Agenda – Executive Policy Committee – April 18, 2007

Moved by Councillor

That Rule 9.3 of the Procedure By-law be suspended in order that the following item, which was received too late to be placed on the regular agenda, be considered by Committee.

ADDENDUM REPORTS

Item No. 8 **Red Tape Commission – Recommendation 8 – Improve Customer Service in the Assessment and Appeals System**
File AA

ADMINISTRATIVE RECOMMENDATION:

1. That the City of Winnipeg request that the Province of Manitoba initiate legislative amendments to permit the amendment of the assessment roll after it is filed, where there is a written agreement between the City and the ratepayers to do so.

2. That the balance of the report, confirming the implementation of the other sub-sections of Recommendation No. 8 in the Mayor's Red Tape Commission Report, be received as information.

RE:	Final Report of the Mayor's Red Tape Commission - Recommendation # 8
FOR SUBMISSION TO:	Executive Policy Committee
ORIGINAL REPORT SIGNED BY:	Nelson Karpa City Assessor / Director
REPORT DATE:	March 6, 2007
RECOMMENDATION:	1) That the City of Winnipeg request that the Province of Manitoba initiate legislative amendments to permit the amendment of the assessment roll after it is filed, where there is a written agreement between the City and the ratepayer to do so. 2) That the balance of this report, confirming the implementation of the other sub-sections of recommendation # 8 in the Mayor's Red Tape Commission report, be received as information.

Report Summary

Key Issues:

Recommendation # 8 contained four sub-recommendations (8.1, 8.2, 8.3, 8.4). Of these four sub-recommendations, three recommendations have been implemented (8.1, 8.2, 8.4).

A legislative amendment is required by the Province of Manitoba in order to implement sub-recommendation 8.3.

Implications of the Recommendation(s):

General Implications

( ) None
(X) For the organization overall and/or for other departments
( ) For the community and/or organizations external to the City
( ) Involves a multi-year contract

Comment(s):

Policy Implications

( ) No
(X) Yes

Comment(s):

Regulatory Implications
(X) None
() Eliminates or reduces regulatory impact
( ) Proposes regulatory impact

Comment(s):

Environmental Implications
(X) No
( ) Yes
Comment(s):

Human Resources Implications
(X) No
() Yes

Comment(s):

Financial Implications

(X) Within approved current and/or capital budget
( ) Current and/or capital budget adjustment required

Comment(s):

Report

REASON FOR THE REPORT:

To provide an administrative response to the recommendations of the Final Report of the Mayor's Red Tape Commission 8.1, 8.2, 8.3, and 8.4 dealing with matters relating to property assessment.

HISTORY:

- On July 20, 2005, Executive Policy Committee received as information, the Final Report of the Mayor's Red Tape Commission dated June 28, 2005.

  Other history with respect to reports related to this matter:

  - The City of Winnipeg Audit Department completed a comprehensive audit in November 2001.

- In December 2001, Executive Policy Committee established the Assessment Task Force, chaired by Councillor O'Shaughnessy. In September 2002, the Assessment Task Force submitted its final report to Executive Policy Committee (EPC).
- On September 24, 2002, EPC referred the report to the Administration for review.
- In September 2003, the Property Assessment Department submitted an administrative response to the Assessment Task Force report to the Chief Financial Officer.
- In June 2004, the Chief Financial Officer submitted a set of reports in response to the Assessment Task Force Report.
- In April 2005, the City Clerk, on behalf of City Council, made a formal request to the Province of Manitoba to implement a shortened assessment cycle.
- On April 19, 2006, the Executive Policy Committee approved a motion to receive the administrative report dated June 30, 2004 as information, and the Executive Policy Committee recommended to Council that the City of Winnipeg enter into discussions with the Province of Manitoba regarding the implementation of the recommendations of the Assessment Task Force report.
- On April 26, 2006, City Council concurred in the recommendations of the Executive Policy Committee of April 19, 2006.

DISCUSSION:

Recommendation number eight of the Final Report of the Mayor's Red Tape Commission dealt with matters relating to property assessment.

Recommendation #8:

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

Four sub-recommendations (8.1, 8.2, 8.3, 8.4) provided specific detail on the points referenced in recommendation eight. This administrative response will respond to each of the sub-recommendations individually.

Recommendation 8.1 – Implemented

> *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 negotiations, and how the negotiations should proceed. Customer service audits should be used to identify problems and help assessors improve in this area.*

The Property Assessment Department has placed detailed information regarding the valuation process for all property types, along with the respective measures of appraisal level and uniformity on the public website (www.winnipegassessment.com).

Also, the Property Assessment Department, through the implementation of the integrated Pursuit of Excellence Quality Management System (PEQMS), will continue to focus on making

improvements to systems and processes that support enhanced customer service. Under the Pursuit of Excellence Quality Management System, internal and external data and specific audits are used to support exception reporting that identifies need for improvements. An electronic database system has been created that contains 92 key departmental business processes and their associated processing mappings and quality standards to be used for process control.

The intent of the PEQMS is to fully document, set quality standards, and then monitor and adjust accordingly. This is fully supportive of the recommendations from the Assessment Task Force Report, and the recommendations of the Red Tape Commission.

The PEQMS contains standards related to valuation and appeal defense. It is the responsibility of the valuation staff to review all facts and data made available as there are many issues that may be in dispute with respect to a property appeal. Potential areas for resolution relate to value, classification, and/or liability. These issues have substantial breadth, and the facts of each matter have to be carefully and consistently examined by the professional valuation staff. Professional valuation standards applied in a consistent and manner, along with fully documented positions provide boundaries in which to examine each case.

Recommendation 8.2 – Implemented

> *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 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.*

The City of Winnipeg Property Assessment Department has been working with the Office of the Provincial Municipal Assessor on the harmonization of many aspects of valuation, data collection, and reporting. Ultimately, the *Manitoba Municipal Assessment Act*, the Manitoba Court of Appeal, and Manitoba Municipal Board provide direction with respect to valuation approaches. A true test of any approach is its adherence to legislation and acceptance by an appeal tribunal. The Property Assessment Department presents information with respect to income properties consistent with appraisal methodology and in a manner and form that is acceptable to the Manitoba Municipal Board.

Recommendation 8.3 – Not Implemented – Provincial legislative amendment required.

> *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.*

The June 2004 administrative response to the Assessment Task Force Final Report indicated that the Administration did concur with the recommendation that flexibility should be provided to

the City Assessor to make changes to the assessment roll where an agreement has been reached with the property owner, thus avoiding the more formal appeal process. A change in the governing provincial legislation is required (*Municipal Assessment Act*).

The rights of appeal of all parties, consistent with the *Manitoba Municipal Assessment Act*, and with the established rules / procedures of the Manitoba Municipal Board and the Provincial courts remain.

Recommendation 8.4 – Implemented

> *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.*

The Board of Revision has implemented a policy where written decisions are provided on commercial and multifamily property appeal decisions. Written decisions for these appeals at the Board of Revision commenced July 11, 2006. This coincided with the hearing of the 2007 roll year appeals.

The rules and processes for evidence at other higher levels of appeal are governed by the Provincial *Municipal Assessment Act,* and the rules and policies as stipulated by the Manitoba Municipal Board and the Provincial courts.

Financial Impact Statement Date:

Project Name: **First Year of Program**

	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:

"Original signed by"
Brad Cull
Manager of Finance & Administration
Property Assessment Department

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

- Legal Services
- Board of Revision / City Clerks

External Consultation With:

- Office of the Provincial Municipal Assessor

THIS REPORT SUBMITTED BY:

Department: Property Assessment Department
Division: Administration
Prepared by: Nelson Karpa, City Assessor / Director
File No.