

AUG 06 2013

July 31, 2013

Mr. Fern Dominelli
Chief Administrative Officer
Manitoulin Sudbury District Services Board
210 Mead Blvd
Espanola, ON
P5E 1R9

Dear Fern,

Further to my previous letter of March 5, 2013, I am providing you with a copy of our final Assessment Review Board decision which was received Friday June 14th, 2013. This reassessment reflects a loss of Large Industrial assessment of approximately 65% and 14% to our overall weighted assessment for each of the four years under review. This has created extreme financial hardship for the municipality with a refund due of \$6.4 million. Of this amount \$1.2 million represents the education portion which will be recovered from the local school boards and \$5.2 million represents the portion payable by the municipality.

As a result of this lost assessment and the refund of taxes required the municipality is applying Section 353 (2) of the Municipal Act which states the following:

353. Taxes collected on behalf of other bodies – (1) A local municipality that is required by law to impose a tax for a body shall pay the body,

- a) the amount of the taxes collected; and
- b) except where otherwise provided, any amount imposed for the body but not collected due to the non-payment of taxes.

(2) **Exception** – Despite clause (1) (b), a local municipality is not required to pay the body any amount uncollected due to the non-payment of taxes if the taxes have been cancelled, reduced, refunded or written off.

We have estimated the amount of overpayment made on behalf of the municipality to the District Services Board to be approximately \$505,000, as per the attached worksheet. The Municipality is hereby providing notice that future payments will be reduced by this amount.

It is my understanding that the Board believes such a request is a change to the apportionment formula and would therefore fall under Section 5 of Regulation 278/98. Also, it is my understanding that Section 36 of the Assessment Act permits amendments to the roll based on such appeals and this is not a change to the apportionment formula.

The municipality has filed leave to appeal with the divisional court. We are uncertain as to the success we may have throughout this process and without any financial commitment from the Minister of Finance or Ministry of Municipal Affairs and Housing the municipality must proceed in this manner. If we are successful, we will most certainly adjust the figures provided to reflect any changes.

I appreciate your understanding of this matter, if you would like to discuss further or require any additional information please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Cynthia Townsend".

Cynthia Townsend, CPA, CA, CMA
Clerk Treasurer/Administrator

- cc – Mayor and council
– Ms. Jeanette-Marie Robinson, Manager, Stakeholder Management and Policy
– Mr. Jeff Barton, Municipal Coalition Working Group

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