



REGIONAL MUNICIPALITY OF WATERLOO ADMINISTRATION AND FINANCE COMMITTEE MINUTES

Tuesday, March 8, 2011
11:32 a.m.
Regional Council Chamber
150 Frederick Street, Kitchener, Ontario

Present were: Chair T. Galloway, *L. Armstrong, J. Brewer, T. Cowan, *D. Craig, R. Deutschmann, J. Haalboom, B. Halloran, R. Kelterborn, G. Lorentz, C. Millar, J. Mitchell, and K. Seiling

Members absent: S. Strickland, J. Wideman, C. Zehr

DECLARATIONS OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT

None declared.

PRESENTATIONS

a) Jennifer McConkey, Municipal Property Assessment Corporation re: MPAC update

J. McConkey introduced her colleague Jon Hebden, Municipal Relations Representative, Municipal Property Assessment Corporation (MPAC).

*L. Armstrong entered the meeting at 11:34 a.m.

J. McConkey provided a presentation to the Committee regarding:

- History of assessment growth, inflation and municipal funding;
- Number of properties and cost per assessment, with drivers of costs;
- MPAC board-approved budget increase, and overview of budget pressures;
- Explanation of MPAC funding formula;
- Information sharing and partnership with municipalities in MPAC activities;
- Building permits received vs. completed, 2008-10;
- Property count vs. outstanding building permits; and
- New technology and initiatives to improve efficiency and timeliness of assessments.

A copy of the presentation is attached to the original minutes.

The Committee obtained clarification from J. McConkey that the MPAC funding formula yields an above-average increase to assessment costs for the Region.

The Committee learned that the MPAC budget for staff saw no increase in 2010-11, but that increased operating expenses are provided for in the budgeted increase to assessment costs.

The Committee ascertained from J. McConkey that MPAC investigates any property where a building permit was issued, or aim to inspect every property on a 12 year cycle if no other action triggers a reassessment. She elaborated on the process used to assess the value of properties, as well as the technology to be introduced to assist assessors in their work.

The Committee observed that two identical cities which differed only in their property values would differ in the fees owing to MPAC for assessing the exact same properties. J. McConkey affirmed that the MPAC funding formula would yield this outcome. The Committee discussed the funding formula, with observations that it could be considered a veiled form of equalization for municipalities in the province. Larry Ryan, Chief Financial Officer, related his past experience on the MPAC board with respect to allocation of assessment costs across municipalities, noting that perhaps 6-7 municipalities in the Greater Toronto Area were observed to be subsidizing approximately 200 others. He affirmed that the Region at that time was fairly close to the breakeven point in that regard.

The Committee raised the issue of supplementary taxes and the perceived large size of these taxes, and asked when the size of supplementary tax revenues might be expected to be reduced. J. McConkey indicated that as new initiatives and technologies are implemented, MPAC will be able to better plan its assessment activity and allocate resources accordingly, which could bring about lower supplementary taxes from greater timeliness of assessments. The Committee discussed the backlog of building permits and communication of occupancy related to permits, which is a frequent item on the agenda at the Area Treasurers' meetings.

*D. Craig left the meeting at 12:01 p.m.

J. McConkey related to the Committee that notification of new building permits are received on a monthly basis by MPAC, from most municipalities in electronic form but from some municipalities in hard copy form. MPAC is championing electronic permit reporting and a move to a standardized template for permits, as well as working to obtain information on occupancies on a monthly basis.

REPORTS – Chief Administrative Officer

- a) CA-11-002.1, 2010 Internal Audit Report

Received for Information.

Mike Murray, Chief Administrative Officer, introduced David A. Young, Manager, Internal Audit, and provided a short overview of the report.

- b) CA-11-003, Citizen Input and Engagement in the 2011-2014 Strategic Planning Process

Received for Information.

M. Murray provided an overview of the report, noting that Council has seen the content of the report as part of its strategic planning sessions and that staff will continue to use the input obtained for a variety of purposes and strategies in the strategic planning process.

REPORTS – Finance

- c) F-11-013, Grant Application to Fund Regional Development Charges - Habitat for Humanity

The Committee ascertained from L. Ryan that this grant application arises from the fact that development charge revenues cannot pay for grants to fund development charges. The

Committee confirmed that this grant needs to be made in each Council term. Debra Arnold, Director, Legal Services/Regional Solicitor described the onerous process to include such an exception in the Development Charges by-law and affirmed the method undertaken through the report as more expedient. The Committee confirmed that the recommendation, if passed, would fund the grant for the term of Council.

MOVED by K. Seiling
SECONDED by J. Brewer

THAT the Regional Municipality of Waterloo establish a policy for the term of Council that a grant be provided to cover the cost of Regional Development Charges for housing built as a Habitat for Humanity project, with the cost of the grant to be provided from the Housing Reserve Fund, as described in Report F-11-013, dated March 8, 2011.

CARRIED

REPORTS – Corporate Resources

d) CR-FM-11-005, Allocation of 2010 Corporate Sustainability Fund

Received for Information.

e) CR-FM-11-006, Update on FCM Partners for Climate Protection Program

Received for Information.

f) CR-RS-11-015, Surplus Declaration and Conveyance Adjacent to Columbia Street, City of Waterloo to the Corporation of the City of Waterloo

MOVED by C. Millar
SECONDED by B. Halloran

THAT the Regional Municipality of Waterloo:

- a) Declare the lands described as Part Lot 1, Municipal Compiled Plan of Subdivision of Lot 6, German Company Tract, being Part 1, Reference Plan 58R-16677, in the City of Waterloo surplus to the needs of the Region, as detailed in Report No. CR-RS-11-015 dated March 8, 2011, and provide the standard public notification as required by the Region's property disposition by-law; and
- b) Approve and execute all documentation related to the conveyance of the lands described as Part 1, Reference Plan 58R-16677, at the cost of the Region, to the Corporation of the City of Waterloo for road widening purposes, for the sum of \$1.00, as detailed in Report No. CR-RS-11-015 dated March 8, 2011, pursuant to the Region's property disposition by-law and the satisfaction of the Regional Solicitor.

CARRIED

REPORT OF THE AUDIT COMMITTEE

a) Minutes of the Audit Committee – February 14, 2011

MOVED by L. Armstrong
SECONDED by J. Brewer

THAT the Administration and Finance Committee approve the minutes of the Audit Committee dated February 14, 2011.

CARRIED

OTHER BUSINESS

- a) Council Enquiries and Requests for Information Tracking Sheet was received for information.

NEXT MEETING – April 12, 2011

ADJOURN

MOVED by J. Haalboom
SECONDED by G. Lorentz

THAT the meeting adjourn at 12:14 p.m.

CARRIED

COMMITTEE CHAIR, *T. Galloway*

COMMITTEE CLERK, *M. Grivicic*



Municipal Property Assessment Corporation



Budget Overview & New Building Permit Initiatives

Region of Waterloo – Administration & Finance Committee
March 8, 2011

PROPERTY ASSESSMENT EXCELLENCE...OUTSTANDING SERVICE...TRUST



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MPAC Budget Overview

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Budget Increase

Growth + Inflation vs. Municipal Funding

Year	Property Counts ¹	Growth	Inflation	Inflation + Growth	Municipal Funding	Variance
1997	3,963,765					
1998	4,015,040	1.3%	1.0%	2.3%	0.0%	-2.3%
1999	4,055,427	1.0%	1.7%	2.7%	0.0%	-2.7%
2000	4,105,164	1.2%	2.2%	3.4%	0.0%	-3.4%
2001	4,177,355	1.8%	2.1%	3.9%	0.0%	-3.9%
2002	4,248,207	1.7%	2.7%	4.4%	0.0%	-4.4%
2003	4,324,845	1.8%	2.9%	4.7%	3.0%	-1.7%
2004	4,403,211	1.8%	2.6%	4.4%	5.9%	1.5%
2005	4,485,231	1.9%	2.8%	4.7%	3.0%	-1.7%
2006	4,567,463	1.8%	2.4%	4.2%	3.0%	-1.2%
2007	4,624,178	1.2%	2.6%	3.8%	5.4% ²	1.6%
2008	4,684,251	1.3%	2.8%	4.1%	3.9%	-0.2%
2009	4,736,950	1.1%	2.3%	3.4%	3.7%	0.3%
2010	4,804,015	1.5%	1.5%	3.0%	2.9%	-0.1%
Average		1.5%	2.3%	3.8%	2.4%	-1.4%

1 - Source: MPAC Annual Report

2 - Includes Ombudsman funding of 2.85%

Information as of Sept 2010 (2010 Estimated)

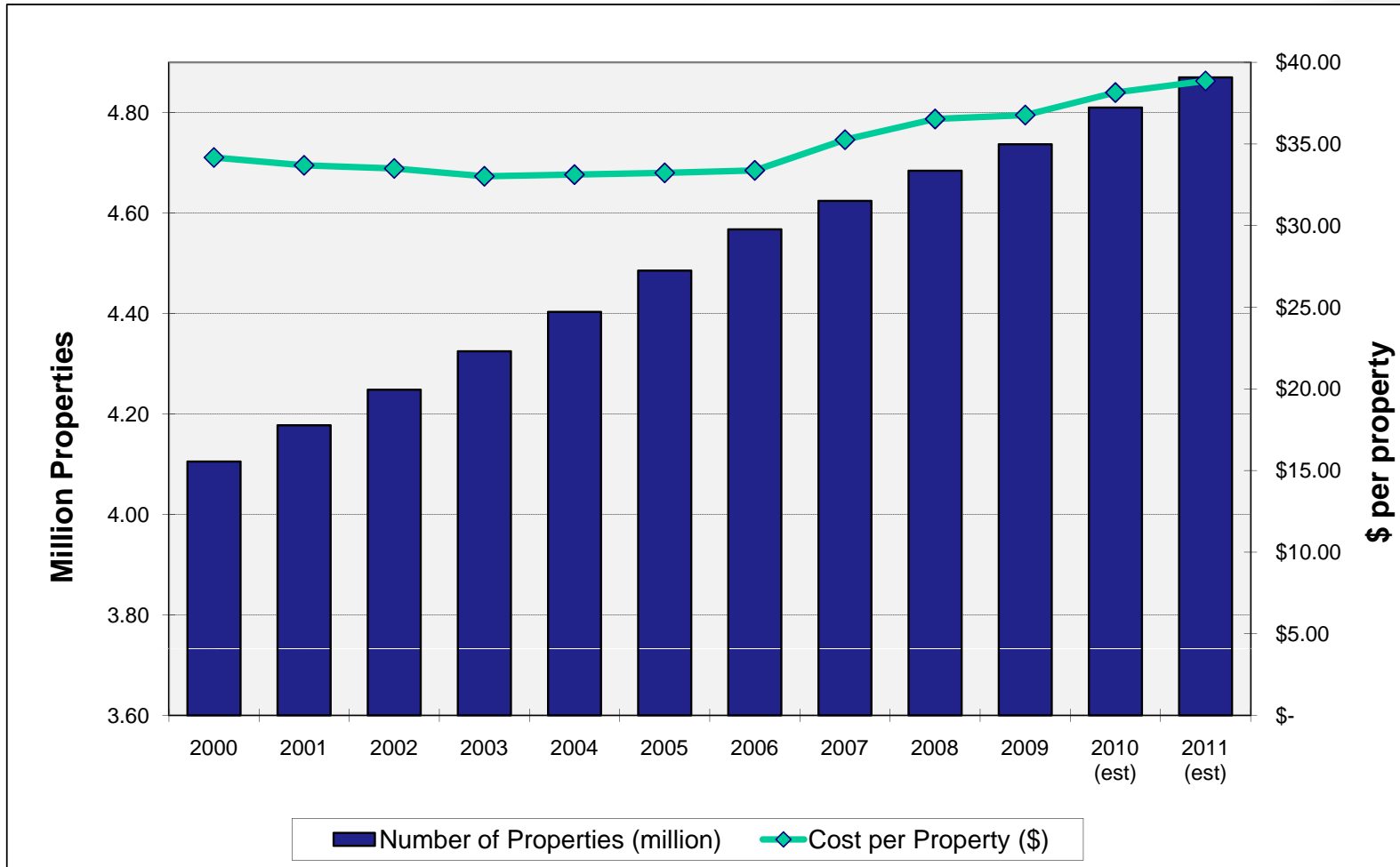
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Budget Increase

Number of Properties and Cost per Assessment



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2011 Budget Increase

- MPAC's Board of Directors approved a 3.9% increase for 2011
- Pressures
 - Increased operating expense
 - Inflationary pressures
 - 66,000 new properties (1.4% increase)
 - Increase in property inspections
 - Improvements in timeliness for supplementary and omitted assessments
 - Preparation for 2012 Assessment Update
 - Improvement to non-residential property valuation tools and systems

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MPAC's Funding Formula

Municipal Property Assessment Corporation Act, 1997

$$(A + B) / 2 \times C$$

- 'A' is the proportion that the total assessment on all property in the municipality bears to the total assessment of all property in Ontario
- 'B' is the proportion that the total number of properties set out in assessment rolls returned in the municipality bears to the total number of properties set out in all assessment rolls returned to all municipalities in Ontario plus the total number of properties in the provincial land tax register or the provincial land tax roll
- 'C' is the amount that the Corporation considers necessary to pay for its operations during the taxation year

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Historic Assessment Growth

Region of Waterloo

Year	Assessment Growth (\$)	Assessment Growth (%)	# of New Properties Added
2006	\$1,151,849,310	2.74%	4,261
2007	\$907,071,890	2.10%	2,095
2008	770,007,980	1.75%	2,972
2009	735,905,008	1.56%	1,615
2010	\$1,219,424,040	2.19%	2,715

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Historic Budget Information

Region of Waterloo

Year	Board Approved Budget Increase	Region of Waterloo Proportion (Total Assessment + Property Count)	Region of Waterloo MPAC Fee Increase
2008	3.9%	0.033177182977	4.18%
2009	3.7%	0.033201119721	3.77%
2010	2.9%	0.033212342551	2.93%
2011	3.9%	0.033353332628	4.34%

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Building Permit Information Exchange

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Building Permits

Information Sharing & Partnership with Municipalities

Primary Objective = Timely delivery of new assessment

- Collaborated with municipal and other external stakeholders
- Identified process improvements
- Identified additional information available

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Building Permits

Information Sharing & Partnership with Municipalities

- Step #1 Data Cleansing

- Step #2 Data Sharing - Standardized Electronic File
Format with Additional Information Provided

- Step #3 Assessment
Growth Forecast
Model



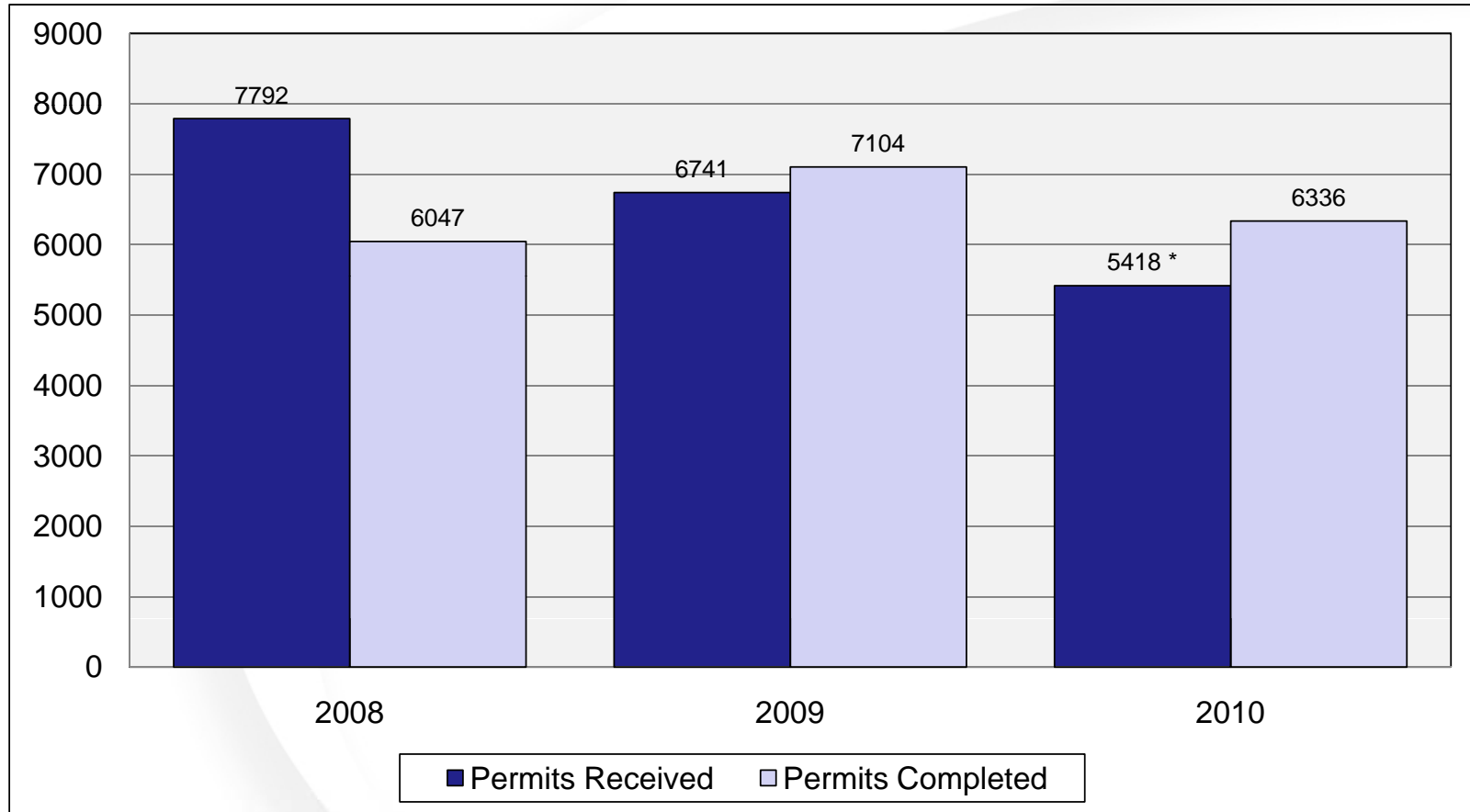
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Permits Received vs. Permits Completed



Source: MPAC Municipal Status Reports 2008, 2009 & 2010

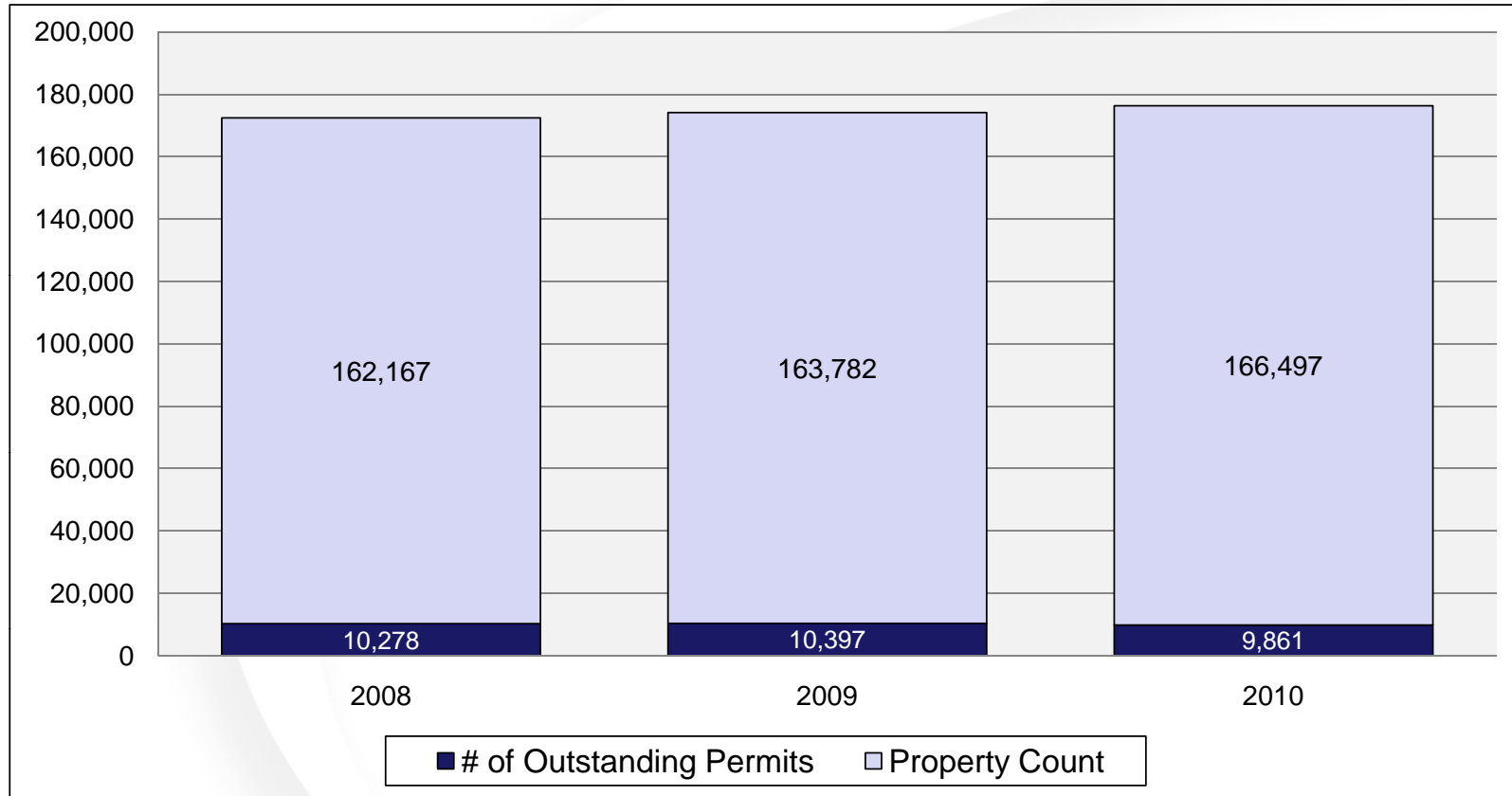
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Property Count vs. Outstanding Building Permits



Source: MPAC Municipal Status Reports 2008, 2009, 2010

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Contacting MPAC Four Convenient Ways



website

www.mpac.ca

- ✓ get answers to commonly asked questions
- ✓ forms and info about assessment
- ✓ links to the ARB and the Province of Ontario



fax

1 866 297-6703



phone

1 866 296-6722

TTY

1 877 TTY-6722
or through Bell
Relay Service



in person

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