



MUNICIPAL  
PROPERTY  
ASSESSMENT  
CORPORATION



# ACCELERATING TRANSFORMATION

ANNUAL REPORT 2014

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# About MPAC

MPAC is an independent, not-for-profit corporation funded by all Ontario municipalities, accountable to the Province, municipalities and property taxpayers through its 15-member Board of Directors.

Our role is to accurately value and classify all properties in Ontario according to the *Assessment Act* and regulations established by the Ontario Government. We are the largest assessment jurisdiction in North America, assessing and classifying more than five million properties with an estimated total value of \$2.2 trillion.

MPAC's province-wide Assessment Updates of property values have exceeded international standards of accuracy and our property assessors are trained experts in the field of property valuation.

With more than 1,700 employees in offices across Ontario, we are committed to delivering property assessment excellence, providing outstanding service and earning the trust of property taxpayers as well as municipal and provincial stakeholders.

**Responsible for assessing  
and classifying more than**

 **5  
million**  
properties in Ontario

**\$2.2**  
**trillion**   
**IN PROPERTY VALUE**

## VISION

Property Assessment Excellence  
Outstanding Service  
Trust

## MISSION

To serve Ontario property taxpayers together with provincial and municipal stakeholders through accurate and timely property assessments and a commitment to service excellence and efficiency.

## VALUES

Service • Teamwork • Quality • Innovation  
Professionalism • Accountability



# About MPAC

## Ontario's Property Assessment System

There are four main components in Ontario's property assessment and taxation system. Each plays an important role.



### Provincial Government

passes legislation, sets assessment policies and determines education tax rates.



### Municipal Property Assessment Corporation

determines Current Value Assessments and classifications for all properties in Ontario.



### Municipalities

determine their revenue requirements, set municipal tax rates and collect property taxes.



### Assessment Review Board

as an independent tribunal hears assessment appeals.

## Property Assessment Update Cycle

Each Assessment Update year has a legislated valuation date that applies for subsequent property tax years.

In 2012, MPAC updated all properties in Ontario to reflect a January 1, 2012 valuation date. These updated assessments are applicable for the 2013-2016 property tax years.

To provide an additional level of property tax stability and predictability in Ontario, market increases in assessed value between the legislated valuation dates are phased in over four years. Decreases in assessed value are applied immediately.

The next province-wide Assessment Update will take place in 2016.

MPAC continues to update property information during non-Assessment Update years. In 2014, MPAC delivered nearly one million Property Assessment Notices to reflect changes in ownership, value, classification and/or school support.

The following graphic shows the legislated valuation dates and applicable tax years for the 2008, 2012 and 2016 Assessment Updates.



# About MPAC

## Assessment Services

MPAC provides a range of assessment services, including the preparation of annual assessment rolls for use by municipalities and the Province of Ontario to calculate property taxes and education taxes.

Our assessment professionals are experts in the field of property valuation and use industry standard mass appraisal techniques and state-of-the-art valuation tools.

MPAC utilizes complex property appraisal techniques and statistical analysis to maintain appraisal standards and uniformity of assessment throughout the province. We estimate fair market values using property sales, cost of construction and income information. Our data quality is a critical part of our business and one that we take seriously.



## People Services

MPAC is legislatively responsible for collecting occupant information (name, date of birth, citizenship and school support) for municipal, District Social Services Administration Boards and school board elections. This information is used by MPAC to create a Preliminary List of Electors, provided to municipalities, school boards and District Social Services Administration Boards to help these organizations create the final Voters' Lists for municipal and school board elections.

MPAC continuously updates its enumeration data throughout the year by collecting information through its Tenant Information Program.



Learn more about MPAC's enumeration activities in support of the 2014 municipal and school board elections on page 18 of this report.

## Value-Added Services

MPAC delivers innovative products and value-added services to sectors including banks, mortgage firms and other assessment jurisdictions across Canada.

For example, propertyline™, MPAC's secure e-commerce solution, enables users to obtain accurate "real-time" property information for more than five million properties in Ontario.

Our Business Development team works with valuation experts to facilitate the introduction of new products to the marketplace. They also work to develop partnerships that support MPAC's goals and objectives to find cost savings and operational efficiencies as well as meet the expectations from various stakeholder groups.

The surplus derived from this stream of MPAC's operations is used to offset the funding paid by municipalities to support the organization.

**propertyline.ca**  
*Your property information solution*



# Message from our Chair



**Dan Mathieson**

Over the course of 2014, the Board of Directors has continued its focus on accelerating transformation through the delivery of the second year of MPAC's 2013-2016 Strategic Plan.

MPAC began its four-year transformation in 2013 with the idea of building better communities together with municipalities and stakeholders and, at that time, the Board of Directors set ambitious goals for the organization through eight key strategic outcomes. These include improved understanding and trust in MPAC's role, shared understanding and commitment to quality and consistency, and the transformation of our stakeholder relationships into true partnerships (see page 11).

At this halfway point in the strategy, MPAC has already undergone tremendous change with respect to its operations and engagement and I am confident that we have started to demonstrate this transformation to our stakeholders and municipal partners.

We continue to deliver on our financial commitment to achieve \$20 million in savings by 2016. To date, we have realized savings of nearly \$10 million (2013 and 2014). As we move into 2015 (year three) of our Strategic Plan, we are forecasting an additional savings of \$6.4 million. As an organization, we continue to find efficiencies while finding ways to improve our operations and service delivery.

The Board continues its efforts to create a platform through which we interact and work together with our stakeholders in the spirit of true partnership. MPAC remains committed to working with the Provincial Government, our municipal partners, and all our stakeholders to find ways to improve our services, the overall property assessment process and the customer experience for Ontario's property taxpayers.

The Board understands the issues facing municipalities in delivering services at increased costs. A key objective of the organization's strategic direction is stability and predictability in the assessment roll. Our efforts continued in 2014 and we have added record amounts of assessment growth to rolls in 2014 and, even more importantly, have added more of this growth within one year of occupancy ensuring the timeliness and accuracy of the rolls we are responsible for delivering.



# Message from our Chair

Our relationships with municipalities continued to evolve in 2014 through the exchange of information such as building permits as well as the 2014 enumeration process. Additionally, we have built the critical framework for our first Service Level Agreement/Performance Framework with municipalities.

I would like to take this opportunity to thank the Board for their work in the past year and, in particular, to welcome the directors who joined the MPAC Board in 2014. Jack Prazeres, President, Senso Group Building Supplies, joined the Board as a provincial representative. We also added two taxpayer representatives: Bev Hodgson, Barrister and Solicitor as well as owner of Bev Hodgson Law, and Don Redmond, Sales Representative, Royal LePage In Touch Realty Inc.

On behalf of the Board of Directors, I would also like to take this opportunity to thank Bob Kilger, Mayor, City of Cornwall, whose term ended in 2014.

In 2014, the Board of Directors strengthened the effectiveness of MPAC's governance framework through clearly defined roles and responsibilities for all Board of Directors and Board Committee positions as well as the establishment of a new Governance Committee to assist with Board oversight of governance issues affecting the Corporation (see page 10).

I encourage all our stakeholders to learn more about our progress through this Annual Report and continue to share your feedback with us as we are out meeting with you in your communities.

**“A key objective of the organization’s strategic direction is stability and predictability in the assessment roll.”**



# Board of Directors

MPAC is directly accountable to the public through its 15-member Board of Directors. All Board Members are appointed by the Minister of Finance.

The MPAC Board of Directors provides governance to the organization to ensure overall direction, effectiveness, supervision and accountability through quarterly meetings as well as regular meetings of three committees of the Board – Quality Assurance, Audit and Governance.

## Municipal Representatives



**Ken Hughes** – Auditor General, City of Ottawa; past President, the Ontario Municipal Tax and Revenue Association (OMTRA)



**Bob Kilger** – Mayor, City of Cornwall



**Dan Mathieson (Chair)** – Mayor, City of Stratford



**Doug Nadorozny** – Chief Administrative Officer, City of Greater Sudbury



**Bill Rayburn** – Chief Administrative Officer, Middlesex County



**John Skorobohacz** – Chief Administrative Officer, Town of Innisfil



**Mary Smith** – Mayor, Township of Selwyn

**“In any organization, a major transformation can succeed only if it is clearly led from the top.”**

DON DRUMMOND | 2012



# Board of Directors

## Provincial Representatives



**Jack Prazeres** – President,  
Senso Group Building Supplies



**David P. Settingington (Vice-Chair)** –  
Member of Chartered Professional Accountants (CPA)  
Ontario and CPA Canada

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## Taxpayer Representatives



**Navdeep Bains** – Distinguished Visiting Professor,  
Ted Rogers School of Management,  
Ryerson University



**Carla Nell** – President,  
Municipal Tax Advisory Group



**Alf Chaiton** – President,  
Tweedsmuir Green Power Group



**Don Redmond** – Sales Representative,  
Royal LePage In Touch Realty Inc.



**Bev Hodgson** – Barrister and Solicitor;  
owner of Bev Hodgson Law



# Committees of the Board

## Quality Assurance Committee

The Quality Assurance Committee oversees MPAC's operations from a quality standpoint, to promote a quality culture in the organization. The committee advises the Board of Directors of any concerns or issues related to MPAC's core business of assessment.

CHAIR: Doug Nadorozny

MEMBERS: Alf Chaiton, Carla Nell, Don Redmond, David P. Settingington

## Audit Committee

The Audit Committee oversees the Corporation's financial statements and financial reporting process. They also oversee the effectiveness of management's internal control framework and information systems, performance of internal and external auditors, management's assessment and stewardship of enterprise risks and critical legal and litigation activity facing the organization.

CHAIR: David P. Settingington

MEMBERS: Navdeep Bains, Ken Hughes, Jack Prazeres, John Skorobohacz

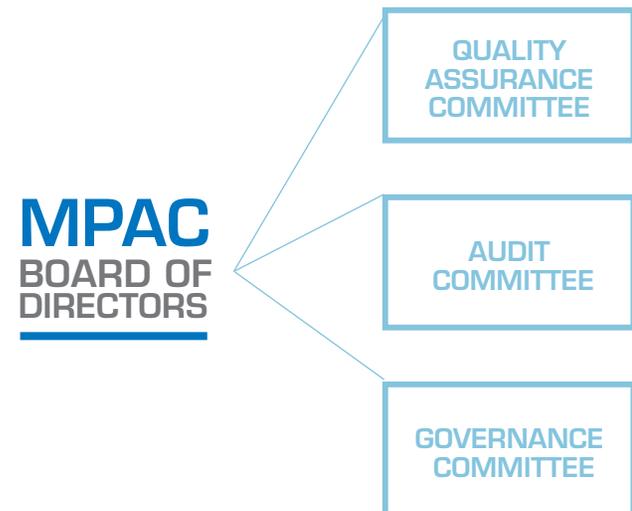
## Governance Committee

The purpose of the Governance Committee of the Board of Directors of the Corporation is to assist with Board oversight of governance issues affecting the Corporation to ensure that appropriate governance processes, Board and Committee structures and information necessary for effective direction and oversight are in place.

CHAIR: Bill Rayburn

MEMBERS: Alf Chaiton, Bev Hodgson, Doug Nadorozny, John Skorobohacz, Mary Smith

Both the Chair and Vice-Chair are ex-officio members of all committees.



# 2013-2016 Strategic Plan

MPAC's Strategic Plan contains eight Strategic Outcomes and 18 Strategic Initiatives.

## OUTCOME:

IMPROVED PUBLIC UNDERSTANDING AND TRUST IN MPAC'S ROLE

## INITIATIVES:

MPAC is a valued brand recognized for property information, valuation and services.

Employees will represent a professional brand through visual identity at the door.

## OUTCOME:

SHARED UNDERSTANDING AND COMMITMENT TO QUALITY AND CONSISTENCY

## INITIATIVES:

By 2016, 100% of available assessment growth is captured within 12 months of occupancy.

100% of land transfer statements (LTTS/A) will include MPAC's required sales and occupancy information.

## OUTCOME:

TRANSFORMATION OF STAKEHOLDER RELATIONSHIPS INTO TRUE PARTNERSHIPS

## INITIATIVES:

Deliver the 2016 preliminary values for properties to municipalities and taxpayers by the end of 2015.

All permit inspections are triggered through third party notification of commencement of use.

100% of severances and new residential construction inventory updates accomplished through third party data supply.

By 2016, MPAC will respond to and resolve all outstanding appeals within the four-year assessment cycle.

## OUTCOME:

FAIR, HEALTHY AND RESPECTFUL WORK ENVIRONMENT

## INITIATIVES:

At least 3 out of 10 employees will have an alternate work arrangement that improves service delivery, drives down cost and improves work-life balance.

# 2013-2016 Strategic Plan

MPAC's Strategic Plan contains eight Strategic Outcomes and 18 Strategic Initiatives.

## OUTCOME:

INTEGRATED PLANNING AND EXECUTION ENABLED BY FLEXIBLE ALLOCATION OF FUNDS AND STAFF

## INITIATIVES:

100% of property inventory at risk will be completed and confirmed.

Define and reposition the People Registry line of business.

## OUTCOME:

PROFESSIONAL, ACCREDITED AND SUSTAINABLE WORKFORCE THAT ATTRACTS, DEVELOPS AND RETAINS TOP TALENT

## INITIATIVES:

All core valuation managers and individuals in a designated senior valuation role will hold a required designation by 2016.

Defined succession plans and recruitment strategies are implemented for the top 10 property valuation roles at risk in the corporation.

## OUTCOME:

PROGRESSIVE REVENUE GENERATION AND COST-EFFECTIVE SERVICE DELIVERY

## INITIATIVES:

Implement an activity-based service delivery model to improve operations and drive performance.

Achieve at least \$10 million in profits for value-added products.

## OUTCOME:

INNOVATIVE, UNIVERSAL, RELIABLE TECHNOLOGY TO ACCESS INFORMATION

## INITIATIVES:

Top 10 taxpayer interactions with MPAC will be available through a self-service platform for each property type.

100% of field work activities will be completed by employees with an appropriate tool-kit.

Top 10 MPAC/Stakeholder business processes will be enabled through integrated B2B services.

# 2013–2016 Strategic Plan

## Year Two Progress Report

MPAC's Strategic Plan is focused on transformative innovation and, in 2014, the organization saw dramatic change. Our drive for increased effectiveness and efficiency across the organization enabled MPAC to actualize \$5.4 million in savings as part of its overall commitment of \$20 million in savings by 2016.

**2013** \$4.5 million

**2014** \$5.4 million

**2015** \$6.4 million

FORECAST

MPAC's 2013-2016 Strategic Plan was developed in 2012 with input from a broad cross-section of MPAC stakeholders. It was formally reviewed and approved by MPAC's Board of Directors, whose members are municipal, taxpayer and provincial representatives.

The plan is guided by the recommendations found in the Ombudsman's Report, Auditor General's Report and the report of the Drummond Commission on the Reform of Ontario's Public Services, which urge public sector agencies to do more with less.

**“MPAC continues to drive relentlessly toward effectiveness and efficiency. This is a good investment in the future and one that will save all municipalities money by reducing duplication through finding efficiencies.”**

ANTONI WISNIOWSKI  
PRESIDENT AND CHIEF ADMINISTRATIVE OFFICER



# 2013–2016 Strategic Plan Budget

## Funding Requirement

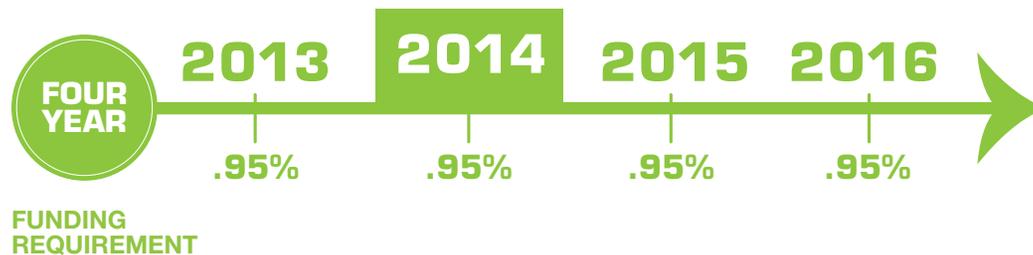
The benefits of the efficiencies and improved effectiveness found by MPAC as part of its plan to deliver the outcomes and initiatives in the 2013-2016 Strategic Plan are being passed along to municipal stakeholders.

MPAC's targeted four-year expenditure plan was announced in December 2012, with the Board of Directors' commitment to increases of less than 1% for 2013, 2014, 2015 and 2016.

This forecast is based on the status quo and may need to be revisited if there are unplanned changes to the organization's workload responsibilities as a result of legislative or regulatory change.

The commitment to increases of 0.95% for four years is only possible as a result of the implementation of MPAC's Strategic Plan, which is expected to bring savings through innovations and improved products and services.

Under the *Municipal Property Assessment Corporation Act*, MPAC's funding requirements are apportioned to each municipality using a formula that reflects the proportionate relationship of an individual municipality's or taxing authority's assessed values and total property counts as compared to all of Ontario. These two indicators are averaged to reflect a 50% weighting for total assessed value and a 50% weighting for total number of properties.



# Message from our President and Chief Administrative Officer



**Antoni Wisniowski**

Since the launch of MPAC's four-year Strategic Plan in 2013, the organization has been working on a deliberate agenda of transforming its operations and how it interacts with its stakeholders.

For all our stakeholders — municipal, property owner, government and industry — transparency and trust in MPAC's administration of the property assessment system in Ontario is key.

In this second year of the 2013-2016 Strategic Plan, the organization has seen dramatic change.

Our Balanced Scorecard (see page 24) translates our strategic objectives into measurable targets. Some key operational results from 2014 include adding more than \$27.4 billion of assessment growth to municipal rolls and successfully capturing 85% of this growth within one year of occupancy, and completing 70,869 proactive property inspections.

Our performance in 2014 must also be measured against the delivery of the second year of our Strategic Plan. Significant progress was achieved across the eight outcomes and eighteen initiatives (see page 11) as set out in the plan and endorsed by our Board of Directors.

A key driver of our Strategic Plan is to ensure MPAC delivers the next province-wide Assessment Update with increased accuracy of our values as well as greater transparency in our administration of the property assessment system.

To support the delivery of the next province-wide Assessment Update, MPAC has undertaken a complete retooling of its valuation process. Most significantly for our stakeholders, MPAC commenced consultation on key assessment matters with property owners, municipalities and industry much earlier than in the lead-up to past Assessment Updates — approximately 21 months ahead of roll delivery in



# Message from our President and Chief Administrative Officer

December 2016 (see page 17). These consultation sessions on assessment methodology for large and special purpose business properties represent a shift in our approach to sharing information and willingness to an open dialogue with stakeholders.

MPAC has also continued to work closely with government and stakeholders on the implementation of the Ministry of Finance Special Purpose Business Property Assessment Review recommendations. The organization has contributed to each of the key areas arising from the report, including accountability, advance disclosure, data accuracy, appeals and municipal assessment at-risk strategies. Further, MPAC has actively supported and participated with property-specific reference groups, including those related to billboards, landfills and farms.

MPAC is committed to continuing to make improvements in its administration of the property assessment system as a whole with a focus on building trust and increasing transparency with the delivery of the next Assessment Update in 2016.

**“A key driver of our Strategic Plan is to ensure MPAC delivers the next province-wide Assessment Update with increased accuracy of our values as well as greater transparency in our administration of the property assessment system.”**



# Strategic Plan Update

## Strategic Outcome: Transformation of Stakeholder Relationships into True Partnerships

### Pre-Roll Consultations for the 2016 Assessment Update

A key objective of the Strategic Plan is to transform MPAC's delivery of the next province-wide Assessment Update in 2016.

As part of the organization's commitment to better service through transparency, predictability and accuracy, MPAC held consultation sessions in 2014, to discuss how assessment methodology is being applied to large and special purpose business properties for the next province-wide Assessment Update in 2016.

Each consultation session was facilitated by the International Property Tax Institute. The initiative aligns with the recommendations made in the Ministry of Finance's Special Purpose Business Property Assessment Review (SPBPAR) report. In addition to assessment methodology, MPAC also consulted on an Information and Data Sharing Policy for non-residential properties.

As part of the consultation process, taxpayers and municipalities from the following sectors were invited to participate:

- Pulp and Paper Mills
- Saw Mills
- Value-Added Wood Products Manufacturing
- Steel Manufacturing
- Automotive Assembly Plants
- Automobile Parts Manufacturing
- Pharmaceutical Manufacturing
- Oil Refineries
- Mining
- Food Processing

The final Methodology Guides for the sectors listed above will be posted on mpac.ca in 2015. Additional details about MPAC's pre-roll consultations will also be shared in 2015.



MPAC's disclosure in support of the 2016 Assessment Update includes three levels of information that will be shared with taxpayers and municipalities:

- 1 | METHODOLOGY GUIDES**  
Comprehensive guides that explain industry standard assessment methodology
- 2 | MARKET VALUATION REPORTS**  
Comprehensive guides that explain how methodology was applied to value properties, at the sector level, for the 2016 Assessment Update
- 3 | PROPERTY SPECIFIC VALUATION INFORMATION**  
Detailed information that is available through secure access only or upon written request from taxpayers, representatives, municipalities



# Strategic Plan Update

## Strategic Outcome: Integrated planning and execution enabled by flexible allocation of funds and staff

### 2014 Enumeration

In support of our 2013-2016 Strategic Plan, MPAC took a more streamlined approach to collecting information in advance of the October 27, 2014 municipal and school board elections.

Starting in early 2014, MPAC launched voterlookup.ca, an online self-service enumeration tool where potential electors could confirm and/or update their information. This new tool replaced the traditional Municipal Enumeration Form.

Throughout the year, MPAC partnered with a variety of stakeholders utilizing all available resources to ensure the Preliminary List of Electors was as up-to-date and accurate as possible. Support from our municipal and school board partners to build awareness of voterlookup.ca was outstanding, with 94% of municipalities promoting the tool to their constituents.



The list provided to municipalities and school boards included:

- Updated information from the 2014 Provincial Election obtained from Elections Ontario.
- More than 110,000 updates/confirmations from voterlookup.ca.
- Over 1,230,000 changes through the National Register of Electors.
- Over 180,000 deceased persons removed based on the Ministry of Government Services data.

The work done in support of the 2014 municipal and school board elections exemplifies MPAC's commitment to improving the products and services delivered to stakeholders and demonstrates the progress made to transform relationships into partnerships.



# Strategic Plan Update

## Strategic Outcome: Transformation of Stakeholder Relationships into True Partnerships

### Two-Way Service Level Agreement

Collaborative efforts are underway to develop a two-way service level agreement (SLA) between MPAC and all Ontario municipalities. The SLA will ultimately improve service delivery to municipalities by documenting agreed-upon service parameters and responsibilities of both parties.

Throughout 2014, MPAC consulted with municipalities to create a term sheet that provides the framework and key elements of the SLA. MPAC held focus groups with cross-sections of municipalities representing all three tiers (upper, lower and single). A preliminary term sheet was completed and the valuable feedback received from municipalities will inform how MPAC will proceed with developing the final SLA.

This initiative supports MPAC's strategic outcome of transforming stakeholder relationships into true partnerships and specifically addresses Recommendation 3 from the Special Purpose Business Property Assessment Review report.

## Strategic Outcome: Innovative, universal, reliable technology to access information

### Streamlining Information Delivery

To improve operational efficiencies and effectiveness in areas across the organization, MPAC streamlined the delivery of information to municipal partners. In 2014, MPAC re-engineered the following key processes:

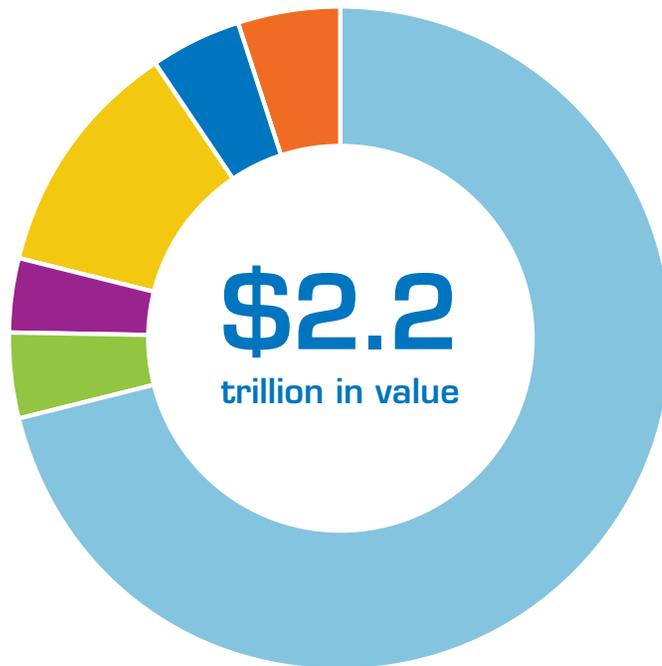
- Introduced an electronic process for receiving all ownership enquiries, death certificates, civic address changes and mailing address changes from municipalities. This delivery method is more convenient, efficient and accurate than the previous paper-based process.
- Introduced a process for the electronic exchange of Severance/Consolidation Information Forms directly to municipalities.
- Standardized the process for changing legally registered names for property owners so that all legal documents are received through the Land Registry Office.
- Eliminated the need for municipalities to send survivorship applications to MPAC, as they are received from Teranet directly as part of the land transfer process.



# 2014 Year in Review

## Assessment Roll Return

The total number of properties contained in the 2014 assessment roll returns to Ontario municipalities was 5,047,916 – an increase of 62,339 from 2013.



## Assessment Roll Stability

A key objective of the Strategic Plan is to transform MPAC's delivery of the next province-wide Assessment Update in 2016.

MPAC exceeded its 2014 objective of having no more than 15% of municipalities with Request for Reconsideration (RfR)/Appeal losses greater than 0.5%.

- 12.7% of municipalities had RfR/Appeal losses greater than 0.5%
- 51.5% of RfRs resulted in a change – 0.1% reduction in assessment base (\$1,379,387,370 in assessed value)

## Property Types



**RESIDENTIAL**  
4,532,618



**COMMERCIAL**  
153,003



**FARM**  
222,870



**INDUSTRIAL**  
78,767



**MULTI-RESIDENTIAL**  
16,201



**SPECIAL / EXEMPT**  
44,457

# 2014 Year in Review

## Assessment Growth

In 2014, MPAC processed and delivered approximately **\$27.4 billion** in taxable assessment growth to municipalities, more than **\$2 billion** over target. This includes capturing more than **\$7.4 billion** in condominium assessment growth.

In addition, MPAC processed:

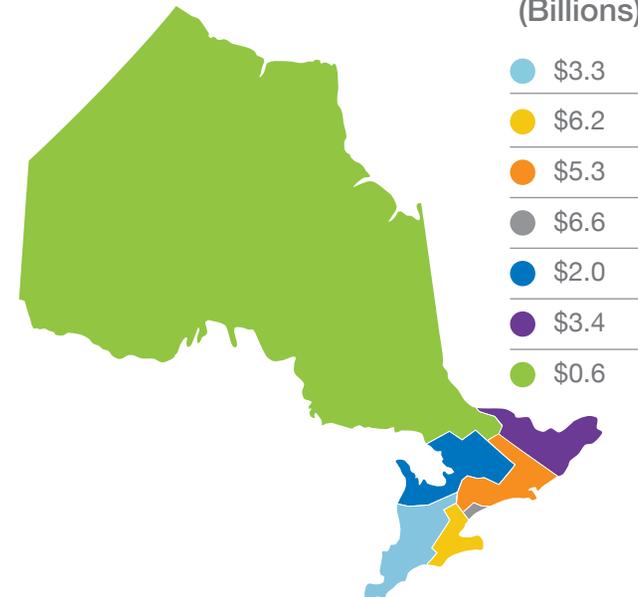
- over **\$640 million** in exempt growth
- over **\$260 million** in Payment in Lieu of Taxes (PILT) growth

In an effort to capture growth early, MPAC continues to streamline processes through the electronic exchange of building permits and prioritization of building permit workload based on completion of date of occupancy and assessment impact. This enabled MPAC to reduce backlog and improve throughput, resulting in **85%** of new construction growth added within 12 months of commencement of use in 2014, and moving us closer to our strategic outcome of capturing 100% of available assessment growth within 12 months of commencement of use.

## Timeliness of Assessment Growth Overall



## 2014 Assessment Growth (Billions)



## Growth by Property Type



New construction growth added within 12 months of commencement of use

# 2014 Year in Review

## Current Value Assessments of Properties

Property Group	2009 (\$)	2010 (\$)	2011 (\$)	Year 1 (current cycle)	Year 2 (current cycle)	Year 3 (current cycle)
				2012 (\$)	2013 (\$)	2014 (\$)
Residential	1,224,585,786,205	1,248,257,477,200	1,274,660,627,762	1,542,547,677,161	1,566,150,514,136	1,592,744,671,456
Farm	64,564,907,949	65,041,811,967	65,502,492,564	88,228,656,710	88,486,468,685	89,111,618,519
Multi-Residential	62,568,051,391	62,969,705,866	62,545,553,108	79,679,531,614	80,698,797,361	81,010,954,278
Commercial	216,586,195,035	221,717,018,286	223,770,657,579	258,469,491,493	261,921,422,404	264,311,931,623
Industrial	90,046,888,926	90,495,913,344	90,541,000,309	102,585,786,776	102,834,147,179	103,030,587,550
Special/Exempt	83,394,609,198	84,963,852,737	89,123,272,210	106,668,748,446	103,963,535,945	107,484,571,022
<b>TOTAL</b>	<b>1,741,746,438,704</b>	<b>1,773,445,779,400</b>	<b>1,806,143,603,532</b>	<b>2,178,179,892,200</b>	<b>2,204,054,885,710</b>	<b>2,237,694,334,448</b>

The total Current Value Assessment of all properties in Ontario for roll return rose from \$2.20 trillion in 2013 to \$2.24 trillion in 2014.

**Every four years, MPAC completes a province-wide Assessment Update. Market increases in assessed value between the January 1, 2008 and January 1, 2012 legislated valuation dates are phased in over four years (2013-2016).**



# 2014 Year in Review

## Indicators of Assessment Quality

Requests for Reconsideration (RfR) and Appeals filed with the Assessment Review Board (ARB) are key indicators of assessment quality and property owner's acceptance of their assessment. This chart shows the number of RfRs and Appeals that were completed in each taxation year, regardless of the assessment roll(s) in question. In many cases when an appeal is completed it addresses multiple tax years.

Property Valuation Date	January 1, 2008						January 1, 2012					
	2009*		2010		2011		2012		2013*		2014	
Taxation Year	Properties	Reduction	Properties	Reduction	Properties	Reduction	Properties	Reduction	Properties	Reduction	Properties	Reduction
Requests for Reconsideration	179,503	\$3.43B	82,971	\$1.36B	29,804	\$1.27B	24,000	\$1.46B	122,136	\$5.56B	33,867	\$2.02B
Assessment Review Board Appeals	19,069	\$3.53B	25,981	\$3.92B	4,797	\$3.62B	18,867	\$10.88B	25,412	\$10.39B	23,038	\$6.97B
<b>TOTAL</b>	<b>198,572</b>	<b>\$6.96B</b>	<b>108,952</b>	<b>\$5.28B</b>	<b>34,601</b>	<b>\$4.89B</b>	<b>42,867</b>	<b>\$12.34B</b>	<b>147,548</b>	<b>\$15.96B</b>	<b>56,905</b>	<b>\$8.99B</b>
Percentage of all Properties	4.24%		2.30%		0.72%		0.88%		2.99%		1.14%	
Percentage of Total Assessment		0.41%		0.30%		0.28%		0.68%		0.73%		0.41%

\*Every property taxpayer in the province received a Property Assessment Notice from MPAC in fall 2008 and fall 2012. The subsequent RfRs and ARB Appeals (i.e., in 2009 and 2013) were submitted based on these province-wide Assessment Updates of Ontario's more than five million properties. In between province-wide updates, MPAC sends Notices to property taxpayers to reflect in-cycle changes.

**“We estimate fair market values using property sales, cost of construction and income information. Our data quality is a critical part of our business and one that we take seriously.”**

LARRY HUMMEL  
CHIEF ASSESSOR

# Balanced Scorecard

The Balanced Scorecard is a strategic planning and management tool that aligns MPAC's business goals and objectives with the 2013-2016 Strategic Plan and Vision, Mission and Values. It provides a clear picture of our Key Performance Indicators (KPI) in a clear, easy-to-understand and easy-to-measure framework.

MPAC's Balanced Scorecard translates strategic intentions into measurable targets across four quadrants: Customer Service Excellence, Operational Excellence, Organizational Excellence and Financial Effectiveness.

## Customer Service Excellence

The KPI in the **customer** quadrant focuses on customer satisfaction. In 2014, MPAC piloted a new informational brochure with residential property taxpayers to enhance the property inspection experience and increase levels of overall satisfaction and trust. Results of the pilot:

- A **95%** overall satisfaction rating with the property inspection experience.
- An overall satisfaction rating of **99%** with property inspectors.
- Increased trust in MPAC through the property inspection experience to **60%**.

Feedback from property taxpayers who participated in the pilot will be incorporated as MPAC implements the program province wide in 2015.



# Balanced Scorecard

## Operational Excellence

The **operations** quadrant KPIs answer the question “What do we need to excel at?” Here we measure the reliability and stability of our assessment roll and the property review cycle.

In support of the Assessment Review Board’s commitment to clear the backlog of appeals, **39,580 appeals** were disposed of on over **14,848 properties** in 2014. Pre-2012 Assessment Update appeals have been reduced from **77,000** to **18,860**. For many of these cases, the resolution of the litigation included disposition through to the 2016 property tax year.



## 2014 Milestones



**ADDED \$27.4B IN GROWTH** to the Assessment Roll—more than \$2B over target  
85% of the CVA that was added to the roll was captured within 12 months of occupancy



**85%**  
OF SEVERANCE BACKLOG COMPLETED (2011, 2012, 2013)



**93,169 SALES INVESTIGATIONS COMPLETED**  
More than double those completed in 2013



**COMPLETED 70,869 PROACTIVE PROPERTY REVIEWS**



**PROCESSED 135,542 BUILDING PERMITS**



**COMPLETED SUBDIVISION PLANS**



**COMPLETED CONDOMINIUM PLANS**



**RECEIVED & COMPLETED REQUESTS FOR RECONSIDERATION**

# Balanced Scorecard

## Organizational Excellence

The **people** quadrant focuses on organizational excellence. It is comprised of KPIs that measure how well we are managing and sustaining our workforce, and is reflected in Employee Engagement (EE) and High Performance Organization (HPO) indices.

In 2014, we expanded alternate work arrangements and Workplace 2.0 as part of our commitment to create a fair, healthy and respectful work environment.

- **54%** of employees had alternate work arrangements, which improved service delivery, drove down costs and improved work-life balance.
- Our Thunder Bay, Ottawa and Hamilton offices **converted to Workplace 2.0 standards**, creating modern office workplaces that will attract, retain and encourage employees to work smarter, greener and healthier to better serve Ontarians.
- We achieved **3.6 out of 5** on the HPO index and **4 out of 5** on the EE index.

## Financial Effectiveness

This quadrant examines MPAC's high-level **financial** measures and looks at how efficiently, economically and effectively we manage our financial resources.

MPAC met its target and achieved a two-year total of **\$9.9 million of actualized savings** towards its commitment of \$20 million in savings by 2016, of which \$3.9 million was achieved through strategic initiatives in 2014.



# Financial Highlights

## STATEMENTS OF FINANCIAL POSITION

(in thousands of dollars)

	2014	2013
<b>Assets</b>		
Current assets	42,847	45,344
Non-current assets	70,600	60,681
<b>Total assets</b>	<b>113,447</b>	<b>106,025</b>
<b>Liabilities</b>		
Current liabilities	25,222	24,706
Non-current liabilities	63,728	48,058
<b>Total liabilities</b>	<b>88,950</b>	<b>72,764</b>
<b>Net assets</b>		
Unrestricted funds	2,500	(8,310)
Reserve funds	6,837	27,091
Invested in capital and intangible assets	15,160	14,480
<b>Total net assets</b>	<b>24,497</b>	<b>33,261</b>

## STATEMENT OF OPERATIONS

(in thousands of dollars)

	2014	2013
<b>Revenue</b>		
Municipal	192,373	190,562
Interest	2,274	2,103
Other	14,661	10,356
<b>Total revenue</b>	<b>209,308</b>	<b>203,021</b>
<b>Expenses</b>		
Salaries and wages	120,460	117,116
Benefits	33,880	31,206
Information technology	11,551	10,939
Facilities	10,657	11,043
Legal and supplier services	16,175	12,601
Office and other	10,433	8,706
Amortization	5,258	6,043
<b>Total expenses</b>	<b>208,414</b>	<b>197,654</b>
Excess of revenue over expenses for the year before changes in fair value of investments	894	5,367
Changes in fair value of investments	3,874	(1,099)
<b>Excess of revenue over expenses for the year</b>	<b>4,768</b>	<b>4,268</b>



# Financial Highlights

## STATEMENT OF CHANGES IN NET ASSETS

(in thousands of dollars)

	2014	2013
Net assets - beginning of year	33,261	43,539
Adjustment on transition		(18,896)
<b>Adjusted net assets - beginning of year</b>	<b>33,261</b>	<b>24,643</b>
Excess of revenue over expenses for the year	4,768	4,268
Net actuarial gain (loss) on employee future benefits	(13,532)	4,350
<b>Net assets - end of year</b>	<b>24,497</b>	<b>33,261</b>

## Notes for the Financial Summary: (in thousands of dollars)

It is suggested the financial highlights be reviewed along with the 2014 Audited Financial Statements and the Notes to the Statements, which have received an unqualified opinion from MPAC's external auditors. The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

### Adoption of New Standards for Not-for-profit Organizations

Effective January 1, 2014, the corporation adopted Section 3463, Reporting Future Benefits by Not-for-profit Organizations. The section has been applied retroactively, which resulted in a \$13,710 increase in the employee future benefits liability, an \$836 decrease in the benefits expense, and an \$18,896 decrease in opening net assets for the 2013 comparative year. Actuarial gains of \$4,350 were recognized directly in net assets for the same year.

### Reserve Funds

The Reserve Funds consist of the Board Appropriated Working Fund, Enumeration Reserve and the Reserve for Assessment Update. The Board Appropriated Working Fund balance of \$4,599 is set aside by the Board of Directors of MPAC for contingency purposes to alleviate the need to increase municipal levies on a one-time basis. The Reserve for Enumeration was established to fund the costs associated with the preparation of preliminary lists of electors for each municipality and school board for the 2014 provincial elections and was fully drawn down during the year. The Assessment Update reserve was established to fund the costs associated with the assessment update. The balance of \$2,238 will be drawn down in support of the assessment year in 2016.

# Corporate Social Responsibility

## Building better communities, together.

MPAC employees are committed to building better communities across Ontario. From green buildings and eco-friendly vehicles to fundraising and community involvement, our employees are dedicated to making a positive difference in the communities where we live and work.



### Habitat for Humanity

Since 2013, MPAC employees have raised over \$196,000 for Habitat for Humanity Canada, placing MPAC in the Bronze Level Partnership category for a second straight year. In addition, more than 230 employees have participated in 19 builds to date.

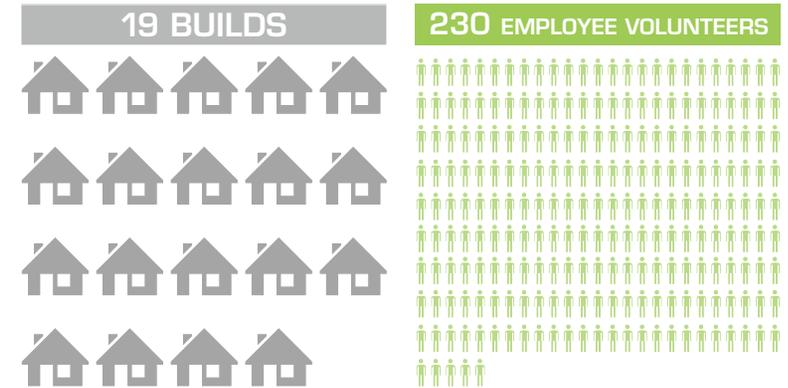
## Community Involvement Committee

MPAC's Community Involvement Committee organizes and engages employees in fundraising events to support local charities across the province. In 2014, employees showed incredible support for various causes including ALS Ice Bucket Challenge, Canadian Cancer Society, Salvation Army and numerous local toy drives and food banks.

## A Look Ahead

2015 marks year three of MPAC's partnership with Habitat for Humanity Canada with plans for additional builds and corporate-sponsored events, including ReStore, site demolition and Super Build opportunities.

## 100% EMPLOYEE-DRIVEN FUNDRAISING



# Environmental Responsibility

At MPAC, our commitment to sustainable business practices is an integral part of building better communities, together.

## Office 2.0 Conversions

As part of our commitment to create fair, healthy and respectful work environments, MPAC continued to implement Workplace 2.0 standards throughout 2014. Our Hamilton, Ottawa, Thunder Bay and Richmond Hill offices continued to transform throughout the year in an effort to save space and associated energy costs.

The adoption of Workplace 2.0 standards resulted in a 24% savings in renovation costs and a 3.2% overall footprint reduction.

## Landfill Diversions

Starting in 2014, MPAC partnered with csr eco solutions, introducing a new decommissioning process. Furniture, equipment and office supplies were redistributed to non-profit organizations, schools and health clinics, diverting 86% of waste from landfill.

## Carbon Footprint Reductions\*

MPAC continues to transform its business processes to improve the organization's environmental responsibility.

- 31% paper reduction
- 12% electricity consumption reduction
- 2% reduction in total greenhouse gas emissions

\*Based on 2013 figures as per MPAC's reporting structure.

## A Look Ahead

In 2015, additional office consolidations will take place in Brantford, St. Catharines and Durham, creating more collaborative work spaces while further reducing the organization's carbon footprint.



MPAC received the Smart Commute Workplace 2014 – Silver designation, recognizing our efforts to provide greener commute options for employees.

Hundreds of employees participated in the Clean Air Commute, 20-Minute Makeover, Waste Reduction Week, Battery Box Recycle and Think Recycle programs, and other events across the province.

# Contact Us

## Customer Contact Centre

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**If you have  
accessibility needs, please  
let our representatives  
know how we can best  
accommodate you.**

## Field Office Locations

### North

Kenora, Dryden, Fort Frances, Thunder Bay,  
Sault Ste. Marie, Timmins, Sudbury, North  
Bay, Bracebridge, Parry Sound

### East

Bancroft, Pembroke, Ottawa, Cornwall,  
Brockville, Kingston, Trenton

### Central North East

Barrie, Peterborough, Oshawa, Richmond Hill

### City of Toronto

Toronto

### Golden Horseshoe

Mississauga, Hamilton

### West

Kitchener, London, Chatham,  
Windsor-Essex, Sarnia, Goderich,  
Owen Sound



### Online

[mpac.ca](http://mpac.ca)

[aboutmyproperty.ca](http://aboutmyproperty.ca)

[propertyline.ca](http://propertyline.ca)

Follow us on Twitter

 [@MPAC\\_Ontario](https://twitter.com/MPAC_Ontario)



YOUR PROPERTY. OUR ASSESSMENT.  
KNOW MORE ABOUT IT.



We're MPAC.

Community is what we share. To us, it means demonstrating leadership, integrity and openness in every facet of our day-to-day business activities. Accepting the responsibilities of shared stewardship and respecting the rights and interests of others.

Building better communities, *Together.*