

Memorandum to the Council of Corporation of the Municipality of Temagami

Subject: 2025 MPAC Municipal Levy

Memo No: 2025-M-006

Date: January 9, 2025

Attachment: None

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Recommendation

BE IT RESOLVED THAT Council receives Memo 2025-M-006 as presented.

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Executive Summary

The Municipality of Temagami's 2025 Municipal Levy will increase by 2.28%, bringing the total levy to \$57,154.16. This increase is a result of MPAC's strategic adjustments and must be integrated into the 2025 budget.

Background

MPAC has communicated its 2025 budget, which includes a 3.4% overall increase in the operating levy to address rising operational costs, inflationary pressures, and investments in technology. For Temagami, the specific increase is 2.28%, as determined by MPAC's funding formula under the MPAC Act, which considers assessed property values and total property counts.

Between 2021 and 2023, MPAC made efforts to stabilize levies by modernizing assessment tools and enhancing access to property data. Strategic reserve utilization and efficiency measures have mitigated financial impacts. The 2025 levy increase supports MPAC's continued modernization and service enhancement commitments.

Temagami's Share for MPAC 2025

MPAC has determined a total levy of \$226.9 million for 2025 to cover operational costs, including capital expenses and reserves, offset by business development and investment income. Temagami's share is calculated using a formula that factors in the municipality's proportion of the province's total assessed property value and property count.

- **Temagami's Assessed Value and Property Count**
 - Assessed Value of Temagami: \$525,169,900
 - Total Assessed Value of Ontario (Province): \$3.19 trillion
 - Number of Properties in Temagami: 1,967
 - Total Number of Properties in Ontario: 5.68 million

- **Step 1: Calculating Temagami's Share of the Total Assessed Value**
 - Formula: $\text{Temagami's Share of Assessed Value} = (\text{Temagami Assessed Value} \div \text{Total Provincial Assessed Value}) \times 100$
 - Calculation: $(525,169,900 \div 3,190,000,000,000) \times 100 = 0.0165\%$ of the total levy
 - Result: Temagami represents 0.0165% of the total provincial assessed value.

- **Step 2: Calculating Temagami’s Share of the Total Number of Properties**
 - Formula: $\text{Temagami's Share of Properties} = (\text{Temagami Properties} \div \text{Total Provincial Properties}) \times 100$
 - Calculation: $(1,967 \div 5,680,000) \times 100 = 0.0346\%$ of the total levy
 - Result: Temagami represents 0.0346% of the total properties in Ontario.

- **Step 3: Determining Temagami’s Share of the Total Levy**
 - MPAC’s Total Levy Amount: \$226.9 million
 - Temagami's Share of the Levy:
 - ✓ Assessed Value Share Contribution: $0.0165\% \times 226,900,000 = \$37,471.85$
 - ✓ Property Share Contribution: $0.0346\% \times 226,900,000 = \$78,522.14$
 - Final Levy Calculation for Temagami: Since Temagami is considered a small municipality, the weighted average of both shares is used.
 - ✓ **Final Levy Amount: \$57,154.16**

The Importance of the MPAC Levy

The Municipal Property Assessment Corporation (MPAC) plays a critical role in supporting municipalities across Ontario by providing property assessments that form the basis for municipal property taxes, which fund essential local services. Key points include:

- **Statutory Requirement:** Under Section 14 of the *Municipal Property Assessment Corporation Act, 1997*, municipalities are legally required to contribute to MPAC’s operational funding through a proportional levy formula.
- **Centralized Property Assessment:** MPAC ensures uniform and equitable property assessments across all municipalities in Ontario, promoting fairness in taxation.

- **Operational Necessity:** MPAC’s assessments provide the foundational data municipalities require to set property tax rates, ensuring sustainable funding for local services.
- **Service Delivery:** MPAC delivers essential tools, such as the Electronic Assessment Interface (EAI), enabling municipalities to efficiently manage property tax operations.

Conclusion

The 2025 levy increase determined by MPAC is a statutory obligation and an essential component of the Municipality of Temagami's 2025 budget. While the municipality cannot influence the levy amount, it is imperative to account for this increase in financial planning to fulfill legal requirements and maintain access to MPAC’s vital services.