GUADALUPE APPRAISAL DISTRICT

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Minutes
September 9, 2026
5:30 pm

1. **Call to Order:** The regular meeting was called to order at 5:53pm by Mr. Jim Lievens, Vice-Chairman.
2. **Roll Call:** Charles Kelm on Zoom, Jim Lievens, Joshua Bright, Letticia Sever, Peggy Herman and Dr. Burns were present. Ernesto Rodriguez, Daryl John and Pam Kifer were not present. Mr. Snaddon was also present. A quorum was established.
3. **Citizens Comments**: No citizens were present and no public comments were offered.
4. **Taxpayer Liaison Report**: Ms. Tavie, TLO was not present.

5. **Consent Agenda** – These items may be acted upon by one motion. No separate discussion or vote on any of the items will be had unless requested by a Board member.
   a. Approval of Minutes of the August Budget Hearing held on August 5, 2026.
   b. Approval of Minutes of the August Regular Meeting held on August 5, 2026
   c. Approval of Finance Statement for July 2026.
   d. Approval of Auditing Services with Armstrong, Vaughan & Associates, P.C. for the 2026 tax year.
   e. Approval of Renewal Contract for Appraisal Services by Capitol Appraisal Group for the 2027 appraisal year.
   f. Approval of Resolution 2026-10 adopting GAD's 2027-2028 Written Reappraisal Plan

Mr. Lievens noted that he had contacted Peter regarding certain items on the consent agenda, specifically the auditing services agreement with Armstrong, Vaughan & Associates, P.C. for the 2026 tax year and the renewal contract for appraisal services by Capitol Appraisal Group for the 2027 appraisal year. Mr. Lievens explained that he wanted to ensure newer board members had the opportunity to ask questions about these items, noting that both represented continuations of existing contractual relationships. Letticia Sever made a motion to accept the consent agenda as presented. Peggy Herman seconded the motion. No board members requested to pull items for separate discussion. Motion passed unanimously.

6. **Regular Agenda Items**

a. Discussion and Action: Board to consider approval of Construction Manager at-Risk (CMAR) contract for the Mary Erskine Renovation project: Chief Appraiser presented the Construction Manager At-Risk (CMAR) contract for the Mary Erskine Renovation Project. He explained that following the board's previous authorization to enter negotiations, he retained legal counsel from San Antonio based on recommendations from the district's property tax attorney. He identified the attorney as Mr. Spencer, who specializes in public policy and CMAR contracts. Peter reported that he had received approval signature from Koehler Co., the construction management firm, and that the contract mirrored what was provided during the RFP process. He noted a correction in calculations that reduced costs from approximately $39,000 to $36,000, which Koehler acknowledged and accepted. The contract was provided by legal counsel and reviewed by Peter and board members. Peter indicated that the attorney would be available by telephone if needed during the meeting. Charles Kelm stated that he had read through the contract "pretty intensely" and had one significant question regarding the fee structure. He explained that the contract included a 4% project cost fee plus $39,000 for the general contractor's specific salary. He noted that in the federal industry, typically only the 4% would apply for such a project, but the attorney advised that this fee structure is "fairly common in local government." Mr. Kelm stated that the fee structure matched the RFP, and "other than that fee structure, everything else looks pretty solid. Board members discussed several aspects of the contract, including Article 9, which addresses the guaranteed

maximum price. Peter explained that this section would not be completed until a later phase of the project. Joshua Bright raised questions about approval authority for contingency allowances and change orders. Charles Kelm indicated that when he read the contract, he understood that "the board, or Peter as the representative, had the authority to approve the contingency but acknowledged it was a good question to verify. Board members discussed establishing dollar thresholds for approval authority. Extensive discussion ensued regarding potential delays if change orders exceeding certain amounts had to wait for board meetings. Joshua Bright expressed concern that "if there's like 3 change orders over the month period that's more than $15,000, then we have to wait for the board meeting to happen and that kind of holds up the construction. Charles Kelm recommended giving Peter authority up to $15,000 on individual change orders, with a monthly aggregate limit of $45,000. The board discussed the rationale for these limits. Jim Lievens asked whether the contract included communication requirements for periodic status reports. Charles Kelm confirmed there was a requirement for monthly reports. Mr. Lievens asked whether the board needed Peter to modify the contract and bring it back at the next meeting, or if they could approve it with modifications that evening. Peter suggested that if the board was at a consensus regarding the restrictions and limitations discussed, they could make a motion to approve those amendments. Joshua Bright moved to approve the construction manager at risk contract for the Mary Erskine renovation project with the limitations as discussed. Letticia Sever seconded the motion. The motion included the following conditions: Peter has authority to approve individual change orders or contingency items up to $15,000; in any month, if the total aggregate of change orders or contingencies exceeds $45,000, Peter must bring the matter to the board; Peter shall notify the board via email (BCC) when he approves items at or above $15,000 so the board has awareness; and Peter shall present updates on change orders and contingencies at board meetings. All in favor. Motion passed unanimously. Peter indicated that Jared Koehler from Koehler was ready to schedule a kickoff meeting with the district and Ms. Dockery and her team once the contract was approved.

b. Discussion and Action: Consider for approval available options for the 2027 Employee Medical Insurance Coverage Plan (TX Health) Peter presented options for the 2027 employee medical insurance coverage plan with Texas Health. The information was included on page 135 of the meeting documentation. He reported that he had sent the options to staff for feedback, receiving a 39% response rate from 41 individuals. Of those responses, 17% (7 votes) preferred the current renewal, while the next highest was Option 2 with 5 votes. Peter explained his analysis approach: "I'm looking in the middle here, what concerns me is out-of-pocket and deductible, you know, to keep those somewhat in range of where we're at, if possible. And so that way we don't get to a point where we're actually not contributing 100% as a district any further, and staff are going to have to start contributing themselves in future years." Peter presented an alternative approach involving ancillary benefits, which were offered for the first time this year. He explained that with the budgeted amount of approximately $612,000, the district could select Option 3 (the lowest cost plan) and then pay for two ancillary benefits at high coverage levels. He stated this would result in an additional cost of about $18,500 while still remaining below the budgeted amount. He described the ancillary benefits: "high accident, Option 1, as well as hospital indemnity, Option 3, those two will help offset the increase because the staff, if they're hospitalized, are given $2,000 for hospital as well as $200 a day. So that would help offset the increase." Dr. Burns asked whether the district had information on how many current employees reached their deductible or out-of-pocket maximum in the past year. Peter indicated that Ms. Stiers would need to look up that information, as it was not immediately available. Dr. Burns also asked about participation levels in ancillary insurance. Peter confirmed this was the first year such benefits were offered, and currently they are voluntary at the employees' expense. Dr. Burns commented on ancillary insurance participation: His experience has been the first year that you provide ancillary insurance, it's really low participation rate. But those are great insurances. Dr. Burns inquired about the demographic of the employee base. Mr. Snaddon confirmed that most employees are on the upper end of the age range, with only a few under 30 years old. The board discussed that the analysis needed was more in-depth than could be completed during the meeting, and that there was a deadline at the end of the month to submit the plan selection. Peter suggested that given the circumstances, the current renewal might be the least risky option "until we know exactly those type of demographics or figures that we're talking about here to see, analyze exactly which would be the best option for not only us as the district taxpayers, but the staff as well." Board members clarified the current renewal represented approximately a 9% increase with a $2,000 deductible and $6,000 out-of-pocket maximum. Option 3 had the lowest premium increase but would raise the deductible to $2,500 and the out-of-pocket maximum to $9,000. Joshua Bright stated his preference for Option 3 from a taxpayer perspective: "I think for prudent purposes, for representing the entities and the taxpayers, I lean more towards option 3... a 4.3% increase compared to a 9% increase, because that's what we're looking at paying, right?" Mr. Snaddon confirmed that the district contributes 100% for employees and nothing for dependents. Discussion turned to the difference between copays and coinsurance plans. The current plan and all options presented included copays. Peter noted that one employee had provided feedback that "a lot of what her insurance is kicking her on, is in the copay in the doctor's appointments... And apparently then if you have specialist, the copay is higher." He also noted that "a lot of the medications are quite a bit higher now than what we should have paid before. A lot of medications before were free. There was no charge. Mr. Lievens noted that the COLA increase of 2% had been passed and expressed appreciation that the board was not immediately jumping to Option 3. Charles Kelm observed that the

difference between Option 1 and Option 3 was 1.4% in premium increase (5.9% versus 4.3%). He stated, "that $500 can be a lot on deductible for some of our lower-paid employees. He stated he wants to keep it low for the taxpayers, but we also want to keep quality staff and lower our turnover rate and minimize our vacancies. Kelm further commented, "the out-of-pocket max is probably less important than the deductible, you know, push comes to shove in most circumstances." Dr. Burns agreed with this assessment regarding deductibles versus out-of-pocket maximums. Joshua Bright suggested that instead of making a collective decision based on one or two individuals' circumstances, the district could offer employees the opportunity to purchase ancillary insurance at their own cost. Peter mentioned that the district might have an opportunity with Texas Association of Counties for insurance coverage. He explained that Cherie had indicated TAC might make an exception for GAD despite not having 50 employees. He noted that the county's insurance went up 8% but acknowledged that if their premium was lower due to the group pool, it might still be beneficial. Charles Kelm made a motion to go with Option 1. Joshua Bright seconded the motion. Charles Kelm then amended his motion to include offering ancillary programs to staff at the employee's cost. Mr. Kelm participated by videoconference and was visible and audible to the board members and the public. The second remained in place. All in favor. Motion passed unanimously.

c. Discussion: Chief Appraiser Report to include BOD At-Large November Election update, Staffing News, overview of GAD's Freeze/refreeze Procedure, and 2025 Fund Balance Credits: Peter reported that three places were on the ballot. Place 1 (Mr. Hamlet) and Place 3 (Ms. Leos) had candidates running unopposed. Place 2 had Ms. Herman and Mr. Kelm running against each other. Peter provided information on the voting schedule and noted that the ballot had been approved that week. Board members sought clarification on the election. The Chair asked for confirmation about who was running. Peter explained that Jack Hamlet, the former City of Seguin city manager, was one of the unopposed candidates. Peter stated, "he did call me just to, to ask about it, and I, I think he'll be a great asset." A board member noted that their school district did not have to pay for their election because everyone ran unopposed, allowing them to ratify the vote. Peter confirmed that GAD would have to pay for the election since there was a contested race. Peggy Herman explained how she and Charles Kelm ended up running against each other for Place 2: "I was out of town. And so I came in, I think the day before and applied for my place. And, that's when I found out that Charles had also known that 1 and 3 had somebody running. And so he wasn't sure if I was running. So he decided to move from place 3 to place 2. And so that's how we're both running for place 2." Mr. Lievens stated, "I will be happy to have one of you stay, but I will be unhappy to see one of you leave." Peter reported that the district had hired two new PSA individuals in the past month after conducting many interviews. Peter announced a mapping hire who would start September 21st. He expressed enthusiasm about this hire: "this is going to be a good one... this individual is recently out of school with a GIS degree. Peter reported that interviews for two open appraisal positions would begin on September 14th. Peter explained that the district was hosting education courses on-site to save costs. A board member asked whether the district could charge other appraisal districts to attend courses once they moved into the Mary B building with a bigger classroom. Peter confirmed, "Yeah, absolutely... Peter recognized Ms. Tovar for 20 years of service. Peter provided an overview of issues that had arisen regarding freeze and re-freeze procedures. He explained, "there was an issue with some of the freezes. He clarified the roles of different entities: "tax office handles the assessment function. We don't. We've never done it. We do collect everything that you need to run the freeze process, but we send that over to the tax office." Peter explained that the district had begun running the freeze/re-freeze process internally for quality control purposes: "I finally decided last year we went ahead and changed, ran the re-freeze process at least to give us some numbers for the purpose of QC... I'm not going to validate these numbers. I can push a button on our system, and I trust that our staff put in the correct criteria data or all the inputs so that way you can generate a quality or at least a reliable one ... for the purpose of reporting to the state." He described the source of the confusion: "all of that information that was in our reports, the paper reports, not the stuff that we sent over to the tax office. They actually had the correct numbers." The issue arose when tax office staff filled out Truth in Taxation worksheets and imported data that had not been updated with re-freeze calculations. Peter emphasized, "It's settled, it's done... we were right the whole time, to be honest with you, in my opinion... we were doing what we needed to do. He noted that all taxpayers received correct bills and paid the correct amounts; the issue was only with data used by entities performing their own calculations. Mr. Lievens provided additional commentary, applauding Peter for making personal appearances at Commissioner's Court and City Council to address questions. Mr. Lievens also explained the educational value of the situation in understanding the difference between the appraisal district and the tax assessor-collector: "Two completely different functions. We appraise; they assess. In other words, they collect the taxes, tax assessor-collector." Mr. Lievens described how the issue became "very blown out of proportion" and noted that Peter had made a practice of sending appraisal reports to all taxing entities with a bold comment advising them to verify with the tax assessor. Mr. Lievens added that the real budget impact on taxing entities was not from the freeze/re-freeze issue but from homestead exemptions and House Bill 9 regarding commercial properties. Peter agreed, stating that the county "lost over $400 million in taxable value in one year because of House Bill 9 and another 217 100% DVHS properties were added to our account." He calculated this represented "roughly $1.3 million in revenue on last year's tax rate." Peter stated his position clearly: "I'm not here to throw anybody under the bus whose problem it is. That's not my job. I'm just telling you, it ain't us." He expressed willingness to welcome an audit, saying he had

typed up a response indicating "we are an open book here." Mr. Lievens reported hearing feedback and that they are very impressed by you. Peter reported that the district sent back $701,706 to entities in fund balance credits for 2025. He explained the process, sending it as a credit. Peter clarified that the district had chosen to retain enough funds to make interest payments on the Mary Erskine project loan to avoid incurring $146,000 in additional interest, while still providing credits back to entities. A board member asked when entities should anticipate receiving the credit. Peter responded that it had already been sent out.

7. Directors' Report – Mr. Bright asked for a monthly update about construction and to get the kick off meeting on the calendar.

8. Adjournment – Meeting was adjourned at 7:03pm

(If during the course of the meeting, any discussion of any item on the agenda should be in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meeting Act, Texas Government Code, Chapter 551, subchapters D and E)

Charles O. Kelm, Chairman
G.A.D. Board of Directors

~~Daryl John, Secretary~~ Jim Lievens
G.A.D. Board of Directors