

**Saskatchewan Assessment Management Agency  
City / Commercial Advisory Committee  
Meeting Minutes for March 19, 2015  
Sandman Inn - Great Room  
1800 Victoria Avenue East  
Regina, SK**

**Minutes of the Combined Information and Business Meeting**

**Commercial Advisory Committee**

**Members Present:**

Myron Knafelc - Committee Chair, SAMA Board Member  
Al Heron (non-voting), SAMA Board Member, Urban Sector  
Murray Purcell (non-voting), SAMA Board Member  
Jim Angus (non-voting), SAMA Board Member  
Neal Hardy, SAMA Board Chair  
Vacant, Regina Downtown Business Improvement District  
Ryan Weir, Building Owners and Managers Association  
Paul Moroz, Saskatchewan Home Builders' Association (Interim)  
Reg Hinz, Western Grain Elevator Association Tax Committee  
Ken Marsh, Canadian Energy Pipeline Association  
Kevin Olmstead, Railway Association of Canada  
Robert Schultze, Saskatchewan Assessment Appraisers' Association  
Grace Muzyka, Saskatchewan Association of the Appraisal Institute of Canada

**Members Absent:**

Denise Stroeder, Tourism Saskatchewan  
Rob Lawrence, Association of Saskatchewan Realtors  
Jim Bence, Saskatchewan Hotel & Hospitality Association  
Archie Cameron, National Golf Course Owners Association, Saskatchewan Chapter  
Shawn Graham, Inland Terminal Association of Canada  
Kevin Johnson, Association of Saskatchewan Realtors  
Vacant, Saskatchewan Chamber of Commerce  
John Hopkins, Regina & District Chamber of Commerce  
Marilyn Braun-Pollon, Canadian Federation of Independent Business  
Roger Leachman, Canadian Property Tax Association  
Devin Wegner, Canadian Association of Petroleum Producers  
Randle Green, Saskatchewan Mining Association  
Ken Patsula, Public Works and Government

**Observers:**

Norm Magnin, Ministry of Government Relations  
Jeremy Karwandy, Ministry of Economy  
Gerry Krismer, City of Regina (arrived at 10:25 am)  
Tim Ritchie, City of Saskatoon (Interim)  
Brenda Hendrickson, City of Moose Jaw  
Vacant, City of North Battleford  
Michael Kehler, City of Swift Current  
Irwin Blank, SAMA CEO

**Guests**

Karlo Simonson, Senior Auditor Quality Assurance Division

**SAMA Administration:**

Darwin Kanius, Committee Secretary  
  
Todd Treslan, Managing Director, Assessment Services Division  
Steve Suchan, Managing Director, Technical Standards and Policy  
Shaun Cooney, Director of Technical Standards

**Observers Absent:**

Joe Day, City of Prince Albert

**Guests Absent:**

Laurel Feltin, Saskatchewan Association of Rural Municipalities  
Sheldon Affleck, Saskatchewan Short-Line Railway Association  
Jay Meyer, Saskatchewan Association of Rural Municipalities  
Gord Senz, Managing Director Quality Assurance Division

Services Canada  
Lana Nikonetz, Council of Saskatchewan Forest  
Industries

## **City Advisory Committee**

### **Members Present:**

Wade Murray, Committee Chair, SAMA Board  
Member (11:28 am left meeting)  
Neal Hardy, SAMA Board Chair  
John Wagner, (non-voting), SAMA Board Member  
Deborah Bryden, City of Regina  
Gerry Krismer, City of Regina (arrived at 10:25 am)  
Tim Ritchie, City of Saskatoon (Interim)  
Dwain Weeks, Saskatchewan Assessment  
Appraisers' Association

### **Members Absent:**

Vicky Bonnell, Saskatchewan School Boards  
Association  
Debra Button, Saskatchewan Urban Municipalities  
Association  
Matt Noble, City of Moose Jaw  
Deb Higgins, City of Moose Jaw  
Joe Day, City of Prince Albert  
Mark Tweidt, City of Prince Albert  
Kerry Tarasoff, City of Saskatoon

### **Observers:**

Vacant, City of Moose Jaw  
Vacant, City of Prince Albert  
Irwin Blank, CEO, SAMA

### **SAMA Administration:**

Shaun Cooney, Committee Secretary

### **Observers Absent:**

John Edwards, Ministry of Government Relations  
Kevin Waugh, Saskatchewan School Boards  
Association , Trustee  
Laurent Mougeot, Saskatchewan Urban  
Municipalities Association, Administration  
Don Barr, City of Regina

**Agenda Item:**

**Decision/Resolution:**

1. Call to Order of Joint Session  
Myron Knafelc, Chair Commercial Advisory Committee called the meeting to order at 10:02 AM.
2. Opening Remarks  
The Chair welcomed the attendees.
3. Introductions  
Introductions by all attendees present.
4. Approval of the Meeting Agenda  
The Agenda was approved.  
  
MOTION by Ken Marsh to approve the Agenda. **Carried**
5. Approval of the Meeting Minutes November 20, 2014  
MOTION by Reg Hinz that the minutes for the November 20, 2014 Joint City/Commercial Advisory Committee Information Session be adopted as amended. **Carried**

SKAIC Representative requested an amendment to Agenda Item 7(b), page 5 - Committee Comments - to read:

*"The municipalities don't pay interest on the taxes saved if the owner wins, but **the owners** have to pay additional interest if taxes are not paid."*

The correction is to insert the words "the owners" into the comment.

6. **Business Arising from the Minutes November 20, 2014**  
SAMA CEO commented regarding an issue raised at the last meeting by the SSBA member regarding tax policy. It is outside our direct area of concern. However, SAMA will follow up with the concern to clarify if there is something within our authority that is expected of the Agency as a result of the SSBA resolution.

Ministry of GR Representative advised the group that he had reviewed the resolution on-line and found nothing assessment related. In his opinion there is no need for SAMA to follow up.

7. SAMA Update

- 7a: CEO Report  
Irwin Blank, SAMA CEO provided a PowerPoint Presentation of the CEO report.

**Committee Comments**

WGEA Representative: Recalls an earlier slide with a 62/38 revenue split between the government and municipalities.

SAMA CEO: That was in 2014. The revenue split for operational funding is budgeted at 60/40 in 2015.

WGEA Representative: SAMA provides ISC documents to municipalities, why doesn't ISC do that task?

**Agenda Item:**

**Decision/Resolution:**

SAMA CEO: This is a function we took on back in the early 90's when SAMA first began to receive change of ownership documents from ISC. We initially did this as a service to our client municipalities to save them from having to pay the ISC fee for all their local transfers and have kept it up for the last 20+ years. ISC likes the arrangement, as it saves them effort which they believe is worth any minor revenue shortfall to them. It costs SAMA 0.5 FTE in staff time to maintain this function. We are looking at ways to improve and streamline this process as part of our TI Program.

Board Member: The Board is committed to the TI project with Govern, SAMA's CAMA vendor. With cost sharing from the government the CAMA system is being re-written to a state of the art product that the vendor will be marketing throughout North America. SAMA is the test client.

Board Member: The \$20 service charge for maintenance represents only 20% of the actual cost of this service. It is supported by both SARM and SUMA and places the emphasis on the areas where growth is occurring.

City of Moose Jaw Rep: Does the fee apply to the general reinspection?

SAMA CEO: The fee doesn't apply to Moose Jaw due to a separate contract arrangement. And it doesn't apply to a general reinspection. The fee is based on a per visit, rather than on a per property basis. It is up to the municipality to decide if a "call back" is necessary from the initial inspection if for example, the property was only partially complete.

MOTION by Rob Schultze to receive the CEO presentation. **Carried**

7b. Assessment Services Report

Todd Treslan gave a verbal presentation with a power point hand-out about SAMA's Assessment Services Division (ASD) activities. In summary:

**SAMA**

1377 appeals in 2014

84 appeals before the SMB in 2014

2015 Roll Status as of March 16th: 106 Rolls open; 24 closed

2014 reinspections totaled 17,091 for use in 2015

2015 Maintenance:

- o Non industrial 28,000
- o Industrial standardization ran smoothly (84, 752 properties)
- o Oil and Gas 5,274 processed
- o Other property groups is a work in progress

2016 Maintenance

- o Plan to set up Service Charters with 141 Municipalities.
- o Deliver maintenance by date requested.

Discussed the differences in the role of the Assessor vs. the role of the Assessment Appraiser.

Discussed the "right of entry" legislation and SAMA's practice

**Agenda Item:**

**Decision/Resolution:**

**Committee Comments**

SKAIC Representative: What about notification when visiting a property during a reinspection?

SAMA Administration: A letter is sent in advance to the community for the reinspection program. There is no advance notice for the maintenance program.

Board Member: Will you leave a notification that you were there?

SAMA Administration: It depends on the situation. You don't want to advertise that the property is not inhabited (resorts/seasonal properties); Generally, there is a notification left at the property.

City of Swift Current Representative: A card is left in the mailbox.

CEPA Representative: Does the Municipal Assessor have qualifications? Is there a program?

Ministry of GR Representative: There is a program available.

WGEA Representative: What is the process of inspecting industrial property?

SAMA Administration: Generally visit site, may have to make prior arrangements if requested.

MOTION by Kevin Olmstead to receive the verbal report by SAMA.

**Carried**

7c. Updates by the other  
Assessment Service  
Providers

**City of Swift Verbal Update:**

- 2013 / 2014 appeals done at the Board.
- No appeals to the SMB.
- 2015 roll opened January 23rd and closed February 23rd.
- 8 appeals, two separate issues, still to be scheduled.
- Starting the land analysis for 2017.
- Planning to do some reinspections in the summer.
- Revaluation and maintenance to continue in the fall.

**City of Regina Verbal Update:**

- 123 appeal at the SMB for 2014, none scheduled.
- Recently received the final 2013 decisions from the SMB.
- 37 appeals to the Board in 2015. One basic argument for 35 appeals, two days of hearings scheduled in March.
- 2015 reinspections in Whitmore Park, reviewing MLS data for basement finish and see 80% with finish, we have only 20% in inventory with basement finish.
- Pictometry and footprint matching picking up additional structures. and vice-versa where there is a structure and pictometry doesn't see it.
- # of permits are trending downward.
- Working on the economic age project for commercial properties, nearly complete.
- 2017 revaluation: Modeling started with the land, with residential to follow.
- Waiting for 2015 rent rolls, so commercial will to start in the summer.

## Agenda Item:

## Decision/Resolution:

### City of Saskatoon Verbal Update:

- Population is 257,300 at year end.
- \$878 million permit value on 4,996 permits.
- Residential construction down in 2014, but steady.
- Strong retail market.
- 10% to 12% office vacancy.
- Large inventory of warehouse development that is vacant, built on spec.
- North commuter traffic bridge is being replaced.
- 2015 annexation is approved
- 2015 BOR appeals (Roll closed February 6th)
  - 190 appeals filed – 16 - King George condo , 10 Residential (2 outstanding), 9 various tax agents (7 outstanding), 155 Altus repeals.
- New Pictometry contract:
  - 6 year contract with fly over every 2 years.
  - Resolution to 7.5 cm.
  - GIS mapping and pictometry used for mapping site adjustments, assessment changes etc.
- Commercial section:
  - 7 new hotels in 2014-15 started or complete, police station, Queen's Bench Court House, airport, start of Children's hospital.
  - 2014 Income and Expense mailed.
- Residential:
  - 3 supplementary groups completed in 2014; 500 outstanding completions.
- Revaluation:
  - Residential and commercial land review and analysis well under way.
  - Residential sales verified and initial analysis started.
  - 2012 and 2013 I & E data entered and reviewed – 2014 I & E mailed.
- Looking at new CAMA and taxation system:
  - SAMA's Govern, Regina, Winnipeg, and Edmonton.
- Conference call with representatives from MPAC
  - Wanting to discuss why we have a 90 – 95% response on I & E.
  - Importance of proper legislation and using it from the start.
  - Charges have been laid but none have gone to court (information eventually provided)
- Concerns about recent large appeal losses

### Committee Comments

City of Swift Current Representative: Is the City of Regina residential model impacted by finished basement?

City of Regina Representative: Yes, with some high end homes the basement finish is similar to the main floor, without that being recognized in the model, the attributed value would have to be found elsewhere in the model.

SKAIC Representative: When does the income and expense information have to be returned and what is your response rate?

City of Regina Representative: There is a 30 day respond period, so we expect to have all the data by June. We have about an 80% response rate.

**Agenda Item:****Decision/Resolution:**

Board Member: Regarding the appeal loss (City of Saskatoon), what were the key appeals?

City of Saskatoon Representative: Classification of the downtown stand alone movie theatre. Committee ordered the property to be valued on the income approach rather than the cost approach resulting in a large reduction in value. The City has a \$500,000 commercial tax contingency fund.

MOTION by Grace Muzyka to receive the verbal reports from the other assessment providers. **Carried**

## 8: Current Developments

## 8a: 2017 Revaluations Publications

Shaun Cooney provided a PowerPoint presentation about the 2017 Revaluation publications and policy considerations.

- A Board Order to approve the 2015 Manual was done on January 30, 2015.
- *Note: SAMA received the Minister's approval by e-mail from Government Relations on March 25, 2015, it is now in the process of being Gazetted.*

MOTION by Ken Marsh to receive the report. **Carried**

**Lunch Break****11:51 am reconvened 12:40 pm**

## 8b: 2017 Revaluation - Planning and Trends

Shaun Cooney provided a PowerPoint presentation about the market trends. General trends are as follows that pertain to SAMA only:

- Trends reported as a sale to assessment ratio (SAR) with respect to the January 1, 2015 base date. (SAMA Only)
  - Arable agricultural land tax class up 120%. (17,700 sales)
  - Pasture land tax class up about 105%.
  - Residential tax class up 20%. (27,000 sales)
  - Seasonal tax class up 20%. (2,100 sales)
  - Commercial tax class up 45%.
  - Multi-family tax class up about 22%.
- Regulated:
  - Pipeline 15% (on average), but varies due to pipe diameter.
  - Railway Roadway 18 to 28%
  - Heavy Industrial Improvements 23 to 35%
  - Heavy Industrial Land 42% to 93%
  - Mine Resource Production Equipment 11%
  - Oil and Gas Well Resource Production Equipment
    - Sample Wells 12 to 17%
    - Non Wells 13 to 17%
    - SAGD Wells 25 to 92%
- Note: These trends are early stage estimates that will be refined as new values are calculated and market analysis is completed during 2015.

## Agenda Item:

## Decision/Resolution:

### Committee Comments

Ministry of GR Representative: How many commercial sales?

SAMA Administration: 1,440 sales.

Board Member: Tax tools for municipalities, any new items?

Ministry of GR Representative: There will remain a limit on mill rate factors between the highest and lowest at 9 times. It currently impacts mainly the northwest part of the province.

General comments on the research of tax tools, road maintenance agreements, and rural infrastructure.

Government has the ability to limit base tax and minimum tax for municipalities that fall under *The Municipalities Act*.

Government has focused on extreme occurrences for limits.

MOTION by Ken Marsh to receive the report.

**Carried**

### 8c: Revaluation - Quality Coordination

Shaun Cooney provided a verbal presentation about the 2017 Revaluation Quality Coordination (QC) Program.

- Part of SAMA's legislated oversight responsibilities.
- TS&P worked directly with the assessment service providers
- Common Goal is improve inter-municipal assessment equity
- At the early stages of revaluation, there is no significant issues to report at this time.
- Next quarterly report Q1, 2015

MOTION by Kevin Olmstead to receive the verbal report.

**Carried**

### 9: Future Developments

#### 9a: 2021 Revaluation - Suggestions for the next Revaluation

Steve Suchan, SAMA Administration provided a PowerPoint presentation about the suggestions for the 2021 Revaluations.

- Continue to stabilize assessment policy.
- Adopt or amend policy where warranted based on any Court of Appeal decisions.
- Review regulated property valuation models.
- Revaluation time lag:
  - requires support for legislative amendments.
  - impact on the ASP's resources and capacities to move to a shorter cycle.

### Committee Comments

SAMA CEO:

- The optimal time frame for revaluations is 2 or 3 years (not one year) based on an international survey completed by IPTI.
- Updated and revise the cost manual or factoring up? Dependent on length of the cycle.
- Review units of comparison (i.e.) bushels vs. tonnes for grain



## Agenda Item:

## Decision/Resolution:

elevators.

➤ Emerging issue:

- Self reporting of cap Oil and gas wells.
- The reporting of the data, if its self reporting, may not mesh with current systems. May be an issue of data quality.

RAC Representative: What about redistributing the assessment pie? Broaden the assessment base? What about the assessment of telecommunication corridors, like fibre optic lines?

Board Chairman: Wanted to know from the City of Regina how complicated would it be to compute the value for telecommunication distribution networks?

City of Regina Representative: More than likely simple to implement, but more difficult to identify. Would require new reporting legislation and related policies.

SAMA CEO: Discussed some history regarding provincial review of oil and gas assessments. Government currently not interested in any changes to legislation.

Board Member: Rural Municipalities like the 4 year cycle. Costs more for a shorter cycle, the value is not there.

WGEA Representative: Is it possible for the large urban centers to go on their own?

Ministry of GR Representative: This issue has been examined by the Province. Any grants that are based on assessment system and the education funding system would be impacted. If this was to change then the equalization issue would have to be introduced. It is not a favourable way to go based on the experience in Alberta. There would be resource and staff issues (discussed earlier) that will be affected by a shorter cycle both in terms of budget and expertise (staff turnover will increase over the next few years). ASP's have indicated they are not in a position currently to make a change, not sure about 2021. SAMA had estimated a 10% increase in costs to go to a 2 year cycle.

CEPA Representative: Four year cycle works well from our perspective. Manitoba went to a two year cycle, not much changed. There was limited value to the assessment system. What we see in Sask. is a great working model. SAMA should be the model for other agencies to look at.

SKAIC Representative: When was the last time anything changed in terms of the property being assessed?

SAMA CEO: To our knowledge, nothing has changed since 1992 when assessable resource production equipment was defined and updated.

City of Swift Current Representative: The current four year reassessment cycle coincides with the municipal election cycle. Could that be a problem?

Board Member: Has been a challenge in some small communities regarding the communication of the revaluation information.

**Agenda Item:**

**Decision/Resolution:**

SAMA CEO: There was a similar experience in Moose Jaw with the current cycle.

MOTION by Grace Muzyka to receive the report.

**Carried**

10: Other Business

10a: SAMA 2015 Annual Meeting - Notice of meeting and agenda

Steve Suchan provided a hand out and presented a verbal report about the 2015 SAMA Annual Meeting.

- Scheduled for April 15, 2015.
- No resolutions received in advance.
- Will be a half day training session the day before (April 14, 2015).
- Government training session based on tax tools.
- SAMA training called Assessment 101.
  
- General comment by Ken Marsh who appreciates these meetings (looking ahead and being very prepared), and enjoys attending. They are very beneficial.

10b: Next Scheduled City/Commercial Advisory Committee Meeting

The next City and Commercial Advisory Committee meeting is scheduled for Thursday November 19, 2015 at the Sandman Inn, Regina.

Adjournment

Meeting adjourned by Murray Purcell at 1:48 P.M.

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Darwin Kanius  
Commercial Advisory Committee  
Committee Secretary

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Shaun Cooney  
City Advisory Committee  
Committee Secretary