

**Saskatchewan Assessment Management Agency
Rural/Urban Advisory Committee
Meeting Minutes for March 23, 2021
Virtual Meeting held through Microsoft Teams**

Urban Advisory Committee

Members Present:

Randy Goulden, Committee Chair, SAMA Board Member, Urban Sector
Myron Knafelc (ex officio), SAMA Board Chair
Audrey Trombley, SAMA Board Member
Kevin Tooley, City of Warman
Bruce Fidler, Town of Buffalo Narrows
April Phillips, Saskatchewan Urban Municipalities Association, Board Member
Bryan Matheson, Town of Lumsden
Jamie Brandrick, Town of Borden
Doug Allan, Provincial Association of Resort Communities of Saskatchewan
Norma Hewitt-Lendrum, Saskatchewan Assessment Appraisers' Association

Members Absent

Dawn Luhning, SAMA Board Member, City Sector
Walter Strelasky, City of Melville
Mike Strachan, Village of Torquay
Marla Walton, Saskatchewan School Boards Association

Rural Advisory Committee

Members Present:

John Wagner, Committee Chair, SAMA Board Member, Rural Sector
Myron Knafelc (ex officio), SAMA Board Chair
Richard Marleau, SAMA Board Member, Rural Sector
Jim Angus, SAMA Board Member
Kim Herbst, Division 6, R.M. of Progress No. 351
Sacha Martens, Division 2, R.M. of Longlaketon No. 219
Robin Thompson, Division 1, R.M. of Maryfield No. 91
Maurice Werezak, Division 5, R.M. of Fish Creek No. 402
Norm Hall, Division 4, R.M. of Elfros No. 307
Judy Harwood, Saskatchewan Association of Rural Municipalities, Board Member
Jeff Sedor, Saskatchewan Assessment Appraisers' Association

Members Absent:

Troy Heggstad, Division 3, R.M. of Frontier No. 19
Garry Dixon, Provincial Association of Resort Communities of Saskatchewan
Tim Weinbender, Saskatchewan School Boards Association

Observers Present:

Kelly Munce, Ministry of Government Relations
Brian Hicke, Saskatchewan School Boards Association
Irwin Blank, SAMA CEO

Observers Absent:

Jean-Marc Nadeau, Saskatchewan Urban Municipalities Association
Rodney Audette, Urban Municipal Administrators Association of Saskatchewan

SAMA Administration Present:

Kevin Groat, Committee Secretary, SAMA
Betty Rogers, SAMA ADMIN
Gord Senz, SAMA QAD
Shaun Cooney, SAMA TS&P

Observers Present:

Veiniesha Thompson, Ministry of Government Relations
Irwin Blank, SAMA CEO
Abayomi Akintola, Ministry of Government Relations
Barry Hvidston, Division 4, Rural Municipal Administrators Association of Saskatchewan.

Observers Absent:

Jay Meyer, Saskatchewan Association of Rural Municipalities
Scott Sander, Saskatchewan School Boards Association

SAMA Administration:

Kim Hardy, Committee Secretary, SAMA
Todd Treslan, SAMA ASD
Andrew Workman, SAMA TS&P

SAMA Administration Absent:

Karlo Simonsen, SAMA QAD

Guests Present:

Jason Penner, Ministry of Sask Ag and Food

Guests Absent:

Kim McIvor, R.M. of Edenwold No. 158

Agenda Item	Decision/Resolution:
1. Call to order	John Wagner, Chair of the Rural Advisory Committee, called the meeting to order at 9:00 AM.
2. Opening remarks	<p>John welcomed everyone to the meeting and invited SAMA's Board Chair, Myron Knafelc, to make a few opening remarks.</p> <p>Myron thanked everyone for joining the meeting today. Virtual meetings have been working well for the interim, but they do not facilitate as much feedback as in-person meetings do. We are hopeful that in-person meetings can resume in November 2021. There are a couple changes in terms of the members on the SAMA Board of Directors. John Wagner (re-elected) and Richard Marleau (newly elected) were chosen to represent SARM on the SAMA Board. Dawn Luhning (re-appointed) and Randy Goulden (newly appointed) were appointed to represent SUMA on the SAMA Board. Jim Angus and Audrey Trombley continue to serve on SAMA's Board.</p>
3. Introductions	Irwin introduced individuals present in the virtual meeting.
4. Approval of meeting agenda	MOTION by Judy Harwood that the agenda be approved. Carried
5. Minutes from the previous meeting held November 24, 2020	MOTION by Robin Thompson that the minutes of the November 24, 2020 joint Rural and Urban Advisory committee's business meeting be adopted as circulated. Carried
6. Business arising from the Joint Minutes	No business arising.
7. <u>SAMA Update</u>	
Item 7a: CEO Report	Power point presentation by Irwin Blank, SAMA's CEO.

Committee Comments

Board Member: You indicated that there are 14 cases in front of the Court of Appeal with some of them challenging legislation. In the case of the Oil Tanks appeal, the Ministry of Government Relations had to intervene and provide clarity through Regulations.

SAMA Administration: There have been some serious challenges at the Court of Appeal level. One issue relates to the GST and how we treat taxes within our valuation models. There are other issues pertaining to regulated property such as the treatment of depreciation for resource production equipment. A risk from these appeals is that decisions rendered after the 2021 implementation may require changes to the regulated Manual which could in turn change assessments mid-cycle causing instability. The biggest risk is the amount of time the appeals

divert away from our other core work. These appeal risks are being closely monitored heading into this new revaluation cycle.

Board Member: The good news is that these are not the type of cases that should be re-occurring. Once they are decided on, we should be able to move on from there.

Rural Member: As you mentioned, in revaluation years SAMA has consistently not been able to deliver according to its timelines. How much could be resolved by staffing? How long does it take to develop an appraiser that is able to perform market valuation tasks?

SAMA CEO: A large focus for SAMA has been on the volume of assessments completed in the year. This problem could be addressed by additional staff, but it is not something you can snap your fingers to do. The minimum number of years to become an accredited appraiser and perform assessments on your own is four years. That includes taking a number of courses resulting in a certificate in mass appraisal from the University of British Columbia along with some additional local courses and having, at a minimum, four years experience to become licensed in Saskatchewan. That is the level you want staff to be at to perform market valuation work.

MOTION by Kevin Tooley that the Committees receive the CEO presentation.

Carried

Item 7b: Assessment Services Division Report

Power point presentation by Todd Treslan.

Committee Comments

Board Member: To clarify, there is a big difference between a revaluation and re-inspection. A revaluation occurs every four years and values are reassessed using updated market information. A re-inspection involves going out to an existing municipality to review the physical data on records. Values may or may not change at this point. Re-inspections catch data that may have been missed and generally adds value to assessments. SAMA has, in recent years, received support from the Ministry of Government Relations for conducting re-inspections based this added value. Going back to 2012, SAMA completed virtually no re-inspections because the money was not there to support them.

Rural Member: How come railway and elevators Percentage of Value (POV) decreased to 85% (previously 100%) this year?

SAMA CEO: That was a Ministry decision. They made that tax policy decision as they recognized that those industries have/are taking hits due to the COVID-19 pandemic and other things. Again, I'm speculating on the rationale, we do have Government Relations folks here and they will be speaking later if you want to ask them that directly.

Board Member: Commercial POV has been at 100% since 1997. Railway and pipelines were lower than 100% historically and just got raised to that in the last revaluation cycle. Decreasing from 100% brings them back to those levels.

Board Member: If you look at the approximately 14% provincial increase across the resource sector this revaluation, the decrease in POV offsets that.

SAMA CEO: That is a good point. If you look at the residential tax class, it did not increase as much this revaluation cycle. Commercial and, particularly, the industrial sector went up more as of our January 1, 2019 base date. The challenges facing these sectors occurred after this and, from an assessment perspective, we are locked into values at that base date. The changes in POV could be used to offset changes in the market following the base data.

Board Member: Rural Municipalities are going to see a reduction in their taxable residential values because of the 25% revaluation increase to the arable land. This increases the 293.2e exemptions applied to residential properties and as a result taxable residential values will generally decrease.

MOTION by Norm Hall that the Committees receive the presentation.

Carried

Break for coffee at 10:20 AM, resumed at 10:35 AM.

8. Current Developments

Item 8a: 2021 Revaluation Implementation

- i. Update on Oil and Gas Tank Proposed Policy (2021 to 2024)

Power point presentations by Shaun Cooney and Andrew Workman.

Committee Comments

Rural Member: In the RM that I work in southeast Saskatchewan, there have been quite a few oil and gas issues. There is one company that we are waiting on to pay their taxes and it has been three years. Whether or not the tanks are assessed, we are not able to collect their taxes.

SAMA Administration: The tank policy, and the oil and gas policy need to be vetted and done in conjunction with the oil and gas industry. It could be that what you're talking about is a variation of an orphan gas well where the company is defunct, or it could be that the company is just not able to pay their taxes. The Government is looking at this, but I am not the one to speak more on issues where taxes are not being paid.

Rural Member: the RM south of us has also had this issue.

Board Member: I don't think this is unique to the southeast corner of Saskatchewan. It is happening in other places in the province.

SAMA CEO: Someone has indicated in the chat section of the meeting that there is a company in Manitoba that offers tax collection services that might help with this issue.

Board Member: Are you referring to companies that have stopped producing oil? There is legislation that allows you to collect revenue from wells if they are still producing. If they are not producing, then the next option would be to use a tax collection service.

Rural Member: If the tank is disconnected, does it have to be cleaned out internally to follow the tank guidelines?

SAMA Administration: For the Tank policy, the tank just has to be disconnected. We are not checking if there are materials in them. It just wouldn't be realistic for us to confirm this for all tanks.

Rural Member: If the tank still has material in it, it does bring a risk for spills and contamination, if there is not containment in place.

SAMA Administration: This is another Government issue and they are looking at regulation for secondary containment in these situations.

Rural Member: If the tank still has fluid in it, it is deemed in service.

SAMA Administration: I am not familiar with all of the provincial regulation but if there is any emulsion in the tank they would want to know where it is. For assessment purposes, we don't review this information. We look at the structure and equipment.

SAMA CEO: There is the potential for the oil and gas consultation group to include a SARM representative to make sure the group is well rounded. We will reach out to SARM regarding adding a representative.

Rural Member: I wouldn't have any objections to that.

MOTION by Audrey Tremblay that the Committees receive the presentation.

Carried

Item 8b: 2025 Revaluation Preparations – Publications and Policy Considerations

- ii. U of S Arable Land Model Review
- iii. Oil and Gas Well Model Review

Power point presentations by Andrew Workman and Kim Hardy.

Committee Comments

SAMA CEO: We are going to be asking the SAMA Board for permission to set-up a special committee to review the Arable Land Model Review findings. We will likely be reaching out to

iv. Pipeline Model Review

SARM for representatives. They might potentially say why don't you use the Advisory Committee members as part of the group. Therefore, expect that we will be reaching out to SARM. Obviously, our rural Board members will be part of this group as well. Anticipate some activity on this in the next four months as we want to move this forward, so we are in a position to give final recommendations for approval by the end of this year.

Board Member: I know I've been involved with the arable land productivity model since the start and I am not seeing anything alarming in there. I think it is just cleaning it up and making it a little more efficient to use. Also using updated data and including canola and pulses isn't a bad thing.

Jason Penner: I think you mentioned this, I just wanted to confirm that the 100-point rating system is staying in place.

SAMA Administration: Yes, that will stay in place. It is just the weightings within that 100 points that we are looking at changing.

Jason Penner: I reached out the Saskatchewan Crop Insurance Corporation to see what kind of SAMA data they use. They use the 100-point index to create fourteen soil class categories and then those are used to adjust yield and premium rates. They determine an average soil class and then these classes are used by the Lands Branch to determine rental rates. It sounds like that isn't changing too much and we will be kept in the loop with any changes through the Advisory Committee.

SAMA CEO: Yes, absolutely we are working with the existing productivity model. That is one of the reasons it is important to have the sub-committee so we can identify any unintended consequences as a result of the changes. It is also important that we recognize these early and address them before final recommendations come forward.

Board Member: The productivity model has worked well. Usually any appeals are based off of physical data errors and is usually handled by an agreement to adjust and usually does not move forward to a Board of Revision level.

SAMA CEO: We recognize that the productivity model is a very well accepted model that is utilized by a number of other Government organizations and agencies for a number of programs. We definitely tread carefully in this area and won't make arbitrary judgements to changes.

MOTION by Jim Angus that the Committees receive the presentations.

Carried

9. Government Relations Update –
Legislation / Boards of Revision

Power point presentation by Abayomi Akintola on the Boards of Revision (BoR) Renewal Project.

The presentation included a project overview and a project status update.

Project Overview:

- Problem Statement: the current first-level property assessment appeal system is complex which creates inconsistency and impacts quality of service received by property owners.
- Stakeholder consultations in 2019 led to a conceptual model for a renewed first level property assessment appeals.
- A steering committee was established to champion the changes to the system and advise the government on implementation.
- The target date to implement a new model is the 2023 tax year (depends on multiple factors like function of model and how the new model will be funded).
- Four components of the new first level assessment appeal system:
 - 1) Certification and Training: training will be available for all board members, and all BoR will be certified to ensure a fair, consistent, and timely appeal process
 - 2) Provincial BoR: the first-level appeal board can be used by any municipality that chooses not to appoint or is unable to form their own certified board of revision
 - 3) Provincial Registrar: a centralized point of contact for all assessment appeals to ensure that all citizens receive the same information and assistance concerning their appeal.
 - 4) Maintenance of Standards/Oversight: a system/body with both provincial and municipal participation to establish and maintain standards and provide oversight to the first level of assessment appeals.

Project Updates – Training:

Short-Term Training

- The Ministry of Government Relations partnered with Dispute Resolution Office to deliver essential training to support current boards of revision in December 2020.
- Recorded webinars are available at Saskatchewan.ca. that allows for access in the future.

Long-Term Training:

- SUMA, on behalf of the BoR steering committee, is in the process of procuring an online training program.
- The program is developed by Johnson Shoyoma Graduate School of Public Policy (JSGS) at the U of R. JSGS team

met with the steering committee in January 2021 to present a sample of training module.

- Also covers assessment methodology and assessment topics on how properties are assessed across the province.
- Aimed to be launched online in fall of 2021. Ability to start training and work at pace of participant. They will have a fixed time to complete the training. Minimum grade required. Participants with experience and knowledge can challenge the exam. Certificate will be issued.

Project Updates – Stakeholder Engagement

- The project continues to be guided by the steering committee as well as government decision-makers
- The Ministry consults with other stakeholders and subject area experts (SAMA, city assessors, Saskatchewan Municipal Board, current BoR members and secretaries, other provincial tribunal offices) on a regular basis as the project progresses.
- In Nov-Dec 2020, the ministry consulted with municipalities to strengthen mutual understanding of the structure and funding model of the registrar component.
- The results of the latest consultation revealed diverse thoughts on the scope of duties for a provincial registrar and the potential for municipalities to cost-share the expenses.

Proposed Next Steps:

- 2021: continue to consult with stakeholders to finalize the structure of a registrar's office, provincial BoR and the oversight body. Work on all components of the new model continues, including developing a certification process and communication plan to begin to implement the changes. Training is available for all BoR members and secretaries.
- 2022: Provincial registrar is in place. The system oversight is in place. Provincial BoR is appointed. Certification of all boards of revision starts.
- 2023: The new model expected to be in place.

MOTION by Norm Hall that the Committees receive the presentation.

Carried

10. Quality Assurance Standards Order Power point presentation by Shaun Cooney.

MOTION by Kim Herbst that the Committees proceed with quality assurance standards initiative.

Carried

11. Other Business.

SAMA Annual General Meeting will be held on April 8, 2021. It will be a virtual meeting starting at 2:00 pm (changed from a previous 1:30 pm start) to accommodate the Minister of Government Relations schedule as the Minister will be opening the session.

SAMA CEO: There is one resolution that will be brought forward to vote on at the meeting, pending Board approval. This is related to a request that SAMA consider the rental income approach when assessing Campgrounds in recreational areas across the province. We do extend the invitation to attend the meeting to any Advisory Committee member's as well. Please follow up with Shaun Cooney if you are interested.

The next meeting is tentatively scheduled for November 16, 2021 as an in-person meeting. The meeting will start at 10:00 AM and will go into the afternoon. Lunch will be provided.

MOTION by Myron Knafelc to adjourn the meeting at 12:05 pm.

Carried.