

FOCUS & MUNICIPAL ASSESSMENT TAXATION

CASES, COMMENTARY, NEWS AND BEST PRACTICES • AUGUST 2011, VOLUME 16 • NUMBER 8

FEATURE

Trump wealth built on government incompetence and connections

Donald Trump's disdain of big government is built on irony, largesse and connections, noted an article in the *Los Angeles Times*. "From his first high-profile project in New York City in the 1970s to his recent campaigns to reduce taxes on property he owns around the country, Trump has displayed a consistent pattern. He courted public officials, sought their backing for government tax breaks under extraordinarily beneficial terms and fought any resistance to deals he negotiated."

The article by three journalists noted that Trump boasts about manipulating government agencies, such as misleading officials into believing he had an exclusive agreement to develop a particular property, then changing the development's accounting practices to reduce the tax bill. The journalists write that it is difficult to assess how much of Trump's empire "has been built with the help of government munificence, since many of his projects remain shielded from view" with the help of elected officials because of campaign contributions and job offers.

A 1980s study by *Newsday* found Trump donated more than anyone else to members of the New York City Board of Estimate, which at that time approved all land use development. A recent study by New York's Public Interest Research Group (www.nypirg.org/media/releases/goodgov/NYPIRGTrumpNYSDonations.pdf) showed some of Trump's donations to the state's lawmakers. Like his father, Fred C. Trump, he continued to rely on government incentives from his first major real estate deal to buy a Manhattan hotel when his father was a political ally of the mayor and the city granted him a 40-year full property tax abatement. In the first decade, that deal cost taxpayers \$60 million.

One of the few to speak out is Karen Burstein, a former auditor general of New York City, who had reviewed a Donald Trump project in the 1980s and concluded he "cheated" the city out of almost \$2.9 million. Burstein said she is still appalled at the way he operates. "It's extraordinary to me that we elevated someone to this position of public importance who has openly admitted that he has used

government's incompetence as a wedge to increase his private fortune," she said. Representative Jerrold Nadler of New York fought against hundreds of millions of dollars in federal funding that Trump wanted for a luxury apartment complex in Nadler's district. "He sought to abuse the taxpayer and stretch the law," said Nadler. "I said, 'Listen, Mr. Trump, if you think this is a good project, you spend the money.'" See <http://articles.latimes.com/2011/may/11/nation/la-na-trump-20110511>.

WORK WORD

reliable, *adj.* Less prone to malfunction than competing products in controlled tests sponsored by the vendor.

From *A Devil's Dictionary of Business Jargon*
by David Olive

In this Issue

- 57 **Feature** Governments beware, Trump wealth built on government incompetence and connections
- 58 **Resources: New & Noted**
- 58 **Calendar**
- 59 **PILT: Payment in Lieu of Taxes Roundup**
- 60 **Feature** Who's saying what about density and parking
- 61 **Coast to Coast to Coast**
- 63 **Book Review** *Lean for the Public Sector: The Pursuit of Perfection in Government Services* by Bert Teeuwen, reviewed by Michele Peach
- 64 **Quirky but true ...**

Resources: New & Noted

Fiscal Management in British Columbia's Municipalities

Union of BC Municipalities, Local Government Management Association & Government Finance Officers Association of BC

Tax policies advocated by the Canadian Federation of Independent Business (CFIB) would increase property taxes annually on the average home in British Columbia by 14.5% (approximately \$230), notes a report that examines municipal tax policy and fiscal management. The report calculates the shift from business to residential property owners if the 2:1 ratio advocated by the CFIB was implemented at current spending levels. Many municipalities have a higher rate of taxation for businesses based on their ability to pay in comparison to residential owners: businesses deduct the expense or pass along costs. The report includes data showing that the vast majority (75%) of mayors are from the private sector. See www.ubcm.ca.

Exceeding Expectations: Producing Appraisal Reports and Services That Delight Clients

This book outlines techniques for internal quality-control principles developed for manufacturing and other industries that are applicable to the appraisal profession. It also provides tips for gathering and using client feedback, addressing details of an internal quality-control review process, verbal communication, active listening and effective writing.

The Appraisal Institute

\$50 members, \$40 non-members

www.appraisalinstitute.org/store

1-888-756-4624

Valuing Properties with Wetland Potential

By Michael Cragg, Christine Polek & Stephen Polasky The Appraisal Journal, Spring 2011

To appropriately value potential wetlands, real estate appraisers must explicitly take into consideration the market for mitigation credits, according to this article examining how policy favouring wetland mitigation banks and the sale of credits influences the value of land that has potential use as wetlands. The study is significant because prior research had looked at valuation of wetlands adjacent to development sites, which is not a market commodity.

www.appraisalinstitute.org/taj/Default.aspx

Appraiser Survey: Values Stabilizing and Transactions Slowly Picking Up

Zelman & Associates, April 2011

Demand for appraiser services strengthened in the first three months of 2011, building on improvement that began the

previous quarter. While demand was described as slightly lower for apartments and smaller lodgings and healthcare, valuation demand for other non-residential and residential asset classes strengthened. Participating appraisers in the United States said approximately 25% of assignments were for new appraisals as opposed to re-appraisals.

www.zelmanassociates.com/pdfs/SR_Finan_04122011_1.pdf (plugin required)

Canadian Lawyer, August 2011

The magazine's second annual list of the Top 25 Most Influential people in the justice system and legal profession included a government/non-profit category; one write-in candidate deserving mention. Ontario ombudsman André Marin was frequently suggested, for example, for his "incredible positive impact on government administration in Ontario, acting as a catalyst for change in diverse areas," including greater fairness and transparency in property assessment.

Calendar

76th Annual Conference

International Municipal Lawyers Association

September 11 to 14, 2011

Chicago, IL

www.imla.org

77th International Conference on Assessment Administration

International Association of Assessing Officers

September 18 to 21, 2011

Phoenix, AZ

www.iaao.org

A Plethora of Property Tax & Assessment Issues

45th Annual National Workshop

Canadian Property Tax Association

September 25 to 28, 2011

Niagara Falls, ON

Financial implications of demographics and valuing special properties such as airports, seaports and railways. Includes a panel of appraisers on difficult valuations, the Cross Canada Legal Update, ethics of property tax practice, First Nations Tax Commission and a national market update.

www.cpta.org

cpta@on.aibn.com

PILT: Payment in Lieu of Taxes Roundup

In the United States, 1,850 local governments nationwide are receiving PILT payments totalling \$375.2 million.

The 1976 law that created the program, administered by the Department of the Interior, was amended in 1982. Although there have been threats that PILT funding might be discontinued or reduced, this year's program is funded at full entitlement levels under the *Emergency Economic Stabilization Act of 2008*, under a five-year authorization. In **New Mexico**, Doña Ana County will get approximately \$2.8 million in PILT funding to compensate for federal lands, part of \$32.9 million going to a number of counties in New Mexico. Counties within the state of **Nevada** received more than \$22.94 million in PILT funding.

Tennessee's Memphis and Shelby County Industrial Development Board (IDA) approved Kruger Inc.'s tax abatement for a \$300-million expansion of its North Memphis facility. The Ontario-based company's project qualified for a 15-year PILT abatement to save the company \$45.4 million in taxes. The company's facility was previously awarded two PILTs: one in 2002 to open the plant and a second in 2005 to expand production capacity. The investment will go towards construction of a new building at the site, as well as the purchase and installation of new machinery. The Memphis location is Kruger's only US facility. The IDA also considered requests to waive the bulk of city and county real estate and personal property taxes for two companies: Angelica Textile Services Inc. is to open its 28th processing facility with a five-year PILT, saving \$541,876 in taxes for a project yielding nearly \$1.6 million. Americraft sought a PILT for retention of its existing facility to secure an \$8.1-million investment for an eight-year term to save \$543,894 in taxes, expected to generate \$3.66 million in new tax revenues. Both companies stated they would move elsewhere if they didn't receive tax breaks of 75% by the county and 90% by the city.

In **New Jersey**, Cinnaminson Township won a case against a riverfront developer regarding segregated housing and a PILT arrangement. Kaplan Companies had petitioned Superior Court to approve a PILT program for properties and to allow subsidized housing in one area. In 2002, the developer was court ordered to comply with a state mandate to offer low- and moderate-income housing, which Cinnaminson fought to keep interspersed throughout the development to avoid ghettoization. Two years ago, Kaplan asked the township to institute a PILT program to offset taxes they would pay and when the township refused, Kaplan sued. "That tax abatement is not going to make those apartments any more affordable," said committeeman Anthony Minniti, the township's director of economic development. "That tax abatement [would have] lined the pockets of the developer. We felt it was wrong."

Entergy is working towards a June 2012 re-licensing of its nuclear power as Plymouth, **Massachusetts** officials and state residents debate the Nuclear Regulatory Commission's potential approval. For Plymouth officials, the main question was tax revenue – recently, concerns with nuclear waste for the next 20 or more years. A PILT program once paid the town \$15 million a year, reduced 15 years later to \$7 million. Kimber Manufacturing asked **New York's** Yonkers Industrial Development Agency for tax deals for a \$1.7-million expansion and the company's third location. The company wants sales-and-use tax exemptions valued at approximately \$44,800 and a PILT agreement. In 2009, the weaponry company received a \$700,000 grant from Empire State Development Corp. as part of a \$10.8-million expansion of its operations. Kimber's locations have sparked complaints. For example, when in 2007 it proposed expanding production from 250 to 400 guns and rifles a day, residents complained of truck traffic, noise and safety concerns.

The Department of Administration (DOA) wants \$12 million from the Port Authority of **Guam** to be paid to the Autonomous Agency Infrastructure Collection Fund for a PILT, but the port's financial analysis showed the DOA owes the agency money. In six of the 14 years they were billed, the port sustained losses and therefore claimed that \$5.2 million should be removed from that DOA billing, in addition to other overpayments made by the port. Further, the cost of power will go up because the Consolidated Commission on Utilities approved a resolution authorizing a partial PILT – of more than \$2.5 million, with annual payments – to the government's General Fund from the Guam Power Authority (GPA). The DOA is enforcing a law that requires GPA, the port and others to make annual \$850,000 payments to the fund.

Two new members and the reappointment of one past member were made to Canada's Payments in Lieu of Taxes Dispute Advisory Panel, with:

- Grace Muzyka (Saskatchewan);
- André Poisson (Quebec); and
- Jackie Thakore (Saskatchewan).

For the full list, see www.appointments.gc.ca/prflOrg.asp?OrgID=PTDP&lang=eng.

FEATURE

Who's saying what about density and parking

A blog advises cities to increase density and reduce the tax burden by promoting zoning that allows infill development, financial incentives for developers and residents, and improvements to transit and the public realm. David Frank, director of transit-oriented development for **Minneapolis**, contributed preliminary numbers on the current tax revenue of approximately \$274 million for the city in 2011. Yearly taxes on a proposed 100-unit apartment project at a train station would total \$108,750, thereby adding 0.04% to city revenue. “That may seem like a small number, but add several hundred units at each of the light rail station areas and in other popular locations like downtown and uptown, and suddenly the city is bringing in significantly more revenue,” said Frank. The blog notes that although the city’s numbers were “done on the back of a napkin,” the point is that cities would benefit from more downtown development. See <http://joe-urban.com/archive/density-reduces-our-tax-burden>.

“Just because a driver doesn’t pay the cost of parking doesn’t mean the cost goes away,” said Donald Shoup, speaking at a **Toronto** session sponsored by the Canadian Urban Institute. The planning professor and author of *The High Cost of Free Parking* (2005) said, “It means we all pay. ... We pay for parking in every way except as a driver.” Shoup said cities should “set the price of street parking so that at any given moment, 85% of spots are occupied and 15% available. If spots are rarely empty, prices should be raised. If they’re unused most of the time, prices should be dropped.” He also advocated that funds raised by parking should largely stay in the neighbourhood for public realm improvements so “the traditional enemies of paid parking – merchants and politicians – become instant converts.” Shoup said downtown drivers are clogging streets circling while looking for a parking spot and that parking requirements, such as spots per unit or square footage, have a significant impact on what gets built. In Toronto that has “all but eliminated mid-rise development because sites are usually too small to excavate or use as surface parking lots.”

The *Old Urbanist* blog argues that zoning has never effectively preserved property values, actually doing the opposite by not allowing more valuable uses to replace less valuable ones. “Zoning has often excluded the creation of dense apartment buildings from many neighborhoods,” collectively increasing the economic productivity of the land as to rental income, property taxes or both. See <http://oldurbanist.blogspot.com/2011/05/did-zoning-ever-serve-property.html>.

At *Recivilization*, this entry promotes zoning reform: “Zoning’s purpose was supposed to be preserving investments and neighborhoods, and yet over 70 years our massively zoned cities have seen the greatest wave of decay in urban history. There is no evidence, from anywhere, that zoning has given any declining neighborhood an extra minute of time before its doom arrives.” The site notes vacant landscapes in portions of inner Detroit, a city that “has retained its vestigial low-density residential zoning,” which the city’s 800-page zoning code states is “designed to stabilize and protect the essential characteristics of the district,” even after virtually all structures once present have been burned, demolished or abandoned. “The negative effects of artificially limiting supply allowed suburban sprawl, increased property taxes and tax cap backlashes leading to more exclusionary zoning and low-density neighborhoods.” See <http://recivilization.net/index.php>.

QUOTABLE QUOTE

“It used to be that your immediate comparison group was your neighbourhood or friends. Now you’re exposed to everybody who has so much. We base our happiness on our most immediate comparison group. These days it’s the world..”

– Jim Taylor, Adjunct Professor of Psychology at University of San Francisco

Coast to Coast to Coast to Coast

USA (NB: All figures in US\$)

California

Apple CEO Steve Jobs made a surprise appearance at **Cupertino** council to announce plans for a major expansion as space restrictions at the existing headquarters forced the company to rent space in buildings scattered throughout the city. Jobs presented renderings of a proposed 150-acre [60-ha] campus with most parking underground to create space for thousands of additional trees. The new site, purchased from Hewlett-Packard, would complement Apple's existing Cupertino headquarters. Jobs noted that Apple is already the city's largest taxpayer, and if it cannot continue to expand within city limits, it will be forced to move elsewhere, he said, an alternative that city leaders were quick to discourage.

Idaho

Although saying Idaho code isn't specific as to which "taxpayers" may file an appeal, a **Kootenai** County prosecutor ruled a person can't appeal property assessment on land the person doesn't own. A developer applied to appeal an assessment on the Silverwood Theme Park, contending the property was wrongly granted a timber exemption on developed acreage. The prosecutor determined that only individuals who represent the owners, or who have ownership interest, can appeal a property assessment. Kootenai County Commissioner Dan Green said he will take the advice of the county's legal department. "I would say it seems to be a difference of interpretation of statute," he said. The decision will be appealed to the Idaho Board of Tax Appeals.

South Carolina

The legislature passed provisions for **point-of-sale tax reassessment of real property** under the *South Carolina Real Property Valuation Reform Act* (Act no. 388) of 2006. When a parcel of real property and any improvements previously subject to property tax is sold or undergoes another assessable transfer of interest, and the value of the parcel, as determined at the time of the assessable transfer of interest, is greater than the value of the parcel used in the property tax assessment on the parcel for the most recently completed property tax year, there is allowed an exemption of an amount of the fair market value of the parcel sufficient to eliminate any increase in the value of the parcel. The legislation applies to real property transfers after December 31, 2010. The passage of this legislation attempts to change the impact of Act 388 of 2006.

Utah

The suspension of the US space shuttle program wasn't good news for ATK, one of NASA's most established suppliers, as a

huge chunk of ATK's business in **Box Elder** County ended with the final launch. The company has already laid off more than 2,000 workers. ATK Space Systems had been the sole provider of solid rocket booster motors since NASA's first launch. County Assessor Rod Bennett said the county negotiated tax numbers "that are fair on both sides of the table." The concern is that ATK is using only approximately 15% of the building capacity at a facility that equates to a \$69-million decrease in property valuation and another \$51 million in personal property. Although ATK disagrees with the personal property figure, Bennett said the company would not file an appeal.

New York

Bronx Gateway Center Mall's developer, The Related Companies, is paying \$343,820 in rent this year for 16 acres [6.4 ha] of city-owned land, said the Economic Development Corp. (EDC), approximately 50 cents per square foot [0.09 m²]. The \$500-million mall contains nearly 1 million square feet [90,000 m²] of retail space and another 1 million for parking, for which the company collected \$27 million in lease payments from stores. In a 25-year commercial tax abatement program, Related paid \$540,000 this year in PILT, which the EDC said would normally be some \$4.8 million. In addition, the city's Finance Department told the Daily News that it neglected to assess half the mall. In 2005, when Related and EDC's former president sought council approval, the mall was estimated to "employ more than 2,300 full-time people." When construction began, that was lowered to 1,766 jobs and in 2010, the city reported the equivalent of 986 full-time jobs were created.

A lawsuit filed by Berry Plastics against **Macedon** was settled, reducing the company's assessment by \$2,567,700, from \$2,817,700 to \$250,000. Berry Plastics claimed the "assessment is unequal in that it has been made at a higher proportionate valuation than the assessment of other property made on the same rolls by the same assessing officer."

West Virginia

Owners of the Woodridge Plantation Golf Club, challenging the **Wood County** Board of Equalization and Review, asked that the course's valuation be lowered again, from more than \$1.16 million to \$750,000. After an earlier appeal, the appraised value was lowered from approximately \$1.9 million, and for tax purposes, the board set assessment at \$698,340. If the appeal is successful, the bill would be reduced further from \$15,735 to \$10,294. The clubhouse is valued at \$657,000, reduced somewhat because it is used more as a banquet facility than a restaurant. The owners said the property has been in foreclosure for several years, and further tax relief might help them pay deferred maintenance and bring in business.

Pennsylvania

Harrisburg Mayor Linda Thompson said a new property valuation by the Harrisburg Parking Authority (HPA) was positive for the *Municipalities Financial Recovery Act 47*. The Act addresses the city's \$310-million incinerator debt and adjustments regarding the city's deficit: instead of requiring the city to implement a 10-year tax abatement plan, the strategy is now only to be considered. "Over a 30-year term of the lease, the valuation found that average annual leases for a three-garage system are approximately \$1.89 million" and are tied to parking's potential to generate revenue. A systemwide valuation found that the current projected 30-year concession lease is worth approximately \$215.5 million, while an "as is" sale of the HPA is estimated to be worth approximately \$259 million. See www.newpa.com/webfm_send/1757.

Oregon

An investigation by *The Oregonian* found that **nearly 200 residents with houses valued in excess of \$500,000 benefited** from the state's Property Tax Deferral Program intended to help senior citizens stay in their homes. Changes will put in place stricter rules for new applicants – and the more than 10,800 homeowners in the program – after records showed eight homeowners with houses valued at more than \$1 million had property taxes paid by the state this year. Homeowners qualified if they were at least 62 years old with an annual taxable income no more than \$39,500. The taxes were to be paid back with 6% interest after the homeowner sells the house or dies. House Bill 2543 (<http://gov.oregon-live.com/bill/2011/HB2543>) proposed asset limits, with an income limit certified every two years. When 2010/11 property taxes were due last November, the state had enough to pay only two-thirds of the estimated \$20 million owed through the program. See www.oregon.gov/DOR/SCD/index.shtml.

Maine

MaineHealth, the state's largest healthcare network, is asking **Portland** to waive part of the tax bill on its new corporate headquarters. The building was declared tax-exempt years ago when it was the Blue Cross/Blue Shield headquarters and under a PILT agreement. Consolidating three leased sites – one with an annual tax bill of \$119,000 – MaineHealth bought the site for \$3.5 million and made extensive renovations. Officials expected the tax bill to rise to some \$180,000 in the coming year. Councillor John Anton, chair of the city's finance committee, said, "They're well aware of the financial challenges we face as a city," adding he might be sympathetic if the company was not so generous in other ways, such as the \$1.2-million compensation for its CEO in 2008/09, while the city froze salaries of ambulance crews to help balance its budget. Anton also said MaineHealth relies heavily on city services such as rescue crews and street plowing. To qualify for a partial exemption, MaineHealth divided the building into

profit and non-profit sections, applying the legal mechanism used to create property lines between condominiums. Nearly \$1 billion of Portland's \$7-billion tax base (13%) is owned by private, tax-exempt organizations. Many other Maine communities have been trying to change the state's tax exemption laws for years. Eric Conrad, spokesperson for the Maine Municipal Association, said opposition from the organizations helped defeat a recent legislative proposal to study the extent and impacts of exemptions. "It's way past time to honestly examine what's going on out there," he said. "Whenever a non-profit expands, they are taking property off the tax rolls ... and all that does is really leave a greater burden for those homeowners and businesses who are paying their taxes."

Canada

British Columbia

Catalyst Paper Corporation made a \$10,706,063 payment towards its outstanding 2010 property taxes, penalties and interest, including a portion towards its 2011 property taxes. This leaves outstanding 2011 property taxes of \$397,945. Catalyst has appealed its 2009 property taxes to the Supreme Court of Canada. Municipality of **North Cowichan** Mayor Tom Walke said, "We look forward to the certainty that the Supreme Court's decision will provide, and we will work collaboratively with our largest taxpayer."

Alberta

The province advised municipalities to **increase mill rates to cover the cost of provincial electronic motor vehicle searches**. This cost has been estimated to be more than \$12 million. The Alberta Urban Municipalities Association (AUMA) is challenging the downloading of the \$15 fee without providing the offsetting funding to municipalities, alarmed that property owners will have to bear the costs of those who speed, while the province receives 30% of each fine collected by municipalities. An AUMA statement was released, noting, "The arrogance this government is baffling given the current political climate" and promoting its Local Matters campaign, which includes municipalities getting "direct and full access to the property tax dollars to support core responsibilities" as well as "revamping the grant system to address joint provincial-municipal initiatives and assisting those with limited tax capacity." See www.auma.ca/live/AUMA/Local_Matters.

Manitoba

Winnipeg subsidized True North Sports & Entertainment with \$2.15 million last year in tax refunds in a 2004 deal that guarantees tax breaks for 25 years, as well as proceeds from a 10% entertainment-funding tax on events held at the MTS Centre. According to city assessor Nelson Karpan, in 2010 the city returned \$250,000 in business taxes to True North, as well as entertainment taxes of \$1.9 million.

Ontario

(Note: Acronym MPAC is Municipal Property Assessment Corporation)

Politicians are expected to take control of **Hamilton** Entertainment and Convention Facility Inc. (HECFI) and eliminate the city's multimillion subsidy to the money-losing entity, first replacing its board with an interim board of five politicians. Mayor Bob Bratina said council needed to take action to try and solve HECFI's financial woes. Councillor Sam Merulla proposed a motion last year to eliminate HECFI's board and privatize operations of Copps Coliseum, Hamilton Place and the Hamilton Convention Centre. A KPMG audit commissioned by the city found internal management problems and mounting losses with a \$2-million deficit and a \$5.75-million subsidy that the city already provided. HECFI was projecting a 2011 budget deficit of some \$366,000, but this year's first-quarter results revealed the facility was losing about \$1 million, while the board gave bonuses to senior managers.

New Brunswick

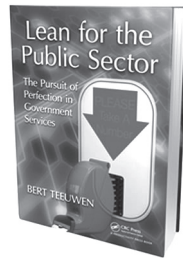
One of 17 recommendations by the Union of Municipalities of New Brunswick, Cities of New Brunswick Association and Association francophone des municipalités du Nouveau-Brunswick calls for an overhaul that would see municipalities and local service districts (LSDs) get every cent of property tax collected. They also want local governments to take on more control over services. The coalition acknowledges that its proposal might lead to higher taxes and a reduction in the number of jurisdictions once areas pay the full amount for services. Some of the more than 350 municipalities and LSDs – which the 2008 Finn Report suggested reducing to 53 municipalities – are merging to find savings. Local Government Minister Bruce Fitch, who held some 20 advisory meetings around the province on municipal reform, met with the municipal associations and said he remains committed to having fair and equitable taxation, with a plan in the fall.

Book Review

Lean for the Public Sector: The Pursuit of Perfection in Government Services

By Bert Teeuwen

Reviewed by Michele Peach



The term “perfectionist” is often used with a negative connotation. That being said, is striving for perfection the thing to do, especially in the public sector? And is it attainable? In *Lean for the Public Sector*, Bert Teeuwen admits you will never attain the perfect situation because changes are constant. But aim for perfection nevertheless, and the result is continuous improvement. I believe him. This book is a must-read for all public sector leaders – federal, provincial and local.

After reading 12 chapters, I have concluded that the author's approach is best described as an attitude: it puts the “customer” centre stage, adds value to all processes, eliminates waste and helps employees own government processes. I particularly like Teeuwen's take on the citizen – playing varying roles of customer, user, subject, voter, taxpayer, partner, administrator. For every action we take as a city, for each process we have, this book has made me stop and consider, “Who is the customer in this case?” and “Are we adding value with this step of the process?”

The concepts outlined in Teeuwen's book are for creative and innovative leaders only – especially when it comes to eliminating waste, which includes well-used checks and balances (aka red tape, to the customer). This may seem a drastic and difficult prospect to many public sector administrators (and politicians) who cannot accept anything other than zero risk of error, loss or embarrassment. But with financial and human resources becoming scarcer every day, this kind of thinking is

no longer reasonable, and eliminating red tape and managing (not eliminating) risk is critical.

Readers beware! Chapter 4, “Mapping the Value Stream,” and Chapter 5, “Flow and the Pull Principle,” took me forever to read – I found myself rereading many parts over and over. Figures 4.2 and 4.3 definitely need to be shown together without having to flip the page, and the “spaghetti” diagrams in Figures 5.4 and 5.5 make me cringe! But they are a crucial prelude to other “lean” principles, such as mobilizing employees and building Kaizen (continuous improvement) teams – so find a nice, quiet place and settle in for some uninterrupted time before tackling these chapters.

Finally, the workplace organization 5 “S” strategies – sort, set in order, shine, standardize and sustain – may seem to be common sense, but the chapter devoted to this is practical and well worth reflection. One word of caution for Teeuwen – no mention is made of the Access to Information legislation most of us are required to follow, so he may wish to reconsider his “when in doubt, throw it out” advice.

I like this book and the concepts contained in it – it will help move my city forward.

Michele Peach, CA, is the Chief Administrative Officer for the City of Mount Pearl, NL. She has worked for 30 years in the public sector and was an Audit Manager with the Provincial Office of the Auditor General for 15 years before beginning to work for local government. She can be reached at mpeach@mountpearl.ca.

Lean for the Public Sector: The Pursuit of Perfection in Government Services

By Bert Teeuwen

223 pages, paperback, \$29.95

Productivity Press

ISBN13: 9781439840221

Quirky but true...

Toronto city staff asked council to adopt a concrete policy on corporate partnerships, sponsorships and naming rights. "If it brings in revenue, I honestly don't believe anyone cares," said Councillor Doug Ford, brother of Mayor Rob Ford, adding that getting something through council "won't be a problem." People in his ward would be happy with "Flagstaff Park sponsored by Kraft," he said, also suggesting a subway station renamed Spadina-McDonalds. Phyllis Berck, director of the Toronto Office of Partnerships, said, "Not everything is on the table." The mayor said he supported the idea. "We have to look at what's in good taste," said Public Works chair Denzil Minnan-Wong. "For example, if Cadbury wanted to help with Sugar Beach, "I don't think anyone would have a problem with that." The UK bank Barclays paid \$4 million for naming rights to the Atlantic Avenue-Pacific Street subway stop in Brooklyn, and in Philadelphia, AT&T paid US\$5 million for a five-year contract to rebrand Pattison Station. The Toronto Transit Commission (TTC) recently approved a naming rights plan as part of a 12-year, \$324-million advertising deal. TTC chair Karen Stintz said any renamed stations would not overwrite geographical names but will allow them to "explore what naming rights might look like on subway stations."

Follow-up from *Focus*, Vol. 15, No. 2, p. 9:

Winnipeg's new form of community engagement: Sponsor a memory stick?

Sponsor Winnipeg hasn't met expectations, said *Winnipeg Free Press* columnist Bartley Kives. It has also cost the city \$161,000 in marketing and advertising expenses (www.winnipegfreepress.com/local/logo-loco-99190214.html). A Sponsor Winnipeg May 2011 media release stated it has "generated over \$1.3 million to enhance civic programs and services," some for in-kind services, such as \$125,000 to allow the *Winnipeg Sun* exclusive rights for newspaper vending boxes at up to 20 high-traffic bus stops. See www.sponsorwinnipeg.ca.

Mathematics for Assessors

This online workshop provides an understanding of mathematical concepts and techniques in appraisal and assessment administration. It is designed for both beginners with limited knowledge of mathematics and those who wish to refresh skills. Topics include a review of basic functions, negative numbers, decimals, percentages, exponents, roots, notation, algebra, statistics and graphs. www.iaao.org/store/productdetail.aspx?productcode=EC808

FOCUS MUNICIPAL ASSESSMENT & TAXATION

EXECUTIVE EDITOR
Peter A. Milligan
Associate Counsel
Assessment and Property Taxation
Miller Thomson
Toronto, Ontario

MANAGING EDITOR
Cynthia Martin
cmartin@longwoods.com
Longwoods Publishing Corporation

PUBLICATIONS BOARD
Chair
Susan de Avellar Schiller, AICP/
MCIP, ACR
Ontario Municipal Board

Robert Butterworth
Vice Chair, Ontario Assessment
Review Board

Ron Cust, Director of Legislative
Projects for Alberta Municipal
Affairs

Charles J. L. Hardy, B.Sc., FRICS,
AACI, Altus Group

Connie Fair
Chief Executive Officer,
British Columbia Assessment
Authority

Lawrence Hummel
Vice President, Property Values
Municipal Property Assessment
Corporation

Grace L. Marsh, CMM I, CMTC
DuCharme, McMillen & Associates
Canada, Ltd.

Carla Nell, MA, AIMA, PLE, CEI
Vice President, Tax Policy
MTE Consultants Inc.

Diane J. Ross, B.A., LL.B.
Ministry of Finance, Ontario

EDUCATION BOARD
Chair
Paul Sloggett, IMA
Education Coordinator, Seneca
College

PUBLISHER
Anton Hart

COPY EDITOR
Francine Geraci

DESIGN AND PRODUCTION
Yvonne Koo
Jonathan Whitehead

ASSOCIATE PUBLISHER
SUBSCRIBER SERVICES
For address/contact information
changes, please contact
Barbara Marshall
bmarshall@longwoods.com

MAILING ADDRESS:
260 Adelaide Street East
No. 8, Toronto, Ontario
Canada M5A 1N1
Telephone: (416) 864-9667
Facsimile: (416) 368-4443
Email: cmartin@longwoods.com
Internet: www.longwoods.com

A FOCUS Publication
Twelve issues per year
ISSN 0711-0599 Printed in Canada

© 2011 Longwoods Publishing
Corporation™. All rights reserved. No
part of this work covered by the pub-
lisher's copyright may be reproduced
or copied in any form or by any means
without the written permission of the
publisher, who will provide single-
duplication privileges on an incidental
basis and free issues for workshops and
seminars.

This tax letter is printed on recyclable
paper.

What our readers think of Focus pub-
lications is important to our sanity. If
you have any comments, please take a
moment to send us a note. Information
contained in this publication has been
compiled from sources believed to be
reliable. While every effort has been
made to ensure accuracy and complete-
ness, these are not guaranteed. It is an
express condition of the sale of this legal
letter that no liability shall be incurred by
Longwoods Publishing Corporation™,
the editors or by any contributors.
Readers are urged to consult their pro-
fessional advisors prior to acting on the
basis of material in this legal letter.

Unauthorized duplication of this docu-
ment is against the law. For single or
multiple subscriptions, please contact
the publisher.