



**The Corporation of the  
City of Sault Ste. Marie**

**C O U N C I L   R E P O R T**

April 7, 2025

TO: Mayor Matthew Shoemaker and Members of City Council  
AUTHOR: Lisa Petrocco, Manager of Taxation  
DEPARTMENT: Corporate Services  
RE: Tax Appeal Budget Increase

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**Purpose**

The purpose of this report is to seek Council approval for an increase to the tax appeal budget to cover consultant costs due to large property tax appeals.

**Background**

Property owners have the ability to file an appeal of the assessment on their property if they believe the assessed value is incorrect. Appeals can be made to the Assessment Review Board (ARB). A hearing is required when the issues cannot be resolved with the parties, including MPAC, through mandatory meetings.

The City tax team utilizes an assessment base management process that is designed to ensure that assessment values are fair and accurate, and to prevent possible erosion of the assessment base. This process works in conjunction with the taxpayer's right to seek relief and helps ensure that reductions or increases to the assessment created through the appeal process are equitable.

The City engages MTAG (Municipal Tax Advisory Group) as a tax consultant to assist with various tax issues and provide guidance on significant appeals.

**Analysis**

The majority of assessment appeals are managed through the City tax team and MTAG. On occasion, there are significant appeals, whether related to a potential dollar impact or precedent setting, which require more specialized resources to manage.

Currently, there are two such appeals, and the City has engaged with Aird & Berlis to represent the City's interests. The procurement was approved at staff financial spending limits. The current estimate to manage these appeals over the next 12-24 months is \$200,000, which is in excess of staff financial approvals. The potential tax decrease of the appeal is significantly more than the specialized legal fees. The annual budget for assessment appeals cannot accommodate this requirement.

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The City's Contingency Reserve may be used for unforeseen expenditures that may occur within a year that were not included in the operating budget.

**Financial Implications**

There is an annual budget allocation for Tax Consultant fees of \$50,000. The increased costs for consultant expertise assistance of \$200,000 can be accommodated within the uncommitted Contingency Reserve.

**Strategic Plan / Policy Impact / Climate Impact**

This is an administrative matter not articulated in the Corporate Strategic Plan.

**Recommendation**

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Taxation dated April 7, 2025 concerning Tax Appeal Budget increase be received and that the upper limit for Aird & Berlis be increased by \$200,000 with funding from the Contingency Reserve.

Respectfully submitted,

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