



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, September 21, 2021
Subject: **2021 Supplementary Taxes and Weighted Assessment Report**

Background:

This report provides an update on the status of supplementary and omitted assessments processed by the Municipal Property Assessment Corporation (MPAC) since the last roll return. Supplementary extracts have been scheduled for the 1st day of each month, May through November. The May through September extracts are expected to produce revenue totals as shown on the attached *Schedule A, Table 1*. Supplementary assessments relate to 2021 while omitted assessments can go back two years covering 2019 and 2020.

Supplementary and omitted assessment values of \$401 million are expected to generate revenue for County purposes of \$1.703 million resulting from the first five supplementary runs. This indicates that we have now surpassed our annual targeted budget amount of \$1.5 million with two additional extracts remaining in 2021. This figure does not take into account the effect of write-offs and other adjustments made during the year.

Notable supplementary and omitted assessment includes:

Puslinch	\$3.1M in new construction commercial for a Powersport Dealership \$8.4M in supplementary residential assessment for 2021
Guelph/Eramosa	\$23M in supplementary residential assessment for 2021
Erin	\$9.7M in supplementary residential assessment for 2021
Centre Wellington	\$2M in new construction commercial for a new Auto Dealership \$63.1M in supplementary residential assessment for 2021
Mapleton	\$1.43M in additional commercial assessment for a major Feed & Supply property \$7.5M in supplementary residential assessment for 2021
Minto	\$8.5M in supplementary residential assessment for 2021
Wellington North	\$10.4M in supplementary residential assessment for 2021

As of September 8, the in-year weighted assessment roll used for tax rate setting purposes has increased by 0.78% as shown in *Schedule A, Table 2*. Staff will continue to work with MPAC to identify and target properties to be added to the roll before year-end.

2021 Reassessment:

A key highlight of the Ontario government's 2021 budget was the announcement that property assessments under the Municipal Property Assessment Corporation (MPAC) will be frozen again in 2022.

Postponing the reassessment means that property assessments for the 2022 taxation year will continue to be based on the same valuation date (January 1, 2016) that was in effect for the 2020 taxation year. MPAC will continue to maintain the assessment roll and ensure that it is updated to reflect changes, such as new construction. The Ministry, in consultation with municipalities and taxpayers, will be discussing potential approaches for the next reassessment. The focus will be on maintaining stability for property owners and municipalities. A new reassessment date has not yet been established.

Postponing the 2021 reassessment means that Wellington County and our member municipalities will not be experiencing the annual phased-in CVA growth on the upcoming assessment and taxation roll such as we have in past years. Basically, the final November in-year weighted assessment growth is what we can expect along with a few minor year-end updates that will only appear effective January 1, 2022.

Building Permits:

Last year MPAC improved Municipal Connect 2.0 to allow for direct uploading of site plans and structural design details through the WorkSight portal. This has enabled property assessors to continue providing timely assessments for municipalities during these unprecedented times when in-person inspections were put on hold due to the COVID-19 pandemic. In addition, MPAC is working together with municipal planners to ensure consideration of important planning factors in the assessment of properties in local communities. MPAC has also been successful in uploading building permit history for each property via the WorkSight enquiry portal. This new tool enables local staff to monitor individual building permits and ascertain reasons for property assessment value changes and/or identify anomalies.

In June of this year, MPAC rolled out their enhanced platform: Municipal Connect 3.0. While County staff continue to familiarize themselves with the new version, some key improvements centre on tools that support Assessment Base Management. These include:

- A powerful search experience, including saving filters & creating watch lists;
- Enhancements to the Property View, providing more at-a-glance information;
- Sortable tables;
- Better control of sensitive data; and
- An appeals console (yet to be released)

Assessment Appeals:

A primary focus of the Assessment Base Management programme is to monitor and actively participate in assessment appeals when deemed necessary. In addition to the aggregate appeals, the following **high** priority appeals based on total assessment at risk are currently active:

Appellant	Municipality
Jefferson Elora Corporation	Centre Wellington
Con-Cast Pipe Inc	Puslinch
FRG-S Holdings Ltd. (Formerly RIOCAN)	Centre Wellington
Russel Metals Inc. Trustee	Puslinch
Cherry Forest Products	Puslinch
Mammoet Crane (Assets) Inc.	Puslinch
Nexans Canada Inc.	Centre Wellington
Collaborative Structures Capital Holdings Limited	Puslinch

As these proceedings continue to progress the County will be submitting Responses to the Statement of Issues (RSOI), requesting property inspections when appropriate, participating in case conferences and hearings should they advance to those stages.

The County will continue to work alongside MTAG Paralegal Professional Corp. and Lerner LLP and participate in any appeals that pose a significant risk to the assessment base and/or present any potential trends for loss in the future.

Recommendation:

That the 2021 Supplementary Taxes and Weighted Assessment Report be received for information.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer