



**INFORMATION REPORT**  
Corporate Services Commission, Financial Services

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July 28, 2017

**CORPORATE SERVICES INFORMATION REPORT – FINANCIAL SERVICES 2017-36**

**TO:** Mayor Tony Van Bynen and Members of Council  
**SUBJECT:** Service Level Agreement (SLA) between MPAC and Ontario Municipalities  
**ORIGIN:** Supervisor, Property Tax & Assessment

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**In accordance with the Procedure By-law, any Member of Council may make a request to the Town Clerk that this Information Report be placed on an upcoming Committee of the Whole agenda for discussion.**

**COMMENTS**

This report has been prepared as an update to Financial Services report 2016-44 dated November 28, 2016 (copy attached).

As you may recall MPAC was instructed by the Ministry of Finance in 2013 to create a Service Level Agreement between them and municipalities for the purpose of aligning service level expectations and measuring those expectations.


Beginning in July 2016, 21 municipalities, including Newmarket, along with the Ministry of Finance entered in to a soft launch of the SLA with MPAC. We have met monthly since then to review the results of the participating municipalities and the effectiveness of the SLA.

As part of this initiative since its inception, while an employee of MPAC and now as a representative of Newmarket, I am pleased to advise you that the soft launch has successfully concluded and the project will be moving into the full implementation stage.

Please see the attached PowerPoint presentation which was received by the team yesterday which provides a summary of why an SLA was created, its purpose, its objectives, as well as details of the province-wide implementation plan.

The Municipal Property Assessment Corporation (MPAC) will be formally announcing the province-wide launch at the AMO conference in August and staff wanted to provide Council with some background information prior to that announcement.

It is our intention to present Council with a full copy of the final document once it has been formally launched and implemented which is expected in late December with an effective date of January 1, 2018.



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## BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions of being well-respected by establishing effective working relationships with our partners and by being an influential contributor to regional and provincial affairs.

## CONSULTATION

There will continue to be ongoing consultation with MPAC, the Ontario Municipal Tax & Revenue Association (OMTRA) and the 21 participating municipalities as the province-wide launch is undertaken.

## HUMAN RESOURCE CONSIDERATIONS

Staffing levels remain the same.

## BUDGET IMPACT

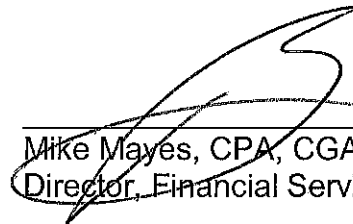
There is no budgetary impact.

## CONTACT

For more information on this report, contact: Grace Marsh at 905-953-5300, ext. 2143 or via e-mail at [gmarsh@newmarket.ca](mailto:gmarsh@newmarket.ca)



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Attachment(s):

- a) Financial Services Report 2016-44 (3 pgs.)
- b) MPAC PowerPoint Presentation July 27, 2017 (21 pages)



CORPORATE SERVICES COMMISSION  
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November 28, 2016

**CORPORATE SERVICES REPORT – FINANCIAL SERVICES – 2016-44**

TO: Mayor Tony Van Bynen and Members of Council  
SUBJECT: Service Level Agreement between MPAC and Ontario Municipalities  
ORIGIN: Supervisor, Property Tax & Assessment

**RECOMMENDATIONS:**

- a) THAT Corporate Services Report-Financial Services report – 2016-44 dated November 28, 2016 regarding a Service Level Agreement (SLA) between the Municipal Property Assessment Corporation (MPAC) and Ontario Municipalities be received and the following recommendations be adopted:
- i. THAT the presentation from Ms. Heather Colquhoun, Regional Manager, and Ms. Natasha Dawood, Account Manager, both with MPAC's Municipal and Stakeholder Relations department, be received, and
  - ii. THAT, the Town of Newmarket continues to participate in the Phase 1 Soft Launch with staff providing feedback to MPAC on a regular basis regarding the SLA, and
  - iii. THAT Council is presented with the final Service Level Agreement at the conclusion of the pilot project, along with periodic updates on the achievement of the expected service levels.

**COMMENTS:**

**Purpose**

To provide Council with the background and the future plans to formalize a two-way service level agreement between MPAC and all Ontario municipalities.

**Budget Impact**

There is no budgetary impact.

## Background

In December of 2013, the Ministry of Finance released the Special Purpose Business Property Assessment Review Report as part of their mandate to identify opportunities to refine Ontario's property tax system in terms of transparency, improvement, municipal engagement and compliance. The report contained over 26 recommendations and this information relates specifically to recommendation #3 of the Accountability section which stated;

***“The Province should direct MPAC to work with municipalities to develop a standard form, two-way service level agreement (SLA) that makes transparent and accessible the accountability frameworks, service parameters, support needs, KPI's and enforcement mechanisms.”***

MPAC put together a team of individuals that included representatives from MPAC, various municipalities and the Ministry of Finance. As an employee with MPAC at the time, the writer was given the opportunity to lead the team with a mandate of identifying the key services that MPAC provides to municipalities, setting the guidelines and dependencies for those services, and conducting focus groups with municipal stakeholders across the Province. The team continued the work, and as a result of my past participation, the Town of Newmarket and I were invited to continue to participate as a municipal representative which we have done to date.

The result of the ongoing work is a 'pilot ready' SLA that identifies 12 key services, within the four broad categories of Property Assessment In-year Maintenance, Property Assessment Roll, Appeals and Two-way Relationship Management, along with a standard service level for each item. Please see the table below:

Property Assessment In-Year Maintenance		
Building Permits	Supplementary and Omitted Assessments	Condominium Plan Info Form (CPIF)
Process 90% within 30 days	Process 85% within one year	Deliver at least 90% within 150 days of registration
Quarterly and Preliminary New Assessment Forecasts	Monthly and Yearly Post-Roll Notices	Tax Applications
Delivered within 30 days of each quarter and calendar year	Deliver within 30 days of each calendar month and year	Complete and return at least 90% within 90 days of receipt
New Assessment Report	Severance/Consolidation Information Form (SCIF)	Vacant Unit Rebate Applications
Delivered within 30 days of each calendar year	Deliver 90% within a calendar year within 150 days of registration	Complete and return 100% within 60 days
Property Assessment Roll	Appeals	Two-way Relationship Management
Assessment Value of Property	Pro-Active Appeals Mgmt	Municipal Inquiries
Accuracy with meet IAAO standards. Year-end Tax file delivered annually.	Work with municipalities to identify/review priority appeals and provide quarterly updates	Acknowledge and resolve municipal inquiries with specified time periods

## Next Steps

Beginning in July 2016, 21 municipalities, including Newmarket, along with the Ministry of Finance are reviewing the effectiveness and usefulness of the SLA. We are providing the municipal perspective to this review, recommending opportunities for improvements, reviewing the ability for all municipalities to meet their expected dependencies and receiving feedback on the service levels provided by MPAC. This work will be used to enhance the final product for Phase 2.

Phase 2 is anticipated to begin in 2017 with a formal launch of the SLA for all municipalities, along with a measurement tool dashboard. This is scheduled to take place at AMO in August 2017.

## BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions by being well-respected by establishing effective working relationships with our partners and by being an influential contributor to regional and provincial affairs.

## HUMAN RESOURCE CONSIDERATIONS

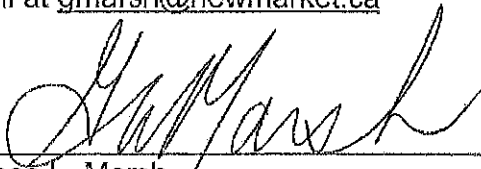
Staffing levels remain the same.

## BUDGET IMPACT

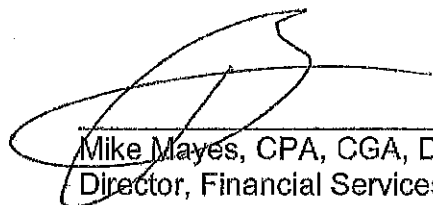
There is no budgetary impact.

## CONTACT

For more information on this report, contact: Grace Marsh at 905-953-5300, ext. 2143 or via e-mail at [gmarsh@newmarket.ca](mailto:gmarsh@newmarket.ca)



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Mike Mayes, CPA, CGA, DPA  
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Esther Armchuk, B.A. M.B.  
Commissioner, Corporate Services

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# Service Level Agreement (SLA)

Soft Launch Close Out Meeting with SLA Working Group  
July 27, 2017

# Today's Discussion

- Why a SLA?
- Purpose of SLA
- SLA Objectives
- Soft Launch (Feedback received, Results and Learnings)
- Provincial Implementation Plan

# Why a Service Level Agreement (SLA)?

2013

## Special Purpose Business Property Assessment Review & Recommendations

Report-back to Minister of Finance and  
Minister of Municipal Affairs and Housing  
Parliamentary Assistant Steven Del Duca



## Accountability Recommendation #3

The Province directed MPAC to work with municipalities to develop a standard form, two-way Service Level Agreement (SLA) that:

- makes transparent and accessible the accountability frameworks;
- has service parameters;
- support needs;
- KPIs; and
- enforcement mechanisms.



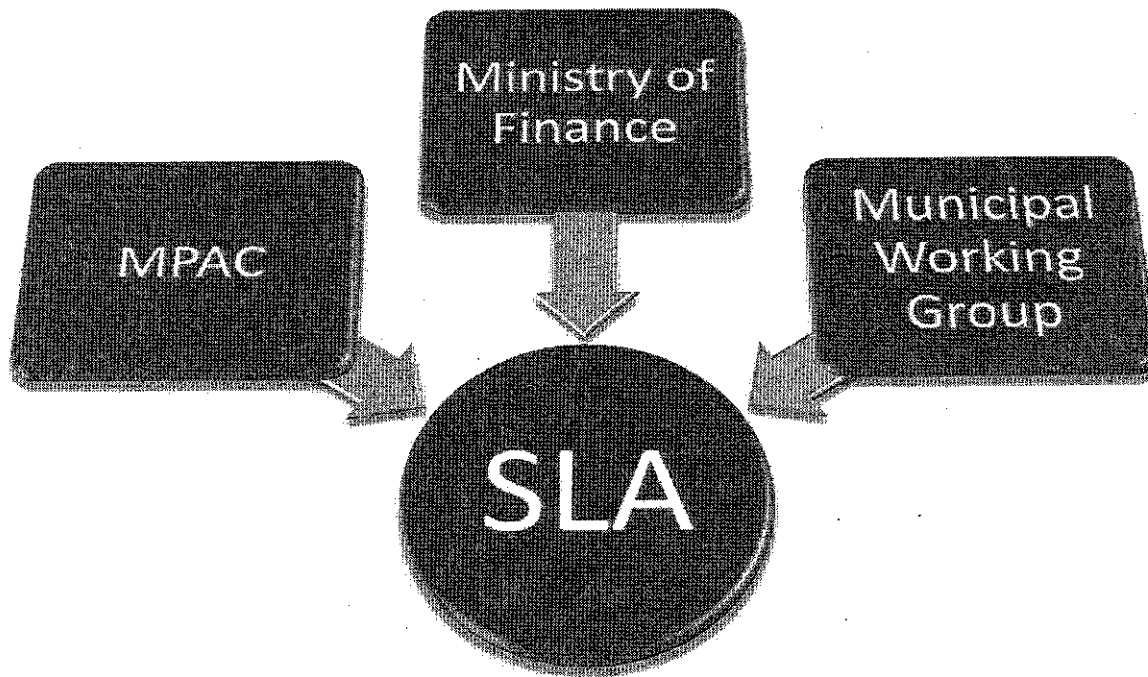
# SLA Purpose

- The SLA was developed in response to the accountability recommendation described in the Special Purpose Business Property Assessment Review
- The SLA will serve as MPAC's pledge to maintain high performance standards for providing services to the municipalities and property owners of Ontario
- To establish service Levels in consultation with municipalities and the Ministry of Finance, and ensure they are fair, meaningful and achievable
- Jointly establish services deemed most important to municipalities, that include performance standards, and municipal dependencies, clearly articulating the roles and responsibilities of all parties to the assessment system

# SLA Objectives

- Align service delivery expectations with improved transparency (two-way relationship)
- Provide consistent service delivery for all municipalities
- Improve accountability by clearly outlining necessary steps to meet service levels (when incomplete)
- Create more opportunities for collaboration to occur with municipalities
- Produce regular reports to measure service levels
- Continue to evaluate program delivery, and optimize service levels to improve efficiency

# Collaboration



- The Ministry of Finance, Municipal Working Group and MPAC have been collaborating to develop the standard Service Level Agreement
- The Municipal Working Group represents municipalities of all sizes
- Feedback received from municipal members have helped guide the development of the Service Level Agreement

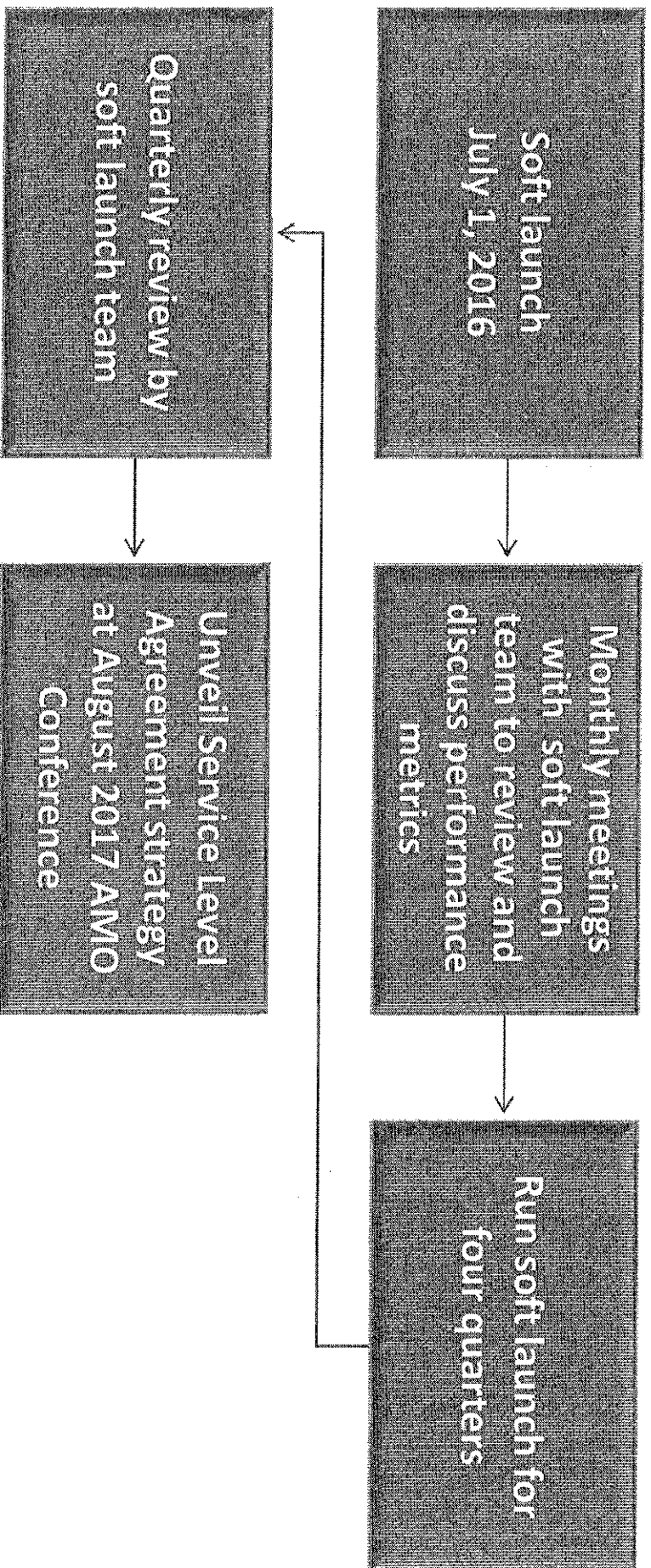
# SLA Soft Launch

# Soft Launch – Municipal Team Members

<p><b>ZONE 1</b>            City of Windsor            City of Sarnia            County of Lambton            Oxford County            Town of Petrolia            Township of Zorra</p>	<p><b>ZONE 2</b>            Peel Region            Halton Region            City of Mississauga            Town of Milton</p>	<p><b>ZONE 3</b>            York Region            Town of Newmarket</p>	<p><b>ZONE 4</b>            City of Toronto</p>
<p><b>ZONE 5</b>            City of Barrie            District of Muskoka            Township of Lake Bays</p>	<p><b>ZONE 6</b>            City of Ottawa</p>	<p><b>ZONE 7</b>            Municipality of Wawa            City of Thunder Bay            City of Greater Sudbury            Atkokan Township</p>	<p><b>PROVINCIAL</b>            Ministry of Finance</p>



# Soft Launch – Implementation



# Soft Launch - Municipal Feedback

## New Assessment Forecast

Municipal needs are sophisticated and require a more fulsome calculation of growth, i.e., net growth

### Response

ABM techniques are expected to address this municipal need

## Tax Applications

Improve formula for calculating performance

### Response

This SL will be amended based on municipal feedback

## Vacant Unit Rebate Applications

Improve formula for calculating performance

### Response

This SL will be amended based on municipal feedback

## Urgent Enquiries

Performance and accounting

### Response

This SL will be amended based on municipal feedback

Impending systems upgrades will address the reporting requirements of these services

# Soft Launch – Overall Insight (informing implementation plan)

## Accuracy of Assessment

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- This service is required to be reported out every 4 years, following an assessment update, and was tested during the soft launch with the participating municipalities
- The standards were not met in all cases, but upon further investigation and analysis, valid reasons were identified to support the results and MPAC's valuation accuracy
- Due to the technical characteristics inherent with this service it was necessary to collaborate across departments to ensure that the performance measures were understood and communication materials were prepared with clarity and in plain language



# Soft Launch – Overall Insight (informing implementation plan)

## Timeliness of Processing Building Permit Notifications

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- This service requires MPAC to add municipal building permits to its permit tracking system, within 30 days of receipt
- At the onset of the soft launch, effective tools were not available to accurately track and monitor this service
- Systems improvements were made in the first 60 days of soft launch, to allow for the tracking and monitoring of this service. These systems improvements resulted in:
  - Significant performance improvements;
  - Increased ability to manage and measure performance;
  - Increased transparency and accountability; and
  - Process efficiencies.

# Soft Launch – Overall Insight (informing implementation plan)

## Processing of Supplementary and Omitted Assessments

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- This service requires MPAC to process 85% of eligible supplementary and omitted assessment changes within 1 year of occupancy (new assessment)
- MPAC's processing of new assessment exceeds standards in the residential property category, however, the non-residential categories are not consistently meeting standards
- End to end reporting capabilities do not currently exist. While timeliness is important to municipalities, the status of outstanding permits is also of interest, particularly those permits on higher profile properties. This leads to numerous municipal enquiries, and concerns that not all priority permits were captured

# Soft Launch – Overall Insight (informing implementation plan)

## Timeliness of Delivering Severances/Consolidations Information Form

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- These services require that MPAC deliver registered land severance and consolidation information to municipalities within 150 days following registration, 90% of the time. Or within 1 year, 100% of the time
- Monitoring performance regularly ensures performance disruptions are escalated to the decision makers, and that the proper allocation of resources are in place to achieve service levels
- Tracking performance of these services is very onerous, due to inadequate tracking and monitoring tools

# Soft Launch – Overall Insight (informing implementation plan)

## Proactive Appeals Management

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- This service requires MPAC to work collaboratively with municipalities to identify and review priority assessment appeals, and provide quarterly updates
- The recent changes to the Assessment Review Board's (ARB) rules of practice and procedures were not contemplated when the SLA was being developed, so this service was not performed during the soft launch. Given that the new ARB rules have not yet been implemented, additional time will be necessary to determine the application of this service, within the purview of the new ARB rules

# Soft Launch – Overall Insight (informing implementation plan)

## General Findings

- Performance improvements were realized by the business units as familiarity and awareness of the SLA increased
- Full-cycle reporting functionality and user access to detailed reports enables proactive monitoring of service levels
- Current tools available to measure performance are inadequate and have led to municipal questions/concerns regarding the accuracy of the reports

# SLA Implementation Plan

- Commence implementation of the revised SLA provincially (December 2017)
- Align implementation to coincide with the corresponding service level reporting periods specified in the agreement; this allows for the staged implementation of the 14 standard service levels (i.e., monthly, quarterly, semi-annually, annually and every 4 years)
- With the exception of the service that requires MPAC to provide a year-end tax file, which will be delivered province-wide as of December, 2017, all other performance measurement periods will commence January 1, 2018 (i.e., performance will not be measured nor reported on, prior to January 1, 2018)

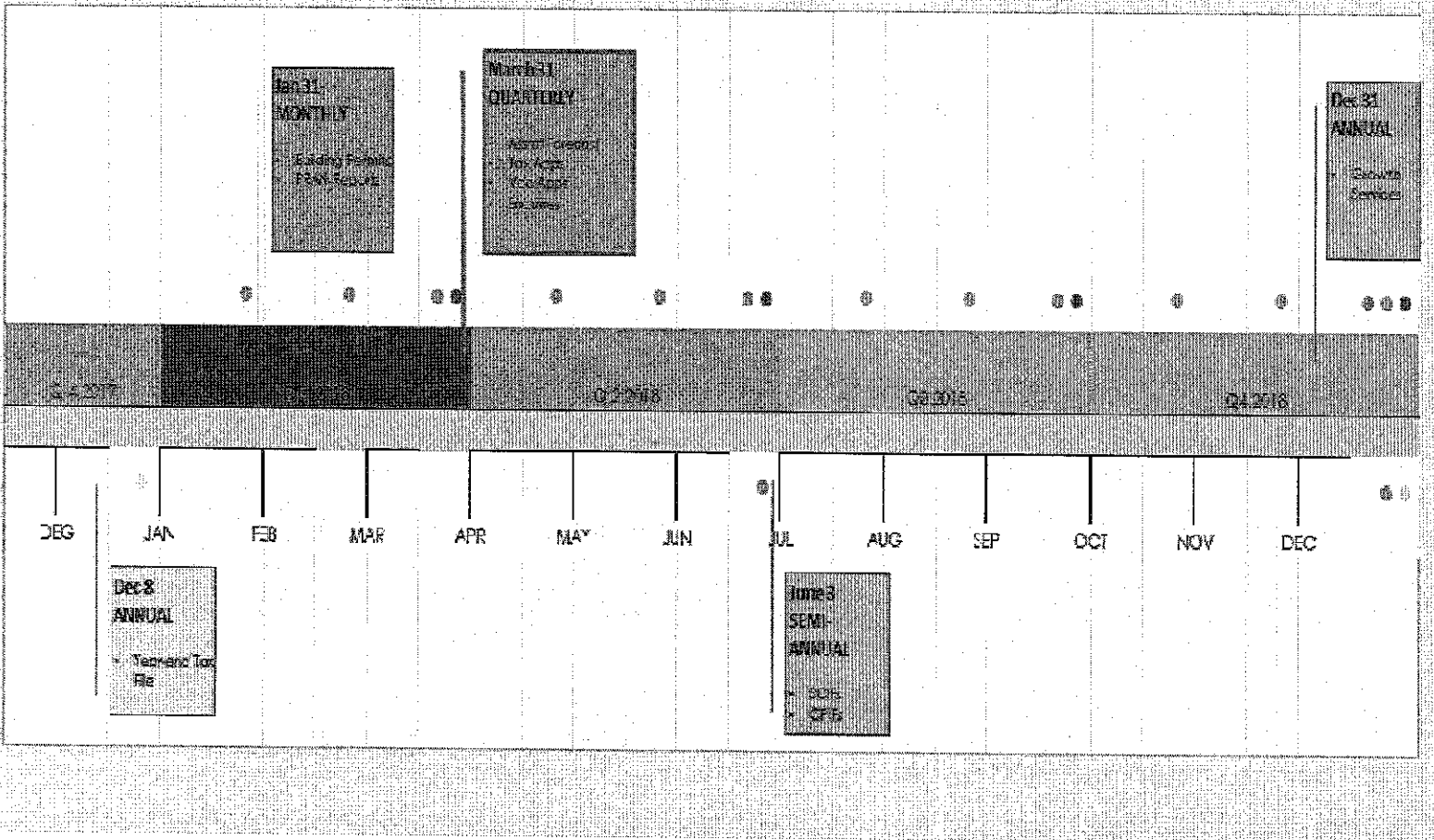
**SLA**

**Implementation Plan/Timeline**



# SLA Implementation Timeline

## SLA Implementation Timeline



Year-end Tax File	Annual	Dec-17
Building Permits	Monthly	Jan-18
PRANs	Monthly	Jan-18
Assmt Forecast	Quarterly	Mar-18
Tax Apps	Quarterly	Mar-18
Vac Apps	Quarterly	Mar-18
Enquiries	Quarterly	Mar-18
SCIFs	Semi-Annually	Jun-18
CPIFs	Semi-Annually	Jun-18
Growth	Annual	Dec-18
Growth	Annual	Dec-18
Accuracy of Assmt	Post Assessment Update	Dec-20



# SLA Implementation Plan - Rationale

- Aligns with 2018 Assessment Roll Delivery
- A performance reporting commencement date of January 1, 2018, aligns with the specified reporting periods in the SLA
- As well, a staged approach in performance reporting allows IT to develop and integrate the systems solutions needed to support the business needs
- Staged approach also allows municipalities new to the SLA to become more familiar with the services and municipal dependencies
- Significant performance improvements were observed, during the pilot, when effective reporting tools were available

# SLA Timeline: Lead up to Provincial Launch

July

- Develop Implementation and Communications Plan
- Close out meeting with soft launch municipalities
- SLA Amendments
- Prepare information and materials for SLA announcement at AMO

August

- **Association of Municipalities of Ontario Conference (August 13-16)**

September

- Repurpose SLA information tool kits
- Repurpose SLA Q&A documents
- Commence to educate and build awareness, as per implementation and communications plan

October

Raise internal and external awareness, as per implementation and communications plan

November

Raise internal and external awareness, as per implementation and communications plan

December

- **Year-End Tax Files are delivered to all municipalities (Provincial Launch)**

# Questions?