

Saskatchewan Assessment Management Agency CITY and COMMERCIAL ADVISORY COMMITTEES MEETING

Meeting Minutes for Wednesday, November 25th, 2020

Via Microsoft Teams

Commercial Advisory Committee

Members

Audrey Trombley, SAMA Board Member
Al Heron (non-voting), SAMA Board Member, Urban Sector
Jim Angus (non-voting), SAMA Board Member
Murray Purcell (non-voting), SAMA Board Member
Ian Magdiak, Canadian Property Tax Association
Kirk Wasyluk, Canadian Energy Pipeline Association
Mark Pinney, Canadian Association of Petroleum Producers
Darwin Collins, Saskatchewan Mining Association
Grace Muzyka, Saskatchewan Association of the Appraisal Institute of Canada
Ken Patsula, Public Works and Government Services Canada
Suzanne Clarke, Public Works and Government Services Canada
Corinne Li, Railway Association of Canada
Kevin Johnson, Association of Saskatchewan Realtors
Judy Harwood, Saskatchewan Association of Rural Municipalities
Jim Bence, Saskatchewan Hotel & Hospitality Association
Mark Cathro, Canadian Property Tax Association

Uncertain:

David Hopkins, Railway Association of Canada

Members Absent

Reg Hinz, Western Grain Elevator Association Tax Committee
Susan Quiring, Saskatchewan Assessment Appraisers' Association
Vacant, Regina Downtown Business Improvement District
Rob Lawrence, Association of Saskatchewan Realtors
Vacant, Saskatchewan Chamber of Commerce
Jennifer Henshaw, Canadian Federation of Independent Business
Chris Johnson, Building Owners and Managers Association
John Hopkins, Regina & District Chamber of Commerce
Vacant, Saskatchewan Home Builders' Association
Barry Wiebe, National Golf Course Owners Association, Saskatchewan Chapter
Shawn Graham, Inland Terminal Association of Canada

Observers

Bryce Trew, City of Saskatoon
Steve Ward (interim), City of Regina
Michael Kehler, City of Swift Current
Abayomi Akintola, Ministry of Government Relations
Sian Pascoe, Canadian Association of Petroleum Producers
Irwin Blank, SAMA CEO

Observers Absent

Chad Boyko, Saskatchewan Municipal Board
Vanessa Vaughn, City of Prince Albert
Robert Rolfe, Canadian Association of Petroleum Producers
Ken Dueck, Tourism Saskatchewan
Brenda Hendrickson, City of Moose Jaw

Guests Absent

Evan Wilson, Canadian Wind Energy Association (CANWEA)
Steven Eady, Altus Group

Administration

Darwin Kanius, Committee Secretary, SAMA
Todd Treslan, SAMA ASD
Andrew Workman, SAMA TSP

City Advisory Committee

Members

Myron Knafelc, Meeting Chairman, SAMA Board Chair
Steve Ward, City of Regina
Bev Dubois, City of Saskatoon
Darcy Huisman, City of Saskatoon
Michael Kehler, City of Swift Current
Rebecca Shultz, Saskatchewan Assessment Appraisers' Association
John Wagner, (voting), SAMA Board Member

Members Absent

Vanessa Vaughan, City of Prince Albert
Dawn Luhnning, Committee Chair, SAMA Board Member
Jim Puffalt, City of Moose Jaw
Frazer Tolmie, City of Moose Jaw
Greg Dionne, City of Prince Albert
Joel Murray, City of Regina
Gordon Barnhart, Saskatchewan Urban Municipalities Association
Eric Bloch-Hansen, Saskatchewan School Boards Association

Observers

Elissa Aitken, Ministry of Government Relations (10:58 am)
Deborah Bryden, City of Regina
Irwin Blank, CEO, SAMA

Observes Absent

Ron Boechler, Saskatchewan School Boards Association, Trustee
Jean-Mark Nadeau, Saskatchewan Urban Municipalities Association, Administration
Brenda Hendrickson, City of Moose Jaw
Vacant, City of Prince Albert
Mike Voth, City of Saskatoon

Guests:

Nataliia Karpiak Government Relations
Allan Laird, Government Relations
Omotooke Odeniyi, Ministry of Trade and Export Development

Administration

Shaun Cooney, Committee Secretary, SAMA
Betty Rogers, SAMA ADMIN
Garry Hammett, SAMA TSP
Gordon Senz, SAMA QAD
Karlo Simonson, SAMA QAD
Corrinne Charko, SAMA ADM

Agenda Item:

Decision/Resolution:

1. Call to Order of Joint Session
Myron Knafelc, Chair Commercial Advisory Committee, called the meeting to order at 9:00 a.m.

2. Opening Remarks
Myron Knafelc, Committee Chair, welcomed the attendees.

3. Introductions
Irwin Blank (SAMA CEO) explained the meeting ground rules and introduced the virtual attendees.

4. Approval of the Meeting Agenda
The Agenda was approved.

MOTION by Judy Harwood to approve the Agenda. **Carried**

5. Approval of the Meeting Minutes November 20th, 2019
MOTION by Bev Dubois that the minutes for the November 20th, 2019 Joint City & Commercial Advisory Committee Information Session be adopted as circulated.

Carried

6. Business Arising from the Joint Minutes November 20th, 2019
Page 9 of the minutes. Respecting the 2021 Handbook amendments and the description of the MRA analysis. The change has been made to clarify MRA is a technique in developing and analyzing data for the valuation models, rather than inferring MRA is an approach to value.

MOTION by John Wagner to approve the business arising from the minutes.

Carried

7. SAMA Update

7a. CEO Report
Irwin Blank (SAMA CEO) provided a PowerPoint on the CEO's Report.

- SAMA's Purpose
- SAMA's Mission Statement
- SAMA's Strategic Direction
- Assessment System Overview
- Base Year 2019 Major Changes
- 2020 Highlights
- 2021 Revaluation Update
- Looking Ahead and Beyond
- SAMA Information Sources
- SAMAView Features

Committee Comments

- No comments.

MOTION by Ken Patsula to receive the CEO report. **Carried**

Agenda Item:

7b. ASD Report

Decision/Resolution:

Todd Treslan, (SAMA ASD) provided a PowerPoint

- 2020 Roll Year Maintenance
 - 11,144 properties
- 2020 Supplementary Maintenance
 - 63% complete. Limited counts for 2020.
- 2020 Support of Value
 - 2,095 appeals
 - 18 appeals to the Saskatchewan Municipal Board (SMB)
- Support of Value – Historical Counts
 - Box plot presented to demonstrate appeal counts from 2014 to 2020
- 2020 Reinspection Program
 - Box plot presented to demonstrate the progress over several years.
- Progress to Goal – Property Reviews
 - Box plot presented to demonstrate the progress to achieve the 110,000 property review goal. On track to achieve the goal.
- 2021 Revaluation Timeline
 - March 31st, 2020 delivered to Government Relations (GR) the preliminary values.
 - November 19th, 2020, 87% of the municipalities received their preliminary assessments.
 - Awaiting the Provincial Percentages of Value from GR.

Committee Comments

- Mark Cathro: Is SAMA anticipating any changes to the percentages of value from the province?
- GR: With the recent election and new Minister for GR, the issue is being advanced as quickly as possible. The Ministry will advise accordingly.

MOTION by Grace Muzyka to the receive the presentation.

Carried

Break 10:00 a.m. to 10:10 a.m.

7c. Updates by the other Assessment Service Providers

City of Regina Update: Verbal report by Steve Ward

- COVID-19 had forced the transitioning to teleworking. This was done within 4 to 5 days. It worked well.
- Re-check program for residential and commercial was tested due to COVID-19, but due to earlier found efficiencies and the use of Pictometry, the program was not impacted significantly.
- New construction was a challenge early but followed the lead of the building inspectors that used laptops, facetime and Zoom to do virtual inspections with the property owners.
- The 2021 assessment roll is expected to open in early January with approximately 86,000 properties with 83,000 notices mailed.
- The reassessment has the 60-day appeal window.
- The City has an approximately overall 5.6% assessment reduction.
 - Residential: - 9.0%
 - Residential Condos: -15.0%
 - Multi-Family: - 2.0%
 - Commercial/Industrial: + 3.5%

Agenda Item:**Decision/Resolution:**

- Communication strategy that focuses on the fact the assessment decreases does not mean a reduction in taxes.
- Appeals are expected to increase due to pandemic issues and changes to the values.
- A more transparent and proactive communication process is being implemented to the public, including the tax agents, to foster a better flow of information.
- 55 appeals to the Board of Revision (BoR) in 2020; 45 commercial, 6 multi-family and 4 residential. All have been heard.
- 11 appeals to the SMB: 8 commercial and 3 multi-family (parked).
- Court of Appeal: One leave appeal granted (2019) and another leave application (2019) consisting of 32 properties waiting for a decision.
- Restructuring of the department a resulting in two teams.
 - Valuation Division; and
 - Research Division
- Modernization of the TAZ-CAMA assessment system is being implemented in 2021.

City of Saskatoon Update: Verbal Presentation by Bryce Trew

- Darcy Huisman is retiring with Bryce Trew to take over on December 18th.
- The management position will be back-filed.
- 2020 BoR: 208 all heard by October 27th; 148 commercial; 104 Agreements to Adjust, 17 withdrawn. 61 decisions yet to rendered by the BoR, therefore 2020 roll not yet confirmed.
- 2013-2016 appeals have resolved.
- 2021 reassessment: all the models have been completed and entered in the CAMA system. Awaiting percentages of value.
- Aiming for a later January roll opening.
- 2021 Trends: Preliminary
 - Commercial: +8%
 - Residential: -6%
 - Residential Condos: -12%
- Implementing similar messaging as Regina to the public regarding the effect on taxation as a result of the shifts in values.
- Completed the Commercial Sector meetings within the past week with stakeholders. Shared the valuation models and their impact. Asking for feedback.
- Created some videos on the 2021 reassessment.
- Completed Phase 1 of the website upgrade. Providing more information on commercial properties, including more detail on the property characteristics. In place and live for 2021.
- Using social media as a means to communicate and field questions from the public.

City of Prince Albert Update:

- No report.

Agenda Item:

Decision/Resolution:

City of Swift Current Update: Verbal presentation by Mike Kehler

- 2020 assessment notice delivered on January 13th.
- 2 appeals, one each for residential and commercial.
- The issue of hearings during COVID did not surface due to the appeals being resolved through the agreements to adjust.
- Future Board hearings will require attention to address COVID.
- Preliminary values delivered to GR on time.
- COVID did not impact the office initially, due to a self-imposed quarantine from about mid-February working on the revaluation.
- City Hall was opened to the staff over the summer, but not to the public. Re-opened after Labour Day.
- Staff time was staggered from mid-April to mid-August where one was in the office and other home on a rotating basis.
- Post Labour Day, COVID had its impact when working on supplementary assessments. Had to rely on third party information, such as listings and virtual inspections using FaceTime and Zoom.
- Supplementary roll was about two weeks late and is still open.
- 2021 assessments are ready, however continuing to do some variance audits.
 - Residential: +1%
 - Residential condos: no change
 - Multi-Family: no change
 - Commercial: +4% overall
- Some minor shifting within property groups, which is not unusual for a reassessment.
- Waiting for percentages of value from the province, once received it is a one-week turnaround to deliver the assessment notices.
- Anticipate delivering 2021 assessment notices late December 2020.

Committee Comments

- No comments.

MOTION by Bev Dubois to receive all the verbal reports.

Carried

8: Current Developments

8a: Update on Oil & Gas Tank Regulations and Assessments for 2020 and 2021

Andrew Workman, (SAMA TS&P) provided a PowerPoint presentation.

Agenda Items 8a and 8b will be presented together.

- 2025 Oil and Gas Model review stems from the “tank” appeal to the Court of Appeal in 2017.
- Province implemented new oil and gas related regulations in 2019.
- SAMA developed policies for tanks at shut in wells for 2020 to maintain the “status quo”.
- Regulations redefined the definition for “oil and gas tanks” as structures.
- 2020 appeals have been launched directly to the SMB, scheduled to be heard December 10th.

Agenda Item:

Decision/Resolution:

- SAMA implemented new policy in 2020, but due to timing no status reporting was available so 99% obsolescence was applied.
- 2021 policy will allow reporting to specify the status of the tank(s) under three options. Option 3 is specific to COVID.
- 2022 policy not yet developed. Will most likely continue with established policy, however with the elimination of option 3, if COVID becomes a non-issue.

8b. 2021 Revaluations –
2019 Manual – Oil and
Gas Amendments

Andrew Workman, SAMA (TS&P) provided a PowerPoint presentation.

- Two 2019 Manual housekeeping amendments have been passed by the SAMA Board.
- First amendment regarding downtime has been clarified not to be applied to buildings and structures (i.e. storage tanks).
- Second amendment is the reporting date for shut in wells from September 1 to July 1 to match legislation.

Committee Comments

Mark Cathro: What will tank disconnection require and what will SAMA be looking for to get the 99% adjustment? Will doors have to be removed? That could be a safety concern.

Andrew Workman (SAMA): Looking for disconnection of the tank or “pancaking”, which means putting a blinder into the pipe to stop the flow of fluid or disconnect the pipe. Doors will not have to be removed, as this requirement is not meant to be an onerous task.

MOTION by Jim Angus to receive the report.

Carried

8c. 2021 Revaluation
Implementation

Shaun Cooney, (SAMA TS&P) provided a PowerPoint presentation.

1. Timelines
2. Trends
3. Risks

1. Timelines:

- All 2019 Board Orders, policies and publications in place.
- Market Analysis nearly complete for all ASPs.
- Percentages of Value yet to be determined by GR and loaded into CAMA.
- April preliminary values delivered to the Ministry.
- June to November SAMA delivers preliminary assessment to client municipalities.
- June to December local councils review assessments.
- January 2021 commence to deliver the new final assessments with maintenance. Remaining maintenance provided by April.
- Mid-February 2021 SAMAView available to public.

Agenda Item:

Decision/Resolution:

2. Trends:

- 100% value at a 7% increase province wide, including the independent Cities.
- The taxable value increased 5% province wide.
- Box plot demonstrated trends by property type.
- Box plot demonstrated reassessment trends over the past three cycles.
- SAMA’s residential trend analysis showing activity beyond the base date indicates relative stability; as well a similar result with Arable land value.
- Provided an example of a community map demonstrating only moderate residential assessment shifts by color coding.

3. Risks:

- COVID-19 and its economic impact occurring after the January 1, 2019 base date.
- Impact is sector based, i.e. the accommodation industry. SAMA will preview hotel and motel assessments with the Saskatchewan Hotel and Hospitality Owners Association.
- Oil and gas industry, as mentioned, emerging policy development for 2025 to catch up with new technology.
- High volume of Court of Appeal activity.
- Expected increase in appeal case load for 2021.

Committee Comments

- No comments.

MOTION by Garry Hammett to receive the report.

Carried

Break 10:53 a.m. to 11:00 a.m.

8d: 2025 Revaluation Preparations – Publications and Policy Considerations

Shaun Cooney and Andrew Workman (SAMA (TS&P) provided PowerPoint presentations.

Shaun Cooney, (SAMA TS&P)

- 2025 model review is time sensitive considering the base date will be January 1, 2023.
- The work in 2021 is critical in order to maintain the needed timelines.
- Research and consultations started in February 2020 and will stretch to June 2022.
- Final consultations with Manuals and Guides in final draft stage June to October 2022.
- Load rates in CAMA for market analysis between November 2022 to January 2023.
- Board Orders, approving Manual and Guides by January 2023.
- Ministerial approval of the Manual is targeting February 2023.

Andrew Workman, (SAMA TS&P)

i. 2025-Reval. U of S Ag Arable Land Model Review

- i. 2025 Ag Arable Land Review University of Saskatchewan Project
 - Interim report by December 15, 2020

Agenda Item:

Decision/Resolution:

ii. 2025 Reval. Oil & Gas Well Model Review

ii. 2025 Oil & Gas Well Model Review

- Final report by March 15, 2021.
- Update Advisory Committees at March 2021 meetings.
- Model recommendations to Advisory Committee by November 2021.

- Recommendations mid-2021 for review by stakeholders.
- Created two committees. The larger group - Assessment Review Committee (ARC).
- Found that the model structure remains well suited for mass appraisal purposes, perhaps only requiring some minor refinements.
- The smaller Technical Review Committee (TRC) has met twice with another meeting scheduled in December.
- First project report delivered on November 18th.
- Working through the understanding of Standardization with the Technical Committee.
- Considerable undertaking needing strict adherence to project to meet 2025 revaluation timelines.

iii. 2025 Reval. Pipeline Model Review

iii. 2025 Pipeline Model Review

- Not officially started.
- To commence late in December or early in 2021.
- Smaller review, with a less complicated model.
- Final feedback required by mid-2021 to meet target timeframes.

Committee Comments

➤ No comments.

MOTION by Ian Magdiak to receive the reports.

Carried

9: Government Relations Update – Legislation / Boards of Revision

Allan Laird and Nataliia Karpiak (Government Relations) provided PowerPoint presentations.

Alan Laird, Government Relations: 2019-2020 Municipal Act Amendments

- Received Royal assent July 3rd, 2020. Most amendments coming into force January 1st, 2020.
- Electronic means of sending/publishing notices - in force now.
- Keep assessment/tax rolls for 10 years - in force now.
- Notifying property owners of assessment agreements and appeal decisions.
- Provision for railway companies to provide assessor with certified statements when requested.
- BoR to be appointed when the assessment roll is prepared.
- Disallowing municipal employees from sitting on a BoR now contained in all the Municipal Acts.
- Deficiencies in an appeal must be explained in notice back to the appellant.
- BoRs must provide all of its materials within 14 days of the SMB request.
- BoR decisions may be sent by ordinary mail.
- A transcript must be in writing to the SMB.

Agenda Item:

Decision/Resolution:

- Clarify assessment of travel trailers used as living quarters.

Nataliia Karpiak, Government Relations provided a PowerPoint on the new Board of Revision (BoR) Renewal Project

- 2023 is the target date to implement the new model.
- Components of the new model are:
 1. Certification and Training of BoR members.
 2. The choice of a provincial BoR.
 3. Provincial Registrar.
 4. Maintenance of Standards/Oversight.
- Short-term training: Partnered with the Dispute Resolution Office to deliver essential training.
- Long-term training: SUMA, on behalf of the BoR Steering Committee is in the process of procuring an online training program. The new training will include modules on property tax and property assessment in the province, planned to be launched in 2021.
- Stakeholder engagement is guided by the Steering Committee as well as government decision makers.
- GR will consult with stakeholders and subject experts from SAMA, City Assessors, SMB, current BoR members and secretaries and other tribunal offices.
- GR is consulting with municipalities to strengthen the mutual understanding on the structure and funding model of the provincial registrar.
- In order to meet the 2023 target date, the registrar will need to be established and staffed in the 2021-2022 fiscal year.

Committee Comments

- No comments for Allan Laird or Nataliia Karpiak.
- Bev Dubois wanted to know if the presentations could be shared with the committee members.
- SAMA and GR responded in the affirmative.

MOTION by Bev Dubois to receive the reports.

Carried

10. Quality Assurance Standards Order – Review 2021 Order

Shaun Cooney, (SAMA TS&P) provided a PowerPoint presentation.

- The Quality Assurance Standards Order (QAS) is a high-level measure of assessment performance related to the overall level of assessment, conducted at the beginning of each reassessment cycle.
- Assessment performance is measured by comparing the assessment and the adjusted sale price in the form of a ratio (assessment divided by adjusted sale price).
- It is legislated as the fourth part of the Market Valuation Standard.
 - The requirement is to meet a median relationship between the assessments and adjusted sales prices in a range of 0.95 to 1.05 for:
 1. Residential property (up to 3 units) including the vacant land; and
 2. Non-residential property including the vacant land.
- Assessment providers strive to meet a target of 1.00.

Agenda Item:

Decision/Resolution:

- Results are posted on SAMA’s website.
- Perceived weakness of existing quality assurance standards:
 - It is only calculated once in the four-year assessment cycle.
 - Confusion over the purpose of the standard.
 - Lack of transparency of the data used to derive the results.
- Potential for improvement:
 - Annually determine the results of the standard to incorporate any changes to the data.
 - Post all the ratios used to determine the results of the standards on SAMA’s Website.
 - Improves transparency and mitigates confusion.
 - The improvements were supported by all the assessment service providers at the last City Assessor’s SAMA Committee Meeting.

SAMA Administration- The existing Order is structured such that if there is agreement among the Assessment Service Providers, SAMA is able start posting the QAS results along with the underlying ratios for the 2021 revaluation. This can be followed with formal updating of the Order in early 2021.

Committee Comments

- No comments

MOTION by Rebecca Shultz to formally proceed with the improvements to the Quality Assurance Standard. **Carried**

11. Next Scheduled City & Commercial Advisory Committee Meeting

The next City and Commercial Advisory Committee meeting is scheduled for March 24th, 2021 at a site or format to be determined.

Adjournment

Meeting adjourned by Jim Angus at 11:55 a.m.



Darwin Kanius
Commercial Advisory Committee, Secretary



Shaun Cooney
City Advisory Committee, Secretary