MINUTES
BOARD OF DIRECTORS' REGULAR MEETING
NOVEMBER 8, 2012

The El Paso Central Appraisal District Board of Directors held a regular meeting on Thursday, November 8, 2012, at 5:39 p.m., in the Conference Room of the El Paso Central Appraisal District at 5801 Trowbridge, with the following members present:

Rey Sepulveda, Chairman
Gary Gandara, Vice-Chairman
Isela Castañon-Williams, Secretary
Alfredo Borrego
Patricia McLean
Laure Sears

There was quorum with six members present. Ms. Castañon-Williams joined the meeting at 6:01 p.m.

Carmen Hegeman, legal counsel, was in attendance 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 I – APPROVAL & SIGNING OF MINUTES FOR OCTOBER 11, 2012

Ms. Sears made a motion to approve the minutes for October 11, 2012 as presented. Mr. Gandara seconded the motion. Motion passed unanimously.

AGENDA ITEM 2 – PUBLIC COMMENT

No public comment was made.

AGENDA ITEM 3 – CHIEF APPRAISER REPORT

Ms. Kilgore advised the Board of the following:

1. **Carpet Project** – As of today, the project is 75% complete. The carpet Company, Ed Co has 21 days in which to complete the project, however, they are ahead of schedule. We anticipate completion by the middle of next week.

   EPCAD has been operating on a normal schedule with no interruption in work as well as customer service not being interrupted.

2. **Education** – EPCAD hosted two in-house classes, Appraisal of Real Property and Income Approach to Value. In addition to EPCAD staff, staff from other appraisal districts in the region also attended. All attendees passed both classes.

3. **2013 Appraisal Year** – Appraisers are currently in the field with 38% Commercial Properties completed, Business Personal Property at 50% complete and Residential 47% complete.
The number of new subdivisions for 2013 has decreased 57%:

2012: 128      2013: 74

Filed deeds has also decreased by 30%:

2012: 1,213    2013: 816

AGENDA ITEM 4 - MONTHLY HEALTH BENEFITS USAGE REPORT – OCTOBER, 2012

Ms. Gabrielle Melendez, Human Resource Manager, presented the health Benefits Usage Report for the period October, 2012. The Year-to-Date Loss Fund for the period ending October, 2012 is $60,953.59, with the Year-to-Date Paid Subject to Loss Fund of $4,383.81, showing a positive balance of $56,569.78.

AGENDA ITEM 5 - DISCUSSION & POSSIBLE ACTION REGARDING TEXAS COUNTY DISTRICT RETIREMENT SYSTEM (TCDRS) EMPLOYER MATCH

The Board approved EPCAD's participation in the TCDRS Retirement System in 2010. In addition Ms. Kilgore stated the fund is very healthy with an 89% ratio which translates to an A+ plan. Also, Ms. Kilgore stated that EPCAD would like to increase the employer match. The present match is 1.25% and all employees are contributing 7%, the maximum by law. The funds are in the budget to raise the employer contribution.

Ms. Kilgore introduced Ms. Roxanne Bita of TCDRS who gave an update and presentation on EPCAD’s retirement plan with TCDRS. Ms. Bita stated that some of the features that sets TCDRS apart from other retirement plans nationwide is that TCDRS is a savings spaced benefit and proceeded to present a short synopsis of EPCAD’s present plan. There is flexibility and local control, so on an annual basis, if the employer wishes to visit the benefits and adjust the same, this opportunity is available. There are over 620 counties and districts that participate in the State. TCDRS serves over 225,000 Texans and provides a retirement benefit to them. For the year 2011 TCDRS paid out almost eight hundred million dollars in benefits in the State of Texas of which 96% of benefits stayed within the State of Texas.

For the first time, in 2011 TCDRS conducted an economic income study and found it supported 1.2 billion dollars in total economic output, created over 9,000 jobs and added $675,000,000.00 to the Texas gross domestic product. In El Paso County in 2011, TCDRS paid a little over 20 million dollars in benefits.

TCDRS was created in 1967 by the Texas legislature and is managed by a nine member Board of Trustees who are appointed by the Texas governor with the approval of the Texas senate, and is not part of the state of Texas. As of December 31, 2011 there was approximately 17.6 billion dollars in assets. TCDRS can offer the same type of plan as an 401(K) for about half the cost, the main reason being professional investment management. With a 401(K) a participant has the burden of investing their own money. TCDRS does not charge employer fees, however, the administrative fees are taken off the top and the cost average is between a quarter to a third of one percent of assets.

An employee puts away 7% of their income throughout their career from each paycheck before taxes and their account earns 7% interest (compounded annually) and at retirement their account is based on their final account balance, the match they receive from the employer, which option they choose, and their age at that point – they will receive a life long income, no matter what option they choose. An employee must have at least 10 years of service to become vested.

In response to an inquiry from Mr. Borrego, Ms. Bita explained that the employee and the employer each have individual accounts. The employee only gets the employer match when they meet all retirement requirements.

Ms. Bita explained that the value of the benefits paid is reviewed on an annual basis and is based on the employers payroll. This cost will fluctuate based on the employers payroll. Part of the cost is applied to the actual benefits promised the employee and also to pay off the unfunded liability.
Regarding the definition of unfunded liability, Ms. Bita explained that unfunded liability is subject to fluctuations in employer payroll, postponed employee retirements or lump sum contributions by the employer.

Ms. Bita explained the various options for employer match to the Board (from a 1.25 to a 2.50 match). Currently the EPCAD plan is approximately 62% funded which, Ms. Bita explained, is typical. If the match is increased, the unfunded liability will increase.

Ms. McLean inquired as to what impact increasing the employer match would have on EPCAD’s TCDRS unfunded liability. Ms. Bita explained that the District would incur an increase in its unfunded liability, which would be paid off over a fifteen year period. Ms. Kilgore explained that unfunded liability will always be present in a plan due to the fluctuations in personnel.

Ms. Sears asked what Ms. Kilgore would be the most comfortable with to which Ms. Kilgore responded that the 2% match would pose the least amount of impact while providing the employees with a better retirement plan.

Ms. Sears made a motion to adopt Proposed Plan Number 1 (2%). Ms. Castañon-Williams seconded the motion. The motion passed with Ms. McLean voting no.

AGENDA ITEM 6 – DISCUSSION & POSSIBLE ACTION REGARDING APPOINTMENT OF 2013 APPRAISAL REVIEW BOARD

Mr. Borrego, Chairman of the Appraisal Review Board (ARB) Committee advised the Board that the advisory committee met to review applications submitted as well as the re-appointments. There were 10 new applicants who applied, with the following being proposed to serve through 2014.

<table>
<thead>
<tr>
<th>Rick Azar</th>
<th>Alma Miller</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judith A. Franco</td>
<td>Grisel Rosas</td>
</tr>
<tr>
<td>Patricia Hawks</td>
<td>Nell Standish</td>
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</tbody>
</table>

Ms. Castañon-Williams made a motion to appoint the six proposed members listed above. Ms. Sears seconded the motion. The motion passed unanimously.

The following re-appointments are being proposed to serve through 2014.

<table>
<thead>
<tr>
<th>Samuel Borunda</th>
<th>Donald Pullen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lewellyn Cox</td>
<td>Francisco Placencio</td>
</tr>
<tr>
<td>Chris Ivey</td>
<td>Ameee Raspopovich</td>
</tr>
<tr>
<td>Robert Long</td>
<td>Antonio Rosales</td>
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<tr>
<td>Ramon Mendoza</td>
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</tbody>
</table>

Ms. Sears made a motion to appoint the nine proposed re-appointments listed above. Ms. Castañon-Williams seconded the motion. Motion passed unanimously.

AGENDA ITEM 7 – DISCUSSION & POSSIBLE ACTION REGARDING APPRAISAL REVIEW BOARD (ARB) CHAIRMAN AND SECRETARY

Mr. Borrego on behalf of the committee recommended Ameee Raspopovich as Chairperson and Fred Munoz as Secretary.

Ms. Sears made a motion to appoint Ameee Raspopovich as Chairperson of the Appraisal Review Board (ARB). Mr. Gandara seconded the motion. Motion passed unanimously.

Ms. Sears made a motion to appoint Mr. Fred Munoz as Secretary of the Appraisal Review Board (ARB). Ms. Castañon-Williams seconded the motion. Motion passed unanimously.

Mr. Borrego thanked Ms. Carter for her work with the ARB. She has completed the maximum of three, 2-year terms.
AGENDA ITEM 8 – DISCUSSION & POSSIBLE ACTION REGARDING CANCELLATION OF DECEMBER, 2012 BOARD OF DIRECTORS' MEETING

Mr. Borrego made a motion to cancel the December, 2012 Board of Directors' meeting. Ms. Castañon-Williams seconded the motion. Motion passed unanimously.

AGENDA ITEM 9 - EXECUTIVE SESSION UNDER THE AUTHORITY OF TEX.GOVT. CODE § 551.071 & 551.074 TO DISCUSS LEGAL & PERSONNEL MATTERS

In accordance with the Open Meetings Act, TEX. GOVT. CODE § 551.071 & 551.074, the Board of Directors went into Executive Session at 6:22 p.m. to discuss legal and personnel matters. The Board returned to open session at 6:50 p.m. No action was taken in Executive Session.

A. EP GMK LP vs EPCAD, Cause No. 2011DTX00389
B. EPT Citadel Vista Village Apartments, LLC vs EPCAD, Cause No. 2010TX1004
C. D Mart Inc vs EPCAD, Cause No. 2011DCV00121
D. AMEX Properties, LLC vs EPCAD, Cause No. 2011DTX03241

AGENDA ITEM 10 – DISCUSSION AND POSSIBLE ACTION ON AGENDA ITEM 9

Ms. Searls made a motion to approve items A-D as recommended by legal counsel. Ms. Castañon-Williams seconded the motion. Motion passed unanimously.

There being no further business to come before the Board, the meeting was adjourned at 6:53 p.m.

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Reymundo Sepulveda, Chairman

ATTEST:

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Isela Castañon-Williams
MINUTES

BOARD OF DIRECTORS' REGULAR MEETING

JANUARY 10, 2013

The El Paso Central Appraisal District Board of Directors held a regular meeting on Thursday, January 10, 2012, at 5:43 p.m., in the Conference Room of the El Paso Central Appraisal District at 5801 Trowbridge, with the following members present:

Rey Sepulveda, Chairman
Alfredo Borrego, Vice-Chairman
Patricia McLean, Secretary
Isela Castañon-Williams
Sergio Lewis
Ann Morgan Lilly

There was quorum with six members present.

Joe Longoria, legal counsel, was in attendance 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 – ELECTION OF OFFICERS FOR 2013

Ms. Castañon-Williams nominated Mr. Sepulveda as Chairman. Ms. Morgan Lilly seconded the motion. Ms. McLean nominated Mr. Borrego. The motion was called and Mr. Sepulveda was elected 3 to 2.

Mr. Lewis nominated Mr. Borrego as Vice-Chairman. Ms. Castañon-Williams seconded the motion. Motion passed unanimously.

Mr. Lewis nominated Ms. McLean as Secretary. Ms. Morgan Lilly seconded the motion. Motion passed unanimously.

AGENDA ITEM 2 - APPROVAL & SIGNING OF MINUTES FOR NOVEMBER 8, 2012

No action taken.

AGENDA ITEM 3 – PUBLIC COMMENT

No public comment was made.

AGENDA ITEM 4 – DISCUSSION & POSSIBLE ACTION REGARDING 2011/2012 FINANCIAL AUDIT AND INVESTMENT POLICY

Ms. Kilgore introduced Ms. Teri Reinert, Partner with the firm Pena Briones McDaniel & Co., external auditor for ECAD will give the 2011/2012 audit report for the period ending September 30, 2012.

Ms. Reinert introduced a one (1) page summary showing major areas of EPCAD’s financial structure over the last five (5) years. Ms. Reinert stated that everything is stable with no significant decreases or increases.

Revenue and expenses – revenue represents the refund to the jurisdictions – EPCAD kept approximately eleven million dollars of revenue this year. In previous years, the revenue was also about eleven million dollars indicating the revenue has remained very consistent.
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BOARD OF DIRECTORS  
JANUARY 10, 2013

Expenditures requiring taxing jurisdictions funding, which is the amount charged to the jurisdictions. Again, this year, it was a little less than eleven million dollars, this is an increase of $166,000.00 over a five year period, which is 1.5% in expenditures over a five year period. Expenditures have been kept in line.

Liabilities - are the biggest part of what will be returned to the taxing jurisdictions. This year is about a 1.46 million dollars compared to an average over the last five years of about 1.3 million dollars. The deferred revenue is the quarterly payment billed to taxing jurisdictions and due October 1st, but paid and received by September 30th. This is revenue that cannot be used until after October 1st for the next calendar year.

Regarding the financial statements which are an unqualified opinion (clean or good) the best you can receive. In addition, there were no adjustments for this audit. In essence, this means that the monthly financial statements prepared by EPCAD are fairly stated. There have been no adjustments for the past several years.

The balance sheet – net assets shows all the cash and fixed assets. There is 4.9 million dollars of which 2.4 are monies paid early before September 30th, and 1.4 million dollars is what is going back to the taxing entities.

Ms. Reinert advised that appraisal districts are now required to have more on line accessibility to taxpayers, therefore, software to support these items becomes a necessary expenditure as required by law.

The auditors also reviewed EPCAD’s investment policy and compare same to the Texas Public Investment Act which EPCAD has complied to in the past, and continues to do so. Therefore, there is no need to make any changes at this time.

Ms. Reinert congratulated EPCAD on receiving the Certificate of Excellence from the International Association of Assessing Officers (IAAO).

Ms. Kilgore advised that tomorrow that a copy of the audit will be mailed to all the entities for their review.

Mr. Lewis and Ms. McLean said it would be very helpful to receive items to be discussed in upcoming meetings, i.e., yearly audit, budget, etc., several days prior to the actual meeting in order for the Board members to have sufficient time to review the material to be discussed. Ms. Kilgore replied that from now on she would try to get the reports to the board members a week prior to the actual meeting.

Mr. Borrego stated that as a board member of both El Paso Independent School District who recently completed Their audit with a good outcome and EPCAD receiving a good audit as well, he congratulated Ms. Kilgore and her team for this accomplishment. Ms. Castañon-Williams was also very complimentary, especially concerning the well presented presentation by Ms. Reinert.

Ms. Castañon-Williams made a motion to accept the 2011/2012 Financial Audit as presented. Ms. McLean seconded the motion. Motion passed unanimously.

AGENDA ITEM 5 – REVIEW OF FINANCIAL STATEMENTS – OCTOBER & NOVEMBER, 2012

Ms. Rosa Goldmann, Chief Financial Officer, presented the October and November, 2012 Financial Statements. All financial statements are on file and a matter of record in the District’s accounting office.

Ms. McLean asked about the November 30th expenditures – utilities. Ms. McLean said there is quite a difference between this year and last year in the year-to-date column, why? Ms. Goldmann stated she did not have the information with her, but would research the same and advise.

Mr. Borrego made a motion to accept the financial statements as presented. Ms. Castañon-Williams seconded the motion. Motion passed unanimously.
AGENDA ITEM 6 - MONTHLY HEALTH BENEFITS USAGE REPORT – NOVEMBER & DECEMBER, 2012

Ms. Gabrielle Melendez, EPCAD Human Resource Manager, presented the November and December, 2012 health reports.

The Year-to-Date Loss Fund for November is $123,866.23, with the Year-to-Date Paid Subject to Loss Fund of $27,559.13, showing a positive balance of $96,307.10.

The Year-to-Date Loss Fund for December is $186,778.87, with the Year-to-Date Subject to Loss Fund of $59,508.72, and a positive balance of $127,270.15.

AGENDA ITEM 7 - CHIEF APPRAISER REPORT

Ms. Kilgore advised the Board that during last week’s snow storm EPCAD’s schedule went well and did not experience any issues. The parking lot was cleared by EPCAD’s maintenance staff. EPCAD closed early on Thursday opened late on Friday.

Ms. Kilgore distributed a calendar detailing major items that impact EPCAD throughout the year. She also expressed to the Board that if there is anything they have a question about or wish to add an item to the calendar, to please let her know.

AGENDA ITEM 8 - DISCUSSION & POSSIBLE ACTION REGARDING DESIGNATION OF VOTING DELEGATE AND ALTERNATE TO THE TEXAS ASSOCIATION OF APPRAISAL DISTRICTS (TAAD) CONFERENCE

Ms. Kilgore advised that the TAAD Conference will be held in Dallas, Texas, February 23-27, 2013, and that the EPCAD Board needs to appoint a delegate and an alternate. Last year, Mr. Gandara was the delegate with Laure Searls as the alternate. Mr. Gandara was unable to attend and Ms. Searls attended as the delegate. Ms. Searls gleaned a lot from the conference and gave a report upon her return. The conference is geared for Chief Appraisers and Board members; where they discuss training of Board of Directors, budgets and liabilities, etc.

Ms. Kilgore announced that she was nominated and elected as Secretary/Treasurer of TAAD and will be sworn in at the conference.

Ms. Castañon-Williams said she would like to attend as a delegate to the conference. Ms. McLean nominated Ms. Castañon-Williams as the delegate to the conference. Motion passed with Mr. Borrego voting no.

Ms. Castañon-Williams nominated Ms. McLean to be the alternate delegate. Motion passed unanimously.

AGENDA ITEM 9 - 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 6:38 p.m. to discuss legal and personnel matters. The Board returned to open session at 7:41 p.m. No action was taken in Executive Session.

A. Plexxar Joint Venture vs EPCAD, Cause No. 2010TX1223
B. EPT Apache Arms Apartments, LP vs EPCAD, Cause No. 2011DTX03266
C. West Valley Partners vs EPCAD, Cause No. 2011DTX02210
D. Branson Co LLC vs EPCAD, Cause No. 2011DTX05205
E. Visvas II A TX General Partnership vs EPCAD, Cause No. 2012DTX03614
F. Nils Desmet and Arlene Desmet vs EPCAD, Cause No. 2012DTX03942
G. Maurice W. Sullivan (TR) and Kathryn G. Crosby (TR) vs EPCAD, Cause No. 2012DTX03788
H. Pinnacle Partners, LP vs EPCAD, EPCAD, Cause No. 2008TX982
AGENDA ITEM 10 – DISCUSSION AND POSSIBLE ACTION ON AGENDA ITEM 9

Regarding Item L – Mr. Borrego made a motion to remove the present Taxpayer Liaison Officer, Gerry Ramsey. Ms. McLean seconded the motion. Motion passed unanimously.

Mr. Borrego made a motion to appoint Ms. Tracy Carter as the new Taxpayer Liaison Officer, for the period of one (1) year. Ms. Castañon-Williams seconded the motion. Motion passed unanimously.

Mr. Borrego made a motion to approve items A-J as recommended by legal counsel. Ms. Castañon-Williams seconded the motion. Motion passed unanimously.

There being no further business to come before the Board, the meeting was adjourned at 7:43 p.m.

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Reymundo Sepulveda, Chairman

ATTEST:

Patricia McLean, Secretary