

**Saskatchewan Assessment Management Agency  
City / Commercial Advisory Committee  
Meeting Minutes for November 20, 2014  
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  
Morgan Powell (non-voting), SAMA Board Member  
Jim Angus (non-voting), SAMA Board Member  
Neal Hardy, SAMA Board Chair  
Kevin Johnson, Association of Saskatchewan Realtors  
Ryan Weir, Building Owners and Managers Association  
Roger Leachman, Canadian Property Tax Association & Canadian Energy Pipeline Association  
Archie Cameron, National Golf Course Owners Association, Saskatchewan Chapter  
Shawn Graham, Inland Terminal Association of Canada  
Reg Hinz, Western Grain Elevator Association Tax Committee  
Kevin Olmstead, Railway Association of Canada  
Grace Muzyka, Saskatchewan Association of the Appraisal Institute of Canada

**Members Absent:**

Vacant, Regina Downtown Business Improvement District  
Rob Lawrence, Association of Saskatchewan Realtors  
Vacant, Saskatchewan Chamber of Commerce  
John Hopkins, Regina & District Chamber of Commerce  
Marilyn Braun-Pollon, Canadian Federation of Independent Business  
Alan Thomarar, Saskatchewan Home Builders' Association  
Tom Mullin, Saskatchewan Hotel & Hospitality Association  
Ken Marsh, Canadian Energy Pipeline Association  
Devin Wegner, Canadian Association of Petroleum Producers  
Randle Green, Saskatchewan Mining Association  
Denise Stroeder, Tourism Saskatchewan

**Observers:**

Norm Magnin, Ministry of Government Relations  
Jeremy Karwandy, Ministry of Economy  
Gerry Krismer, City of Regina  
Les Smith, City of Saskatoon  
Michael Kehler, City of Swift Current  
Irwin Blank, SAMA CEO

**Guests**

Laurel Feltin, Saskatchewan Association of Rural Municipalities

**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  
Gord Senz, Managing Director Quality Assurance Division  
Karlo Simonson, Senior Auditor Quality Assurance Division

**Observers Absent:**

Vacant, City of Moose Jaw  
Terry Hegel, City of Prince Albert  
Vacant, City of North Battleford

**Guests Absent:**

Sheldon Affleck, Saskatchewan Short-Line Railway Association  
Jay Meyer, Saskatchewan Association of Rural Municipalities

Robert Schultze, Saskatchewan Assessment  
Appraisers' Association  
Ken Patsula, Public Works and Government  
Services Canada  
Lana Nikonetz, Council of Saskatchewan Forest  
Industries

## **City Advisory Committee**

### **Members Present:**

Wade Murray, Committee Chair, SAMA Board  
Member  
Neal Hardy, SAMA Board Chair  
John Wagner, (non-voting), SAMA Board Member  
Deborah Bryden, City of Regina  
Les Smith, City of Saskatoon  
Vicky Bonnell, Saskatchewan School Boards  
Association  
Dwain Weeks, Saskatchewan Assessment  
Appraisers' Association

### **Members Absent:**

Matt Noble, City of Moose Jaw  
Deb Higgins, City of Moose Jaw  
Terry Hegel, City of Prince Albert  
Mark Tweidt, City of Prince Albert  
Vacant, City of Regina  
Kerry Tarasoff, City of Saskatoon  
Debra Button, Saskatchewan Urban Municipalities  
Association

### **Observers:**

Irwin Blank, CEO, SAMA  
Norm Magnin, Ministry of Government Relations

### **SAMA Administration:**

Shaun Cooney, Committee Secretary  
  
Todd Treslan, Managing Director, Assessment  
Services Division

### **Observers Absent:**

John Edwards, Ministry of Government Relations  
Kevin Waugh, Saskatchewan School Boards  
Association, Trustee  
Laurent Mougeot, Saskatchewan Urban  
Municipalities Association, Administration  
Vacant, City of Moose Jaw  
Vacant, City of Prince Albert  
Don Barr, City of Regina  
Vacant, City of Saskatoon

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

1. Call to Order of Joint Session  
Myron Knafelc, Chair Commercial Advisory Committee called the meeting to order at 10:06 AM.
  
2. Opening Remarks  
The Chair welcomed the attendees.  
  
Neil Hardy, SAMA Board Chair, added remarks regarding 2017 revaluation and solicited feedback from the attendees on the preliminary trends.
  
3. Introductions  
Introductions by all attendees present.
  
4. Approval of the Meeting Agenda  
The Agenda was approved.  
  
MOTION by Shawn Graham, ITAC Representative to approve the Agenda.  

**Carried**
  
5. Approval of the Meeting Minutes March 21, 2014  
Ministry of GR Representative: Wanted to note a correction to page 6, Agenda Item 8a regarding the amendments to the *Assessment Management Agency Act*, where 3rd reading would be expected within three months. The amendments were assented on May 14th, 2014.  
  
MOTION by Kevin Olmstead, RAC Representative that the minutes for the March 21, 2014 Joint City/Commercial Advisory Committee Information Session be adopted.  

**Carried**
  
6. **Business Arising from the Minutes March 21, 2014**  
Two business items arising from the minutes.  
  
SAMA CEO: On page 4, agenda item # 6. If the provincial budget date conflicts with future Advisory meetings, SAMA will change the date of only one meeting. More than likely the Wednesday, March 18, 2015 Rural/ Urban Advisory meeting. This will result in better management of the meetings.  
  
SAMA Administration: Regarding an action item from agenda item 9(c), page 8. The misunderstanding was with the interpretation of the sales data and adjustments submitted by SAMA in an appeal to the Assessment Appeals Committee. The issue was addressed to the satisfaction of the Association of Saskatchewan Realtors (ASR) committee member on March 27th, 2014.
  
7. SAMA Update
  
- 7a: CEO Report and TI Program Update (7c)  
Irwin Blank, SAMA CEO provided a PowerPoint Presentation of the CEO report.

Committee Comments

- SKAIC Representative: How many appeals to the AAC for 2014?
- SAMA CEO: Explained the numbers are virtually the same because the 2013 appeals have not been resolved. Many are protective appeals.
- WGEA Representative: Based on an inventory of 800,000, isn't the

## Agenda Item:

## Decision/Resolution:

- 100,000 re-inspections an 8 year cycle?
- SAMA CEO: Explained the 100,000 re-inspection are made up of a 40,000 maintenance and approximately 60,000 re-inspections, thus that would make it a 12 year cycle.
- WGEA Representative: Don't the municipalities get the ISC data?
- SAMA CEO: No, SAMA provides the ISC data to the municipalities on a weekly basis.
- NGCOA Representative: How do the eight municipalities that provide their own assessment services stack up in comparative technologies?
- SAMA CEO: SAMA is catching up on some technologies with the City of Regina and Saskatoon. CD Consulting Services uses SAMA's system; the City of Swift Current has a similar system to Saskatoon's. The City of Prince Albert is struggling with technology and is currently in search of a new CAMA system.
- Ministry of GR Representative: Asked SAMA administration if they could comment on the SAMA Board composition and forthcoming renewals as changes to the Board.
- SAMA CEO: At the SARM mid-term convention one member was not re-elected. Morgan Powell who has been one of SARM's representative on the SAMA Board since 2010 lost to Murray Purcell on the sixth round. At present our understanding is that the two government appointees where the terms are up (Jim Angus and Neil Hardy) are both slated to be re-appointed for another term. The two urban representatives from SUMA and the remaining government appointment (Myron Knafelc) were appointed/re-appointed to the Board more recently. When all the upcoming appointments are done we will be returning six of our current seven SAMA Board members going forward.
- Ministry of GR Representative: Order in Council for the new Board member and the re-appointment of the other three members where the terms are coming up are currently being processed.
- SSBA Representative: Notice to committee members that the SSBA passed a resolution at our AGM asking that the SSBA advocate the Government of Saskatchewan to amend legislation to clarify exemptions, government rates for school divisions and consultations with municipalities. The school boards do not levy a mill rate to ensure funding anymore. The Province has taken on the responsibility of allocating funding for school boards through taxation. Therefore school boards want to be recognized at the provincial rate when municipal taxes are collected from school boards (especially in light of the growing infrastructure projects that necessitate taxation support.)
- SAMA CEO: Thanked the SSBA Representative for this notification and noted that this appears to be a tax issue which is outside the purview of SAMA.

MOTION by Reg Hinz, WGEA Representative to receive the CEO presentation.

**Carried**

## 7b. Assessment Services Report

Todd Treslan, SAMA Administration presented a PowerPoint presentation about SAMA's Assessment Services Division (ASD) activities. In summary:

### SAMA

- 2014 Support of Value
  - 1,369 appeals
  - 89 remain in progress

## Agenda Item:

## Decision/Resolution:

- 58, 2013 SMB appeals outstanding
- 2014 Supplementary Maintenance
  - 71% complete (Moose Jaw, Weyburn and Yorkton)
- 2014 Maintenance for use in 2015
  - 41% complete
  - 47% complete (Oil & Gas renditions)
- 2014 Re-inspection Program
  - Ag Land - 94% complete
  - Commercial - 98% complete
  - Residential - 97% complete
  - Industrial - 55% complete (oil & gas properties)
  - Tank audit 13,365 properties

## Committee Comments

- ITAC Representative: What happens to the taxes for properties under appeal?
- City of Regina: Encourage the owners to pay the full taxes, then would refund the difference if the owner was successful.
- SKAIC Representative: The municipalities don't pay interest on the taxes saved if the owner wins, but have to pay additional interest if the taxes are not paid.
- City of Regina: Advised that the interest penalties are waived if the appeal is successful.
- Ministry of GR Representative: How many appeals to the SMB in 2013?
- SAMA Administration: There are 102 SAMA appeals, 83 are active. It should be noted that the Cities of Regina and Saskatoon have equal numbers of properties under appeal to the SMB.

MOTION by Roger Leachman, CPTA & CEPA Representative to receive the report by SAMA. **Carried**

## City of Regina Update:

- 9700 assessment notices mailed for 2015 on November 7th, the roll closed December 8th and is the Board of Revision deadline.
- Income / expense statements to be mailed to leased properties soon.
- There are 3 appeals outstanding for 2013 to be scheduled in 2015.
- Two agreement sent to AAC in Sept 2014, still waiting for decision. It's just a formality. Example of delays with the SMB processes that is costing the City and property owner.
- Five year contract entered with Pictometry.
- Includes change recognition software
- Able to flip back and forth between old and new images.
- Resolution is to 7 cm.
- Attempting a 12 year re-inspection cycle
- Cost of contract will pay off in year 3. Five year Pictometry cost \$350K.
- Will continue to do field verification for new homes.

## City of Swift Current Update:

- 2014 supplementary roll closed.
- One appeal, resolved through agreement to adjust.
- Deadline for 2014 supplementary appeals is Dec 15th.
- 100 appeals in 2013, no appeal to the AAC.

## Agenda Item:

## Decision/Resolution:

- 2015 assessment roll expected to be mailed in late Jan 2015.
- 2017 revaluation ramping up.

### City of Saskatoon Update:

- Finished maintenance for 2015.
- Drop in rate of growth over past two years, started in spring.
- Developers waiting for inventory to be absorbed.
- Permits are down in numbers and so is the value from 2011 and 2012.
- Developers actually have lots for sale. Is this a new trend?
- Residential areas still need growth and looking to annex 30 quarters. Annexed land would be only 3 miles from Martensville.
- With growth, there are now plans to build a new bridge for 2018 on the north side of the City.
- 140 appeals in 2014, many appeals pending at the AAC for 2013.
- 2017 residential analysis will be completed in early in 2015, no major changes expected.
- 2017 commercial just after contingent on the receipt of income and expense data.

### Committee Comments

- ITAC Representative: What happens during annexation with the RM properties and the differences in building standards?
- City of Saskatoon: No harmonized policy for building standards. Not sure if the buildings are grandfathered into the city standards.
- City of Swift Current and City of Regina- Buildings are grandfathered into the city standards when annexations occur, however if the property owner wants to make a change to their property, it must be brought up to standards.

MOTION by Dwain Weeks, SAAA Representative to receive the verbal reports from the other assessment providers. **Carried**

## 8: Current Developments

8a: No item presented.

## 9: Future Developments

### 9a: 2017 Revaluation Preparations – Publications

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

- Considerable consultation was involved in finishing the manual updates. The support of our stakeholders and industry groups is much appreciated by SAMA.
- 2015 Cost Guide - Non Regulated - Approved by Board resolution.
- Significant revisions due to Residential Cost Simplification.
- Reformatted to single column.
- Request final feedback from Advisory Committees by November 30, 2014 to allow time for publication finalization.
- Finalize publications with provincial factors by January 21, 2015.
- Request Board approval at January 30, 2015 meeting.
- Present final publications to Advisory Committees March 18 and 19, 2015.

**Agenda Item:**

**Decision/Resolution:**

Committee Comments

- Ministry of GR Representative: Has the Oil & Gas production adjustment factor (PAF) stayed the same?
- SAMA Administration: Yes it has. It remains at -25% or a factor of 0.75. However, the number of wells eligible for the PAF will be reduced.
- SKAIC Representative: Are the Saskatchewan cost factors above the Marshal and Swifts (M&S) costs with their cost factors applied?
- SAMA Administration : Yes, this adjustment is after all M&S factors are applied. (M&S) local multipliers were recently adjusted for increased local costs in Saskatchewan. However an additional SCF adjustment is needed to account for local costs and conditions in Saskatchewan as of the base date.
- SKAIC Representative: We have recognized this trend in our industry as well.
- ITAC Representative: Why are the elevators measured in bushels and not in tonnes?
- SAMA Administration: Good question. The unit of measure is a carry forward from previous revaluations. Will review and seek to update it for the next revaluation.

MOTION by Grace Muzyka, SKAIC Representative to receive the report.

**Carried**

**Break for lunch 11:55 am meeting reconvened at 12:46 pm**

9b: 2017 Revaluation Market Property Trends

Shaun Cooney, SAMA Administration 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.
  - Arable agricultural land tax class up 100%.
  - Pasture land tax class up about 70%.
  - Residential tax class up 22%.
  - Seasonal tax class up 23%.
  - Commercial tax class up 35%.
  - Multi-family tax class up about 23%.
- Note: These trends are early stage estimates that will be refined as new values are calculated and market analysis is completed during 2015.

Committee Comments

- SKAIC Representative: Is the commercial group all types of commercial property?
- SAMA Administration : Yes, all properties valued using sales.
- ITAC Representative: What about other cities?
- SAMA Administration: The other assessment providers will do their own trend analysis and report to SAMA. This can be combined in a future trend analysis presentation.
- City of Regina: No report.
- City of Saskatoon: No report.

MOTION by Les Smith, City of Saskatoon Representative to receive the report.

**Carried**

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

9c. 2017 Revaluation preparations - Quality Coordination

Shaun Cooney, SAMA Administration provided a PowerPoint Presentation about the 2017 Revaluation Quality Coordination (QC) Program.

- Part of SAMA's legislated oversight responsibilities.
- First QC program implemented for the 2013 revaluation.
- TS&P worked directly with the assessment service providers
- QC Project
  - Revaluation Quarterly Reporting:
    - Monitor 2017 revaluation activities on a quarterly basis.
    - Ensure revaluation on schedule.
  - Quality Coordination Program:
    - Support ASP's in revaluation administered through the survey and the on site visit.
    - Will prepare final report.
  - Quality Assurance Standards:
    - Is a legislated requirement of the level of appraisal using the median unit of comparison to determine the Assessment to Sales Ratio (ASR).
    - The ASR requirement is that the residential property group, including the land and all non-residential property groups, including the land must attain the level of appraisal (ASR) within a range of 0.95 to 1.05.
    - ASP's strive for a median ASR of 1.00
- Board approved January 31, 2014
- Results posted to SAMA Public Website
- Common Goal is improve inter-municipal assessment equity

MOTION by Reg Hinz, WGEA Representative to receive the report.

**Carried**

10: Other Business

10a: Report on Municipal Property Taxation in Nova Scotia

Steve Suchan, SAMA Administration provided a PowerPoint presentation.

Committee Comments

- WGEA Representative: Are the assessment and tax functions separate?
- SAMA Administration: Yes, it is our understanding that the assessment roll is produced by Service Nova Scotia, but the tax roll is the responsibility of the municipality.
- SAMA Administration: Commented that it is the assessment that is capped and not the taxes.
- General discussion ensued regarding the complexity of the capping system.

MOTION by Grace Muzyka, SKAIC Representative to receive the report.

**Carried**

10b: SAMA 2014 Annual Meeting - Resolution follow up

Steve Suchan, SAMA Administration provided a verbal report.

Resolution 2014-2 requests that oil and gas casing be assessed.

- SAMA Administration: SAMA Board Chair just received a letter from the Ministry of Government Relations indicating that the Government will not be proceeding with legislation to assess oil and gas well



**Agenda Item:**

**Decision/Resolution:**

casings. SAMA will report to the municipalities and the Committees after the December 12, 2014 Board meeting.

- SAMA Board Member: How many resolutions in a year?
- SAMA Administration: Between 0 and 3 per year.
- SAMA CEO: With more advanced stakeholder consultations for assessment policy and revaluation updates and with SAMA's Advisory Meeting consultation process, a lot of potential resolutions have been avoided.
- City of Regina: What is the process to determine the voting member?
- SAMA Administration: It is a relaxed policy based on voting cards, which has been accepted. Two voting cards will be issued to each municipality. During the registration process each municipality should indicate who their voting members are.

MOTION by Roger Leachman, CPTA & CEPA Representative that the report be received. **Carried**

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

Steve Suchan, SAMA Administration provided a PowerPoint presentation about the 2015 SAMA Annual Meeting.

- Scheduled for April 15, 2015.
- Will be a half day training session the day before (April 14, 2015). SAMA has partnered with the Ministry of Government Relations for the half day training sessions. Sessions geared to Administrators, but elected officials are welcome to attend.
- Queensbury Convention Centre, Regina
  - The resolution and voting process has been simplified.
  - Municipalities can now appoint two voting members and they are no longer required to be elected officials.
  
- ❖ Details for the annual meeting resolutions and voting procedure changes will be communicated to all municipalities early in 2015.

MOTION by Mike Kehler, City of Swift Current representative that the report be received. **Carried**

10d: Next Scheduled City/Commercial Advisory Committee Meeting

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

10e: Debrief on the new Meeting format

Debrief on the new meeting format

Chair Myron Knafelc asked the each committee member to comment on the new format and asked for general observations/comments.

- General consensus to continue with this new meeting format for the next meeting.
- SKAIC Representative: An issue at an appeal hearing. Comparables in error by as much as 30%, but Board of Revision reluctant to adjust because the of the mass appraisal provisions in the Act regarding the overall ASR at 1.00. So, even if there are errors in the comparables as long as the overall ASR is 1.0, then the assessor's result is fine. What

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

can be done in future about some individual situations such as this? It is a frustrating situation for the rate payers.

- SAMA CEO: There is a balance. Shouldn't use legislation as a shield verses getting the assessment right.
- CPTA & CEPA Representative: Thanks SAMA for these stakeholder meetings. We hope that other assessment jurisdictions would adopt a similar consultation process as SAMA..
- SSBA Representative: Appreciated the clarity of reports and the quality of the work and presentations based on the limited resources. Agrees with SAMA to perform upgrades to "get that \$30 million in taxes".
- NGCOA Representative: As a new member I echo the comments on quality of the presentations and clarity of information. Have separate concerns on the assessments of taxable golf courses.
- ITAC Representative: Appreciated SAMA's efforts with the balanced approach and open sharing of information and concerns from the business sectors.
- Board Member: Glad to hear the comments.
- Board Member: Nice to hear the comments and it was a pleasure to have been part of these committees.
- WGEA Representative: Great opportunity to get feedback and appreciated the invite to participate. We recently held a telephone conference call with SAMA where they provided answers to detailed questions regarding the model. This should happen in other provinces.
- Board Member: Lots of good input and it does resonate with the SAMA and the Board members.
- Board Member: Appreciates the opportunity to take part and thanked the members for their openness to provide feedback
- SAMA Board Chair: Thanked all that attended . There is good value in attending these meetings. SAMA is trying to make assessments as fair as possible; assessment need to be fair.

Adjournment

Meeting adjourned by Shawn Graham at 1:43 P.M.

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Darwin Kanius  
Commercial Advisory Committee  
Committee Secretary

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Shaun Cooney  
City Advisory Committee  
Committee Secretary