

**Saskatchewan Assessment Management Agency
Rural/Urban Advisory Committee
Meeting Minutes for November 16, 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
Kevin Tooley, City of Warman
April Phillips, City of Melfort
Bryan Matheson, Town of Lumsden

Members Absent

Audrey Trombley, SAMA Board Member
Dawn Lunning, SAMA Board Member, City Sector
Walter Strelasky, City of Melville
Mike Strachan, Village of Torquay
Marla Walton, Saskatchewan School Boards Association
Bruce Fidler, Town of Buffalo Narrows
Jamie Brandrick, Town of Borden
Doug Allan, Provincial Association of Resort Communities of Saskatchewan
Norma Hewitt-Lendrum, Saskatchewan Assessment Appraisers' 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
Sacha Martens, Division 2, R.M. of Lake Johnston No.102
Norm Hall, Division 4, R.M. of Elfros No. 307
Maurice Werezak, Division 5, R.M. of Fish Creek No. 402
Kim Herbst, Division 6, R.M. of Progress No. 351
Judy Harwood, Saskatchewan Association of Rural Municipalities
Michelle Fuhr, Saskatchewan Assessment Appraisers' Association

Members Absent:

Robin Thompson, Division 1, R.M. of Maryfield No. 91
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
Jeff Sedor, Saskatchewan Assessment Appraisers' 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
Garry Hammett, SAMA TS&P

Observers Present:

Abayomi Akintola, Ministry of Government Relations
Mohammed Falogah, Ministry of Government Relations
Scott Sander, Saskatchewan School Boards Association
Barry Hvidston, Division 4, Rural Municipal Administrators Association of Saskatchewan.
Irwin Blank, SAMA CEO

Observers Absent:

Veiniesha Thompson, Ministry of Government Relations
Jay Meyer, Saskatchewan Association of Rural Municipalities

Guests Present:

Jason Penner, Ministry of Sask Ag and Food

Guests Absent:

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

SAMA Administration:

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

SAMA Administration Absent:

Karlo Simonsen, SAMA QAD

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
John welcomed everyone to the meeting and invited SAMA's Board Chair, Myron Knafelc, to make a few opening remarks.

Myron thanked everyone for joining the meeting today. Myron announced that after 40 years of service to SAMA, SAMA's CEO Irwin Blank will be retiring in January 2022. Irwin will be missed in SAMA and in the assessment world outside of SAMA. The SAMA Board is happy to announce that Betty Rogers, current Managing Director of Administration at SAMA, will be stepping into the role of SAMA CEO. Betty brings with her many years of executive experience at SAMA, and a long career in Human Resources before that. The SAMA Board would like to take the opportunity to thank Irwin for his many years of service and to welcome Betty into the role of CEO.
3. Introductions
John and Irwin indicated attendees can review the participants list in Teams to review the individuals that are present at the meeting.
4. Approval of meeting agenda
MOTION by Norm Hall that the agenda be approved.
Carried
5. Minutes from the previous meeting held March 23, 2021
MOTION by Sacha Martens that the minutes of the March 23, 2021 joint Rural and Urban Advisory committee's business meeting be adopted as circulated.
Carried
6. Business arising from the Joint Minutes
SAMA CEO: On page two of the minutes, SAMA had talked about having quite a few appeals at the Court of Appeal level. One appeal was related to the downtime adjustment on industrial properties. The decision was delivered on that appeal and SAMA won so there is no negative implication to assessments related to that. We are seeing more complex appeals coming forward that require more time and effort on SAMA's part and are requiring more legal counsel. The biggest risk we are seeing now is the time and cost spent on appeals.

There was a discussion coming out of a resolution brought forward at the SAMA Annual General Meeting that the income approach is an acceptable approach to use for assessing private campgrounds. It was passed by the members for consideration by the SAMA Board. Since then, the Market Value in Saskatchewan Handbook has been updated to indicate that the income approach is an acceptable approach provided there is reliable information to support these assessments.

7. SAMA Update

Item 7a: CEO Report

Power point presentation by Irwin Blank, SAMA's CEO.

Committee Comments

Board Member: I have a comment related to the agricultural land reinspection program. I am from the RM of Piapot which is being reinspected this year. As part of the reinspection work, SAMA also updates the land title acres using updated survey information from ISC. They compile a list of parcels where acres are not matching, some discrepancies from decades ago, and provides that list to the RM. Ultimately, it is up to the RM to decide how to handle acre adjustments. I just wanted to comment that there are a number of things involved in reinspection programs and it is not just counting acres.

Rural Member: You were talking about increasing the frequency of the revaluation cycle. What does it cost to change from a 4-year cycle to a 2-year cycle?

SAMA CEO: The current cycle is 4-years, and it costs approximately \$23/property which is the lowest rate in Canada. That is the cost to deliver all of our functions including governance functions, inspection functions, and revaluation functions. Changing to a 2-year cycle would cost an estimated additional 14% of our budget. At current costs that would cost an additional \$3 million dollars to maintain the same services and change to a 2-year cycle.

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

Rural Member: You talked about the petroleum industry and agricultural land in your presentation. I am just wondering if flow lines, wells, etc. are incorporated into agricultural land assessments. The current legislation on this has not been updated since 1968.

SAMA Administration: Agricultural land assessments are based on the lands productive capacity which is then tied to a provincial market factor which is updated every 4 years. The oil components do not play into that assessment, and they are assessed separately.

Rural Member: I have worked with the oil and agricultural industries for many years. If there are effects from the oil and gas industry that cause negative implications to agricultural lands productivity, such as a spill or sour air, is this accounted for in the assessment?

SAMA Administration: Yes, if there is an issue that impacts productivity it can be accounted for. I liken this to an irrigation district where salinity is creeping in from the irrigation canal, and productivity is reduced. In this case, a deduction can be applied. The same would be true in other situations where productivity is reduced.

Board Member: The best route to go for having land reviewed would be to request an assessment through maintenance request, is that right?

SAMA Administration: Yes, our reinspection program is based on a 12-year cycle so if that RM is not being reinspected for a number of years, putting in a maintenance request is the way to go.

MOTION by Kim Herbst that the Committees receive the presentation.

Carried

Break for coffee at 11:06 AM, resumed at 11:11 AM.

8. Current Developments

Item 8a: Considerations for a Shorter Assessment Cycle

Power point presentation by Shaun Cooney.

Committee Comments

SAMA CEO: The report that Shaun presented mentioned that for the previous major review, there was no consensus on the shortened cycle. The Board at that time, did not recommend whether they should or should not change the cycle, they simply provided information and feedback from stakeholders to the Ministry. In the absence of any consensus, the Ministry decided there would be no change to the revaluation cycle.

Urban Member: I am hearing all the reasons why we should not do this. The fact that it will take a number of years to implement should not be presented as a negative consequence. If we are not going to do it now, when are we going to do it? If about 60% of the country is doing it annually, it would seem that we are behind the times. Talking about things that happened in 2009 is based on old technology. We are in a new time period where technology is changing so quickly out there, and we're looking at this from the wrong perspective. If I look at it from my community, we certainly think there should be a shorter revaluation cycle. Our community, which is a more vibrant community in the province, went down in our total assessed values last year – it took our council effort to work with this and adapt our tax policies to it. I cannot imagine how it went for those communities without the tax tools to handle a change like this. I think a shorter time frame should be looked at as a goal rather than how we avoid doing it.

SAMA CEO: Thank you for the feedback. We certainly did not want to only portray the negative perspective, we just wanted to present findings from past reviews. Certainly, there are reasons to go to a shorter cycle. We are looking for feedback from our stakeholders today to see where they stand on the issue of having a shorter revaluation cycle.

SAMA Administration: I just wanted to relay my experience with equalization. We undertook equalization for the City Lloydminster for several years. In doing that, our experience was that nobody was happy with it at the end of the day. Every year there were always some significant issues between school divisions and what they thought they should have been getting. One thing that we are not doing in Saskatchewan is carefully considering the equalization process in Alberta where they are spending around \$2 million annually on it, and to what end? I do not want to portray this as a negative, but I think stakeholders need to consider that if assessments need to be equalized to achieve fairness and equity, it will come at a cost. I just wanted to highlight that maybe more research needs to be done on this.

SAMA CEO: I wanted to point out that the equalization issue would come forward if a situation arose where, for example, the major cities moved to a shorter cycle and the majority of the jurisdictions remain at a 4-year cycle. This complicates the system. The group that looked at a shorter cycle before was comprised of a mix of people and one of the recommendations from their review was that if a shorter cycle is implemented, it is best for everybody to change to the same cycle so you don't have to bring in equalization. This eliminates issues where you have similar properties being assessed on different revaluation cycles resulting in substantially different values. For SAMA, we have neighborhood boundaries that extend beyond municipal boundaries and these would have to be broken up for market analysis if different revaluation cycles were used. It does come at a cost, and the cost is relatively the same if some jurisdictions change with equalization or all jurisdictions change with no equalization. I think the recommendation was that a shorter revaluation cycle does work but it does come at a cost, and its best if it is an all or nothing approach.

Board Member: Speaking not as a SAMA Board member but a Reeve of a Rural Municipality, I have supported the 4-year cycle over the years. In that cycle, especially in agriculture, we see no benefit to a shorter cycle. Agricultural land is probably the easiest to do because the provincial factor is the main thing that needs to be updated. There are some RMs around cities that have a lot of commercial in them that have a disadvantage because they do not have a subclass to separate out the commercial. What we have seen in other jurisdiction like Ontario is that there is one service provider, and they had a shorter cycle and went back to the 4-year cycle to smooth it out a bit. I've also noticed that Advisory Meetings I've had with other sectors is that they support the 4-

year cycle because they plan for it and budget for it. They do not like the unknown and switching to a shorter cycle will cause changes for them. SAMA has already started working on the 2023 base year Revaluation and it really ramps up next year. It takes time to get all the models in place and provide solid assessment values to the Government. I want to point out it takes a long time to do this. From what I have seen in other jurisdictions like Alberta, who has an annual cycle, the farmland rates have not changed since 1986. It is maximum \$350/acre whereas Saskatchewan is around \$2000/acre. They have an annual cycle, but they have frozen the rates, so they are not being updated. I speak from the agricultural sector perspective in saying that we would experience an extra cost in shortening the revaluation cycle but would experience little benefit.

SAMA CEO: There are two aspects that are up for discussion when we talk about the revaluation, the first is the length of the revaluation cycle and the second is the variation between our valuation base data and the implementation date. The delay is 24-months and the reason for that is that the Government has asked for detailed property preliminary assessments so that can go through a detailed tax policy review every revaluation. We are now pushing to meet an April 1, 2024 target to provide values to the Ministry of Government Relations for their planning purposes for the 2025 revaluation implementation. They use this information for setting the percentages of value and tax policies. That extra 9 months is one reason why we have the base data set 24 months before the implementation date. We can look at shortening that period to 12 months, but it would require the government to say that they do not need the detailed information 9 months in advance, and they can use trended information 9 months in advance instead. So, there are those two aspects that should be under consideration for revaluation cycles.

Board Member: One comparison I made, is that our provincial government mandates an election every four years. Do you think our government would improve if it was every 2 years? You have to take into the transition and change. Every revaluation, it takes municipalities time to adjust to the new values and get things sorted out. It is not that values are frozen for 4 years, there is maintenance and reinspection work happening that is updating values during this time.

SAMA CEO: I think it is fair to mention that the cities are strong proponents of a shorter cycle probably going back to 2009. They have the broadest base of tax tools available to adjust to a shorter cycle. Smaller communities do not have the base of tax tools that the larger cities do to adjust to assessment value changes.

MOTION by Norm Hall that the Committees receive the presentation.

Carried

Item 8b: 2021 Quality Assurance Standards Order – Proposed Amendments

Power point presentation by Shaun Cooney.

Committee Comments

SAMA CEO: Just to reframe what Shaun has said, this is a process that we have been following for years that we have just recently improved. This is consistent with other service providers. The changes increase the transparency of our work to the public. Now that we have made these changes and made it consistent, we would like to set this as the minimum standard via a Board Order. We are looking for your support on this proposal.

MOTION by Judy Harwood that the Committees support the amendments to the 2021 Quality Assurance Standards Order.

Carried

Item 8c: SAMA Oil and Gas Tank Policy (2021-2024)

Power point presentation by Andrew Workman.

Committee Comments

Board Member: Andrew talked about dotting the i's and crossing the t's. This work is complicated and that is why we now have legal counsel reviewing these documents to make sure everything is sound.

MOTION by Jim Angus that the Committees receive the presentation.

Carried.

Break for lunch at 12:00 PM, resumed at 12:45 PM.

9. Current Developments

Item 9a: 2025 Revaluation Preparations – Publications and Board Orders

Power point presentation by Andrew Workman.

Committee Comments

Board Member: I know that the helium industry is developing in Saskatchewan, there are a few wells currently running with two major companies in operation. Are those wells assessed the same as oil and gas?

SAMA Administration: Yes, if helium is defined as a mineral resource as per the Mineral Resource Act then they would be assessed the same. The helium wells are on SAMA's radar and are being assessed. Lithium is another resource to watch. Going back to grain elevators, we are watching those assessments closely as well.

Rural Member: With the solar mass appraisal model, I am assuming there is going to be a minimum size that is not assessable?

SAMA Administration: We are not interested in anything that is not commercially viable.

Rural Member: I sat on a committee for an elevator review. The elevator was not considered high throughput by the assessor because it did not reach a certain volume of throughput. Yet under the TAF, it had that number and lower addressed to put a percentage of the TAF in there. Stuff like that needs to get cleaned up.

SAMA Administration: Capacity is one of the primary considerations for a throughput adjustment, however there are other considerations such as business model and car spots available. The throughput adjustment factor is a really great mechanism if your business is turning over grain quite quickly. It does not work as well for business such as seed cleaning plants where grain is sitting there with lower turnover rates. There needs to be a great deal of consultation to make sure we are going in the direction that stakeholders would like.

SAMA CEO: One thing that has been considered with the grain elevators is that they are such a specialized property, and even seed cleaning plants are quite specialized, and we have them rated as a special purpose property, but which could be regulated. That has caused some issues for SAMA when we look across the province to find the handful of them that have maybe sold to try to place a value on them. If those assessments prove to be unstable and not supportable the way we are doing it right now, we should step back and consider the potential for those properties to be valued as regulated property.

MOTION by Norm Hall that the Committees support consideration for changing the elevators to a regulated property from a market valuation standard.

Carried.

Board Member: In the RM that I work in, the RM works with a consultant (Welltracks) for oil and gas properties. Do these consultant groups also work with SAMA?

SAMA Administration: Yes, our Industrial team works with the consultants to make sure SAMA has the appropriate properties added and removed from the assessment database.

MOTION by Sacha Martens that the Committees support the 2025 Revaluation Board Orders.

Carried.

Item 9b: 2025 Revaluation Model Reviews and Recommendations

Power point presentations by Andrew Workman.

i. Oil and Gas Well Model Recommendations

Committee Comments

Board Member: I know one of the comments I hear from the oil and gas sector is that SAMA is one of the few service providers that hold advisory meetings and consult with oil and gas representatives, so that is a positive thing.

SAMA CEO: I know that this was a major undertaking with a lot of potentially controversial issues being discussed. In terms of assessment, the results are fairly stable. The results also have support from the oil and gas review committee.

Rural Member: You mentioned the PAF and multi-well pads. Are multi-well pads going to be subject to the PAF?

SAMA Administration: Yes, the individual wells will all receive the PAF. On multi-well sites, when all of the wells go shut-in, they can receive the PAF.

MOTION by Richard Marleau that the Committees support the changes recommended for the Oil and Gas Well Models for the 2025 Revaluation.

Carried.

ii. Pipeline Model Review

Power point presentations by Andrew Workman.

SAMA CEO: In terms of the pipeline review committee, do we have all the membership we are looking for?

SAMA Administration: The group so far has expressed interest for a more comprehensive group so that everyone can be heard. We are going to start with the initial industry folks and then expand out to other groups including representatives from SARM and SUMA.

MOTION by Kim Herbst that the Committees receive the presentation.

Carried.

iii. U of S/SAMA Agricultural Arable Land Model Recommendations

Power point presentations by Cheri Marchuk and Kim Hardy.

Jason Penner: Thanks for including us (Ministry of Agriculture) on the Agricultural Land Review Committee. It seems like it is fairly minor adjustments, so even in some of the pockets where there were increases or decreases, will there be changes to the land values or are you expecting it to be quite minor?

SAMA CEO: We are expecting the shifts to be relatively minor. Even in the areas where you saw the red (increasing) on the map, we are looking at high single digits to a maximum change of about

10%. And that would be implemented as part of the next revaluation when the provincial factor is also being updated so some of these changes will probably go without notice. What we are looking at is a more updated productivity model.

Board Member: At the end of the day, we are always basing our assessments and decisions on the productivity so that land is assessed equitable across the province. We want to make sure that land of equal productive capacity is being assessed the same no matter the location in the province. It has been a very successful model and this review was just ensuring it continues to perform well and align with more recent yields.

MOTION by Richard Marleau that the Committees support the changes recommended for the Arable Model for the 2025 Revaluation.

Carried.

10. 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. The project came out of concerns that the assessment appeal process does not meet the needs of ratepayers or the system as a whole. The Ministry of Government Relations is partnering with the municipal sector in a multi-year project to renew the property assessment appeal system. A project steering committee formed in 2019 from municipal and provincial government representatives, leads the Board of Revision Renewal Initiative.

Components of new model:

1. Certification and Training Requirements
2. Assessment Appeals Registrar
3. Maintenance of Standards/Oversight
4. Centralized Board of Revision

Future Plans:

- Centralized board should be in place for the 2023 tax year. It is anticipated that options for a centralized board may only be identified in 2022 and established closer to the end of 2022 or beginning of 2023.
- Municipalities will remain responsible for the first level of property assessment appeals.
- Municipalities will have flexibility to appoint their own appeal body, join a district board or contract their local board work to a private board, provided they meet the new certification standards. The centralized BoR will be added for municipalities who chose not to or are unable to appoint their own board.
- The oversight body will monitor outcomes and continue to recommend improvements over time.

Training:

- Short-term training: The Ministry of Government Relations partnered with the Dispute Resolution Office (Ministry of Justice) to deliver essential training to support current BoR in December 2020. These sessions were voluntary. Recorded sessions are available here: www.Saskatchewan.ca.
- Long-term Training: The Saskatchewan Urban Municipalities Association, on behalf of the BoR Steering Committee, has entered into an agreement with the Johnson-Shoyama Graduate School (JSGS) of Public Policy at the University of Regina to develop an online training program for current and future board members. Training is planned to be launched by the end of 2021.

Project Updates:

- A registrar was hired to work at the Ministry of Government Relations. The Registrar has started to look at policies. The roles and responsibilities for the Office of the Registrar are being determined.
- Stakeholder Engagement: The project continues to be guided by the steering committee as well as government decision-makers. The Ministry of Government Relations consults with other stakeholders and subject area experts (SAMA, City Assessors, Saskatchewan Municipal Board, current board of revision members, and other provincial tribunal offices) on a regular basis as the project progresses. Communication with municipalities will increase in 2022 as the project enters the implementation phase.
- Centralized Boards of Revision: On October 2021, the Ministry of GR posted a Request for Information (RFI) to seek potential vendors that are capable and interested in handling board of revision functions across the province. The results of RFI will determine the next steps.

What has been Achieved and the Next Steps:

- 2021: work on all components of the new model continues, including developing of certification process and communication plan to implement the changes. Training is available for all board of revision members and secretaries.
- 2022: Provincial Registrar is in place. Certification of all boards of revision starts.
- 2023: The new model is in place.

Board Member: Who is the new registrar?

Abayomi Akintola: The new registrar is Brandy Murdoch. She worked for the province for a couple of years. She used to work

private practice where she helped municipalities writing policies. She also used to sit on assessment appeals committees.

Board Member: When people are looking for the training, do they contact Government Relations?

Abayomi Akintola: When the training is live, we will send information out to stakeholders on how to access the training. The link to register for the training will be at Saskatchewan.ca. We are also working on having a dedicated web page for this.

SAMA CEO: Can you comment on the certification of the BoR versus the certification of individuals?

Abayomi Akintola: Yes, the BoR will be certified. We are taking a long-term approach that takes into consideration turnover of BoR members. This way, if there is turnover on a BoR that board can remain certified provided a certified individual fills the vacant seat on that board. All members of the board will still have to take the training. There is also an option for more experienced individuals to challenge the training exam without taking the full training course. The training (or successful challenge of the training exam) is mandatory for all individuals sitting on the board.

SAMA CEO: There has been discussion of a gap year for the BoR because a major BoR is stepping away. It looks like this new system will not be in place until 2023, so people using that BoR will have to find another one for the 2022 year until this system is in place.

Abayomi Akintola: Yes, we have tried to work with municipalities throughout this process. We have listed some options municipalities can explore for filling this gap.

MOTION by Jim Angus that the Committees receive the presentation.

Carried

11. Other Business.

The next meeting is tentatively scheduled for March 22, 2022.

MOTION by Myron Knafelc to adjourn the meeting at 2:40 pm.

Carried.