

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 19, 2013

Item 5, Report No. 15, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on November 19, 2013.

5 LETTER TO THE MUNICIPAL PROPERTY ASSESSMENT CORPORATION (MPAC)

Finance and Administration Committee, at its meeting of November 18, 2013, adopted the following recommendation and recommended that this matter be forwarded to the Council meeting of November 19th, 2013 for consideration.

The Finance and Administration Committee recommends:

- 1) That the recommendation contained in the following report of the Acting Commissioner of Finance & City Treasurer and the Director of Financial Services, dated November 18, 2013, be approved; and**
- 2) That copies of the letter also be forwarded to the Minister of Finance, the local Members of Provincial Parliament and other municipalities within the Region of York.**

Recommendation

The Acting Commissioner of Finance & City Treasurer and the Director of Financial Services, in consultation with the Manager of Property Tax & Assessment recommend:

1. THAT the Mayor forward a letter to the attention of the President of the Municipal Property Assessment Corporation (MPAC), substantially in the form of Attachment 1; and
2. THAT Committee's recommendation in this matter be forwarded to the Council meeting of November 19th, 2013 for consideration.

Contribution to Sustainability

In forwarding concerns with respect to MPAC and its processing, customer service, and communication issues, the City is ensuring that sustainability is maintained with respect to assessment growth and taxation revenue. Assessment growth helps to partially offset increasing service costs associated with community growth and ensures that proper funding is available to deliver program offerings to the community.

Economic Impact

Lower than anticipated assessment growth has resulted in a significant financial impact to the City's Draft Budget and Plan. As a result, the ability to minimize any tax increase while maintaining regulatory and necessary service levels has become increasingly difficult.

Communications Plan

A letter will be forwarded to the President of the Municipal Property Assessment Corporation.

Purpose

The purpose of this report is to request the Mayor forward a letter to the Municipal Property Assessment Corporation (MPAC) with respect to addressing applicable processing issues that are having significant financial impacts to the City of Vaughan's budget process.

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Background - Analysis and Options

Further to the Budget presentation made to the Finance and Administration Committee on November 12, 2013, the Mayor and Members of Council were informed that assessment growth going forward into the 2014 taxation year was lower than anticipated due to MPAC processing issues. The budget report explained that this trend started in 2013 and impacted assessment growth figures across the Greater Toronto Area.

Staff have been working with MPAC and other municipalities to resolve the issues. Similar concerns were brought forward by the York Region Area Treasurers. However, a letter from the Mayor and Members of Council will assist staff in obtaining resolutions from MPAC with respect to the main concerns as follows:

- Assessment Growth - Forecasting and analysis challenges with respect to MPAC reported assessment growth, with finalization in the last few weeks of the year. This does not allow the City to properly budget and offset service level costs related to the actual growth experienced. Further, because the initial assessment growth numbers are not consistent with actual growth, there is added pressure on the tax rate. This situation makes it very difficult to approve a budget and plan before the start of the new year.
- Supplemental Taxation - Missed new and additional assessed value that is notably significant in the commercial and industrial classes. For example, MPAC is currently reporting a negative growth percentage in the industrial property class which does not properly reflect the actual positive growth. In addition, there have been issues with respect to the Supplementary/Omitted Rolls which has caused delays in processing the files as well as requiring adjustments to accounts.
- Quality Control – there are continuous quality control issues and errors with assessed values, methodology and property addresses. This has the potential to impact the numbers initially reported in the budget process through increased tax write-offs and lower taxation revenue.
- Non-response and/or delays in responding and communicating with City staff over specific issues has caused frustration both to City staff as well as the taxpayer involved

Relationship to Vaughan Vision 2020

In consideration of the strategic priorities related to Vaughan Vision 2020, communicating Council's concerns to MPAC and the expected response and solutions will enhance:

- Organizational Excellence: Ensure Financial Sustainability;
Manage Growth and Economic Well-Being

Regional Implications

The result of addressing processing issues with MPAC will assist the Region in their budget deliberations and requirements.

Conclusion

Staff are recommending that the Mayor forward a letter to the attention of the President of MPAC highlighting applicable processing, customer service and communication issues which are having significant financial impacts to the City of Vaughan's budget process. It is anticipated that MPAC will provide solutions to assist staff to mitigate significant tax pressures currently resulting from these issues.

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Attachments

Attachment 1: Draft Letter to the Municipal Property Assessment Corporation

Report prepared by:

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)