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MUNICIPAL PROPERTY ASSESSMENT CORP

LEGISLATIVE SERVICES	
COPY TO:	FOR:
Chair	<input checked="" type="checkbox"/> Committee
CAO	<input checked="" type="checkbox"/>
Corporate Services	<input checked="" type="checkbox"/> Council <input checked="" type="checkbox"/>
Public Works	
Employee and Business Services	RC Jun 14/RC
Health Services	File
Human Services	
Peel Living	

REFERRAL TO _____
 RECOMMENDED _____
 DIRECTION REQUIRED _____
 RECEIPT RECOMMENDED

May 9, 2012

Mr. Emil Kolb
 Regional Chair and Chief Executive Officer
 The Regional Municipality of Peel
 10 Peel Centre Drive, Suite A
 Brampton ON L6T 4B9

Regional Municipality of Peel
 Office of the Regional Chair

MAY 15 2012

RECEIVED

Re: MPAC 2012 Budget Increase

Dear Mr. Kolb:

Thank you for your letter dated February 17, 2012, regarding the Region of Peel's 2012 budget meetings. As part of these discussions, I understand Council has requested additional information about the Municipal Property Assessment Corporation's (MPAC) 2012 budget.

I would like to take this opportunity to provide some additional detail on the breakdown of the increase as well as some of the initiatives we are undertaking to find efficiencies and cost savings.

By way of background, the overall 3.4% increase in MPAC's 2012 funding requirements takes a number of considerations into account. These include growth in the number of properties MPAC assesses and classifies, as well the work MPAC is required to undertake this year in preparation for the 2012 province-wide Assessment Update and the start of the next four-year assessment cycle.

Like many organizations, the largest part of our budget is represented by wage and benefit costs. Specifically, wages and benefits make up approximately 2.1% of the total 3.4% funding increase. This includes the negotiation of a new four-year collective agreement at the end of 2011 with our bargaining unit employees following a two year wage freeze.

Additionally, there have been increases in Ontario Municipal Employees Retirement System (OMERS) charges representing approximately 0.6% of the funding increase as well as the cost of employee future benefits (post-retirement insurance benefits) representing another approximately 0.6%. Some of the other pressures affecting our funding requirements are non-discretionary and include the cost of utilities, postage and facilities.

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Mr. Emil Kolb
May 9, 2012
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MPAC is committed to providing cost-effective products and services to Ontarians and, as a result, we continually look for efficiencies to streamline our processes. Finding cost reductions and efficiencies is an important part of our planning process and applying this strategy to our re-negotiation of multi-year contracts with vendors and suppliers has helped us offset our 2012 funding increase.

We have also looked at new technologies to help us meet our goals. For example, we have initiated a number of business process improvement projects to look at improving operational efficiencies and finding cost savings. One project focuses on streamlining the exchange of building permit information between municipalities and MPAC to reduce the time required to input information as well as make sure MPAC has the information it needs to schedule inspections and follow-ups. To date, nearly 150 municipalities are compliant with the new exchange method and we will continue working in collaboration with those remaining municipalities to transition them to the new exchange method.

In response to the Auditor General's report, MPAC also made a commitment to move from a 19- to a 12-year property review cycle. The organization is working towards maintaining it by taking advantage of digital imagery technology to streamline our property review process while maintaining standards set by the International Association of Assessing Officers (IAAO).

I hope this information answers the questions raised during Council's recent budget discussions. If you require additional information, Heather Colquhoun, Account Manager, Municipal Relations, can make arrangements to schedule a convenient time for a presentation to Council.

Thank you again for your letter and I hope that this information helps to answer the questions raised during Council's recent budget discussions.

Yours truly,



Dan Mathieson
Chair, MPAC Board of Directors

Copy MPAC Board of Directors
Antoni Wisniowski, President and Chief Administrative Officer, MPAC
Joan Young, Executive Director/A, Public Relations and Communications, MPAC
Arthur Anderson, Director, Municipal Relations, MPAC
Heather Colquhoun



Office of the Chair

February 17, 2012

Mr. Dan Mathieson
Chair, MPAC Board of Directors
1340 Pickering Parkway, Suite 101
Pickering, Ontario
L1V 0C4

Dear Mr. Mathieson,

Subject: MPAC 2012 Budget Increase

The Region of Peel approved its 2012 Budget which included a 4.2 per cent or \$688 thousand increase for assessment services.

Based on the model for determining the allocation of costs to the municipalities, 50 per cent of the allocation is related to the assessment growth in Peel compared to the provincial average and the remaining 50 per cent is due to the number of properties in Peel relative to the Province. However, this only explains Peel's share of MPAC's increase in costs.

During the Region of Peel's 2012 budget discussion, Council requested information on what was driving MPAC's overall increase in expenditure and what MPAC has done to mitigate this increase including what it has done to find operational efficiencies.

A brief presentation to Regional Council on MPAC's 2012 Budget would be ideal. This would allow Council to get a better understanding of the budget pressures that MPAC is facing.

Sincerely,

Emil Kolb
Regional Chair and Chief Executive Officer

EK:nl

c. Norma Trim, Chief Financial Officer, Region of Peel