

2014

Performance Report



sama

SASKATCHEWAN ASSESSMENT
MANAGEMENT AGENCY

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Agency Profile

Governing Legislation: Established by *The Assessment Management Agency Act* in 1987 to manage Saskatchewan's property assessment system for the Province, municipalities and the education sector.

Corporate Structure: Corporation with Board of Directors appointed by Order in Council.

Services Provided to the Province: Property assessment research and policy development, central database of assessment information, assessment information for programs administered by the provincial government, and assessment quality assurance.

Services Provided to Client Municipalities and the Education Sector: Property assessment valuation services – annual maintenance property inspections, targeted property reinspections, revaluations every four years, support of value (management of property assessment appeals) and public education.

Accountable to: Minister of Government Relations, Saskatchewan Association of Rural Municipalities, Saskatchewan Urban Municipalities Association, client municipalities, the education sector and the public.

Annual operating budget: \$16.948 million for fiscal year ending December 31, 2014.

Permanent staff: 144.75 FTEs with an additional 6.0 FTEs to service the City of Moose Jaw assessment services contract.

Client Municipalities and Property

2014	Urban Municipalities	Rural Municipalities	Northern Municipalities	Total		Change from 2013	
				Accounts ⁴	Properties	Accounts	%
No. of Client Municipalities ¹	452 ²	296	14 ³	762		8	1.1%
No. of Property Accounts ¹							
Agricultural Land	2,072	473,416	609	476,097	476,097	1,238	0.3%
Urban Land	177,385	77,411	15,222	270,018	270,018	10,060	3.9%
Total Land Accounts	179,457	550,827	15,831	746,115	746,115	11,298	1.5%
Residential Buildings	122,348	71,871	8,845	203,064	N/A ⁵	8,302	4.3%
Commercial Buildings	18,153	7,417	988	26,558	N/A ⁵	1,034	4.1%
Total Building Accounts	140,501	79,288	9,833	229,622	N/A	9,336	4.2%
Oil & Gas Improvements	21	36,650	42	36,713	N/A ⁶	229	0.6%
Oil & Gas Equipment	45	82,866	146	83,057	83,057	2,455	3.0%
Mine Equipment	0	29	5	34	34	0	0.0%
Pipelines & Railways	419	2,507	5	2,931	2,931	-4	-0.1%
Total Industrial Accounts	485	122,052	198	122,735	86,022	2,680	2.2%
Total Property Accounts	320,443	752,167	25,862	1,098,472	832,137	23,314	2.2%

Notes:

1. Excludes the City of Moose Jaw assessment services contract.
2. Cities (8), towns (141), villages (264) and resort villages (39).
3. Northern towns (2), northern villages (11) and Northern Saskatchewan Administration District (1).
4. The number of property components that are assessed by the agency. There may be more than one assessable component on a property.
5. Residential and commercial building components are located on urban and agricultural land properties.
6. Oil & gas improvement components are located on the same sites as oil & gas equipment.

Staying Strong - Growth and opportunity

The Saskatchewan Assessment Management Agency is continually improving to meet the challenges and opportunities that come with a strong provincial economy. The agency continues to make changes that enable us to meet the demands of Saskatchewan's strong economy, and to provide municipalities the resources they need to succeed and grow.

Continued positive economic growth for Saskatchewan in 2014 resulted in continued growth in property assets within Saskatchewan municipalities. The agency conducted 59,893 property reviews in calendar year 2014 and the assessment of these property assets increased the revenues available to municipalities and to the education sector.

Property accounts grew by 2.2% to 1,098,472 accounts and industrial property accounts grew by 2.2% to 122,735 accounts. The 2014 total taxable assessment for SAMA's municipal clients rose to \$54.3 billion. These growth rates have been a challenge for SAMA to administer while maintaining the same level of staffing from previous years. SAMA also gained ten municipal clients at the beginning of 2014 who had previously been using a contracted assessment provider.

This continued growth in property counts provided an estimated \$28.9 million in annually recurring property tax revenues for the agency's municipal clients and the education sector. Municipalities received an estimated \$18.7 million and the education sector received \$10.2 million in additional property tax revenues from services provided by the agency (\$1.73B was added to taxable assessments, and using provincial average mill rates of 5.9086 for the education sector and 10.8356 for municipalities).

Following the 2013 revaluation the agency's efforts in 2014 were concentrated on increased levels of property reinspection as well as property maintenance related to the growing property base in the province. Additionally, the agency continued to provide support of value services in relation to assessment appeals and launched a major new initiative - the Technology Infrastructure Program.

Better outcomes

The agency has discovered and is implementing ways to deliver our services with better outcomes for our clients and stakeholders. This new level of service delivery is improving the ability of client municipalities, the provincial government and the Saskatchewan public to move ahead by attaining timely and accurate property assessments in a growing economy.

The agency continues to strive towards moving the annual maintenance program forward on the calendar with more of the work being completed before year-end. SAMA has also become more client-focused by giving clients the flexibility to request delivery of their maintenance program by a specific date that works best for them.

SAMA began developing major computer upgrades in 2014 that will lead to further efficiency gains as the components of the new technology are implemented from 2015 to 2017. The upgrades will include Govern system enhancements, handheld computers and GIS technology that will increase employee efficiency and allow staff to spend more time in the field conducting inspections. SAMA expects these improvements to reduce the current reinspection cycle from 40 to 50 years down to 12 years (following the completion of the upgrades). By the end of 2014, SAMA's Technology Infrastructure Program has advanced into the training and implementation phase of our open forms project. Open forms is a technological development that will speed up the data entry of assessment data into SAMA's central database.

In May 2014 SAMA began a \$20 per parcel maintenance fee for any supplementary maintenance and 2015 maintenance completed for the agency's client municipalities. The new fee for maintenance services is being implemented for 2015 and the agency has taken a number of steps to ensure the new fee is clearly explained to all municipal clients.

The agency's 2014 process improvement efforts were concentrated on simplified residential valuation methods that will increase the efficiency of appraisers by decreasing the amount of data that needs to be recorded about a property during appraisal. These changes are being implemented in early 2015.

SAMA continued to pilot new agricultural land inspection methods in 2014. New agland inspection methods will help to decrease the appraiser effort required per inspection.

During 2014 SAMA continued work on amending assessment policies for the 2017 revaluation cycle. The agency researched, completed an impact analysis, reviewed and received approval to implement new simplified valuation models from advisory committees and the SAMA Board. Furthermore, the agency built prototypes of the new residential and commercial cost models in the Govern system's test environment.

The agency also developed a new format for advisory committees and the annual meeting in 2014. The Urban-Rural Advisory and the City-Commercial Advisory Committees were combined into two single-day sessions. The new format was well-received by members from all four advisory committees.

Additionally, the eligibility for voting delegates at SAMA's annual general meeting was expanded and the resolutions submission window was lengthened at the request of municipalities.

Responsive and responsible governance

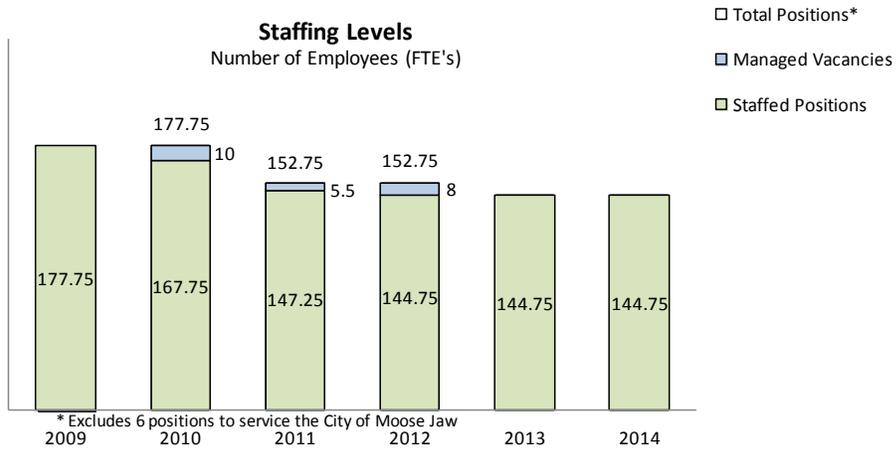
In 2014 the agency had an operational workforce of 144.75 permanent staff and the operating budget increased \$637,000 (3.9%) to \$16.948 million.

Budgeted funding party shares for SAMA operations were shifted to 61.7% provincial and 38.3% municipal (63.5% and 36.5% in 2013, respectively) as the municipal revenue increased \$466,440 (8.1%) over the 2013 level and the provincial funding level remained unchanged.

In 2014 SAMA's new funding model, including capital funding for new technology, was successfully implemented. The Province supported the required changes to *The Assessment Management Agency Act* and municipal stakeholders accepted the funding model changes and provided their share of requested operational and capital funding.

The Province was unable to provide support for their portion of 2014 capital funding and, as a result, the SAMA Board approved use of reserve funds to fill the gap.

The agency has achieved and surpassed the provincial government's 2010 undertaking to reduce the size of government by 15% over four years. In 2014, the agency continued to successfully maintain a smaller and more efficient workforce. The agency's effective workforce for 2014 is 19% less than it was in 2010.



The agency has been very successful with implementing business improvements and the productivity gains that have been attained have allowed us to reduce our workforce without any reduction in service levels and while dealing with an expanding property base. Without business improvement changes it would have been very difficult for SAMA to keep up with the current assessment workload in the province over the past few years.

2014 Operating Budget	2014 Budget	2014 Actual	Variance Amount %	
REVENUES (000s)				
Provincial - Operating	\$10,087	\$10,087	\$0	0.0%
Municipal Requisition	6,254	6,377	123	2.0%
Other Revenue	429	398	-31	-7.2%
Total Operating Revenues	\$16,770	\$16,862	\$92	0.5%
EXPENDITURES (000s)				
Salaries and Benefits	\$12,188	\$12,295	\$107	0.9%
Other Expenses	4,760	4,372	-\$388	-8.2%
Total Operating Expenditures	\$16,948	\$16,667	-\$281	-1.7%
Surplus (Deficit)	-\$178	\$195		
Inter-fund Transfers to Capital Fund	\$0	-\$510		
Reserves (Net)	178	257		
Beginning Surplus	0	353		
Ending Surplus (Deficit)	\$0	\$295		
Staffing (FTEs)				
Permanent Employees	144.75	144.75		
Managed Employee Vacancies	0.0	0.0		
Staff Complement	144.75	144.75		

2014 Capital Budget	2014 Budget	2014 Actual	Variance Amount %	
REVENUES (000s)				
Provincial - Technology Premium*	\$612	\$0	-\$612	-100.0%
Municipal - Technology Premium	612	624	12	2.0%
Total Technology Development Revenues	\$1,224	\$624	-\$600	-49.0%
EXPENDITURES (000s)				
Phase I of Project - Open Forms	\$629	\$629	\$0	0.0%
Phase II of Project - .net Conversion**	595	242	-\$353	-59.3%
Total Technology Development Expenditures	\$1,224	\$871	-\$353	-28.8%
Surplus (Deficit)	\$0	-\$247		
Inter-fund Transfers to Capital Fund	\$0	\$0		
Reserves (Net)	0	247		
Ending Surplus (Deficit)	\$0	\$0		

*The Province was unable to provide support for their portion of capital funding in 2014. SAMA's Board approved the use of \$641,500 in existing reserves to assist with funding the first two phases of the Technology Infrastructure (TI) Program.

**Phase II of the TI Program will be funded from SAMA reserves and a portion of the 2015 SAMA Municipal Invoice.

Key Performance Measures

Delivery of Property Assessment Services

KPM #1: Properties assessed for client municipalities

1. Annual Maintenance Program

The annual maintenance program reviews and updates all properties with developments or changes that may affect the property's assessed value. The municipality submits a list of the properties affected, and the agency reviews each property and provides the municipality with an updated assessed value for their assessment roll.

By December 31, 2014 municipal clients had submitted (or work was identified on) 54,959 residential, commercial and agricultural land properties for review – 28,318 properties for use on 2014 municipal assessment rolls and 26,641 properties for use on 2015 municipal assessment rolls.

The Agency's Performance

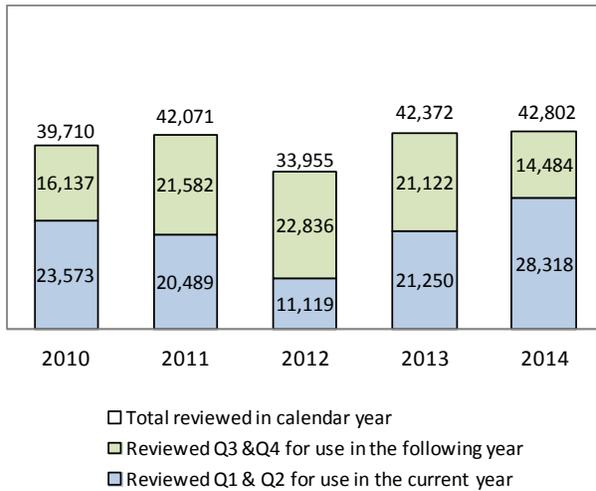
In 2014, the agency reviewed 28,318 properties for use on 2014 municipal assessment rolls, and in Q3 and Q4 the agency reviewed 14,484 properties for use on 2015 municipal assessment rolls. The 2014 maintenance workload was higher than initially anticipated.

Annual maintenance reviews were completed on 42,802 residential, commercial and agricultural land properties – 77.9% of the 54,959 properties submitted for review. The remaining 12,157 properties plus an additional 8,205 properties still expected from municipalities will be reviewed in Q1 and Q2 of 2015.

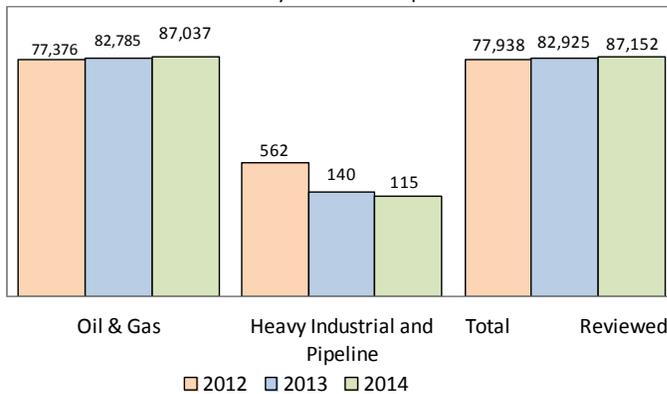
The agency continues to level out the annual maintenance workload by advancing annual maintenance work to the preceding year and works toward spreading the workload more evenly over the last months of the calendar year. This helps the agency to provide more timely delivery of the service to client municipalities.

2014 was the beginning of a new maintenance initiative. A \$20 per maintenance review charge was implemented in May 2014 (to be charged beginning in 2015). Municipalities now approve their requested chargeable maintenance lists prior to the work being performed.

Annual Maintenance Reviews
Number of Residential, Commercial and
Agricultural Properties



Annual Maintenance Reviews
Number of Oil & Gas, Pipeline and
Heavy Industrial Properties



Annual maintenance reviews were completed on 87,152 industrial properties in 2014, an increase of 4,227 properties over 2013.

In the mid-1990s the agency standardized oil and gas well assessments utilizing well information attainable from Saskatchewan Ministry of the Economy. This allows the agency to review the assessment of all oil and gas wells annually, without conducting a time consuming and more costly field inspection.

The volume of standardized oil and gas annual maintenance (87,037 properties) tends to overshadow the volume of other industrial property assessments. In 2014, the agency also reviewed 115 pipeline and heavy industrial properties.

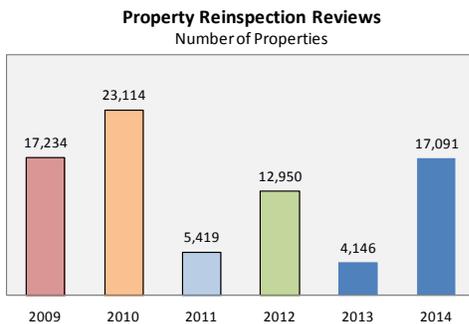
2. Reinspection Program

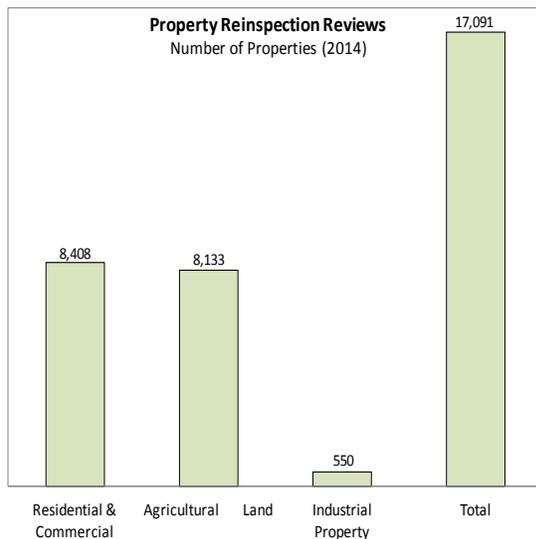
Over time, property assessments become dated because of the cumulative effect of physical attribute and condition changes that are not identified for an annual maintenance review. There is also the risk of assessable properties being absent from a municipality's assessment roll. The general reinspection program undertakes to review each property to re-establish a uniform base of up-to-date property records for the municipality.

Over the past 20 years, the reinspection program was slowly eroded as the resourcing needs for the annual maintenance and revaluation programs grew. SAMA estimates, based on recent reinspection results, that 2-5% of assessable property may be currently left off of assessment rolls due to SAMA's inability to keep up with long-term reinspections on a province-wide basis. The agency recognized that a new approach to the reinspection program was needed in order to complete property reinspections in a timely manner, and has undertaken three initiatives to improve the reinspection program.

The first initiative is to increase appraiser efficiency and productivity in all program areas (reinspections, annual maintenance, revaluation and support of value) and to redirect those gains to the property reinspection program. Lean business process improvements are being attained and are contributing significantly to efficiency and productivity gains in these programs. Between 2010 and 2013, those gains have not been fully transferred to the reinspection program because of a reduction in the appraiser workforce. However, further gains are expected to transfer into the reinspection program.

The second initiative is to restructure the reinspection program to target for reinspection those properties where the need is greatest. Under this initiative the agency has undertaken a seven-year program to reinspect all commercial properties by the end of 2016 and has implemented an issue-based project for agricultural reinspections that has resulted in the reinspection of six RMs during 2014.





SAMA spent significant resources in 2014 on the implementation of a Technology Infrastructure Program. Through a combination of stabilized funding for inflation-related operational increases, simplification of valuation models and investments in technology, the agency is conducting a multi-year project that, over the next four years, will double the effective output per appraiser and drastically reduce the reinspection cycle. The program will produce far more in revenue for municipalities than its cost and will strengthen the integrity of the province’s appraisal system. SAMA has estimated that approximately \$30,000,000 in new annual recurring revenue would be added after completion of a reinspection to all SAMA clients. SAMA estimates that targeted commercial and residential 2014 reinspections have resulted in an overall 5.1% increase to taxable assessments for affected properties that were reinspected (excluding agricultural land). Additionally, the tank reinspection program review of 13,365 industrial tanks combined with the reinspection of 550 industrial properties added over \$21M in annual taxable assessments to the affected municipalities.

The Agency’s Performance

In 2014, reinspection reviews were completed on 17,091 properties – 8,408 residential and commercial properties, 8,133 agricultural land properties and 550 industrial properties. Additionally there were 13,365 industrial tank audits (not included in totals). 4,146 properties were reinspected in 2013 (a revaluation year) and 12,950 in 2012 (the last non-revaluation year). Even when ignoring the industrial tank audit, 2014 still represents a 32% increase over 2012 reinspection numbers. 2014 was a successful year for SAMA in terms of reinspections, with total reinspections reaching higher than have been seen in the past 3 years.

The appraiser resources available for the reinspection program are dependent on the size of the annual maintenance, revaluation and support of value programs, all of which vary from year-to-year over a four-year cycle. 2013 was a revaluation year and thus few resources were available for reinspections while efforts were focused on support of value.

KPM #2: On-time delivery of client services

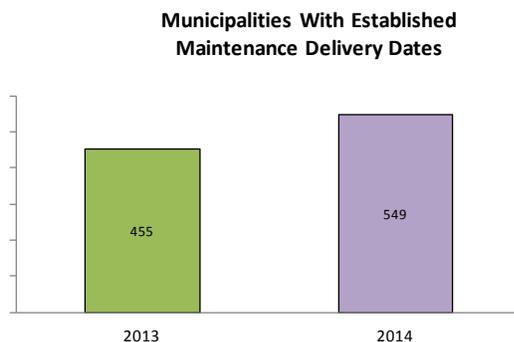
The agency has undertaken to improve the on-time delivery of annual maintenance services to its client municipalities. Since 2008, the objective has been to advance the delivery of annual maintenance. This helps enable client municipalities in the preparation of their assessment roll by the May 1st legislated deadline, and improves program efficiency by balancing out the agency's workload. The agency has also become more responsive to the needs of clients, implementing a system to deliver maintenance lists when desired by municipalities, rather than when convenient for the agency, and working towards meeting these targets. Furthermore, the agency has implemented a maintenance service fee that ensures the work being done is of value to our clients.

The Agency's Performance

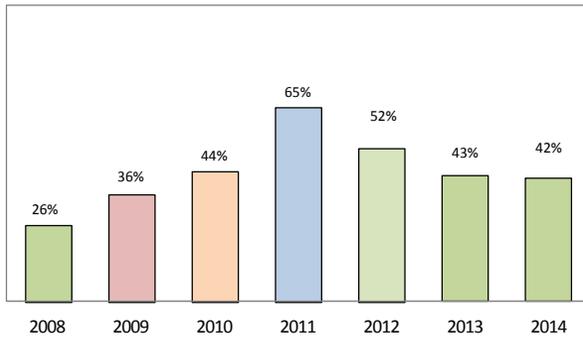
During 2014 the agency concentrated on communicating with client municipalities, reducing the turnaround time for completing annual maintenance and shifting its focus to delivering maintenance when municipalities require it.

Receiving more frequent maintenance requests is a prerequisite to meeting customer demand. The agency is working towards a target to receive 60% of the annual maintenance requests by September 1st. In 2014, 35% of client municipalities submitted their annual maintenance requests by September 1st.

The agency completed annual maintenance for use in 2015 for 101 (13.3%) of its 763 client municipalities (2 villages dissolved at end of 2013 and 10 urban municipalities returned to SAMA after previously using a privately-contracted assessment provider) by December 31, 2014. In 2013 the agency began to gather desired delivery dates from our customers. This has resulted in a decrease in year-end deliveries because clients are specifying dates spread between October and April, with many not desiring maintenance delivery until the first quarter of the following year. 2014 saw 549 municipalities specifying a deliver date, a rise from 455 in 2013. SAMA met 65% of municipal delivery date deadlines in 2014.



Annual Maintenance Reviews Completed
 Percentage of Following Year's Assessment Roll Reviewed by
 December 31st



The agency has a target to reduce the turnaround time for completing annual maintenance from an average of 131 days in 2011 to no more than 60 days. Turnaround time for the 2014 maintenance program was 103 days (87 days in 2013 and 91 days in 2012). Turnaround time was slowed in 2014 due to the approval process for the new municipal maintenance fee. This process will be streamlined in 2015.

KPM #3: Client satisfaction

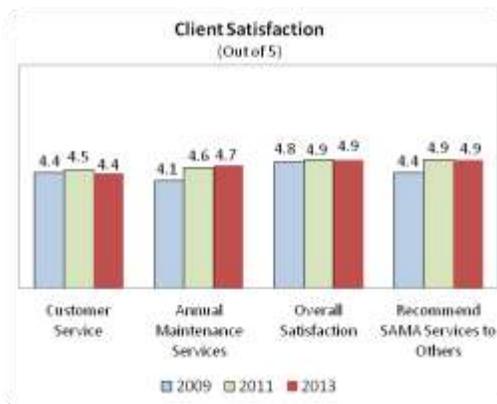
*** Note: The agency conducts a survey every second year. The next survey will be in 2015. ***

The agency strives to provide reliable and complete assessment information services to client municipalities, the education sector, the provincial government, local government stakeholders and property owners. As part of the planning process and measurement of the agency's performance, SAMA has contracted Tanka Resource Group Inc. to carry out an anonymous biannual survey of SAMA clients. The feedback received in the survey is used by the agency to identify strengths and areas for improvement. The maintenance of positive communications and relationships with clients is essential to the agency's ongoing success.

The Agency's Performance (as reflected by the most current survey, undertaken in 2013)

The agency conducts a biannual survey of client municipalities to determine their level of satisfaction with the agency's services. The results of the 2013 survey were very similar to those of 2011.

The agency maintained high rating levels from its client municipalities for customer service, annual maintenance services and revaluation services and overall satisfaction with the agency. The agency also maintained a high recommendation rating from its clients.



Client municipalities scored the agency at 4.4 out of 5 for customer service, a slight decrease from 2011. In terms of customer service, clients were most satisfied (93%) with the manner in which they were treated by SAMA staff (fairly and with respect). The lowest satisfaction ratings were in being dealt with by SAMA in a timely manner (86%).



Client municipalities scored the agency at 4.7 out of 5 (94%) for annual maintenance services. Making up the 94%, 55% of Administrators rated the agency as excellent and 39% as good.

For the 2013 reevaluation, the agency again received a positive score of 94%. This was comprised of 42% of respondents rating the agency as excellent and 52% rating the work as good.

Overall, client municipalities scored the agency at 4.9 out of 5 on overall satisfaction with the agency's services. Ninety-nine (99%) of the agency's clients were satisfied, with 78% being very satisfied, 21% being somewhat satisfied and 1% being dissatisfied.

Client municipalities scored the agency at 4.9 out of 5 on whether they would recommend the agency's services to other municipalities. Ninety-nine percent of clients would likely recommend the agency's services to others in the same position as themselves (81% saying definitely, 18% saying probably, 1% responding probably not, and no clients saying definitely not).

Although comments overall were very positive, the most common client request for SAMA to improve its service quality was to speed up and increase the accuracy of the maintenance program.

Quality of Property Assessment Services

KPM #4: Amount of assessment at risk through appeals

Property owners who believe that their property's assessed value is not accurate may appeal the assessment to the local board of revision, and subsequently to the Saskatchewan Municipal Board and the Court of Appeal.

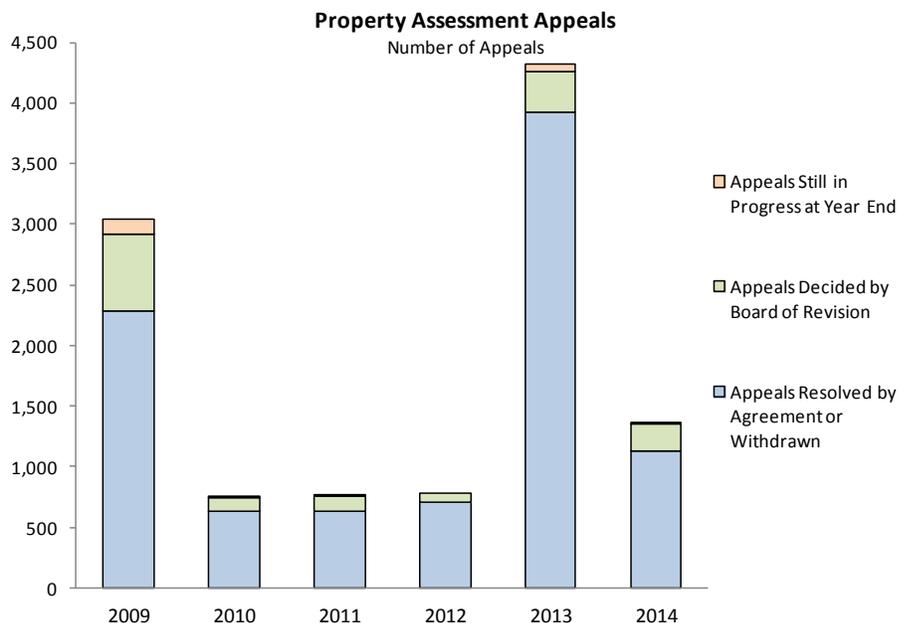
The agency's appraisers will meet with property owners to identify and resolve any valuation errors prior to the formal appeal process. Dealing with property owners directly to swiftly correct assessment errors is a priority for the agency. Quick resolution increases stakeholder confidence in SAMA and reduces support of value costs and efforts for all parties involved. Where there is not an apparent resolution to a property owner's concerns, the agency provides the municipality with professional appraisal and legal expertise to support the property assessment values through all levels of appeal.

The Agency's Performance

Once every four years the agency revalues all properties in each of its client municipalities to reflect a more current valuation base date. The 2013 Revaluation involved the revaluation of 818,388 properties (783,011 in 2009), and appeals were initiated on 1,368 properties (4,321 in 2013).

The agency has consistently maintained a relatively low level of assessment appeals with 1,368 properties being appealed in 2014 (4,321 appeals in 2013). The 1,368 appeals represent an appeal rate of 0.17%. Of the property appeals initiated, 1,126 (82.3%) were resolved by agreement or withdrawn. SAMA clients only saw a 0.33% decrease to taxable assessments after factoring in agreements to adjust and board of revision rulings.

2014 saw a high number of appeals for the second year of a revaluation cycle. The increased number of appeals are attributed to large assessment changes during the 2013 revaluation, increased numbers of flooded land and an increased level of knowledge of assessment amongst property owners.

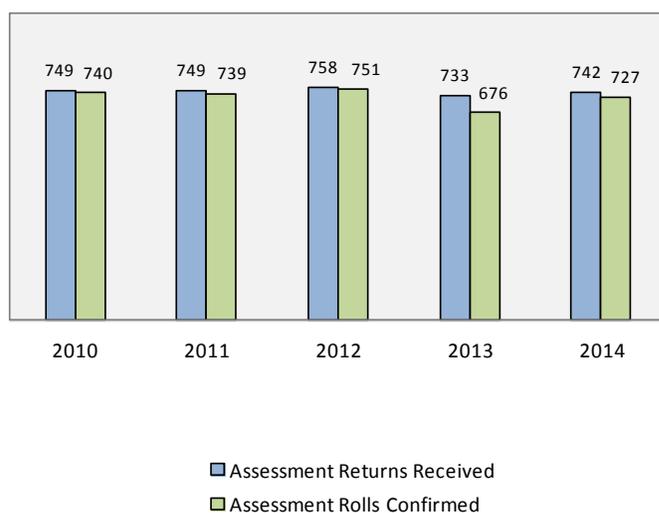


KPM #5: Confirmation of municipal assessment rolls

The SAMA Board is responsible for confirming the assessment roll of all Saskatchewan municipalities after taking steps to ensure that the assessments in the municipality have been completed in accordance with legislation. Municipalities require this confirmation to allow them to enforce the collection of property taxes.

Both confirmation audits and primary audits are conducted to determine whether a municipality's assessments have been prepared and administered in accordance with the municipal Acts.

Confirmed Assessment Rolls



The Agency's Performance

There were 771 municipalities in Saskatchewan in 2014 – 763 municipalities received their valuation services from the agency and 8 municipalities provided their own valuation services.

The confirmation process is initiated when a municipality submits its annual assessment return.

For the 2014 assessment roll year, 742 (96.0%) of all municipalities had submitted their assessment return by December 31, 2014.

The agency confirmed 727 (94.3%) of the submitted assessment rolls as of December 31, 2014, and 15 assessment returns were still being processed.

Primary audits are conducted as part of the confirmation process to ensure that the overall level of appraisal for a municipality falls into the acceptable range prescribed in Provincial regulations. Of the 742 municipal assessment returns received, 727 received compliant audit reports as of December 31 and 15 were still being processed.

KPM #6: Business process improvements

In 2008, the agency undertook a major initiative that employs Lean business process improvement methods to increase quality, timeliness, efficiency and productivity in the delivery of the agency's programs and services. The Lean philosophy focuses on eliminating waste, variation and imbalance in work processes, and promotes actions and behaviours that add value to the products and services provided to the agency's clients. By 2014, Lean efforts have influenced all areas of the agency's operations and led to substantial efficiency gains. SAMA considers Lean a part of its everyday decision-making and planning process.

Overall objectives for the Lean initiative are to realize a 25% increase in quality, timeliness, efficiency and productivity in all work processes, to develop highly-engaged staff who take ownership of the business process, and to be better able to meet the increasing demands of the agency's clients.

In 2014 SAMA has taken a new approach of establishing regional value streams. The goal of this is to empower all SAMA staff to make process improvements and to implement practices suited to the local needs of regional assessment areas.

The Agency's Performance

1. Annual Maintenance Program

SAMA's objective is to deliver maintenance when customers require it. This provides a more timely service to client municipalities and is essential for the agency in order to meet the accelerating demand for maintenance within the province. In order to be successful, SAMA must both receive maintenance lists from municipalities and proceed with the work as quickly as possible.

The agency has successfully advanced the annual maintenance program by 3-4 months so that much of the work is now being completed and delivered in Q3 and Q4 of the year preceding when it will be used on the assessment roll.

Although the maintenance program did not advance further in 2014, it should be noted that maintenance requests were very high during the first quarter of the year and the agency was able to complete maintenance and make gains in both the areas of reinspections and support of value.

2. Reinspection Program

In 2008 the agency undertook to restore the reinspection program through the implementation of Lean business process improvements, the use of new technologies and the acquisition of additional appraisers. Significant successes have been attained with the implementation of Lean business process improvements, while the new technologies are dependent on capital funding and the agency has actually reduced its appraiser workforce.

2014 saw a return to reinspection numbers not seen in the past three years. While maintaining the same staffing levels, SAMA was able to reinspect over 17,000 properties, resulting in an average gain of 5.1% in taxable assessments to affected municipalities (excluding agricultural land). In addition, the industrial division undertook a tank audit program that included 13,365 properties and, combined with the reinspection of 550 industrial properties, resulted in a \$21M increase in taxable assessments. The increased production levels have occurred primarily through improved performance management practices, business process improvements (Lean) and modifications to the agricultural land inspection process.

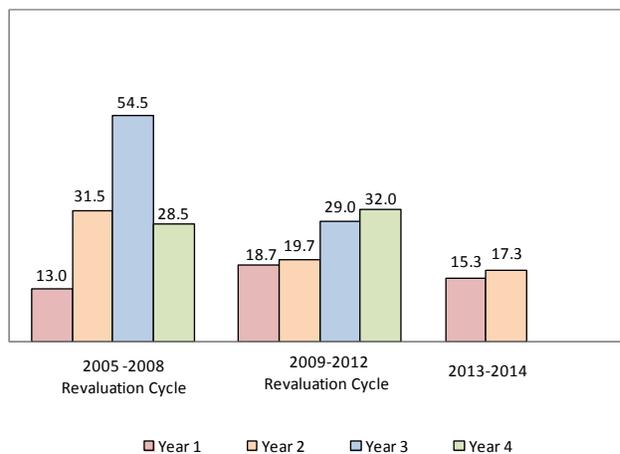
3. Revaluation Program

The appraiser resources used to deliver the revaluation program vary from year-to-year over a four-year revaluation cycle. The focus in Year 1 is on implementation and support of value, in Year 2 on sales verification, in Year 3 on market analysis, and Year 4 on quality assurance and finalization.

Business process improvement changes to the sales verification and market analysis processes have resulted in a significant reduction in total appraiser time on revaluation activities. 2014 was year 2 of the cycle and efforts were concentrated on sales verification. By the end of 2014 SAMA has reduced its number of outstanding unverified sales records from 7,496 four years ago to a balance of 1,814.

SAMA continues to reduce the amount of time spent on revaluation activities. 2013 and 2014 represent a 15% decrease in time spent on the revaluation in 2009-2010 and a 27% decrease over 2005-2006 (2009-10 and 2005-06 are the last two year 1 and 2 revaluation cycles undertaken by SAMA).

Revaluation Appraiser Effort
Number of Appraisers (FTEs)



In 2014, the agency completed the assessment manual, cost guide in preparation of the 2017 revaluation. The strategic objective of simplifying some of the agency's valuation policies saw tangible results in 2014, with the approval of the required valuation policy changes by stakeholders and the Board. During the year SAMA's staff was able to design simplified residential and commercial cost models. These simplified valuation models will be used for 2017 market analysis work commencing in early 2015.

4. Technology Infrastructure (TI) Program

2014 was the first year of SAMA's 4-year TI Program. The program's goal is to double the effective output of SAMA's staff by investing in technology, process improvement and policy re-development. SAMA established development contracts for phases I and II of the TI program with our longstanding computer application service provider, MS Govern, early in 2014.

Although implementation of Phase I has been delayed to March 2015 the agency is still on track to implement the new "Open Forms" data entry application in 2015 so that our municipal clients can start to see the benefits of any related efficiency gains starting in mid-2015. Open Forms will increase the efficiency of the SAMA database interface, allowing appraisers to enter and/or modify property data much more efficiently than in the past.

Development work on Phase II of the TI program, where the fundamental elements of the entire Govern program are being updated, started in early 2014. Phase II work is scheduled for completion in December 2015.

KPM #7: Agency operating costs

The agency is responsible for providing quality, efficient and cost-effective assessment valuation services to client municipalities and the education sector. The agency served 763 cities, towns, villages, rural municipalities and northern communities in 2014.

The agency's business management model focuses on three areas – program delivery, performance management and accountability. Four-year business and financial plans and annual business and financial plans are developed in consultation with the agency's funding stakeholders, and annual performance reports are provided to the funding stakeholders.

The agency is working to continuously improve the integration of these plans with operational program delivery plans and to improve performance reporting both internally and externally to stakeholders.

The Agency's Performance

1. Planning and reporting

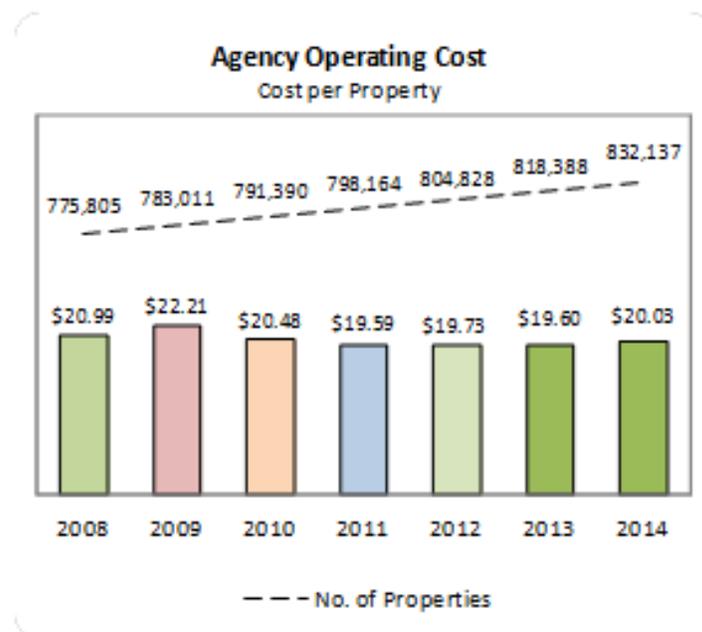
The agency has expanded the use of program charters throughout all program areas to define all work projects undertaken for each goal and objective set out in the agency's annual business and financial plan. Program charters set out the business need, scope, objectives and deliverables, milestones and key participants for each work project.

The agency also started to redevelop performance reporting to its funding stakeholders with the development of nine key performance measures (KPMs). These KPMs are becoming more outcome-based which should be of more relevance to funding stakeholders than the previous activity-based performance measures.

2. Operating costs

In 2014 the agency continued to hold operating costs per property at approximately the same level. The 2014 operating cost per property represents a 2.2% increase over the previous year.

Delivery of annual maintenance, revaluation and support of value services have been maintained and in many aspects improved over the past several years, while operating costs have remained relatively unchanged.



Workforce Commitment

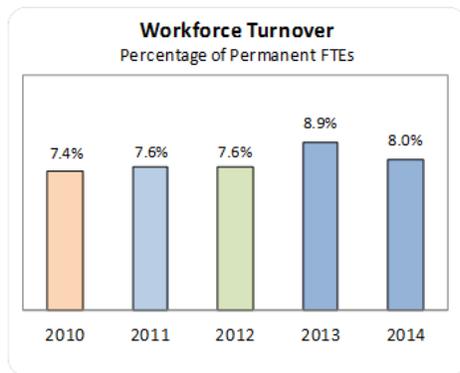
KPM #8: Workforce turnover

The agency's success in providing property assessment services within Saskatchewan depends on the knowledge, skills and expertise of our employees and the agency's ability to attract and retain a talented and skilled workforce in a labour-shortage market.

The Agency's Performance

While the agency continues to create and follow positive workplace practices to attract talent and to increase employee retention, the workforce turnover rate of 8% continues to be substantially higher than the agency would like. SAMA has established a goal of reducing the turnover rate to 5%. The current economy of Saskatchewan has created a large increase in the demand for labor and has created challenges for the agency in both the recruitment and retention of staff.

During 2014, SAMA undertook several initiatives to increase employee engagement. An employee and supervisor communication program has been put into place that will increase interaction between management and staff. Its goal is to identify both the needs of the individual and the agency to help employees be successful in their work. Additionally, SAMA has put into place a whistleblower policy for employees to report potential or actual wrongdoing by agency staff, management or Board members. During 2014, SAMA made improvements to staff work environments and safety equipment.



KPM #9: Employee Engagement

The agency is striving to create a culture of motivated and engaged employees who work together in a productive, continuously improving environment, guided by leadership that is based on a clear and positive vision of the future, using processes that consistently deliver what is expected in order to consistently satisfy our clients' needs.

Maintaining an engaged and motivated workforce is essential to a high-performance culture. Having a high-performance organization and an engaged workforce are complementary goals, and both are necessary to maximize success.

The Agency's Performance

Employee engagement and organizational performance are critically linked and the agency conducts a biannual survey to determine the level of employee engagement, and to assist the agency in developing and implementing new initiatives and programs. Prior surveys had focused on measuring employee satisfaction and the measurement has now shifted to employee engagement (thus comparisons from the 2013 survey to those of the past are not possible). In addition to the full survey, SAMA conducted a pulse survey in 2014 to determine the agency's current employee engagement status and to identify possible areas for improvement.

2014 saw an increase in favourable employee engagement from 46% to 51%. The goal of the agency is to improve this measurement by a further 5% for the next survey in 2015. The pulse survey also measured employees' favourable opinions regarding SAMA's work environment (rose from 71% to 73%), professional growth opportunities (held at 63%) and the quality of SAMA's innovation (rose from 54% to 55%).

SAMA's overall engagement score is 21% lower than the public sector benchmark used by the survey organization (51% and 72% respectively). SAMA administration continues to keep communication channels open with employees and to conduct employee exit interviews to identify organizational areas for improvement. The agency's staff members were most satisfied with their work environment, their immediate managers and their opportunities for personal growth. The survey also indicated that staff were the least satisfied with compensation, the agency's information distribution, communication, and work/life balance.

Employees listed the following as the things they like the most about working at the agency – flexible work schedules, working conditions including new challenges through a variety of tasks, and cohesive team relationships created through the combination of co-workers and positive work environment.

With the implementation of the TI and other programs over the next four years, the Agency identified the need for a structured change management program including appointment of an Organizational Change Manager. Change management is a structured process that integrates, accelerates and optimizes individuals' involvement in changes to ensure that lasting benefits of change and projected return on investment is achieved. This program was initiated in 2014.

A Qualified, Experienced, and Continually-Learning Workforce

The agency employs the most comprehensive group of mass appraisal experts in the province of Saskatchewan and, as a provider of professional services, SAMA is committed to employing the most qualified and effective staff available. As such, SAMA encourages its employees to further their personal skill sets via education and training.

At the end of 2014, 53 of SAMA's 87 appraisers (60.9%) are fully accredited (have at least four years of assessment experience and have completed the educational requirements of an assessment designation). Eight of SAMA's appraisers received their accreditation in calendar year 2014.

The agency values the years of experience that have been achieved by employees and knows that staff retention is paramount to the long-term success of SAMA. The average SAMA employee has just over thirteen years of service with the agency. Employing qualified staff and investing in their training helps to increase engagement and also the quality and efficiency of the province's assessment system over the long term.

SAMA has put in place a code of conduct policy that is communicated to all staff. The basis of these expectations are integrity, professionalism, dedication, and being solution-focused.

Saskatchewan Assessment Management Agency
200 - 2201 - 11th Avenue
Regina SK S4P 0J8

Tel: 306-924-8000 or
800-667-7262
Fax: 306-924-8070

Web site: www.sama.sk.ca