

MPAC

Strategies for the Future

Carla Y. Nell

Vice-President, Municipal and Stakeholder Relations

Municipal Finance Officers' Association

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MUNICIPAL PROPERTY
ASSESSMENT CORPORATION
SOCIÉTÉ D'ÉVALUATION
FONCIÈRE DES MUNICIPALITÉS

Agenda

- 2016 Assessment Update
- MPAC Strategic Plan 2017 – 2020
- A New Municipal Experience – Municipal Connect™ 2.0
- Service Level Agreement
- Assessment Review Board – New Rules and Procedures
- Assessment Base Management
- Questions?

2016 Assessment Update

Key Improvements

Integrity of Data



In preparation for the 2016 Assessment Update, staff conducted more than 2.9 million data checks to ensure the quality and accuracy of data.

Reviews included:

- ✓ Building permits
- ✓ Sales reviews
- ✓ Site variable update project
- ✓ Farm forestry exemptions reviews
- ✓ Requests for Reconsideration
- ✓ Severances and consolidations
- ✓ Data integrity checks
- ✓ MPAC initiated reviews
- ✓ Process controls
- ✓ Tax and vacancy applications
- ✓ Municipal requests
- ✓ Appeals
- ✓ Property owner enquiries

Service Delivery Approach

MPAC fundamentally transformed our approach to service delivery in 2016.



Redesigned Property Assessment Notices

Based on property taxpayer research, and in consultation with the Ministry of Finance, MPAC redesigned Property Assessment Notices.

The Notices are:

- ✓ Simplified
- ✓ Improved readability
- ✓ Easier to understand



Extended Notice Delivery

Using a staggered mailing approach, residential Property Assessment Notices were rolled out over a 21-week period beginning April 2016.

120 DAYS

Changed Request for Reconsideration deadline

In 2016, property owners had 120 days from the Issue Date of their Property Assessment Notice to file a free Request for Reconsideration (RfR).

+

The extended Notice delivery and rolling RfR deadlines provided additional time to ensure:

- ✓ All property owners receive a fair and consistent review of their concerns
- ✓ Municipalities have a better understanding of value changes and how those changes impact their assessment base
- ✓ More RfRs processed before roll return
- ✓ More accurate values
- ✓ A more stable assessment roll



Improved AboutMyProperty™

MPAC relaunched aboutmyproperty.ca to help property owners better understand their assessment and compare to similar properties.

Enhancements include:

- ✓ Expanded residential property information
- ✓ Customized information for seven new property groups: farm, managed forest, multi-residential, commercial/industrial and land, hospitality, special/exempt and linear
- ✓ Easy access to Methodology Guides, Market Valuation Reports and property-specific information
- ✓ New Market Trends tool to inform property taxpayers about key market shifts in their area and across Ontario
- ✓ New educational videos about how MPAC assesses properties, how property tax is calculated, the Request for Reconsideration process and more

Disclosure

Advanced Disclosure

2016 Assessment Update



MPAC's COMMITMENT TO YOU

MPAC's advanced disclosure activities include three levels of information that are being shared with taxpayers, municipalities and other stakeholders

—Early and Often

1 Our Method



Methodology Guides

These comprehensive guides explain assessment methodology. Our assessors are trained experts in the field of valuation and apply appraisal industry standards and best practices.

2 Our Analytics



Market Valuation Reports

These comprehensive reports explain how assessment methodology is applied to value properties, at the sector level, for the 2016 Assessment Update.

3 Your Property



Property Specific Valuation Information

Detailed information is provided for over 5 million properties in Ontario, including 600,000+ farm and business properties.

Request for Reconsideration (RfR) Update



Tax Year	2013	2017	% +/-
Residential	93,460	59,246	-37%
Farm	4,294	6,865	+60%
Business	20,316	13,773	-32%
Change	-32%		

Appeal Update

ZONE 1 West

Tax Year	2013	2017
Appeals	5,335	2,967
Change	-45%	

ZONE 2

Niagara, Mississauga, Hamilton Brantford, St.Catharines

Tax Year	2013	2017
Appeals	10,331	5,756
Change	-45%	

ZONE 3

York and Durham Region

Tax Year	2013	2017
Appeals	5,201	3,025
Change	-42%	

ZONE 4 City of Toronto

Tax Year	2013	2017
Appeals	12,499	6,772
Change	-46%	

ZONE 5

Peterborough, Barrie, Owen Sound

Tax Year	2013	2017
Appeals	2,604	1,014
Change	-61%	

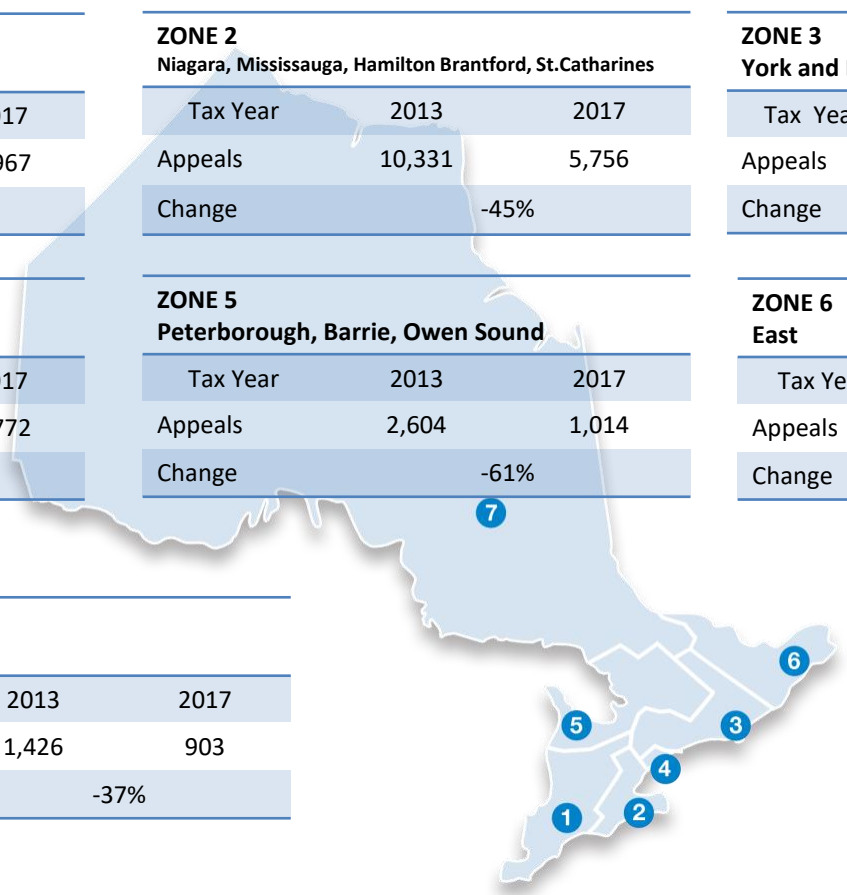
ZONE 6

East

Tax Year	2013	2017
Appeals	6,053	3,704
Change	-39%	

ZONE 7 Northern Ontario

Tax Year	2013	2017
Appeals	1,426	903
Change	-37%	



Appeal Update – Special Purpose Properties

Sector	Property Count	2012 Appeals	2016 Appeals
Value-Added Wood Products	22	12	7
Steel	30	22	10
Food Processing	77	64	38
Chemical	27	14	8
Mining	84	34	38
Auto Parts	73	56	39
Pulp and Paper Mills	30	25	16
Aerospace	9	8	4
Pharmaceutical	22	20	13
Auto Assembly	11	8	6
Oil Refineries	9	1	0
Sawmills	34	11	3
Total	428	275	182

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 of which was considered by our Board of Directors as part of our planning for our next strategic plan

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

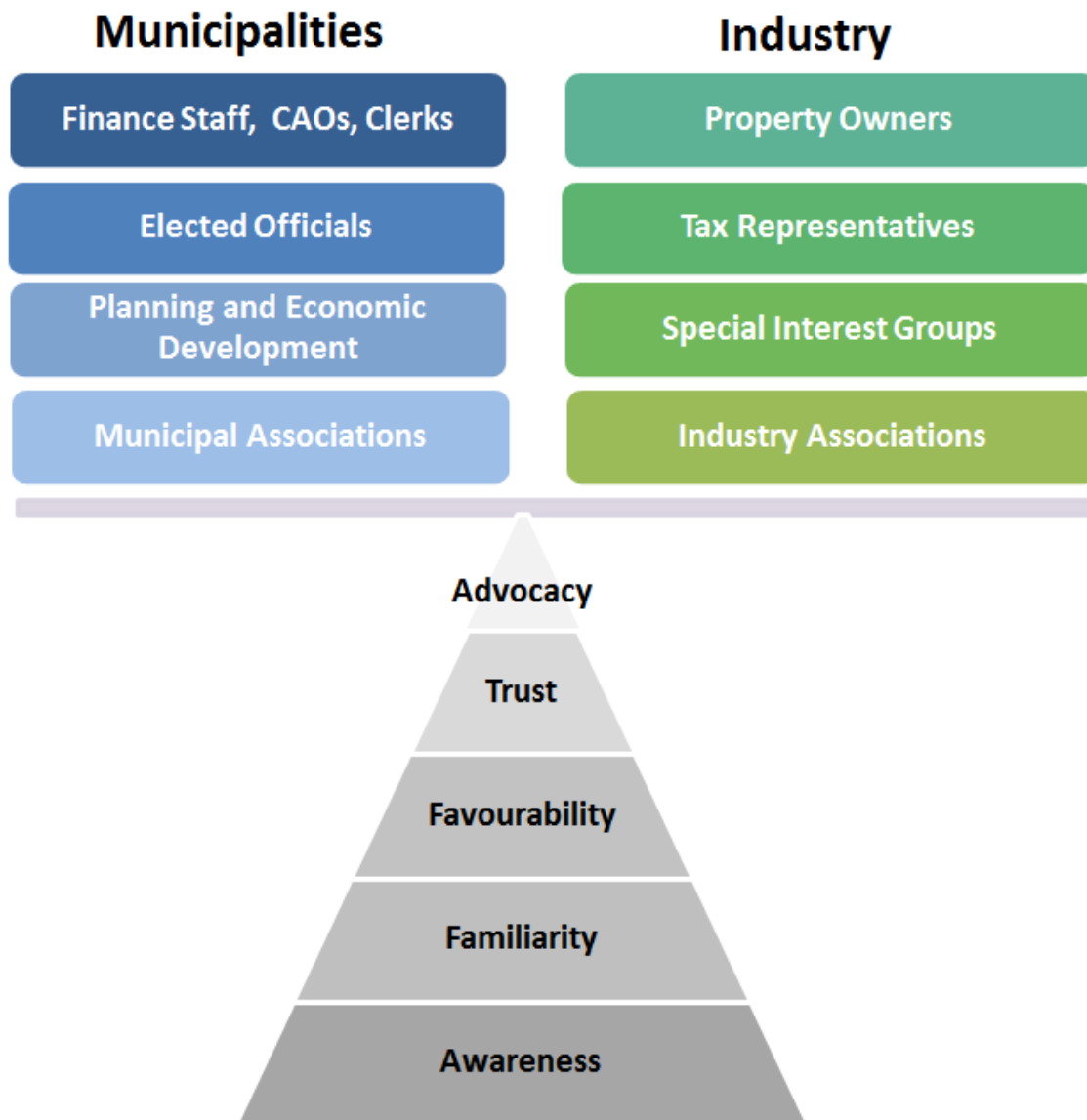
Understanding the needs of municipalities, government, and property owners

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

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

Balancing Stakeholder Relationships



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
- Starting September 15, Municipal Connect 2.0 will be 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

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

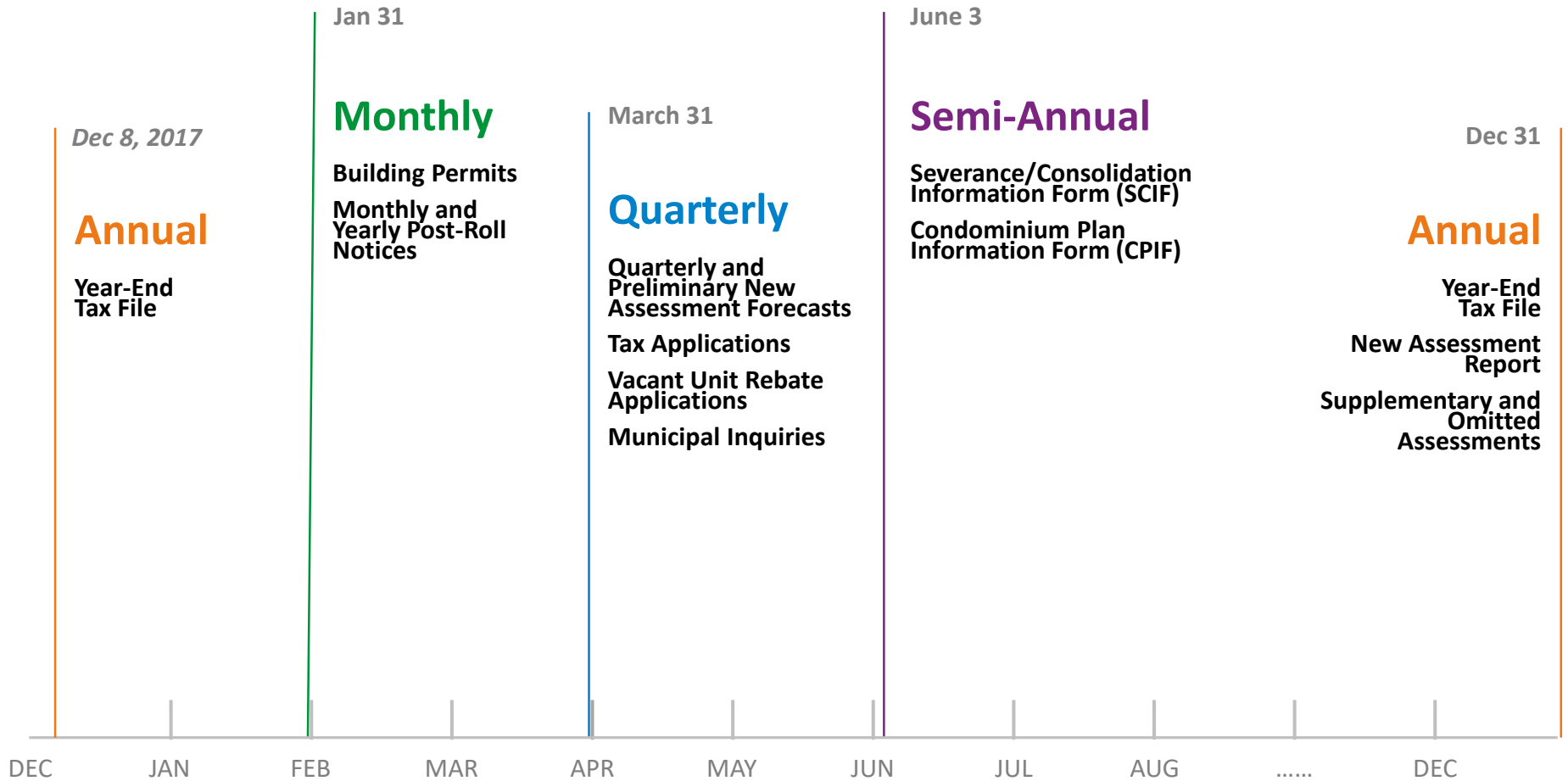
- ✓ Process 85% within one year following the date each property becomes occupied

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

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

Assessment

Review Board (ARB)

New Rules & Procedures

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'

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
- No one party could reach the entire municipal audience, including the ARB

MPAC's Involvement in Working Group

Why is MPAC involved?

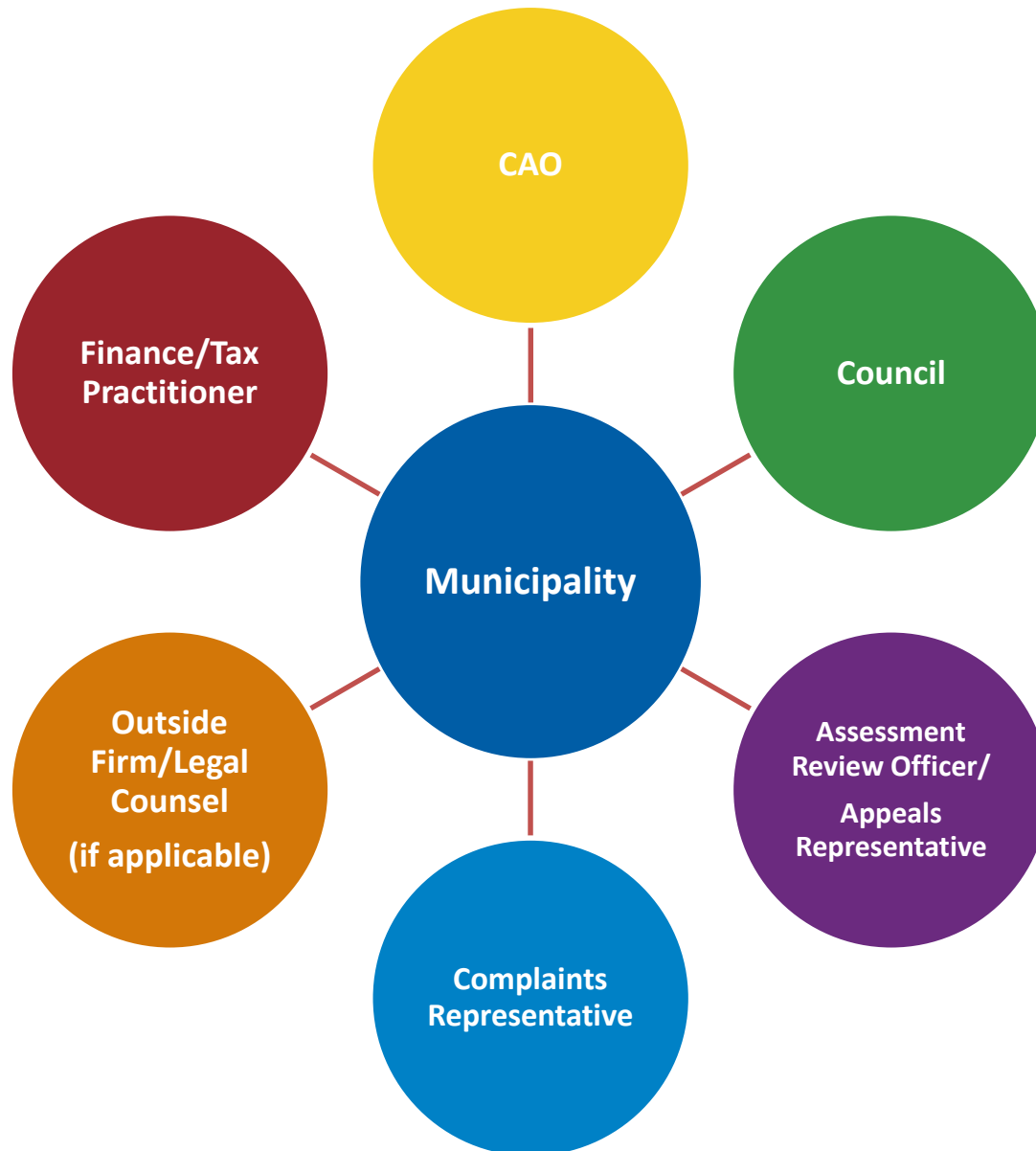
- **Ontario's property assessment system performs best when all parties in an appeal are well informed**
- MPAC's coordination of this Education Working Group has helped:
 - Educate municipal stakeholders about overall expectations of the new appeals process and their role/responsibilities
 - Educate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

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 – click on 'Projects'

Municipal Role in the Appeals Process



Webinar Feedback (July 11)

With a 47% response rate, the Municipal Leadership webinar feedback was:

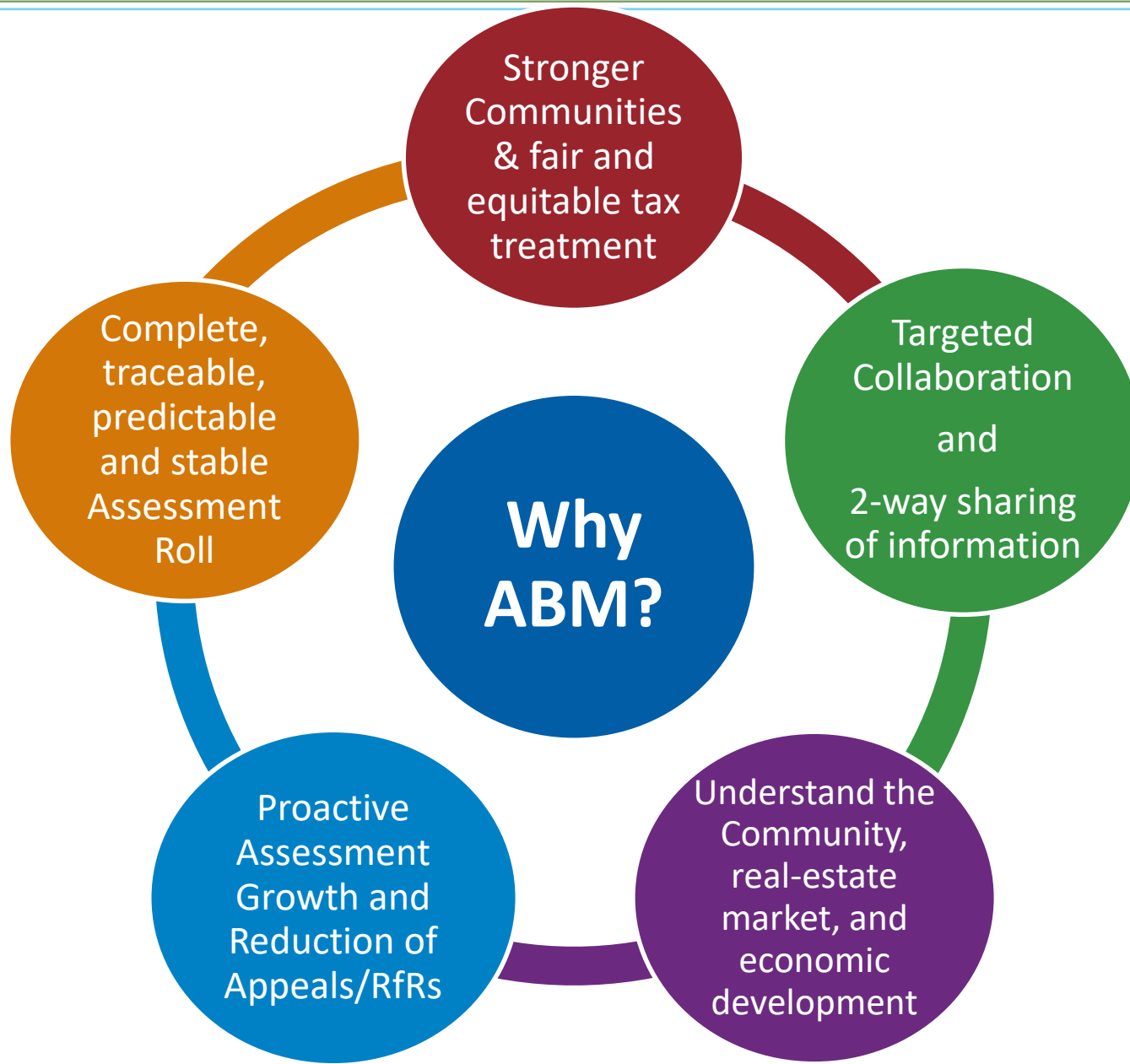
Indicated 'satisfied' or 'very satisfied' with content and delivery from the presenters	95%
Indicated 'satisfied' or very 'satisfied' with the materials provided	97%
Indicated a 'high level of confidence' in their capacity to apply the new learnings	43%
Perceived the training as 'valuable' or 'very valuable' (i.e. practical and relevant)	97%
Would be 'likely' or 'very likely' to recommend these trainings to a colleague	100%

Assessment Base Management (ABM)

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

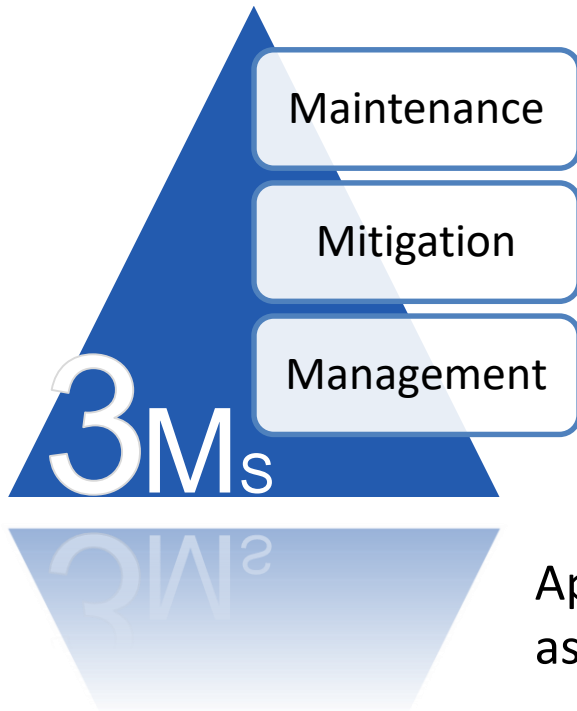
Enhancing and protecting the assessment base

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

Two-way sharing of information to enhance overall fitness of the assessment roll (accurate, complete, current).

Mitigation

Targeted involvement and mitigation to preserve the assessment base and/or plan for assessment at risk.

Management

Active management to understand change and develop positions on key taxation objectives.

Approaches will vary by jurisdiction in response to assessment base demographics and municipal culture

passive ↔ active

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

Questions?