



March 16, 2010

To: All Municipal Administrators and Clerks

From: Warren (Smokey) Thomas, President,  
Ontario Public Service Employees Union

Ivan Herrington, Chair, OPSEU Bargaining Team  
Municipal Property Assessment Corporation

Re: Service quality issues at the Municipal Property Assessment Corporation

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The enclosed is for your information and for the information and action of your Councils.

Sincerely,

Warren (Smokey) Thomas  
President

Ivan Herrington

WT/mp

Encl.

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à la FTO, au CTC  
et au SNEGSP





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**From:** Warren (Smokey) Thomas, President  
Ontario Public Service Employees Union

Ivan Herrington, Chair, OPSEU Bargaining Team  
Municipal Property Assessment Corporation

**Re:** Service quality issues at the Municipal Property Assessment Corporation  
\*\*REVISED\*\*

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Dear friends:

We are writing to alert you to a number of issues at the Municipal Property Assessment Corporation (MPAC) that we believe will have a negative impact on the quality of assessments.

We are mindful of the fact that in a municipal election year MPAC also provides enumeration data to municipalities.

**1) Another reorganization.** MPAC has announced plans to restructure its operations following more than 10 years of continuous change at the agency. Few details have been announced, except that the reorganization will happen this year. Many critical questions remain unanswered. *How will restructuring improve services to stakeholders? Will it enable MPAC to deliver more timely supplementary and omitted assessments, an issue of on-going concern for municipalities?*

It appears to us that the reorganization is a plan without a plan, despite the fact that MPAC contracted consultants KPMG to complete an organizational review.

Our experience of past restructuring at the agency does not make us confident about the success of this latest attempt. MPAC's approach to problem-solving is one of shifting focus from one problem to another, rarely providing long-lasting solutions. For example, the agency responded to municipalities' concerns around severances by hand-picking a team of staff to focus on parcelization. This was supposed to be a progressive solution to a chronic problem. But then MPAC decided to eliminate an entire job classification (Property Inspection Analyst), providing no rationale for the elimination. The agency will now have to replace the hand-picked staff working on parcelization with the employees who will lose their PIA jobs.

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**2) Potential staff reductions through conversion from full-time to part-time work.** In the current round of bargaining, MPAC wants contract language allowing it to create seasonal and part-time positions. Initially in bargaining, MPAC proposed taking 40 existing Property Inspector (PI) positions in northern and rural offices and making over half of them seasonal.

The PIs would work from April 1 to October 31 each year. Why? MPAC said it snows in the winter in Northern Ontario, implying there are access issues. The union pointed out that it has always snowed in the winter and it hasn't affected our staff's ability to do their jobs.

The objective is clearly to cut costs, with the obvious casualty being service to northern and rural municipalities. In addition, MPAC is seeking contract language that would allow the agency to turn future vacancies into part-time positions. MPAC says no current jobs will be converted into part-time, but we are concerned that every future vacancy is at risk of being turned into part-time.

We know that municipalities are already dissatisfied with the backlogs. We can't see how the situation will improve with employees working less hours.

Ontario Ombudsman André Marin in his 2006 report documenting problems at MPAC noted: "In spite of its size, we have received complaints that it is grossly understaffed and records give us reason to believe this is so."

MPAC is contemplating reductions to front-line staff even though the agency has added significantly to its management ranks. The number of MPAC managers on the province's so-called "Sunshine" list close to doubled between 2005 and 2008 as did the total amount of money spent on their salaries. In three years, individual managers saw their salaries rise by 17 per cent.

**3) Questionable spending practices.** OPSEU submitted a Freedom of Information request to obtain a list of all vendors retained by MPAC and monies paid to them for the years 2006 through to October 27, 2009. From this information, the union has estimated the expenditures spent by MPAC in a number of areas:

**\$55.7 million on IT consultants and software.** This amounts to an allocation of almost 10 per cent of the agency's budget in each of the four years. The \$55.7 million was likely spent on building the new computerized system for assessing property values. The Integrated Property System, (IPS), is notorious internally for cost overruns and missed deadlines. IPS was to be in place by the end of 2006 but didn't come on-line until 2009. For two months last year it was read-only. Staff could not input data. The final cost for the development and implementation of IPS is, at a minimum, two to three times the amount originally budgeted. The Auditor General's value-for-money audit of MPAC, currently underway, will likely reveal the full extent of the cost overruns. We do know from articles in the *Globe and Mail* that an internal audit report of May, 2009, found MPAC extended contracts for IPS' development to anywhere from five-to-14 times the initial value.

**\$10.3 million on other consultants.**

**\$1.8 million on hotels and \$459,000 on travel.** This money was primarily spent on trips abroad by managers, presumably to sell the agency's intellectual products, and on corporate getaways.

We understand managers have travelled to China, South Africa and Ireland, all in pursuit of new markets for MPAC products. Ontario Ombudsman André Marin said in his 2006 report on MPAC, "There is a clash between MPAC's primary public assessment function and this side-line business." Marin pointed out that MPAC's market activities are earned "...using infrastructure paid for by Ontario taxpayers and a monopoly on otherwise public information that is shared under a sub-license with Teranet Inc. This corporation is not an entrepreneurial enterprise. It is a public servant."

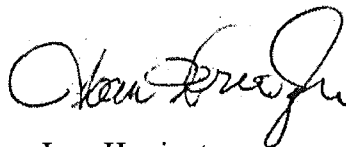
When it comes to staff getaways, we appreciate they may be good for morale, but we don't want them paid for by the loss of full-time positions which can only result in less service to taxpayers and municipalities.

Please contact MPAC President and Chief Administrative Officer Carl Isenburg if you share our concerns regarding the upcoming reorganization, potential staff reductions and questionable spending practices.

Sincerely,



Warren (Smokey) Thomas  
President



Ivan Herrington  
Chair

WT/mp

cc: Dwight Duncan, Minister of Finance