

Minutes of Budget/Tax Rate Special Meeting and Public Hearing

The Board of Trustees Navarro Independent School District

A Budget/Tax Rate Special Meeting and Public Hearing of the Board of Trustees of Navarro Independent School District was held Monday, August 31, 2026, beginning at 6:00 PM in the Intermediate School Cafeteria, 588 Link Rd, Seguin, TX 78155.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. **Call to Order:** President, Melissa Sartain, called the meeting to order at 6:00 PM and established a quorum. Present, in addition to Melissa Sartain, were Dan Reinhard, Clint Scheib, Joel Frederick, Dr. Lacey Gosch, and Donna Gilliam. Becki Stephenson was absent.

A. Announcement that this meeting has been duly called, and that notice of this meeting has been posted in accordance with the Texas Open Meetings Act, Section 551.043 of the Texas Government Code.

2. **Public Hearing on the Proposed 2026/2027 Budget and the 2026 Tax Rate** – Paul Neuhoﬀ, NISD Chief Financial Officer, facilitated the hearing and presentation for the proposed 2026/2027 budget and 2026 tax rate. Annually the Board must adopt a budget for the new fiscal year by August 31st. The tax rate must also be adopted annually in order to fund the budget for the new fiscal year. The proposed budget includes the salary increases for district employees that were previously adopted and the adjustments to other expenses for anticipated activity of the district in the coming fiscal year. Debt service includes estimated payments on the new 2026 bond issue. The 2026-27 budget as proposed includes the following budgeted expenditure totals. General Fund at \$40,575,355. Child Nutrition at \$2,202,505. Debt Service at \$12,244,569. The proposed tax rate for 2026 is a total rate of \$1.1687. \$ 0.6687 for the purpose of maintenance and operations, and \$ 0.5000 for the purpose of payment of principal and interest on debts.

There were no questions or public participation during the public hearing.

3. Public Participation:

Individuals wishing to participate in this portion of the meeting shall sign up before the meeting is called to order and shall indicate the topic about which they wish to speak.[Ref. Board Policy BED(LOCAL)]

A. Public Comments on Posted Agenda Items

Public comments regarding a specific agenda item or items listed on the posted notice for this meeting.

B. Public Comments on General Topics

Public comments regarding subjects not listed as an agenda item for this meeting

There was no public participation.

4. Action Items:

A. Consideration and Approval of the 2026/2027 Budget - The proposed budget includes the salary increases for district employees that were previously adopted and the adjustments to other expenses for anticipated activity of the District in the coming fiscal year. Debt service includes estimated payments on the new 2026 bond issue. The 2026-27 budget as proposed includes the following budgeted expenditure totals. General Fund at \$40,575,355. Child Nutrition at \$2,202,505. Debt Service at \$12,244,569.

Donna Gilliam motioned to approve the 2026/2027 Budget for the general fund, food service fund, and debt service fund as present. Clint Scheib seconded the motion. Vote 6-0; motion carried. Voting FOR: Melissa Sartain, Dan Reinhard, Clint Scheib, Joel Frederick, Dr. Lacey Gosch, and Donna Gilliam.

B. Consideration of the No-New-Revenue (NNR) Tax Rate, Voter-Approval Tax Rate (VATR), and Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service and Approval of a Proposed Interest & Sinking Rate for Debt Service that Exceeds the Minimum Amount Required - Section 26.04 of the Property Tax Code requires that the no-new-revenue tax rate and the voter-approval tax rate be submitted to the Board of Trustees by the designated officer or employee. The Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service defined Texas Education Code §44.004(c)(5)(A)(ii) also governs certain actions that must be taken during the tax rate adoption process. This item does NOT represent the adoption of the district's tax rate. SB 1453 (2025) requires supermajority board approval (60%) to increase the proposed Interest & Sinking (I&S) rate above the minimum required debt amount. Since the district is proposing an I&S rate that meets this condition, an additional motion will be required after the initial calculation is presented.

Joel Frederick motioned to approve the No-New-Revenue (NNR) Tax Rate, Voter-Approval Tax Rate (VATR), and Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service and Approval of a Proposed Interest & Sinking Rate for Debt Service that Exceeds the Minimum Amount Required. Dan Reinhard seconded the motion. Vote 6-0; motion carried. Voting FOR: Melissa Sartain, Dan Reinhard, Clint Scheib, Joel Frederick, Dr. Lacey Gosch, and Donna Gilliam.

Dr. Lacey Gosch motioned to approve the proposal of an interest and sinking (I&S) rate to pay debt service that exceeds the minimum debt service tax rate as defined by the Texas Tax Code and the Texas Education Code. The Board finds that the district's minimum debt service tax rate is \$0.4605 per \$100 valuation, and that the proposed interest and sinking tax rate of \$0.50000 used to pay debt service exceeds the minimum debt service tax rate by \$0.0395 per \$100 valuation. Additional revenue generated by the proposed rate will be used for lawful debt service purposes, including payment of scheduled or anticipated debt obligations. Clint Scheib seconded the motion. Vote 6-0; motion carried. Voting FOR: Melissa Sartain, Dan Reinhard, Clint Scheib, Joel Frederick, Dr. Lacey Gosch, and Donna Gilliam.

C. Approval of Ordinance Setting 2026-27 Tax Rate of \$1.1687 - The proposed tax rate for 2026 is a total rate of \$1.1687. \$ 0.6687 for the purpose of maintenance and operations, and \$ 0.5000 for the purpose of payment of principal and interest on debts.

Dr. Lacey Gosch motioned to approve that the property tax rate be increased by the adoption of a tax rate of \$1.1687 which is effectively a 4.87 percent increase in the No-New Revenue tax rate. This tax rate will raise more taxes for maintenance and operations than last year's tax rate. Dan Reinhard

seconded the motion. Vote 6-0; motion carried. Voting FOR: Melissa Sartain, Dan Reinhard, Clint Scheib, Joel Frederick, Dr. Lacey Gosch, and Donna Gilliam.

D. Consideration and Approval of Fund Balance Commitments - The commitments within the General Fund Balance were previously set prior to current bond projects. bond construction is addressing many of the issues previously addressed as commitments of fund balance. The district insurance currently has a 2% deductible related to property and casualty insurance. The Percent Deductible amount will be calculated based on the designated percent, applied to the Total Covered Value of a Loss-affected Covered Property (including Personal Property contents) in the Statement of Values schedule. In addition, the potential of cyber security incidents continues and coverage from any insurance carrier is always limited. Due to the increase in insurance deductibles, we believe it is prudent to set aside funds to be available. We believe that maintaining funds for land purchase is prudent as well as increasing technology upgrade funds as technology continues to evolve quickly. We also wish to maintain set aside funds for paving/parking upgrades and possible renovation of the old junior high gym.

Dan Reinhard motioned to approve the proposed Fund Balance Commitments as presented. Donna Gilliam seconded the motion. Vote 6-0; motion carried. Voting FOR: Melissa Sartain, Dan Reinhard, Clint Scheib, Joel Frederick, Dr. Lacey Gosch, and Donna Gilliam.

5. Consent:

- A. Consideration and Approval of Budget Amendment 2025/2026 Budget
- B. Donations - Student Meal Debt

Clint Scheib motioned to approve the Consent Agenda as presented. Dr. Lacey Gosch seconded the motion. Vote 6-0; motion carried. Voting FOR: Melissa Sartain, Dan Reinhard, Clint Scheib, Joel Frederick, Dr. Lacey Gosch, and Donna Gilliam.

6. Closed Session: The Board may go into closed session. Any related action will be taken in open session.

- A. Pursuant to Texas Government Code Section 551.074 to discuss the Employment and Resignations of Professional Personnel to include Teachers and other Professionals
- B. Pursuant to Texas Government Code Section 551.072 to deliberate the purchase, exchange, lease, or value of real property

The Board did not go into closed session.

7. Adjourn: The Board adjourned at 6:23 PM

Melissa Sartain, President
NISD Board of Trustees

Donna Gilliam, Secretary
NISD Board of Trustees