

A reckless plan

How Ontario municipalities and ratepayers
lose out in the restructuring of the
Municipal Property Assessment Corporation

Ontario Public Service Employees Union
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On May 24, 2001, Ontario's Municipal Property Assessment Corporation announced a plan to restructure every aspect of its operations. This corporate change project is called "Futures."

In the last 18 months, MPAC has chopped hundreds of local assessment staff.

"Futures" will not give municipalities what they want

Fewer staff are tracking more properties over larger areas. Municipalities and ratepayers face reduced access to local assessment specialists.

Hundreds more employees will lose their jobs at the end of December 2002.

MPAC says Futures will cut costs, improve service, and provide better, more up-to-date assessments. Under Futures, MPAC will re-assess Ontario's 4.1 million properties every year, instead of every four years. This will be accomplished, MPAC says, with just 1,100 front-line staff, down from over 2,100.

Front-line employees of MPAC, some with decades of experience in the field, have watched the rollout of Futures with horror. They've seen the impact on families as co-workers lose their jobs. They've seen the impact on a public service they care about.

They've watched MPAC tear apart a straightforward system that put highly skilled professionals in close contact with municipalities and ratepayers. They've watched MPAC create a tangled mess that cuts municipalities off from the assessment staff that they need to reach.

Local relationships destroyed

In a survey conducted in 2000, municipalities told MPAC they wanted a single point of contact for resolving assessment issues. They said they wanted to deal with MPAC staff that had intimate local knowledge of their municipality. They said they wanted to know the MPAC staff member they were dealing with personally.

Futures will not give municipalities what they want.

Property assessors who want to speak to municipal officials about issues as they come up have been ordered not to speak to them. All contact must now go through MPAC's "Municipal Relations Representatives." These employees will be hard-pressed to give municipalities answers about local assessments – for the simple reason that they won't be doing them.

Almost all local offices are seeing significant staff reductions. Cornwall will drop from 27 staff to 16; Guelph, from 25 to 17; Hamilton, from 53 to 35. Northwestern Ontario will drop from 51 staff to 35 as work heads south.

Customers who manage to connect with a local office will find that the local assessment clerks who once guided customers to information are all gone. The mappers who once provided direct service to municipalities and local assessors will be gone by the end of 2002.

Local offices have assessors, but the one you need to talk to may not work in your community. The individual in charge of a particular tax class may live and work 200 kilometers away – or more. For example, the MPAC staffer in charge of a tax class for Sudbury may live in Pembroke. He or she is less likely to be familiar with local issues in Sudbury.

Staff cuts hurt quality

Deep staff cuts may reduce the overall cost of MPAC, but it's at the cost of quality service. With far fewer staff to answer phones and questions, more municipalities and ratepayers will end up in "voice mail jail." With far fewer staff to collect data about markets, MPAC's assessments must, over time, become less accurate.

Property valuation is all about the *specific* and *local* details that make one property different from another. How extensive are those recent renovations, really? Does that living room window overlook a lake, or a parking lot? Is this part of the neighbourhood going up in value, or down? What changes in the economy affect the value of that industrial property? Why are parts of that strip mall vacant?

There's only one way to answer these questions – through visual inspection by a knowledgeable assessor. Previously at MPAC, college- or university-trained assessors collected this kind of data. Assessors would analyze sales in detail and do in-depth, in-person interviews with buyers and sellers. In contrast, this year, MPAC used untrained summer students to collect sales information over the telephone.

No realtor would set the asking price of a property without seeing it first. Under Futures, MPAC will assess almost all properties without seeing them *at all*. Job cuts will wipe out close to 75 per cent of the staff who inspect properties. Hard information about real transactions will be replaced by a computer model.

Models may work in new developments where several houses are similar, but in most areas, and all areas where few sales are taking place,

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visual inspection is the only way to value a property. In areas where few properties are selling, MPAC's computer model will have too little information to be accurate at all. Entire assessment areas or tax classes could be wrongly assessed.

Expertise thrown away

The Futures program has already thrown away the expertise of hundreds of trained professionals, each with years of experience in property assessment, economics, law, and customer service. From over 2,100 front-line employees, MPAC had shrunk by one-third – to 1,353 – by March 2002. Futures eliminated the jobs of 90 per cent of employees, who were then forced to apply for new jobs with MPAC. Scores of contract employees were laid off *by e-mail*. In the midst of this turmoil, an internal MPAC document revealed in June that the property inspection function was 102 people short!

Futures has demolished employee morale. It will take years to recover the dedication and commitment that helped staff keep on delivering quality assessment service in the already-turbulent years before Futures was announced.

A time for action

MPAC's web site boasts about the accuracy of its last complete assessment, based on June 1999 property values. This assessment was conducted *before* the Futures program appeared. Experienced staff, aided by about 500 new hires, successfully guided MPAC through the transition from the Ministry of Finance to the new corporation and from the old assessment system to Current Value Assessment. MPAC's 2001 annual report makes clear the source of its success: "There is no question that MPAC's success is a direct reflection of the skills and professionalism of its staff."

The Futures program has tossed those skills and that professionalism on the rubbish heap. Today's downsized, demoralized organization is no longer equipped to maintain the quality of work that municipalities and ratepayers have seen in the last five years. At a time when customers everywhere want made-to-measure service, Futures offers a one-size-fits-all approach.

In 2001, over 100 Ontario municipalities passed resolutions opposing Futures. Councilors thought then that the Futures plan was a bad idea. They were right.

Quality assessment can only be built on a foundation of respect for those who make the system work. Yet MPAC's front-line staff have been shut out. Bob Richards, MPAC's \$292,000-a-year CEO, has barreled ahead over the objections of his employees; the MPAC Board has ignored

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employees' pleas to talk about what's happening. It's time now for municipalities to take action.

Municipal councilors, staff, and ratepayers are the real owners of MPAC. It's time for them to send MPAC back to the drawing board to create a workable plan that gives municipalities full access to trained professionals with intimate knowledge of their local communities.

MPAC managers and Directors are well aware of the criticisms of Futures, but neither group has taken the initiative to repair the damage or restore the organization's capacity to provide quality service. The Ontario Public Service Employees Union is calling on municipalities and ratepayers to take their concerns to Janet Ecker, Ontario's Minister of Finance. The Minister appoints all members of the MPAC Board; the Minister is ultimately responsible for its performance. It's time the Minister stepped in to clean up the mess called Futures. Contact Ms. Ecker as follows:

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