

**Saskatchewan Assessment Management Agency
Rural/Urban Advisory Committee
Meeting Minutes for November 19, 2014
Sandman Inn - Great Room
1800 Victoria Avenue East, Regina, SK**

Minutes of the Combined Information and Business Meeting

Urban Advisory Committee

Members Present:

Al Heron, Committee Chair, SAMA Board Member,
Urban Sector
Neal Hardy (ex officio), SAMA Board Chair
Wade Murray, SAMA Board Member, City Sector
Myron Knafelc, SAMA Board Member
Barry Elderkin, Town of Maple Creek
Walter Streelasky, City of Melville
Brandon Danielson, Saskatchewan Assessment
Appraisers' Association

Members Absent

Sheryl Spence, City of Warman
Vacant, SUMA Town Representative
John Quinn, Resort Village of Candle Lake
Barry Gunther, Resort Village of Sun Valley
Malcolm Eaton, Saskatchewan Urban Municipalities
Association
Lois Smandych, Saskatchewan School Boards
Association
Vern Noble, Provincial Association of Resort
Communities of Saskatchewan

Rural Advisory Committee

Members Present:

John Wagner, Committee Chair, SAMA Board Member
Neal Hardy (ex officio), SAMA Board Chairman
Jim Angus, SAMA Board Member
Morgan Powell, SAMA Board Member, Rural Sector
Doug Oleksyn, R.M. of Shellbrook, No. 493
Jeannie DeRochers, R.M. of South QuAppelle No. 157
David Popowich, R.M. of Good Lake, No. 274
John Chavtur, R.M. of Frontier, No. 19
Rod Wiens, Saskatchewan Association of Rural
Municipalities
Garry Dixon, Provincial Association of Resort
Communities of Saskatchewan
Audrey Trombley, Saskatchewan School Boards
Association
Roger Frey, Saskatchewan Assessment Appraisers'
Association

Members Absent:

Gordon Meyer, R.M. of Progress, No. 351
Brent Evans, R.M. of Moose Jaw, No. 261

Observers:

Kelly Munce, Ministry of Government
Relations
Curt Van Parys, Saskatchewan School Boards
Association
Rodney Audette, Urban Municipal
Administrators Association of Saskatchewan
Irwin Blank, CEO, SAMA

SAMA Administration:

Kevin Groat, Committee Secretary
Shaun Cooney, SAMA administration

Observers Absent:

Laurent Mougeot, Saskatchewan Urban
Municipalities Association, Executive
Director

Guests

Gord Senz, SAMA Administration
Karlo Simonson, SAMA Administration
Rob Lawrence, Association of Saskatchewan
Realtors

Observers:

Lori McDonald, Rural Municipal
Administrators' Association of Saskatchewan
Laurel Felton, Administration, Saskatchewan
Association of Rural Municipalities
Brian Sych, Ministry of Government
Relations
Irwin Blank, CEO, SAMA

SAMA Administration:

Steve Suchan, Committee Secretary

Observers Absent:

Kim Gartner, Saskatchewan School Boards
Association
Jay Meyer, Saskatchewan Association of
Rural Municipalities.

Agenda Item:**Decision/Resolution:**

1. Call to order
Co-Chairs John Wagner (Chair, Rural Advisory Committee) and Al Heron (Chair, Urban Advisory Committee) called the meeting to order at 10:04 AM.
2. Opening remarks
Rural Advisory Committee (RAC) Chair welcomed everyone to the meeting.
3. Introductions
Introductions by individuals present.
4. Approval of meeting agenda
MOTION by Wade Murray that the committees approve the Agenda as presented.
Carried
5. Minutes of the previous meeting held March 14
MOTION by Doug Oleksyn that the minutes of the March 20, 2014 joint Rural and Urban Advisory Committees business meeting be adopted as circulated.
Carried
6. Business arising from the Joint Minutes
SAMA Administration: Administration is continuing follow up with the Ministry of Government Relations (GR) regarding the motions on page 5 with respect to formally notifying the Ministry to amend legislation regarding reporting dates for shut-in wells.
Action Item: Report back to the Committees as to the status of this item at the next meeting.

RAC Chair: SAMA obtains a data file from the Ministry of the Economy (MoE) regarding annual maintenance for oil and gas well properties. SAMA generally refers to this as the "oil and gas well standardization process". SAMA would like improvements to the MoE file and the Minister of Government Relations has offered to follow up with the MoE on SAMA's behalf. A report is currently being prepared in this regard for the Minister of GR.

SAMA CEO: In the past couple of years, there have been limitations in the current process with MoE that has resulted in delays in getting annual maintenance to municipalities in a timely fashion. SAMA needs a reliable custom file from MoE. Our ministry is willing to take our case forward. This process needs to be improved if SAMA is to examine options on how to get new oil and gas well properties onto the assessment roll sooner.

SAMA CEO: With regards to earlier report of well assessments, SAMA reports prepared about a year ago indicate there are no real benefit to municipalities as when reporting occurs earlier, rules regarding how long assessments stay on the roll when the equipment is removed also need to be taken into account. SAMA currently reviewing this information again in preparation of the report to the Minister.

SSBA Representative: Obtaining timely information in preparing oil and gas assessments has been a constant issue in the past; this is why we have existing legislation and valuation practices. It can be appreciated that SAMA needs good data in a reasonable time frame in order to do assessment work. Having said that, there would likely be a one-time net benefit to municipalities to advance the assessment process as the initial oil and gas well assessment would likely be higher at the beginning with assessments being reduced as the well reaches the end of its useful life.

Rural Representative: They have an issue with an abandoned oil battery and can't track down the owner for payment of taxes. Would this work help to identify owners?

Committee Comments: SAMA's oil and gas well standardization work and the MoE data file improvements would not be of help for this situation as it appears to be an orphaned site. However, the municipality should continue to keep the property on the assessment roll for at some point the situation may be resolved and they may get some of their back taxes.

SAMA CEO: At the SARM mid-term convention last week, a resolution was passed supporting the four year revaluation cycle.

RAC Chair: As a point of clarification, SARM is respectful regarding the views of urban municipalities regarding the revaluation cycle and would not want to hinder what they would like to move towards in the future. Presently rural municipalities are fine with the four year cycle.

Item 7: SAMA Update

Item 7a: CEO Report

Irwin Blank provided a Power Point presentation on two agenda items which include his report (item 7a), and the Technology Infrastructure Program (TI Program) (item 7c).

Committee Comments

- SAMA Administration: Clarification that tax class changes, such as PFRA pastures going from "F" to "T" tax class, will not be charged with respect to the SAMA maintenance fee being implemented for 2015.
- PARCS Representative: What will SAMA do if the Provincial Government doesn't contribute their share for 2015?
- SAMA CEO: For 2014 the provincial government shortfall was managed with our reserves. For 2015, if provincial government does not contribute, Agency reserves will be already depleted and programs such as the TI Program will be impacted. The SAMA Board is looking at other options such as short term borrowing as a contingency, but this is not a long term solution.
- SSBA Representative: Can SAMA confirm increase in education sector property tax revenue from 2013 and 2014?
- SAMA CEO: With regards to SAMA, total additional (municipal and education) revenue from assessment growth was \$33M for 2013 of which the education sector is about 40%.
- SAMA Board Member: In terms of the Agency's long term financial plan objectives, Board is very aware how important it is to have the support of SUMA and SARM. With regards to the TI

Program, a demonstration of the new technology at the recent SAMA staff meeting showed great support for the TI Program demo; it shows this investment is a good one.

- RAC Chair: By way of example, personal technology in homes, such as computers and phone, are really advancing with regards to technology. However industry and government have not been able to keep up with this technology. SAMA is in a similar position as government and now we need to bring SAMA's computer systems up to speed. This upgrade is expensive, but is a good investment.
- SAMA Board Chair: SAMA brought in the Lean program and it is working very well. Lean was brought in using mostly in-house resources making it cost effective. Ultimately we need to ensure assessments are fair and we need to keep working on this as there is more we can do.

MOTION by Jeannie DeRochers that the committees receive the CEO presentation and TI Program report (item 7c).

Carried

Item 7b: Assessment Services
Division Report

Power Point presentation by Todd Treslan.

Committee Comments

- General discussion regarding appeals by tax agents and general appeal practice.
- SAMA currently has some "big box" appeals that are taking substantial staff and additional legal support; these appeals have become a major undertaking for the Agency.

MOTION by John Chavtur that the committees receive the presentation.

Carried

Item 7c: Technology
Infrastructure Program (TI
Program) update

Refer to item 7a.

Item 8: Current Developments

No agenda items for this meeting.

Item 9: Future Developments

Item 9a: 2017 Revaluation
Preparations – Publications

Shaun Cooney provided a PowerPoint presentation and report.

Committee Comments

- RM Representative: In some municipalities, a tax exemption is provided to short line railways. Generally if an exemption is given, the railway company is expected to maintain the crossings etc. Does this impact the assessment processes?
- SAMA Administration: These practices would not impact the valuation model for short line railways.
- SAMA CEO: Over the last few years some rural municipalities have expressed concern to SAMA about the low assessment for short lines where there is allot of oil and gas being transported.

- SAMA Administration: Will need to monitor class 5 railway subdivisions for the 2017 Revaluation as those carrying significant oil may move up to class 4, which has a substantially higher assessment rate.

MOTION by David Popowich that the committees receive the report and presentation.

Carried

Break for lunch at 11:50 AM. Resume at 12:50 pm

Item 9b: 2017 Revaluation Preparations - Trends

Shaun Cooney provided a PowerPoint presentation and report.

Committee Comments

- SAMA Administration: Clarification that the report is for SAMA jurisdictions only. As well they are provincial trends and do not represent the local market of any specific municipality. It can be expected that some municipalities will be above and below the reported trends.
- Association of Saskatchewan Realtors Representative: Would trends be different if filters removed?
- SAMA Administration: Likely only a limited impact as observed in past research. Sale samples are large and thus there is some stability in the results.
- RM Representative: With regards to seasonal residential, was expecting higher increases. As well there will be information missing as properties that sell in regional parks and provincial lands do not have the transaction recorded with ISC.
- SAMA Administration: This a good comment. It is difficult to get market data for these locations and typically assessments are prepared using "comparable neighbourhood" analysis, where market data from comparable municipalities is used.

MOTION by Doug Oleksyn that the committees receive the presentation and report.

Carried

Item 9c: 2017 Revaluation Preparations - Quality Coordination

Shaun Cooney provided a Power Point presentation and report.

Committee Comments

- PARCs Representative: How do you prepare the assessment when a person owns multiple ISC titled lots beside each other and it is used as one entity?
- SAMA Administration: Typically the assessment appraiser would examine how the separate titled lots are used as well as consider municipal zoning. If say the improvements are integrated across two titled lots, the land would be assessed as one parcel as this is how the marketplace would consider the property. If the improvements were all on one titled lot and the second titled lot was available as a buildable lot, the lots would be assessed as separate parcels.
- PARC Representative: We may have a problem in their rural municipality that perhaps should be reviewed by SAMA. They need to ensure the assessments are reasonable.

- SAMA Administration: In the past, the administrator/assessor has asked for SAMA to combine titles for ease of administration of the assessment roll. Then this became a tax issue with regards to base tax and minimum tax application to land and SAMA was asked to prepare separate assessments for each titled lot. Ultimately assessments are to be prepared with respect to the market valuation standard and as such the assessed parcel should reflect how the property is bought and sold.

MOTION by Barry Elderkin that the committees receive the presentation and report.

Carried

Item 10: Other Business

Item 10a: Report on Municipal Property Taxation in Nova Scotia

Steve Suchan provided a Power Point presentation and report.

MOTION by Garry Dixon that the committees receive the report and presentation.

Carried

Item 10b: SAMA 2014 Annual Meeting - Resolution Follow up

Verbal update by SAMA Administration.

- Government Relations representative: A letter addressed to the SAMA Board Chair with regards to this resolution was signed by the Minister yesterday. The Ministry will not be proceeding with legislation to allow for the assessment of oil and gas well casing.
- SAMA Administration: This letter will be forwarded to municipalities and the Advisory Committees in due course.

MOTION by Barry Elderkin that the committees receive the information presented.

Carried

Item 10c: SAMA 2015 Annual Meeting - Notice of Meeting Date and Agenda

Steve Suchan provided a Power Point presentation and report.

Committee Comments

- SAMA CEO: Clarification that an emergent resolution is; that is something new that has arisen and hence no opportunity was available for an individual to consider it as a regular resolution. Advisory committees will be provided notice of resolutions via email.
- RMAA Representative: The training session the day before the Annual Meeting is a good idea.
- SAMA Board Chair: Paul Martin will be the key note speaker and will be talking about Saskatchewan and it's economy in a more general sense. Any suggestions regarding key note speakers for future meetings are welcome.
- SAMA CEO: A demonstration of SAMA's new technologies will be provided.

- Association of Saskatchewan Realtors Representative: As a fee appraiser, would like clarification as to what kind of assessment information is "private" and what is "public". Municipal Administrators are sometimes concerned about contravening privacy legislation. It needs to be clarified that this information is considered public.
- SAMA CEO: The SAMA Board can set bylaws regarding accessing assessment information. SAMA has a bylaw and sets fees for accessing information. In future training sessions will note this and also clarify assessment appraiser rights to access a property, but can't enter a dwelling without permission.

MOTION by Audrey Trombley that the committees receive the presentation and report.

Carried

Item 10d: Next scheduled urban/rural advisory committee meeting

The next meeting is scheduled for March 18, 2015 with the location yet to be finalized. The meeting date may change depending upon when the date for the Provincial Budget is set.

Debrief on the new meeting format

RAC Chair John Wagner asked the committee members for feedback and comments regarding the new format.

General discussion with positive responses to the format. Will continue with this format going forward.

Closing remarks by the SAMA Board Chair. Key focus was with regards to preparation for the 2017 Revaluation. Based upon the information provided today, shifts may likely be stabilizing in the future (ie, ag land trends vs urban property trends). In this regard the revaluation cycle is of lesser importance. Thanks for everyone's attendance and contribution to the meeting.

MOTION by John Chavtur that the meeting be adjourned.

Carried

Meeting adjourned at 1:50 pm.

Steve Suchan,
Rural Advisory Committee Secretary

Kevin Groat,
Urban Advisory Committee Secretary