

To: Kate Allan, Director of Corporate Services

Re: Fred and Ann Hemstock Municipal Taxes

Roll Number: 4259-010-006-26400-00000

Dear Kate,

We are in receipt of a 2022 tax invoice for a property we sold in November 2021. The issue has been created by administrative oversights related to the annexation of 20 acres of this property by the City Of Owen Sound.

In 2002 we severed 5 acres which is in the City of Owen Sound (OS), with the remaining 95 acres being in Meaford. The 5 acres was severed into Parts 1, 2 and 3 with separate roll numbers. Several years later OS entered into an agreement to annex a further 20 acres from Meaford associated with the extension of the OS water system to service Leith. At that time MPAC did not create a new roll number for this newly annexed 20 acres which has created the situation we find ourselves in today. Instead of creating a new roll number to capture the taxes for the newly annexed 20 acres, a line item was simply added to part 3 of the existing and previously severed 5 acres in OS. During the several years prior to annexation and after severing the 5 acres, the property could have been sold at anytime and this situation would not have occurred. We sold the property in November of 2021.

As a result of the sale MPAC issued a "SCIF" April 19, 2022 which assigned a dollar value for tax purposes to the 20 acres that we still own and to Part 3 of the 5 acres that we had sold in order to allocate the taxes to the appropriate owner. This is very unusual but was required because of how the annexation was administered by MPAC. The SCIF adjustments were never made or recognised until February 2024 when we became aware that there could be something wrong with how the taxes were being allocated and contacted OS. The taxes had continued to be allocated as they were prior to the property sale as per MPAC's roll return on January 1, 2022. The new owner paid the taxes for Part 3 of the 5 acres which also included a line item for our 20 acres and we were invoiced for Part 2 of the 5 acres which we had sold in November 2021.

We never contacted OS sooner because we were still receiving an OS tax invoice but it was for Part 2 of the 5 acres which we had sold in 2021. The issue came to light in 2024 when my wife who had been making the payments told me that she thought the OS taxes for the 20 acres was not correct. We did a closer review of the tax invoices and realised we were being invoiced for Part 2 of the 5 acres we had sold and we immediately contacted OS. To make matters worse, in 2022 and likely as a result of the sale, MPAC did a valuation review of the 20 acres we still own and increased the value for 2022 and going forward by more than 4 times the previous value we had been paying for over 20 years.

We did not receive the tax invoices for the 20 acres in 2022 or 2023 and as a result we were not aware that the taxes had more than quadrupled. Immediately upon

becoming aware in 2024 we initiated a request for reconsideration "RFR" to MPAC and MPAC recognised the valuation was not correct and the value was reduced by approximately 3.5 times bringing it more in line with the previous valuation. The RFR was initiated in March 2024 and MPAC insisted they can only make the adjustment for 2024 and cannot back date the valuation to capture 2023. As a result we have been invoiced for more than 4 times the actual value for 2023. Had we been aware the taxes had quadrupled in 2023 we would have initiated the RFR for the tax year 2023 and the taxes would have been reduced for 2023. We are being invoiced \$1,714.19 for 2023 but the true value based on the successful RFR submitted in 2024 would have been \$500.93.

We were presented 3 options to resolve this situation which we had no part in creating. One was to come to resolution with the new property owner. This option seems completely wrong to have neighbours resolve a municipal tax issue that we had no part in creating. Despite this, we did approach the new owners but they are reluctant to resolve the issue privately as they would not have proper documentation or confidence that the problem would be resolved going forward. This option would also likely result in hiring a lawyer which would cost \$500 for an initial review and \$2,500.00 for a retainer. Option 2 was to go through a S.356 application which appears to be quite arduous and stressful. This option would involve both parties attending council and would take a very long time for the process to be completed. Option 3 is to make a deputation to the Corporate Services Committee to have a portion of the taxes written off.

Our preferred option is 3, as it will resolve the issue more quickly, is less arduous and won't have to involve a lawyer. This issue has created a lot of stress for us. We are pensioners on a fixed income so paying only the taxes we would have incurred if the annexation was administrated properly by MPAC would be appreciated.

As reviewed during our recent meeting at city hall we are prepared to accept the following:

2022	\$473.33
2023	\$500.93 (based on the actual value as per the successful RFR)
2024	\$520.51 (actual value and has already has been paid in full)

Thanks to your staff who have been very helpful in resolving this issue.

For consideration,

Ann and Fred Hemstock