

BOARD OF DIRECTORS
POLICY MANUAL
GILLESPIE CENTRAL APPRAISAL DISTRICT
February, 2010

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I. APPRAISAL DISTRICT GENERALLY

A. Creation The Gillespie Central Appraisal District is a political subdivision of the State created by the 66th Legislature in 1979 and authorized by voter approval of a Constitutional amendment which enacted the Property Tax Code. All statutory references in this Policy Manual are to the Property Tax Code, unless otherwise stated.

B. Purpose The Texas Constitution established three principles to be followed in taxing property:

1. All taxation must be equal and uniform.
2. All property must be valued at its market value.
3. No property may be valued in excess of its market value.

Equality and uniformity in property taxation can be provided only by appraising and taxing all taxable property. The purpose of the Gillespie Central Appraisal District is to locate, list and value all taxable property within the Appraisal District boundaries, in addition to administering all authorized exemptions, including but not limited to Homesteads, Age, Veteran's Disability and Agricultural Use.

II. BOARD OF DIRECTORS

Pursuant to the Property Tax Code, a board of five elected directors governs the Gillespie Central Appraisal District. In addition, should the Gillespie County Tax Assessor/Collector(TAC) not be appointed to the board, the TAC shall automatically be a non-voting member of the Board. Board members select the chief appraiser, adopt the annual district budget, appoint an ARB, and ensure that the district follows policies and procedures set by law. In addition, the Board of Directors adopts policies, rules and regulations for the operation of the District. These policies, rules and regulations are carried out and enforced by a Chief Appraiser appointed by the Board of Directors to administer the business of the District.

The Board does not appraise property or make decisions that affect the appraisal records.

A. Term

Members of the board serve two-year terms, beginning January 1 of even-numbered years.

B. Vacancies on the Board:

Vacancies will be filled as provided by §6.03 of the Tax Code. In cases other than the non-voting county tax assessor, each entity that is entitled to vote may nominate a candidate to fill the vacancy. The Board then shall elect by majority vote one of the nominees to fill the vacancy.

C. Recall:

The governing body of a taxing unit that participated in the appointment of a board member may initiate the recall of that member pursuant to §6.033 of the Tax Code.

D. Eligibility:

Board members must reside within the boundaries of the Gillespie Central Appraisal District. To be eligible to serve on the appraisal district board, a person must have lived in the district for at

least two years just prior to his or her swearing in. The law bars all taxing unit employees other than elected officials and governing body members from serving on the appraisal district board of directors.

The law also bars a person from serving on the board of directors if that person is a party to a contract with the appraisal district or to a contract involving property tax matters with a taxing unit in the district. This prohibition applies if the person has a substantial interest in a business with such contracts.

Persons are also ineligible to serve as district directors if a relative within the degrees of affinity or consanguinity as described in Chapter 573 of the Government Code does business in the appraisal district as a paid property agent or as a fee appraiser who performs appraisals for use in property tax proceedings.

A person is disqualified from serving on the board of directors if that person owns property on which delinquent property taxes have been owed for more than 60 days after the person knew or should have known of the delinquency.

Violation of these prohibitions is a Class B misdemeanor. A Class B misdemeanor is punishable by a fine of up to \$1000 and/or six months in jail.

The chief appraiser may not employ certain relatives of a member of the board of directors. Any relative within the second degree by marriage or the third degree by blood as determined under Chapter 573, Government Code is barred from employment. Intentional or knowing violation of this provision is a misdemeanor. [Sec. 6.05(f)]

E. Officers of the Board:

The Board shall elect a chairman, a vice-chairman, and a secretary at its first meeting each calendar year. The chairman may vote on any motion. The duties of the chairman **or**, if the chairman is absent, the duties of the vice-chairman include:

- * Presiding at Board meetings;
- * Appointing committee members unless otherwise instructed by the Board;
- * Along with the secretary, signing all legal instruments requiring Board signature;
- * Performing legal duties as required by statute, and functions as designated by the Board;
- * Calling special or emergency meetings if needed; and
- * Exercising such other powers and duties as may from time to time be delegated to the chairman by a majority of the board.

The secretary's duties include:

- * Presiding at Board meetings if the chairman and vice-chairman are absent;
- * Recording all official proceedings of the Board;
- * Giving notice of all meetings of the Board;
- * Along with the chairman or vice-chairman, signing all legal instruments requiring Board signature;

- * Performing legal duties as required by statute, and functions as designated by the Board; and
- * Exercising such other powers and duties as may from time to time be delegated to the secretary by a majority of the board.

The recorded minutes shall be kept in the Appraisal District office. The actual recording and transcription of the proceedings of any meeting may be delegated to clerical staff.

F. Compensation:

Members of the board do not receive compensation for service on the board. Members do receive reimbursement for actual and necessary expenses incurred in the performance of their duties as provided by the appraisal district budget.

G. Meetings:

The board normally meets in the Gillespie Central Appraisal District boardroom, located in Suite 102b of the Gillespie County Courthouse, 101 West Main Street, Fredericksburg, Texas. The board may designate a different meeting place if needed. Meetings start promptly at the scheduled time or as soon thereafter as a quorum is present.

A majority of the members of the board constitute a quorum. The non-voting TAC counts towards the quorum.

The board holds regular meetings on the third Tuesday of each month beginning at 9:30 a.m. The chairman may call special meetings or emergency meetings, and a majority of the board may vote to call special or emergency meetings during any meeting. The Secretary may call a special meeting upon receiving written request of at least two members of the Board. Members of the Board shall be notified of the date of a special meeting either in writing or by telephone at least one day in advance.

The chief appraiser prepares and posts meeting notices as required by law on behalf of the board. Only items posted in the meeting notice may be acted upon at a meeting. Notice of the day of the meeting is to be delivered to all members of the board by the chief appraiser in writing, delivered by mail, email or by hand.

Board policy is to strictly adhere to the Texas Open Meetings Act.

The board conducts its meetings under *Roberts Rules of Order Revised* unless otherwise directed by applicable law or board policy.

The board may hold a closed or executive session that excludes the public to the extent permitted by law.

The chief appraiser prepares the meeting notice and agenda on behalf of the board. The chief appraiser normally emails, mails or delivers an agenda packet outlining the agenda and providing support information to each member at least forty-eight (48) hours before the time of the next regular meeting. The packet shall include the minutes of the previous regular meeting, a budget comparison, and a reconciliation report. A financial balance sheet will be provided to the Board on a quarterly basis.

After the recognition of any guests, the first order of business at a meeting is approval of minutes of the preceding meeting. The secretary signs the minutes when approved. The chief appraiser keeps the official minutes of the board on behalf of the board.

H. Authority of the Board

The board of directors establishes general policies in keeping with the wishes of the community and the requirements of state law. The board may exercise its authority only by majority vote in a properly posted meeting. An individual member may not bind the board by any statement or action without prior excess approval of the board.

The board may establish committees as needed to carry out its responsibilities. A committee acts only as an adjunct of the board and may not take any action which in any way usurps the power and/or responsibilities of the board of directors. The Board normally appoints committee members by majority vote.

A member will serve until a successor is named or the committee is terminated.

The statutory responsibilities of the board of directors include:

1. Establishment of an appraisal office (Section 60:):

The administrative offices of the district are located in the basement of the Gillespie County Courthouse, 101 W. Main Street, Suite 101b, Fredericksburg, Texas.

The district's normal business hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday. The board and the chief appraiser periodically review office space requirements, lease arrangements, and other requirements related to the establishment of appraisal district offices.

2. Appointment of chief appraiser (Section 6.05):

The board appoints the chief appraiser, who serves at the pleasure of the board. The board evaluates the chief appraiser annually or at their discretion.

The chief appraiser is an officer of the appraisal district for purposes of the nepotism law, Chapter 573, Government Code. The district may not employ or contract with the chief appraiser's spouse, parent or stepparent, child or stepchild, or the spouse of these. [Sec. 6.05(g)]

3. Adoption of budget (Section 6.06):

Before June 15 of each year, the chief appraiser prepares a preliminary budget and delivers copies to each board member and each participating taxing unit with a request for their comments and recommendations.

The board shall consider and adopt the annual budget before September 15 of each year, after giving notice to the public and taxing units and conducting a public hearing as required by law.

4. Annual Financial Audit (Section 6.063):

The board contracts for an annual audit by an independent certified public accountant. The chief appraiser delivers copies of the audit report to the presiding officers of the county, cities, schools, and conservation and reclamation districts participating in the district.

5. Designation of depository (Section 6.09):

The board solicits bids for the district depository at least once every two years. In choosing a depository, the board selects the institution that offers the most favorable terms and conditions for the handling of district funds. Funds must be secured in the manner provided by law for county funds.

6. Competitive bidding requirements (Sec. 6.11):

Generally speaking, the district may not make a contract that requires expending \$25,000 or more without taking competitive bids. The board authorizes any proposal for bids for a contract exceeding this amount. There are several exceptions, including contracts for professional services, purchases through the state purchasing program, and several other exceptions specified in the law. The board follows the same rules that apply to a commissioner's court under the Certificate of Obligation Act of 1971 (Subchapter C, Chapter 271, Local Government Code).

7. Appointment of agricultural advisory board (Section 6.12):

The chief appraiser, with the advice and consent of the board, appoints an agricultural advisory board to advise the chief appraiser on the valuation and use of agricultural and timber land.

8. Appointment of Appraisal Review Board (Subchapter C of Chapter 6 - Local Administration. Tax Code):

In selecting appraisal review board members, the board will consider any factors that will make the appraisal review board a body representative of Gillespie County.

The board of directors, or a committee may interview candidates for the appraisal review board before making formal selection. In making reappointments, the board will solicit and consider evaluations from taxpayers, the appraisal staff; and other interested parties. Selection of members is based solely on qualifications and the judgment of the board of directors that the persons selected will make good review board members.

The board appoints ARB members by resolution. If a vacancy occurs, the board fills it in the same manner. The appointee serves for the unexpired portion of the term. Service for part of an unexpired term counts as service of part of a term for the purposes of the three-term limit on ARB service. [Sec. 6.41 (e)j

9. Appraisal contracts [Section 25.01(b) and (c)]:

The chief appraiser, with the approval of the board, may contract annually with private appraisal firms to perform appraisal services for the district. Appraisal services provided by each such firm are subject to the chief appraiser's approval.

10. Periodic reappraisal (Section 25.18):

The appraisal district reviews all real property values annually and reappraises all real

property in the District at least once every three years. At all times, however, the appraisal district is responsible for ensuring that taxation is equal and uniform as directed by Article VIII, Section 1 of the state constitution.

11. Other board duties

In addition to performing specific statutory duties, the board:

- * Establishes committees as needed.
- * Requires and evaluates reports from the chief appraiser on the operations and financial status of the appraisal district.
- * Requires the development and adoption of district policies for the sound financial management of district funds.
- * Assists in presenting the needs and progress of the appraisal district to the public.
- * Considers and acts on policies for the appraisal district, the appraisal office, and the appraisal review board. Board members, the chief appraiser, and the general public may suggest policy changes to the board. Any policy change proposed by the general public shall be submitted to the chief appraiser for his/her consideration and recommendation.
- * Selects district legal counsel.
- * Approves contracts as required by law.
- * Performs other duties as required to govern the district as permitted by law.

I. Public Access to the Board of Directors:

It is the policy of the board of directors to provide the public with a reasonable opportunity to address the board on the subject of the policies and procedures of the appraisal district on any issue under the board's jurisdiction.

J. Public Comments [Sec. 6.04 (d), (e), (f), and (g)]:

It is the policy of the board of directors to provide regular opportunities for the public to speak to the board on any issue under its jurisdiction. Except when the board conducts a hearing on a particular issue, the board will receive citizen comments only during the agenda item for public comment. This item is typically placed at the beginning of each meeting's agenda.

At each regularly scheduled meeting the chairman of the board of directors will announce that each person wishing to address the board on appraisal district policies, procedures, or issues may have five minutes in which to do so. Unless a majority of the Board votes otherwise, the chairman may expand the speaker's time as needed if the expansion will not affect the ability of the board to complete its business and adjourn the meeting at a reasonable time. The board may refuse to hear any person who attempts to speak on a subject unrelated to the policies and procedures of the appraisal district and unrelated to any other issue under the board's jurisdiction, as described in the previous section. [Sec. 6.04(d), Tax Code]

K. Interpreters:

If possible, the district will provide an interpreter at a meeting if a person who does not speak English or communicates by sign language notifies the chief appraiser at least three business

days before the meeting. The person must indicate that he or she desires to address the board and is unable to provide an interpreter. [Sec. 6.04(e), Tax Code]

L. Access by Disabled Persons:

The Appraisal District provides parking spaces for the disabled located at the west end of the County Courthouse. A ramp is provided at the entrance, and both the office and Board room are wheelchair accessible. Persons who needs additional access assistance, or who need assistance in making a presentation to the Board because of mental or developmental disabilities should notify the chief appraiser at least three business days before the meeting. [Sec. 6.04(e), Tax Code]

M. No Weapons Policy :

In order to protect District employees from workplace violence, the District prohibits all persons from use and/or possession of any handguns, ammunition, or weapons of any kind, concealed or otherwise, at any time while on District premises and/or while engaging in or conducting business on behalf of the District. The term “premises’ includes the district’s offices, all work areas, and district vehicles. Employees found to be in violation of this policy can be subject to termination of employment.

N. Policies for Resolving Complaints:

The board will consider written complaints about the policies and procedures of the appraisal district, appraisal review board, and the board of directors and any other mailer within the jurisdiction of the board of directors. The board will not consider complaints addressing any of the grounds for challenge and protest before the appraisal review board as set out in Sections 41.03 and 41.41, Tax Code. The board of directors has no authority to overrule the chief appraiser or appraisal review board’s decision on a value, correction, or protest. The Board has adopted a written Complaint Policy and Procedures.

Correspondence should be mailed to:

Chairman, Board of Directors
Gillespie Central Appraisal District
Gillespie County Courthouse
101 W. Main Street Unit No. 11
Fredericksburg, Texas 78624

At each regularly scheduled meeting, the chief appraiser shall report to the board on the nature of complaints and the status of resolution. Board deliberations concerning complaints will comply with provisions of the Texas Open Meetings Act, Chapter 551, Government Code.

At least quarterly and until final disposition of a complaint, the board notifies the parties to the complaint of its status unless notice would jeopardize an undercover investigation. [Sec. 6.04 (g), Tax Code]

O. Review of Contracts:

It shall be the policy of the Board to review all active contracts with the District at the second meeting of the Board in each calendar year, or as soon as possible thereafter. The Chief Appraiser shall gather and present all contracts to Board members a reasonable time in advance

of the second meeting, and an agenda item shall provide that all contracts will be considered and approved. If a contract is not approved, the contract shall be considered again, and may be acted upon, at the next scheduled meeting of the Board.

1P. Payment of Attorneys' Fees and Judgment Damages Incurred in Litigation Arising From Performance of Official Duties:

This provision is applicable to the following personnel associated with the Gillespie Central Appraisal District:

Members of the Appraisal District Board of Directors

Members of the Appraisal Review Board

The Chief Appraiser

All employees of the District, including temporary or part-time employees

All members of the Agricultural Advisory Board and other advisory personnel

Should any of the above personnel involuntarily become a Defendant in any civil litigation brought against them pursuant to the performance of their official duties, it shall be the policy of the Gillespie Central Appraisal District to assume liability for, and to pay each affected person's attorneys' fees incurred in defending said litigation, but only to the extent the accused person or conduct is not covered by insurance. These attorneys' fees shall be determined and paid pursuant to the District's policy for paying attorneys' fees generally.

It shall further be the policy of the District that immediately upon being notified that litigation has been instigated against a District representative, the Chief Appraiser shall inform all insurance carriers of the situation and determine as soon as possible (1) whether coverage exists; (2) whether the coverage includes both potential damages and attorneys' fees; (3) whether a deductible amount must be incurred before coverage will lie, and if so, how much; and (4) the limits of coverage. If it is determined that insurance coverage does not exist in full or in part, or is denied entirely, the selection of the attorney who will defend affected personnel shall be left wholly to the discretion of the Appraisal District Board of Directors.

In addition, should any judgment for money damages be formally rendered against any of the above personnel as a result of said litigation brought against them pursuant to the performance of their official duties, it shall be the policy of the Gillespie Central Appraisal District to assume liability for, and to pay all judgment amounts rendered against the affected person(s) which are not covered by insurance.

Finally, should any of the above personnel involuntarily become a Defendant in any criminal litigation brought against them pursuant to the performance of official duties, it shall be the policy of the Gillespie Central Appraisal District to assume liability for, and to pay each affected person's attorneys' fees incurred in defending said litigation to the extent allowed by law, but only to the extent the accused person or conduct is not covered by insurance.

III. DISTRICT ADMINISTRATION AND CHIEF APPRAISER'S DUTIES:

The appraisal district consists of the appraisal office, which handles appraisals and the administration of the appraisal district and the appraisal review board, which hears and determines protests and challenges and approves the appraisal records. The chief appraiser is the chief administrator of the appraisal office.

Appointed by the board of directors, the chief appraiser serves at the pleasure of the board and is directly accountable to the board in the discharge of his or her duties and responsibilities. All other personnel of the appraisal office are employed by and accountable to the chief appraiser. The chief appraiser may delegate authority to his or her employees.

A. Duties and Responsibilities of Chief Appraiser:

The chief appraiser coordinates and implements the goals and objectives established by board policy, provisions of the Property Tax Code, and other applicable laws and rules. The chief appraiser's responsibilities include many statutory duties related to the development of appraisal rolls and the administration of the appraisal office. Additionally, the board assigns tasks to the chief appraiser as needed for conduct of board duties and implementation of board policy. The board has assigned the following general duties to the chief appraiser:

- * Establish a comprehensive program for conduct of all appraisal activities.
- * Keep the board informed on the progress of appraisal activities.
- * Develop and implement sound administrative procedures for conduct of all district functions.
- * Develop and implement an effective financial management system.
- * Provide reports to the board to allow evaluation of the district's fiscal affairs.
- * Develop and implement an effective internal budget development system.
- * Prepare a proposed budget by June 15 of each year.
- * Serve as the district's spokesperson in providing information to news media, taxing units, and the general public.
- * Prepare the agenda for each board meeting, attend all meetings, and provide staff recommendations for all appropriate board actions.
- * In conjunction with district counsel, provide recommendations for board action on litigation.
- * Develop and implement a personnel management system for job assignments, evaluations, hiring, staff policy, and personnel related matters.
- * Employ and compensate professional, clerical and other personnel as provided by the budget.
- * Report to the board at the before April meeting each year concerning the accuracy of district appraisals and contractor performance.
- * Discharge other duties as provided by the board and/or by law.

B. Payment of Bills and Issuance of Checks

The Chief Appraiser will prepare and present the bills to at least one Board member. The checks will be cosigned by the Chief Appraiser and a Board member or two Board members. At Board Meetings, a budget comparison analysis and a current bank reconciliation of checks will be presented. Quarterly a Balance sheet will also be presented to the Board.

C. Administration of Surplus Funds

Any surplus funds from any year's budget will generally be applied to the first quarter payment

of each taxing entity for the next budget year as provided by the Texas Property Tax Code. Surplus funds will be credited to each jurisdiction according to their pro-rata share of payments and expenses. However, upon obtaining the approval of the constituent taxing units as provided in the Tax Code, the District does reserve the right to retain surplus funds in reserve or contingency accounts for specifically identified future needs of the District (See attached Investment Policy on Fund Reserves).

D. Authority of Chief Appraiser Regarding Incidental Purchases

Pursuant to §6.05(h) of the Texas Property Tax Code, the chief appraiser of the Gillespie Central Appraisal District shall have authority to spend budgeted funds to make incidental purchases of items relating to the administration of the District which are not specifically listed in the District's annual budget. An incidental expenditure not specifically budgeted shall not exceed \$1,000 in any one transaction. Individual expenditures in excess of \$1,000 shall require approval of the Board of Directors. Examples of incidental expenditures might include but not be limited to the following items:

1. Transfer to and use of funds in "petty cash" account to purchase office supplies and other incidental purchases as contemplated in this Section.
2. Purchase of plaques and other mementos to honor or reward appraisal district staff, directors, and ARB members for exceptional accomplishments or to express appreciation upon the conclusion of their employment or service with the District.
3. Purchase of office supplies such as maps; name identification objects for staff directors, and ARB members; and other items which may improve the efficiency of public meetings as may be requested by members of the board of directors or the ARB, or as may be determined in the judgment of the chief appraiser.
4. Purchase of other similar or analogous items related to improving the administration of the District's public functions and encouraging public service on the board of directors, the ARB, and other District-related boards or committees.

**Gillespie Central Appraisal District
Investment Policy on Fund Reserves**

The Appraisal District will maintain three fund reserves.

**Operating Fund Reserve
Capital Fund Reserve
Building Fund Reserve**

The **Operating Fund Reserve** will maintain a fund level equal to three months of budgeted operations. The budgeted operations will be based on the prior calendar year's budget. This reserve will be funded from existing District funds and un-spent District budgeted funds with entity approval. For example;

2008 Budget \$648,615 therefore the 2009 Operating Fund Reserve = \$162,154

The **Capital Fund Reserve** will be maintained to primarily fund replacement of computer assets, but can be expended at the discretion of the Board for capital purchases. Once the three month Operating Reserve is met additional reserves will be applied to the Capital Fund Reserve. This fund will be capped at \$100,000.

The **Building Fund Reserve** is restricted for use in the construction, remodel or purchase of office space for the District. The Building Reserve will be funded after the Operating Fund Reserve and Capital Fund Reserve have met their target balances. This reserve will be funded by non-entity funds generated by the District, (such as map sales, personal property penalties), and "under-spent" budgeted funds after entity approval. The Board will allocate these funds at the conclusion of the annual audit.

Chairman, Gillespie CAD
Board of Directors

Date