



NOV 29 2010

MUNICIPAL PROPERTY ASSESSMENT CORPORATION

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November 26, 2010

To: All Heads of Council
Ontario Municipalities

From: Dan Mathieson
Chair, MPAC Board of Directors

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Subject: Update – MPAC Activities

As the newly elected Chair of the Municipal Property Assessment Corporation's (MPAC) Board of Directors, I am pleased to provide you with my first update on our activities to date in 2010.

Changes to Board of Directors

New members were appointed to the Board of Directors in 2010 as the terms of a number of sitting members ended. As the Mayor of Stratford, I was appointed to the Board in September as a Municipal representative and elected by the Board as Chair. Also newly appointed to the Board in 2010:

- Debra Marshall, taxpayer representative from Prince Edward County;
- Jim McDonell, Mayor of South Glengarry; and,
- James Wilson, Chief Administrative Officer for the County of Haliburton.

I would also like to thank the following Board members whose terms expired in 2010 for their commitment and hard work:

- Former Chair Debbie Zimmerman, Councillor, Regional Municipality of Niagara, who completed her second three-year term in August;
- Margaret Black, Mayor of the Township of King; and,
- Lloyd Russell, Commissioner of Finance and Treasurer for York Region.

MPAC is accountable to the public through a 15-member Board of Directors, appointed by the Ontario Minister of Finance. Eight (8) members are municipal representatives; five (5) represent property taxpayers; and two (2) represent the Provincial Government. A complete list of our Board members is available at www.mpac.ca.

REFERRAL TO
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Office of the Chair c/o Municipal Property Assessment Corporation
4305 Pickering Parkway, Pickering, ON L1V 3P2

T: 519.271.0250 ext 236 F: 905.831.0040

Property Assessment Cycle

Even though 2010 is not a province-wide Assessment Update year, MPAC continues to update the property information it has on file. In November, approximately one (1) million year-end Property Assessment Notices were mailed to property owners across the province to capture in-year changes. Property owners who receive a Notice from MPAC this fall, and believe it is incorrect, will have until **March 31, 2011** to ask MPAC to reconsider their assessment. The next province-wide Assessment Update will take place in 2012.

I would also like to provide you with an update on our implementation of the four-year assessment cycle and the phase-in of eligible assessment increases introduced by the Government, and some of the operational challenges it has presented the organization.

MPAC's business processes have undergone a thorough review resulting in substantial changes to integrate the phase-in provisions into our systems and to include them on all assessment products. Even though this is not an Assessment Update year, every time a property undergoes a change due to new construction or changes in use, the phase-in values must be recalculated. As well, MPAC is now required to retroactively recalculate the phase-in values to adjust for decisions made by the Assessment Review Board on current and prior property tax years and issue an Advisory Notice of Assessment.

As MPAC prepares for the 2012 province-wide Assessment Update and the next phase-in cycle, we will continue to make the necessary changes to our business processes and systems.

Service Delivery

I am pleased to report that MPAC has processed more than \$28 billion in assessment growth for municipal tax rolls in 2010. The amount of growth added this year surpasses last year's total of nearly \$25 billion and represents the addition of assessment from new construction taking place in the province.

Earlier this year, MPAC assembled a cross-functional committee to review the assessment growth process and implement improvements to ensure the timely delivery of new growth. The Municipal Liaison Group – Assessment Growth Sub-Group includes representatives from 15 municipalities across Ontario. The objective of the committee is to develop a strategy to ensure growth is added in an accurate and timely manner across the province as well as to develop an assessment growth forecasting model to accurately calculate and measure growth estimates at the municipal level.

This partnership has already helped to introduce improvements to our processes and we are committed to continuing our focus on adding timely and accurate assessment growth to municipal rolls in 2011.

A second committee, the Municipal Liaison Group – Assessment Products and Services Sub-Group, has already met to discuss the timely development of new products and the efficient delivery of existing products and services. Working with 12 municipal representatives, we have already identified improvements to our processes to ensure the timely delivery of reports to municipal staff.

MPAC also remains committed to completing Requests for Reconsideration (RfR). As of October 27, 2010, we have received over 36,000 RfRs, which represent 0.8% of Ontario's more than 4.7 million properties. This number is down from the 178,000 received in 2009 following the province-wide Assessment Update. We continue to work with our property taxpayer customers to resolve these matters and answer questions or provide the information they need to understand their property's assessment.

Municipal Enumeration

Based on our discussions with the Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO) following the 2006 Municipal Enumeration, we made a number of improvements to our enumeration processes for 2010 including an increased focus on sharing information with municipalities and improving our Municipal Enumeration Form (MEF).

In April and May, we mailed MEFs to approximately 2.4 million households across the province. The forms were sent to households where we needed to confirm or update occupant information in our database. The 2010 form was redesigned to make it easier to complete with a three-step process.

Our website also offered detailed information including an interactive MEF and video presentation to help explain Enumeration and encourage the completion and return of forms to MPAC.

Additionally, municipalities were provided detailed Enumeration information and updates throughout the year through Municipal Connect™, newsletters, meetings and regular correspondence. Our Municipal Relations group were also available at conferences and AMCTO election training sessions.

We do continue to face challenges in obtaining the information we need to make further improvements to our Preliminary List of Electors (PLEs). This includes the limited access we have to births and death information from the Ontario Ministry of Government Services. Our work in this area will continue as we look ahead to the next Municipal Enumeration in 2014.

Organizational Realignment

You may be aware that MPAC recently undertook an organizational realignment to improve our service delivery to our shared customers, the property taxpayers of Ontario.

The realignment is being carried out within our current complement and budget. There is no reduction in service or staffing levels in any of our offices located across the province – a demonstration of our ongoing commitment to providing property taxpayer customers and municipal stakeholders with local knowledge and expertise.

It is important to note that this is not a restructuring of our entire organization. Rather, we are improving customer service and strengthening our local focus by aligning our business under two (2) core streams: Valuation and Customer Relations, Business Properties; and Valuation and Customer Relations, Residential and Farm Properties. Through realigning reporting structures and streamlining our business processes, a single staff member – someone with an understanding of both the local community and the properties contained within it – is now responsible for addressing a property taxpayer customer's assessment concerns from start to finish.

I would also like to confirm that the support MPAC provides to our municipal stakeholders has not changed in any way. Our team of Municipal Relations professionals continues to serve across the province as your dedicated resource. In addition, your access to products and services specifically designed to meet the unique requirements of Municipal stakeholders remains as before.

I believe this framework better positions us to provide our customers with outstanding customer service. It also offers more flexibility and adaptability, which will enable our organization to efficiently meet your evolving needs as we continue to work together to serve the property taxpayers of Ontario.

Toronto Bank Tower Decision

In October, the Ontario Court of Appeal upheld a Divisional Court decision affecting MPAC's approach to assessing commercial property. The decision involved assessment complaints filed for the 2001 and 2002 property taxation years by owners of six high-value downtown office complexes, known collectively as the Bank Towers. MPAC's approach was upheld by the Divisional Court. That decision has now been confirmed by the Ontario Court of Appeal.

In closing, I look forward to working with my fellow Board members and senior executive team in the coming months to ensure that we continue to look for ways to improve our products and services. The success of many of our activities is due in large part to the hard work of our dedicated team of employees across Ontario. We look forward to their continued commitment to delivering property assessment excellence and outstanding service.

If you have any questions or need additional information, I encourage you to contact me at (519) 271-0250 ext. 236; Carl Isenburg, President and Chief Administrative Officer, at (905) 837-6150; or Arthur Anderson, Director, Municipal Relations, at (905) 837-6993.

Yours truly,



Dan Mathieson
Chair, MPAC Board of Directors

Copy MPAC Board of Directors
Carl Isenburg
Paul Galaski, Vice-President, Valuation and Customer Relations,
Residential and Farm Properties
Arthur Anderson