

# District Services Board rejects Espanola's call for support

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The Recorder

MINDEMOYA—While fellow members of the Manitoulin-Sudbury District Services Board (DSB) are sympathetic to the Town of Espanola whose assessment base was significantly lowered from what it had previously been, due to a reduced value set on the Domtar pulp and paper mill (from \$27 mil-

lion to \$9 million), and yet still being required to pony up a municipal apportionment of \$600,000, they are in agreement they can't help the community out of its current situation.

Fern Dominelli, Chief Administrative Officer of the DSB, told the Recorder after a meeting last week, "the board had looked at a March letter and concerns raised by the Town of Espanola, and forwarded this to the finance commit-

tee for our April meeting. Although the committee and the board sympathize with the situation of the town, they agreed they cannot help out because it would affect all other municipalities financially as well."

"At our board meeting today, we

passed a motion that will be going out to all DSB municipalities and I would like to see us support and send the motion across the Island, put it out to all municipalities in the DSB area," Derek Stephens, a

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member of the DSB board, and a member of Central Manitoulin council told his fellow members of council at a meeting last week.

As reported previously, at the March meeting of DSB, Espanola Mayor Mike Lehoux had pleaded with the board, asking for respite from its \$600,000 municipal apportionment. This figure was based on the municipality's previous assessment in which the old value of the Domtar pulp and paper mill and its assessment of \$27 had played a major role. Espanola was hit earlier this year with the news that a sole decision maker reassessed the mill at \$9 million, massively decreasing its Municipal Property Assessment Corporation (MPAC) assessment and causing the mill to demand a payback of \$4 million. Espanola is now struggling to find ways to decrease the hit to its taxpayers.

"Espanola is understandably looking at any way they can get back the \$660,000 - plus that theoretically they have overpaid," said Mr. Stephens. "I said, and others agreed, that there is no way we can go back to our municipalities for further funding. There is no way we can do this when our budgets are set for this year."

"We all have a lot of empathy for what Espanola is going through, but we can't justify going back to our municipalities and asking for a larger share of funds when our budgets are done," said Mr. Stephens. "I've called MPAC in the past and we've met with them here to find out how they come up with assessments, and they don't provide any answers, as we've seen in the past. MPAC sets the assessments as of December 1 of the previous year."

With MPAC being the only game in town, "if they are making assessments as they have basically been hired by the provincial government to do, they should be responsible for defending the assessments they have set," stated Mr. Stephens. "In Espanola they didn't, and the DSB

feels this issue should go to the Ministry of Finance and MPAC. Espanola is probably looking at taking legal action against MPAC and DSB."

"This is a big issue that is going to affect a lot of municipalities, especially if MPAC can't defend the

question or failed to defend the assessment at appeal; and whereas municipalities are required to pay for the services provided by MPAC, and MPAC is not being held accountable for their decisions and municipalities are being adversely affected not

Honourable Kathleen Wynne, Premier of Ontario to hold the MPAC accountable for its decisions; and further be it resolved that the Minister of Finance and the Minister of Municipal Affairs and Housing rectify this matter to ensure that the Town of Espanola or any other municipality is not adversely affected by Municipal Property Assessment Corporation (MPAC) decisions and appeals."

The DSB motion was moved by Derek Stephens and seconded by Shawnda Martin-Cross of French River.

Central Manitoulin council also gave its support to the motion passed by the DSB board.

***"This is a big issue that is going to affect a lot of municipalities,"***

**...Councillor Derek Stephens**

assessments they have put forward," said Mr. Stephens.

"I agree this type of issue is going to work down to other municipalities," said Councillor Gloria Haner.

"And it won't just be Northern Ontario but it will hit southern Ontario municipalities as well," said Mr. Stephens.

Councillor Pat MacDonald noted the Town of Espanola is desperate to have this issue cleared up, and if they get the right type of action taken on it, it would be to every municipality's benefit.

Council passed a motion in support of the resolution passed by DSB, which states, "whereas the Manitoulin-Sudbury DSB finance committee met on April 24, 2013 to review the Town of Espanola Apportionment letter as directed by the DSB Board at the March 2013 meeting; and whereas the finance committee does sympathize with the issues raised by the Town of Espanola and recognizes this could happen to any municipality within the DSB jurisdiction, the finance committee does not believe there is anything the DSB can do to assist the Town of Espanola without adversely affecting the other municipalities that form part of the DSB board; and whereas this issue has occurred because the (MPAC) improperly assessed the property in

only in the current budget year but retroactively based on appeal decisions. Therefore be it resolved that the Manitoulin-Sudbury DSB calls upon the