

Espanola's pleas for respite turned down by District Services Board

by Alicia McCutcheon

ESPANOLA—The April monthly meeting of the Manitoulin-Sudbury District Services Board (DSB) began its meeting last week with a resolution from its finance committee that there was nothing the DSB could do to help the Town of Espanola out if

its bind.

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 where the old value of the Dom-

tar pulp and paper mill and its assessment of \$27 million 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 pay-back of \$4 million. Espanola is now struggling to find ways to decrease the hit to its taxpayers.

"While the finance committee does sympathize with the issues raised by the Town of Espanola, at this time the finance committee feels there is nothing the DSB can do without adversely affecting the other municipalities that form the DSB board," said DSB chair Les Gamble.

The resolution reads: "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 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 with the Town of Espanola without adversely affecting the other municipalities that form part of the DSB board; and whereas the issue has occurred because MPAC improperly assessed the property in question or failed to defend its 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 only in current the budget year but retroactively based on appeal decisions. Therefore be it resolved that the Manitoulin-Sudbury DSB calls upon the Honourable Kathleen Wynne, Premier of Ontario, to hold 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 MPAC decisions and appeals."

The resolution was moved by Derek Stephens of Central Manitoulin and seconded by Shawnda

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Martin-Cross of French River.

Long-time Espanola Councillor Jack McMillan addressed the board, noting that the last page of the DSB's response stating that all weighted apportionment changes that deviate from the default weighted assessment formula requires a double majority vote, and that any change in reconciliation in apportionment is a change to the formula, which also required double majority approval (a vote which would need to be carried by a majority of the municipalities within the DSB which would also have to represent a majority of the total population within the DSB).

"That's simply not true," Mr. McMillan said, noting that he used a weighted assessment formula for years for school boards across the province. "Every year, all of the assessments change for all the municipalities, and that doesn't change the formula."

"I have the highest regard for the people of

the DSB, but in this case they're just plain wrong," he continued. "I hope to work it out with the DSB, but if we can't, there's such a thing as an honest disagreement."

He reminded the board that Espanola is operating on a budget that's suddenly been lowered by \$1.25 million annually.

"It doesn't matter where the blame is, we're short \$600,000," he added.

"It's not the fault of the DSB for the problem you've got," Mr. Gamble interjected.

"Every municipality sitting around this table has the same problem, but this doesn't prevent us from getting a retroactive assessment," Mr. McMillan responded. "Inconvenience doesn't matter, it's what the law says," he added, calling for a legal opinion.

"Espanola can't just drop this, we're responsible to our ratepayers to pursue this," Mr. McMillan said.

Derek Stephens said that while he empathizes with Espanola, "our budgets are set. I think that for the Town of Espanola, their

fight is with MPAC."

DSB CAO Fern Dominelli explained that the DSB must follow the Assessment Act that sees MPAC deliver the assessment role to municipalities the second Tuesday of December. It is these numbers that are then used by the DSB. It wasn't until after this date that Espanola learned of Domtar's successful reassessment of its property in the town. He reiterated that the board could vote and, with a double majority, change the formula.

"If 10 municipalities agree, they have to represent more than 50 percent of the electorate," he explained.

"I understand the double majority, but Espanola is not requesting a change to the formula—this is why we need clarification as to the law," Mr. McMillan responded.

Finance officer Connie Morphet explained that assessments could be done on a monthly basis, but this would effect the municipalities.

Mayor Lehoux thanked Mr. McMillan for articulating Espanola's prob-

lems. "As you are aware, we are in a deep, deep pickle—we have been overpaying the DSB, and that's a fact," he said.

"My council is desperate enough to overturn every stone to make this right," he added. "I would have appreciated some relief, but I know this puts other municipalities in a bind."

"I hope you, the other municipalities, don't have to go through what we have," the mayor continued, noting this is the third time in 14 years.

The motion was carried.