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March 15, 2006

His Worship Mayor Sam Katz
and Members of Executive Policy Committee
The City of Winnipeg
510 Main Street
Winnipeg, MB

Dear Mayor Katz and Members of Executive Policy Committee:

Re: **Item No. 4 – City of Winnipeg Board of Revision**
File AA
Executive Policy Committee Regular Meeting – March 15, 2006

I am writing again **in opposition** to the two Administrative Recommendations contained in the Report submitted by the City Clerk dated February 20, 2006:

1. That City Council approve a change in practice and procedure that requires the Board of Revision to provide written reasons on request for its decisions, prior to the end of the Board of Revision appeal period.

2. That City Council approve a change in practice and procedure that requires written submissions for appeals by commercial properties by all parties, at least 14 days prior to a scheduled commercial hearing, and that this information be exchanged between parties.

These recommendations are identical to those contained in the City Clerks' previous report dated April 30, 2004, which was submitted to EPC on April 13, 2005 and then referred back to the City Clerk. The 2004 report also contained a recommendation that the Board of Revision be allowed to charge taxpayers a fee for filing an assessment appeal, but fortunately that recommendation has not been resurrected here. The deletion of the filing fee proposal is the only change from the previous report from the City Clerk.

The 2004 report, dealing only with the Board of Revision, was prepared in response to the decision of Executive Policy Committee on September 24, 2002, receiving as information the Assessment Task Force Final Report (September 16, 2002) and referring same to the Administration "for review and comment back."

As before, I respectfully request that EPC reject these two recommendations.

The **Assessment Task Force Final Report (2002)** contained the following recommendations at page 7:

B.2 Transparency

The *Task Force* has observed that, unlike other similar appeal panels, the Board of Revision does not provide reasons for its decisions. This has resulted in many appeals being carried forward, at considerable cost, to the Municipal Board level.

The *Task Force* recommends that:

1) The Board of Revision provide reasons for its decisions either verbally at the hearing or in writing prior to the end of the Board of Revision appeal period.

2) Provincial legislation be amended to require written submissions by all parties, at least 14 days prior to a scheduled commercial appeal hearing, and that this information be exchanged between the parties.

The Task Force said at p. 32:

> Transparency
>
> The Board of Revision process should be **more transparent**. To accomplish this objective, **the *Task Force* recommends full disclosure of all information by both parties at least 14 days prior to the commercial appeal**.....
>
> The Board of Revision should also be required to justify all decisions. The Board of Revision does not presently give reasons for its decisions. The current notification simply indicates what assessed value that has been arrived at without any explanation. This lack of reasons leads to appeals to the Municipal Boards since neither party understands how the value was arrived at by the Board. **The *Task Force* recommends that it become mandatory for the Board of Revision to provide reasons for its decisions either verbally at the hearing or failing that, in writing prior to the end of the legislative appeal timeframe being recommended by this *Task Force*.**

The City of Winnipeg Audit Department also suggested at p. 118 of its November 2001 Audit of the Property Assessment Function that the Board of Revision should give reasons, orally and in writing on request:

> "While the issuance of reason would add time to the process, we believe that it would also add value.....We also believe that written decisions may lead to a reduction in appeals to the Municipal Board."

On pages 4-5 of the present Report of the City Clerk, it is suggested that:

> "....providing reasons will likely result in improved customer satisfaction. Currently, appellants may appeal the same property repeatedly for several years in a row. The lack of a reason for why a previous appeal was rejected may factor into this repetitive action. Providing a reason for a decision will help the customer understand the decision, and help them determine if it is worthwhile to pursue further appeals. This process does have some advantages, which include uniformity and control. Different panels will hear properties with similar characteristics and the decisions must be of the same nature. The Manager of Appeals and the Chairperson of the Board of Revision would have to review all decisions to provide consistency....."

My comments regarding written decisions:

a) In the first place, if the members of the senior management of the Assessment Department want to understand how the Board of Revision is arriving at assessed values, they should simply come to some hearings for a change, read the written briefs, and listen to the presentations, cross-examinations, and especially the questions posed by members of the Board panels. The hearing process is completely public and quite "transparent" if you bother to come and see and hear it. On the other hand, if there is now a desire to make the decision process "transparent," then there is no reason why the City of Winnipeg Board of Revision panels cannot discuss and determine their decisions in public too, as most municipal councils outside of Winnipeg and Brandon do when they sit as Boards of Revision.

   But I would not recommend that.

b) Secondly, there is no reason to believe that the provision of written reasons, "prior to the end of the Board of Revision appeal period," will have any effect on the number of appeals to the Municipal Board. If either the taxpayer, or the Assessor, or both, feel strongly that the Board's decision is in error, they will appeal anyway, as they do now. In any case, since appeals must be filed with the Municipal Board within 21 days of the Board of Revision decision, written reasons issued later as suggested will certainly have no effect on the decision to appeal to the Municipal Board, which has to be made relatively quickly.

c) More importantly, those recommending that the Board of Revision be required to give written reasons seem to have no appreciation of how much that would extend the time and increase the Board resources required to hear and adjudicate on all initial appeals.

In order to provide written reasons, which would generally be requested, each Board panel would have to engage in a long, drawn-out process of writing and revising the panel's decisions, which now take Municipal Board panels an average of about five months, and sometimes more than a full year. If Board of Revision panels have to spend at least as much time writing decisions as they do hearing appeals, then the annual appeal process will simply take longer and/or require many more Board members and clerks.

The City Clerk's suggestion that the Manager of Appeals and the Chairperson of the Board of Revision "would have to review all decisions to provide consistency," was NOT recommended by any of the other Reports. Is the City Clerk suggesting that panel decisions be changed or determined later by persons (the Manager of Appeals and the Chairperson) who were not at the hearing and who did not hear the evidence or argument? Such a decision-making procedure would certainly not be "transparent."

d) The present policy and practice of the Board of Revision, which is to ensure that all annual realty assessment appeals are heard and decided before City Council and the school divisions determine their annual tax rates, does achieve the two key objectives:

   1. The risk of taxing assessments which are later found to be too high is reduced significantly. (Remember that the Audit Department found that only about 8% of the property assessments appealed to the Board of Revision during 1998-2001 were changed later by the Municipal Board – page 94.)

   2. Taxpayers all have the opportunity to obtain initial explanations and adjudications of their assessments before they are taxed.

e) It would not be in the interest of either the City or the taxpayers to stretch out the appeal process and risk failing to obtain at least initial adjudication of all appeals before the tax rates are set in the spring.

f) Nevertheless, it would be helpful in some cases if the Board of Revision were allowed (but not required) to give written reasons, particularly where an allocation of assessment and taxes between parties will be needed.

g) Executive Policy Committee should reject the proposal to require that the Board of Revision provide written reasons for its decisions.

My comments regarding the exchange of written submissions 14 days before commercial property appeal hearings:

a) The Audit Department DID NOT make such a recommendation.

b) On page 5 of the present Report of the City Clerk, it is stated that:

"The Board of Revision does not currently require a full exchange of information from both parties involved in an appeal prior to the hearing. Frequently, an assessor is presented with a large brief of information at the hearing and has no opportunity for review and analysis. It is recommended that the Board of Revision require written submissions by all parties, at least 14 days prior to a scheduled hearing, and that this information be provided to both parties. Written submissions would assist board panels in terms of making decisions, and would eliminate appeals by encouraging communication and resolution."

c) It would certainly be helpful for both the assessor and the taxpayer to know the position and evidence of the other party in advance of the hearing, for any kind of property. It is true that taxpayers often present large amounts of documentary evidence at hearings for commercial property assessments. It is also true that frequently the Assessor can't or won't provide an explanation of how an assessment was prepared prior to the hearing. In the case of residential assessments, the Assessor **never** provides an explanation of how the particular assessment was actually prepared. (The Assessor just provides some comparison sales.)

Note that pursuant to section 16 of *The Municipal Assessment Act*, the Assessor should have obtained whatever information he required to prepare the assessment of the property, before the closing of the assessment roll, and long before the appeal hearing. On the other hand, the taxpayer cannot necessarily count on finding out what the Assessor's information and position is until the hearing. Under present legislation, the Assessor must at least provide 10 days notice if he or she intends to seek an increase in the assessment appealed by the taxpayer.

d) The Board of Revision could adopt a formal procedure for exchanging briefs in advance of a hearing, for compelling the production of documents, and for permitting the filing of rebuttal evidence, in the same manner as the Municipal Board now does during a three-week period. This would be a fairer procedure than the present "discovery" process which often occurs at the initial Board of Revision hearing.

e) However, adopting such a formal procedure would undoubtedly lead to a much longer appeal hearing period, which would be completely at cross-purposes with the critical objective of having all initial appeals heard before the new assessments are taxed.

f) It should be noted that both parties typically present written submissions at the hearings of commercial appeals now. The panels already have such submissions to assist them in making their decisions, following the hearing. Furthermore, all documents submitted at hearings become part of the files and the public record, and are available for review by anyone who really cares to know what happened.

g) Note that while the Mayor's Red Tape Commission did recommend that the Board of Revision be required to provide written decisions on request, the Commission DID NOT recommend requiring that parties exchange written submissions in advance of the hearing.

h) Executive Policy Committee should support the present practice of the Board of Revision, ensuring that all initial appeals are heard before tax rates are set, and reject the proposal to require that written submissions be exchanged at least 14 days before the hearing of an appeal of a commercial property assessment.

Does the Board of Revision wish to establish new rules of practice and procedure?

Having already recommended that City Council "approve a change in practice and procedure" requiring the Board of Revision to provide written reasons, and requiring the exchange of written submissions in advance of hearings of commercial appeals, the Report of the City Clerk's Department then notes on page 5 that:

> "Section 36(2) of the Municipal Assessment Act clearly states that **the Board of Revision may determine its own rules of practice and procedure to govern the conduct of the business of the Board.** If the Board of Revision wishes to establish rules of practice and procedure for appeals, these rules pursuant to Section 36(2) of the Municipal Assessment Act would have to be approved by City Council in order for those rules to come into force...."

Has the Board of Revision now determined "the rules of practice and procedure to govern the conduct of business before the board?"

If not, why is the City Clerk repeatedly asking that City Council "approve a change in practice and procedure" which has never been requested by the Board of Revision?

Would it not be much more appropriate, and consistent with the statute, for City Council to ask the Board of Revision to determine its own rules of practice and procedure now, and submit them for approval by City Council?

Better still, why not admit that the practice and procedure of the Board of Revision is not "the problem" anyway?

I note, with some astonishment, that when the Mayor and Chief Administrative Officer wrote to departments a year ago, to ask them to offer suggestions to the Red Tape Commission, the Assessment Department's reply was to note that "these reviews had already heard their ideas on red tape reduction." (p. 41)

Appeals are filed whenever assessment valuations are perceived to be unfair, or unexplained, or incomprehensible, or indefensible. That is the real problem which has been identified by every report on the subject, and that is the real problem which still needs to be addressed.

Thank you.

Yours truly,

DELOITTE & TOUCHE LLP



David M. Sanders MA LLB
Senior Manager
Property Tax Services

DMS/bm

REPORTS

Item No. 4 **City of Winnipeg Board of Revision**
File AA

ADMINISTRATIVE RECOMMENDATION:

1. That City Council approve a change in practice and procedure that requires the Board of Revision to provide written reasons on request for its decisions, prior to the end of the Board of Revision appeal period.

2. That City Council approve a change in practice and procedure that requires written submissions for appeals by commercial properties by all parties, at least 14 days prior to a scheduled commercial hearing, and that this information be exchanged between parties.

Report

Re: City of Winnipeg Board Of Revision

For Submission To: Executive Policy Committee

Original Report Signed By: R. Kachur, City Clerk

Report date: February 20, 2006

Recommendation(s):

1. That City Council approve a change in practice and procedure that requires the Board of Revision to provide written reasons on request for its decisions, prior to the end of the Board of Revision appeal period.

2. That City Council approve a change in practice and procedure that requires written submissions for appeals by commercial properties by all parties, at least 14 days prior to a scheduled commercial hearing, and that this information be exchanged between parties.

Report Summary

Key Issues:

The Assessment Task Force, established by the Executive Policy Committee on December 05, 2001, prepared a report recommending a number of changes for the Board of Revision.

Implications of the Recommendation(s):

General Implications

- ☐ None
- ☐ For the organization overall and/or for other departments
- **X** For the community and/or organizations external to the City of Winnipeg
- ☐ Involves a multi-year contract

Comment:

Policy Implications

☐ No

X Yes

Comment: While the recommendation of this report does not, by itself, have policy implications, should there be direction provided to move ahead and implement some or all of the specific recommendations responded to within this report, the implementation of these recommendations will have policy implications.

Environmental Implications

X No

☐ Yes

Comment:

Human Resource Implications

X No

☐ Yes

Comment:

Financial Implications

X Within approved current and/or capital budget

☐ Current and/or capital budget adjustment required

Report

Reason for the report:

At its meeting of December 05, 2001, the Executive Policy Committee convened an Assessment Task Force comprised of Councillor O'Shaughnessy, Martin Hak, Sandy Shindleman and Lorne Weiss which prepared a report dated September 16, 2002 recommending a number of changes for the Board of Revision.

History & Discussion:

The Board of Revision is an independent tribunal established to hear applications for revision (commonly referred to as "appeals") respecting assessment issues on liability and quantum in a fair, efficient and judicious manner with consideration given to the City of Winnipeg's fiscal time frame. Members of the Board of Revision for the City of Winnipeg are appointed by City Council. The Board of Revision reports to the City Clerk's Department.

Property owners who disagree with the assessed value attributed to their property by the Property Assessment Department are entitled to apply for revision of the assessment roll with respect to the amount of an assessed value. The Board of Revision is also empowered to hear applications for revision with respect to liability to taxation, classification of property or the refusal by an assessor to amend the assessment roll in such particular circumstances as are described in the Act. Historically the Board will hear an average of 11,000 appeals during a reassessment period, which results in over 500 sittings.

Where an applicant fails to attend a scheduled sitting of the Board of Revision, the Board may dismiss the application without a hearing in the absence of the applicant. There is no fee associated with filing an application for revision and the Board does not have jurisdiction to award costs.

The Assessment Task Force, comprised of Councillor O'Shaughnessy, Martin Hak, Sandy Shindleman and Lorne Weiss, prepared a report dated September 16, 2002 recommending a number of changes for the Board of Revision. The City Clerk's Department has reviewed the report and responds with the following:

1 Written Reasons for Decision on Request

The Board of Revision issues written decisions but does not provide reasons for these decisions. Written reasons should be provided on request prior to the end of the Board of Revision appeal period. The current notification simply indicates what assessed value has been arrived at without any explanation. Providing written reasons along with decisions will likely have an impact on the quality and consistency of decisions.

As well, providing reasons will likely result in improved customer satisfaction. Currently, appellants may appeal the same property repeatedly for several years in a row. The lack of a reason for why a previous appeal was rejected may factor into this repetitive action. Providing a reason for a decision will help the customer understand the decision, and help them determine if it is worthwhile to pursue further appeals. This process does have some advantages, which

include uniformity and control. Different panels will hear properties with similar characteristics and the decisions must be of the same nature.
The Manager of Appeals and the Chairperson of the Board of Revision would have to review all decisions to provide consistency. The Manager and panels would require further education and training to ensure this process could be done in a professional, consistent basis.

Currently the cities of Calgary, Edmonton and Saskatoon all provide an explanation through written decisions in their appeal process (see Schedule 1).

2 Written Submissions for Commercial Properties

The Board of Revision does not currently require a full exchange of information from both parties involved in an appeal prior to the hearing. Frequently, an assessor is presented with a large brief of information at the hearing and has no opportunity for review and analysis. It is recommended that the Board of Revision require written submissions by all parties, at least 14 days prior to a scheduled hearing, and that this information be provided to both parties. Written submissions would assist board panels in terms of making decisions, and would eliminate appeals by encouraging communication and resolution.

Section 36(2) of the Municipal Assessment Act clearly states that the Board of Revision may determine its own rules of practice and procedure to govern the conduct of the business of the Board. If the Board of Revision wishes to establish rules of practice and procedure for appeals, these rules pursuant to Section 36(2) of the Municipal Assessment Act would have to be approved by City Council in order for those rules to come into force (see Schedule 2). Currently the cities of Calgary, Edmonton and Saskatoon all require exchange of information prior to a hearing (see Schedule 1). If approved by Council, The Board of Revision Administration would develop standard guidelines for applicants in regard to what is required for written submissions.

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH, AND CONCURRENCE BY:

- Corporate Finance
- Corporate Services – Legal Services
- Property Assessment
- Audit

THIS REPORT SUBMITTED BY:
The City Clerk's Department

Financial Impact Statement:

Project Name: Board of Revision
Date: February 20, 2006 First Year of Program: 2006

	0	1	2	3	4
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -				$ -
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -
Additional Comments:					

Marc Lemoine

Department Controller

Schedule 1 - Written Reason for Decisions – Survey of other Canadian Municipalities

	Vancouver	Calgary	Edmonton	Saskatoon	Regina	Winnipeg	Toronto
Organization	Property Assessment Review Board	Assessment Review Board	Assessment Review Board	Board of Revision	Regional Assessment Appeal Board	Board of Revision	Assessment Review Board
# of board members	12	28	15	11	12	33	Fluctuates
Members per sitting	3	3	1 or 3	3	3	3	1 or 2
Rate of pay	Members - $ 62.50 per half day Panel Chair - $80 per half day	Members - $225 per day Panel Chair - $260 per day	Members - $100 per half day Panel Chair - $124 per half day	All Members - $125 per day Panel Chair - $1500 annual honorarium Board Chair - $3000 annual honorarium	Members - $100 per half day Panel Chair - $125 per half day	All members - $50 per 2 hrs Chair - $75 per 2 hr Board Chair - $1250.00 bi-weekly	All members - $34 per hour Chair and (4) vice chairs on salary
Avg appeals filed following reassessment	1,500	9,000	8,000	1,000	1,000	11,000	24,000
Decisions	Written decision with explanation	Written decision with explanation	Written decision with explanation	Written decision with explanation	Written decision with explanation	Written decision with no explanation	Written decision upon request
Filing Fee	None	$20 - residential $50 - commercial	$30 - residential $47 - commercial	$30 – residential $500 - commercial	$50 – residential graduated - commercial	none	$50 – residential $125 - commercial
Training	Training provided on CD	2 days - administrative justice 1 day – Municipal affairs training	6 days – professional development	In-house	In-house	In-house	Training manuals
Require written submissions	No rationale required	Exchange of written material 21 days prior	An issue statement from the complainant is due 21 days before the hearing	All parties who intend to make use of any written materials must file copies with the secretary of the board at least 10 days prior	Written information supporting the basis of the decision	No rationale required	Oral decisions and in some cases written decisions

Schedule 2
Written reasons for Decisions

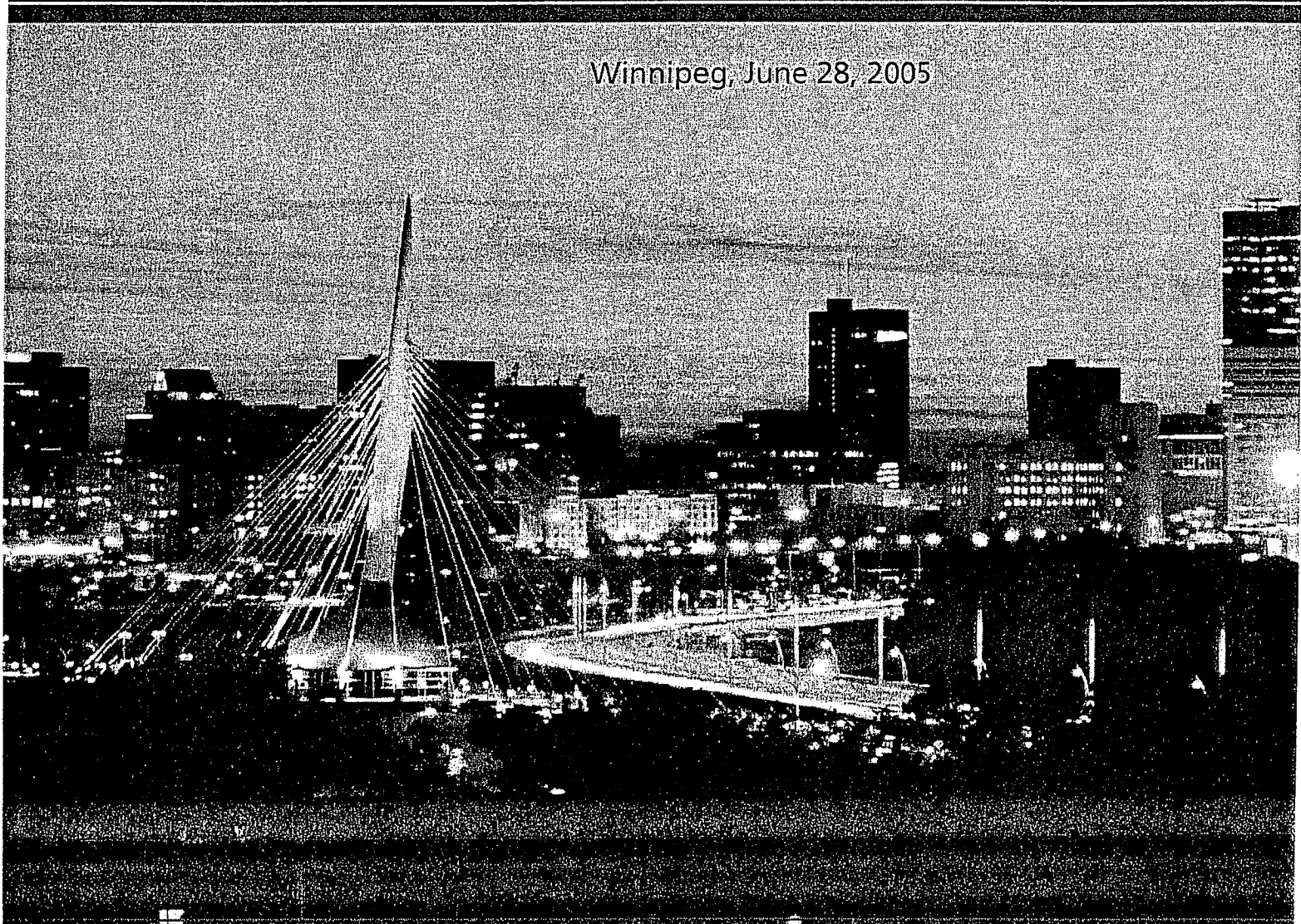
Section 36(2) of *The Municipal Assessment Act* states as follows:

Rules of practice
36(2) *A board may determine the rules of practice and procedure to govern the conduct of the business before the board or a panel of the board, but the rules do not come into force until approved by the council or the municipality.*

OPEN FOR OPPORTUNITY

Final Report of the Mayor's Red Tape Commission

Winnipeg, June 28, 2005



Cover Photo: Courtesy of Destination Winnipeg Inc/Ken Miner Photography

Winnipeg

Embrace the Spirit • Vivez l'esprit

Yet the Commission did not adopt a formal position on arts funding alternatives because members did not accept the idea that the decisions were linked. After all, Winnipeg's "entertainment funding" tax is not really about arts funding. While the title implies otherwise, Section 20 of the by-law is worded to give Council full discretion on what it does with the funds collected. Over half the taxes raised are remitted to sports facilities. With this in mind, it is time to abandon the pretense that the *Entertainment Funding By-Law* is strictly an arts funding issue. Instead, we must focus on the important over the urgent. We need to repair a by-law that is an embarrassment to the City and to its reputation as a great place to live, work and play. The experiment failed; it is time to end it.

Assessment reassessed

The City's Property Assessment Department first became the subject of close scrutiny in 1996, when John Scurfield tabled a report to Council on an emerging crisis within Winnipeg's assessment system. Resistance to change and modernization led to high ratepayer dissatisfaction, a clogged appeals system and a major potential liability to the City. While Council and the Public Service remedied many of the problems that led to the report, the Scurfield Report remains an interesting read ten years later, as the Report's critique was not simply applied to the assessment system (see, for example, "Closing Themes," below).

Since 1995, City Hall has kept a close eye on the Department to ensure that it managed the issues that led to the inquiry. Two major reports reviewed progress. The first review was the *2001 Audit of the Assessment Function* by the Audit Department. The second is the 2002 "Assessment Task Force," also known as the O'Shaughnessy Task Force after its chair, Councillor Mike O'Shaughnessy. Both concluded that progress was "significant," but both also emphasized the need for further changes to make the system as customer-friendly and effective as possible.

The Mayor and the Chief Administrative Officer wrote to departments to ask them to offer suggestions to the Red Tape Commission last December. The Assessment Department's reply was to note that these reviews had already heard their ideas on red tape reduction. The Department felt it should wait for resolution of those reviews before resubmitting ideas to another body. With this in mind, Commission staff compared citizen submissions to the two reviews to find areas of common ground.

Several important suggestions from both reviews were still outstanding six months as the Red Tape Commission finished its work. One example: the recommendation that the Board of Revision should issue written reports of its decisions, as most comparable bodies in major urban centers already do across Canada. According to the Auditor's 2001 report, 10% of the Board's decisions are appealed to the Municipal Board level. Only 23% of those decisions were upheld – which may be

"Currently, the decisions of the Board of Revision are not documented and if appealed to the Municipal Board the appeal process is a new presentation without regard to the Board of Revision decision, or the presentation made to the Board of Revision."

- Manitoba Hotel Association submission

one reason why regular appellants refer to the Board of Revision as a "practice-run." Without a written decision, both parties can arrive at the Municipal Board with new evidence, wasting everyone's time and money in the process. We repeat the recommendation to require a written decision, and urge rapid action to implement it.

The Commission makes three other recommendations below. While the Department has made considerable progress, but Commission staff frequently heard and read suggestions that more could be done to improve the tone of assessment negotiations. Rather than digging into each case to confirm or discard the thinking behind it, Recommendation 8.1 simply repeats the call from previous reports for continuous improvement in assessment customer service, with the specific suggestion that greater standardization of negotiation procedures may be useful.

"Based on our experience, there seems to be three overriding principals under which the Department seems to operate:

1. See you in Court;

2. Let's see how much money you are prepared to spend to fight us;

3. There are only winners and losers.."

- *Citizen submission*

Recommendation 8.2 is the result of Commission staff's research into the issue of differences and similarities between assessment methods, given tensions with respect to the use of income assessment in some sectors, including (for example) disputes over how to fairly calculate business expenses, for example. Submissions to the Commission frequently complained that the City's procedures were unpredictable in this area, leading to disputes, misunderstandings and costly appeals.

A useful alternative was found in the most obvious place: Manitoba. Businesses in Manitoba work under the same regulatory environment (similar assessment acts, similar liquor regulations, and so on) as City businesses do.

Yet despite those similarities, it appears as though there is relatively high customer satisfaction with provincial income assessment methods compared to those used in Winnipeg. If readers need some measure of this, it must be observed that the City is in a costly legal dispute with the Manitoba Hotel Association over the City's income assessment of hotels, but the Manitoba Hotel Association has no such dispute with the province, even though hotels outside the perimeter are assessed under the same assessment law. It must also be observed that there are differences between the forms, formulas and other procedures used to assess income outside the Perimeter. Ratepayers seem to support the province's approach to valuation as a direct result of the clearer tools they use. It stands to reason that the City can learn more from the province in this respect, and so we recommend that the Department do so as quickly as possible.

Pyrrhic victories

"I suspect that some defences of appeals were supported by no more than a reluctance to admit error," Scurfield remarks in page 90 of his report. In classical history, a "pyrrhic victory" is a victory with so high a price that it was hardly worth winning, and the Commission could cite more than one case in which the City's approach to tax appeals conjures up this ancient phrase.

The O'Shaughnessy Task Force reported in 2002 that it often heard references to a "confrontational attitude" among some assessors; the Commission repeatedly saw the same in written submissions years later. With this in mind, it is important to explain the thinking behind one remark in Recommendation 8.3. The Recommendation reaffirms a suggestion from previous reports which call for the removal of red tape that prevents negotiated dispute resolution. As has been proven in recent years in Ontario, allowing for more flexibility to negotiate after the assessment roll is closed saves time and money. Our existing process forces both parties to appear before the Board of Revision to certify their agreement.

Once Recommendations 8.3 and 8.4 are addressed, there should be few cases left in which the City has any reason to be the appellant in any individual property tax case – and that is the way it should be. If the City's own Board of Revision has made a decision, it is not the City's job to grind the taxpayer down with further appeals; the City already had its chance to file a fair and accurate assessment when it first set the roll, and should hold itself accountable for doing so.

Several submissions expressed profound anger at the City's willingness to appeal and counter-appeal to obtain the 'correct' assessment. Mass appraisal is hardly an exact science; one need only look at the Assessment Department's willingness to adjust values through negotiation to see this. With that fact in mind, the City cannot treat ratepayers as enemies. While the City may have listened closely to the Scurfield Report's advice on systems, it should focus twice as diligently on his advice with respect to *attitudes*. "Measures must be implemented to ensure that the Assessment Department treats the taxpayer as a client and not an adversary," he advised. Fail to do so, and you not only create "red tape" by forcing Winnipeggers through endless appeals, but you also reinforce the perception that City Hall is indifferent to taxpayers, citizens and customers.

RECOMMENDATION 8

Implement outstanding requests from recent audits and other reports, calling for structural changes and other customer service improvements in assessment and assessment appeals. Copy provincial procedures with respect to income assessment.

These recommendations are designed to improve customer service and reduce red tape in tax assessment.

Recommendation 8.1

Where assessors are engaged in negotiated resolution of disputes over valuations, the City should have clear, public guidelines on what issues can be raised in the negotiation, and how the negotiation should proceed. Customer service audits should be used to identify problems and help assessors improve in this area.

Recommendation 8.2

The Winnipeg Public Service should take immediate steps to copy the Province of Manitoba's assessment practices with respect to income valuation of properties, which reduce red tape by more effectively applying existing financial data kept by businesses to income calculations in a transparent, consistent manner. Copy forms, processes and procedures. The goal should to be to adopt any provincial procedure that improves the transparency and simplicity of the system, especially where doing so will more effectively ensure that income-based assessments only assess the valuation of *property*, as required by law.

Recommendation 8.3

The City should immediately request legislative amendments to permit amendment of the assessment roll after it is filed, where there is a written agreement between the City and the ratepayer to do so. Once this change is made, the City should - as a matter of policy - end the practice of appealing Board of Revision, Municipal Board or other tribunal decisions on its own assessments.

Recommendation 8.4

Without further delay, City Council should require that the Board of Revision provide written decisions on request, consistent with the recommendations made by the Auditor in 2001 and the O'Shaughnessy Task Force in 2002, and take any other steps necessary to ensure that neither party to an appeal can introduce new evidence in appeals beyond the Board of Revision level.