



APPRAISING THE PLAINS

A Publication of the Kansas County Appraisers Association

of Kansas



Volume 18, Issue 1

JANUARY 2014

KCAA EXECUTIVE BOARD

Steven Miles, RMA, PRESIDENT
Douglas County Appraiser
1100 Massachusetts, Lawrence, KS 66044
(785) 832-5188 Fax (785) 841-0021
smiles@douglas-county.com

Craig Clough, RMA, PRESIDENT-ELECT
Harvey County Appraiser
PO Box 687, Newton, KS 67114
(316) 284-6813 Fax (316) 284-6856
cclough@harveycounty.com

Mike Borchard, CAE, RMA, VICE PRESIDENT
Sedgwick County Appraiser
4035 E. Harry St.
Wichita, KS 67218
(316) 660-5444 Fax (316) 660-9284
mborchar@sedgwick.gov

Greg McHenry, RMA, PAST PRESIDENT
Riley County Appraiser
110 Courthouse Plaza, Manhattan, KS 66502-0110
(785) 537-6310 Fax (785) 537-6312
gmchenry@rileycountyks.gov

Kenton Lyon, RMA, NORTHWEST REGION
Russell County Appraiser
401 N Main, Russell, KS 67665
(785) 483-5551 Fax (785) 483-5725
rs_county_appraiser@wan.kdor.state.ks.us

Dianna Carter, RMA, SOUTH CENTRAL REGION
McPherson County Appraiser
PO Box 530, McPherson, KS 67460
(620) 241-5870 Fax (620) 245-0085
dcarter@mcphersoncountyks.us

Gene Bryan, CKA, RMA, NORTHEAST REGION
Wyandotte County Appraiser
8200 State Ave., Kansas City, KS 66112
(913) 287-2641 Fax (913) 334-0418
gbryan@wycokck.org

Truette McQueen, NORTH CENTRAL REGION
Ottawa County Appraiser
307 N. Concord, Ste. 110,
Minneapolis, KS 67467
(785) 392-3037 Fax (785) 392-3605
otappraiser@nckcn.com

Lisa Reeder, RMA, SOUTHWEST REGION
& **TREASURER**
Lane County Appraiser
PO Box 250, Dighton, KS 67839
(620) 397-2804 Fax (620) 397-2781
le_county_appraiser@wan.kdor.state.ks.us

Philip Dudley, RES, RMA, SOUTHEAST REGION
Franklin County Appraiser
Courthouse, 315 S. Main, Ottawa, KS 66067
(785) 229-3421 Fax (785) 229-3430
pdudley@franklincoks.org



Top: (l-r) KCAA Board members Truette McQueen, Dianna Carter, Mike Borchard and Craig Clough are sworn in during the KCAA Meeting@ KAC.

Bottom: Gene Bryan swears in KCAA President Steven Miles.

Also in this Issue. . .

Worth Mentioning	2	Kansas County Appraisers	10
KCAA Conference	2	The Role of CRS Data in Kansas Mass Appraisal	11
COTA Issues Summary Judgment in Exon Mobil Case	3	Say It Will Not Be.....	12
Welcome New COTA Judge	3	Lower Boat Taxes to Sink Government Revenue.....	13
The Best and Worst of State Tax Administration	3	Legends at Village West Sells	14
The Director's Update.....	4	Dealing With Angry Customers in City Hall.....	15
KCAA Enhancement Committee Report	5	Why Fear Doesn't Create Accountability— Laurie Curie on Leadership.....	17
KAC Service Awards	6	Next KCAA Golf Tournament?	18
IAAO Member News.....	6	Real Estate Notes of Interest.....	19
Longtime Appraiser Sees Value of Retirement	7	2014 KCAA Education Calendar	24
Welcome New County Appraisers	8	2014 KCAA Budget.....	25
		Keeping the Student's Attention	26



Worth Mentioning

Building a personal rapport with your Representatives and Senators will improve your chances of being heard.

Steve Miles, RMA, Douglas County Appraiser
KCAA President

As we begin the New Year, I know that everyone is working hard to finalize the 2014 valuations and get them in the mail. But we also need to be aware of the activities of our Kansas Legislature. Once again there are several topics that they may be addressing that will have an impact on our duties.

If you have not already been in touch with your Representatives and Senators, please try to contact them regarding your concerns. Building a personal rapport with them will improve your chances of being heard. An e-mail is quick and easy and a letter works, too. But unless they recognize your name from previous contact, it may not be read thoroughly. A phone call certainly is making personal contact and gets their ear, if you can get them on the line.

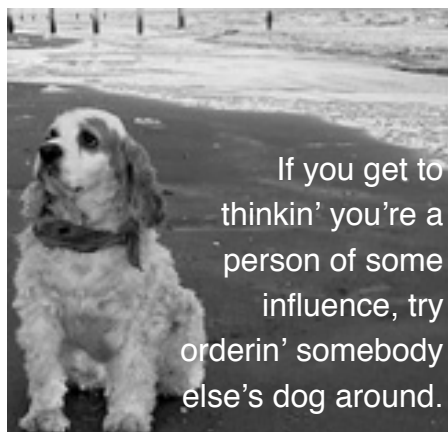
When we do talk with them, or anyone, we should be well-versed on the topics and not only point out the problems or complaints but offer possible solutions as well. Facts, figures and charts are very effective and provide the ammunition and support for the subject. In other words, be prepared! To that end, I want to thank those of you who helped prepare suggested talking points. These cover several of the issues that affect us as county appraisers. Use these as you make contact with your representatives.

Just keep in mind these words from a Cowboys Guide to Life: If you get to thinkin' you're a person of some influence, try orderin' somebody else's dog around.

There seems to be a growing inter-

est in utilizing mobile field devices. The January 15, 2014, ORION telephone conference addressed a Tyler add-on that allows the transfer of property data to devices, making paper a thing of the past. Just think, no more sheets blowing in the wind, ink pens running in the rain or drying up when you are miles from the office and can't find another. Those of us who are seriously looking into this technology can help each other out if we share our ideas and findings. I know that there are alternatives to the hardware and data transfer methods outlined in the phone conference.

We are looking forward to a busy and exciting year. Plans are under way for the KCAA conference in June. We have secured the location in Lawrence and now just have to finish the details. (See above.) There will be informative sessions, lively discussions, and maybe a little fun. I hope that many of you will make plans to come and participate. If you have something that you want the association to address, let me know and I will see if we can work it in.



KCAA Conference June 22 – 24 in Lawrence

The KCAA Annual Business Conference (aka Symposium) will be held in Lawrence this year. We will be at the Lawrence Holiday Inn, 200 McDonald Drive. Conference dates are Sunday, June 22 to Wednesday, June 25, 2014. Details are still in the works, so watch the KCAA website and your inbox for registration information and a conference agenda coming soon!



Reserve your room. You can get started with your planning by reserving your hotel room online via this link to the KCAA website:

<http://www.kscaa.net/conferences/2014-kcaa-conference-registration/>

From there you will link to Holiday Inn's online e-registration option pre-populated with our conference information and room rate.

If you prefer, you can contact the hotel directly by phone at (785)749-8932. We look forward to seeing all of you in Lawrence this June!

KCAA Appraising the Plains of Kansas is a quarterly publication of the Kansas County Appraisers Association. KCAA invites readers to submit articles or topics of interest for inclusion in Appraising the Plains. Send them to Cindy Brenner, KCAA, P.O. Box 988, Meade, KS 67864. Ph. (620) 873-7449. Fax (620) 873-2237. Email: kcaa@sbcglobal.net. Visit KCAA online at www.kscaa.net

COTA Issues Summary Judgment in Exxon Mobil Case

By Mark Hixon, CKA,RMA, Shawnee County

In Docket Nos. 2012-6200-EQ *et al.*, the Court of Tax Appeals (COTA) issued an Order on Jan. 10, 2014, in which it found in favor of the taxpayers—Exxon Mobil and XTO Energy—and ruled against the counties of Grant, Haskell, Kearny, Morton, Stevens, and Seward. This is a short summary of a 39-page decision, and I encourage you to get a copy of the actual decision if you would like to delve into the intricate details. I assure you it is fascinating. Plus, it is the first time I have seen an Order on cross motions for summary judgment.

At issue was the counties' use of the in-place value of reserves (IPV) methodology for valuing gas wells in major proven gas fields for 2012 rather than the discounted cash flow (DCF) methodology that is the basis for calculating values in the *Oil and Gas Appraisal Guide* promulgated by PVD. In its Order, the COTA addressed the complex legal issues of: (1) whether the IPV methodology is a deviation from the *Guide*; (2) if the IPV methodology is a deviation from the *Guide*, was the deviation proper under Kansas law and, if so, must the deviation be specific to individual properties and whether the counties had just cause for the deviation; and (3) did the counties have proper documentation to support deviating from the *Guide*?

The COTA found that the taxpayers accurately completed the renditions using the PVD prescribed DCF methodology in column A of the renditions as established by statutes and the *Guide*. COTA further found that the counties' use of the IPV methodology constituted a deviation on a mass scale rather than individual property basis and was improper.

All of the above is an abbreviated version of the facts from this layman's point of view and limited understanding. So I encourage you to get a copy and read it yourself if this stuff interests you. And I will admit to being riveted to it

from start to finish. But what I did not understand, at first, was why the taxpayers appealed. It was my understanding that the IPV methodology as applied in the subject counties produced values that were lower than the *Guide* values. So why would the taxpayers argue with that?

Well, going back to the Order, the counties made the argument that they used the IPV methodology in the previous years and the taxpayers did not have a problem with it then. Oh, now it starts to make sense. Apparently, the *Guide* produced values that were lower than IPV values in 2012.

Now the big question is what impact will this decision have on the taxpayers, schools, cities, and all the other budgets that will be affected by the refunds that will result if this Order stands? At the time of this writing, the timeframe in which to appeal the decision had not expired.

The Best and Worst of State Tax Administration

By Douglas Lindholm, Ferdinand Hogroian and Fredrick Nicely, *GOVERNING Magazine*, December 2013

Submitted by Justin Eimers, RMA, Johnson County

The Council On State Taxation (COST) has long monitored and commented on state tax appeals processes and administrative practices. Part of that effort has resulted in the regular publication of a scorecard ranking the states. The focus is on the states' adoption of procedural practices which impact the fairness of the states' laws and regulations for state tax administration and appeal of state tax matters.

Why are these issues so important? Although compliance with state tax statutes and regulations is subject to audit scrutiny, the percentage of taxpayers actually audited is small. As a result, our federal and state tax systems are premised, to a great degree, on voluntary compliance. It is a common truth that taxpayers will more fully and

Welcome New COTA Judge

A belated welcome to Judge Ron Mason, who was appointed to the Kansas Court of Tax Appeals this fall. The following information about Judge Mason was obtained from the COTA website.

Ron Mason was born and raised in Kingman, Kan., and resides in Hutchinson, Kan. He attended Kansas State University earning a Bachelor's degree in finance in 1977. He received a M.B.A. and his law degree from the University of Kansas in 1981. After law school, Judge Mason worked two years for CPA firms in the area of taxation. He then practiced law as a partner with firms in Dodge City, Kan., and Hutchinson for 28 years with an emphasis on estate planning, business planning, land transactions and taxation.

Immediately prior to his appointment to the bench, he worked for a bank in Hutchinson as a vice president and trust officer. He has served as president of the Kingman Chamber of Commerce, president of the Kingman Bar Association, and president of the Kingman and Dodge City Rotary clubs.

willingly comply with a tax system they perceive to be balanced, fair, and effective. Taxpayers operating in a system they perceive as oppressive, unfair, or otherwise biased are less likely to voluntarily comply. The clear message to state legislatures is that they must be sensitive to the compliance implications and competitiveness concerns created by poor tax administrative rules and ineffective tax appeal systems.

Ohio and Maine were the only states to earn A grades in the report, while Alaska, Arizona, Kansas, Minnesota, Montana and Pennsylvania also received high scores. The report slapped Louisiana and California with the worst grades, along with Colorado and Alabama. You can read the entire article at <http://bit.ly/J7zXIP>



The Director's Update...

By David Harper, RMA, Director, Property Valuation Division

A look ahead at some of the issues and projects for 2014.

As we roll in to 2014, the timing seems right to highlight a few events from last year and look ahead at some upcoming dates and projects for 2014. Items of note include:

► The requirements for the Registered Mass Appraiser (RMA) designation were modified in 2013. The new regulations were posted in the Kansas Register on December 5, 2013, following an open hearing held on November 18, 2013 at PVD and a November 5, 2013, hearing before the Joint Committee on Administrative Rules and Regulations.

The major changes included the number of appraisal course hours required for candidates increasing from 180 to 200, with IAAO 400 added as a mandatory course requirement for qualifying education. The Kansas Standards of Mass Appraisal Workshop has also been created and added as a continuing education requirement to be taken once every four-year period. The majority of other changes were to clean up the course titles or descriptions and implement in regulation topics which had previously been covered in PVD policy.

► The revised Revaluation Maintenance Specifications, effective with the 2014 calendar year valuation cycle in preparation for January 1, 2015, valuation date, were released. A draft for revisions to the related appraisal directives #92-002 and #92-003 have been forwarded to the KCAA Maintenance Specs Committee for review and comment. PVD plans to hold an open meeting in the spring of 2014 for discussion of the directives. Primary changes in the directive include pushing the due date for the scope of work appraisal plan back to the spring of the actual valuation cycle.

► Congratulations to Nancy

Tomberlin, who was recognized at the January 2014 Kansas Department of Revenue Awards ceremony for her continued excellence of work with the Kansas Sales Ratio study. To take advantage of Nancy's expertise, PVD has posted to fill a property appraiser I in the sales ratio section. This employee will learn from the best in the business, working with Pete Davis and Nancy in all aspects of the ratio study.

► **Reminder:** The 2013 Preliminary Ratio Study will be provided to the Governor and Legislature by March 15, 2014. Last year county appraisers were notified of their 2012 preliminary statistical results by February 26th, and PVD expects to be able to provide the preliminary results to the county appraisers early again, barring any unforeseen problems.

PVD encourages county appraisers to review their listing of valid sales provided with the preliminary results and submit any informal appeals with the appropriate documentation as soon as possible (nancy.tomberlin@kdor.ks.gov). Also, if the county is experiencing a value trend, it may be beneficial to adjust sale prices for the ratio study. In order to develop adjustments for the preliminary study, we will need to receive your documentation as soon as possible (pete.davis@kdor.ks.gov).

► PVD would like for counties to be aware the state of Kansas 911 Coordinating Council is investigating statewide high-resolution orthoimagery solutions to support Next Generation 911 implementation. While the primary purpose for this imagery is to support 911 call center operations, it is anticipated that the imagery will have numerous beneficial uses outside of the 911 services arena at the state, county, and municipal levels. The council may issue an RFP in the spring of 2014 for such services. Inquiries may be directed to

Ken Nelson (chairman, 911 Coordinating Council's GIS Subcommittee, nelson@kgs.ku.edu).

► **Watercraft:** Beginning January 1, 2014, most boats and vessels fall into a new property category, watercraft. Watercraft is defined as any boat or vessel requiring numbering by the state of Kansas and will include any supporting motor(s) or boat trailers. The county appraisers will value all watercraft at its market value just like in the past. Two changes worth noting will be (1) the assessment rate changing to 11.5% for tax year 2014 and 5% for 2015 and all years after and (2) the watercraft tax bill will never be less than \$12.

Boats not defined as watercraft will continue to be in the Other subclass. These will typically be human-powered boats. Boats in the Other subclass cannot be prorated and will be exempt if the purchase price is \$750 or less. Boat trailers and boat motors not attached to or associated with a watercraft will also be in the Other subclass. It has been pointed out to the Revisor of Statutes that documented vessels were left out of the watercraft definition. It is very likely that this unintentional omission will be corrected this legislative session (see HB 2422).

► Brad Eldridge, MAI, and Kevin Bradshaw, CAE, RMA, provided to PVD in December 2013 the KCAA Committee's recommendations for updates to the PVD Subsidized Housing Guide. PVD is reviewing the data and options for updating the guides, with an expected release in 2014.

► Updates to the PVD Grain Elevator Guide are expected to be completed and released in early 2014.

► On December 6, 2013, the Kansas Supreme Court issued its decision in the stored natural gas cases. The

Director's Update, continued

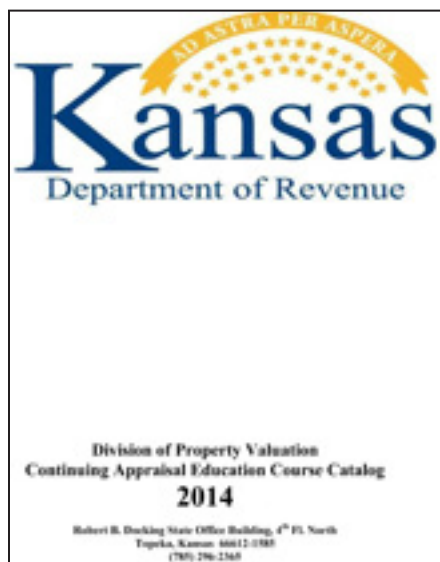
Court upheld the taxation of natural gas stored in this state by out-of-state local distribution companies that are certified as public utilities. It exempted the natural gas stored in this state by out-of-state municipalities and marketers. The Court remanded the appeal back to the Kansas Court of Tax Appeals to decide where each affected taxpayer falls within the three described categories because the record on appeal did not contain enough information to make individual determinations.

The years now at issue are 2009, 2010, 2011, 2012 and 2013 at hereafter. While 13 Kansas counties will be affected by this case, approximately 47% of the stored gas assessed value in Kansas is located in Pratt and Meade counties.

► The 2014 PVD Education Catalog has been published and is available at <http://www.ksrevenue.org/pdf/PVDEducationCatalog.pdf>.

New courses for 2014 include Intermediate Microsoft Excel and Appraisal Functions, Orion Intermediate Market Modeling Analysis and Kansas Standards of Mass Appraisal Workshop.

Please contact PVD if more information is needed on any of the items listed above.



Get your copy of the 2014 PVD Education Catalog at <http://www.ksrevenue.org/pdf/PVDEducationCatalog.pdf>.

2013 KAC Conference:**KCAA Enhancement Committee Report
October 30, 2013**

By Chris Morlan, chairperson

Meetings

- Conference Call on April 11, 2013
- June 5, 2013 during KCAA Conference
- Conference Call in November

Completed Enhancements

- **2012-095 – Ability to set a Default view for the Transfers Tab.** *This was found to be a bug and Tyler has it on their issues list. Enhancement request dropped.*
- **2012-096 – Adding the QuickRef & option to remove the Bar Code on the Change of Value Notice.** *Completed July 2013*
- **2012-097 – Making the Permits data & tab versioned.** *Found to be a major re-write to system /application and would be very expensive. Enhancement request dropped.*
- **2012-098 – Re-order CAMA Segments in Batch.** *Changed into a Display Sort; completed October 2013, in latest patch delivery.*

Pending Enhancement Requests
(Statement of Work not written yet)

- **Modifications to the Property Record Cards** – defining requested additional data, Sketch concerns

KCAA participated in the Kansas Association of Counties 38th Annual Conference in Wichita October 29–31, 2013.

- **Income Report Changes** – defining requested additional data, report format
- **Orion Sales Ratio Report** – defining requested additional data, issues with the current report

Recent Enhancement Suggestions

- **Add the ability to batch produce Property Forms through the Job Queue** – ListManager is only option, doesn't show or store in Job Queue, and takes PC resources to run.
- **Add the ability to mass obsolete documents** – Needs to be discussed and thought out for potential issues
- **Add thumbnail images on the Summary Tab to allow ability to scroll through the images** – would allow user quicker identification of desired image without having to open them.
- **Report(s) for Scope of Work** – Neighborhood Analysis Report??
- **Field Applications** – Jake Wilson of Tyler Verify will be in Wichita on Thursday, Nov.7 @ noon to discuss Mobile Office & Orion integration.





2013 KAC Conference:

KAC Service Awards – 2013

By Lisa Ree, RMA, Ellis County

What a list! Congratulations to everyone.

8 Years

Candy Harris	Cherokee County	Real Estate Clerk
Janet Allen	Jefferson County	Deputy Appraiser
Tiffany Blake	McPherson County	Appraiser II
Dianna Carter	McPherson County	Appraiser
Roberta Strawn	McPherson County	Personal Property Appraiser
Ronald Smith	Miami County	Appraiser I
Joetta Rose Glessner	Riley County	Appraiser III
Kathy Cunningham	Thomas County	Deputy Appraiser
Cinda Raaf	Woodson County	Appraiser Clerk I

16 Years

Nancy Herrenbruck	Cherokee County	Appraiser
Sandra Roebuck	Franklin County	Review Appraiser
Debra Ziegler	Kingman County	Deputy Appraiser
Truette McQueen	Ottawa County	Appraiser
Suzanne Myers	Saline County	Field Appraiser
Kerri Huskey	Seward County	Appraiser Office

24 Years

Sandra Drake	Allen County	Appraiser
Roger Fogleman	Allen County	Deputy Appraiser
Dean Denning	Ellis County	Appraiser
Nadine Herold	Ellis County	Cartographer/GIS Technician
Kameo Smith	Graham County	Deputy Appraiser
Shirley Allison	Ottawa County	Real Estate Clerk
Gayla Godfrey	Rice County	Appraiser
Danny D Williams	Riley County	Assistant Appraiser
Milton Velez	Shawnee County	Residential Appraiser 1
Jana Goebel	Woodson County	Appraiser III
Jerry Mentzer	Woodson County	Appraiser

32 Years

Tom Walters	Ellis County	Appraiser I
-------------	--------------	-------------



IAAO Member News

Thanks to all of you for your support of the IAAO. What a great number of names!

New Members

Jeremy McCully, RMA, Chautauqua & Elk counties; CaraLane Mercer and Kathy Reusch, Douglas County; Janet Allen and Angela Hoffhines, Jefferson County

25 Year Member:

Randy Strassburg, Strassburg & Co., Wichita

20 Year Members:

David Thornton, Neosho County; Brad Wright, Medicine Lodge; Craig Clough, RMA, Harvey County

15 Year Member:

Sandra Drake, RMA, Allen County

10 Year Members:

Kent Hileman, Property Valuation Services, Overland Park

5 Year Members:

David Harper, RMA, Property Valuation Division; Laura Gettys and Justin Hodge, Douglas County; Natalie Koberlein, Robert Sudac and Matthew Willard, Wyandotte County



*80th Annual International Conference
on Assessment Administration*

August 24–27, 2014
Sacramento, California

Longtime Appraiser Sees Value of Retirement

By Randy Gonzales, The Hays Daily News, Dec. 19, 2013
Reprinted with permission

Take one look at his office, and it's easy to tell Dean Denning is a collector. But by the end of the month, Denning will gather up his prized possessions he has on display. Denning, 71, is retiring after serving almost 25 years as the Ellis County appraiser. I think it will take a couple days, Denning said of clearing out his office in the Ellis County Courthouse.

Denning has on display in one corner a collection of pocket knives. He started out collecting whiskey bottles, but switched to pocket knives. After I had about 140 of them, I found out they run you out of the house, Denning said of the whiskey bottles. Knives, you can collect 140 of those and put them in one row, but they're a lot of fun. Denning favors Keen Kutter knives, picking them up at antique stores and some garage sales for the last 20 or 30 years, he estimated. My grandpa carried a Keen Kutter, Denning said.

Denning is down to approximately 20 whiskey bottles, having sold the others. By one window in his office were whiskey bottles from 1960, representing the donkey for the Democratic Party and an elephant for the Republican Party.

On a window sill were miniature replicas of cars and motorcycles Denning either has owned in the past or currently owns. There are also a couple private planes he used to own. Denning got his pilot's license when he lived in Chanute and worked as a sales manager at a radio station. Eventually, Denning didn't see much chance for advancement at the radio station, so he packed up his family and moved closer to home. He grew up in Trego County and went to high school in Ellis, then graduated from Fort Hays State University in 1965.

Denning moved to Hays and started a new career in the real estate business in 1978, selling mostly commercial policies. He started taking appraiser courses a few years later

Between Denning and Staab, the county has had two appraisers the last 50 years. That's a stable county, Denning said. I give Ellis County credit for that, because they let us do our job.

and found he liked them. After his company's appraiser moved to another firm, Denning took over the position. In the late 1980s, he was appointed by the court to do a condemnation appraisal. That's where he met then-Ellis County Appraiser Walter Staab. Staab later told Denning he planned to retire in a few years, and he should look into the job. Denning balked at first; he always had worked independently, without a supervisor.

Couple years later, I wanted the job, Denning said. I thought about it enough and got to thinking, 'Why not?' I was 48 years old. ... I said I'm going to give her a shot. Denning worked for 10 months as deputy appraiser, then took over for Staab when he retired. And now, Denning is retiring.

I was planning on going out at 67,

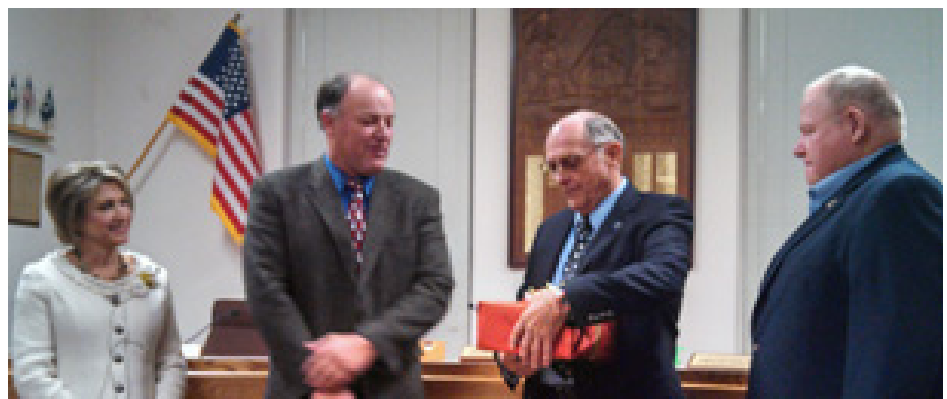
Denning said. When that came up, I knew it was way too early for me, I was just not ready. And, I may not be now. If I was smart, I would stay a few more years.

In retirement, Denning said he will keep busy with upkeep on rental housing and storage units he owns.

There will be no more need to unwind after work with a ride on his Harley-Davidson motorcycle. Denning's wife, Arlene, often would suggest he go for a ride while waiting for dinner to be ready. I'd get on that thing, go down to Antonino, catch the blacktop to Ellis, come back in 45 minutes, Denning said. It just really lets a lot of stress off.

Denning said he appreciated working with the county commissioners through the years. Between Denning and Staab, the county has had two appraisers the last 50 years. That's a stable county, Denning said. I give Ellis County credit for that, because they let us do our job.

But all that's someone else's worry now. Denning will take his motorcycle and ride into the proverbial sunset. He didn't plan on becoming a county appraiser all those many years ago. This is the accidental profession, Denning said. Nobody in middle school says, 'I want to be a county appraiser.'



Dean Denning, CKA, RMA, receives his retirement gift from the Ellis County Commissioners.

Welcome New County Appraisers

As is our custom at Appraising the Plains, we invited several new county appraisers to share some information about themselves so we can all get to know them a little better. This issue we introduce Tanya Erichsen; Sherry Sammons, RMA; Brian Gough, RMA; and Lisa Ree, RMA. Please make sure to welcome them to the easy, hassle-free, no-politics, taxpayer-happy position of county appraiser.



Tanya Erichsen
Jefferson County

Why and how did you get started in the appraisal profession?

I worked as an office manager for the Noxious Weed Department in Franklin County, Kan., where I eventually met and married my husband of 10 years, and made the move to Geary County. I needed a job with benefits and the position of residential appraiser became available in Geary County. Because of my county experience, I applied for the job and they offered me the position.

What did you want or intend to be when you grew up?

Horse and cattle rancher.

If you could change one thing associated with appraisal, what would it be?

Hard question, because I feel we have a pretty good system in place for mass appraisal. So, I would have to say just continue to improve the system we have to keep up with the changing times.

What person(s) has had the greatest effect on your personal and professional life?

Many people have had a profound effect in the growth of my life, both personal and professionally; I could not narrow it down to one. Family, friends, and even first-time acquaintances' have had an impact of making the person I am today.

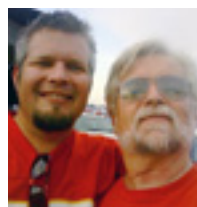
What personal and/or professional goals do you have for yourself?

To live long enough to enjoy some retirement time!

What are your hobbies or ways you

like to spend your spare time? (Okay, pretend you have spare time!)

First love is working on our ranch, riding horses and Harleys, traveling, and camping.



Brian Gough, RMA
Montgomery County

Why and how did you get started in the appraisal profession?

Brian (left) with his father.

Originally the appraiser's office was an in to county employment (my mother and father have worked for Kansas counties most of my life), but I found that I enjoyed the challenge in appraisal.

What did you want or intend to be when you grew up?

A lawyer.

If you could change one thing associated with appraisal, what would it be?

Take the politics out. There is no room for politics in value.

What person(s) has had the greatest effect on your personal and professional life?

Personal life, my father; my professional life, my mother.

What personal and/or professional goals do you have for yourself?

My top personal goal would be to have my mustang restored, and professionally I want to have a few COTA decisions to guide county appraisers on Section 42 housing as well as a final resolution on real vs. personal property.

What are your hobbies or ways you like to spend your spare time? (Okay, pretend you have spare time!)

I'm a season ticket holder for the Chiefs (attending every home game) and spend the remainder of my time doing home improvement projects.



Lisa Ree, RMA
Ellis County

Why and how did you get started in the appraisal profession?

After finishing college, I struggled to find a job where I could apply my degree. The position of database manager advertised by Ellis County in July of 1990 seemed perfect. To this day, I have no idea what the title had to do with any duties in the office. Walter J. Staab, the county appraiser at the time, hired me and Carol Neihardt was my first supervisor. They were soon followed by Dean Denning and David Stithem.

What did you want or intend to be when you grew up?

I so longed to be one of the Red Skelton Dancers. Oh, how they effortlessly glided across the stage. When his show ended, my dreams were shattered, so I set my sights on being an accountant.

If you could change one thing associated with appraisal, what would it be?

I'm in the wrong county to say it, but there's got to be a better method than the 5 barrels or less oil exemption. It's hard to grasp when a lease generates hundreds of thousands of dollars in gross revenue but the operator pays minimal taxes.

What person(s) has had the greatest effect on your personal and professional life?

My mother was Thomas County

Lisa Ree, RMA, continued

clerk for 25 years. She was dedicated to the county and its residents, often visiting elderly or homebound residents to help them with county-related and/or personal issues. She was and still is very knowledgeable of not only clerk issues but county issues as well. Even in retirement she has remained active by participating in the Silver Haired Legislature, Area Agency and sitting on several boards. I hope I can accomplish a smidgen of what she has.

I cannot have worked with Dean Denning for over 23 years and not have been influenced by him. Early on he encouraged me to learn the appraisal business. He persuaded me to take that first IAAO class and not once said no to any class that followed. He provided us with an enjoyable working environment that encouraged growth, allowed us to do our work without micromanaging, and let us keep it lighthearted.

And finally, my husband Albert needs credit for saying numerous times in our 34 years of marriage: If that's what you want to do, then do it.

What personal and/or professional goals do you have for yourself?

Professionally, I plan to work on

not being so focused on what is right in front of me, but to look passed the four walls of my little corner office. Personally, I plan on continuing to work on having my grandchildren refer to me as The Fun Grandma.

What are your hobbies or ways you like to spend your spare time? (Okay, pretend you have spare time!)

My off hours seem to revolve around family and church. I have been the bookkeeper for my husband's water well business for 26 years and for my father-in-law's farm operation for 22. I am also the financial secretary for my church. In recent years, I've focused on being a Grandma to my two grandchildren. When I can, I enjoy curling up in a chair to read a good murder mystery.



Sheryl (Sherry) Sammons, RMA Saline County

Why and how did you get started in the appraisal

profession?

I started in 1988 in Rooks County as a mapper using a planimeter to measure polygons for ag use. How is

that for old school?! I then moved up to data collector and field appraiser. I came to Saline County in 1992 and was the commercial appraiser for several years prior to accepting the position of Saline County appraiser.

What did you want or intend to be when you grew up?

Mostly right-brained careers, but when I discovered appraisal, I found I liked it. So the left-brain takes over during the week.

If you could change one thing associated with appraisal, what would it be?

For legislators to understand that more exemptions and maintaining services = higher mill levies and more burden for residential, agricultural and small business taxpayers.

What person (s) has had the greatest effect on your personal and professional life?


Much of my values and work ethic come from my Dad, who could do more with his one good arm than most men could do with two. My years working with Frances Austin and Rod Broberg have had great impact on my professional life. I have also learned (and continue to learn) from other appraisers, instructors, and PVD staff.

What personal and/or professional goals do you have for yourself?

I want to be a good appraiser for Saline County and provide fair and equitable values. Life-long learning is a continuous thread both professionally and personally. To impact the relationships in my life so that this world is a better place.

What are your hobbies or ways you like to spend your spare time? (Okay, pretend you have spare time!)

I love to travel with my husband and see new places. Spending time with family, especially all the grandkids, is a joy. Church activities, reading, and digging in the dirt are good for my soul. My art work and jewelry making allow me to stay in my right' mind, at least part of the time!



Future Appraiser

Submitted by Diana Carter, RMA, and Kim Romero, McPherson County

This image is from a calendar/date book from Chronicle Books. What a great start for becoming a future appraiser.

Kansas County Appraisers 2013–2017

Allen	Sandra Drake	Greenwood	Jamie Clark	Ottawa	Truette McQueen
Anderson	Marion Johnson	Hamilton	Thomas Scott	Pawnee	Carl Miller
Atchison	James Lampe	Harper	Lori Reedy	Phillips	Alan Hale
Barber	Karen Spencer	Harvey	Craig Clough	Pottawatomie	Lois Schlegel
Barton	Barbara Konrade	Haskell	Greg Wellbrock	Pratt	D. J. McMurry
Bourbon	Judith Wallis	Hodgeman	Richard Batchellor	Rawlins	Terry Ballard
Brown	Paula Jones	Jackson	Larry Reynolds	Reno	Michael Brooks
Butler	Debra Studebaker	Jefferson	Tanya Erichsen	Republic	Barry Porter
Chase	Vicki Waggy	Jewell	Charles Latham	Rice	Gayla Godfrey
Chautauqua	Jeremy McCully	Johnson	Paul Welcome	Riley	Greg McHenry
Cherokee	Kim Lauffer	Kearny	Thomas Scott	Rooks	Jolene Karlin
Cheyenne	Bruce Webb	Kingman	Richard Batchellor	Rush	Kelly Deslauriers
Clark	Sherry Pike	Kiowa	D. J. McMurry	Russell	Kenton Lyon
Clay	Stephen McAnally	Labette	DeLinda White	Saline	Sheryl Sammons
Cloud	Barry Porter	Lane	John Reeder	Scott	John Reeder
Coffey	Connie Lawrence	Leavenworth	Robert Weber	Sedgwick	Michael Borchard
Comanche	Leon Reimer	Lincoln	Rhonda Wright	Seward	Angela Eichman
Cowley	Lance Leis	Linn	Steve Thompson	Shawnee	Mark Hixon
Crawford	Mike Montgomery	Logan	Randall Sangster	Sheridan	David Stithem
Decatur	Alan Hale	Lyon	Gary Stapp	Sherman	Shirley Soellner
Dickinson	Bruce Wright	Marion	Ray Cook	Smith	Kathy Hansen
Doniphan	Marion Johnson	Marshall	Janet Duever	Stafford	Carl Miller
Douglas	Steven Miles	McPherson	Dianna Carter	Stanton	Greg Wellbrock
Edwards	Cindy Craft	Meade	Leon Reimer	Stevens	Greg Wellbrock
Elk	Jeremy McCully	Miami	Stephanie O'Dell	Sumner	Cindy Magill
Ellis	Lisa Ree	Mitchell	Melinda Latham	Thomas	Bruce Webb
Ellsworth	Carl Miller	Montgomery	Brian Gough	Trego	John Reeder
Finney	Maria Castillo	Morris	Heather Finney	Wabaunsee	Ryan Michaelis
Ford	Patricia Israel	Morton	Greg Wellbrock	Wallace	Shirley Soellner
Franklin	Phillip Dudley	Nemaha	Elizabeth (Betty) Roeder	Washington	Francine Crome
Geary	Della Rowley			Wichita	Randall R. Sangster
Gove	David Stithem	Neosho	David Thornton	Wilson	Mark Low
Graham	Mark Neihaus	Ness	Kelly Deslauriers	Woodson	Jerry Mentzer
Grant	Greg Wellbrock	Norton	Alan Hale	Wyandotte	Eugene Bryan
Gray	Jerry Denney	Osage	Stacy Berry		
Greeley	Tom Scott	Osborne	Charles Latham		

The Role of CRS Data in Kansas Mass Appraisal

Jim Shontz, CAMA Manager, Property Valuation Division

The IAAO *Glossary for Property Appraisal and Assessment* defines mass appraisal as the process of valuing a group of properties as of a given date, using standard methods, employing common data, and allowing for statistical testing. Kansas statute requires that appraisers...from statistical methods prescribed by the director of property valuation...shall determine as nearly as is practicable the fair market value in money of all taxable real property within the county.

So how does a county appraiser apply mass appraisal techniques to determine fair market value? It's mostly about understanding their data.

Counties spend a considerable amount of time and effort in gathering, classifying and entering data that is relevant to the determination of fair market value of all taxable real property. This data includes property characteristics such as location, size, quality, desirability and the potential for producing income. When a valid, arms-length transfer of ownership occurs on a property, these property characteristics are assumed to be contributing factors to the selling price. Consistency in gathering and classifying property data is one of the most important elements of using mass appraisal techniques to determining fair market value.

Mass appraisers typically use an application with the acronym CAMA (Computer Assisted Mass Appraisal) to enter and store real property data. In Kansas the CAMA application is Orion. By now users are familiar with how and where to enter property data in Orion. In addition to property characteristics, there are literally thousands of fields in Orion where data may be stored when all tables are considered—land, depreciation, descriptions, factors, codes, etc. All of this information is stored in hundreds of tables in Orion's production database.

The production database is accessible only to the Orion application. It contains multiple versions of property data that have been created and saved.



The CRS (Custom Reporting System) database is a subset of the production database. It is a snapshot of the most current records of several production tables.

For example, when a change is made to a field on a residential building item page and saved, the production database will contain a record for both the old version and the newly created version. In addition, most tables are versioned by tax year. Both of these features of the production database allow for viewing historic and future CAMA data but make querying the database complex.

The CRS (Custom Reporting System) database is a subset of the production database. It is a snapshot of the most current records of several production tables. The snapshot is created when a user schedules either a CRS Refresh job or a CRS Build job. This explains the importance of running either of these jobs before CRS can reflect changes made to Orion's production data. Although the CRS database is a subset of the production database, it still contains 294 tables. Querying the data contained in CRS tables includes creating relationships that link the tables together and requires considerable knowledge of the underlying data.

Fortunately KDOR (Kansas Department of Revenue) has created two methods that appraisers can utilize to view, analyze and report their Orion CAMA data from the CRS database. Both methods simplify the process by eliminating the need to properly link CRS tables together and by reducing the number of tables to consider. Each method has strengths and limitations, and knowing them will help the user to

decide which method is appropriate.

The Query Tool is a web-based application that connects to the CRS database. Fifty-nine tables are available for selection in the AdHoc portion of the Query Tool. The user creates a query by selecting up to five tables that contain the data fields they wish to query. The selection criteria are then entered to limit the results to the specified conditions. The Query Tool is ideal for creating simple queries and works well for creating lists used to generate reports such as PRC's (Property Record Cards) and Comp Sheets. List Manager also requires lists that may be created using the Query Tool.

The AdHoc portion of the Query Tool has some limitations that restrict its functionality to simple queries. Only 59 CRS tables are available for selection, which is about 20% of all of the tables in the CRS database. In addition, all of these tables are linked together in a predefined manner, which may or may not be optimal for the query you wish to create.

Aggregate functions such as COUNT, AVG, and MAX may be applied to the output fields but not in the selection criteria. For instance, you cannot specify selection criteria that limits the output to 'COUNT(PropID) > 1'. Despite these limitations the Query Tool is the application of choice for creating many of the queries of the CRS database.

The Query Tool has another important role in making CRS data available for queries, reports and analysis by cre-

continued on next page

Role of CRS Data, continued

ating CRS Extracts. A CRS Extract is a predefined, hard-coded specification that links multiple CRS tables together to produce a comma separated value (csv) output file. For the past four years there have been two extracts available from the Query Tool that should now be familiar: CAMASL and the AssmtExtract. Both of these CRS Extracts were created to contain data for a specific purpose. CRS Extracts are the second method available for querying the CRS database.

Unlike the AdHoc portion of the Query Tool, CRS Extracts are constructed utilizing various combinations of the 294 tables in the CRS database. The user does not have to determine which CRS tables and fields are required or how the tables are linked together to download any of the seven CRS Extracts now available using the Query Tool. Microsoft Access is a powerful application that is used to query, analyze and create reports based on the data in one or more CRS Extracts.

Mass appraisal requires access to underlying Orion data and a means to query, analyze and report it. For most Kansas counties the Query Tool provides the primary access to the CRS database. By using one or both of the two described methods, an appraiser is provided some tools to make informed decisions necessary to estimate the fair market value on all taxable real property in their county.



Find current or past issues of
Appraising the Plains online
<http://www.kscaa.net/newsletter-2/>



Submitted by Dean Denning, CKA, RMA,
Ellis County

PASTOR:

"Praise the Lord!"

CONGREGATION: "Hallelujah

PASTOR:

"Will everyone please turn on their tablet, PC, iPad, smart phone, and Kindle Bibles to 1 Cor. 13:13.

And please switch on your Bluetooth to download the sermon."

P-a-u-s-e...

"Now, let us pray committing this week into God's hands. Open your apps, BBM, Twitter and Facebook, and chat with God"

S-i-l-e-n-c-e

"As we take our Sunday tithes and offerings, please have your credit and debit cards ready."

"You can log on to the church Wi-Fi using the password 'Lord909887.' The ushers will circulate mobile card swipe machines among the worshippers:

a. Those who prefer to make electronic fund transfers are directed to computers and laptops at the rear of the church.

b. Those who prefer to use iPads can open them.

c. Those who prefer telephone banking, take out your cell phones to transfer your contributions to the church account."

The holy atmosphere of the Church becomes truly electrified as ALL the smart phones, iPads, PCs and laptops beep and flicker!

"Final Blessing and Closing Announcements"

a. This week's ministry cell meetings will be held on the various Facebook group pages where the usual group chatting takes place. Please log in and don't miss out.

b. Thursday's Bible study will be held live on Skype at 1900hrs GMT. Please don't miss out.

c. You can follow your Pastor on Twitter this weekend for counseling and prayers.

d. God bless you and have nice day."

Lower Boat Taxes to Sink Government Revenue

By Aly Van Dyke, The Topeka Capita-Journal, Sept. 27, 2013. Reprinted with permission.

Taxing entities in Shawnee County could face a \$600,000 shortfall in property taxes in 2015, when the state's new taxing rate for boats sets in.

The 2013 Legislature approved decreasing the state's boat tax from a 30 percent assessment rate to 11.5 percent next year and 5 percent in 2015. That means a \$25,000 boat — the local average — will owe \$55 in taxes to Shawnee County in 2015, compared to the \$331 it would pay today.

Based on current figures, Shawnee County would collect just \$32,443 from boat taxes in 2015 — meaning it will cost the county more to collect the money than what the tax bring in.

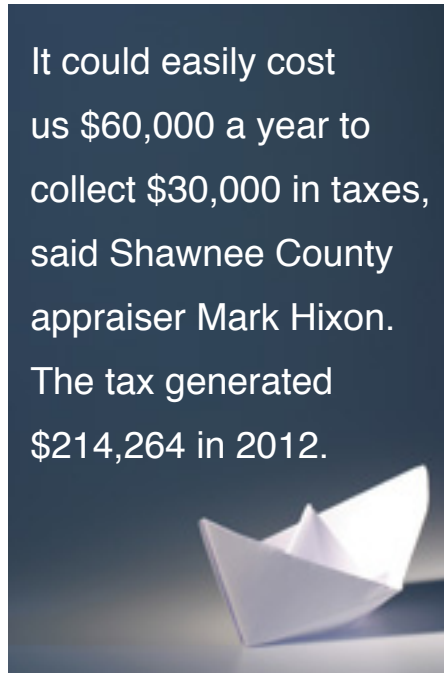
It could easily cost us \$60,000 a year to collect \$30,000 in taxes, said Shawnee County appraiser Mark Hixon. The tax generated \$214,264 in 2012.

While money coming into taxing entities could be less, those in the watercraft industry say the lower tax will be a boon for sales. Jeff Mesler, co-owner of Lakeside Marine Service Inc., 1444 S.W. Auburn Road, said sales have dropped from 10 years ago, when he used to sell between 100 and 200 boats a year, to just 38 boats last year. When you have a lot of customers registering their boats in Texas because of taxes, it's pretty simple to figure out how to fix it, he said.

Other proponents argue the lower taxes will bring the state enough registrations to make up the shortfall. But some Shawnee County officials aren't sold. At current appraised values and a 44.196 mill levy, Shawnee County alone would lose \$181,821 in boat taxes in 2015. With a tax bill of \$55, the county would have to register nearly 3,300 more boats valued at \$25,000 to recoup the costs.

This year, the county registered 13,142 watercraft. Changing a boat's registration to save a few dollars might not be worth the hassle to some, Shaw-

It could easily cost us \$60,000 a year to collect \$30,000 in taxes, said Shawnee County appraiser Mark Hixon. The tax generated \$214,264 in 2012.



nee County Commissioner Bob Archer said. Anytime something like this happens, there is a shift in the tax burden to real estate, he said, describing the hit to property taxes as another drag on our future revenue.

The move was to encourage people to buy and register boats in Kansas, rather than in surrounding states that have lower taxes. A \$40,000 boat in Shawnee County, for example, would have paid \$530 in taxes just to the county last year — more than the county taxes owed on a \$100,000 home.

Marilyn Flinn, another co-owner of Lakeside Marine, predicted the lower tax would encourage people to buy and register boats in Kansas. Many Shawnee County boat owners register and store their vehicles in Oklahoma or other states as a result of Kansas' high taxes, she said.

Getting that percentage down is going to help a lot, Flinn said. The tax is considerable, and it doesn't go down very fast.

In Oklahoma, a brand-new boat owner would pay taxes amounting to 3.25 percent of the boat's suggested retail price. After that, the taxes decrease by 35 percent each year until the 10th year of ownership, after which the taxes stay flat. The owner of a \$40,000 boat, for example, would owe \$1,300 its first year but only \$27 in its 11th year of ownership.

Because Kansas' tax is tied to its appraised value, the same boat would pay lower taxes initially, but that figure would decrease only marginally, coinciding with the depreciation of the boat. Kansas does have a lower registration fee than Oklahoma. Registering a boat in Kansas costs \$32.50 every three years, compared to Oklahoma, where boat owners pay as much as \$151 in annual registration costs. That figure decreases slightly until the 11th year of ownership, when it remains flat.

Boats in Kansas are taxed according to their taxing unit, so the \$600,000 shortfall is a rough estimate, Hixon said. But the effect is the same: School districts, cities and services, such as the airport, library and transit, will have to find a way to compensate for the change.

It may work, Hixon said. It may stimulate commerce. Boat dealers may suddenly get a spike in demand. Time will tell, either way.

While money coming into taxing entities could be less, those in the watercraft industry say the lower tax will be a boon for sales.

Legends at Village West Sells

By Gene Bryan, CKA, RMA, Wyandotte County

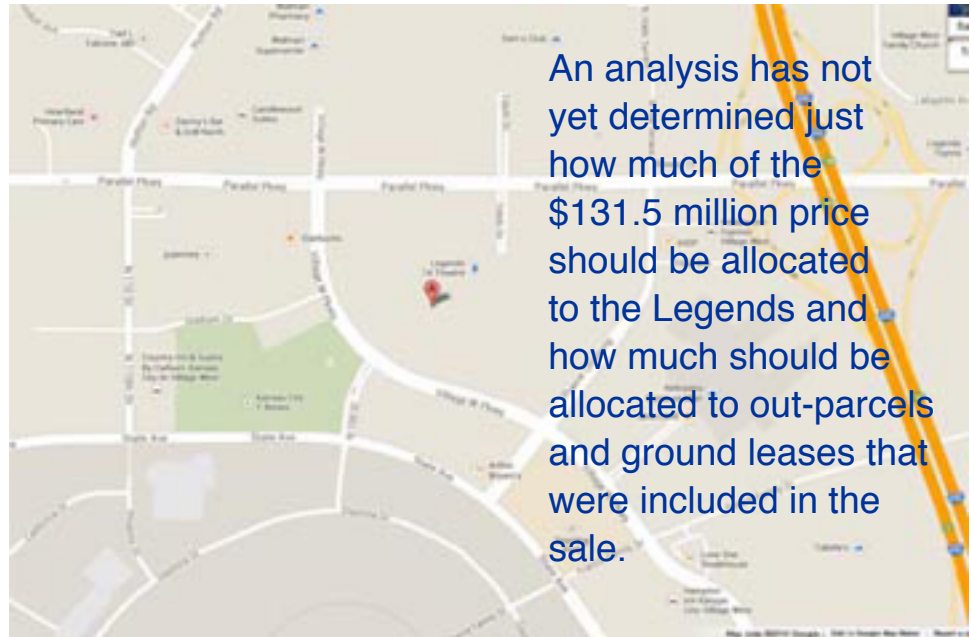
The Legends Outlets, formerly known as the Legends Lifestyle Shopping Center, was sold at auction at the U.S. Courthouse in Kansas City, KS. on January 25, 2013, for \$131.5 million. The acquisition by Kohlberg Kravis Roberts & Co. and RED Legacy was completed on March 14.

The property, as many of you know, is located in the 400-acre development in western Wyandotte County generally known as Village West. This 593,606 (GBA) shopping center, which sits on 53.7 acres, was originally developed by RED Development in 2005. RED sold a 95% interest to Legends of KC, LP in July 2007 for a reported price of \$214,571,430. This price, however, included several out-parcels that were not part of the Legends SC proper. Analysis of that sale by the county for purposes of a valuation appeal indicated that the portion of the sale price to be allocated to just the Legends SC was \$172 million, or \$290/sf.

This sale was arguably at the peak of the market before the subsequent downturn in the economy, which started in 2008 and has only recently started to improve in most areas. After the 2007 sale, the property began repositioning itself as an upscale outlet center with the purchaser putting millions of dollars into the center. This seemed to have improved the center's performance, but in November 2011 it was reported that the center had defaulted on their loan from the 2007 sale.

Speculation is that this loan default was done in order to start a re-finance effort with the lender. However, it appears that terms could not be reached and this ultimately led to the auction of the property in early 2013.

The auction included not only the Legends Outlets property but the additional parcels acquired in the 2007 sale. An analysis has not yet determined just how much of the \$131.5 million price should be allocated to the Legends and how much should be allocated to out-parcels and ground leases that were



included in the sale.

The county's value after the informal appeal is shown below. (Values are only for the Legends parcel.)

2008	\$139,800,000
2009	\$82,800,000
2010	\$67,800,000
2011	\$95,266,100
2012	\$86,040,900
2013	\$113,512,000

These values have been appealed to COTA and subsequent reductions were made through a mediation process between the county administrator and the owner and approved by COTA. These mediated values may or may not have been what the county appraiser would have agreed to.

The county contracted with an outside appraisal firm to appraise this property. Those values are shown below.

2008	\$139,800,000
2009	\$82,800,000
2011	\$91,800,000
2012	\$97,400,000

Final values mediated for each tax

An analysis has not yet determined just how much of the \$131.5 million price should be allocated to the Legends and how much should be allocated to out-parcels and ground leases that were included in the sale.

year were:

2008	\$105,000,000
2009	\$74,200,000
2010	\$67,800,000 (dismissed as part of mediation process)
2011	\$ at COTA
2012	\$ at COTA

The 2011 and 2012 appeals are presently going through the appeals process with COTA. We have just exchanged expert reports with pre-hearing conference set for November. The 2013 appeal is at the discovery level.

A final note regarding the appraisals by the taxpayer must be made. Those appraisals concluded values of:

2008	\$77,350,000
2011	\$66,000,000

One has to wonder why a credentialed appraiser would conclude \$77 million on a property that sold just six months prior to the 1/1/08 valuation date for \$172 million and that was settled for \$105 million.

Of course, no else notices those things, do they?



Dealing With Angry Customers in City Hall

By Michael Koss

Reprinted with permission from GOVERNING Magazine. Submitted by Della Rowley, RMA, Geary County

If you are willing to show the customer enough respect to listen intently to them, they are more likely to show respect toward you.

You have probably seen it happen. A resident comes stomping into city hall, looking like they are about ready to erupt. They yell, maybe call people names, and just generally disrupt the office. Your initial thought is to tell them to quit being a jerk and get lost. However, as a public servant, you have a duty to address their complaint. So how do you do your job when a hostile customer is making you lose your cool? This article will cover a few tips for calming down these individuals, keeping collected yourself, and how to move toward a peaceful resolution.

Listen

The first step to addressing an angry customer is actively listening to them. You do not want to start your interaction by telling them to calm down or stay cool, as these statements may come off as personal attacks and increase their anger. Simply listening shows concern on your part and gives customers a chance to voice their opinions.

From a customer's perspective, without listening, a service provider cannot provide a convincing explanation, or a genuine apology. If you are willing to show the customer enough respect to listen intently to them, they are more likely to show respect toward you. Listening also gives you the opportunity to understand the issue that has inspired the anger. Beneath the hostility, the individual may have a valid complaint, and you should focus on identifying it so you can address

their concerns.

Listening does not require that you endure a rant. Conventional wisdom is that angry customers need time to vent before they are ready to hear from you. However, research indicates that venting actually increases anger and has little to no cathartic effect. Additionally, anger diminishes a person's focus and reasoning abilities, so allowing them to vent precludes communication of the underlying problem.

As an alternative, you may want to create a process that requires angry customers to fill out a complaint form before discussing their issue. While ranting is an unreflective process without a clear goal, expressive writing encourages a person to try to understand the causes of their feelings and gain insight that may lead to a resolution. Once they have been forced to contemplate the source of their anger and put it to writing, they will be more likely to use reasoning than emotion when interacting with you.

You can also disarm an angry individual by summarizing their remarks to reflect the depth and strength of the speaker's feelings. For example, if a citizen comes into city hall yelling about how you're ruining his neighborhood by letting a bar be built, you could respond by saying, So, you feel like the building permit we issued is going to lower your property values? Such a summary shows the upset person that you are listening and that you take their concerns seriously.

Asking for clarification is another good strategy. When people are agitated they often speak in generalizations

like, You're all crooks, or You don't listen to people! Asking for specific examples encourages them to use logic rather than emotion. It also gets to the heart of the problem, which will help you find a solution.

Respond

After you've listened to and identified your angry customer's complaints, you need to consider how you want to respond. A smart preliminary step is taking a deep breath. If the customer personally criticizes you, your body may bring up its stress-response defenses. When this fight-or-flight state occurs, your muscles tighten, you sweat profusely, and your heart rate increases. This may also cause your verbal responses to be unnecessarily defensive. Breathing deeply helps counteract the fight-or-flight syndrome and focuses attention on what the person is saying rather than defending oneself.

Once you've taken a breath, be alert not to answer emotion with emotion. It is easy to get emotional when someone gets angry with you, but do your best not to take the complaint personally. This will help you respond to the customer's anger with calm and patience. If you think you are on the verge of an outburst, excuse yourself or ask another staff member to listen to the customer so you can take a moment to get collected. You should also be cognizant of your volume and tone. If you speak loudly or use any sarcasm, nastiness or condescension, the situation could escalate.

continued on next page

Angry Customers, continued

What you say is important as well. If the customer is angry, it is counter-productive to not acknowledge their anger. Ignoring it will make the customer think that you don't care and they may raise their voices even more to try to get through to you. One example of an acknowledgment response is, Obviously you are upset, and I want to help you resolve this problem. This communicates to the customer that you understand how important the problem is to them, and may make them aware that they are acting inappropriately.

The final part of your response should be an explanation of the circumstances that led to the angry citizen's issue. Customers often attribute their problems to an external cause to protect their self-esteem, so they seek information about the frequency of the problem, others' experiences of the problem, and their own experience of the problem. The main purpose of an explanation is to satisfy this urge by allocating responsibility to the system or policies that created the issue.

There are a couple steps to this blame displacement strategy. The first is identifying the cause of the problem, which you hopefully did while listening to the customer. The next step depends on the identified cause. If the local government is not responsible for the issue, explain the cause of the problem so that the customer clearly understands who or what is to blame. If the problem originated within the local government, try to redirect the blame to a more specific target (like software failure, communication failure, bad weather, etc.). If the cause of the problem is successfully redirected away from you as representative of the city, the blame displacement strategy is successful. Once that occurs, you and the customer can work more constructively toward a solution.

Apologize

Your angry customer may be griping about a legitimate mistake made by the city. When this happens, an apology is appropriate, and you should be willing to offer it since you're a representa-

Your customer feels that they were wronged, and an apology is a form of justice that can mitigate that sense of unfairness.

tive of the city.

A good apology has some key elements, including a statement of regret for what happened, a clear I'm sorry statement, an expression of empathy, and an offer of compensation. The first two are fairly intuitive, but you should make sure the statements are delivered with sincerity. When expressing empathy, make it clear that you're putting yourself in the customer's shoes by saying something like, I know if this happened to me, I'd be just as frustrated as you are. Compensation may be something like an offer to review bills more closely or a promise to send a city employee to investigate the issue.

Some of these actions may be inappropriate in certain circumstances, but you should consider them when deciding how to apologize.

Even if the city isn't responsible for the problem, an apology might be a good idea. Your customer feels that they were wronged, and an apology is a form of justice that can mitigate that sense of unfairness. For example, laws that allow doctors to say I'm sorry without legal consequences have been shown to decrease litigation of malpractice claims. Studies indicate the reason for the decrease is that apologies reduce patient anger and increase communication. Even if the city isn't responsible for the customer's problem, it may be worth offering an apology just to calm the individual.

Conclusion

I've discussed three important parts to disarming an angry customer. Listening gives you a chance to identify the cause of the problem and decode the cause of anger. Blame displacement allows you to redirect the customer's

anger away from you. Giving an apology gives the customer the sense that justice has been served. After you've done these three things, you should consider following up with the individual. The customer will appreciate your concern, and making sure the issue has been addressed will prevent that same individual from storming into your office again.

Reprinted with permission from

GOVERNING Magazine, August 2013. Michael Koss is Membership Services Manager for the League of Kansas Municipalities. He can be reached at mkoss@lkm.org

Sources:

Estep, M. (2011, June 03). Five Ways to Diffuse an Angry Customer. Unitiv.com. Retrieved August 03, 2013 from <http://www.unitiv.com/intelligent-help-deskblog/bid/64923/Five-Ways-to-Diffuse-an-Angry-Customer>.

McGreal, S.A. (2013, March 28). Internet Ranting and the Myth of Catharsis. PsychologyToday.com. Retrieved August 01, 2013 from <http://www.psychologytoday.com/blog/unique-everybody-else/201303/internet-ranting-andthe-myth-catharsis>

Nguyen, D.T. & McColl-Kennedy, J.R. (2003). Diffusing Customer Anger in Service Recovery. Australasian Marketing Journal 11 (2). Retrieved August 01, 2013 from http://www.docs.fce.unsw.edu.au/marketing/amj_11_02_nguyen.pdf.

Ho, B. & Liu, E. (2010, October). Does Sorry Work? (Job Market Paper). Retrieved from <http://irving.vassar.edu/faculty/bh/Ho-Liu-Apologies-andMalpractice-nov15.pdf>.

Winch, G. (2010, December 09). The Science of Effective Apologies. PsychologyToday.com. Retrieved August 01, 2013 from <http://www.psychologytoday.com/blog/the-squeaky-wheel/201012/the-science-effectiveapologies>.

Why Fear Doesn't Create Accountability – Laurie Curie on Leadership

By Anita Bruzzese, The Fast Track <http://bit.ly/1iHfPHF>

Submitted by Christina Gibson, RMA, Dickinson County

Many leaders believe that to create accountability among employees, those employees must fear the outcome if they don't do what they're told. That may mean everything from being yelled at to getting fired for not meeting goals.

But does that kind of management really work? In a new book, *Leading Without Fear*, author Laurie Curie argues that a culture of fear can be debilitating to the employee, the leader and the company. In a recent interview with Anita Bruzzese, she said it's time we started to consider our workplace fears, and how those fears may impact how we lead.

AB: What is the impact on an organization when employees are afraid of the leader?

LK: Fear takes on a life of its own in an organization. People generally respond to fear in one of two ways; the typical flight or fight response. For the leader, the more indirect implications might be communication breakdowns, lack of motivation, blind obedience, or passive aggressive types of behavior from their employees. The more significant implementations can be impact to department or organizational outcomes, including financial targets, customer satisfaction or quality metrics. Ultimately, in environments of fear, people are not able to perform effectively. Leaders might also see low employee satisfaction scores and increase complaints to human resources or compliance venues.

AB: Can you give a couple of examples of what a leader might do to make employees fear him or her?

LK: At its core, fear is about threat. In my book, I discuss the language of fear which reflects not only language, but behaviors that induce fear. What I also stress is that these behaviors usually must be frequent and repeated to



One of the greatest strategies a leader can use to reduce fear is to give people real or perceived control over their situation.

be fear-inducing.

Some common ways leaders subtly introduce fear is through belittling comments, sarcasm or threats of job loss. They might think they are joking as a way to motivate people, but it actually has the opposite effect. Another common behavior I observe is when they create in group and out group. They will include certain people in important information and not others, or some get invited to participate and others do not.

AB: What are a few things that leaders can do to alleviate this fear?

LK: One of the greatest strategies a leader can use to reduce fear is to give people real or perceived control over their situation. This might mean involving them in changes or decisions that impact their work or ensuring that communication is as transparent as possible.

Secondly, we must provide high levels of support when people are in environments of fear.

A final strategy is to avoid the language of fear. Be aware of how your behavior as a leader is being perceived by others. Are you intimidating? Do you ridicule others? Are you making ethical decisions? When we consistently avoid behaviors that drive threat, we naturally reduce fear.

AB: When eliminating this fear, how can leaders still create accountability?

LK: First, we must set clear expect-

tations. When employees know what they are responsible for and how they are expected to perform, we reduce the uncertainty and hence the fear. At this stage, we must also provide feedback. Because when we withhold feedback, we elevate uncertainty. People fill in the gaps and write their own story.

Second, we have to achieve mutual commitment. People have to be positively motivated to do the work. This requires discussion about why we need to engage in certain tasks/projects. This also requires that we link the why to something that is meaningful to people. When we ask employees to just do their job or they will lose it, fear is the result.

Finally, we have to hold people responsible for the commitments they make in the workplace. This means we offer positive feedback when people are on track and we have compassionate crucial conversations when they are not.

AB: In the book you also address that leaders can also experience fear. What do they have to be afraid of?

LK: Leaders are also employees and their role is magnified in the organization. They will all have the same fears about job loss, security, belonging and being successful, often to a larger degree. They manage higher levels of risk both within and outside the organization. They are stepping out on a

continued on next page

Why Fear, continued

ledge often in support of their teams/ organization and these increased risks elevate fear.

AB: How do their fears show up in their performance?

LK: Fear-based leaders often have a great deal of their own fears—many are using denial as a coping mechanism. Without the ability or self-awareness to manage their own fear, they will often pass it down the line to employees. They might not know how else to do it.

AB: How can they overcome their fears?

LK: Leaders use the same strategies as employees to overcome fear. They must be self-aware, assess their unconscious goals around their behavior and determine what support and control they need to obtain over their situation.

AB: Is being afraid always a bad thing?

LK: Not at all. Fear is an excellent signal, but it cannot be a way of life. What we want to avoid is using fear as a motivator. Some leaders believe that a little fear actually keeps everyone on their toes. I maintain the belief that creating safe, open work environments is a better way to ensure innovation, creativity and productivity. Organizations that do this have stronger results.

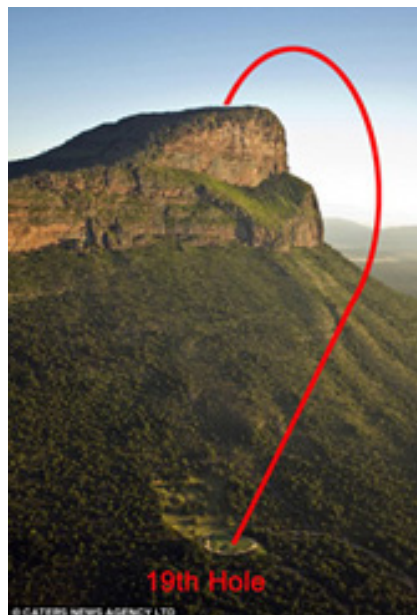
AB: What is a fear you are facing today and how are you overcoming it?

LK: As an entrepreneur, my fears are similar to others. I continue to challenge myself about how to stay on the edge. What do I need to continue my growth and can I do that in way that serves my customers? Part of my job is growing people and in order to that, I need to ensure that I am strong, confident and living my purpose. Our fears never abandon us. Our job is to hear them, listen to them, and act from those messages.

Read more about *Leading Without Fear* at <https://www.tatepublishing.com/book-store/book.php?w=978-1-62147-133-2>

Next KCAA Golf Tournament?

By Mark Low, RMA and Rick Stuart, CAE



We have found it, the ultimate golf course for the next KCAA Golf Tournament: The World's Toughest Par 3—Legend Golf & Safari Resort, South Africa.

The tee is set 1,410 feet above the green on Hanglip Mountain. From the base of the mountain to the back of the green is 1,312 feet. In golf terms, that's a 437-yard par-3, with a vertical drop of 470 yards. Without getting all geeked out, as this insane shot relates to the laws of physics and how the ball will travel on quite an extreme arc, it plays about 260–270 yards due to the vertical drop.

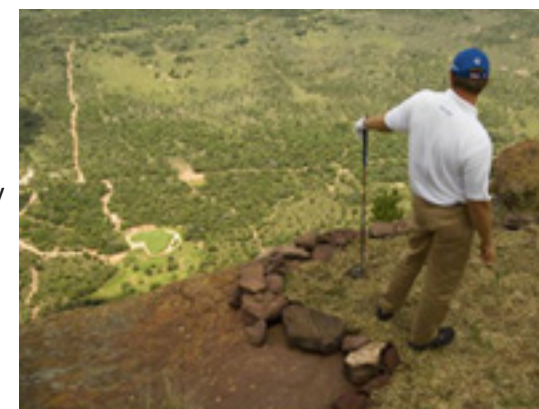
Round of 18 including lunch: \$70 per player. Extreme 19th per foursome: \$1,060.

That extreme price does come with a few perks. Players get a helicopter ride to the tee and back down after hitting, a souvenir cap and glove, and a DVD of their play on the hole.

The coolest part: Each player is given six balls with tracking devices, since losing sight of a ball hit from 1,410 feet up is pretty likely.

There's a prize worth over \$1 million for any player that makes a hole in one. The money has yet to be claimed. Eight players, however, have made birdies, and 96 pars have been recorded—including many professional golfers. Harrington was the first person to make a 3, back in 2008.

The highest recorded score, according to the course's website, is a 23. And there are hundreds of other players whose scores say NR. We assume that's short for Way too many to count.



Mark and I will be sitting in the shade, a long ways from where you are hitting, and laugh with you on your experience. *Tee 'em up!*

Read more about Legend Golf & Safari Resort <http://www.legendgolfsafari.com/>



Real Estate Notes of Interest

By Rick Stuart, CAE

■ Kermit Baker, Hon. AIA chief economist, *www.aia.org*, Sept. 13, 2013. With the national recovery of the housing market has come a return to larger and more expensive homes. Residential architects are reporting more specialized uses of space and the growing interest in special function rooms. Examples include outdoor living spaces, mud rooms, in-law suites, and safe rooms. With more specialized uses of space has come an increased interest in special features, many of which provide greater accessibility for an aging population. New technologies are also seeing a dramatic increase in popularity, both in new and remodeled homes. Popular new products offer greater energy efficiency and often provide households with fewer maintenance obligations. <http://www.aia.org/practicing/AIAB099983>

■ *Hotelmanagement.net*, Sept. 20, 2013. Business travelers can expect to pay 5 to 6 percent more for hotel rooms next year, according to a New York University study. <http://bit.ly/17fgYBn>

■ Julie Schmit, *USA Today*, Sept. 20, 2013. Existing home sales increased 1.7% in August over July and showed an increase in sales of over 13% from one year ago. With the increase in mortgage rates, some experts are predicting that August was a peak and Sept. sales will slow.

■ Jim Butler, *www.trends.com*, Sept. 19, 2013. The number of hotel transac-

tions is up by more than 50% for the first 6 months of 2013 over the comparable period last year, and is expected to top \$18 billion for 2013, according to Jones Lang LaSalle. And HVS reports that the sales transaction volume of hotels is now intersecting its 22-year moving average, and predicts that hotel values will continue to grow at an average of 12% for each of the next 3 years (substantially less than the past couple of years, but still a nice increase in value). <http://bit.ly/1j0QnNq>

■ Nick Timiraos, *The Wall Street Journal*, Sept. 24, 2013. U.S. home prices rose by their fastest pace in more than seven years during July, according to an index released Tuesday, though more recent data suggest price gains could soon moderate. Prices are up most sharply in many of the Western and Southwestern markets that saw some of the biggest declines. Prices have jumped 27.5% in Las Vegas over

the past year, while San Francisco gained 24.8% and Los Angeles, 20.8%. **Editor's Note:** Here we go again! <http://on.wsj.com/18n2MUD>

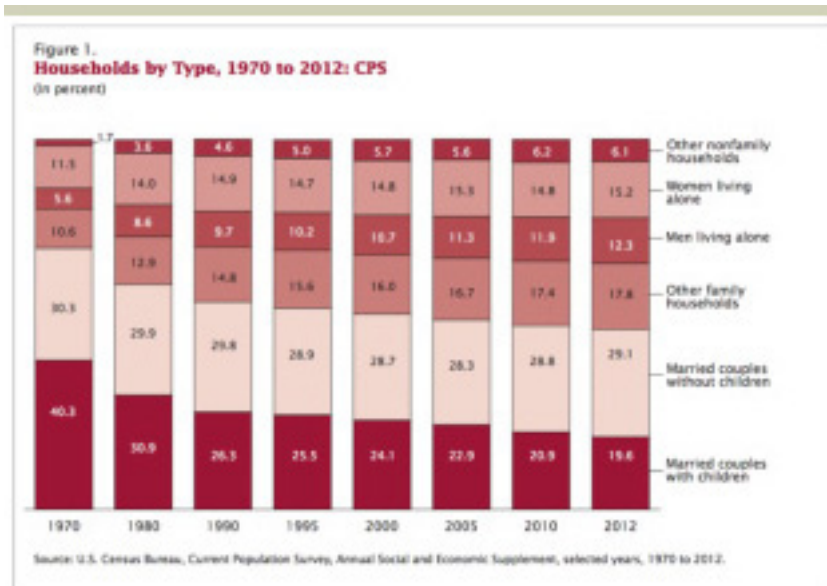
■ Laura Vecsey, *Zillow* blog contributor, Sept. 24, 2013. The frenzy may be over right now, but for foreign buyers, U.S. residential real estate continues to be an alluring bet, especially as some stability returns to key markets like Miami, Las Vegas, Phoenix and coastal California. International sales of U.S. residential real estate dropped by \$14 billion to \$68.2 billion, according to the National Association of Realtors' analysis of data from March 2012 through March 2013. That's down from \$80 billion spent by foreign buyers the year before. <http://onforb.es/1gXEYw>

■ Megan Hart, *The Topeka Capital-Journal*, Sept. 21, 2013. Shawnee County is a hidden gem when it comes to investing in rental properties, according to real estate information firm RealtyTrac. Shawnee County ranked 14th on a list of 25 counties nationwide bases on yield on single-family rental houses, return on investment before taxes, and maintenance fees and other costs.

■ Dawn Wotapka, *The Wall Street Journal*, Sept. 24, 2013. **continued on next page**



Rick Stuart, RMA, is a senior consultant with TEAM Consulting LLC and lives in Topeka, Kan. Email: rstuart17@cox.net.



Sept. 24, 2013. This is an interesting graph from Barry Ritholtz's blog, The Big Picture. www.ritholtz.com.

REAL ESTATE NOTES, continued

Journal, Oct. 1, 2013. Landlords passed along hefty rent increases to tenants this summer, an indication that rising home-buying costs are helping heat up demand for apartments. The rental increases were stronger than industry watchers expected and represent a turn-around from the past several quarters when it appeared that rent growth was slowing.

■ Eliot Brown, *The Wall Street Journal*, Oct. 2, 2013. The office vacancy rate in the third quarter nudged down to 16.9% from 17% three months earlier and a post-recession peak of 17.6% in 2010, according to real-estate research firm Reis, Inc.

■ *www.ccim.com*, Oct. 7, 2013. Deal flow among members of the CCIM Institute increased 57 percent year over year according to an August 2013 intelligence survey conducted by the National Association of Realtors® in conjunction with the CCIM Institute. See more at: <http://onforb.es/1gXEYYw>

■ Sanette Tanaka, *The Wall Street Journal*, Oct. 11, 2013. One more article about the value that trees add. In an analysis of 2,608 real-estate transactions over 10 months, researchers found that homes with street trees, those planted between the sidewalk and street, sold for \$7,130 more, on average, than homes without street trees and sold 17 days more quickly.

Kris Hudson, *The Wall Street Journal*, Oct. 14, 2013. Here is something that we have not seen for a few years. Home builders have boosted cash incentives and upgrades to lure buyers, as sales lag in some markets due to rising prices and higher mortgage rates.

Andrew Johnson, *The Wall Street Journal*, Oct. 15, 2013. Many U.S. banks are starting to see new growth from the old business of commercial real-estate loans. The dollar volume of loans is up 3.3% from a year earlier.

■ Thomas Hazinski, MPP and

■ Matthew O'Keefe, *HVS*, HVS is Hotel Valuation Services, September 2013. See image below. As of 2012, the lodging revenues in 51% of the 117 cities for which HVS obtained data have recovered to pre-recession levels. As we expect continued recovery of average daily rate and occupancy in 2013 and 2014, the lodging revenues of most major metro areas are likely to recover to prerecession levels. Cities marked in red recorded less taxable room revenue than they had in 2008. Cities marked in green recorded more taxable room revenue than they had in 2008. Cities for which not enough information was available are marked in gray. <http://bit.ly/1idnrfn>



■ Smith Travel Research, Oct. 18, 2013. The U.S. hotel industry posted increases in the three key performance measurements during the week of 6-12 October, according to data from STR. In year-over-year measurements, the industry's occupancy increased 2.4 percent to 67.7 percent. Average daily rate rose 4.8 percent to finish the week at US\$114.50. Revenue per available room for the week was up 7.3 percent to finish at US\$77.54. <http://www.hotelnewsresource.com/article74491.html>

■ Patrick Mayock, *hotelnewsnow.com*, Oct. 18, 2013. What was the cost of the government shutdown to the travel industry? The U.S. Travel Association says travel-related economic output suffered a loss of \$152 million per day. The American Hotel & Lodging Association is more specific in their analysis of the hotel industry specifically, citing a total loss of \$115.2 million. <http://bit.ly/1a8Qikm>

■ *Daily Real Estate News*, Oct. 18, 2013. **Editor's Note:** I do not ever remember seeing an article like this. As the housing market improves, more couples are protecting their real estate

assets through prenuptial agreements, finds a new survey by the American Academy of Matrimonial Lawyer members. <http://bit.ly/18vF09j>

■ *Smith Travel Research*, Oct. 15, 2013. The total active U.S. hotel development pipeline comprises 2,767 projects totaling 333,775 rooms, according to the September 2013 STR Pipeline Report. This represents a 15.6-percent increase in the number of rooms in the total active pipeline compared with September 2012 and a 29.5-percent increase in rooms under construction.

The total active pipeline data includes projects in the In Construction, Final Planning and Planning stages but does not include projects in the Pre-Planning stage. Among the Chain Scale segments, the Upper Upscale segment reported the largest increase in rooms in the total active pipeline, rising 45.5 percent with 22,689 rooms. <http://www.htrends.com/trends-detail-sid-74408.html>

■ Julie Schmit and Barbara Hansen, *USA Today*, Oct. 21, 2013. At least a fifth of all occupied single-family homes were rentals last year in 32 of

the nation's top metropolitan regions, according to a *USA Today* analysis of U.S. Census Bureau data. That's up from seven metros in 2006.

■ Julie Schmit, *USA Today*, Oct. 29, 2013. Last month, institutional investors, who largely buy single-family homes to turn into rentals, accounted for about one in four home sales in Atlanta, Las Vegas, St. Louis and Jacksonville, data from RealtyTrac show. In September, institutional investors accounted for 14% of home sales nationally but more in some markets.

Atlanta	29%
Las Vegas	27%
St. Louis	25%
Jacksonville	23%
Charlotte	17%
Memphis	16%
Richmond, VA	15%
Dallas & San Antonio	15%

■ Randy Drummer, *www.costar.com*, Oct. 30, 2013. A leading indicator of future nonresidential construction spending hit a seven-month high in September, lending weight to construction forecasts calling for a greater-than-expected 17% boost in commercial construction next year. The Architecture Billings Index (ABI) produced by the American Institute of Architects continued to accelerate in September, reaching its highest level since February and second-highest mark of the year. <http://bit.ly/19iljSJ>

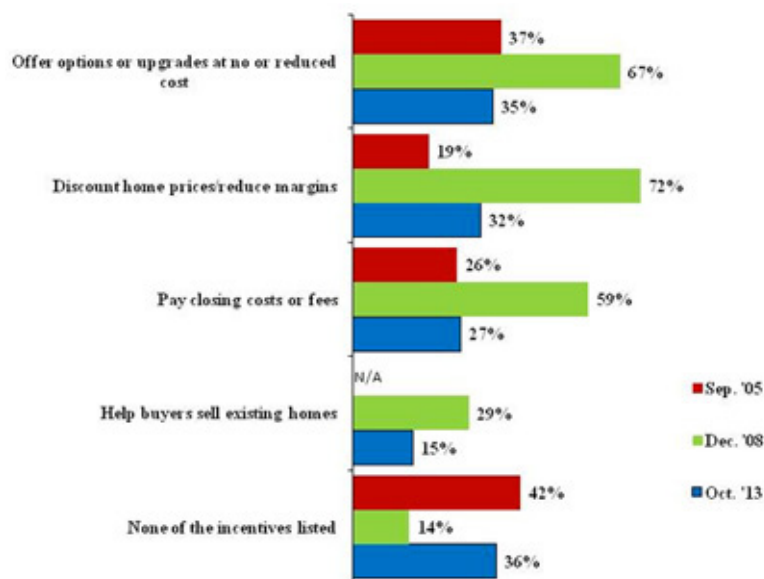
■ **Editor's Note:** The Frackers: The Outrageous Inside Story of the New Billionaire Wildcatters, a new book by Gary Zuckerman was released the first part of November. Some information about the book is shown below.

The riveting, untold story of the men who are transforming global energy. In five years, the United States has seen a historic burst of oil and natural gas production, easing our insatiable hunger for energy.

A new drilling process called fracking has made us the world's fastest growing energy power, on track to pass Saudi Arabia by 2020. But despite headlines and controversy, no previous

■ *National Association of Homebuilders, eyeonhousing.org*, Nov. 4, 2013. <http://bit.ly/1hdwmm2>

A survey of NAHB's builder members found that 36 percent are not offering any kind of special incentives in October 2013, a share that is 2.5 times larger than it was in Dec. 2008 (14 percent) during the housing bust, but is closer to the 42 percent who offered no sales incentives in September 2005 in the midst of the housing boom.



book has shown how the revolution really happened. <http://bit.ly/1gmGAYU>

■ Ron Demeropolis, *Cincinnati Business Courier*, Nov. 1, 2013. **Editor's Note:** Now, tell me the last time you remember something like this. A new residential development in the city of Mason is expecting so much interest from buyers that homebuilder M/I Homes of Cincinnati LLC scheduled a lottery drawing for those who want to purchase a home in the community. There aren't any parcels of land like this left in the city of Mason, Dan Tartabini, vice president of sales and marketing for M/I Homes, said in a news release. <http://bit.ly/18T9oX5>

■ Wendy Koch, *USA Today*, Nov. 3, 2013. Surging oil and gas production is nudging the nation closer to energy independence, but new research suggests the boom could peter out long before the United States reaches this decades-old goal. Many wells behind the energy gush are quickly losing productivity, and some areas could hit peak levels sooner than the U.S. govern-

ment expects, according to analyses presented last week at a Geological Society of America meeting in Denver. <http://usat.ly/1haSNYQ>

■ *www.ccim.com*, Nov. 6, 2013. Equilibrium of supply and demand driven by the renovation of existing projects continues to be a catalyst for growth across all sectors, particularly multifamily and industrial, according to an NAI Global economic briefing. <http://bit.ly/1b919v8>

Tim Mullaney, *USA Today*, Nov. 8, 2013 This will surprise a large number of people. Freddie Mac said it will finish reimbursing the government for its \$71.3 billion bailout by the end of 2013, including a \$30 billion payment it will make by December. The total of its payments will exceed the amount it received from the Treasury by \$9 million. Fannie Mae said it will pay \$8.6 billion in December, leaving it about \$2 billion short of the \$116.1 billion it got from the government.

■ Mark Herschmeyer, *www.costar.com*

continued on next page

REAL ESTATE NOTES, continued

com, Nov. 6, 2013. Continued healthy demand for retail space is driving strong occupancy increases for many of the nation's shopping center landlords and is even beginning to show up in rent increases. <http://bit.ly/1iRxLtQ>

■ Randy Drummer, *www.costar.com*, Nov. 6, 2013. Developers are finally ready to move forward on numerous medical office building (MOB) development projects as the new era of retail medicine begins under the new Affordable Care Act, despite early problems that have temporarily put the Obamacare registration web site out of commission. <http://bit.ly/1bd40Dd>

■ Wendy Koch, *USA Today*, Nov. 14, 2013. The United States tiptoed closer to energy independence last month when—for the first time in nearly two decades—it produced more crude oil than it imported, the U.S. government said Wednesday.

■ Russell Gold, *The Wall Street Journal*, Nov. 16, 2013. Voters in Broomfield, Colorado, narrowly approved a five-year moratorium on fracking in their suburban community, after a recount by county officials found the measure had passed by 17 votes out of 20,683 cast.

■ Russell Gold, *The Wall Street Journal*, Nov. 19, 2013. Less than two weeks after the above Broomfield vote, the Governor took related action. Colorado unveiled new measures to reduce airborne emissions from oil and natural-gas operations amid worries by state residents that increased drilling would hurt the environment or their health.

■ Jacob Bunge, *The Wall Street Journal*, Nov. 16, 2013. Average cropland prices declined in parts of the Farm Belt in the third quarter from the previous quarter while rising at a low rate in other areas, according to separate reports this past week by regional Federal Reserve banks in Chicago, St. Louis and Kansas City.

■ Nick Timiraos, *The Wall Street*

Journal, Nov. 23, 2013. Some of the nation's hottest housing markets over the past year are cooling off. This is occurring in the states of Nevada, California and Arizona. Realtors are indicating the slowing of sales is a result of higher prices and mortgage rates.

■ Anna Bernasek, *www.newyork-times.com*, Nov. 23, 2013. When the housing bubble burst in 2007, there was a glut of unsold inventory on the market, and the size of newly built homes began to shrink. In both 2008 and 2009, Census Bureau figures show, the median size of a new home was smaller than it had been the previous year. It seemed that after more than a decade of swelling domiciles, the McMansion era was over. But that conclusion may have been premature.

In 2010, homes starting growing again. By last year, the size of the median new single-family home hit a record high of 2,306 square feet, surpassing the peak of 2007. And new homes have been getting more expensive, too. The median price reached \$279,300 in April this year, or about 6 percent higher than the pre-recession peak of \$262,600, set in March 2007. The numbers are not adjusted for inflation. <http://nyti.ms/1iPxXgb>

■ Peter Rudegeair, *www.money.msn.com*, Nov. 26, 2013, Submitted by Greg McHenry, AAS, RMA, Riley County.

U.S. borrowers are increasingly missing payments on home equity lines of credit they took out during the housing bubble, a trend that could deal another blow to the country's biggest banks. The loans are a problem now because an increasing number are hitting their 10-year anniversary, at which point borrowers usually must start paying down the principal on the loans as well as the interest they had been paying all along. More than \$221 billion of these loans at the largest banks will hit this mark over the next four years, about 40 percent of the home equity lines of credit now outstanding. <http://on-msn.com/1jFBefA>

■ David Cross, *www.movoto.com*, Dec. 3, 2013. This is an interesting

concept that I have not seen previously comparing residential listing price per square foot on a month-to-month and year-to-year comparison. <http://bit.ly/1gCFFIh>

■ Mark Heschmeyer, *www.costar.com*, Dec. 4, 2013. The appetite for fast food restaurants continues with sales of such properties on pace again this year to exceed more than \$1.2 billion as they did last year. Those amounts top the combined totals for 2010 and 2011. In the second quarter of 2012, the average sale price per eatery was coming in at \$405/square foot. So far this quarter, they have been averaging \$580/square foot. That is a 43% increase, according to CoStar COMPs data. <http://bit.ly/IW0WI4>

■ Miriam Gottfield, *The Wall Street Journal*, Dec. 3, 2013. Hilton Hotels is changing from ownership of hotels to franchising and managing hotels. Since June 2007, that business has grown by 40% in terms of rooms, representing 98% of Hilton's room growth over the period.

■ Alison Sider and Kristin Jones. *The Wall Street Journal*, Dec. 3, 2013. The race to drill for oil in the U.S. is creating another boom—in sand, a key ingredient in fracking. Energy companies are expected to use 56.3 billion pounds of sand this year, blasting it down oil and natural gas wells to help crack rocks and allow fuel to flow out. Sand use has increased 25% since 2011, according to the consulting firm PacWest, which expects a further 20% rise over the next two years.

■ Nathan Hodge, *The Wall Street Journal*, Dec. 3, 2013. **Editor's Note:** Hope you never see anything like this in your jurisdiction. The asking price for a house in Kabul's toniest district nearly doubled a week ago, after it became clear that an Afghan assembly would endorse a new security deal with the U.S. A day later, when President Hamid Karzai insisted on delaying the critical pact, the price plummeted back to its previous level.

■ *www.htrends.com*, Dec. 12, 2013.

The total active U.S. hotel development pipeline comprises 2,807 projects totaling 339,602 rooms according to the November 2013 STR Pipeline Report. This represents a 13.5-percent increase in the number of rooms in the total active pipeline compared with November 2012 and a 35.8-percent increase in rooms under construction.

■ Nick Timiraos, *The Wall Street Journal*, Dec. 18, 2013. Fannie Mae and Freddie Mac are changing the criteria for loans that they purchased from lending institutions. Higher fees will be charged on loans to borrowers who don't make large down payments or don't have high credit scores.

■ *www.appraisalinstitute.org*, Nov. 19, 2013. The nation's largest professional association of real estate appraisers today announced it will begin issuing two review designations in 2014. The AI-GRS, (Appraisal Institute – General Review Specialist) and AI-RRS (Appraisal Institute – Residential Review Specialist) designations will be the Appraisal Institute's first new designations in more than 20 years. <http://bit.ly/1hkFhia>

■ *www.ccim.com*, Dec. 11, 2013. Office vacancy across the U.S. is expected to continue declining next year, dropping approximately 80 basis points to 14.3 percent by year-end, according to a CBRE Group office market outlook. The positive trend is expected to continue into 2015 with vacancy landing at approximately 13.5 percent for the year.

■ Randy Nelson, <http://www.movoto.com>, Dec. 18, 2013. The 10 most exciting small cities in America. Whenever we put together one of these Big Deal Lists, we're faced with a new challenge: How do we measure the thing we're trying to rank cities on? In this case, that thing is excitement, something people are used to feeling, not quantifying with numbers. Numbers are kind of what we do around here, though, so we had to figure out a way to do just that. What we came up with is a combination of six criteria designed to put excitement into a tangible form:

- Nightlife per capita (bars, clubs, comedy, etc.)
- Live music venues per capita
- Active life options per capita (parks, outdoor activities, etc.)
- Fast Food restaurants per capita (the fewer the better)
- Percentage of restaurants that are fast food (the lower the better)
- Percentage of young residents ages 20 to 34 (the higher the better)

Number 6 on the list was Manhattan, Kansas. <http://bit.ly/1bPdpgt>

■ Erin Carlyle, *www.forbes.com*, Dec. 23, 2013. What will happen in the housing market in 2014? You can see some experts opinions at <http://onforb.es/1iiOkmG>.

■ *www.hotelnewsresource.com*, Dec. 19, 2013. After a slight deceleration in growth during the last half of 2013, PKF Hospitality Research, LLC (PKF-HR) is forecasting very strong gains in revenues and profits for the U.S. lodging industry in 2014 and 2015. According to the recently released Dec. 2013 edition of Hotel Horizons®, national revenue per available room (RevPAR) is projected to increase by 6.6 percent in 2014, followed by another 7.5 percent boost in 2015. Concurrently, hotel profits should enjoy growth of 12.8 percent and 14.5 percent respectively over the next two years. <http://bit.ly/1lhNmEs>

■ Jan Freitag, *www.hotelnews.com*, Dec. 23, 2013. 2013 was a good year for the United States hotel industry. As this year comes to a close, here are my predictions for next year, categorized by five topics I think industry participants will like and five items that will cause operators and investors some heartburn. <http://www.hotelnewsnow.com/Article/12878/5-plus-5-things-to-know-about-2014>

■ Walter Molony, *www.nar.org*, Dec. 19, 2013. Total existing-home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, dropped 4.3 percent to a seasonally adjusted annual rate of 4.90 million in

November from 5.12 million in October, and are 1.2 percent below the 4.96 million-unit pace in November 2012. This is the first time in 29 months that sales were below year-ago levels. <http://bit.ly/1gJXisH>

■ Robert Carr, *www.nerionline.com*, Dec. 23, 2013. In terms of supply and demand, the U.S. office market will hit its sweet spot in 2014. A strengthening economic rebound, coupled with still-constrained construction, will result in increased absorption and higher rents, according to recent market reports. The fourth quarter showed the continued rebound of the office market. Average rents increased in 11 of the 13 major national markets, led by San Francisco and Boston, according to a report released by Los Angeles-based CBRE Group Inc. <http://bit.ly/K5PtPT>

■ Megan Hart, *www.cjonline.com*, Dec. 25, 2013. Kansas was the 10th-highest producer of oil in the United States as of September 2013, according to data released Thursday by the U.S. Energy Information Administration. When it came to natural gas, Kansas ranked only slightly lower, coming in at 12th with 296.3 billion cubic feet of natural gas in 2012. Texas again held the lead, with 7.5 trillion cubic feet of natural gas produced.

■ Conor Dougherty, *The Wall Street Journal*, Dec. 27, 2013. The average size of a new single-family house grew 5.4% to 2,642 square foot in the second quarter from a year earlier, led by fast-growing housing markets in Texas and several Southern states, where land is relatively inexpensive and plentiful. Not so in Southern California where the buildable land has almost disappeared and new single-family detached residential subdivisions will soon be a thing of the past. Because of the limited land, there are more and smaller attached homes with a shared wall being constructed.

■ Ryan Dresember, *The Wall Street Journal*, Dec. 31, 2013. **Editor's Note:** I believe this is an indication of **continued on next page**

REAL ESTATE NOTES, continued

the current strength of the hotel/motel industry. On Dec. 11, Hilton Worldwide Holdings Inc. returned to public ownership after six years, paving the way for Blackstone to begin collecting rewards for its bet on the hotel operator. At Hilton's current stock price, Blackstone's profit would be about \$8.5 billion on an investment it once wrote down to 70 cents on the dollar.

■ Have some free time? You might consider browsing Forbes online at <http://onforb.es/KJ8J5Y> to see the highest priced homes for sale in each state.

■ Some key points from several articles from *Realtyrates.com*, Jan. 13, 2014.

•The U.S. national office market absorbed 13 million square feet of space during the fourth quarter 2013 – the highest level recorded since 2007, and a 24.5 percent increase over the highest quarterly net absorption levels over the past six years, according to Jones Lang LaSalle's 2013 National Office Market Report.

• Commercial and multifamily mortgage lending is expected to increase in 2014, as lenders' appetites to place new loans grow even stronger, according to a new Mortgage Bankers Association survey of the top commercial and multifamily mortgage origination firms.

Capitalization rates for the single-tenant net-lease retail and office sectors reached a 10-year low in the final quarter of 2013, according to The Boulder Group's 4Q13 Net Lease Market Report. Retail net-leased property cap rates dipped to 6.85 percent while net-leased office assets dropped the most –30 basis points to 7.40 percent—in 4Q13.

■ www.ricelakeonline.com. This is an interesting article from Rice Lake, Wisconsin, about sand fracking farms. <http://bit.ly/1deEFsW>

■ Randy Drummer, www.coldstar.com.

■ David Cross, www.movoto.com, Jan. 8, 2014. Here we go again! <http://bit.ly/1a15XEw>

\$/SQFT Change from Dec 2012 to Dec 2013			
City	Dec-12	Dec-13	Y-o-Y Change
Boston	\$361	\$458	26.9%
Sacramento	\$123	\$149	21.1%
Phoenix	\$101	\$121	19.8%
Dallas	\$117	\$139	18.8%
Minneapolis	\$116	\$137	18.1%
Miami	\$159	\$187	17.6%
Las Vegas	\$91	\$107	17.6%
Long Beach	\$295	\$343	16.3%
Austin	\$158	\$183	15.8%
Mesa	\$102	\$118	15.7%

com, Jan. 15, 2014. For buyers and sellers of commercial property, 2013 was a very good year. Total commercial real estate sales are projected to be more than 18% higher in 2013 from the previous year as U.S. property fun-

damentals and the economy continued to improve and investors in all property types fanned out into smaller markets in search of higher returns, according to preliminary CoStar COMPs transaction volume. <http://bit.ly/19wY6yK>

2014 KCAA Education Calendar

Course	Date	Location*	Instructor	Cost
RMA Residential Review	July 15-17	Topeka, KS	Marion Johnson	\$300
RMA Commercial Review	Oct. 7-9	Topeka, KS	Marion Johnson	\$300
IAAO 101 Fund. of Real Property Appraisal	July 21-25	Wichita, KS	Rick Stuart	\$425
IAAO 102 Income Approach to Valuation	Aug. 18-22	Wichita, KS	Marion Johnson	\$425
IAAO 400 Assessment Admin.	Sept. 15-19	Wichita, KS	Rick Stuart	\$425

KCAA Class Locations:

*Topeka Shawnee County Annex Bldg. 1515 NW Saline Topeka, KS 66618	*Wichita Office This 4031 E. Harry St. Wichita, KS 67218	*Manhattan Public Works Bldg. 6215 Tuttle Creek Blvd. Manhattan, KS
---	---	--

Register Online at <http://www.kscac.net/education/online-education-registration/>

2014 KCAA Budget

ACCT #	ACCOUNT DESCRIPTION	2014 Budget	ACCT #	ACCOUNT DESCRIPTION	2014 Budget
01	■ APPRAISER REVENUE		APPRAISER EXPENSES (cont.)		
01-01	APPRAISER OTHER	2,100	01-03	CONF & MEETINGS	
01-02	APPRAISER KCAA REVENUE	30,000	01-03-01	SYMPOSIUM	30,000
	TOTAL APPRAISER	32,100	01-03-02	KAC	250
01-03	APPRAISER DUES		01-03-03	ORION Conf	-
01-03-01	COUNTY DUES	15,000	01-03-04	IAAO	1,800
01-03-02	NON-COUNTY DUES	300	01-03-05	NCRAAO	5,000
01-03-03	CKA DUES	150		TOTAL CONF & MEETINGS	37,050
	TOTAL APPRAISER DUES	15,450	01-04	TAXES	
01-04	CONF & MEETINGS		01-04-01	PERSONAL PROPERTY	-
01-04-01	SYMPOSIUM	37,000	01-04-02	OTHER	100
	TECHNOLOGY SEMINAR	-		TOTAL TAXES	100
	TOTAL CONF & MEETINGS	37,000	01-06	CONTRIBUTIONS	
01-05	INTEREST		01-06-01	HAGEMAN TRUST	
01-05-01	BANK INTEREST	300	01-06-02	IAAO 2012	
	TOTAL APPRAISER REVENUE	84,850	01-06-04	OTHER CONTRIBUTIONS	
02	EDUCATION REVENUE		01-06-05	SCHOLARSHIPS	500
02-01	EDUCATION OTHER	-		TOTAL CONTRIBUTIONS	500
02-02-03	EDUCATION CLASSES	85,000	01-07	PROFESSIONAL	
	TOTAL EDUCATION REVENUE	85,000	01-07-01	ACCOUNTING	250
	TOTAL REVENUES	169,850	01-07-02	LEGAL	300
01	■ APPRAISER EXPENSES		01-07-03	NEWSLETTER	6,500
01-01	OFFICE & SUPPLIES			TOTAL PROFESSIONAL	7,050
01-01-01	TELEPHONE	1,100	01-08	CONTRACTS	
01-01-03	POSTAGE	500	01-08-01	EXECUTIVE SECRETARY	33,000
01-01-04	SUPPLIES	600	01-08-02	EXECUTIVE SECR. TRAVEL	2,000
01-01-05	MISCELLANEOUS OTHER EXP.	1,000		TOTAL CONTRACTS	35,000
	TOTAL OFFICE & SUPPLIES	3,200	01-09	DUES	
01-02	LEGISLATIVE		01-09-01	KAC DUES	2,000
01-02-01	LEGISLATIVE EXPENSES	2,000	01-09-02	IAAO AFFILIATE DUES	200
	TOTAL LEGISLATIVE EXPENSES	2,000		TOTAL DUES	2,200
			01-10	FEES & REGISTRATIONS	
			01-10-01	FEES & REGISTRATIONS	50

Budget continued on next page

2014 Budget, continued

ACCT #	ACCOUNT DESCRIPTION	2014 Budget
01-11	BANK SERVICE CHG.	
01-11-01	BANK SERV. CHG.	50
01-12	SPECIAL PROJECTS	
01-12-01	SHIRTS	-
01-12-05	COMPUTER PURCHASES & MAINTENANCE	1,000
01-12-07	HANDBOOK	-
01-12-08	IAAO TRIP	-
01-12-09	NCRAAO TRIP	-
01-12-11	TECH SEMINAR	-
01-12-12	RETIREMENT GIFTS	500
	TOTAL SPECIAL PROJECTS	1,500
	APPRAISER OTHER	
01-13-01	KREAB	200
01-13-02	APPRAISER OTHER: RMA AND NON-PVD	20,000
01-13-03	PVD SPLIT	25,000
	TOTAL APPRAISER OTHER	45,200
	TOTAL APPRAISER EXPENSES	133,900
02	EDUCATION	
02-02	INSTRUCTOR FEES	12,000
02-04	MEETING ROOMS	200
02-05	CLASSES OTHER	23,000
	TOTAL EDUCATION EXPENSES	35,200
	TOTAL EXPENSES	169,100
	TOTAL REVENUES	169,850
	OPERATING BALANCE	750



FocusAssist for iPad tracks a user's eye movements, pausing when you look away.

Keeping the Student's Attention

What employee hasn't watched a few YouTube videos during the half-hour or so running time of the company's required online training course? Alas, this may become a memory of simpler times. Online training technology company Mindflash announced a new feature last year called FocusAssist for iPad that uses the tablet's camera to track a user's eye movements. When it senses that you've been looking away for more than a few seconds (because you were sending e-mails or just fell asleep), it pauses the course, forcing you to pay attention—or at least look like you are—in order to complete it.