

**Saskatchewan Assessment Management Agency  
City / Commercial Advisory Committee  
Meeting Minutes for March 30, 2017  
Sandman Inn - Great Room  
1800 Victoria Avenue East  
Regina, SK**

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

**Commercial Advisory Committee**

**Members Present:**

Audrey Trombley - Committee Chair, SAMA Board Member  
Myron Knafelc - (ex-officio), SAMA Board Chair  
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  
Ian Magdiak, Canadian Property Tax Association  
Darwin Collins, Saskatchewan Mining Association  
Ryan Weir, Building Owners and Managers Association  
Kevin Johnson, Association of Saskatchewan Realtors

**Members Absent:**

Barry Wiebe, National Golf Course Owners Association, Saskatchewan Chapter  
Shawn Graham, Inland Terminal Association of Canada  
Vacant, Saskatchewan Chamber of Commerce  
John Hopkins, Regina & District Chamber of Commerce  
Vacant, Canadian Federation of Independent Business  
Rob Lawrence, Association of Saskatchewan Realtors  
Robert Rolfe, Canadian Association of Petroleum Producers  
Ken Patsula, Public Works and Government Services Canada  
Vacant, Regina Downtown Business Improvement District  
Corinne Li, Railway Association of Canada  
Vacant, Saskatchewan Home Builders' Association  
Jim Bence, Saskatchewan Hotel & Hospitality Association

**Observers:**

Erin Raaf, Ministry of Economy  
Gerry Krismer, City of Regina  
Michael Kehler, City of Swift Current  
Rod Weins, Saskatchewan Association of Rural Municipalities (11:30 am)  
Irwin Blank, SAMA CEO  
Karlo Simonson, SAMA QAD

**Guests**

**SAMA Administration:**

Darwin Kanius, Committee Secretary

Steve Suchan, Managing Director, Technical Standards and Policy

Shaun Cooney, Director of Technical Standards  
Nancy Wollner, Manager, Moose Jaw Region

**Observers Absent:**

Norm Magnin, Ministry of Government Relations  
Jeremy Karwandy, Ministry of Economy  
Dianne Ford, Saskatchewan Municipal Board  
Darcy Huisman, City of Saskatoon  
Tim Furlong, City of Prince Albert  
Ken Dueck, Tourism Saskatchewan  
Brenda Hendrickson, City of Moose Jaw

**Guests Absent:**

Sheldon Affleck, Saskatchewan Short-Line Railway Association

## City Advisory Committee

### Members Present:

Dawn Luhning, Committee Chair, SAMA Board Member  
Myron Knafelc - (ex-officio), SAMA Board Chair  
John Wagner, SAMA Board Member  
Gerry Krismer, City of Regina  
Dwain Weeks, Saskatchewan Assessment Appraisers' Association  
Deborah Bryden, City of Regina

### Members Absent:

Eric Bloc-Hanson, Saskatchewan School Boards Association  
Shelly Sutherland, City of Saskatoon  
Gordon Barnhart, Saskatchewan Urban Municipalities Association  
Matt Noble, City of Moose Jaw  
Vacant, City of Moose Jaw  
Martin Ring, City of Prince Albert  
Lee Atkinson, City of Prince Albert  
Bev Dubois, City of Saskatoon

### Observers:

John Edwards, Ministry of Government Relations  
Irwin Blank, CEO, SAMA

### SAMA Administration:

Shaun Cooney, Committee Secretary

### Observers Absent:

Tim Furlong, City of Prince Albert  
Darcy Huisman, City of Saskatoon  
Brenda Hendrickson, City of Moose Jaw  
Laurent Mougeot, Saskatchewan Urban Municipalities Association, Administration  
Don Barr, City of Regina  
Ron Boechler, Saskatchewan School Boards Association, Trustee

### Agenda Item:

### Decision/Resolution:

- |  |  |                |
|--|--|----------------|
| 1. Call to Order of Joint Session                            | Audrey Trombley, Chair Commercial Advisory Committee called the meeting to order at 10:08 AM.  |                |
| 2. Opening Remarks   | The Chair of Board, Myron Knafelc welcomed the attendees.  |                |
| 3. Introductions   | Introductions by all attendees present.  |                |
| 4. Approval of the Meeting Agenda                            | The Agenda was approved.<br><br>MOTION by Dawn Luhning to approve the Agenda.  | <b>Carried</b> |
| 5. Approval of the Meeting Minutes November 17, 2016         | MOTION by Chandra Reilly that the minutes for the November 17, 2016 Joint City/Commercial Advisory Committee Information Session be adopted as circulated. | <b>Carried</b> |
| 6. Business Arising from the Joint Minutes November 17, 2016 | None.  |                |

**Agenda Item:**

7. SAMA Update

7a CEO Report

**Decision/Resolution:**

Irwin Blank, SAMA CEO provided a Power Point on the CEO's Report.

**Committee Comments**

- None

MOTION by Reg Hinz to receive the CEO presentation.

**Carried**

7b. Assessment Services Division Report

Power Point presentation by Irwin Blank on behalf of the Assessment Services Division (ASD).

**Committee Comments**

- WGEA asked about the independent communities coming back into SAMA. What is the reason?
- SAMA CEO replied it is a result of a retirement of the assessment provider. Effective 2018, the only remaining communities with their own assessment service will be Regina, Saskatoon, Prince Albert and Swift Current.

MOTION by Reg Hinz to accept SAMA's ASD report.

**Carried**

7c. Updates by the other Assessment Service Providers

**City of Regina Update:**

- 2017 notices mailed January 6th, roll closed March 6th.
- 350 appeals in total (60 residential; 30 Multi-Family appeals by tax agents; 250 commercial appeals. 225 appeals by tax agents
- City asked for an extension of the Board of Revision to October 2017. This is due to the delay in receiving the new property tax class "percent of values" from Government Relations, which then impact other assessment functions, such as the Board of Revision. Without this extension Regina would be unable to complete their duties within the legislated time frame.
- Entered into another extended contract with Pictometry in 2016. Another fly by is scheduled for 2018. City using change finder application which located approximately 1,100 non permit changes.
- City has a twelve month maintenance program.
- City is able to do approximately 3,000 re-inspection per year as well.

**City of Saskatoon Update:**

- As provided by Darcy Huisman in advance of the meeting.
- Roll closed March 10, 2017. 95,000 accounts updated.
- Assessment increased from 41.7 billion (2016) to 52.1 billion (2017).
- 602 appeals received in 2017 an increase of 38% from 2013 mainly due to an increase in residential appeals.
- 60% of the appeals represented by professionals.
- 2017 Trends:
  - Overall Residential + **14%**
    - Single Family +13%
    - Condos +5%
    - Multi Family +51%
  - Overall Commercial +**36%**
    - Retail +75%
    - Offices +44%

## Agenda Item:

## Decision/Resolution:

- Industrial +34%
- The trend has reversed between retail and industrial, where in 2013 retail had a lesser increase than industrial
- Tax notices to be mailed in May.
- 2 year phase in for residential.
- 4 year phase in for commercial and multi-family.
- Communication initiative on line;
  - tax and assessment tools
  - revenue neutral tax calculator (replaces the preview letter)
  - YouTube video on the factors used to develop the residential assessments
  - Updates FAQ's
  - a “Guide to Information found on the 2017 Assessment Notice” which provided a detailed explanation on how to read the assessment notice, what certain information means, with a focus on an explanation on the change in the POV
- 3200 requests for information mailed in February 2017. Response rate at 18% to date.
- 530 commercial and multi-family sales verification forms sent out for 2015 and 2016, 80% have been inspected and verified.
- 2016 BoR has one outstanding appeal waiting a decision.
- 41 appeals outstanding at the SMB. Some heard, others not scheduled.
- Permit volumes have declined for residential from last year, but it is due to a decrease in multi-family construction.
- Single family construction is slightly up.

### City of Prince Albert Update:

- As provided by Tim Furlong in advance of the meeting.
- 2017 Roll closes April 10<sup>th</sup>.
- Approximately 210 telephone enquiries.
- Online webinar held, with two more planned, explaining the impact of reassessment. Feedback was very positive after first webinar.
- 2017 Changes
  - Overall +**10.05%**
  - Commercial +21.33%
  - Residential + 3.75%
  - Condo + 9.11%
  - Hotel + 3.89%
  - Multi-Res +38.50%
  - Railway +15.39%
- To date only one actual appeal filed to the Board of Revision, more are expected as the appeal deadline gets closer.
  - Staff have met directly with many of the commercial property owners in order to explain their assessments and any changes that occurred. It is hoped that this will reduce the number of commercial appeals lodged as a result of these meetings.
- Currently there are no outstanding appeals to the SMB.
- Court of Appeal hearing held December 16, 2016 respecting the interpretation and application of Section 227 of *The Cities Act*. The decision has not yet been

**Agenda Item:**

**Decision/Resolution:**

rendered.

- Implementation of new CAMA system is on schedule and on budget.
  - Residential went live mid-February.
  - Commercial is expected to go live by the end of April.
  - Pictometry and Google Earth links are working.
  - ISC component to be started once commercial is completed.
- Continuous re-inspection program is on-going.
- Recent budget cutbacks have temporarily suspended all non-essential travel for all City staff and would request SAMA to consider allowing committee members to participate in advisory meetings via videoconferencing.

**City of Swift Current Update:**

- All other changes including maintenance and physical growth are reflected in the 2017 assessments.
- Some enquires received were residential handled by phone involved POV increase from 70% to 80%.
- Found and corrected an error on large residential lots over 10,000 SF. Amended notices were mailed that addressed the problem.
- 2017 appeals. 16 in total:
  - 10 commercial
  - 2 condo
  - 4 residential

**CD Consulting Services Ltd. Update:**

- No report

**Committee Comments**

- SAMA Board Member asked about base date with the reference to the market dropping relative to the assessment.
- City of Regina responded that he is hearing some comments mostly directed to condominiums that the market is softening. Nothing overly concerning to date.
- City of Swift Current has also heard some talk locally, but has been able to explain the process.

MOTION by Dawn Luning to receive the verbal reports from the other assessment providers.

**Carried**

8: Current Developments

8a: Proposed 2015 Cost Guide Amendments

Shaun Cooney, SAMA Administration provided a power point presentation.

**Committee Comments**

None

MOTION by Chandra Reilly to receive the report.

**Carried**

8b: 2017 Revaluation Update

Shaun Cooney, SAMA Administration provided a power point presentation.

**Committee Comments**

- SKAIC asked if the assessment growth, based on the slides, is province wide or just SAMA.
- SAMA Administration clarified that the provincial trends include assessment growth for the four year revaluation update, as well as physical growth in terms

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of property maintenance between 2016 and March 1, 2017 when the file was created. As such it is an "all in" provincial economic and physical trend. The slides at the beginning of the presentation reflect the entire province and a few slides later in the presentation reflect SAMA specific trend information.

- SKAIC also asked about the shape of the AG land graph.
- SAMA CEO explained the pattern of the graph is due to the timing of the ag land sales. Every third quarter of the year there is a pattern of a marked decrease in sale prices for ag land. This is because farmers, who are the main purchasers and sellers of ag land, are busy with the provincial harvest and during this period the market softens.
- MOTION by Dwain Weeks to receive the report.

**Carried**

8c. Court of Appeal update on property assessment appeals.

Steve Suchan, SAMA Administration provided a power point presentation.

**Committee Comments**

- SAMA CEO commented on the issue of the time lag between the BoR decisions and the decisions received from the SMB. The substantial time lag has had a negative impact on some communities where losses due to appeals have impacted budgets compounded over a number of years.
- City of Regina commented on the Imperial Oil decision from the Court of Appeal regarding the valuation of its large land parcels. Although the Court determined the methodology was done incorrectly, it supported that the error was done equitably.
- City of Regina also commented on the impact of another appeal at the Court. City Centre Equities Inc. (Offices). It is another issue of timing where the BoR heard the appeal in 2014, but the SMB didn't hear the appeal until November 2016 and didn't render its decision until March 2017. Now it's before the Court and the tax impact is \$2.5 million for each year just for municipal portion. Large risk to City in light of the recent budget issues due to the substantial time lag in the decisions from the SMB.

MOTION by Grace Muzyka to receive the report.

**Carried**

8d. SARM Resolution

Steve Suchan, SAMA Administration provided a power point presentation.

**Committee Comments**

- General discussion about how some municipalities can and have mitigated tax losses by adjusting the tax rates by category.
- SKAIC clarified that it would be the mill rate factor that is adjusted to shift taxes.
- SKAIC commented that the City of Saskatoon is much too formal and not very communicative in the appeal process.
- SAMA Board member commented that had the RM No. 461 used the City of Prince Albert's MAF'S the values would have been much higher. Typically the RMs has little commercial activity which makes the valuation decisions more difficult.
- SAAA commented that your first client is your community then it is the property owner.
- SAMA CEO concurred, but it is public that is the client of our municipal clients and our responsibility goes both ways, which requires carefully understanding the issues and our roles.

MOTION by Reg Hinz to receive the report.

**Carried**

**Agenda Item:**

**Lunch Break**

**Decision/Resolution:**

**12:00 pm reconvened at 12:50 pm**

9: Future Developments

9a: Agency Strategic Directions for 2018-2021

Irwin Blank, SAMA CEO provided a power point presentation.

**Committee Comments**

- WGEA asked for clarification about the cost of maintenance being \$100 while the fee is \$20. Is there a cost benefit to the municipality?
- SAMA CEO explained that there is a balancing between the increase in assessment on some maintenance checks which provides a financial benefit that is a large multiple of the fee, however this is partially offset by other inspections that might decrease an assessment.

MOTION by Grace Muzyka to receive the report.

**Carried**

9b. SAMA IT Program Update

Irwin Blank, SAMA CEO provided a power point presentation.

**Committee Comments**

- WGEA wanted to know what the assessment appraiser will have out in the field. What kind of notebook?
- SAMA CEO indicated that SAMA is going with a Microsoft surface supported notebook/tablet.
- CPAT wanted to know if the web portal could be used to report their information and/or share sales information.
- SAMA CEO indicated that the web portal would be the perfect tool for this type of information reporting and sharing.
- SAMA Board member asked a similar question regarding the Municipalities ability to use the web portal.
- SAMA CEO responded in the affirmative.

MOTION by Kirk Wasylik to receive the report.

**Carried**

9c & 9d

9c. 2021 Revaluation Preparations - Manual, Board Orders

Shaun Cooney & Steve Suchan, SAMA Administration provided a power point presentation.

**Commercial Comments**

9d. 2021 Revaluation Preparations - Cost Guide, Handbook, Policy considerations

- General discussion on the three approaches to value (cost, sales comparison and income - property rental).
- SKAIC asked, it is really is more difficult to explain the sales comparison approach than the cost approach?
- SAMA Administration responded by explaining that the difficulty relates to the Sales Comparison (MRA) analysis and resulting statistics, but it is conceded that the sales comparison approach is the way that appraisers and realtors understand the market.
- SAMA Board Member commented that agents are bringing sales in from all over North American. Is there a way to restrict this approach?
- SAMA CEO responded that SAMA and Prince Albert have taken a hit on some regulated property. For example, the Big River pulp mill in SAMA and the Domtar pulp mill in Prince Albert. The comparable market should be limited to regions, such as western Canada. Perhaps the ASP's need to engage professionals to counter any future appeals of this nature.
- Ministry of Government Relations commented that moving away from the

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market approach would be a step backwards. In the context of the base date, implementation date and between the commercial and residential markets, what is the practical approach in addressing this issue? Limit the use of sales outside the province as a Board Order?

- SAMA Administration responded by suggesting to look at the market evidence standard.
- SAMA Board Member commented that Medicine Hat built a new Wal-Mart then demolished their old store after 10 years.
- City of Regina responded by indicating that the "dark store" issue is not a problem in the province. Superstore is a good example regarding a caveat placed on the property restricting its reuse. The sale price reflected that caveat which opened up an opportunity for reuse and redevelopment to other non competing uses.
- SKAIC commented that the appeal industry is not intending to "mess" with the assessor, but there is a concern that more regulation is not the answer. The way the valuation models are designed, which are bigger and broader may not relate to the market as accurately. Our sector would encourage the assessors to better understand the market.
- SAAA commented that the current appeal legislation protects the community such that one dark store sale doesn't make a market.
- Ministry of Government Relations wanted to clarify that you wouldn't use sales from Toronto or Vancouver to measure the market in Regina, is that right?
- City of Regina concurred. For the general commercial market that would be accurate. However, it is about comparability and what is logical. How does the comparability exist with the unique properties? Does a more global market better reflect the conditions found with properties such as the Domtar property in Prince Albert or can the market be found that is more local?
- SAMA CEO commented that our "lay" boards are influenced differently than a more experienced expert board and this can increase our effort and cost.

MOTION by Dwain Weeks to receive the report.

**Carried**

9e. Legislated Reporting Dates related to Regulated Property

Steve Suchan, SAMA Administration referred a power point presentation.

**Commercial Comments**

- SMA indicated that it would be difficult to meet a moved up date and agreed with SAMA's status quo option and explained their internal issues about meeting the moved up date.

MOTION by Ian Magdiak to receive the report.

**Carried**



**Agenda Item:**

**Decision/Resolution:**

10: Other Business

10a: SAMA 2017 Annual Meeting

Irwin Blank, SAMA CEO provided a verbal report on the meeting.

**Committee Comments**

- Due to current budget restraints, City of Prince Albert assessment staff will not be able to attend the SAMA annual meeting scheduled for April 12, 1017 at the Queensbury Convention Centre in Regina.

Motion by Dwain Weeks to receive the report.

**Carried**

10b: Next Scheduled City/Commercial Advisory Committee Meeting

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

**Committee Comments**

- SAMA CEO indicated that Prince Albert was suggesting using a video conferencing option in the future. Requested comments and feedback on this option.
- SAMA also indicted that Moose Jaw's City Manager had the same suggestion as Prince Albert.
- SAMA Board, Chair commented that he liked the face to face feedback and the informal exchange between the committee members.
- SAMA Board Member concurred that she liked the idea of the face of face meeting with the Rural and Urban meetings.
- SAAA also supported the face to face meetings, but welcomes other alternatives.
- SKAIC also supported the face to face, but if there is an issue between the use of video or audio conferencing, she would support an audio conference.
- SAMA Board Member commented that video or phone conferencing is not effective with large groups over a long period of time.

Adjournment

Meeting adjourned by Jim Angus at 2:03 P.M.



Darwin Kanius  
Commercial Advisory Committee, Secretary



Shaun Cooney  
City Advisory Committee, Secretary