAD permission to file as plaintiff on Items D-U. Mr. Gandara seconded the motion. Motion passed unanimously.

AGENDA ITEM 10 – DISCUSSION & POSSIBLE ACTION ON EPCAD’S HEATING & COOLING (HVAC) SYSTEM – COMPRESSOR REPLACEWMENT

Ms. Kilgore stated that this item is being brought to the Board after the fact based on unique circumstances. On June 16, 2011, it was discovered that one of two compressors in the chiller had exploded causing chiller malfunction. EPCAD was in the middle of the 2011 appeals season when this happened and, as EPCAD is mandated by law to certify the appraisal roll by July 25th, could not shut down operations. Outside temperatures were 100+ degrees causing temperatures in the building to reach 85 to 95 degrees.

Trane, EPCAD’s HVAC service provider, estimated the cost to replace at approximately 35 to 36 thousand dollars. Since the Chief Appraiser has a spending cap of $15,000, Mr. Sepulveda gave his approval as this was both an emergency and a health issue. In addition, EPCAD rented portable air conditioning units that were vented through the ceiling. Fans and miscellaneous supplies were purchased in order to alleviate issues associated with the heat. Ms. Kilgore stressed that everything that could be done was done to keep all EPCAD staff, ARB members, and taxpayers as comfortable as possible until the compressor was installed. The new compressor was installed the following weekend. Ms. Kilgore pointed out that due to the extreme outside temperatures, it took almost a full week for the building to completely cool down.

Ms. Kilgore expressed her gratitude to the staff and the Appraisal Review Board members for their endurance during this trying time as it was imperative that ARB hearings continued in order to meet the certification deadline of July 25, 2011.

The funds to pay for the compressor repair came from the general maintenance fund and Ms. Kilgore is asking the Board for permission to take this amount out of contingency in order to replenish the maintenance fund.

Mr. Holguin inquired if there was insurance or a maintenance policy in place to cover the breakdown. Ms. Kilgore replied that this issue is not covered by insurance as this is a maintenance issue and because the equipment is old, no maintenance contract covers the equipment.

Mr. Holguin asked why Ms. Kilgore did not shut down the building. Ms. Kilgore reiterated to Mr. Holguin that EPCAD was in the middle of the appeals process and mandatory deadlines had to be met. In short, the taxing entities which rely on the certified totals to set their tax rates would have been negatively impacted if EPCAD had stopped the appeals process. Mr. Sepulveda reinforced to the Board, the importance of timely certification.
Mr. Holguin asked what amount was in contingency and what was in the actual operating budget. Ms. Kilgore explained that there is approximately $61,000 left in the maintenance account for the year. Ms. Kilgore explained that it is the Board’s prerogative to pay from contingency or not, however, the Board does need to approve the expense due to her spending cap of $15,000. Ms. Kilgore and Mr. Sepulveda explained that all remaining funds are returned to the entities at the end of the fiscal year.

Ms. Lilly motioned to take funds from the budgeted maintenance fund. Motion was seconded by Mr. Holguin.

Mr. Borrego asked what impact EPCAD would experience if these funds were taken out of the budgeted maintenance fund as opposed to contingency. Ms. Kilgore explained that there would be no immediate consequence and should EPCAD experience any major expenses, they would be brought before the Board for review and approval.

Mr. Sepulveda called for the motion as stated by Ms. Lilly and seconded by Mr. Holguin. Motion carried unanimously.

AGENDA ITEM 11 – DISCUSSION & POSSIBLE ACTION REGARDING CHIEF APPRAISER’S SPENDING AUTHORITY IN CONJUNCTION WITH LOCAL GOVERNMENT CODE 252

Ms. Kilgore explained to the Board that EPCAD falls under Local Government Code 252 with regard to purchasing and contracting authority. This is the same authority which applies to municipalities in Texas.

Ms. Kilgore explained that due to rising expenses and costs of acquisitions, she would like her spending cap to be increased from $15,000 to $50,000 in accordance with the Local Government Code.

Mr. Holguin asked what was the justification for Ms. Kilgore’s request. Ms. Kilgore explained that this is being requested in order to facilitate purchases. Ms. Kilgore stressed to the Board that all expenses above $15,000 require approval from the Board, even those approved and included in the adopted budget.

Mr. Holguin suggested that the spending cap be left at $15,000. Ms. Lilly agreed and seconded. Mr. Borrego stated to Ms. Lilly that it was not a motion, only a suggestion. Mr. Holguin said he would not want to raise the cap just because the code allows it, but would not have a problem increasing the cap to $25,000. Ms. McLean asked to what type and the frequency of purchases that this would apply. Ms. Kilgore replied that only a handful of purchases fall into this situation but do occur on a yearly basis. Ms. McLean stated that she agreed with Mr. Holguin and that the cap should not be raised. Mr. Holguin made a motion to keep the cap at $15,000. Ms. Lilly seconded with Ms. McLean voting in favor. Mr. Sepulveda, Mr. Gandara and Mr. Borrego voted against. Motion failed.

Mr. Borrego said he also had an issue with increasing the cap. However, Mr. Borrego agreed the cap should be higher than $15,000. Mr. Borrego motioned to raise the cap to $25,000. Mr. Gandara seconded the motion. Motion carried with Mr. Holguin and Ms. McLean voting against.

AGENDA ITEM 12 – CHIEF APPRAISER REPORT

Ms. Kilgore reported that the results of the MAPS (Methods and Assistance Program) review have been received. Ms. Kilgore is happy to report to the Board that the EPCAD is in full compliance with all mandatory requirements:

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<thead>
<tr>
<th>Governance:</th>
<th>Met Expectations at 93%</th>
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<tbody>
<tr>
<td>Taxpayer Assistance:</td>
<td>Exceeds Expectations at 147%</td>
</tr>
<tr>
<td>Operating Procedures:</td>
<td>Exceeds Expectations at 103%</td>
</tr>
<tr>
<td>Appraisal Standards:</td>
<td>Exceeds Expectations at 103%</td>
</tr>
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Ms. Kilgore turned the presentation over to Mr. Albert Molina, Appraisal Administrator. Mr. Molina explained to the Board that the MAPS is basically an overall review of the internal operations and functions of the appraisal district. Mr. Molina pointed out that one of the requirements is an on-site review by a State field appraiser to follow and arrive at the same value as the appraisal district has on randomly selected properties using the same manuals as the appraisal district. Mr. Molina reported that the field appraiser from the State was in fact able to arrive at the same value using the appraisal manuals and complimented EPCAD staff on their manuals and the composition of the manual.

Mr. Molina and Ms. Kilgore added that with regard to Governance, EPCAD is still working on bringing this percentage up from 93% to 100%. Per Ms. Kilgore and Mr. Molina, this can be achieved by the submission of Public Information Training received by Board members who have not yet provided proof of training. Ms. Kilgore thanked the Board for assisting with this endeavor and explained to the Board that if there are any questions or additional requests, she or her staff will contact that Board members’ entity.

Mr. Sepulveda explained that all Board members should have had the Public Information Training. Ms. Kilgore also explained that the training is available on-line via the State of Texas website.

Mr. Molina and Ms. Kilgore advised the Board that all the results are subject to final review by the Comptroller’s Office, but both are confident that the percentages will be upheld.

Ms. Kilgore advised that the EPCAD certified the appraisal roll on July 25, 2011 at 97.49% up from 96% in 2010 (despite the chiller emergency).

For the record, Ms. Kilgore corrected the report from the June meeting that EPCAD had mailed appraisal notices to all property owners. For 2011, EPCAD mailed out approximately 119,677 appraisal notices with 16,000 protests filed. It is anticipated that the majority of protests will be resolved by the time the bill file is created.

Customer service surveys reveal that EPCAD is receiving reviews ranging from good to excellent. Ms. Kilgore advised the Board that in-house training has earned EPCAD an average 98% excellent rating for courtesy.

Ms. Kilgore explained that 2012 fieldwork has started and that Pictometry® is also being used to help pick up property for the appraisal roll. Ms. Kilgore advised the Board that she will bring Pictometry® back to the Board next month to request purchase of an over-lay. This over-lay will indicate properties that have a structural change from the last fly over.

Since the hearings are over, EPCAD will host eight in-house appraisal related courses over the next several months.

Ms. Kilgore advised that the EPCAD website now has educational videos for public education.

Ms. Kilgore advised the Board that the 201 legislature updated many laws including qualifications for personal exemptions and the goods-in-transit exemption. EPCAD will send information to the entities regarding the goods-in-transit exemption at a later date.

In concluding her report, Ms. Kilgore advised the Board that Mr. Jesus Sandoval, Information System Manager, was recognized for rescuing a stranded hiker in New Mexico. The Board applauded Mr. Sandoval.

There being no further business, to come before the Board, the meeting was adjourned at 6:47 p.m.

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BOARD OF DIRECTORS
AUGUST 11, 2011

Raymundo Sepulveda, Chairman

ATTEST:

Yvonne Sanchez, Secretary