MINUTES

BOARD OF DIRECTORS’ REGULAR MEETING

SEPTEMBER 13, 2012

The El Paso Central Appraisal District Board of Directors held a regular meeting on Thursday, September 13, 2012, at 6:04 p.m., in the Conference Room of the El Paso Central Appraisal District at 5801 Trowbridge, with the following members present:

Rey Sepulveda, Chairman
Isela Castañon-Williams, Secretary
Ann Morgan Lilly

Sergio Lewis
Laure Searls
Patricia McLean

Gary Gandara joined the meeting at 6:07 p.m.

There was quorum with seven members present.

Joe Longoria, legal counsel, was in attendance via phone for all items up to Executive Session. Chris Borunda, legal counsel, was present for Executive Session.

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 AUGUST 9, 2012

Ms. Searls made a motion to approve the August 9, 2012, minutes as presented. Ms. Castañon-Williams seconded the motion. Motion passed unanimously.

AGENDA ITEM 2 – PUBLIC COMMENT

This item was revisited by the Board of Directors as the speaker had not signed up prior to calling the item.

Ms. Linely Leeper, Chief Budget Officer for the City of El Paso addressed the Board on Agenda Item 6 at the request of the City Manager to ask that CAD accurately capture and reflect commercial values on the tax rolls. Ms. Leeper added that the City of El Paso would be willing to provide any sales information to the CAD in order to assist CAD with this endeavor.

AGENDA ITEM 3 – IAAO (CERTIFICATE OF EXCELLENCE IN APPRAISAL ADMINISTRATION) – CEAA AWARD

Mr. Sepulveda advised the Board that the EPCAD had recently been the recipient of a very high award. Mr. Sepulveda turned the presentation over to Ms. Kilgore who explained to the Board that the El Paso Central Appraisal District has been officially recognized by the International Association of Assessing Officers (IAAO) for excellency in appraisal administration. Ms. Kilgore advised the Board that this award is given by IAAO to appraisal districts and assessment offices that meet the IAAO standard of professionalism - - and compared it to writing a dissertation. Ms. Kilgore along with Albert Molina and Eileen Moore spearheaded the project. Submission usually takes anywhere from a year to eighteen months, however, EPCAD was able to accomplish this project in six months. Ms. Kilgore proudly advised the Board that EPCAD's submission was accepted on the first submission and was not sent back for additions or corrections. Mr. Sepulveda asked that the El Paso delegation to the IAAO Conference please stand for recognition by the Board.
Ms. Kilgore explained that there are only nineteen entities worldwide that have been presented this award. Ms. Kilgore explained how the award is actually an audit and shows the transparency of the EPCAD to the public. Ms. Seals asked if this recognition would appear in the media to which Ms. Kilgore advised that our publicist is preparing a write-up in detail for the local newspapers. Ms. Kilgore thanked the Board for the help they provide EPCAD.

Ms. Kilgore circulated the plaque EPCAD received at the IAAO Conference as well as a newsletter regarding the award.

AGENDA ITEM 4 - REVIEW OF FINANCIAL STATEMENT JULY, 2012

Ms. Rosa Goldmann, Chief Financial Officer, presented the July, 2012 Financial Statement. All financial statements are on file and a matter of record in the District's accounting office.

Mr. Gandara made a motion to accept the July, 2012 Financial Statement as presented. Ms. Seals seconded the motion. Motion passed unanimously.

AGENDA ITEM 5 – MONTHLY HEALTH BENEFITS USAGE REPORT – MAY, JUNE, JULY & AUGUST, 2012

Ms. Gabrielle Melendez, Human Resources manager, presented the health Benefits Usage Report for the period May thru August, 2012. The Year-to-Date Loss Fund for the period ending August, 2012 was $679,363.23, with the Year-to-Date Paid Subject to Loss Fund of $704,730.38, showing a positive balance of $137,304.01. The Specific Reimbursement Year-to-Date is $192,671.16.

AGENDA ITEM 6 – DISCUSSION & POSSIBLE ACTION REGARDING ADOPTION OF THE 2013/2014 REAPPRAISAL PLAN

Ms. Kilgore advised the Board that on August 29th, EPCAD advised the entities of tonight's public hearing for the 2013/2014 Reappraisal Plan. A reappraisal plan is mandated by the State Property Tax Code. This 2013/2014 plan is a two-year plan and is accessible to everyone via the EPCAD Website.

The Reappraisal Plan is basically a business plan for the next 2 years that lays out what EPCAD is going to be doing with regard to the appraisal of properties and the requirements to meet any and all deadlines. Since 2013/2014 is a non-reappraisal year, EPCAD will not be doing a countywide reappraisal. EPCAD will do a yearly countywide reappraisal on commercial and business personal property as dictated by the Property Tax Code.

EPCAD continually monitors all factors pertaining to market value and adjusts accordingly. For example if there is a big increase in sales or a huge decline in values. These are the types of issues that the Plan addresses. The document also gives the formulas that are used, statistical information regarding the ratio studies and goes into detail on the residential, commercial, business personal property and agricultural valuations. There is a parcel count breakdown of the different categories, i.e., single family, multiple family, vacant lots, commercial lot and farms.

The plan breaks down the number of district employees and in which areas they are employed. A copy of the ratio standards that is required under the Uniform Standards of Appraisal Practices and the International Association of Assessing Officers are available in the Plan. The 2013/2014 Reappraisal Plan is basically the same plan as those of the past, however, every 2 years EPCAD reviews and tweaks the plan, per State law, to make any adjustments that have resulted from experience and legislation, etc. CAMA systems upgrades with technological advances like the on-line protests, those improvements are also addressed.

Mr. Lewis asked if EPCAD was in compliance with the rest of the State as far as appraisers are concerned. Ms. Kilgore replied yes, and detailed to the Board that the problem is not in the number of appraisers or staff, but the non-disclosure of sales across the State of Texas. Ms. Kilgore said more staff is not needed but what is needed is sales disclosure. Texas is one of five states that does not have sales disclosure, but stressed to the Board that the effort goes on to pass this item in the Texas Legislature.

In 2012, a reappraisal year, EPCAD sent out almost 400,000 notices of appraised value. Existing staff was able
to handle all of the field work, all analysis, the testing and models that were created to set those values and completed them in time - - the first week of April. The 2012 appeal hearings started early, and there were only 20,000 protests. When the last reappraisal was conducted, there were 36,000 protests and prior to that, there were 42,000 protests. The number of 2012 protests were very low which is an indicator that Residential appraisals were right on the mark. EPCAD does a co-efficient of dispersion ratio study on all categories to see where we stand in market and out in the hearing process right where we need to be at 5±% of market. Because commercial properties are so individualized, they are setup under tables, etc. EPCAD is very much in line with other appraisal districts in the State.

Ms. Kilgore explained that she and her and staff are constantly out in the community talking with groups about the appraisal process, as well as any changes in the legislature that affect property owners. In addition, EPCAD is constantly disseminating information to the public through various media outlets and its website, www.epcad.org.

Ms. Kilgore explained that Pictometry © has certainly enhanced the appraisal rolls and the product itself is available to all of EPCAD’s entities. Ms. Kilgore explained that UTEP was granted permission by Pictometry © to access the information as they are partners with the City of El Paso on many endeavors. Ms. Kilgore advised the Board that an additional Pictometry © demonstration is scheduled for the Board at the October meeting.

Ms. McLean stated that she was hesitant to vote for the Plan as she said she did not receive a copy of the 2013/2014 Reappraisal Plan link with the backup and notice for tonight’s meeting and did not have time to review the plan in detail. Ms. Kilgore explained all members of the Board received the e-mail containing the information. Rep. Lilly was the only member who received her e-mail packet late. Ms. Kilgore advised the Board that the Plan must be adopted by the Board by September 15th per State law.

Ms. Castañon-Williams made a motion to adopt and approve the 2013/2014 Reappraisal Plan. Ms. Sears seconded the motion. The motion passed with Ms. McLean voting no.

AGENDA ITEM 7 – DISCUSSION & POSSIBLE ACTION REGARDING EPCAD’S HEALTH INSURANCE RENEWAL

Ms. Kilgore introduced Mr. Joe Halow, President of Assured Benefits and Mr. Michael Dennis, President of Compass Benefits to discuss the health and dental renewals.

Mr. Dennis first reviewed the Health Insurance Benefit Summary and Maximum Liability spreadsheet. Regarding (Assured Benefits) the present carrier, the health benefits follow:

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Insurance Co-pay</td>
<td>$25.00</td>
</tr>
<tr>
<td>Annual Deductible</td>
<td>$500.00</td>
</tr>
<tr>
<td>After deductible met; benefits are paid at 80% in network, 60% out of network</td>
<td></td>
</tr>
</tbody>
</table>

If hospitalized, or have out-of-network benefits, you have to meet an-out of pocket maximum of $3,000 in network – which means 20% up to $3,000 in network and unlimited out of network.

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prescription Co-pay – generic medications</td>
<td>$20.00</td>
</tr>
<tr>
<td>Brand name medications</td>
<td>$30.00</td>
</tr>
<tr>
<td>Non-formulary medications</td>
<td>$50.00</td>
</tr>
</tbody>
</table>

The renewal rates from Assured Benefits are as follows:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$489.98/Month – Paid by EPCAD</td>
</tr>
<tr>
<td>Family coverage</td>
<td>$1,076.18/Month – Paid by Employee</td>
</tr>
</tbody>
</table>

Mr. Dennis advised that he went out to bid to seven insurance companies – Blue Cross, Aetna, Healthscope, Caprock, Meritain, Cigna and Assured Benefits. The most competitive bid was a renewal from Assured Benefits. Blue Cross came very close – a few thousand dollars off. Currently EPCAD is self-funded, and all monies go into that plan. Blue Cross's quote is for fully insured, which means that every dollar of premium paid to Blue Cross goes to Blue Cross. If there is any savings on claims, Blue Cross keeps the savings. With Assured Benefits (Self
funded), EPCAD keeps the monies. Since there is no potential for savings, it is the recommendation of Mr. Dennis to stay with Assured Benefits for another plan year. There has also been a slight decrease in the overall cost of about 1% or $13,000. Ms. Kilgore stated that the employees really like the Assured Benefits plan. This year the plan provided a savings of $137,000.00.

Ms. McLean asked about the health insurance survey that came up during 2012/2013 budget hearings. Ms. Kilgore advised the Board that the survey is underway and will be an ongoing process. She also advised that appraisal districts are different than other entities when it comes to insurance, i.e., appraisal districts are under the code and have to supply health insurance to retirees. Other appraisal districts similar to EPCAD as well as a couple of local entities with lesser participants have a very difficult time in securing the same rates that local larger entities receive. For example, the City of El Paso has 4,700 participants, the County has 2,200 participants and Ysleta Independent School District has 5,300 participants. They pay a portion of the premium for spouse and children, EPCAD does not.

In response to a question from Ms. McLean, Ms. Kilgore explained that Ysleta pays a $370.00 contribution for employees, County of El Paso pays 97% for the employee, 59% and 63% for staff. The City of El Paso pays 67%, 63% and 62% respectively. When you look at other appraisal districts they also pay 100%. EPCAD’s research will continue and reports will be made to the Board.

Mr. Gandara made a motion to accept Assured Benefits for another year. Ms. Castañon-Williams seconded the motion. Motion passed.

AGENDA ITEM 8 – DISCUSSION & POSSIBLE ACTION REGARDING EPCAD’S DENTAL INSURANCE RENEWAL

Mr. Dennis advised that the District is currently with Guardian.

Guardian presented a 9% increase in the rates, if the district were to switch over to a dual option. Dual option contains the current plan and a MAC Plan, which provides a slightly higher benefit, but if you go to a dentist out of network, the payout to the dentist is much lower, therefore, the employee pays more money out of pocket. The MAC Plan has a $2,000.00 annual maximum, $50.00 deductible, $150.00 for family – preventive care is paid at 100%, just like the current plan. Basic services is paid at 100% and major services are paid at 60%, which is a slight increase in benefits, if the employee chooses to go to the MAC Plan.

Guardian’s Costs are as follows:

<table>
<thead>
<tr>
<th>Annual Maximum Benefit -</th>
<th>$2,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible</td>
<td>$ 50.00</td>
</tr>
<tr>
<td>Family Coverage</td>
<td>$ 150.00</td>
</tr>
<tr>
<td>Preventive Care</td>
<td>100%</td>
</tr>
<tr>
<td>Basic Care – filings, etc.</td>
<td>80% after deductible</td>
</tr>
<tr>
<td>Major services, crowns, root canals, etc.</td>
<td>50%</td>
</tr>
<tr>
<td>Orthodontia to age 19</td>
<td>Lifetime maximum $1,500.00</td>
</tr>
</tbody>
</table>

However, Assured Benefits has offered to take over duties as the dental plan’s third party administrator. By going with Assured Benefits, EPCAD can save an additional $28,000.00. The employee rate goes down from $26.44 to $15.00 per employee. The administrative cost is $2.00 per person. The claims cost is about $36,000. The only item the employees will loose is the rollover feature from Guardian.

The dental rates from Assured Benefits are as follows:

| Employee Only          | $15.00 - Paid by EPCAD |
| Spouse                 | $12.92 - Paid by employee |
| Child(ren)             | $22.09 - Paid by employee |
| Family coverage        | $35.02 - Paid by employee |
Ms. Searls made a motion to accept Assured Benefits as the dental insurance carrier for a year as recommended by Administration. Ms. Castañon-Williams seconded the motion. Motion passed.

AGENDA ITEM 9 – DISCUSSION & POSSIBLE ACTION REGARDING EPCAD's CASUALTY INSURANCE

Ms. Kilgore advised the Board that EPCAD has its casualty and liability with Texas Municipal League (TML) as do many public entities.

The casualty insurance is up for renewal and EPCAD received a credit this year as did all members of the pool. EPCAD has received a credit for the past several years. Currently EPCAD is currently paying $52,316.00 per year and proposed cost for the incoming year is $51,331.00, which is a decrease from the current year. Because TML is such a big pool, the rates are very consistent. This insurance also covers officers and directors.

Mr. Gandara made a motion to approve TML for another year in the amount of $51,331.00. Ms. Searls seconded the motion. Motion passed.

AGENDA ITEM 10 – PERMISSION TO GO TO BID FOR NEW CARPET FOR 2ND & 3RD FLOORS OF THE 5801 TROWBRIDGE FACILITY

Ms. Kilgore stated that included in the 2012/2013 Budget, which goes into effect October 1, 2012, monies were approved to replace existing carpet. Therefore, permission is being asked to go out to bid via RFP.

Ms. Castañon-Williams made a motion to approve the request to go out to bid. Ms. McLean seconded the motion. Motion passed unanimously.

AGENDA ITEM 11 - EXECUTIVE SESSION UNDER THE AUTHORITY OF TEX.GOV'T. CODE § 551.071 & 551.074 TO DISCUSS LEGAL & 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 7:03 p.m. to discuss legal and personnel matters. The Board returned to open session at 7:45 p.m. No action was taken in Executive Session.


AGENDA ITEM 12 – DISCUSSION AND POSSIBLE ACTION ON AGENDA ITEM 11

Ms. Searls made a motion to postpone Item 11 A until Monday, September 24, 2012 at 5:30 p.m. Ms. McLean seconded the motion. Motion passed.

AGENDA ITEM 13 – CHIEF APPRAISER REPORT

Due to the length of Executive Session, no report was given.

The meeting was adjourned at 7:46 p.m.

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[Signature]

Gary Gandara, Vice-Chairman

ATTEST:

Isela Castañon-Williams, Secretary