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Committee of Seventy Urges Urgent Action to Abolish the BRT Says Immediate Interim Reforms Are Also Needed

PHILADELPHIA – October 7, 2009 – The Committee of Seventy today praised Mayor Michael Nutter for injecting a sense of urgency to building public trust in the fairness of Philadelphia’s property assessments and appeals processes by making public his desire to eliminate the Board of Revision of Taxes. The non-partisan, nonprofit government watchdog group expanded on the Mayor’s remarks by issuing specific recommendations for a permanent restructuring of the embattled agency, and immediate improvements to be made in the interim.

Seventy’s President and CEO Zachary Stalberg also commended Councilman Bill Green for stepping forward as the prime sponsor of legislation to abolish the BRT that is expected to be introduced at tomorrow’s Council meeting. “We urge the Mayor and Councilman to put their often tenuous relationship aside so that, together, they can move reforms swiftly forward,” he said. No BRT-related legislation was introduced at Council’s October 1 meeting, reportedly because Council’s leadership wanted more time to review “options” recently presented by a working group of administration and Council staffers.

“The only viable ‘option’ is to do away with the BRT and revamp the entire system of assessing city properties,” said Stalberg, noting the *Inquirer’s* almost daily reports since last spring of gross mismanagement and political deal-making at the agency. “It doesn’t take months of study to figure that out.” He outlined three critical steps needed to get legislation passed:

1. Mayor Nutter must turn his general comments into more specific reform recommendations. He must also use his political leadership to convince reluctant

Council members to accept an accelerated timetable – at the very least, in order to demonstrate to the public that they are serious about reform. Since property taxes generate huge revenues for the city, there is a strong financial incentive to correct the property assessments and appeals processes as soon as possible.

2. The Mayor and City Council must work together to agree on the provisions of a reform plan. Stalberg said that the plan should take into account the maximum efficiency and cost-savings goals outlined in Seventy's September 2009 *Tackling True Reform* report (available at www.seventy.org).
3. The city must make a final determination on how to abolish the BRT. There are differences of opinion over whether this can be accomplished by a resolution approved by the voters, as the administration and Council appear to believe, or by the General Assembly, as Seventy's research has indicated. Stalberg cautioned that any momentum could be stopped dead in its tracks by bureaucratic hurdles. "The General Assembly stepped up to give Philadelphia fiscal relief," he observed. "If they have to relieve the city of the BRT, the city should get that process underway."

Since "even under the best of circumstances, the BRT won't be dissolved overnight," Stalberg explained that the Committee of Seventy's recommendations had two distinct purposes: first, to propose specific and permanent structural reforms and, second, to outline short-term changes to improve the current BRT in the interim period.

Permanent Reforms

Stalberg urged the Nutter administration and City Council to incorporate the following recommendations – several of which expand on those offered by the Mayor – into its permanent reform plan:

- Dissolve the current BRT.
- Transfer the 78 BRT employees currently housed at, and funded by, the School District of Philadelphia to the city's payroll.

- Separate the assessment and appeals functions, which currently are both performed by the BRT.
- Move the **property assessments functions** to the city's Finance Department.
 - All administrative staff, and property assessors (including the Chief Assessor) should be selected according to the requirements of the city's merit-based civil service system.
 - All property assessors (including the Chief Assessor) must possess qualifications that meet published, objective and current standards of their profession.
 - All exempt employees must meet published, objective qualifications to perform the jobs to which they are assigned. The selection of all exempt employees should be made without regard to political connections or support.
- Move the **property assessment appeals functions** to a newly constituted and renamed Board or Commission.
 - All administrative staff should be selected according to the requirements of the city's merit-based civil service system.
 - All members of the new Board or Commission must meet the highest standards for ethics, integrity and character, as well as published, objective qualifications to perform the job to which they are assigned, without regard to political connections or support.
 - The selection of members of the Board or Commission should be removed from the Board of Judges.
 - The method of selecting members of the new Board or Commission should be designed to remove political patronage to the greatest extent possible.
 - There should be fixed and staggered terms for all new Board or Commission members.
- Require all personnel involved in the property assessments and appeals processes – including civil service and exempt employees – to be current in their payment of city taxes. Any employee who owes back taxes should be subject to new city rules regarding garnishment of wages unless the debt is settled or a repayment plan is entered into.
- Establish a new and fair system for assessing property and commercial properties that is based upon accurate and reliable underlying information. The credibility of the information must be assured by independent experts in the profession. These corrections are necessary regardless of the method ultimately decided upon to produce equitable and uniform property assessments and market values.

Short Term Improvements

Seventy outlined proposals for short-term improvements to enhance trust in the BRT during the interim period before permanent reforms are enacted. A few recommendations – some of which Seventy presented in May 2009 – impose more restrictions on BRT employees than on

other city workers. However, Stalberg called them “appropriate and necessary” in light of the gravity of the BRT’s ongoing troubles. Specifically, they include:

Filling the vacant seat on the BRT: At its next meeting, the Board of Judges should select as a BRT member an individual who meets the highest standards for ethics, integrity and character, as well as published, objective qualifications to perform the job, without regard to political connections or support.

Selecting a new Executive Director: The BRT should promptly select an Executive Director who meets the highest standards for ethics, integrity and character, as well as published, objective qualifications to perform the job, without regard to political connections or support. The individual selected should have no past connection with the current BRT.

Pledging not to hire people for political reasons: This policy should apply to all individuals in a position to make hiring decisions, including BRT members, the agency’s executive leadership and the Board of Judges.

Ending secret deals to politically-connected residential and commercial property owners: This expectation should be communicated to all personnel – including property assessors – and strictly enforced.

Establishing a strict conflicts-of-interest policy: All BRT employees holding second jobs should register the name of their employer and their job description with the Philadelphia Board of Ethics. No employee should participate in any BRT matter where real or perceived conflicts with their non-BRT duties or relationships exist.

Making the names and backgrounds of all BRT employees available online: This will promote transparency about an agency the public knows little about.

Correcting faulty information that underlies current property tax assessments: Even in this interim era, the BRT has to seek the assistance of independent experts to fix the glaring mistakes that continue to create inaccuracies in property assessments. As discussed in the “permanent reforms” section of this document, moving to a new and fair system for assessing

residential and commercial properties should await the transfer of the property assessment process to the Finance Department.

Finally, Stalberg called on the members of the BRT to “break their silence” and speak out on ways to make a restructured system work better: “Although some BRT members have been more forthcoming than others in acknowledging the agency’s flaws, the entire leadership has a moral obligation to ensure that a future system for property assessments and appeals leaves no room for abuse.”

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The Committee of Seventy is a non-partisan organization conducting a permanent campaign for clean and efficient government, fair elections and informed citizens. See www.seventy.org for more information.