

PROPERTY EXPERTISE. PARTNERSHIPS. POTENTIAL.

In a challenging year, we came together to provide vital data and insights on Ontario's changing property landscape. This is our story.

2020 ANNUAL REPORT



MUNICIPAL
PROPERTY
ASSESSMENT
CORPORATION



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CHARTING OUR PATH THROUGH CRISIS



Nicole McNeill
MPAC President and Chief
Administrative Officer

In 2020, *home* took on new meaning for many of us. It was where we worked. It was where we felt safe. It was where we took care of our mental health. Our homes became our schools, shopping centres, places of worship, restaurants, gyms and movie theatres. Has our sense of home changed forever? Maybe.

At MPAC, our job has always been about making communities better—focusing on the homes and businesses of the people of Ontario—assessing every single property across the province and providing accurate values amid ongoing change. Last year, our role took on greater meaning. The pandemic has tested our ability to innovate, adapt and persevere. For us at MPAC, the meaning of work changed too. It was no longer somewhere we went, it was something we did.

Early in the pandemic we decided on three principles that would guide every single business decision: the health, safety and wellness of employees is top priority; we needed to keep the business operating for our customers; and we needed to do our part to help slow the spread of COVID-19. These principles guided our team through crisis, so that we were able to provide services that

municipalities needed from us to support their priorities during a challenging time.

We made quick decisions on-the-spot, and I'm so proud of everyone at MPAC for their co-operation and hard work. Thanks to them, we face the future as a more transparent, customer-focused, leading-edge organization with an agile and resilient workforce.

While our regularly scheduled province-wide assessment update was postponed, we kept our focus. Our work did not stop. In-field inspections were paused—but we continued to maintain municipal tax bases by adding the value of newly built properties and renovations. We continued to assess properties across Ontario, adjusting our methods to maintain safety and using a variety of market inputs. And most of all, the pandemic didn't limit our ability to support each other and talk openly

about difficult topics—like diversity and inclusion, mental health, bullying and more.

Despite a challenging year, we worked every day to keep Ontario's property data accurate and up-to-date. We constantly monitored different sectors and real estate markets to help us track impacts that COVID-19 is having on property values across Ontario. And inside MPAC, we're changing what it means to be a public sector agency. As difficult as the pandemic has been, it has yielded some important lessons.

As we navigate ongoing uncertainty, I am more confident than ever. I am confident in our people, and our ability to deliver on our commitments. I look forward to working together—with employees, customers and stakeholders. We are on this courageous journey, together.

IN A YEAR LIKE NO OTHER, WE DELIVERED FOR ONTARIO



Alan Spacek
Chair, MPAC Board of Directors

It's an understatement to say that the pandemic has changed so much about our work and our lives. It's changed property assessment too. At MPAC, it compelled us to work together and find ways to do things differently.

In 2020, we quickly made decisions when employees, stakeholders and our partners needed us most. I am so impressed by our organization's flexibility and resilience throughout the ongoing crisis—not to mention our willingness to roll up our sleeves and make it work.

MPAC has undergone considerable change in recent years. We compile

and manage one of the biggest and most complex property databases in the world—and by analyzing this data, we can provide a snapshot of the province's current property landscape. Over the years, various strategies have driven the organization forward as we transitioned into what we are today—a leading-edge, agile, secure and responsive Canadian public sector organization.

Over the horizon, I'm confident that MPAC's data and the work that we do is only going to become more valuable. While last year tested us in new ways, it also set us up to be more adaptable and purpose-driven than

ever. We guided customers through Ontario's property landscape while it grew and changed in response to external forces—and increasingly competitive markets. Looking ahead, we are committed to playing our part by providing impartial property assessments and insights: a key function that informs revenue and taxation decisions across the province.

We're always finding new ways to work that are changing how we assess property. What doesn't change is that we're here to support the people of Ontario—employees, municipalities and property owners—in every way that we can.

WHO WE ARE

At the Municipal Property Assessment Corporation (MPAC), our mandate is as big as the province we serve. We assess the value of more than five million properties across Ontario, and it's our job to provide an accurate and impartial property inventory.

The work we do is a vital input for government programs, business decisions and property transactions, and our data helps identify changes and trends in property uses in Ontario.

Ontario's property assessment and taxation system



Government of Ontario
Establishes the province's assessment and taxation laws and determines education tax rates.



MPAC
Determines property assessments for all properties in Ontario.



Municipalities
Determine revenue requirements, set municipal tax rates and collect property taxes to pay for municipal services.*

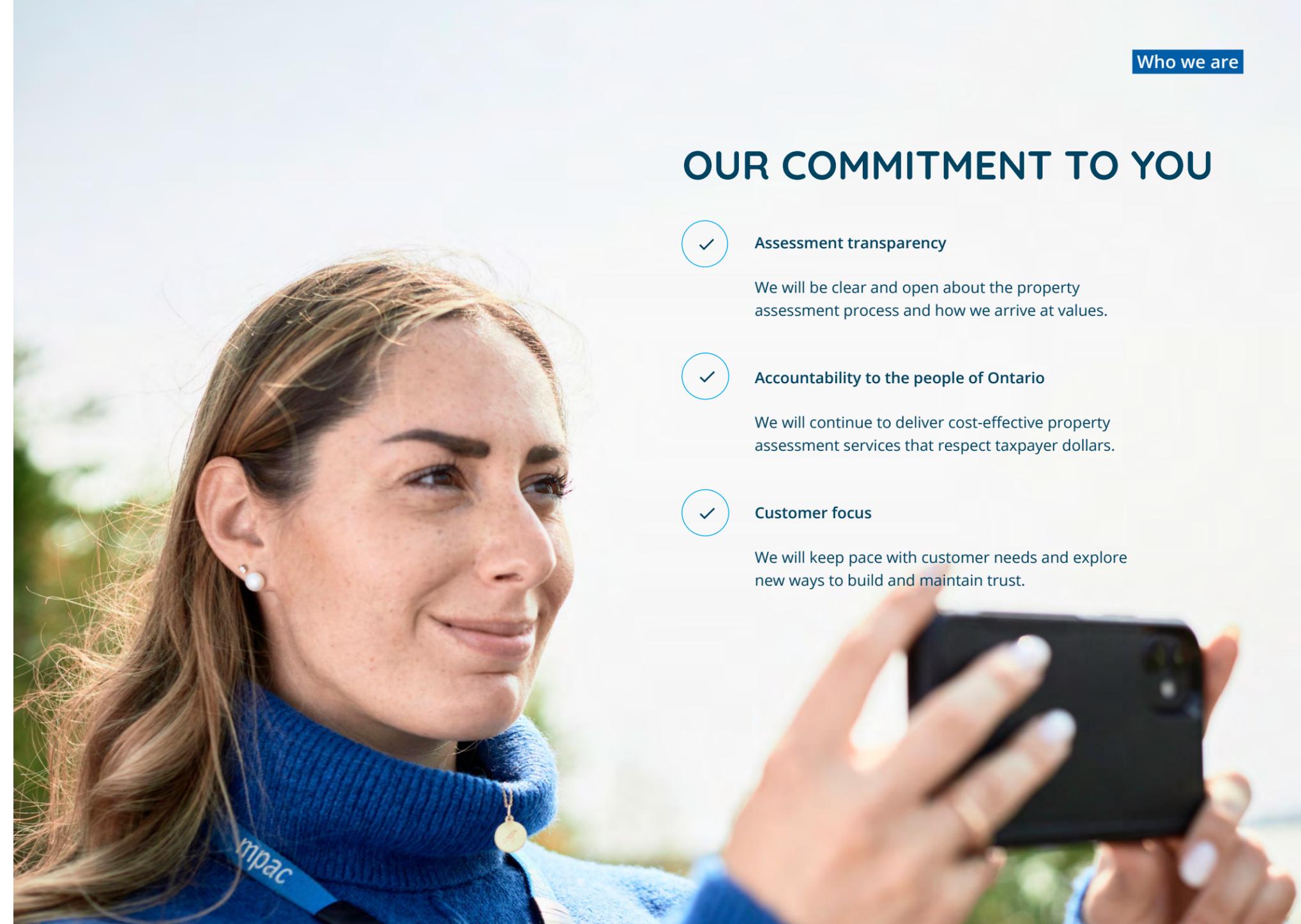


Property owners
Pay property taxes which pay for services in the community. You also pay education taxes that help fund elementary and secondary schools in Ontario.

*Provincial Land Tax and levies by local boards are collected in unincorporated areas and contribute toward important services.

OUR COMMITMENT TO YOU

- ✓ **Assessment transparency**
We will be clear and open about the property assessment process and how we arrive at values.
- ✓ **Accountability to the people of Ontario**
We will continue to deliver cost-effective property assessment services that respect taxpayer dollars.
- ✓ **Customer focus**
We will keep pace with customer needs and explore new ways to build and maintain trust.



COVID-19 RESPONSE: A MEASURED RESPONSE TO A TURBULENT YEAR

With 2020 property values ready to go, and just weeks until more than five million Property Assessment Notices were destined for mailboxes across Ontario, the COVID-19 pandemic hit. Soon after, the provincial government postponed our 2020 province-wide assessment update. Like many organizations, **we worked quickly to make sure our employees were safe and equipped to work remotely**, and while it was anything but business as usual, our work of valuing Ontario continued.

By postponing the update planned for 2020, it meant that property assessments for the 2021 taxation year would continue to be based on the fully phased-in January 1, 2016 current values—in other words, the same valuation date in use for the 2020 taxation year.



When the pandemic began, we were clear about our priorities. Indecision was never an option, and we were **guided by three key principles:**

- 1

The health, safety and wellness of our employees
- 2

Keeping the business running
- 3

Doing our part to help curb the spread of COVID-19 in our communities



Temporarily closed all of our 27 offices

Our workforce of nearly 2,000 employees was up and running remotely within 24 hours, thanks to our team of dedicated IT support staff working hard behind the scenes.



Paused all in-person property inspections

While we weren't knocking on doors, the way we engaged with the public changed, and our team was still doing what they do best—valuing Ontario. Field work is key to ensuring our property data is current, and we took the time to develop new protocols and procedures so that we could complete inspections safely—based on regional restrictions and public health recommendations, and always focusing on the needs and interests of both employees and property owners.

We knew we had to finish what we started, and we continued serving municipalities while managing costs. We found ways to cut red tape despite closures and restrictions by developing a process to take us from collecting building plans—used to validate property information—manually to digitally in a matter of weeks. We also launched a curbside pickup program to support municipalities that were unable to share digital plans with us.



Extended deadlines

For customers who disagreed with their property assessment for the 2020 tax year, the deadline to file a Request for Reconsideration was extended from March 31 to September 30 due to the state of emergency.



Worked closely with our municipal partners

We made sure that we understood their needs during these challenging times, which helped shape our priorities and uncover new ways to quickly capture new assessment to generate revenue.



Shared what we learned

In a year of firsts, we talked openly about difficult topics like mental health and racism for the first time, and shared our learnings outside of our organization..

“Through it all, our top priority was the health, safety and wellness of our employees.”

PUTTING OUR PEOPLE FIRST

When the pandemic hit, we began holding video conferences with all employees three times per week. More than 90 per cent of the team tuned in to hear live updates from leadership and provide feedback on the latest developments and organizational priorities.

The Virtual Leader Chats evolved into weekly sessions with a mix of business updates and guest speakers offering insight on a variety of timely topics: medical experts sharing the latest COVID-19 information, therapists discussing mental health coping strategies, and various guests discussing what it means to be a diverse and inclusive workplace in 2020.

“I feel more in touch with the pulse of the organization than I was before the pandemic. I feel more connected than ever and our employees tell us they feel that way too.”

Nicole McNeill
MPAC President and Chief
Administrative Officer



EMPLOYEES BEGAN TO FEEL A SHIFT

The conversations were open and honest, and employees saw a new vulnerability in our leadership team that led to feelings of unity, stability and focus as the pandemic continued. The changes put in place combined with a sense of connection meant our business could keep operating, and employees could keep working to serve our customers.

21-day gratitude challenge

Over 100 employees kept the momentum going by organizing a 21-day gratitude challenge that helped shine a bright light during difficult times—with personal stories on the importance of gratitude reaching beyond MPAC and into our homes and communities.

82%

of employees took part in a pulse survey to help measure how they were feeling at work during the pandemic—the results showed **engagement, productivity and innovation** at all-time highs

93%

of employees said **mental health was given a high priority** at work

91%

of employees said MPAC is **genuinely interested in employees' well-being**

Municipal Property Assessment Corporation + Follow ...
 5,784 followers
 11mo • Edited •

We're committed to equipping our #MPAC family across #Ontario with the tools they need to successfully work from home as we play our part in helping to #FlattenTheCurve during the #COVID19 situation—and we're not just talking about laptops and a secure connection to our networks. We're providing lots of opportunities for our team to stay connected with each other online and offering mental and physical health and wellness resources to help them manage their 'new normal' during this challenging time.

As people throughout #Ontario and around the world are facing this crisis, we want to spread the message that we're truly all in this together. And that's why we're passing on the tips and best practices—from health and wellness experts—that we're sharing with our employees via livestream.

WE'RE ALL IN THIS TOGETHER  MUNICIPAL PROPERTY ASSESSMENT CORPORATION

STAYING CONNECTED AND SUPPORTING EACH OTHER

Expert mental + physical health and wellness tips and best practices for working from home and social distancing during the COVID-19 situation.

"The flexibility makes me feel valued, and the Virtual Leader Chats are something I look forward to. They're relevant and informative, and they give me a connection to the rest of MPAC and a sense of interaction that I'm missing."

Emily Corsi
 Property Valuation Analyst



DESPITE EVERYTHING, WE HAVE A LOT TO CELEBRATE

- ✓ Launched our employee-led Equity, Diversity and Inclusion Committee
- ✓ All of MPAC's 95 valuation managers and more than half of our 897 valuation employees are accredited
- ✓ 42 employees reached a milestone of 25 years or more
- ✓ Recognized post-secondary students who exemplify leadership skills with six MPAC scholarship awards, including a new President's Award
- ✓ Achieved the ISO/IEC 27017 certification (cloud security) and re-earned the ISO/IEC 27001 certification (information security management), demonstrating our commitment to best-in-class IT systems and cloud service security



Achieved the Help Desk Institute's internationally-recognized Support Center and Support Center Analyst certifications



Recognized as one of Greater Toronto's Top Employers for the second year in a row

GIVING BACK TO ONTARIO COMMUNITIES

We are dedicated to doing our part and making a positive difference in Ontario communities. Despite a challenging year, our employee-led Corporate Social Responsibility committees continued to give back and get involved.

\$8,000

Offices across the province participated in the virtual Terry Fox Run and raised over \$8,000 for cancer research.

\$35,000

In 2020, nearly \$35,000 was raised by MPAC employees in support of a wide variety of local causes, from food banks and shelters to seniors' groups and health-based charities.



WORKING APART, TOGETHER

As the pandemic continued, employees found new and innovative ways to stay connected while working from home. From virtual team building to video coffee chats, employees kept the connection going and supported each other.

"We have a dedicated social committee that continues to do an amazing job keeping us connected. They have organized a departmental cookbook, shared our favourite podcasts/books, and continually provide us with wellness tips to keep us healthy and safe. I feel incredibly lucky to be part of a team that stays connected."

Kevin Yee
Legislation and Policy Analyst



SUPPORTING ECONOMIC RESILIENCE

Municipal governments play an essential role when it comes to the health, safety and economic security of communities across Ontario. As a municipal service provider, we worked hard when the pandemic hit to make sure our municipal partners had what they needed from us quickly and seamlessly.

SHIFTING PRIORITIES TO MEET THE NEEDS OF ONTARIO MUNICIPALITIES

We began by listening. As the financial impact of the pandemic began to unfold for families, businesses and communities, we listened to our municipal partners and made sure their challenges, priorities and timelines set our agenda for the rest of 2020:

- ✓ Keep our business going, with minimal disruption
- ✓ Continue capturing new assessment to support municipal tax bases
- ✓ Adjust timelines to allow more processing and flexibility
- ✓ Offer a deferral of the municipal levy payment

“We’re listening, adapting and leveraging technology to meet our municipal partners’ priorities, so that they can focus on supporting Ontario’s communities during these unprecedented times.”

Carmelo Lipsi
Vice-President and Chief Operating Officer, MPAC



DIFFERENT APPROACH, SAME FOCUS

In 2020, we found new ways to serve municipalities better while managing our costs.



We worked together with our municipal partners to get the information we need to quickly capture new assessment, despite closures and restrictions.



We launched a new online process for municipalities to submit digital building plans to us through Municipal Connect—our online portal for municipalities. More than 200 municipalities provided electronic building plans in 2020, with many more providing access to information in office or through curbside pickup.



We shared updates on topics of local and provincial interest with municipal partners through 15 live webinars.



Municipal governments rely on us

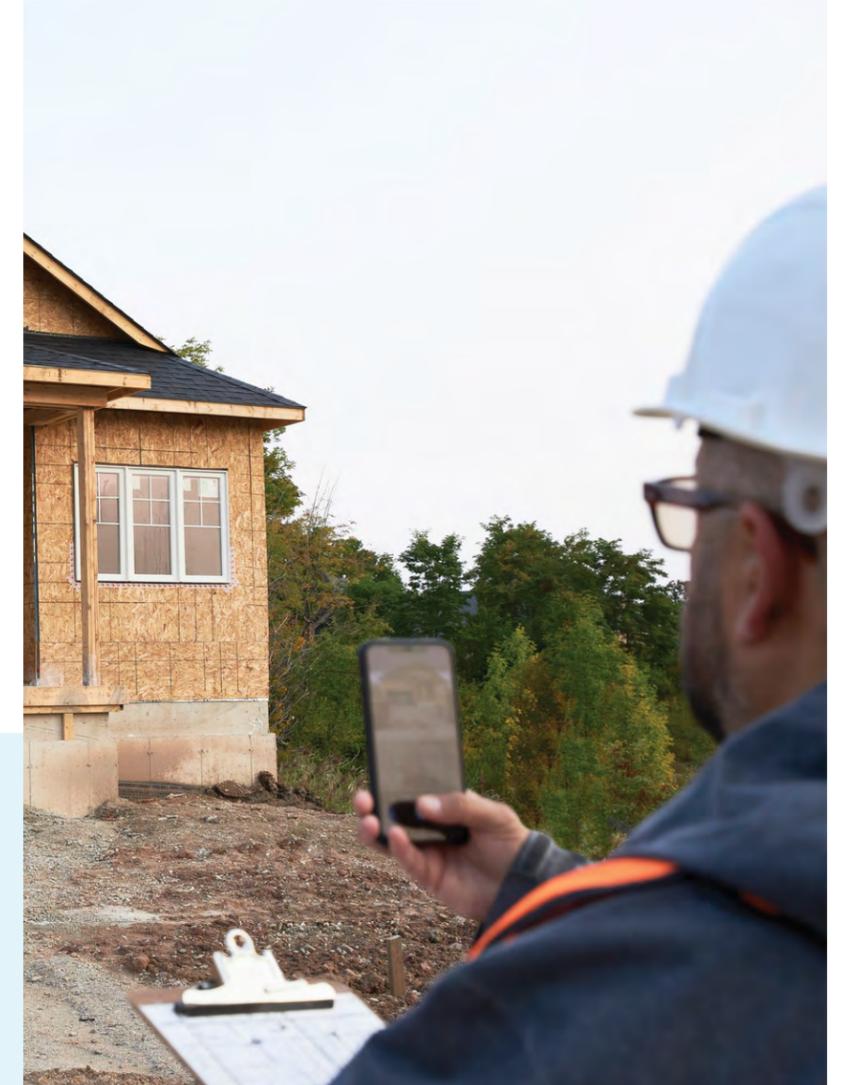
Our data is a key input for municipal budget decisions, generating \$30 billion annually for local services, including education.

CAPTURED \$37.3 BILLION IN NEW ASSESSMENT

Our responsiveness—and municipalities’ efforts to share assessment information in new and innovative ways—meant this important source of municipal revenue could continue to grow. In turn, more revenue meant municipalities could help fund local priorities as they responded to the continuing uncertainties created by COVID-19.

Even during a pandemic, Ontario continues to grow

This was clear from the \$37.3 billion in new assessment across Ontario from new construction and improvements to existing properties. In 2020, Ontario saw more than 36,000 new residential units and 16,000 residential condominium units. With people spending more time at home last year, there was a 28 per cent increase in the number of renovation permits as many property owners invested in making improvements to their homes.



Learn more about your property assessment

All property owners have free access to property and assessment data. *AboutMyProperty* is a secure and easy-to-use tool that shows you how we assessed your property, what information we have on file, and at-a-glance comparisons to other properties in your neighbourhood.



THE VALUE OF REAL-TIME PROPERTY VALUE

Today's on-demand, real-time decision making requires on-demand, real-time inputs. For MPAC, this is not a new phenomenon—we have been building just such a resource for 20 years. When we introduced the Automated Valuation Model (AVM) in 2001, we were thinking about the future and anticipating the ever-increasing rush for instant answers. Today, this signature product is a key advantage for REALTORS, banks, mortgage brokers, investors—anyone making decisions about property-related transactions. Our AVM is continuously updated, producing real time estimates of residential properties based on more than 200 factors that impact the value of a given property. As we continually evolve our valuation methodologies, new innovations are applied to the AVM, helping us maintain our position as one of the world's leading providers of technology-based collateral estimation tools.



ONTARIO CONTINUES TO GROW



875,000

In 2020, MPAC mailed over **875,000 Property Assessment Notices**, over half of which reflect changes in ownership across the province.

70,000

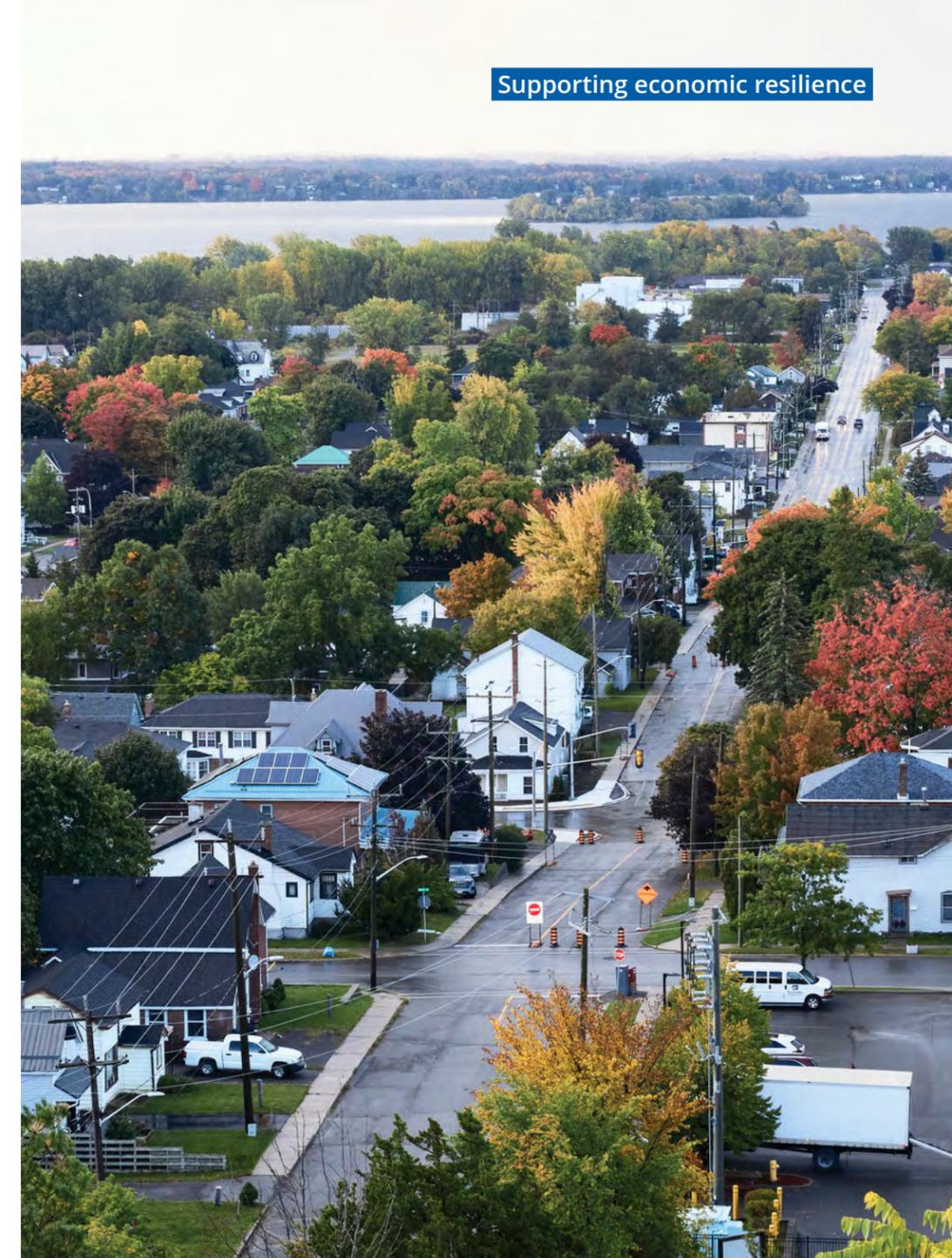
The amount of properties in Ontario grew by nearly 70,000 in 2020, bringing the total number to **almost five and a half million homes and businesses**.

Learn how we [assess different types of property](#) across Ontario.

Accuracy: Our constant focus

We assess all types of property including homes, businesses and farms. Our assessments meet or exceed international appraisal standards for accuracy. In Ontario, if a property owner disagrees with their assessment, they have the [right to file a Request for Reconsideration](#).

Of Ontario's **5.4 million** properties, only 0.6% were appealed to the Assessment Review Board for the 2017-2020 taxation years.



2020 EXECUTIVE MANAGEMENT GROUP



Nicole McNeill
President and Chief Administrative Officer



Carmelo Lipsi, M.I.M.A.
Vice-President, Valuation and Customer Relations and Chief Operating Officer



Chris Devadason
Vice-President, Innovation



Don Leblond
Vice-President, Governance and Strategy and Chief Strategy Officer



Edward Broderick
Executive Director, Human Resources



Greg Martino, M.I.M.A.
Vice-President, Valuation and Assessment Standards and Chief Valuation and Standards Officer



Jamie Bishop
Vice-President, Corporate and Government Relations



Lee Taylor
Vice-President, Business Development



Lucy Foster
Executive Director, Board Governance



Mary Meffe
Vice-President, Corporate and Information Services and Chief Financial Officer



Matthew Kanter
Executive Director, Associate General Counsel – Litigation



Michael Bowman
General Counsel, Legal, Policy and Compliance



Sujit Jagdev
Vice-President, Information Technology and Chief Information Technology Officer

2020 BOARD OF DIRECTORS

MPAC is directly accountable to the people of Ontario through our Board of Directors appointed by the Minister of Finance. The Board provides governance and organizational oversight to ensure MPAC's overall direction, accountability and efficiency.

MUNICIPAL REPRESENTATIVES



Alan Spacek
(Chair) (Former) Mayor, Town of Kapuskasing



Janice Baker
Chief Administrative Officer, Region of Peel



Ken Hughes
(Former) Auditor General, City of Ottawa



Lockie Davis
Consultant, Town of Midland



Roberto Rossini
(Retired) Deputy City Manager and Chief Financial Officer, City of Toronto



Walter Sendzik
Mayor, City of St. Catharines



Wendy Landry
Mayor, Municipality of Shuniah

2020 BOARD OF DIRECTORS

TAXPAYER REPRESENTATIVES



Andrew Gassmann
President and Chief Executive Officer, ABG Analytika Consulting Inc.



Bev Hodgson
Barrister and Solicitor, Owner, Bev Hodgson Law



Don Redmond
Sales Representative, Royal LePage In Touch Realty Inc.



Niels Christensen
Managing Director and Broker, Christensen Real Estate Group



Paul Bernards
Finance Professional



William Luke
Principal Lawyer, Luke Law Firm

PROVINCIAL REPRESENTATIVES



Jon Olinski
(Vice-Chair) Professor and Program Coordinator, Public Administration program, Seneca College



Nazmin Gupta
Managing Director of Capital Raising, BentallGreenOak



Roozbeh Farhadi
Project Manager, Design and Implementation, Scotiabank

The Board of Directors thanks Bev Hodgson, who served as Chair of the Quality Assurance Committee since 2015 and Don Redmond, who served as Chair of the Governance and Human Resources Committee since 2019. We also thank Roozbeh Farhadi whose term ended in 2020.

FINANCIAL HIGHLIGHTS

STATEMENT OF OPERATIONS		
(in thousands of dollars)	2020	2019
REVENUE		
Municipal	214,919	210,911
Other Income	19,884	20,575
Interest and Dividend Income	3,217	3,175
TOTAL REVENUE	238,020	234,661
EXPENSES		
Salaries and Benefits	182,419	178,890
Professional Services	12,849	13,879
Information Technology	12,349	11,232
Facilities	9,268	9,641
General and Administrative	4,277	5,736
Amortization of Capital and Intangible Assets	3,883	4,122
Royalties	3,352	3,247
Gain on Disposal of Capital Assets	(245)	(427)
TOTAL EXPENSES	228,152	226,320
Excess of Revenue Over Expenses for the Year Before Changes in Fair Value of Investments	9,868	8,341
Changes in Fair Value of Investments	8,229	7,437
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	18,097	15,778

STATEMENT OF CHANGES IN NET ASSETS		
(in thousands of dollars)	2020	2019
Net Assets – Beginning of Year	65,460	54,150
Excess of Revenue Over Expenses for the Year	18,097	15,778
Net Actuarial Gain (Loss) on Employee Future Benefits	(6,370)	(4,468)
NET ASSETS – END OF YEAR	77,187	65,460

Excerpt from the 2020 Audited Financial Statements prepared in accordance with Canadian accounting standards for not-for-profit organizations.

CONTACT US

MPAC has [offices across Ontario](#) to meet the needs of customers in every community.

CUSTOMER CONTACT CENTRE

Toll Free 1 866 296-6722

TTY 1 877 889-6722

mpac.ca/contact

Monday to Friday – 8 a.m. to 5 p.m. (EST)

Mail:

1340 Pickering Parkway, Suite 101

Pickering ON L1V 0C4

ONLINE

mpac.ca



COMPLIANCE STATEMENT

In keeping with the reporting requirements under the *Municipal Property Assessment Corporation Act*, the Corporation has complied with any policies, procedures and standards established by the Minister under Section 10, and with the process established regarding the development and implementation of quality service standards by the Quality Service Commissioner.