2021 MUNICIPAL PARTNERSHIPS REPORT





CONTENTS

Our year	4
Property database	
New assessment	(
Innovative data sharing	7
Digital permitting	8
Small business subclass	1
Evolving our services	12
Looking ahead	13
Contact us	14



2021: RISING RISING TO THE CHALLENGES OF THE PRESENT, AND LOOKING TOWARD THE FUTURE

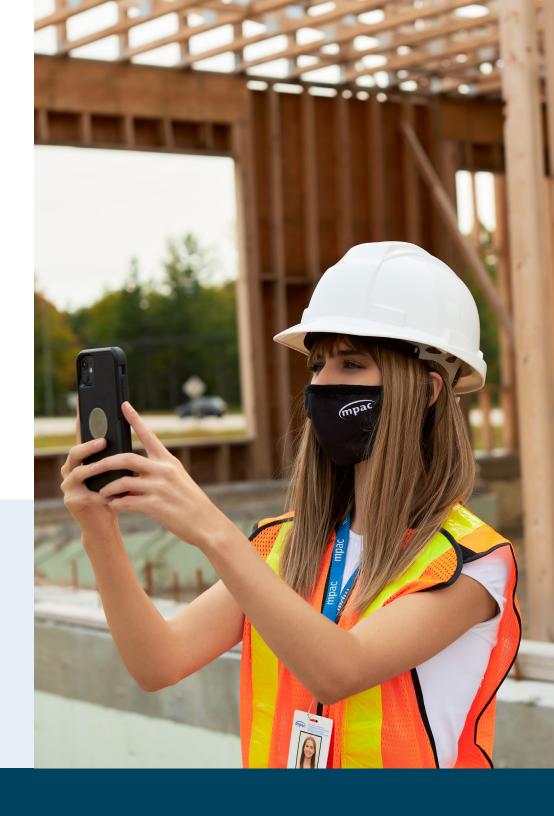
As the pandemic continued to unfold this year, we've remained focused on delivering the services Ontario municipalities rely on. We've also looked beyond the challenges and demands of our current reality, and toward what property assessment looks like in a post-pandemic world.

We may have spent the year apart, but we've worked with our municipal partners like never before. Together, we laid the groundwork for technological innovation, modernization and more efficient services.



"During this time of uncertainty, we have continued to control MPAC's budget to limit costs. MPAC's Board of Directors approved the 2022 operating budget with no increase to the provincial levy, for the second year in a row. While each municipality's annual levy amount is determined by a formula set out in the Assessment Act, there is no total levy increase for 2022."

Alan Spacek Chair, MPAC Board of Directors



MAINTAINING ONTARIO'S PROPERTY DATABASE

MPAC maintains a one-of-a-kind, comprehensive database of information for each of the more than 5.5 million properties in Ontario. We continuously update these records each and every day so that municipal tax bases are kept current and municipal financial decisions can be based on the most accurate data possible.

Our work to maintain Ontario's property data set includes:

- Supporting our municipal partners and property owners
- ✓ Analyzing the market and observing COVID-19 impacts on property sectors
- Processing severances and consolidations and assessing new construction, additions and renovations
- ✓ Addressing Requests for Reconsideration and appeals
- Responding to vacancy and tax applications from municipalities
- ✓ Tracking school support



"Soon after a tornado hit the City of Barrie in July, we had a series of meetings with MPAC and put together a plan for how we would address damage to properties and tax relief applications. We've been having weekly check-ins with MPAC to review what's happening with properties and building permits, sharing information and establishing consistent messages to support property owners who suffered damage to their property."

Grace Marsh

Acting Manager, Property Tax and Revenue, City of Barrie



\$38 BILLION IN NEW ASSESSMENT

We know that the value of new construction, additions and renovations continues to be an important source of municipal revenue during the pandemic. This year, we continued to work with municipalities to validate property information in new ways, including through the digital submission of building plans.

Thanks in large part to this collaboration, we were able to access the information required to add more than \$38 billion in new assessment to municipal assessment rolls across Ontario this year.

"Staying on top of <u>property assessment trends</u> is an important way we make sure we're ready to capture new assessment quickly when building permits are closed, so we can provide municipalities with new revenue sources."

Carmelo Lipsi

Vice-President and Chief Operating Officer, MPAC

INNOVATIVE DATA SHARING

One of the most important ways we support all 444 municipalities in Ontario is by providing them access to Municipal Connect, a sophisticated data-sharing platform. Together with our partners, we reimagined the platform to provide more convenient access to high-quality property data.

Built by our IT team and subject matter experts in just six months, the new Municipal Connect launched this year and brings the tools municipal users requested to their fingertips.

It also laid the groundwork for elements of our 2021-2025 Strategic Plan, including expanded use of MPAC data to support municipal operations and planning, and the creation of further collaboration tools to support municipalities and other public and private sector partners in using our data to find solutions and make even smarter decisions.



"I have been impressed with the engagement and constructive development process that has been applied at Municipal Connect Working Group meetings. The MPAC development team sought insights about how best to meet municipal needs, applied changes where possible, and described any restrictions. This dialogue and consideration supported the development of an innovative new Municipal Connect."

Tammy Sikma

Enterprise Applications Manager, County of Peterborough

DIGITAL PERMITTING IN ONTARIO

We are the only organization with data on all building permits in Ontario, and we process about 300,000 building permits each year on properties of all types, from condos to distribution centres.

Modernizing and digitizing permit collection and exchange can create internal efficiencies for municipalities and help us capture new assessment faster, resulting in new municipal revenues sooner.

We work with a number of e-permitting providers to support municipalities in automating permit submissions into our systems. However, we know many municipalities still rely on paper-based systems. In 2020, we conducted a market scan and found that only 27 per cent of municipalities had an end-toend e-permitting solution.

We are working with municipalities to digitize their permitting process and collaborating with sector associations, like the Association of Municipalities of Ontario's (AMO) business services arm, Local Authority Services (LAS), to further advance the consideration and adoption of e-permitting in the municipal sector.

> "Our move to a digital e-permitting solution was always the plan, but COVID-19 put the plan into overdrive. Ensuring information was easily available with a few clicks was the only way to go—the industry is already doing work electronically and we were the hold up. This change will pay dividends in the near future as our municipality continues to grow and staff pressures increase."

Mary Hasan

Director of Finance/Treasurer, Township of Puslinch





HELPING MUNICIPALITIES EVALUATE THE NEW **OPTIONAL SMALL BUSINESS SUBCLASS**

Together with the municipal sector, we published a **Small Business Property Subclass Report** to support municipalities in their evaluation and potential use of the new optional tax subclass made available by the Province.

Key stakeholders contributed to the report, including representatives from Ontario municipalities, the Association of Municipalities of Ontario (AMO), Municipal Finance Officers' Association (MFOA), Ontario Municipal Tax and Revenue Administrators (OMTRA), Toronto Association of Business Improvement Areas (TABIA), and Ontario Business Improvement Area Association (OBIAA).

We also sent an online survey to Finance and Economic Development staff across all 444 municipalities to inform the group's work.

> "The Small Business Subclass report provides significant guidance for municipalities who are considering implementing the subclass. It should prove to be a very useful tool in defining small businesses and identifying appropriate properties, as well as assisting in the development of local policies."

Donna Herridge

Executive Director, Municipal Finance Officers' Association

EVOLVING OUR SERVICES TO DELIVER MORE VALUE TO ONTARIO

The pandemic has driven us to be more innovative, efficient and future-forward thinking than ever, and we've formalized that way of working through our new 2021-2025 Strategic Plan.

Over the next several years our focus will be on:

- Modernizing our operations
- Strengthening our relationships with municipalities
- Supporting property owners
- Attracting and retaining top talent
- ✓ Unlocking new revenue streams to offset the levy impact for Ontario municipalities





"The cornerstone of our 2021-2025 Strategic Plan is our relentless focus on delivering the greatest possible additional value, beyond our foundational assessment role. That means providing municipalities with value-added data, analytics and actionable insights. That's our vision for property assessment in a post-pandemic world."

Nicole McNeill **MPAC President**

LOOKING AHEAD

As part of its 2021 Fall Economic Statement, the Ontario Government announced a continued postponement of the assessment update.

This means that property taxes for the 2022 and 2023 taxation years will continue to be based on the January 1, 2016 valuation date. Property assessments will remain the same as they were for the 2021 tax year, unless there have been changes to the property.

We will continue to provide you with market analysis and insights, stay ready to deliver the assessment update when called upon, and work every day to maintain Ontario's property database, which includes the timely assessment of new construction, additions and renovations.

Next year, we will lean into our partnerships that are driving technological innovation to provide municipalities with the best possible products, modernization of the broader sector and more efficient services.

We will keep working hard to help all Ontarians better understand who we are, what we do and the ways we support property owners to understand their assessment.

And most importantly, we will do our part to support communities on the path to better days ahead.



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