2016-2017 SAC Task Force: Meeting 6

February 21, 2017
Meeting 6 Overview

- Approve minutes from Meeting 5
- Present data on determination types
- Discuss potential approaches
- Scope of determination analysis
- Any additional credit ideas?
- Next steps?
Distribution of SAC Activity

- Residential: 47%
- Industrial: 2%
- New Commercial: 28%
- Commercial Addition: 3%
- Remodel Change of Use: 14%
- Remodel No Change of Use: 6%
Maximum Potential Rate Impact

Due to Exclusions of SAC Collections from Remodels with No Change in Use:

2,775* units x $2485 / 3 years = $2.3 million / 18,000 units = $127 (potential rate increase)

*Number of units from 2013-2015
Scope Discussion

• Change criteria to frontload new use?
• Make up loss across entire system or just specific users?
• No change in new versus old outcomes – absorb loss through higher unit trends
• Decide what is considered a new use? (e.g. spec office/warehouse remodels, office remodels, warehouse, schools, etc.)
Next Steps for Issue 3

- Determination approach
- SAC criteria study of gross square feet
- Reconvene in September with results from SAC study
  - Same task force members
  - Plus subject matter experts as needed
Credit Ideas

- Determination approach may impact credit calculations
- Other credit ideas?
Next Steps for Issue 4

• Do we discontinue Non-Conforming Long, Continuous Use?
• Worth changing credit types now if unsure of determination approach?