

**Saskatchewan Assessment Management Agency
City / Commercial Advisory Committee
Meeting Minutes for November 17, 2016
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
Kirk Wasyluk, Canadian Energy Pipeline Association
Grace Muzyka, Saskatchewan Association of the Appraisal Institute of Canada
Reg Hinz, Western Grain Elevator Association Tax Committee
Chandra Reilly, Saskatchewan Assessment Appraisers' Association
Rob Lawrence, Association of Saskatchewan Realtors
Ian Magdiak, Canadian Property Tax Association
Kim Young, Canadian Association of Petroleum Producers
Darwin Collins (Interim), Saskatchewan Mining Association
Ken Patsula, Public Works and Government Services Canada

Members Absent:

Vacant, Regina Downtown Business Improvement District
Ron Mason (Interim), Railway Association of Canada
Ryan Weir, Building Owners and Managers Association
Vacant, Saskatchewan Home Builders' Association
Jim Bence, Saskatchewan Hotel & Hospitality Association
Vacant, 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
Vacant, Canadian Federation of Independent Business

Members Absent - continued:

Vacant, Council of Saskatchewan Forest Industries

Observers:

Norm Magnin, Ministry of Government Relations
Rachael Smith, Ministry of Economy
Dianne Ford, Saskatchewan Municipal Board
Gerry Krismer, City of Regina
Darcy Huisman, City of Saskatoon
Mike Ligtermoet, City of Prince Albert
Michael Kehler, City of Swift Current
Carman Sterling, Saskatchewan Association of Rural Municipalities
Irwin Blank, SAMA CEO

Guests

SAMA Administration:

Darwin Kanius, Committee Secretary

Steve Suchan, Managing Director, Technical Standards and Policy
Shaun Cooney, Director of Technical Standards
Todd Treslan, Managing Director of Assessment Services Division.

Observers Absent:

Ken Dueck, Tourism Saskatchewan
Brenda Hendrickson, City of Moose Jaw

Guests Absent:

Sheldon Affleck, Saskatchewan Short-Line Railway Association

City Advisory Committee

Members Present:

Wade Murray, Committee Chair, SAMA Board Member
John Wagner, Acting Chair SAMA Board
Gerry Krismer, City of Regina
Dwain Weeks, Saskatchewan Assessment Appraisers' Association
Eric Bloc-Hanson, Saskatchewan School Boards Association
Shelly Sutherland, City of Saskatoon

Members Absent:

Debra Button, Saskatchewan Urban Municipalities Association
Deborah Bryden, City of Regina
Matt Noble, City of Moose Jaw
Deb Higgins, City of Moose Jaw
Martin Ring, City of Prince Albert
Lee Atkinson, City of Prince Albert
Ann Iwanchuk, City of Saskatoon

Observers:

John Edwards, Ministry of Government Relations
Mike Ligtermoet, City of Prince Albert
Darcy Huisman, City of Saskatoon
Ron Boechler, Saskatchewan School Boards Association, Trustee
Irwin Blank, CEO, SAMA

SAMA Administration:

Shaun Cooney, Committee Secretary

Observers Absent:

Brenda Hendrickson, City of Moose Jaw
Laurent Mougeot, Saskatchewan Urban Municipalities Association, Administration
Don Barr, City of Regina

Agenda Item:**Decision/Resolution:**

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| 1. Call to Order of Joint Session | Myron Knafelc, Chair Commercial Advisory Committee called the meeting to order at 10:00 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 as amended to combine agenda item 9a with 7a.

MOTION by Gerry Krismer to approve the Agenda as amended. |
| | Carried |
| 5. Approval of the Meeting Minutes November 19, 2015 | MOTION by Wade Murray that the minutes for the November 19, 2015 Joint City/Commercial Advisory Committee Information Session be adopted as circulated. |
| | Carried |
| 6. Business Arising from the Joint Minutes November 19, 2015 | No business. |
| 7. SAMA Update | |
| 7a CEO Report & 9a: SAMA TI Program update | Irwin Blank, SAMA CEO provided a Power Point on both the CEO's Report and the TI Program. |

Committee Comments

- SAMA Board member provided general comments regarding on the TI program and offered congratulations to SAMA staff.
- SAMA Board Acting Chair added additional background information on the TI program.
- SAMA's Govern CAMA system go-live is now scheduled for December 5th, 2016.
- SAMA Board member provided additional comments on the budgetary aspect of the TI project (fixed price) as being very positive for SAMA.
- WGEA representative asked for clarification on the 67,100 property inspections goal for 2017 without the TI program. What are the annual re-inspection goals with the TI program in light of SAMA's property inventory count?
- SAMA CEO responded that the goal is 100,000 re-inspections annually comprised of 35,000 maintenance and 65,000 inspections to achieve a 12 year re-inspection cycle.

MOTION by Rob Lawrence to receive the CEO presentation.

Carried

Agenda Item:

7b. Assessment Services
Division Report

Decision/Resolution:

Power Point presentation by Todd Treslan on behalf of the Assessment Services Division (ASD).

Committee Comments

- Ministry of Government Relations representative asked for clarification on the 2016 commercial property re-inspection count from an older slide indicating that 38,000 commercial inspections were to be completed over a 3 year period. Will the entire commercial inventory be re-inspected?
- SAMA Administration representative acknowledged that there is about 7,000 to 8,000 remaining in the project which require prioritization.
- SKAIC representative enquired about the number of appeals for 2014 and 2015 and whether some or most are the same property.
- SAMA Administration representative acknowledged that some of the appeals are of the same property .
- SAMA CEO asked the SMB representative to comment on the appeals numbers.
- SMB representative acknowledged that the SAMA's appeal count is by the number of properties whereas the SMB appeal count is by the appeal comprised of the same issue(s) which may included numerous properties. Refer to agenda item 8.e for additional details.

MOTION by Chandra Reilly to accept SAMA's ASD report.

Carried

7c. Updates by the other
Assessment Service
Providers

City of Regina Update:

- 85 office properties (a single appeal) for the 2014 year at the Court of Appeal.
- 85 properties from 2015 to the SMB going ahead with written arguments only based on the application of Section 227, of *The Cities Act*.
- 92 properties from 2016 to the SMB, with the same 85 properties at Court of Appeal.
- Technically the 85 properties is one appeal (office properties) with a significant tax impact. About \$2.5 million in taxes per year at risk since 2014.
- Delivered preliminary 2017 reassessment to the Ministry of Government Relations in April 2016.
- Mailed out preliminary assessment letters on August 29, 2016.
- Already addressing concerns with property owners since August.
- Ready to finalize 2017 assessments for some time, but we are delayed awaiting the provincial percentages of value from the Ministry of Government Relations.
- The delay causes a full 4 week delay in preparing the "system" in the administration of percentages of value and mailing of the assessment notices.
- The targeted mailing of the 2017 assessment notices could be as late as mid January 2017 compared to the original target date of mid November 2016.
- Historically the City had mailed assessment notices early to ensure that the Board of Revision is completed and the roll set prior to the taxation rates being established. This is more efficient. The property owner would receive the tax notice with the corrected assessments for that year.

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Decision/Resolution:

City of Saskatoon Update:

- 80 % of the assessment staff have retired in the past 5 years.
- It has been a challenge to train the junior staff as quickly as possible.
- 2017 modelling completed and results are in the CAMA system.
- Will be reviewing the assessments next week.
- Will be mailed out about 98,000 notices on January 9, 2017 with the roll closed on March 10, 2017.
- Assessment is increasing from about 42 billion to 52.1 billion.
- Residential increase is 13% for the 2017 revaluation compared to 83% for 2013.
- Condos 4% (+6% ground); -1% high-rise; and -3% lo-rise.
- Commercial shifts for 2017 will not be as high as for the 2013 re-assessment.
- Did not do preview letters.
- Will be doing information brochures.
- An on-line program is being developed regarding the revenue neutral tax estimates.
- Planning on-going presentations to stakeholders.
- Supplementary assessment including all regular work done for 2016.
- In 2016, 3200 requests for information sent out with a 95% response rate.
- 35 charges laid on non-compliant property owners.
- Charges dropped if the request for information is received.
- Sales verification is on-going and is up to date closer to the time of sale, which makes the task more efficient and accurate.
- Permit numbers are down and have been trending in this direction for the past couple of years. 1900 to 1200 for 2016. Driven by Multi-Family construction permits dropping from 900 to 200 buildings. More residential detached constructed in 2016.
- 135 appeals to the 2016 Board of Revision. 17 outstanding.
- 65 outstanding appeals from 2013 to 2016 at the SMB.
- 2 outstanding appeals at the Court of Appeal.

City of Prince Albert Update:

- 40 commercial and 2 residential appeals for 2016 all resolved.
- No appeals to the SMB for 2016.
- No outstanding appeals at the SMB.
- One outstanding appeal to Court of Appeal, which will be heard December 16th in Regina respecting the interpretation and application of Section 227 of *The Cities Act*.
- Starting a continuous re-inspection program. A target of a 6 to 7 year cycle.
- CAMA risk exists with current database system now dated by 14 versions.
- New CAMA system being implemented (CAMAlot from Alberta).
- Will be running two systems concurrently for 2017 assessment roll year.
- The 2017 assessments will come out of old system.
- Assessment notices more likely mailed in January, but no firm date set.

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City of Swift Current Update:

- 2016 roll was open in Feb 2016 with no appeals filed.
- No outstanding appeals to SMB or Court of Appeal.
- Small office 2 people dealing with conflicting priorities between yearly work and re-assessment. Resulted in small supplementary roll.
- Original plan to mail 2017 Notices in December, but it will be delayed due to the delay in receiving the percentages of value from the Ministry of Government Relations.
- It will be a 2 week turnaround to get 2017 notices mailed after receiving the percentages of value from the Ministry.
- One advantage is that we're able to update the new inventory with the 2017 assessment values.
- No plans for phase-in for tax shifts. It appears that there will be minimal shifts.
- Completed sales verification from 2015 to present including income collection.

CD Consulting Services Ltd. Update:

- No report

Committee Comments

- SKIAC representative wanted to know what Section 227 is.
- Below is Section 227 from *The Cities Act*.

Application of decisions

227(1) A decision made by a board of revision or the appeal board on an appeal of an assessment of any property applies, to the extent that it relates, to any assessment placed on the assessment roll for the property after the appeal is initiated but before the decision is made, without the need for any further appeal being initiated with respect to the assessment.

(2) If the parties to an appeal cannot agree as to whether or to what extent subsection (1) applies in their circumstances, any party to the appeal may apply to the board that issued the decision to issue a ruling on the matter.

(3) On an application pursuant to subsection (2), the board may make any ruling that it considers appropriate and that ruling is subject to appeal in the same manner as any other decision issued by that board.

- City of Regina representative responded to the question and provided an interpretation of that section of the *Act*.
- City of Prince Albert representative explained the circumstance as it applies in the City.
 - The S. 227 of the Cities Act appeals to the Court of Appeal arise from the 2014 taxation year. There is one appeal from the appellant CACV2850 and one from the City CACV2851.
 - S. 227 allows for the carryover of Board or SMB decisions to ensuing years.
 - The agent representing a number of property owners appealed various retail and office properties in 2013.
 - In the Board submissions the appeals were grouped by type with a single report for each type.
 - The 2013 Board ruled in favor of the owners.
 - The City and the owners filed 2013 appeals to the SMB.
 - In 2014 the agent (owners) appealed the same properties as in 2013, but added several new properties to each grouping.
 - Similar to 2013, the appeal submissions were presented as a single submission for each group.

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- The reports made no differentiation about the new properties and the appeal grounds were almost identical to 2013.
- In August 2014 the Board ruled in favor of the owners.
- The City appealed the 2014 decisions to the SMB. The owners did not appeal.
- In Sept/Oct time frame the SMB held the hearings for the 2013 appeals with the decisions in late 2014 and early 2015.
- The SMB decisions were in favor of the City.
- The owners applied to the Court of Appeal for Leave.
- The application was denied.
- In late summer of 2015 the City after seeking legal advice withdrew the 2014 appeals to the SMB and applied the 2013 SMB decisions to all the properties appealed in 2014.
- The owner’s objected with the City in applying the 2013 SMB decision for 2014.
- The owners applied to the SMB for a ruling on the application of S. 227(2).
- The SMB ruled that only the properties appealed in both 2013 and 2014 would have the 2013 decision applied.
- Further, the SMB ruled that the properties appealed only in 2014 would not have the 2013 decisions applied.
- The result is that the larger (in area) retail property group would have a higher MAF while the properties not appealed in 2013 (in the same size grouping) having a MAF that is considerably lower.
- The City considers this an equity issue.
- The appealed property groups were similar in both years.
- The grounds of appeal, the circumstances and condition of each property were the same in each year.

MOTION by Dwain Weeks to receive the verbal reports from the other assessment providers.

Carried

8: Current Developments

8a: 2017 Revaluation - Results and Implementation

Shaun Cooney, SAMA Administration provided a power point presentation.

Committee Comments

➤ None

MOTION by Grace Muzyka to receive the report.

Carried

Lunch Break

11:55 am reconvened 12:40pm

8b: 2017 Revaluation - Quality Coordination

Shaun Cooney, SAMA Administration provided a power point presentation about the 2017 Revaluation Quality Coordination (QC) Program.

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Part of SAMA's legislated oversight responsibilities.

- TS&P worked directly with the assessment service providers:
 1. Revaluation Quarterly Reporting
 2. Quality Coordination Program (QCP)
 3. Quality Assurance Standards (QAS)
 4. Other Quality Coordination Efforts
 - Established various provincial working committees on assessment.

- **Common Goal-** To improve inter-municipal assessment equity through combined efforts of ASPs and SAMA QC facilitators

Committee Comments

- ASR representative enquired about the status of the Market Value in Assessment in Saskatchewan Hand book.
- SAMA Administration responded indicating that no update has been done since 2012, but the "handbook" has been referenced in appeals decisions by both the SMB and Court of Appeal and is gaining credibility even though it does not have the force of law.

MOTION by Chandra Reilly to receive the report.

Carried

8c. 2017 Revaluation - Update on Oil and Gas Well Standardization Model

Shaun Cooney, SAMA Administration provided a power point.

Committee Comments

- SAMA CEO commented that working with the government's Ministries in this endeavour and building the working relationships has worked very well.

MOTION by Reg Hinz to receive the report.

Carried

8d. Updating of fees established with SAMA's Access to Information Bylaw and SAMA Policy relating to third party information requests.

Steve Suchan, SAMA Administration provided a power point presentation.

Committee Comments

- ASR representative enquired about the changes.
- SAMA Administration responded that there are proposed changes to the fee structure for the requests for information. A report was circulated in advance of this meeting outlining the proposed changes.
- PWGSC representative enquired about purchasing the valuation reports.
- SAMA Administration responded by suggesting that the requests can go through the various ASP's or through SAMAView.
- SKAIC representative enquired about the fee to access and use SAMAView.
- SAMA Administration responded that changes to SAMAView have not yet been made, but changes will be made to more fairly identify commercial users versus non commercial users. If the use of SAMAView is for commercial use, then a license is required. Currently the use of SAMAView for commercial purposes is on the honour system. There is no cost for personal use of SAMAView.

MOTION by Gerry Krismer to receive the report.

Carried

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Decision/Resolution:

8e. Court of Appeal update on property assessment appeals

Steve Suchan, SAMA Administration provided a power point presentation.

Committee Comments

- SMB representative was asked to comment on appeals.
- Prior to the discussion there was a hand out provided to the committee members.
- The response follows:
 - Some of the confusion could occur as the ASP's talk about properties being appealed; however a number of properties can make up a single appeal.
 - If the issues are the same, a number of appeals can make up a single hearing.
 - On the right hand side of the handout, there are a number of appeals before the Court of Appeal.
 - If other appeals are submitted, with the same issue, they are out on hold until the court provides their ruling.
 - Once the court has handed down their decision, the SMB then communicates with the appellants to determine how they want to proceed given the Court of Appeal decision.
 - This accounts for some of the appeals appearing to be late or held up.
 - Currently the SMB is scheduling into February 2017.
 - There are 42 appeals to be scheduled, the balance are awaiting court decisions.
- PWGSC representative enquired if the SMB appeal decisions are posted.
- SMB representative responded indicating that the decisions are posted. However some work is being done with the privacy commission to redact some information deemed private.
- ASR representative also responded that direct contact with the SMB requesting a decision is also available.
- SAMA Board, Acting Chair commented on the cost of appeals going to the Court of Appeal ranging anywhere between \$20,000 to \$30,000 at minimum is expensive and concerning as a taxpayer.
- SAAA representative enquired about the "Boardeffect" program of the SMB.
- SMB representative explained that the "Boardeffect" is a software program used to collate the "record" of the Board into a single document that is sequentially numbered. The software converts all the material into "pdf" formatting for use by the panel members on their iPads. Once the record is collated, all parties are notified with directions on how to retrieve the document. Thus, all parties will have the same document and can refer to the same page number(s) when appearing before the SMB.
- PWGSC representative wanted to know about just providing a written submission to the SMB.
- SMB representative responded by indicating that just submitting a written submission may not be practical on high value high risk appeals.
- Ministry of Government Relations representative asked the SMB representative to describe the changes that the SMB is making.
- SMB representative responded with the follow comments:
 - Improved delivery of decisions from 272 days in 2012 to 48 days in 2015 to 44 days in 2016.

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- Attending all sector meetings.
- New scheduling process that involves liaison with all parties.
- Investigating the use of video conferencing.
- New case management practice and will review with SAMA and other ASP's.
- In 2013 there were 345 appeals. Do they all need to be heard? Looking for middle ground. Condense issues into common themes.
- Focusing on technology to have turnaround time of 90 days from filing of appeal to decision.
- Satisfaction Surveys are being sent out before and after the appeal
- SAMA CEO commented on role of the SMB and the issue of the "Standard of Review".
 - It is understood from the past that the role of the SMB is limited.
 - With the new SMB members that has changed resulting in more challenges to the Court of Appeal.
 - Pending decisions from the Court of Appeal will be helpful in providing guidance and hopefully certainty moving forward.
 - Recent decisions from the SMB seems to be moving in the direction of certainty regarding the discretion of the assessor.

MOTION by John Wagner to receive the report.

Carried

8f. Review of Committee Terms of Reference

Steve Suchan, SAMA Administration provided a power point presentation.

Committee Comments

- None

MOTION by Rob Lawrence to receive the report.

Carried

9: Future Developments

9a: SAMA TI Program update. Combined with 7a. See above.

9b: 2021 Revaluation - Assessment Policy Discussion

Steve Suchan, SAMA Administration provided a PowerPoint presentation.

Commercial Comments

- City of Regina representative wanted to know if SAMA has communicated to the smaller jurisdictions about the sales comparison approach.
- SAMA Administration indicated that no communication has taken place yet.
- SAMA CEO commented that the sales comparison approach has been well accepted elsewhere by SAMA jurisdictions.
- SKAIC representative wanted to clarify if SAMA was still considering regulating residential property.
- SAMA Administration responded by indicating that a change of that magnitude would require considerable legislative change.

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- Ministry of Government Relations responded by indicating that regulating residential property is a non issue and not being considered by the government.
- SAMA Board, Acting Chair indicated that a provincial index is being considered for resort property within Provincial Parks.

MOTION by Grace Muzyka to receive the report.

Carried

9c. Legislated reporting dates relating to Regulated Property

Steve Suchan, SAMA Administration referred to a report provided to the Committee members in advance of the meeting in the presentation.

- SAMA Administration discussed the issue in general and solicited feedback from the committee members regarding reporting dates for regulated property such as mines.

Commercial Comments

- CPTA representative indicated that a 1st of January reporting time frame wouldn't work for them (Pipelines). However, the end of January could be doable. Perhaps a reporting mechanism enhancement would work.
- SMA representative concurred with Ian with similar concerns regarding year-end processes. But agreed that reporting by the end of January was feasible.
- Ministry of Government Relations wanted to know if the reporting issue is isolated or systemic.
- SAMA CEO responded by indicating it is broader issue. Currently, working informally with Pipelines and building good working relationships to get information earlier that has been successful. A formal process change setting a January 31st deadline for industry reporting would be an overall enhancement to the entire process that lessens revisits to certain particular properties such as potash mines.
- SMA representative indicated their industry would be receptive to a change if it's reasonable.

MOTION by Rob Lawrence to receive the report.

Carried

9d. Agency Strategic Directions 2018-2021

Irwin Blank, SAMA Administration referred to a report provided to the Committee members in advance of the meeting in the presentation.

Commercial Comments

- WGEA representative asked if acquiring skilled staff is still a challenge.
- SAMA CEO responded that it is still a considerable challenge. It currently is a five year program to develop qualified licensed staff after they have been hired by SAMA.
- SAAA representative wanted to know if there is a plan to specialize within SAMA.
- SAMA CEO responded that it may not be cost effective in the remote locations.
- SAMA Administration remarked that one way to specialize is to assign a portfolio(s) of properties to a skilled staff(s).
- SAMA CEO agreed that this is currently in place with the sale comparison and income approach including statistical testing limited to a small team of analysts. He also noted that our heavy industrial

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assessments are done by a team of specialists.

MOTION by Rob Lawrence to receive the report.

Carried

10: Other Business

10a: SAMA 2016 Annual Meeting - Notice of meeting, agenda and resolutions

Steve Suchan, SAMA Administration provided a PowerPoint presentation about the 2016 SAMA Annual Meeting.

Committee Comments

- No comments to Resolution #1.
- No comments to Resolution #2.

Motion by Reg Hinz to receive the report.

Carried

10b: Next Scheduled City/Commercial Advisory Committee Meeting

The next City and Commercial Advisory Committee meeting is scheduled for March 30, 2017 and November 16, 2017 at the Sandman Inn, Regina.

Committee Comments

- John Wagner thanked all committee members for their attendance.

Meeting adjourned by Gerry Krismer at 2:24 P.M.

Adjournment



Darwin Kanius
Commercial Advisory Committee
Committee Secretary



Shaun Cooney
City Advisory Committee
Committee Secretary