

GUADALUPE APPRAISAL DISTRICT



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REGULAR SESSION OF THE BOARD OF DIRECTORS

April 3, 2024

1. CALL TO ORDER

Mr. Dunn called the meeting to order at 5:31pm

2. ROLL CALL

Ms. Leticia Sever, Mr. Jim Lievens, Mr. Darren Dunn and Mr. Benito Amador, Jr were present. Mr. Peter Snaddon, Mrs. Jennifer Tovar, and Ms. Cherie Stiers were also present.

3. CITIZENS' COMMENTS – None.

4. TAXPAYER LIAISON REPORT – Ms. Tavia Murphy indicated the ARB board of 10 members just completed several days of required training. Also had the ARB attorney come this past Monday to answer questions and update the board on new laws. Ms. Murphy gave all board members a copy of the policies and procedures that are required to be presented to the BOD. She also indicated next year there would be some changes in the appointment of members. This is the first year it was required to present the policies and procedures to the Board. It was also presented to the Comptroller's office. Mr. Snaddon stated it was good to have the attorney and the appraisers all come together this past Monday. They all hammered out the protocol procedures in order to have the ARB reviews run effectively and speed things up. Ms. Murphy told the Board they appreciate their support. Mr. Snaddon stated Ms. Tavia did a great job at the training. The room was full. Mr. Lievens mentioned that next year there will be changes to the Board approving the new ARB members instead of the Judge. Ms. Murphy said it's for two-year terms. They will not be appointed all at the same time. They will advertise this process.

5. DISCUSSION/ACTION - Presentation and Approval of the 2023 GAD Audit Report by Armstrong, Vaughn, & Associates, P.C. –Debbie Fraser presented the Audit report to the Board. Hita Shah was the auditor who conducted the audit. Ms. Fraser said there was an unmodified opinion, which is a clean opinion. There were some adjustments but that's pretty much expected. Page 11 is the Statement of Net Position. This statement includes fixed assets, debt, net pension liability and your compensated absences. The total assets are \$4,299,834. The deferred pension related outflows are \$684,795. This is primarily the prepaid retirement because it's a year in arrears. Liabilities were \$2.3 million. GAD had deferred pension related inflows. There were net investment and capital assets of \$677,857. Unrestricted is \$1.9 million. On page 13, you'll see how different the Balance Sheet is. You don't have fixed assets, compensated absences, liability, or your pension liability. You had \$3,621,977. Of that you had cash and cash equivalents of \$3,499,000. The \$3,499,000 includes unearned revenue of \$1,492,480 which is your jurisdiction income that you collected in advance. You did have accounts payable and accrued liabilities of about \$140,000. That left you with a variety of fund balances, you had non spendable of \$122,724. This is basically your prepaid expenditures. You have committed or reserved funds from the Board. You have an unassigned fund balance of \$1,145,989. You had compensated absences of \$92,688. This is the only line we adjusted. On page 33, please turn to the budget to actual general fund. Your total revenues were \$4,364,369. You budgeted slightly under that at \$4,353,561. You had a positive variance of \$10,808. Your expenditures that you budgeted were \$3,202,601, but you spent about \$254,357 less than that. You spent \$2,948,244. For your operational supplies and expenditures, you budgeted \$505,261 and you spent \$542,210 so you were over budget by \$36,949. For professional services, you budgeted \$364,243 and you spent \$426,708 so you were over budget by \$62,465. Total data processing, you budgeted \$249,356 and spent \$272,660. Capital Outlay you spent \$8,075 of the \$20,000 you had budgeted. So overall you budgeted \$4,341,461 and you spent \$4,197,897 so you were \$143,564 under expenditures. You increased your revenue by \$166, 472 so your fund balance at the end of the year was 1,986,672. On the Schedule of Changes Net pension and Liability page, your pension liability is \$636,104 and last year you had a pension asset of \$376,451. The net liability changed by about \$900,000. Debbie stated that Cherie was very prepared for this audit. Mr. Amador motioned to approve the audit report and Mr. Lievens seconded. The motion was passed.

6. CONSENT AGENDA These items may be acted upon by one motion. No separate discussion or vote on any one of the items will be had unless requested by a Board member -

- a. Approval of Minutes of the Regular Meeting held March 6, 2024
- b. Approval of Finance Statement for February 2024

Ms. Siever motioned to approve the Minutes of the Regular Meeting and the Approval of the Finance Statement. Mr. Amador seconded the motion. It was passed unanimously.

7. EXECUTIVE SESSION For a private consultation with the Board's Attorney with respect to pending or contemplated litigation, settlement offers, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, clearly conflicts with this chapter, authorized and pursuant to Texas Government Code (Sec 551-071) - The Board did not go into executive session.

8. EXECUTIVE SESSION The board may retire to deliberate the appointment, employment, evaluation, reassignment, duties discipline, or dismissal of a public officer or to hear a complaint or charge against an officer or employee. The subsection does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing. (Sec 551-074) - The Board did not go into executive session.

9. DISCUSSION/ACTION Take any action Based on Discussion Held in Closed Session Under Agenda Item #7 - No Action Taken.

10. DISCUSSION/ACTION Take any action Based on Discussion Held in Closed Session Under Agenda Item #8 - No Action Taken.

11. ACTION - Certification of Unopposed Candidates for GAD Board of Directors per TX Election Code § 2.052
Mr. Snaddon stated there are only two individuals on the ballot. Ms. Kiefer in place 1, Ms. Hermon in place 2 and no one is for place 3. #3 will be appointed in July by the Board. Mr. Lievens motioned for the certification and Mr. Amador seconded the motion. It was passed unanimously.

12. ACTION - Approve Order of Cancellation of May 4, 2024, GAD Board of Directors election per TX Election Code §2.053.
Ms. Siever motioned to approve the order of cancellation and Mr. Lievens seconded the motion. It was passed unanimously.

13. DISCUSSION - Presentation of 2025 Preliminary Budget framework in preparation for budget workshop to be held on May 8, 2024 - Average annual increase over the past 5 years was about 8.5 % of these adopted budgets. Historically we have actually spent about 96-97% of the budget each year. Benchmark point: looking at a little over 5 million for a budget or 1.9% increase. The audited budget performance reveals 3.83% of unspent funds for 2023. Looking at a 5-year change rate, it shows payroll costs have increased 6.36%, expenditures have increased 17.97%, actual budget has increased 7.47%. Salaries and Retirement costs have increased by 6.3%, while insurance has increased by 6.8% and Payroll taxes has increased by 6.5%. Some topics to consider and discuss for the 2025 Budget: Cost of Living Projections, Inflation, Appraisal Staff Grade Adjustments, Merit Award Contingency, Healthcare; we are looking at competitor costs of health care coverage, Retirement; currently at 14%. Expenditure costs: major expenditures include Cama software maintenance, appraisal services, aerial photography, annual notifications. Appraisal Review Board has increased days from 100 to 110 for members and liaison which costs approximately \$140,800. Security costs are projected at \$44,000.

Items to consider for 2025 budget:

GAD Server Replacement: current database reaches 5 years' service mark in Nov 2025. Life expectancy is 5-7 years. The typical 5-year warranty will expire.

Space Planning: As a result of growth within county, which is expected to continue at historical rates, GAD will require additional space. The functional utility of this building is the main objective. Financing would need to come from the entities. Justification is based on growth rates. GAD currently leases two climate-controlled storage units which would save GAD about \$3756 per year when a new facility is acquired. Aside from the monetary savings, the benefit of onsite storage space includes expedited retrieval of documents requested by members of the public through Open Records requests. Additionally, managing periodic document destruction based on retention guidelines would be more readily accomplished. A new facility would adequately provide space for in-house needs and sessions open to the public. This would also save on the costs of sending staff and appraisers to off-site training and education courses. An approved project (expansion or new construction) completed by

01/01/2026 is our objective. Tax code requires an approval of the governing bodies of ¾ of the taxing units. The taxing units must also receive the costs to other available alternatives to the proposal. There are 4 options currently.

- A. Expansion of existing structure
- B. Acquire additional land to the west of current site for construction of new facility.
- C. Enter into agreement with County to acquire portion of acreage owned by County on Guadalupe Street
- D. Enter into an agreement with Seguin ISD to acquire a portion of their facility currently being used for their administrative needs.

Mr. Dunn mentioned talking to the County Judge about the property the County owns is a good idea. Mr. Dunn also mentioned its important to have these discussions regarding the options available for the Budget Workshop.

14. CHIEF APPRAISERS REPORT

- a. 1st Quarter clericals are available for Jan 1, 2024 thru March 31, 2024.
- b. 2024 Notice Run Summary: Total Notice Count (1st Run) 79,802
Drop Date was April 15, 2024
Protest Submission Deadline is May 15, 2024
- c. Reappraisal Observations: Grand Totals reveal a 45% additional Cap Loss

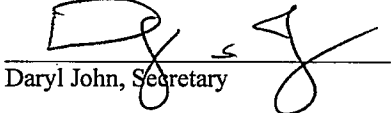
15. DIRECTORS REPORT - None

16. ADJOURNMENT – Mr. Dunn adjourned the meeting at 6:32 pm



Mr. Darren Dunn, Chair

ATTEST:



Daryl John, Secretary