

**Saskatchewan Assessment Management Agency
Rural/Urban Advisory Committee
Meeting Minutes for November 27, 2018
Sandman Inn - Great Room
1800 Victoria Avenue East, Regina, SK**

Urban Advisory Committee

Members Present:

Al Heron, Committee Chair, SAMA Board Member,
Urban Sector
Dawn Luhning, SAMA Board Member, City Sector
Audrey Trombley, SAMA Board Member
Myron Knafelc, (ex officio), SAMA Board Chair
Dale Domeij, SUMA (Villages)
Bruce Fidler, SUMA (Towns)
Barry Elderkin, SUMA (Towns)
Kevin Tooley, SUMA (Cities)
Walter Strelasky, SUMA (Cities)
Lee Finishen, SUMA

Members Absent

Myron Knafelc, (ex officio), SAMA Board Chair
Mike Strachen, SUMA (Villages)
Marla Walton, Saskatchewan School Boards Association
Howard Schweitzer, Provincial Association of Resort
Communities of Saskatchewan
Mindy Olm, Saskatchewan Assessment Appraisers'
Association

Observers Present:

Irwin Blank, CEO, SAMA
Kelly Munce, Ministry of Government
Relations

Observers Absent:

Jean-Marc Nadeau, Saskatchewan Urban
Municipalities Association, Executive
Director
Theresa Wilson, Saskatchewan School Boards
Association
Rodney Audette, Urban Municipal
Administrators Association of Saskatchewan

SAMA Administration:

Kevin Groat, SAMA Administration
Shaun Cooney, SAMA Administration
Gord Senz, SAMA Administration

Rural Advisory Committee

Members Present:

John Wagner, Committee Chair, SAMA Board Member
Jim Angus, SAMA Board Member
Jeannie DeRochers, SARM (Division 1)
Delbert Schmidt, SARM (Division 2)
Troy Heggestad, SARM (Division 3)
Roman Charko SARM (Division 4)
Wade Sira, SARM (Division 5)
Gordon Meyer, SARM (Division 6)
Garry Dixon, Provincial Association of Resort
Communities of Saskatchewan
Frances Simonson, Saskatchewan Assessment
Appraisers' Association
Rod Weins, SARM

Members Absent:

Murray Purcell, SAMA Board Member, Rural Sector
Myron Knafelc (ex officio), SAMA Board Chairman
Tim Weinbender, Saskatchewan School Boards
Association

Observers Present:

Irwin Blank, CEO, SAMA
Melissa McCloy, Ministry of Government
Relations
Mike Wirgess, Rural Municipal
Administrators' Association of Saskatchewan

Observers Absent:

Jay Meyer, SARM Executive Director
Scott Sander, Saskatchewan School Boards
Association

SAMA Administration:

Steve Suchan, Committee Secretary
Betty Rogers, SAMA Administration

Guests:

Jared Dunitz, Ministry of Sask Ag & Food
MLA Larry Doke (10:45AM to noon)

Agenda Item:	Decision/Resolution:
1. Call to order	John Wagner, Chair of the Rural Advisory Committee, called the meeting to order at 10:00 AM.
2. Opening remarks	John welcomed everyone to the meeting and provided opening remarks including that the two committees hear the presentations and typically make motions as one committee. That said, if the committees have different viewpoint on an item each committee can make their own motions.
3. Introductions	Introductions of individuals present.
4. Approval of meeting agenda	MOTION by Gord Meyer that the committees approve the Agenda as presented. Carried
5. Minutes of the previous meeting held March 27, 2018	MOTION by Roman Charko that the minutes of the March 27, 2018 joint Rural and Urban Advisory Committees business meeting be adopted as circulated. Carried
6. Business arising from the Joint Minutes	SAMA Administration commented on an item on page 4 relating to the determination of market neighbourhoods and delineation of different neighbourhoods in a RM and how the market/neighbourhood boundaries could be reviewed and adjusted. With the upcoming 2021 revaluation, now is the time to provide feedback to SAMA during the early stages of market analysis which begins in February of 2019. Feel free to provide comments to your local SAMA regional office in this regard. No other items were raised.

Item 7: SAMA Update

Item 7a: CEO Report Power point presentation by Irwin Blank, SAMA’s CEO. Agenda Item 9a “SAMA TI Program Update” was covered.

Committee Comments

SARM Member: How are pipelines and private drainage work/capital improvements to the land assessed?

SAMA Administration: Capital related projects for drainage on farmland is not assessed. With regards to agricultural land, land that is successfully drained will have flooding deductions and the like removed resulting in a higher land assessment.

SAMA Board Member: With regards to the section of the CEO report on new technology, SAMA staff did an excellent job successfully implementing the project. Our old computer had very old technology. Our staff worked with our computer vender to develop a better product that they are now marketing to other jurisdictions in Canada and the USA. The project was brought in on budget, but was a little late, which typically occurs with computer updates. We now have a modern computer system with plans in place to ensure it is maintained. There were some glitches in implementations such as with regards to reports for municipalities, but glitches like this typically occur when implementing a new system. Regarding the new computer tablets that were recently acquired, we have chosen hardware that is a proven technology and used successfully by other companies.

MOTION by Garry Dixon that the Committees receive the CEO presentation and SAMA TI Program update, agenda items 7a and 9a.

Carried

Item 7b: Assessment
Services Division Report

Power point presentation by Kevin Groat, Assistant Managing Director, Assessment Services Division (ASD). This presentation included item 8a, SAMA's property inspection program.

Kevin noted that as of today they are at 96,221 completes with regards to the Agency goal to perform 100,000 inspections per year.

MOTION by Lee Finishin that the committees receive the presentations of items 7b and 8a.

Carried

Item 8: Current
Developments

Item 8a. SAMA's Property
Inspection Program

The presentation by Kevin Groat was done with item 7b.

Item 8b: Appeals to the
Board of Revision and Sask
Municipal Board

Power point presentation by Kevin Groat. This presentation was made when MLA Doke arrived at 10:45am.

Committee Comments

MLA Doke provided some opening remarks. He has been asked by the Minister of Government Relations to review the Board of Revision (BoR) processes. He has previously met with representatives from SARM, SUMA and other stakeholders.

MLA Doke thanked the Committees for the invitation to attend this meeting to hear these discussions.

SAMA CEO: Would like to make the committees aware of the variance between different BoR panels in rendering decisions. On the positive extreme we have been privileged to work with a BOR panel in the Northeast that renders decisions in one or two days of the hearing, writes well reasoned decisions and always completes their work in a timely basis. On the other end of the spectrum, SAMA is working with a professional panel that has heard hundreds of appeals across many municipalities, but has not rendered decisions in a timely basis with delays of months between the hearing date and the date the decision from that hearing is received. This has resulted in the committee being at risk of confusing information from different appeals with mistakes being made. One noted example occurred in Prince Albert where the panel used information from a SAMA hearing that occurred weeks after the PA hearing.

SAMA CEO: This discussion focussed on the BoR and the Sask Municipal Board (SMB). For SAMA and appeals at the SMB:

- There are 16 appeals outstanding for 2014-16. 14 are awaiting Court of Appeal decisions, 2 are not yet scheduled
- There are 260 appeals in 2017 with only 45 decided and 25 withdrawn.
- There are 156 appeals in 2018 thus far with none heard and two withdrawn.
- Based on these recent statistics it appears that the back log is increasing in size? There may be a resource capacity issue at this provincial appeal level as well?
- Since the RM of Corman Park Court of Appeal decision (Crickle Creek, role of the SMB), appeal administration, processes and decisions seem to be significantly improving.

SARM Member: How do we address the appeal backlog?

SAMA CEO: Other provinces have more appeals and yet can keep up with appeals. The SMB could need more resources. Part of the reason for delays are incomplete decisions provided to the SMB from the local level Boards of Revision, which further supports that BoR's could use more training. This was proposed in a SUMA resolution.

SARM Member: What about the smaller urban and rural municipalities that see few appeals and have limited capacity to hear them when they occur. Can they get some support in having a better BoR process?

SAMA CEO: Property owners can appeal every year. In some cases with some commercial properties, they continuously appeal to get reductions. Maybe there should only be one appeal in the four year revaluation cycle?

SAMA Board Member: It appears that tax agents are becoming more dominant in the appeal process in Saskatchewan.

SARM Member: In his area there a perception by some that the SMB is linked to SAMA. Is this the case?

SAMA CEO: SAMA and the SMB are totally separate. Some people may be confused, however the SMB couldn't be more separate from SAMA. The SMB takes great pains to ensure they are an independent body.

SARM Member: Is the SMB to render a decision within 60 days?

SAMA CEO: The SMB has no legislative timeline to complete a decision for a hearing. SAMA is making a legislative proposal on this topic that will be discussed later in the meeting.

SUMA Member: how long does it take to complete the appeal process?

SAMA CEO: In some cases, appeals that go to the SMB can take two to three years. It is longer if the appeal is taken to the Court of Appeal. A good strategy for municipalities to have a contingency on potential appeal losses.

MLA Doke: Which BoR handled appeals quickly?

SAMA Administration: Examples include the Candle Lake area regional Board and the Lumsden-Regina Beach area regional Board. There are very few regional boards.

SAMA CEO: Prince Albert had used a professional panel in the past and had experienced delays. Now have their own panel and it is working much better, with decisions being quickly rendered and well-reasoned.

SARM Member: The rural BoR panel members don't have much expertise in assessment, it is hard to expect them to run a panel successfully; the system is unfair to them.

SUMA Member: Is Provincial Government going to do more to support BoR panels, such as going to regional boards? This was SUMA's recommendation, but training is needed for these panels.

SAMA CEO: In Alberta, panel members need to take training and be certified before they can sit on a panel.

MLA Doke: SUMA and SARM will be sending out a survey on the appeal process. Provincial Government will be very interested in the results and would like to see the information by the end of the year.

MOTION by Wade Sira that the committees receive the presentation.

Carried

Break for lunch at 11:55pm, resumed at 12:50 pm

Item 8c: Court of Appeal update on property assessment appeals

Power point presentation by Steve Suchan.

Committee Comments

SARM Member: How far back would the Husky tank decision apply?

SAMA Administration: I would only go back to the two properties appealed in 2017. There were no related appeals in 2018. The potential exists for a number of appeals to occur in 2019.

SUMA Member: What percentage has SAMA's legal fees increased for Court of Appeal activities and who pays?

SAMA Administration: SAMA doesn't have these numbers readily at hand. Currently Court of Appeal costs are within our 2018 budgeted costs. In effect all of SAMA's client municipalities cover the cost of SAMA's Court of Appeal activities.

MOTION by Dale Domeij that the committees receive the report.

Carried

Item 8d: Proposed Assessment Related Amendments to the Municipal Acts

Report and Power point presentation by Steve Suchan. This presentation was made directly after agenda item 8b with MLA Doke in attendance.

Committee Comments

SUMA Member: Is there a precedence in North America for assessing passing tracks?

SAMA Administration: SAMA has not looked into the matter in great detail at this point in time. Initial steps will be to first determine assessment practices in the other provinces in Canada.

SAMA Board Member: Commented that with the current oil storage tank appeal that is going to the Court of Appeal, there is a significant risk to the province/education assessment base going forward. The provinces set the education provincial mill rates well in advance of potential 2019 oil storage tank appeals. If these appeals are successful, the province will have no

opportunity to recover lost revenues in 2019. It is a good idea to have the legislation amended to resolve the matter.

SAMA Board Member: What are the number of repeat appeals that occur?

SAMA Administration: A rough estimate is about 800. Repeat appeals tends to occur with tax agent handled commercial appeals.

SAAA Member: There was a situation they are aware of regarding a Board of Revision Panel was setting hearing dates and refused to accommodate the assessment appraiser. Proposed legislation in this area makes sense.

PARCS Member: They would like something in section 198 of The Municipalities Act for residents in organized hamlets to allow use of the land assessment for exemption once they provide proof that their primary occupation is farming.

SAMA Administration: This appears to be more of a tax policy issue. Legislation does currently allow for fixed agreements in these situations

SAAA Member: What is the use of the simplified appeals process? Are they still applicable as evidence requirements sometimes limits the assessment appraisers' ability to respond and support the assessment.

PARCS Member: Would limiting to only one appeal for a revaluation cycle limit the owner's ability to appeal after a reinspection?

SAMA Administration: This legislation would allow an additional assessment if the salient facts regarding the property change, such as with a reinspection and change with annual maintenance. An appeal would also be allowed if the property was sold allowing the new owner to appeal.

MOTION by Delbert Schmidt that the committees receive the report.

Carried

Item 9: Future Developments

Item 9a: SAMA TI Program Update

Power point presentation by Irwin Blank. Provided with the CEO update.

Item 9b: 2021 Revaluation
Preparations – Publications

Report and Power point presentation by Shaun Cooney.

Committee Comments

SARM Member: Is the wind turbine generation number used for property assessment purposes based upon an actual or hypothetical number?

SAMA Administration: It would be based upon the plated capacity as specified for the property.

MOTION by Frances Simonson that the committees accept the report and proposals in the report.

Carried

Item 9c: 2021 Revaluation
Preparations – Trends

Report and Power point presentation by Shaun Cooney.

Committee Comments

SAMA Administration: The wind turbine rates not currently included in materials. Plans are to have the policy and rates finalized shortly. Wind turbines will become a significant property in the future.

SUMA Member: What is the status on the assessment of solar power facilities. Is there much that can be assessed?

SAMA Administration: In all likelihood only the foundation and frame would be assessed, but still being finalized.

SARM Member: What if a solar panel is on a house? Is it assessed?

SAMA Administration: No adjustment is being made at this time. Would need sales data to analyze the impact on the value of the property.

SARM Member: With regards to agricultural land parcel sales, some pasture land would have gravel pits that have significant value. Would these sales impact agricultural land values?

SAMA Administration: These sales are screened out and not used in analysis.

SARM Member: Residential market neighbourhood boundaries within an RM are hard to determine and has the risk of causing equity issues as well as being hard to explain if you don't have sales. It would be easier for the RM if the boundaries are on a municipal boundary line. Will likely get more equity in valuations as well.

SAMA CEO: These residential market neighborhood boundaries are established based on what the sales in an area indicate. In some RM's close to large urban centers the area in the RM

closest to the large urban center will have higher residential values than the area on the far side of the RM many miles away from the urban center. In those instances our staff have to draw the lines somewhere within the RM to reflect those market differences. With that said, in areas where there is very little sales evidence that judgement can be more subjective and could benefit from more local feedback in some instances. With regards to this specific case, the SAMA region will be looking at this for the 2021 revaluation. SAMA administration will also consider this feedback in general terms with respect to other municipalities.

MOTION by Barry Elderkin that the committees receive the report.

Carried

Item 9d: 2021 Revaluation Preparations – Quality Coordination

Report and Power point presentation by Shaun Cooney.

MOTION by Kevin Tooley that the committees receive the report.

Carried

Item 10: Other Business

Item 10a: Next scheduled urban/rural advisory committee meeting

The next meeting is scheduled for March 26, 2019.

MOTION by Roman Charko that the meeting be adjourned.

Carried

Meeting adjourned at 2:45 PM.

Steve Suchan,
Rural Advisory Committee Secretary