

# MPAC and Municipal Engagement

## Economic Development and Property Assessment Working Together

**Carla Y. Nell**

**Vice-President, Municipal and Stakeholder Relations**

**Kathy Blake**

**Regional Manager (East), Municipal and Stakeholder Relations**

**Ontario East Municipal Conference**

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MUNICIPAL PROPERTY  
ASSESSMENT CORPORATION  
SOCIÉTÉ D'ÉVALUATION  
FONCIÈRE DES MUNICIPALITÉS

# Agenda

- MPAC – who we are and what we do
- Strategic Plan 2017 – 2020
- Service Level Agreement
- Assessment Review Board – New Rules and Procedures
- Assessment Base Management
- Municipal Connect 2.0 Enhancements
- Questions?

# About MPAC

# Our Role

## THE MUNICIPAL PROPERTY ASSESSMENT CORPORATION (MPAC)

is an independent, not-for-profit corporation funded by Ontario's municipalities

**OVER 1,700**

employees across  
the province

**OVERSIGHT**

provided by the  
Ministry of Finance

**13-MEMBER**

Board of Directors  
Made up of municipal,  
Provincial and taxpayer  
representatives,  
appointed by the  
Ministry of Finance

MPAC is responsible for **assessing** and **classifying** all properties in Ontario in compliance with the *Assessment Act* and related regulations set by the Ontario Government.

# MPAC's Strategic Plan 2017 – 2020

## Valuing what matters most

# 2017-2020 Strategic Plan

- After a period of innovation and transformation, we are now poised to build on our success and chart the course for the next four years
- We have conducted research with property owners from across Ontario and are seeing improvements in how the public views MPAC and its role in Ontario's property assessment system
- We have also consulted with stakeholders and industry groups, and have gathered feedback from employees, all which were considered by our Board of Directors as part of our planning for our next strategic plan

# Strategic Plan - Our Commitment

## **Understanding the needs of municipalities, government, and property owners**

MPAC has dedicated one outcome of the new strategy specifically to enhancing our relationship with municipalities and property owners

# 2017-2020 Strategic Plan



As part of our 2017-2020 Strategic Plan, we will develop an enhanced relationship with our stakeholders.

## We will:

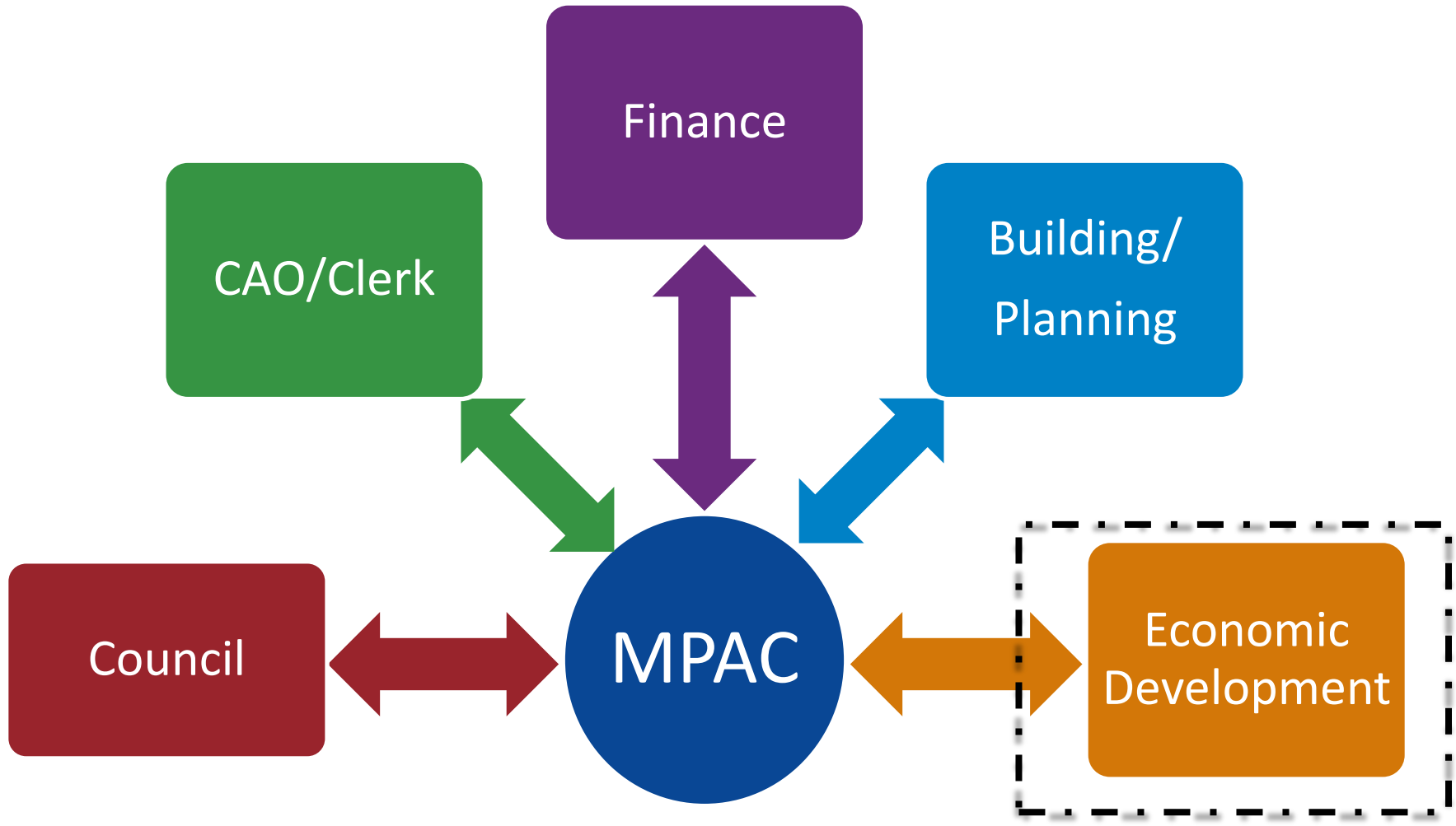
- ✓ Build powerful and collaborative working relationships
- ✓ Formalize a customer relationship strategy based on shared responsibility, mutual understanding and trust
- ✓ Implement a Service Level Agreement leading to a more stable, transparent and predictable assessment roll
- ✓ Continue to focus on being responsive and providing excellent customer service



# Delivering on our Commitment

- By 2020, we will build powerful, collaborative working relationships with key stakeholders, rooted in clear agreements and a shared responsibility based on mutual understanding, respect and trust
- Guided by a responsive, customer-service focus, we will work with our stakeholders to deliver equitable assessed values on a province-wide basis. We will be recognized for our integrity and for objective, transparent assessments

# Linkages – MPAC and your Municipality



# Service Level Agreement

# Why a Service Level Agreement (SLA)?

- In December 2013, the Province directed MPAC to work with municipalities to develop a standard form, two-way Service Level Agreement (SLA)
- The Service Levels were established in consultation with municipalities and the Ministry of Finance, and include:
  - performance standards
  - municipal dependencies
  - roles and responsibilities of all parties to the assessment system
- The SLA is MPAC's pledge to maintain high performance standards for providing services to the municipalities and property owners of Ontario



# SLA Objectives

- Align service delivery expectations with improved transparency (two-way relationship)
- Provide consistent service delivery for all municipalities
- Improve accountability by clearly outlining necessary steps to meet service levels (when incomplete)
- Create more opportunities for collaboration with municipalities
- Produce regular reports to measure service levels
- Continue to evaluate program delivery, and optimize service levels to improve efficiency

# Phase 1 – SLA Development

- MPAC established a Municipal Working Group with representatives from 21 municipalities of all sizes
- Beginning July 2016, MPAC tested the SLA with the working group to gain municipal perspective to validate the content, measures and dependencies of each service level
- This partnership created opportunities for greater collaboration with municipalities and allowed for required improvements
- Key findings included:

Performance improvements were realized by the business units as familiarity and awareness of the SLA increased

Full-cycle reporting functionality and user access to detailed reports enables proactive monitoring of service levels

Enhanced tools should be developed to better measure performance

# Municipal Working Group – 21 Participants

- Township of Atikokan
  - City of Barrie
  - City of Greater Sudbury
  - Halton Region
  - Township of Lake of Bays
  - County of Lambton
  - Town of Milton
  - City of Mississauga
  - District of Muskoka
  - Town of Newmarket
  - City of Ottawa
- Oxford County
  - Peel Region
  - Town of Petrolia
  - City of Sarnia
  - City of Thunder Bay
  - City of Toronto
  - Municipality of Wawa
  - City of Windsor
  - York Region
  - Township of Zorra

# Phase 2: Province-wide Implementation

- MPAC will implement the SLA province-wide starting in December 2017
- Fall 2017 will be spent raising awareness of the SLA with the municipal sector
- Implementation will coincide with the corresponding service level reporting periods specified in the agreement
  - allows for staged implementation of 14 standard service levels
    - (i.e., monthly, quarterly, semi-annually, annually and every 4 years)
- All performance measurement periods will roll-out during 2018 with the exception of the service level that requires MPAC to provide a year-end tax file to municipalities at December 2017



# What are the Service Levels?

## Monthly

### Building Permit Notifications

- ✓ Add 90% of all permit notifications within 30 days of receipt

### Monthly and Yearly Post-Roll Notices

- ✓ Deliver within 30 days of each calendar month and year

## Quarterly

### Quarterly and Preliminary New Assessment Forecasts

- ✓ Delivered within 30 days of each quarter and calendar year

### Tax Applications

- ✓ Complete and return to Municipalities at least 90% of Tax Applications within 90 days of receipt

### Vacant Unit Rebate Applications

- ✓ Complete and return 100% of Vacant Unit Rebate Applications within 60 days

### Municipal Inquiries

- ✓ Acknowledge and resolve municipal inquiries within specified time periods

## Semi-Annually

### Severance/Consolidation Information Form (SCIF)

- ✓ Deliver at least 90% within 150 days of registration

### Condominium Plan Information Form (CPIF)

- ✓ Deliver at least 90% within 150 days of registration

## Annually

### Year-End Tax File

- ✓ Delivered annually

### New Assessment Report

- ✓ Deliver within 30 days following the end of each calendar year

### Supplementary and Omitted Assessments

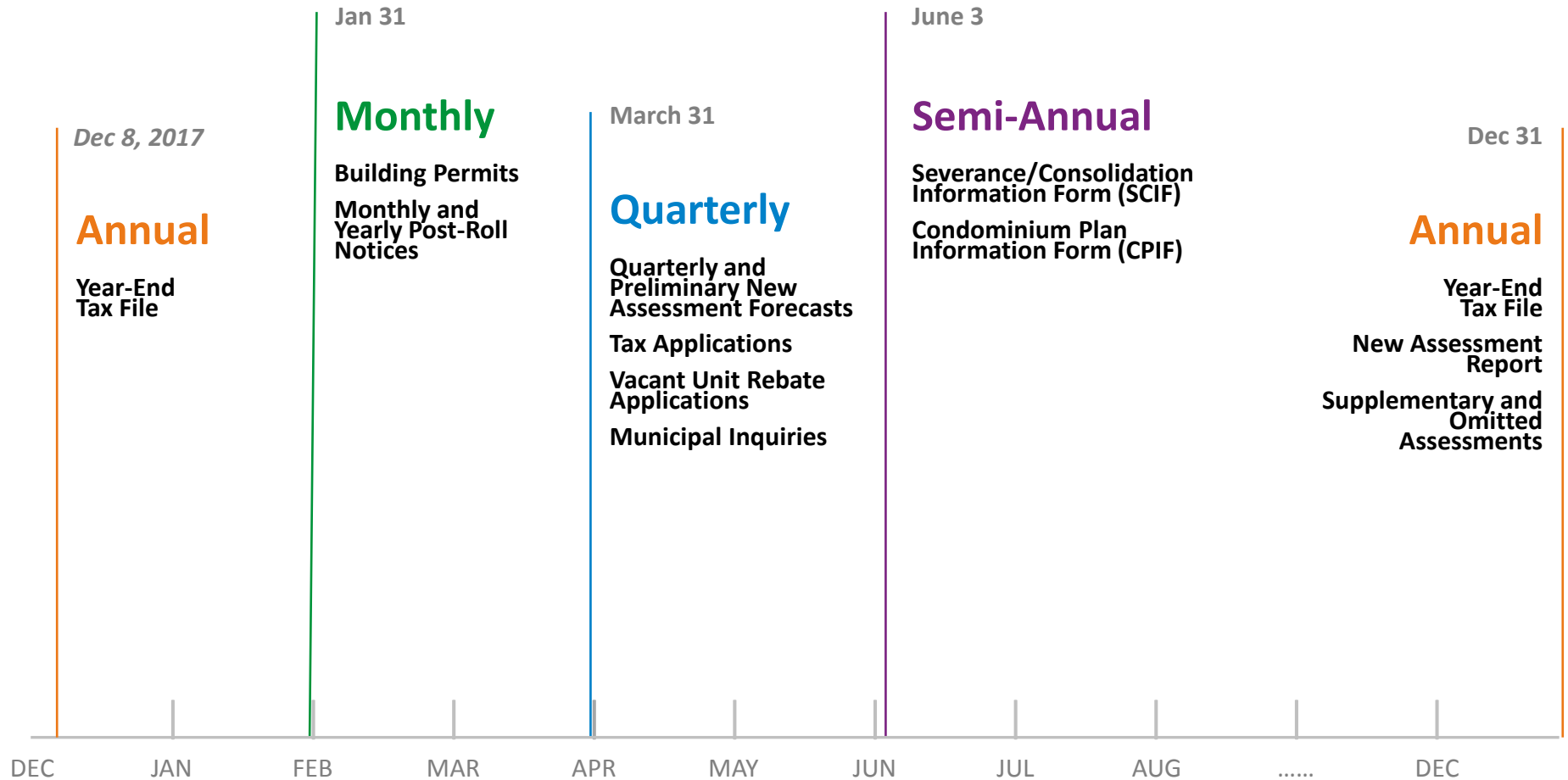
- ✓ Process 85% within one year following the date each property becomes occupied

## Post-Assessment Update

### Assessment of Residential, Farm, Multi-Residential, Industrial and Commercial Properties

- ✓ Valuation Accuracy and Uniformity to be measured against the internationally recognized mass appraisal standards of the IAAO

# SLA Implementation Timeline



# Municipal Feedback - Testimonials

*Every municipality in Ontario is dependent on the data and services provided by MPAC. But as dependent as they are, most municipalities have had no idea what their responsibilities are regarding their dealings with MPAC or what level of service they have the right to expect.*

*The implementation of Service Level Agreements, which have been jointly developed by MPAC and 21 municipalities, who ensured that these SLAs reflect the needs of all municipalities in this province, will correct this situation and benefit everyone.*

**John Innes**  
**County of Lambton**

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*Having had the opportunity to work on this initiative since its inception, both as a MPAC employee and now as a representative of the Town of Newmarket, it is very exciting and rewarding to see it reach the point of a full provincial launch. I sincerely believe this will allow all municipalities in Ontario to advance their assessment partnership with MPAC in the future.*

**Grace Marsh**  
**Town of Newmarket**

# New Appeals Rules

## ARB/Municipal/MPAC Collaboration

# The 'parties' in the Appeals System

## ARB

- Receive appeals
- Adjudicate whether the assessment is correct and equitable

## MPAC

- Assess and classify all properties in Ontario
- A party in the appeal process - cannot represent any one party
- Cannot prejudice our position as a party in the process

## Municipality

- Ensure the integrity of its tax base

## Appellant

- A property owner, tenant, municipality, or their agent
- Appeal where deemed necessary to ensure they are assessed correctly and equitably
- Obligation is to answer questions and provide disclosure

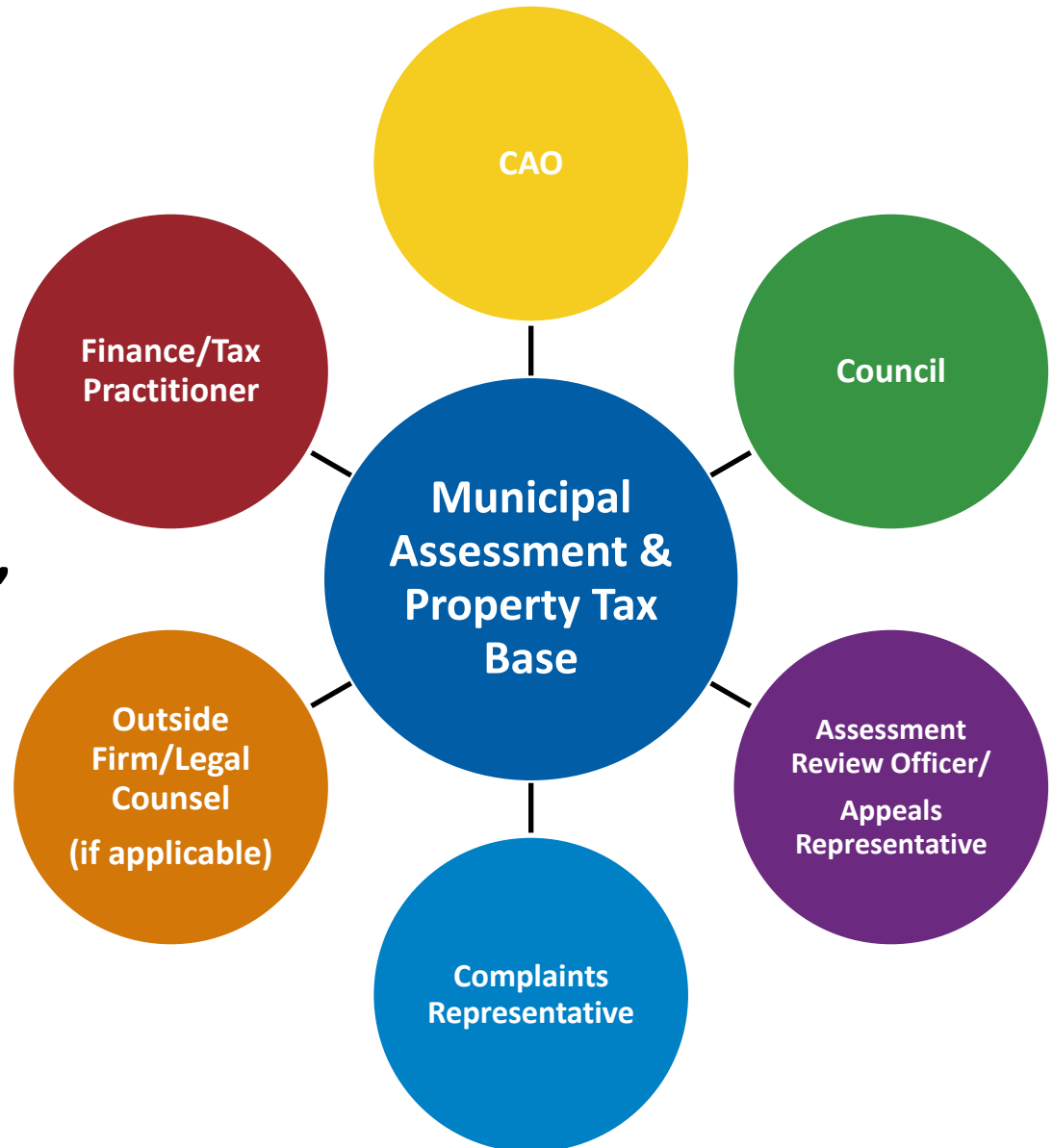
# New ARB Rules of Practice and Procedure

- The Assessment Review Board (ARB) implemented new Rules of Practice and Procedure at April 1, 2017
- The new rules include significant changes to the responsibilities of municipalities (and all parties) related to assessment appeals
- MPAC convened a meeting of interested parties (ARB and representatives from various municipal associations) to discuss how best to inform municipalities about the new rules
- There was collective agreement of the parties to work together to socialize the new rules to the municipal sector through a 'working group'

# Your Municipality in the Appeals System

Under the new ARB Rules, the municipality's role in the appeal process has become more significant.

**It is not 'business as usual'**



# Joint Education Working Group

- Joint Education Working Group includes the following organizations:
  - Key municipal associations (MFOA, OMTRA, OMAA, AMCTO, and AMO)
  - ARB
  - MPAC (acting as group coordinator)

## **Objective of the Working Group**

- To develop and deliver a shared information and education strategy to help foster a common understanding of:
  - New ARB Rules
  - Impact of the Rules on the appeals system and municipal operations and policies



# MPAC's Involvement in Working Group

## Why is MPAC involved?

- **Ontario's property assessment system preforms best when all parties in an appeal are well informed**
- MPAC's coordination of this Education Working Group has helped:
  - Educate municipal stakeholders about overall expectations of the new appeals process and their role/responsibilities
  - Educate about MPAC's role within the appeals process
  - Build stronger, collaborative relationships with municipal associations and municipalities

# Opportunities for Municipal Input

As a party to the appeal, municipalities have the opportunity to:

- Identify their 'properties of interest' that are under appeal
- Determine the municipality's level of participation in the appeal
  - Do we want to actively participate in the appeal or stand-down and accept the Board's decision or any settlement that may be reached by the other parties?
- Depending on the municipality's level of participation in the appeal:
  - Review and respond to the appellant's Statement of Issues and MPAC's response
  - Assess possible impacts (i.e. value, precedence, and political sensitivity)
  - Participate in settlement discussions and the hearing

# Resources Developed by Education Working Group

- MPAC and ARB webinar - June 5 and 8, 2017 (2 sessions)
  - Topic: Overview of ARB New Rules and MPAC's adaptations to them
- MFOA and OMTRA webinar – June 20, 2017
  - Topic: Key municipal technical responsibilities related to the new ARB Rules
- OMAA and OMTRA webinar – July 11, 2017
  - Topic: Importance of the new ARB Rules for Municipal Council and CAO (Leadership)
- MFOA and OMTRA webinar – August 22, 2017
  - Topic: Reminder of next steps regarding ARB Rules for municipalities
- Q + A document endorsed by all working group partners
- What's Next?
  - Trainings by your associations and other resources for municipalities

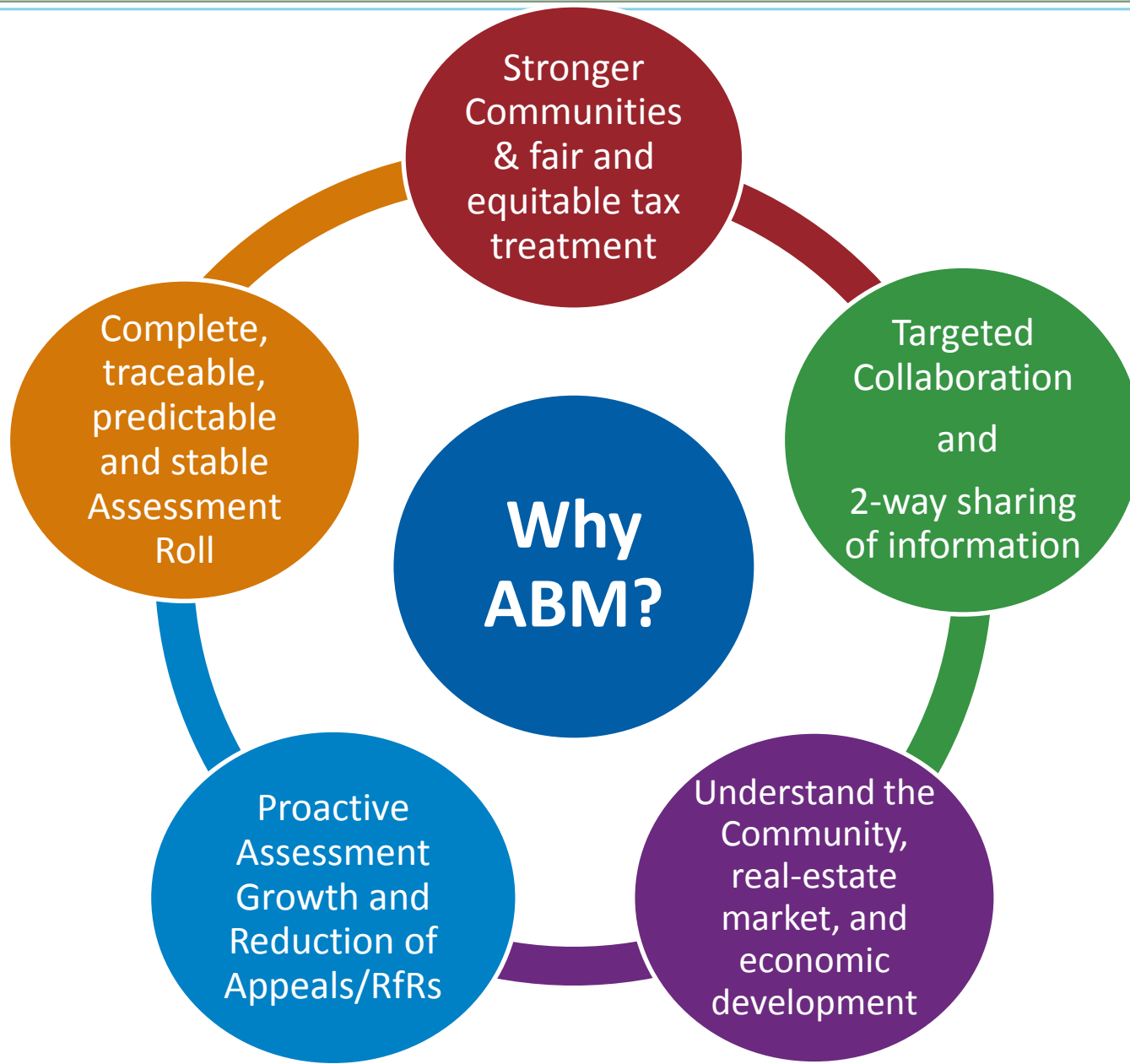
**All resources are available at [www.mfoa.on.ca](http://www.mfoa.on.ca) – click on 'Projects'**

# Assessment Base Management

# What is Assessment Base Management (ABM)?

- The overarching objective of the ABM practices is to ensure that the assessment roll is complete, traceable, predictable and stable
- A growing number of municipalities are becoming involved in ABM practices and/or expressing interest in ABM
- An ABM program must be tailored to each municipality's unique structure, priorities and needs:
  - upper/lower/single-tier
  - staff complement, experience and expertise
  - local industry drivers
  - desired level of participation, etc.

# What ABM can do for your municipality



# Guiding Principles

- **Guiding Principles** have been developed to define the spirit and intent of the ABM model
- All parties (municipality and MPAC) have a role to play in:

**Maximizing the amount of  
revenue available for collection  
by municipalities**

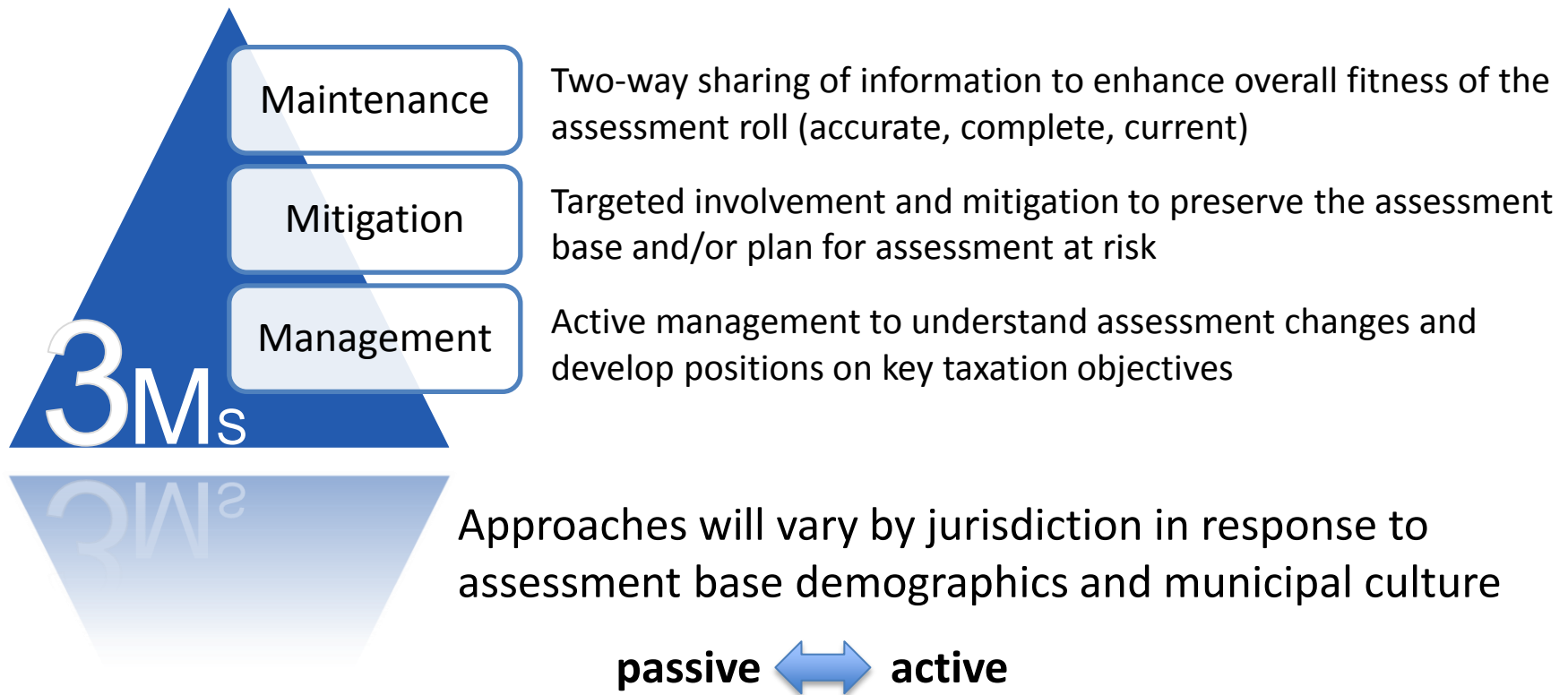
**Enhancing and protecting the  
assessment base**

**Ensuring fair and  
equitable treatment**

**Stabilizing the Assessment Roll**

# Approach

A comprehensive ABM program includes a range of assessment projects and initiatives that fall within three primary categories:





# Maintenance Activities

**MPAC** maximizes the use of information from municipalities and other information sources to ensure quality data and accurate assessments

**Municipal** Finance, Economic Development, Planning and Administration staff have the opportunity to share information that informs the valuation/assessment of property, such as:

Issuance of  
building permits

Decisions of land  
division committee  
(severances and  
consolidations)

Zoning changes

Decisions on  
planning matters

Matters that impact  
ARB decisions

Knowledge relating  
to property  
as it becomes  
occupied/unoccupied

# Mitigation Activities

**Mitigation activities** are designed to protect the tax base, manage risk and preserve revenue, while ensuring that no taxpayer is denied the right to seek relief and that any reductions through appeals and tax rebates are fair and equitable

- Assessment Appeal Review
- RfR Reviews
- Targeted Collaboration
- Legislative Changes
- Assessment Appeal Participation
- Tax Application Review
- Advanced Disclosure/Pre-roll Consultations
- Early Resolution Activities

# Management of Taxation

## **Understanding Property Taxation**

- Property tax is a major revenue source for municipalities, and all parties need to understand that changes can influence the overall health of a community, whether tied to assessment or tax burden

## **Understanding Tax Shifts**

- Keeping CVA current means that tax shifting is the norm, not the exception

## **Understanding the Change**

- Municipalities need to understand change & develop positions on key tax objectives

## **Understanding Tax Tools**

- There are many legislated tools available to help manage tax shifts and changes to the assessment base

# Levels of Participation

Municipalities may choose to participate in ABM at three different levels:

## Passive

- Monitoring only (non-participatory)

## Intermediate

- Moderate participation; desire to comply or contribute where possible/interested

## Active

- Full participation; willing and able to engage in all aspects of the assessment and/or appeal processes

# MPAC's Role

- To gain a better understanding of exactly how MPAC can support a municipalities ABM activities, MPAC has established a working group to provide ABM-related information and insight
- The team will build out case studies detailing how to implement, for each level of participation, an ABM framework for eight selected broad-based ABM activities
- The new municipal experience, including MPAC's SLA and Connect 2.0, will strongly support ABM

# A New Municipal Experience

## Municipal Connect™ 2.0

# Municipal Connect™ 2.0

- Launched April 2016, Municipal Connect 2.0 offered municipalities a modern and flexible way to access real-time assessment information
- Since that time, additional features and functionality has been introduced, and enterprise-wide licensing enabled
- Effective September 15, Municipal Connect 2.0 was further enhanced to become a one-stop shop for all municipalities' people and assessment needs



# Municipal Connect™ 2.0 – User Experience

**Past: 2001 - Present**

## Municipal Connect (Classic)

- People Data
- Property Queries
- Reports
- Products

*Primary Function:  
tax administration  
and planning as per  
the Assessment Act*

**2016**

## Municipal Connect 2.0

- Property Queries
- Reports
- *New Functions*
  - *Dependency and Analytics*
  - *Disclosure*
  - *Appeals/RfRs*

*Primary Function:  
Assessment at Risk and  
preliminary 2016 value  
review*

**2017**

## People Data

- Enumeration
- Other compliant people data uses

## SightLine

- Self-Serve Products Portal (download) e.g. tax files

## Future Enhancements

- Two-way data exchange capabilities
- Tax Apps
- Inquiries
- Vacancy



# Questions?