

Board of Revision of Taxes

## EXECUTIVE DIRECTOR'S REPORT

Richard Negrin

April 2010

“Change does not roll in on the wheels of  
inevitability, but comes through continuous  
struggle.”

—Martin Luther King Jr.



## REPORT UPDATE

This Executive Director's Report was commenced prior to my departure from the Board of Revision of Taxes (BRT). It was intended to provide a detailed overview of pending projects and initiatives, while also providing staff with a clear strategic plan going forward. In light of the current circumstances, I thought it important to complete this report to accurately capture the important work that has begun and should continue at the BRT or its successor.

As is widely known, in an effort to cure an inherent conflict and address pressing concerns regarding the executive management of the BRT, in November of 2009, the Board of the BRT and the City of Philadelphia entered into a formal agreement to separate the BRT's assessment function from its appellate function. The Agreement, termed a Memorandum of Understanding (MOU), put the executive function of the BRT's assessment office under the City of Philadelphia's Finance Department, or its designee, and left the BRT Board to properly continue the appellate function. In sum, the Board would continue hearing various appeals of assessments as brought by taxpayers. This MOU cured the conflict in that, in the past, the same Board who had responsibility and oversight over the executive function was also hearing the very appeals that passed judgment on, or called into question, that very same assessment function.

In December 2009, consistent with the terms of the MOU, the Mayor of the City of Philadelphia, Michael A. Nutter, appointed me, as the designee of the Finance Director, to the position of Executive Director of the assessment function of the BRT. I was tasked with managing daily operations of the assessment office, including the application of necessary executive leadership principles, and correcting any number of issues that might impact the assessment offices' ability to perform the assessment function at a high level.

The MOU was for an initial Six Month term, subject to extension after the initial expiration date by agreement of the parties. As has been widely reported, on April 5, 2010, the Members of the Board of the BRT failed to extend the MOU that authorized me to perform the executive function at the BRT fully independent of the Board. In essence, the Board that had run the BRT prior to my arrival was now bringing the executive function back under its authority. Under those conditions, I left the BRT on April 6, 2010.

Regardless of my status, it is my sincere hope that, for the good of the agency, its loyal employees and the taxpayers of Philadelphia, the initiatives presented below are implemented in their entirety. These reforms represent the best hope for long-term success at the assessment office.

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*References to the Board of Revision of Taxes or the BRT refer to the property assessment office of Philadelphia, or its successor, as anticipated in the May 18, 2010 Ballot referendum.*

*References to the Senior Team refer to the Executive Director and the various Administrative Assistants (above the supervisor level). The Senior Team consists of Richard Negrin (Executive Director), Veronica Daniel (Administrative Services Director-Personnel), Kevin Keene (Residential), Michael Piper (Quality Assurance), Robert Zambrano (Commercial), and Barbara Krauss (Acting IT Director).*

*References to the Management Team refer to the broader management team at the BRT including the Senior Team and all line Supervisors.*

*References to Central Personnel refer to the Personnel Department for the City of Philadelphia under the direction of Albert D'Attilio.*

*References to Working Groups refer to multi-disciplinary efforts utilizing the expertise of employees in different roles and at all levels of the organization working in concert to solve the problem involved. They include management, evaluators, clerks, and employees from the IT department in an effort to look at the problem from a variety of perspectives that might add value and help contribute to the best solution.*

*References to the City Wide Working Group relate to the Property 2 Project and refer to a collection of individuals from a variety of city departments, including the Department of Technology and the Budget Department, that all utilize property data in the ordinary course of the services they provide.*

## EXECUTIVE DIRECTOR'S REPORT

### INTRODUCTION

Positive institutional change is difficult under the best of circumstances. When that change involves an organization of hundreds of employees, besieged by criticism and deeply rooted in a long-standing system and culture, the challenge can seem insurmountable. These are the circumstances at the BRT.

The inevitable challenges swirling around change grow exponentially when it involves an organization in crisis. Low employee morale and high employee cynicism of anything that is perceived as new or outside meddling can be paralyzing to a beleaguered organization. This resistance to change can persist despite the fact that most stakeholders clearly recognize that change is absolutely necessary.

Real transformative change can be particularly challenging when highly motivated “forces of the status quo” are determined to prevent positive change. At the BRT, this has taken the form of various lawsuits, unproductive false rumors and anxiety causing actions on the part of employees—all designed to maintain the current system of operations and resist meaningful change. Some of this resistance to change is to be expected and is part of the natural cycle of things. However, some of it is unique to the BRT and so complex that it creates a particularly challenging environment at the BRT.

Despite the many challenges faced, I am delighted to report that the BRT has successfully begun the slow transformation of positive change. The good and experienced people of the BRT have responded well to new leadership and have begun to embrace positive change for the good of the BRT. With the support of many of the supervisors and managers at the BRT, a new culture of open communication, collaboration and professionalism has started to take hold. As leadership remains steadfast and continues to set a vision, continues to communicate openly, builds trust, demonstrates integrity in decision making, works to foster a performance focused culture, and continues to consistently place the good of the organization first, change is slowly coming to the BRT.

This effort is only in its initial stages.

A strategic plan was developed and presented to BRT staff and administration after roughly thirty days at the BRT. A copy of the initial strategic plan is attached at Tab No. 1. That plan was presented to all staff so as to align everyone with leadership's vision and to help plan for next steps.

The initiatives presented in this report represent the more detailed and updated priorities identified by leadership to help create lasting positive change and substantial reform at the BRT, or its successor, from an operational as well as cultural perspective. It is important to note that the priorities outlined in this report are not exclusive. There are other projects or initiatives underway to help the agency move forward.

For example, while standards and new systems are being developed, the BRT has imposed a **Moratorium** on all new assessments. This allows the BRT to implement much needed reforms while starting to build public confidence in a system that has been greatly derided. The moratorium is essential in that it allows for time to get this right. The “old ways” of doing the best we can with what we have, in some well intentioned attempt to fix things as we go, has failed in the past and can no longer be tolerated when a system is as broken as Philadelphia’s assessment system.

In addition, employees have undertaken a **Core Competencies** training program designed to provide a primer on the basics of property assessment practice. As part of this training, employees have undergone more than **15 hours** of expert training at the hands of an experienced and Certified PA Assessment Instructor who is familiar with the BRT. This will help provide the employees with the foundation for more technical and specialized training in the near future.

In addition, projects designed to help clean up, correct or update data have been undertaken such as; the capturing and tracking of **vacant land** throughout the city and how the BRT identifies and captures properties associated with fires and **catastrophic losses**, designed to help improve our data set prior to the implementation of new standards and systems. Also, guidelines on the exceptions to the assessment moratorium and new approval procedures designed to ensure compliance with those guidelines have been implemented across the agency.

Therefore, this report does not capture every new activity and review but focuses on the key reforms being undertaken agency wide. Moreover, this report does not outline the various legal matters, past and pending, as well as the ballot measure scheduled for May 2010, all of which are crucial to the continuing successful reform of the assessment office.

The below initiatives do, however, represent the most significant efforts from an operational perspective that have been implemented under new leadership.

**THESE ARE INITIATIVES BEGUN OR EXPECTED TO BE IMPLEMENTED WITHIN THE FIRST SIX TO NINE MONTHS OF 2010.**

Each initiative identifies the issue involved, the individual or group responsible for the action item, provides a brief summary of the project and estimates a date for completion. Obviously, as circumstances and priorities shift, course corrections may be required resulting in changes to these schedules or priorities.

## INTEGRATION OF SCHOOL DISTRICT EMPLOYEES

### ***Senior Team, Central Personnel***

For many years the BRT has had two separate work forces subject to different rules of conduct and on different payrolls: 1) the Evaluators who are civil service employees and perform assessment work including placing values on properties, and 2) the school district employees or Real Property Assistants (RPA) who perform support and clerical work for the evaluators. The scope of work and duties performed by RPAs varies widely and can range from evaluator type work, including time in the field, to basic clerical work and form completion.

The effort to fully integrate longtime school district employees into the civil service ranks and onto the city payroll has been moving forward successfully. In December and January, several staff wide meetings were held to inform the employees of the process and timing. Central Personnel, under the direction of Director Albert D'Attilio, as well as representatives of the School District, have been very helpful in making themselves available to employees and in providing detailed information on all aspects of the integration.

Employees were invited to present questions, in writing and in person, and were provided detailed information related to salary, benefits, medical coverage, pension information and civil service test information. All employee questions were answered. Employees were informed that they would need to pass a "general knowledge" assessment civil service exam in order to remain with the BRT (like all other BRT employees) and in order to move onto the City's payroll. Two categories of jobs and corresponding exams were created. One higher-level **Assessment Aide** position and a lower level **Assessment Clerk** position.

In January, employees were notified that the test was scheduled for March 19, 2010, giving them roughly Two months to prepare for the exam. Central Personnel prepared the exam and the exam was offered as planned and on schedule. Overwhelming feedback on the exam has been that it was fair, relevant to their jobs, and that all employees had sufficient time to complete the exam.

The exam was not limited to present BRT employees and was an open exam, meaning that it was open to anyone who met the qualifications to sit for the exam regardless of their current employment. In order to be qualified to take the exam, in an effort to ensure candidates had the relevant experience, candidates were required to have Two years assessment experience in a government office.

Significantly, recognizing that a complicated employee integration such as this can be very unsettling to staff particularly during difficult economic times, all those involved

worked hard to ensure that employees who successfully pass the civil service exam, will **NOT** have their salaries and benefits negatively impacted in any way.

That goal has been accomplished.

**Test Results**

Of the **76** school district employees at the BRT, **52** decided to take an exam. The remaining **24** have opted to either retire within the next few months or seek other opportunities outside the BRT. Of the 24 who choose not to take one of the exams, virtually all had substantial time at the BRT and/or were of retirement age.

Employees were free to sign up for either one or both of the exams and the overwhelming majority did take both. The following table demonstrates the results of the exams broken down by exam type:

Exam Type	No. Taking Exam	No. Passed
Assessment Aide	51	42
Assessment Clerk	47	38
	<b>Total No. Passed</b>	<b>44</b>

Employees need only pass one of the exams in order to come onto the City payroll and continue with the BRT. In almost all cases, an employee who passed one exam also passed the other exam and, conversely, employees who failed one exam also failed the other.

Therefore, a total of **44** former school district employees will transfer over to the City payroll on **July 1, 2010** and will continue with the BRT without any negative impact on their salary, benefits or pension.

## CHIEF ASSESSMENT OFFICER

### ***Senior Team***

Complete the search for new Chief Assessment Officer (CAO). Position has been vacant for Two years. The CAO is a difficult position to fill because it is a highly technical position and a candidate must have very narrow and specific qualifications.

The position requires at least a Bachelor's Degree with major coursework in Government or Business Administration, or Real Estate, and **10 years** experience in property appraisal or assessment to include Four years at the director or deputy director level responsible for the assessment of property for a large city or county government with responsibility for at least 200,000 parcels of real property. In addition, the position requires certification as a C.A.E. (Certified Assessment Evaluator) from the IAAO (International Association of Assessing Officers) or state certification as a CPE (Certified Pennsylvania Evaluator) issued by the Pennsylvania Board of Certified Appraisers or equivalent certification to the CPE issued by the official licensing agency of another state.

We have conducted a national search and have screened and interviewed a number of candidates. We received **28** applicants for the position and have narrowed the field to three potential high-level candidates. Two of them have been through several rounds of interviews and the Third is being scheduled in the next few weeks. We expect to narrow the field to one or two and then elevate the candidate for approval within the month. We will be checking references and performing the requisite background checks as appropriate.

### ***Status***

Pending. Estimated time of completion May 2010.

## UNIFORM ASSESSMENT STANDARDS PROJECT

### ***Kevin Keene, Assistant Administrator of Residential Working Group***

For many years, the BRT has lacked any consistent standards of assessment practice. In the past, BRT "Precepts" were a uniform set of guidelines that helped evaluators understand the basic concepts of their role and how to approach activities related to their function. However, these precepts are more than several decades old and did not involve detailed, comprehensive and uniform standards consistent with best overall

practices. Therefore, no uniform standards were developed, trained on or implemented throughout the BRT. For years, supervisors and employees simply did things the way they always did and in their own way with little visibility into how various divisions performed their duties. Moreover, there was no uniform effort to review and educate staff regarding the appropriate IAAO industry standards for assessment practices.

That has now changed at the BRT.

A BRT working group has been established (made up of various disciplines throughout the organization) to examine current practices and then develop, train on and implement best practices. Under the direction of **Kevin Keene**, the working group is first looking at which key property characteristics are essential to the assessment function. An effort is also being made, where possible, to simplify the characteristics and processes to minimize the potential for errors. In addition, this project seeks to remove all subjectivity from the process to further reduce the potential for divergent results in assessment results.

For example, the BRT has 8 condition codes for a property. Many jurisdictions simplify this by only having 4 condition codes reducing the likelihood that different evaluators would make a different determination as to the condition of a given property. This is but one example of how different evaluators might see things differently in a way that impacts results and values.

The goal is to have evaluators assessing properties in a uniform manner, with objective and repeatable results that can be audited, under a system that ensures accuracy and uniformity under clear standards. A manual of standards and assessment practices will result from this project. Once the standards have been developed, they will be incorporated into the technical training program that has begun at the BRT.

### ***Status***

Pending. Estimated time of completion for initial review and standards analysis is June 2010. Estimated time of completion for employee manual and training will follow and is expected to begin in July and August 2010.

## PROPERTY 2.0

***Richard Negrin, Executive Director***  
***Barbara Krauss, Acting IT Director***  
***Kevin Keene, Assistant Administrator Residential***  
***City Wide Working Group led by Steve Agostini & Allan Frank***

Property 2.0 is a collective citywide effort, working in concert with the Department of Technology (DOT), to have a centralized data collection point to store all relevant property data about a parcel of land. Today, various departments across the City collect and utilize property data in ways that conflict, fail to integrate or communicate effectively, have inefficient redundancies with varying degrees of accuracy and consistency. There is no central resource responsible for the collection, integration, accuracy and dissemination of quality property data.

Property 2.0 would remedy that problem.

This effort is in its initial stages. Property 2.0 meetings have already made an impact to the data at the BRT. BRT is now receiving Fire Department reports regularly, reports which had not been received for more than Seven years. Moreover, Property 2.0 has opened a line of communication between departments such as the Philadelphia Water Department and the BRT. This has allowed BRT to compare data and resolve discrepancies.

Although the BRT data quality issues have received the bulk of attention, data problems abound across many City agencies. Property 2.0 seeks to resolve those issues in a cost efficient centralized manner.

### ***Status***

Pending. Estimated time of completion is 2012.

## COMPUTER ASSISTED MASS APPRAISAL (CAMA) SYSTEM

***Barbara Krauss, Acting IT Director***  
***Jean Pittman, BRT IT Consultant***  
***Working Group***

BRT and the DOT are working together to develop a CAMA system, which will be an essential part of BRT's system upgrade and development efforts. In addition, to ensure

seamless integration with new and upgraded systems and processes, the CAMA Project will work hand in hand with the citywide Property 2.0 effort. This project is crucial to BRT success and reform efforts.

The project will consist of several phases. With each completed phase, the functionality of the CAMA2 system will increase. First, the Assessment Division's VSAM system (the current system of record) will be converted to Oracle. The conversion from VSAM to Oracle will be the first step for storing data in the new Property 2.0 data warehouse. Once the conversion is complete and all current VSAM functionality is programmed, tested and implemented in the new system, CAMA2 will become the system of record and VSAM will be retired.

In addition, the assessment data silos that are currently not stored in VSAM will also be converted to Oracle. Current Oracle applications will be updated and rewritten to access the new database. Enhancements and new functionality that have been identified by both the IT staff and the end users will be programmed, tested and implemented.

New and more "user friendly" screens will be developed and introduced in a phased approach as the functionality is implemented. End user training will take place when revised functionality is ready for production. Security, performance standards, error tracking, transaction audit trails, state and internal reports will be developed based on the Assessment Division's requirements.

CAMA2 will continue to interface with other city departments (similar to VSAM) but with increases to functionality and integration efficiency. New interfaces will be created to reduce current manual processes.

### ***Status***

Pending. This project will be completed in conjunction with Property 2.0 and with roughly the same timetable. Estimated time of completion is 2012.

## **MANAGEMENT RESTRUCTURING**

### ***Senior Team***

For the first several months of 2010, new leadership at the BRT has been assessing strengths and weaknesses of the organization and establishing priorities that will help the agency move forward. After conducting a detailed review of BRT operations as well as holding regular and frequent meetings with senior team members, conducting one on one interviews with supervisors and a number of key employees throughout the organization and after reviewing relevant industry standards as established by the **International Association of Assessment Officers (IAAO)**, it became obvious that a management restructuring was essential to the reform of the agency.

First, the hiring of a new **Chief Assessment Officer (CAO)**, discussed above, is crucial to the establishment of new leadership and a revamped and re-energized management team at the BRT. As noted above, this hire is pending.

The creation of a **Quality Control Unit (QC)** is perhaps one of the most essential changes at the BRT and is truly vital to this reform effort. Identifying the right leader and personnel for that Unit has been a top priority. After all supervisor interviews were complete, and after consultation with the senior team, **Joseph Solomon**, Supervisor of the Commercial Unit, was tabbed to lead the new QC Unit. Mr. Solomon has nearly **30 years** experience in assessment and real estate work, has a Bachelor's Degree from Delaware Valley College, is a member of the Assessors Association of PA and has the type of independence, integrity and careful attention to detail required for the QC function. Mr. Solomon is currently developing a strategic operational and staffing plan to get the QC Unit up and running as soon as possible. The QC Unit will not only conduct the audit and quality measurement functions typical of QC but may also provide the BRT with an experienced team of evaluators prepared to support other units on a moments notice to ensure quality in assessment practices as needed to avoid emerging problems.

The creation of a **Performance Management Program (PMP)** designed to set appropriate benchmarks and performance goals is also a vital part of creating a performance focused professional culture at the BRT. Customer Service Center (CSC) Supervisor, **Robert Vierick** has agreed to develop and oversee this important function. Mr. Vierick currently utilizes performance management concepts in the CSC and has experience implementing these types of programs. Mr. Vierick has more than **26 years** experience at the BRT, has a MBA from the College of William & Mary, is a member of the Assessors Association of PA, and is a self-motivated leader with a strong reputation for integrity and fairness. Standards of performance such as number of assessments conducted, uniformity levels achieved and coefficient of dispersion percentage rates will be considered as appropriate benchmarks are created for the assessment function.

Finally, the creation of an employee **Technical Training Program (TTP)** is paramount to the on-going development and technical proficiency of the evaluation staff. Supervisor **George Celona** has been selected to develop, oversee and coordinate this program with the assistance of outside trainers and consultants. Mr. Celona has more than **25 years** experience at the BRT, has an MBA from Temple University, and has the type of excellent people and organizational skills required to excel in this role. The TTP will utilize internal and external subject matter experts to enhance the technical expertise at the BRT on an on-going basis. The TTP will work to create a culture at the BRT of continuous training and development, including the achievement of the certified property evaluator (CPE) certificate awarded by the state. This continuous commitment to technical training is essential for the modern day property evaluator.

To fill the important role of **Assistant Administrator of Residential Properties**, vacated by the departure of Barry Mescolotto, **Kevin Keene** has been moved laterally to fill that role. This role has broad responsibility over all supervisors who oversee the assessment of all residential properties in the City. Mr. Keene has more than **18 years** experience at the BRT, has a Bachelor's Degree from Clark University, and has

extensive technical knowledge regarding assessment practices, modeling and all other operations at the BRT.

The role of Assistant Administrator of Evaluation Support Services has been changed to **Assistant Administrator of Quality Assurance**, with oversight over the important QC Unit, Performance Management, Training and Appeals Support function at the BRT. **Michael Piper**, formerly Appeals Supervisor, has been promoted to that important role. Mr. Piper has over **18 years** experience at the BRT, has an MBA from Temple University, is a member of the Assessor's Association of PA, and has the experience and judgment to excel in that role.

To fill roles that were vacant or were made vacant by the above moves, including the pending retirement of another supervisor, a number of other promotions or reassignments have been undertaken to restructure the management team. An updated organizational chart is attached at Tab 2.

This management team and structure is poised to continue the progress that has begun over the last several months.

### **Status**

Completed. The above management restructuring (with the exception of the pending CAO hire) became effective April 7, 2010.

*Note this new structure is subject to change consistent with the May ballot measure, which places the Chief Assessment Officer as the head of the agency in the role currently held by the Executive Director. That change only impacts the very top of the management tree and would keep the balance of the restructuring in place unless new leadership deems additional changes necessary.*

## EXECUTIVE LEADERSHIP TRAINING

### ***Richard Negrin, Executive Director & Senior Team***

Significantly, one does not become an effective leader because they passed a supervisor's exam. Managers with the core essential tools, dedication, good judgment, work ethic, integrity, poise and good communication skills, are developed through years of experience and thoughtful training. There has never been a leadership or management-training program at the BRT. In the past, individuals simply passed the supervisor's exam and were placed in charge of a group of individuals, many of which were their equals or colleagues in their former roles.

Creating a performance focused professional culture at the BRT must start from the top. A dynamic executive management team is essential to driving change through the organization. A collaborative, communicative team that can build trust and harness the experience of the best the agency has to offer, while also driving positive change and a new way of thinking through the organization is a critical component of reform.

If the line supervisors and senior managers are not perfectly aligned with the executive vision and strategic plan and are either unwilling or incapable of leading through change, naysayers, cynics and those resistant to change will make positive reform next to impossible. If those managers and supervisors fail to demonstrate the appropriate behaviors or lack the tools to manage their employees consistent with new performance expectations, those employees in their charge will fail to embrace change in a meaningful way and performance will not improve.

Therefore, essential Executive Leadership Training is necessary to ensure that all managers are equipped with the tools and vision required to lead in this challenging environment.

Executive Director Richard Negrin conducted the first Executive Leadership Training titled "Crisis Leadership" at an off-site meeting on March 18, 2010. Managers reviewed a relevant Harvard Business Review article a week prior to the presentation and then listened and interacted in a lively session as a team. A guest lecturer, Mark Piccirillo, Chief Financial Officer of SupplyOne Corporation, also presented on the subject of transformative change and crisis leadership to help provide a practical perspective. A copy of the presentation is attached at Tab 3.

The program was very well received and has helped to set the tone for future programs. The intention is to have an executive training session on various aspects of leadership and management, relevant to the circumstances at the BRT and including guest speakers, on a quarterly basis.

### ***Status***

Initial training complete. On-going quarterly training anticipated.

## EMPLOYEE STAFFING PROJECT

### ***Veronica Daniel, Administrative Services Director Management Team***

It is difficult to determine proper staffing levels for various units, and for the BRT as a whole, prior to the finalizing of the overall re-evaluation plan including the system development and supporting technology decisions that may impact those decisions. Moreover, it would have been difficult to perform any meaningful staffing decision prior to the completion of the school district employee integration because only then do you know who and how many employees will continue with the BRT going forward.

Nevertheless, we have begun the process of evaluating proper staffing levels and the appropriate realignment of resources in various units including the creation and staffing of the new QC Unit. On April 10, 2010, a staff wide BRT meeting was held to inform the employees that a Staffing Project was about to begin. At that meeting, supervisors were instructed to begin planning for staffing decision meetings and employees were asked to consider their assignment preferences going forward and a plan was presented for how to determine proper staffing at the BRT.

Interviews of supervisors and staff have revealed that, in the past, staffing decisions were made for reasons beyond what was best for the agency and its peak performance. Considerations of friendships, personal connections or personal animosity, as well the perception that moves were made to punish or isolate individuals, was a problem that significantly impaired morale and perpetuated an unprofessional environment.

Today, staffing decisions are based on merit with the best interest of the agency in mind and with a performance focus. In addition, employee preference will be given every consideration and will be accommodated where appropriate as this will serve to reinvigorate employees, improve morale and keep employees engaged in the transformative change happening all around them. The personnel office, under the direction of **Veronica Daniel**, Administrative Services Director, has been asked to prepare and circulate an employee form designed to capture individual employee preferences regarding where they would like to be assigned.

As part of the Staffing Project, all BRT supervisors are preparing staffing plans recommending staffing levels and specific staffing assignments in their respective units. A number of units at the BRT have lost employees at a greater percentage than others as a result of retirements and the civil service exam results. Therefore, a comprehensive “whole picture” view of total and appropriate staffing levels consistent with work flows and new priorities is needed to ensure the BRT is poised to perform at its optimum level, across all units and with efficiency in the future.

Moreover, the BRT Senior Team will be collecting and analyzing staffing levels at other similarly situated assessment offices. Comparing number of employees to overall budget, number of employees to number of properties, etc. Moreover, IAAO standards establishing a recommended number of properties per evaluator will guide our efforts to determine proper staffing levels for evaluators.

The Project will also compare the number of supporting positions, such as Aides and Clerks, to the number of evaluators to determine whether BRT support levels are on par with other jurisdictions. At least preliminarily there is a belief that the BRT has been historically overstaffed on the support or clerk side and potentially understaffed on the evaluator side, however, any potential concerns may have been resolved by the employee integration and civil service process noted above.

This staffing project should remove any speculation and determine appropriate staffing levels under a professional analysis. It is anticipated that once the employee survey forms, supervisor staffing plans and outside research are collected, management will have a working session where a collaborative effort to reach consensus on appropriate staffing decisions are made emphasizing what is in the best interest of the BRT as a whole.

### **Status**

Pending. Estimated time of completion is June 2010.

## **IAAO REPORT PROJECT**

### ***Michael Piper, Assistant Administrator of Quality Assurance***

Many of the issues at the BRT are deep-rooted and wide-ranging operational, functional and cultural problems that have existed for years.

Significantly, in 1981, the International Association of Assessment Officers (IAAO) was commissioned to conduct a comprehensive study of the BRT.

This comprehensive study resulted in **58** specific recommendations for departmental improvement. The IAAO Report includes brief descriptions of some of the department's more pressing issues and details potential actions that might be taken to address the specific concerns. Some issues addressed in the IAAO Report include:

- Inaccurate and non-uniform assessments
- The need for improved methods of data collection
- Proper staffing levels (supervisory/management level, evaluation, clerical, IT-related, and even Board members)
- Workflow models for large jurisdictional assessment offices

- Educational levels for the professional staff, and the need for industry-respected professional licenses, credentials, and designations
- Staff compensation levels
- Modernization of BRT's CAMA system
- Improvement of file and record management
- Taxpayer relations and customer service improvement
- Enhanced levels of specialization among the evaluation staff
- The effectiveness of the department's then organizational structure

While some of these problems have been addressed over the years through the implementation of initiatives, many persist or have remained unaddressed and continue to contribute to the overall lack of optimal performance and taxpayer confidence in the department today.

Over the next few months, under the direction of **Michael Piper**, Assistant Administrator of Quality Assurance, a project will be undertaken to analyze these recommendations from a fresh perspective. The results and recommendations in the Report will be communicated to present management to determine the extent to which many of the problems still exist and to elicit solutions on how to address and implement the IAAO Report recommendations as an agency.

Once the analysis phase of the project is complete, a detailed action plan will be created to address recommendations that remain relevant and unaddressed. Obviously, many of the recommendations relate to initiatives that are already now under way at the BRT, however, this effort will ensure no issue that has lingered remains unresolved into the near future.

### ***Status***

Pending. Estimated date of completion of analysis phase is July 2010 with an action plan to follow.

## **BEST PRACTICES VISITS**

### ***Robert Zambrano, Assistant Administrator of Commercial & Industrial***

One of the cultural problems that persist at the BRT includes the dedication to a practice and approach of mass appraisal that has not changed. BRT has utilized a "one property at a time" assessment method as the primary method of performing mass appraisal. In addition to the assessment methods used, problems also persist in the manner in which property accounts are assigned. The accepted method has for years been based on the boundaries of the 66 recognized political wards of the City. Shifting

neighborhoods and market areas do not necessarily track the political wards and the manner in which areas are assigned and evaluated may need to be explored.

Convincing evaluators, and some frontline supervisors, that the modern practice of Computer Assisted Mass Appraisal (CAMA) is the accepted method for jurisdictions throughout the world, as well as the IAAO, has been and will continue to be a challenge. Moreover, the assignment of accounts based on complexity and type, rather than arbitrary geographic boundaries, is also necessary when employing a modern CAMA system.

As part of the strategic plan, BRT leadership agreed that an analysis of other jurisdictions best practices in these areas should be undertaken. **Robert Zambrano**, Assistant Administrator of the Commercial Division, will oversee and plan this project designed to collect and review the property characteristic data collection, assessment practices, staffing levels, account organization and CAMA systems utilized by other relevant jurisdictions.

BRT is currently planning Five day trips to other East Coast urban jurisdictions, some who have been using CAMA techniques since their inception, and others who have recently adopted the same changes and improvements that BRT is striving to achieve. Trips to Baltimore, Maryland, Washington D.C., New York City, Pittsburgh, PA, and Montgomery County, PA are in the planning stage. We will also be receiving information from Mecklenberg County (Charlotte), North Carolina.

A detailed review of other jurisdictions best practices will help guide BRT efforts to improve assessment practices, allow BRT to learn from other parties experiences, help make a compelling case for change with staff and stakeholders and help confirm BRT is on the right track to reform.

### **Status**

Pending. Estimated time of completion is October 2010.

## **QUALITY CONTROL UNIT**

### **Joseph Solomon, Quality Control Supervisor**

In order to ensure quality assessment practices at the BRT into the future, a robust QC Unit and function must be prioritized, developed and implemented.

First, the new QC Unit, under the direction of Supervisor **Joseph Solomon**, must be properly staffed to ensure strong and independent personnel are well positioned to perform this important function. Once the right QC team is in place, the Unit must

define a process for determining which practices and information processing streams are presently deficient or operating significantly below optimum levels.

An effective method for the collection and analysis of information that will enable the detection and correction of errors must be developed and implemented. Once the QC Unit has created or adapted appropriate data flow systems, the next step is to refine the process to include the following necessary steps; detection, investigation, proper routing, problem resolution and accurate reporting.

Detection is the initial step in the QC process. A careful review of the initial data stream looking for errors or outliers along with a thorough Investigation to summarize the root cause and determine the corrective action that should be undertaken begins the process. Then, routing through the BRT Customer Service Center (CSC) Inquiry System to the Evaluation Supervisor for assignment to appropriate Evaluation Staff for prompt action should move quickly to address the identified error. Appropriate resolution of the problem by the evaluator staff (along with support from QC Unit personnel) will properly correct the issue pursuant to uniform standards and new best practices at the BRT. Finally, the reporting and documented resolution report back through the CSC Inquiry System will ensure that the problem and its resolution is properly documented and analyzed.

Further analysis of “categories of errors” will prompt the QC Unit to determine if one or more particular systemic solutions may be recommended to leadership. The key to QC success is not only identifying and defining the problem but finding a sustainable solution, which must be a collaborative effort involving many other supervisors and employees.

### **Status**

Pending. The creation, development and implementation of the QC Unit and QC function is expected to be ongoing over the next year. Estimated time of completion is January 2011.

## **PERFORMANCE MANAGEMENT PROGRAM**

### **Robert Vierick, CSC & Performance Management Supervisor**

In order for employees to meet new management expectations, it is crucial for them to understand what success looks like. A key aspect of the changing culture at the BRT is the new Performance Management Program. In the past, the BRT has been hierarchical, routine-driven and internally focused. Its method for measuring success was undefined and unclear.

Moving forward, the goal is more performance driven, results-oriented and externally focused. Performance measures will support clear goals and performance targets that will provide objective criteria to help management drive improved employee performance, identify areas that require support and provide a clear indicator of individual as well as group success.

In the past, there were no uniformed standards and each supervisor or manager was left to define success on their own terms. Research has begun to identify the key or critical elements that will be the basis of the new Performance Management Program. Meetings will be held with all levels of staff. Once these critical elements are identified, determinations will be made as to appropriate measurements and standards. By including the entire staff in this process, under the direction of Supervisor **Robert Vierick**, everyone will have a better understanding of what is expected of them and understand how their performance will be measured.

As noted above, standards of performance such as number of assessments conducted and coefficient of dispersion percentage rates will be considered as appropriate benchmarks are created for the assessment function.

### **Status**

Pending. Anticipated completion is December 2010.

## **TIME MANAGEMENT SYSTEM (TMS) PROJECT**

### ***Veronica Daniel, Administrative Services Director The Management Team***

For many years, the BRT utilized paper time sheets to keep employee time records. The time sheets were manually maintained and required supervisor monitoring of employees' arrivals and departures. In recent years, the department has implemented an electronic time-keeping system. Employees were provided employee specific time cards, which are used to record their individual arrival and departure times. Although purchased only a short time ago the system is failing with no possibility of upgrade. Frequent interruptions and maintenance issues as well as an outdated technology make the upkeep of the system a challenge.

In 2009, funding was allocated and new more updated time management equipment was purchased. In an effort to curb employee time card abuse (employees were swiping one another's card or "buddy swiping" to inappropriately steal time from the City), the BRT has initiated a new finger recognition system designed to prevent such abuse.

The current Time Management System (TMS) has been revised to incorporate the new technology. In addition, new disciplinary guidelines are being implemented to enforce the TMS requirements. Employees will receive training on the new technology, which emphasizes working time requirements to ensure they are fully aware of management expectations. The new TMS is being shared with all stakeholders including the unions prior to being implemented.

### **Status**

Pending. Estimated time of completion is June 2010.

## **EMPLOYEE TECHNICAL TRAINING PROGRAM DEVELOPMENT**

**George Celona, Exemptions & Training Program Supervisor**  
**Bernie Camins, Training Consultant**

Ongoing technical training is an essential part of any modern day assessment office. The BRT has begun a training program consistent with maintaining the highest level of assessment best practices and to ensure evaluators become and remain proficient in their daily activities.

The program is at a data collection and planning stage. **George Celona**, the Supervisor coordinating the Training Program, is collecting information from supervisors and staff members regarding appropriate training topics. The BRT is considering creating a database that establishes a historical record of all training conducted at the BRT. The BRT staff is currently reviewing records of past training sessions, which will help ascertain what training has taken place in the past and which should be implemented going forward.

Technical training can be broken down into various categories. First, in-house training which will be the primary focus of this program. It will utilize internal and external subject matter experts, including BRT supervisors and consultants, who are familiar with BRT specific functions and practices in order to provide a more relevant training experience.

In addition, staff members will need to be trained to achieve the Certified Pennsylvania Evaluator (CPE) designation. Currently, roughly half of BRT evaluators have CPE designations in active or inactive status. It is anticipated that in the future all new hires will be given a reasonable time period to achieve their CPE designation and all current evaluators will need to have their designation prior to being promoted. This will encourage staff to achieve their CPE designation and make the CPE an integral part of an evaluators portfolio.

The new environment at the BRT will be one of continuous training, in which staff members can have the opportunity to strengthen their existing areas of expertise and gain further skills in other assessment-related areas.

### **Status**

Pending. Training plan estimated to be completed in June 2010. Implementation of the Technical Training Program will likely begin in August 2010 and will be ongoing.

## **EMPLOYEE CONDUCT POLICY (ECP)**

***Richard Negrin, Executive Director***  
***Veronica Daniel, Administrative Services Director***  
***Klair Spiller, Legal Intern (3L at UPenn Law)***

Interviews and reports reveal that inappropriate employee behavior has been a consistent problem at the BRT. Issues such as unprofessional conduct, potential harassment and poor judgment from a HR perspective, need to be addressed in order to further professionalize the office. Issues related to employee misconduct, gift policy abuse, timecard abuse, inappropriate outside employment, and improper use of City computers have all been identified in recent months.

Many of these issues have been substantiated by Inspector General reports and, for the first time, the BRT has taken a very principled approach to education, enforcement and employee discipline. For these reasons, it is essential to the changing culture at the BRT that we create a robust and clear Employee Conduct Policy (ECP) that provides guidance and sets high expectations for employee behavior.

The ECP is being developed under the direction of **Veronica Daniel**, Administrative Services Director and with guidance from the Executive Director. A third year law student at UPENN, who has employment law experience and will be working in the labor and employment group at the Morgan Lewis firm upon graduation, has been brought on to help research and develop the ECP. Obviously, the BRT will also be consulting with the Law Department, Central Personnel, the Ethics Board, Labor Relations and the various unions at the BRT as we work through this effort.

The ECP will provide basic guidance to employees on issues related to conflicts, compliance with laws, City employment rules, proper ethical behavior, various personnel policies and how to report misconduct. The ECP will send a strong message that employees are to conduct their duties and activities in compliance with recognized rules and without outside or inappropriate influences. There will be ECP specific training for all employees and violations of the ECP will be subject to discipline.

Not content to wait for the ECP, recently on April 10, 2010, the Executive Director and the Senior Team led a training session for all employees regarding the responsibility of all employees, under Mayor's Executive Order 4-94, to identify and report City employee misconduct. This was the first training session of this kind anyone can remember at the BRT.

In addition, the Executive Director created and awarded the Executive Director's "Integrity Award" to honor an employee who had demonstrated character and integrity in the performance of their duties. The first Integrity Award was given to **Ruby Ingram**, a longtime BRT employee in the abatement unit, who reported a citizen complaint regarding demands for illegal payments by an employee of another agency. As a result of Ms. Ingram's report, law enforcement authorities were able to expand an investigation into the illegal conduct of the individual in question and the BRT was able to assuage the concerns of the taxpayer and work to instill confidence that there are city employees who are trying to do the right thing and perform their jobs with integrity. Ms. Ingram, and her supervisors who elevated the complaint, are to be commended for bringing this conduct to light. A copy of the training and Integrity Award presentation is attached at Tab 4.

In addition to the above steps, BRT is also considering an **Employee Hotline** where BRT employees can report violations of the ECP without fear of retaliation or retribution on the part of their colleagues. Moreover, the Board of Ethics and the Inspector General's Office have agreed to partner with BRT leadership to conduct preventative training so that issues may be avoided in the first place. Because the school district employees have been subject to different rules of conduct and because there has not been an emphasis on this type of training at the BRT in the past, we are confident that the ECP and the accompanying training will go a long way towards bringing all employees under the same rules and help facilitate the change in culture at the BRT.

### **Status**

Pending. Estimated completion date is June 2010. We have a working draft of the ECP and expect to have it finalized and reviewed by all stakeholders in the next few months.

## **PERSONNEL POLICY TRAINING & PROGRAM DEVELOPMENT**

**Veronica Daniel, Administrative Services Director**  
**Central Personnel**

As noted above, a professional and performance focused culture is essential to ongoing positive change at the BRT. Upon completion of the Employee Conduct Policy (ECP), the BRT expects to conduct training sessions educating and directing employees in personnel matters. For easy reference, the BRT anticipates the creation of a

comprehensive employee manual. The manual is being developed by incorporating information from a variety of sources including; BRT Policies (such as the upcoming ECP), Civil Service Regulations, Mayor's Executive Orders, Inspector General's Office information, Ethics Board educational materials and various Bargaining Agreements.

The manual will be sent to stakeholders to ensure conformity with existing rules and regulations. The manual should provide specific guidance on employee behavior, promote integrity and professionalism, and contain clear disciplinary guidelines.

Upon the completion of the manual, the BRT, under the direction of **Veronica Daniel**, will schedule regular training sessions for all staff members. The sessions will be used to train on personnel best practices, highlight policy changes, answer employee questions and engage in open dialogue.

### ***Status***

Pending. It is anticipated that the employee manual will be complete by July 2010 with relevant personnel training commencing in September and continuing into the future as needed.

## **SALES DATA PROJECT**

### ***To Be Determined***

The other significant aspect of data quality (aside from property characteristics) that drive assessments and the models is **sales data**. Standards and guidelines need to be developed so that staff routinely reviews and codes market and sales data in a uniform manner. Clear standards on how to review and code sales as usable or not with a rejection code assigned to invalid sales (e.g., related parties, distressed sales, etc.) must be developed, trained on and implemented.

In addition, a detailed review of data for sold properties must be undertaken to ensure accuracy and timeliness as these properties drive the models that will be utilized in the CAMA system to develop accurate values. If the property data has been captured accurately and under a uniform set of standards, the sales data is accurate and the models are right, then the values will fall into place as the entire new system comes online.

### ***Status***

To be determined. This is the next major project that will begin once the initial stage of the assessment standards project is complete.

## PUBLIC RELATIONS, COMMUNICATION & MESSAGING

### ***To Be Determined***

A comprehensive communication strategy needs to be developed and implemented as we continue to undergo positive change at the BRT. For the last few years the media has been highly critical of all facets of the BRT. If we are to restore public confidence in the property assessment system, we must attempt to utilize the media to tell the positive turnaround story at the BRT. This is no small effort.

Media representatives have been invited and have attended Executive Leadership training sessions at the BRT and we have openly shared strategic plans and other relevant information as appropriate. As we achieve significant milestones or hold key training sessions, we need to continue to communicate that effectively to the outside world. To date we have not been successful in getting the media to report on some of the specific projects we have undertaken. We hope to change that as improvements at the BRT become too obvious to ignore.

However, we cannot rely exclusively on the media to tell our story our way. Therefore, we must consider utilizing a revamped website, updated newsletter and regular press releases to start to tell a positive story of transformative change. We must work with the City's Press Office to ascertain available resources and plan strategy. We must work with the Department of Technology to determine available resources and options for our website. The current BRT website is insufficient for these purposes, has an antiquated look that does not match other City agencies, and does not reflect well on the BRT (and its preferred perception that it is a technologically savvy organization) as a whole.

We must also develop a plan that works with local officials, relevant business leaders and community groups to perform effective outreach that manages expectations and describes our major initiatives and progress.

### ***Status***

To be determined.

## NEXT PHASE PROJECTS

The projects and initiatives summarized above are only the initial phase of reform at the BRT. These projects are foundational in nature and are an important part of creating the type of environment where quality systems can develop and even flourish. Once they are complete, the organization will be far more adaptive to change and will be able to move to the other important phases of development and progress.

You cannot implement high quality systems and processes unless the culture has evolved and is ready to accept them. Any system infused into the old BRT culture would have suffered from “organ rejection” and been stymied at every opportunity. Interviews reveal that some of that is what occurred during the previous RealWare technology integration effort that ultimately failed.

### ***Data Collection***

However, once these projects have been successfully completed, we will be able to move on to the other important phases that are crucial to the implementation of the Actual Value Initiative. The first priority needs to be substantially improving **data quality**. Once we have reviewed existing data elements and decided which to retain, delete, add or modify, consistent with IAAO standards, we will be able to maintain a set of data items that will successfully drive values going forward.

Once the above described uniform standards project is complete, we will be able to develop a manual (actual or electronic) that demonstrates and illustrates proper data collection in a uniform manner. We will need to consider the availability of supporting technology to that effort in conjunction with the Department of Technology and the Property 2.0 project.

Once that has been accomplished, we will then be able to train all evaluators consistent with those standards and procedures including supporting technology as appropriate. We should pilot test our data collection procedures to ensure we can make necessary revisions and so that we can get improved performance results that boost confidence in the new system.

We should explore all other options to collect data such as a taxpayer survey and requirements that individuals that interact with various City agencies provide updated information on a property information form. These would require citizens to self-report property characteristics to help capture, update and compare data. This has been used with some success in other jurisdictions such as Pittsburgh and San Antonio.

### ***Property 2.0 Integration***

Ensure that all BRT efforts are undertaken in concert with the efforts of Property 2.0 to ensure a seamless integration of all relevant data both on the front end—BRT’s property

characteristics data into Property 2.0 and on the back end—Property 2.0 information into BRT's CAMA system.

### ***Computer Assisted Mass Appraisal (CAMA) Integration***

If we can substantially correct the quality of the data, successfully integrate with the Property 2.0 information, ensure that we have quality sales data and get the valuation models correct, then the values will fall into place as the system improves and we will be able to implement Actual Value with confidence. This will permit us to move forward with a full and accurate revaluation of the entire City.

### ***Full Revaluation***

Implement a phased data recollection and assessment project that includes a QC component and leverages technology where possible, namely digital street photos, oblique imagery and GIS systems (which reduce field time, meet IAAO standards and serve to enhance accuracy). Perform frequent tests throughout the process to ensure accuracy and measure results against new performance management goals to maintain compliance with created benchmarks.

### ***Third Party Validation & Certification***

Once the new assessment system has been developed and implemented through various tests with acceptable results, credible third party validation will be required to ensure the public, and all other stakeholders, that the quality of the new system is such that it can be utilized to accurately achieve actual values that can be relied upon. The IAAO offers this type of analysis as a service and may be one option to consider. As the recognized assessment industry authority, their stamp of approval would carry considerable weight.

## CONCLUSION

The above projects and initiatives are a strategic overview of where Philadelphia's assessment office needs to go over the next several months and years. Obviously, these priorities are subject to budget constraints and changing circumstances that may require adjustment as we continue to move forward toward our goal.

This is a complex effort. The present condition of the BRT has taken a long time to get to where it is today. It will not be remedied over night. The dedication of the Mayor, City Council and key members of the administration such as Clay Armbrister, Rob Dubow, Steve Agostini, Allan Frank, Albert D'Atillio and Shelley Smith have been crucial to our short-term progress. Their collective will and continuous support has been nothing short of extraordinary.

Moreover, the receptiveness and commitment on the part of key BRT management and staff has been paramount to the success of the above projects and the positive change that has just begun to be ushered in.

Our goal is a fair and equitable property assessment system that is of the highest quality and worthy of a City as great as Philadelphia.

I am confident the BRT or its successor can get there.

Respectfully submitted,

Richard Negrin  
Executive Director

## ATTACHMENTS

BRT STRATEGIC PLAN OF JANUARY 2010 .....	TAB 1
EXECUTIVE LEADERSHIP TRAINING OF MARCH 2010.....	TAB 2
UPDATED ORGANIZATIONAL CHART .....	TAB 3
EMPLOYEE TRAINING SESSION OF APRIL 2010 .....	TAB 4