

TOWNSHIP OF O'CONNOR – PUBLIC MEETING MINUTES - NOVEMBER 26, 2018

Minutes of the Public meeting held on Monday, November 26, 2018 at 6 p.m. in the O'Connor Community Centre.

Present: Mayor Vezina
 Councillors: Foekens, Handy, Loan, Racicot
 Clerk-Treasurer Buob
 Deputy Clerk-Treasurer Racicot
 Administrative Assistant Laforest
 Chad Tanner, Account Manager of Relationship Management, Municipal Property Assessment Corporation (MPAC)

Visitors: Councillor-elect Alex Crane
 Ari Kostamo, Sharron Corrigan, Brenda Holowanky, Henry Mattas, Tim Silvaggio, Jennifer Silvaggio, Sharon Loghrin, Angie Heath, Judy Crane, Bill Heibein, Heather Heibein, Otto Luedtke, Gayle Poohachoff, Kris Kutzler, Rick Bodnar, Rod Allan, Tammy Cook, Mark Maki, Bill Chambers

Mayor Vezina called the meeting to order at 6:07 p.m.

Introductions of Council and Council-elect were made and Mayor Vezina then turned the meeting over to Mr. Chad Tanner, from Municipal Property Assessment Corporation (MPAC).

Mr. Tanner explained the reason for this public information session, which is to provide guidance and answer questions with regard to MPAC's assessment valuation. He explained that there are three parties involved in the property assessment, the Province, MPAC and the municipality. The Province of Ontario sets legislation and is the policy maker and they also determine the education tax rates. The Ministry responsible is the Ministry of Finance. The Province also operates an independent assessment appeal tribunal, the Assessment Review Board (ARB).

MPAC does the physical assessments and determines the Current Value Assessment (CVA) and classifications for all properties every four years in the Province of Ontario. In total they assess 5.2 million properties. They have 1,700 employees with 1,100 of them assessment officers who value the properties and the rest are communication officers. In between the four year cycle, maintenance is conducted, triggered by building permits or request for reconsiderations etc., and supplementary or omit assessments are provided.

The third party is the Municipality, who receives and uses the assessed values for all properties in the Township to determine revenue requirements, set the municipal tax rates and collect the property taxes to pay for the municipal services and government mandated programs. There are 444 municipalities across the Province and MPAC has a very important role to provide this information as accurately as possible.

Mr. Tanner explained how MPAC assesses property. The residential properties are assessed using direct comparables with regard to market value, they use the income approach for properties such as malls, and a cost approach for large industrials. For the residential properties the market conditions are driven by sales and MPAC uses those sales to generate the values they use. They also have physical equity with 207 variables that can impact the value, however 85% of the value is determined by 5 major factors, and those being location, lot dimension, living area, age of property and quality of construction.

Mr. Tanner informed those present of the AboutMyProperty.ca website that each individual can go to, to review the information MPAC has on file for their property as well compare their property assessment with others in their neighbourhood and community. By entering your own account information found on your Property Assessment Notice you can see the personal information MPAC has with regard to your property, the number of buildings, size, etc. Mr. Tanner offered to have property owners call him for the information to log in if they do not have their notice. This website also shows sales information. There are tutorials, both video or narrative, to provide information for a property owner.

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The Request for Reconsideration (RFR) process was discussed. If a property owner is not satisfied that they could sell their property for the value assessed they can request that MPAC come out to look at the property and do a reassessment, free of charge. He did warn that the assessed value could go down, it could stay the same or it could increase depending on what they find, compared to what they have currently on record. He did note that if you are doing a RFR you should provide a reason why you think the assessment is incorrect. A person can use comparables, recent sale results, maybe a building has been torn down and is still be assessed. This is where the Aboutmyproperty.ca website would be a great tool to show you what is being assessed and allow you to find properties similar to your own as comparables.

Questions and comments arose from the audience. It was noted that the tax system is old and some considered flawed. It was noted that MPAC and the Township are doing what is mandated by the Province. The concerns have to be addressed with the MPP's and have the Province change the system. It was noted that the Province is trying to keep seniors in their homes, yet the increases in assessment which result in higher taxes means they can't afford to stay in their homes. When a person determines whether or not they can afford to retire they determine how much they need to live, including taxes and when there are big increases that were not accounted for they cannot afford to remain in their homes. A comment was made that one person's taxes are higher than their mortgage.

The MPAC system, formerly known as the Community Reinvestment Fund (CRF), has been in place since the late 90's when the Ministry farmed it off at arm's length, the service of assessment. It was noted that the municipalities pay for MPAC.

Mr. Tanner noted that the Request for Reconsideration (RFR) for the 2019 taxes is now open and if someone wanted to appeal their assessment value they have until March 31, 2019 to submit their application. There are options as to how to submit, however the quickest method is to submit online. He does have the forms here with him tonight if anyone wanted to take one with them. If the application is approved a change notice will be sent out. A Minutes of Settlement with the new value will be sent to the owner for approval. If the property owner still does not agree with the value they may return the form noting their disagreement. MPAC will move the value to what they have chosen but the property owner can, within 90 days, send in an appeal to the ARB. The ARB is a third party tribunal and there is a \$150.00 fee for the application. MPAC will have to prove how they arrived at the value and the property owner would give their evidence as to why they do not agree and a final decision is made. The ARB is located in Toronto, however you would not be expected to attend there. They have held teleconferences or if they have enough applications in an area they will come out. A RFR could be done each year if you are not satisfied with the new values.

Mr. Tanner then moved on to discuss the Township of O'Connor's Market Conditions. From the start of 2012 to 2016, the 4 year sales median was \$233,500, a 48% increase. They used 44 sales and determined 20-30 sales invalid and not used. They do not use discounted family sales, foreclosure sales or any that seem to be beyond the normal. It was noted that the market is softening in 2018 to 2020.

Mr. Tanner noted that MPAC wants to get it right and if there is concern with your assessment do a RFR.

A question was asked with regard to the unorganized municipalities and who assesses them. Mr. Tanner noted that MPAC does do the assessments and the Province sets the tax rates and bills them as a Provincial Land Tax.

Mr. Tanner was thanked for his presentation.

Mayor Vezina then made a presentation on how the municipal assessment impacts the municipal budget. There are government mandated programs in which the Township is required to pay a levy for. These programs are levied by weighted assessment and/or population/households.

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The Thunder Bay District Social Services Administration Board (TBDSSAB), MPAC and the Superior North Emergency Medical Services (SNEMS), land ambulance, use the weighted assessment of their partnering municipalities to determine the levy amounts. The Ontario Provincial Police (OPP) and Thunder Bay District Health Unit (TBDHU) are levied both on population and households. An explanation of what each of these services provided was explained. An explanation of what weighted assessment is was provided, that being the total assessment in each class of property, which is determined by MPAC, multiplied by the tax ratio, which is determined by the municipality, for each property class.

A slide showing the Township of O'Connor's weighted assessment from 2013 to 2020 was provided. In 2016, MPAC did a reassessment of values throughout Ontario and these CVA's are being used from 2017 to 2020. Since 2013 the Township of O'Connor's weighted assessment will increase 88% by 2020, from \$39,880,638 to \$74,864,373.

The impact of this increase was then demonstrated on the levies charged by the organizations that provide the mandated programs. The TBDSSAB total budget for 2018 was lower, however due to the increase in assessment for O'Connor our portion of the levy actually increased. In 2018 the Township of O'Connor paid \$77,725.00 to the TBDSSAB. A comparison of the municipalities included in the TBDSSAB and their weighted assessment percentage increases were provided.

Questions from the audience arose. A question was asked with regard to who can we lobby to get the legislation changed. The Northwestern Ontario Municipal Association (NOMA) and the local Member of Provincial Parliament (MPP) was recommended. Comments were made with regard to the cost of living increases, including gas prices in our area and how the government wants seniors to remain in their homes yet they are not assisting with the increase in taxes. It was noted that NOMA does lobby on behalf of municipalities in Northwestern Ontario and has a seat on the Association of Municipalities (AMO) Board which has a Memorandum of Understanding with the Ontario Cabinet. It was also noted that some municipalities do benefit from the current tax system so it is difficult to get everyone to agree to change.

One resident commented that they have written letters to the Premier and asked Council to follow up and never heard anything back. Mayor Vezina did comment that he did bring his concern to Mr. Bill Mauro, MPP.

Mr. Tanner did note that there is a Senior Homeowners' Property Tax Grant available, however it is based on a person's income and if a household is eligible it could provide up to a \$500.00 rebate for Seniors.

The MPAC levy amounts for 2017 and 2018 were provided. In 2018 the Township of O'Connor paid MPAC \$12,012.75.

Superior North Emergency Medical Services (SNEMS) is also calculate by weighted assessment and the 2018 levy increased to \$77,791.00 from \$71,727.00 in 2017.

The Policing costs are not based on weighted assessment but rather households as well as calls for service. The Policing costs for the Township of O'Connor have gone from \$29,602.00 in 2013 to \$76,562.00 in 2019. The 2018 OPP base cost per property was \$191.35 and cost for service was \$61.30 per property. The total for 2018 was \$77,791.00. It was noted that while the policing is billed per household by the OPP the Township cannot bill specifically to each property on that bases. The budget is based upon total required tax dollars, recouped through a property's assessment and those with higher assessment do pay more for these costs.

The Thunder Bay District Health Unit levy is based on per capita or population and the levy has not increased significantly in the past few years. In 2018 the levy paid was \$14,373.00.

The Ontario Municipal Partnership Fund (OMPF) is the Province's main transfer payment to municipalities. The most recent formula for this funding was changed in 2014 and the amount provided to the Township of O'Connor has significantly dropped

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over the years. There are four (4) core components in the formula to determine the amounts distributed to the municipalities, Assessment Equalization Grant, Northern and Rural Fiscal Circumstances Grant, Northern Communities Grant and a Rural Communities Grant. The formula to determine each of these components is very complex. There is also transitional assistance provided to municipalities to a guaranteed level of funding. The Township of O'Connor is currently guaranteed 90% of the previous year's OMPF funding. This amount has dropped from \$324,600.00 in 2009 to \$196,100.00 in 2018 and will drop again in 2019 by 10%.

Graphs comparing the OMPF funding verses the mandated expenses from 2014 to 2018 was illustrated. The graph showed how the funding continues to decrease and mandated expenses continue to increase and how the Township, through the property tax base has to cover these variances. A second graph was presented illustrating the municipal budgets over the last five years, including the provincially mandated programs, municipal operating costs, municipal capital costs, federal and provincial funding and municipal property taxes levied.

A comment was made from the audience with regard to the potential for a sharp increase in bankruptcies in 2019 which will result in a decrease in housing prices and bring the property values down. Mr. Tanner noted that there has been no indication of this yet.

It was also commented by a resident that this meeting should have happened sooner.

Mayor Vezina thanked everyone for attending and it was

1. Moved by B. Jerry Loan
Seconded by W. Handy

THAT THE PUBLIC MEETING ADJOURN TO THE COUNCIL MEETING TO BE HELD ON NOVEMBER 26, 2018 AT 7:30 P.M.

TIME BEING: 8:07 P.M.

Carried

Mayor

Clerk-Treasurer