To: Heads of Council
All Ontario Municipalities

From: Dan Mathieson
Chair, MPAC Board of Directors

Subject: Update on MPAC’s Delivery of Assessment Products and Services

As part of our commitment to property assessment excellence and delivering outstanding service to Ontario municipalities, I am writing to provide an update on the work we are doing at the Municipal Property Assessment Corporation (MPAC).

This is the first update on MPAC activities that I have had the privilege to provide to my fellow Heads of Council since I was appointed Chair of MPAC last fall.

As Mayor of the City of Stratford, I am keenly aware of the role MPAC and property assessment play in meeting the needs of our shared customers – the property taxpayers of Ontario.

I would like to take this opportunity to provide an update on the following key areas: supplementary and omitted assessment, Property Assessment Notices, Requests for Reconsideration/Appeals, Enumeration, Stakeholder outreach, assessment of golf courses, and the Auditor General’s Annual Report.

**Addition of $28.4 billion in supplementary and omitted assessment**

I am pleased to report that MPAC added a record $28.4 billion in supplementary and omitted assessments in 2010 – a 14 percent increase over 2009.

We continue to work with municipalities and third parties, such as building permit system vendors, and a new strategic alliance, the Electrical Safety Authority, among others, to improve our ability to add supplementary and omitted assessment on a timely basis. In 2011, MPAC will focus on improving access to occupancy permits and other information that will alert us when construction is complete and the property is ready to be assessed.

We also continue to rely on collaborative ideas and advice from the Municipal Liaison Group – Assessment Growth Sub-Group that includes representatives
from 15 municipalities across Ontario. As a result of this partnership, we have
developed a new strategy, over the past two (2) years, to ensure assessment
growth is added to the roll in an accurate and timely manner. This includes the
development of an assessment growth forecasting model to accurately calculate
and measure growth estimates in each municipality.

**Property Assessment Notices**
Approximately one million Property Assessment Notices were mailed last fall to
properties that had experienced a change including value, classification,
ownership or school support. As well, more than 675 Assessment Rolls were
returned by December 14, while other year-end products were provided to
ministries, agencies and school boards.

Over the course of 2011, we will continue to mail Notices to properties where a
change has taken place. We expect to mail about one million Notices again this
year.

**Requests for Reconsideration and Appeals**
In 2010, MPAC processed more than 39,000 Requests for Reconsideration
(RfR), representing less than one per cent of Ontario’s more than 4.8 million
properties. With respect to Assessment Review Board Appeals, more than
27,000 were closed by the end of last year.

We continue to work with our property taxpayer customers to resolve their
assessment concerns, answer questions, and provide the information needed to
better understand their assessment.

**Enumeration 2010**
In addition to property assessment, MPAC also provided a number of
enumeration related products and services in support of the municipal and school
board elections last year.

MPAC partnered with the Association of Municipal Managers, Clerks and
Treasurers of Ontario (AMCTO), tenant associations, Elections Canada and
Elections Ontario to build on our efforts in support of the 2006 enumeration and
identify ways to improve the process in 2010.

In building our plans for 2010, we also solicited feedback and suggestions from
Ontario municipalities on how to improve the enumeration process. Almost 340
municipalities, more than 80 percent of all municipalities in Ontario, provided
suggestions, many of which were incorporated into the 2010 enumeration
process.

Approximately 2.4 million Municipal Enumeration Forms were mailed to
households across the province last year to update the tenant and occupant
information in MPAC’s assessment database. While the 2010 return rate of 39.57 percent was lower than 2006, our change rate was higher. This increase is an indication of the improvements made in targeting households that received the forms.

In addition to delivering Preliminary Lists of Electors (PLE) and Voter Notification Files to 414 municipalities, 24 school boards conducting their own elections, and 10 District Social Services Administration Boards, we also provided an Exceptions File and an Elector Differences Found Report. These products are not required by legislation and were made available at no additional cost. They provided municipalities with more up-to-date elector information, enabling Municipal Clerks to make revisions to the PLE prior to the election.

Detailed information was provided throughout the enumeration process to municipalities and school boards through Municipal Connect™ and School Board Connect™, newsletters, meetings, training and information seminars, and regular correspondence.

A post-2010 enumeration review is now underway with key internal and external stakeholders to ensure we move forward on the path of continuous improvement in providing municipal and school board election products and services.

We still face challenges gaining access to key birth and death information. Our Board is committed to continuing efforts in this area to ensure our enumeration products improve in the future.

Stakeholder Outreach Activities
MPAC’s community outreach initiatives have proven to be highly valuable in raising awareness of assessment-related matters. In 2010, we hosted over 1,600 meetings and outreach initiatives with municipalities, government representatives, businesses and property taxpayer groups.

In 2010, we participated in the Ontario Municipal Administrators’ Association (OMAA) conference and the Ministry of Municipal Affairs and Housing (MMAH) Ontario West Municipal Conference.

More recently, we attended the Rural Ontario Municipal Association/Ontario Good Roads Association (ROMA/OGRA) 2011 Combined Conference. MPAC representatives will also be in attendance at a series of upcoming municipally oriented conferences this spring.

Assessment of Golf Courses
In 2010, the National Golf Course Owners Association Canada (NGCOA) and MPAC agreed on the terms of settlement for golf course valuations for assessment purposes, providing a framework that can be used to bring this long-standing issue to a close.
The agreement establishes an income-based approach to assessing golf courses that takes into account green fees, food and beverage revenues, the capitalization rate and other revenues that will be used to determine a final value for all golf courses under appeal in Ontario. It will provide guidance for the 2012 assessment base year.

I would like to emphasize that the agreement includes two (2) important qualifications and exceptions. First, the municipality in which any particular golf course is located will have an opportunity to review the proposed new assessed value and to exercise its right to have an appeal heard by the Assessment Review Board. Second, if it is determined that the income pro forma approach will not produce a correct current value for any lands currently used as a golf course, MPAC will notify the parties of the current value and the valuation particulars.

This framework agreement will provide direction on the valuation methodology and each golf course will be reviewed on its own circumstances. The Minutes of Settlement and a pro forma agreement for each course in Ontario are currently being prepared and have been, or will be, sent to you for your review by your local Municipal Relations Representative.

Auditor General of Ontario – Annual Report
MPAC was one of 11 arm’s-length agencies reviewed by the Auditor General of Ontario in his 2010 Annual Report. The Auditor General made nine (9) recommendations for improvement, all of which we have accepted and most of which are already implemented.

In particular, we are taking action to ensure more timely sales investigations and to accelerate the property inspection cycle. MPAC also appeared at the Standing Committee on Public Accounts in March, providing us with an opportunity to report on our progress on implementing the Auditor General’s recommendations.

In closing, I want to reiterate that we are committed to keeping you up-to-date on our work in your municipality and across the province. We will be updating you on a regular basis as we move forward with preparations for the 2012 province-wide Assessment Update.

The key point of contact for your administrative staff is your local MPAC Municipal Relations Representative. I have asked our Municipal Relations Representatives to continue to contact your office and key staff to provide an update on our activities, answer any questions you may have, and to collaborate on ideas/changes to improve our mutual service to our shared customer – the property taxpayer.
If you have any questions or need additional information, please contact your local Municipal Relations Representative or Arthur Anderson, Director, Municipal Relations at 905 837-6993. If you would like to speak to me directly, I can be reached at 519 271-0250, extension 234.

Yours truly,

Dan Mathieson
Chair, MPAC Board of Directors

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