



2014
ANNUAL MEETING



APRIL 16
2014



INNOVATION

CEO Update

Agency Progress Report

Purpose of Assessments



- Assessments pay for essential services that politicians and taxpayers want and need.
- In 2013, the assessment base brought in \$1.64 billion. Over 50% of revenue for municipalities.
- Revenue needs are growing to support growing economy.
- Preserves local autonomy.

SAMA Responsibilities

– AMA Act – Board Governed Agency

Governance

\$160 B/ \$1.64 B

- Policy (Advisory Committees)
- Quality Assurance
- Computer System
- Communication
- Safety Net for Province

Assessment Services

766/774

- Annual Maintenance
- General Reinspections
- Revaluations
- Support of Value

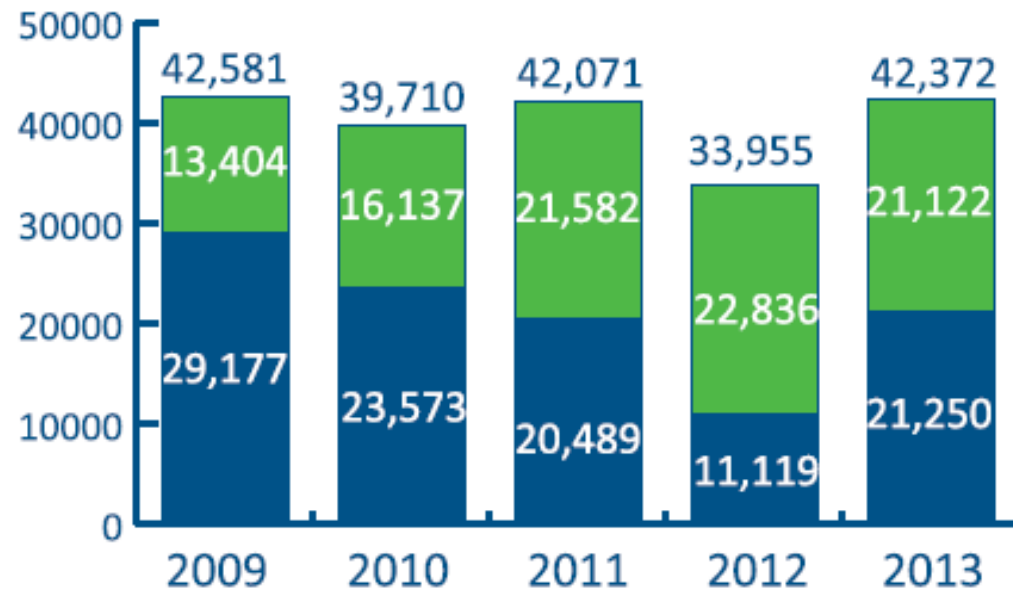
Looking Back on 2013

- Delivered 2013 Maintenance and 2013 Revaluation successfully in first quarter of 2013
- Enhanced SAMAView to include property profile information
- Handled 4,000+ appeals using our support of value philosophy
 - total assessment reduction for agreements and appeals -0.4%
- Developed major policy changes for 2017 in support of strategic directions
 - residential and commercial cost simplification
- Stabilized budget, garnered renewed support from SUMA, SARM and the Province for the future

Supporting Record Growth

ANNUAL MAINTENANCE REVIEWS

Number of Residential, Commercial
and Agricultural Properties



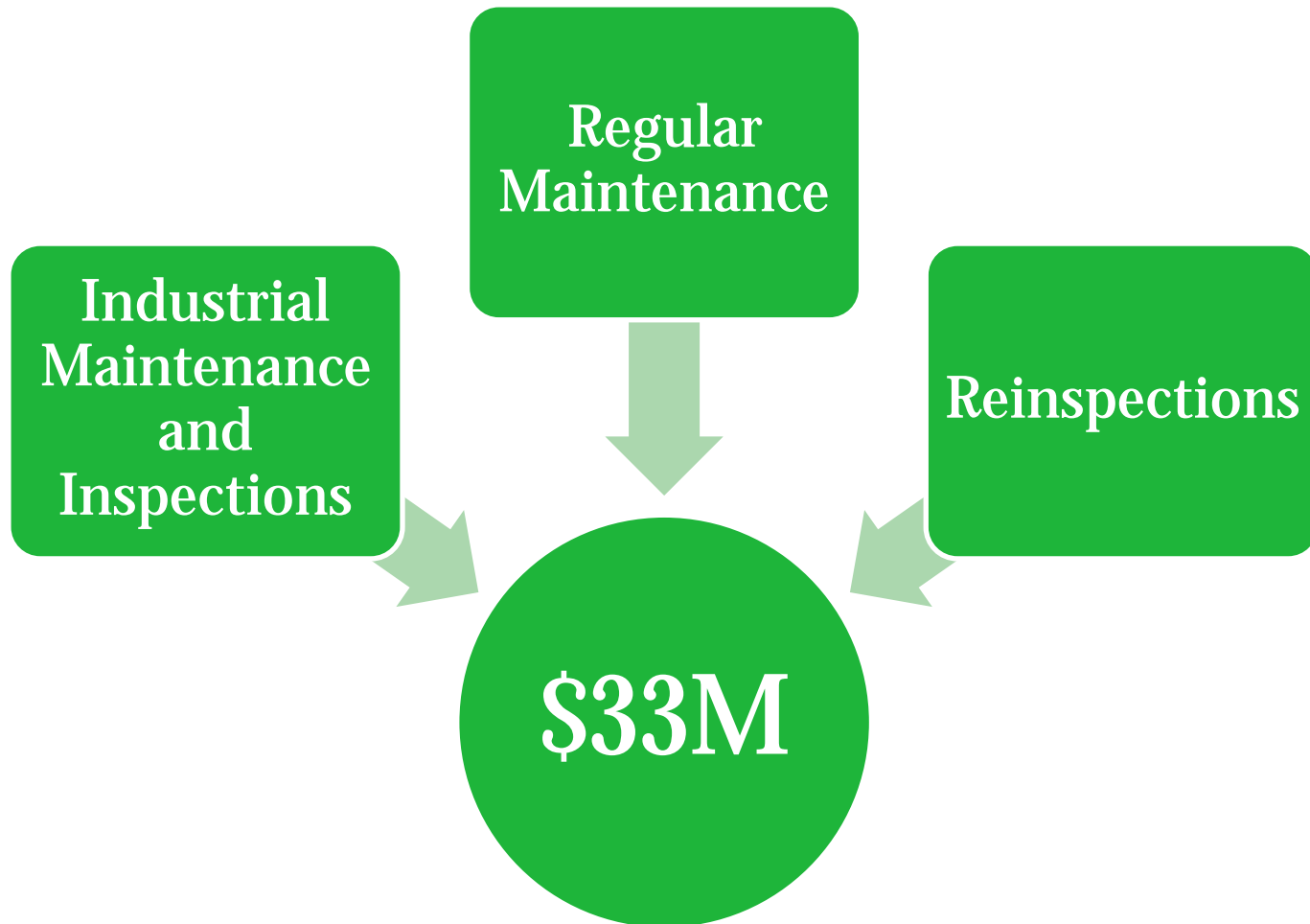
- Total reviewed in calendar year
- Reviewed Q3 & Q4 for use in the following year
- Reviewed Q1 & Q2 for use in the current year

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sama
SASKATCHEWAN ASSESSMENT
MANAGEMENT AGENCY



Record Growth = Substantial Additional Revenue for Local Governments



Business Process Improvements

- Continued evolution of Lean in SAMAs:
 - Modifying Lean leadership structure
 - Lean part of regular Division project/program updates
 - Moving ahead with regional value streams
 - Getting a 3:1 overall efficiency payback on Lean investments
- Proceeding with change management program for 2014 (ADKAR):
 - Best success will be achieved by keeping the implementation manageable – “don’t boil the ocean”
 - The change management program connects the **people side of change to project success**

We Do Face Some Challenges

- Long term technology funding support from government not confirmed for 2014.
- Pressures of record growth continue.
- Employee turnover rate doubled to over 8% in the last few years.
- February 2013 employee survey showed record low level of employee engagement
 - We are taking action on multiple fronts to address this.
 - Follow-up pulse survey planned for April 2014.



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Budget, Strategies, and Technology

Preparing for a Bright Future

What we have done from 2009 to 2013

- Responded to the Province's Lean initiative
- Improved service with more timely delivery of annual maintenance
- Adjusted to a 20% workforce reduction without affecting current service
- Continued to develop as a dedicated team of administrative and technical specialists, professional assessment appraisers and agrologists
- Our biggest challenge: rapidly growing economy is challenging our inspection ability beyond what can be gained from Lean alone

SAMA's Inability to Keep Up with Inspections

 **Unfairness and Revenue Loss**

MONEY BEING LEFT ON THE TABLE

\$30,000,000

Cities/Towns

Average Last Reinspection

1997/1995

Villages and Resort Villages

Average Last Reinspection

1991

Rural Municipalities and North

Average Last Reinspection

1989

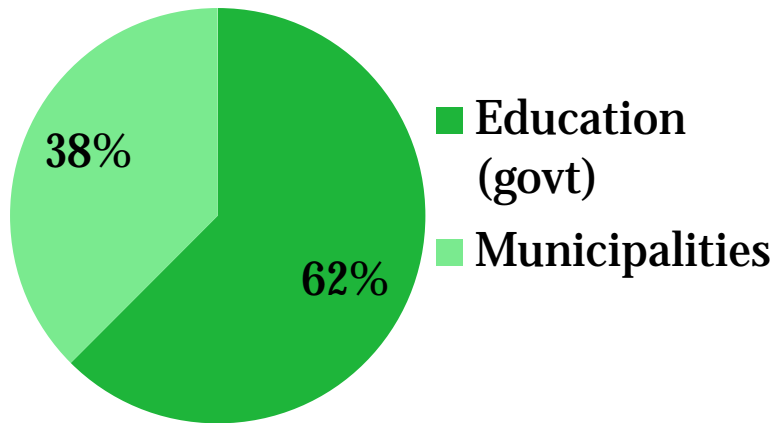
Our Strategic Directions (2014-2017)

- 1. Establish a new, stakeholder supported funding model for SAMA**
- 2. Simplify and streamline to improve efficiency and effectiveness**
- 3. Use policy, process and technology changes together to radically increase property inspections**
- 4. Strengthen the capabilities of all employees**

Benefits Received Have Changed

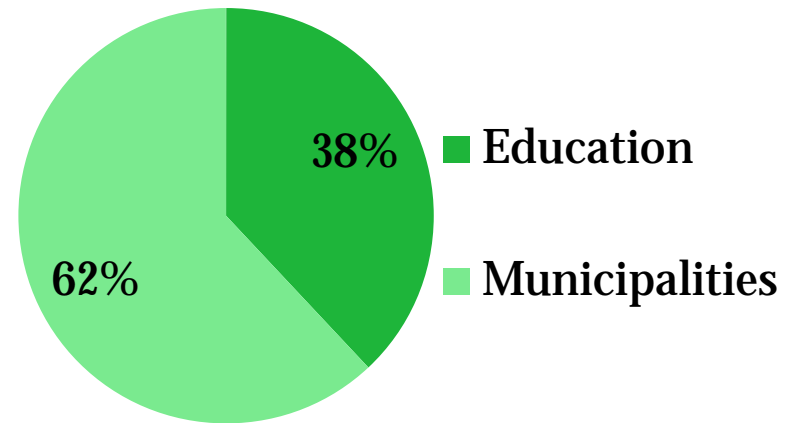
2000 to 2008

Property Tax Revenue



2012

Property Tax Revenue



Updated SAMA Funding Formula

- Government to pay 100% of the cost of SAMA Governance functions (\$6,000,000 for 2014)
 - Plus government to pay 38% of SAMA's remaining operations costs (based on benefits received to education)
- Municipalities to pay 62% of remaining operations costs (based on benefits received by the municipal sector)
- Two year requisition phase-in period (8.1%,3%*,3%,3%)
- Will introduce a \$20 maintenance fee for service charge in 2015
- Changes total Provincial:Municipal funding for SAMA from 63:37 to 60:40 over next two years, then levels off

Capital Project for New Technology



- \$4.9M for handhelds and GIS technologies
- Cost shared between Province and Municipalities (50:50)
- \$612,000 per year for four years needed
- Cost shared between SAMA client municipalities (10.6% Technology Premium)
- Essential to strategy to double productive capacity of staff
- Move from 2:1 office to field days to 1:1

SAMA Funding Support **Bill 100**

- An Act to amend *The Assessment Management Agency Act.*
- Consultations on amendments April-June/2013 with support from SAMA and key stakeholders.

Key amendment

- Reframing of SAMA's funding model to allow the Board more flexibility in establishing the requisition formula for funding municipalities.
 - Ø Received third reading in legislature in April.

2014 to 2017 Budget Estimates

REVENUES	2014	2015	2016	2017
Prov. Operating	\$10,087	\$10,238 (1.4%)	\$10,545 (3%)	\$10,862 (3%)
Municipal Req. Operating	6,254 (8.1%)	6,442 (3.0%)	6,635 (3%)	6,834 (3%)
User Fee Charge (\$20/property)	0	317 (5.1%)	327	337
Other Revenue	429	459	473	487
Mun. Capital for New Technology	612 (10.6%)	612	612	612
Prov. Capital	612	612	612	612
Total	\$18,172 (3.9% operating)	\$18,680 (3.0%)	\$19,204 (3.0%)	\$19,744 (3.0%)

\$20 Maintenance Service Fee

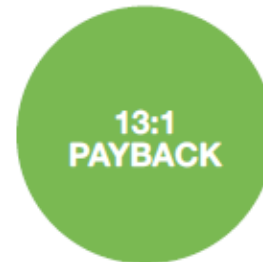
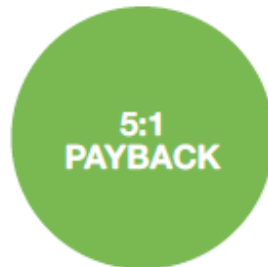
- Fee links the cost of assessment services to growing communities
- User-pay concept supported by stakeholder organizations
- 2015 SAMA Budget includes \$317,000 to be generated by a service fee;
 - any amounts raised beyond the required budget will be used to defray future operational cost increases
- Advance notice allows municipalities to consider incorporating the cost into their building permit process
- Fee kept simple at \$20 per assessment parcel
- The first service fee billing will be part of the 2015 SAMA Invoice mailed February 1, 2015
 - covers maintenance pickups from May 1, 2014 to December 31, 2014.

Business Case

Value of Capturing Assessment Growth

Operations

New Technology



Our Strategic Directions (2014-2017)

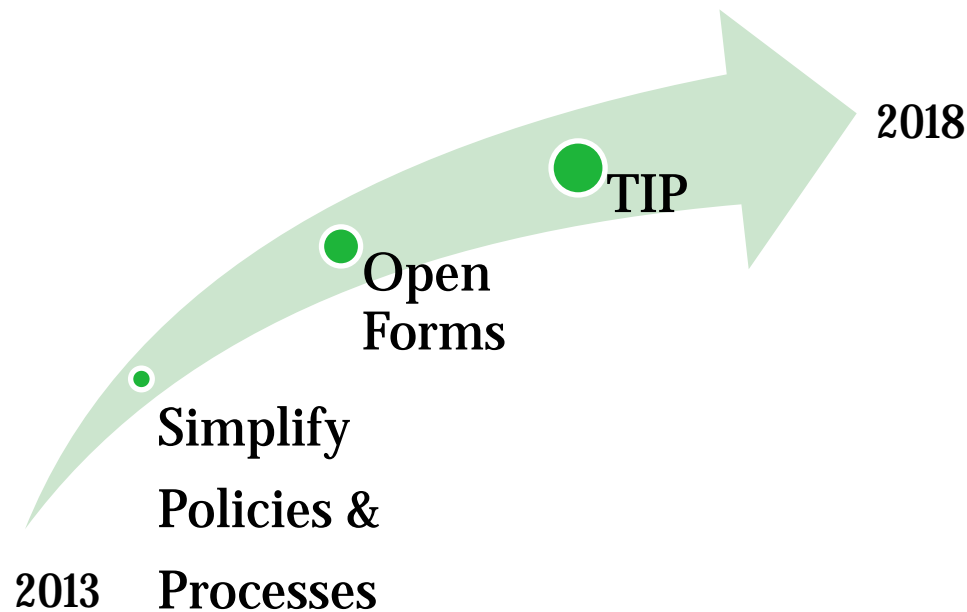
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Our BHAG

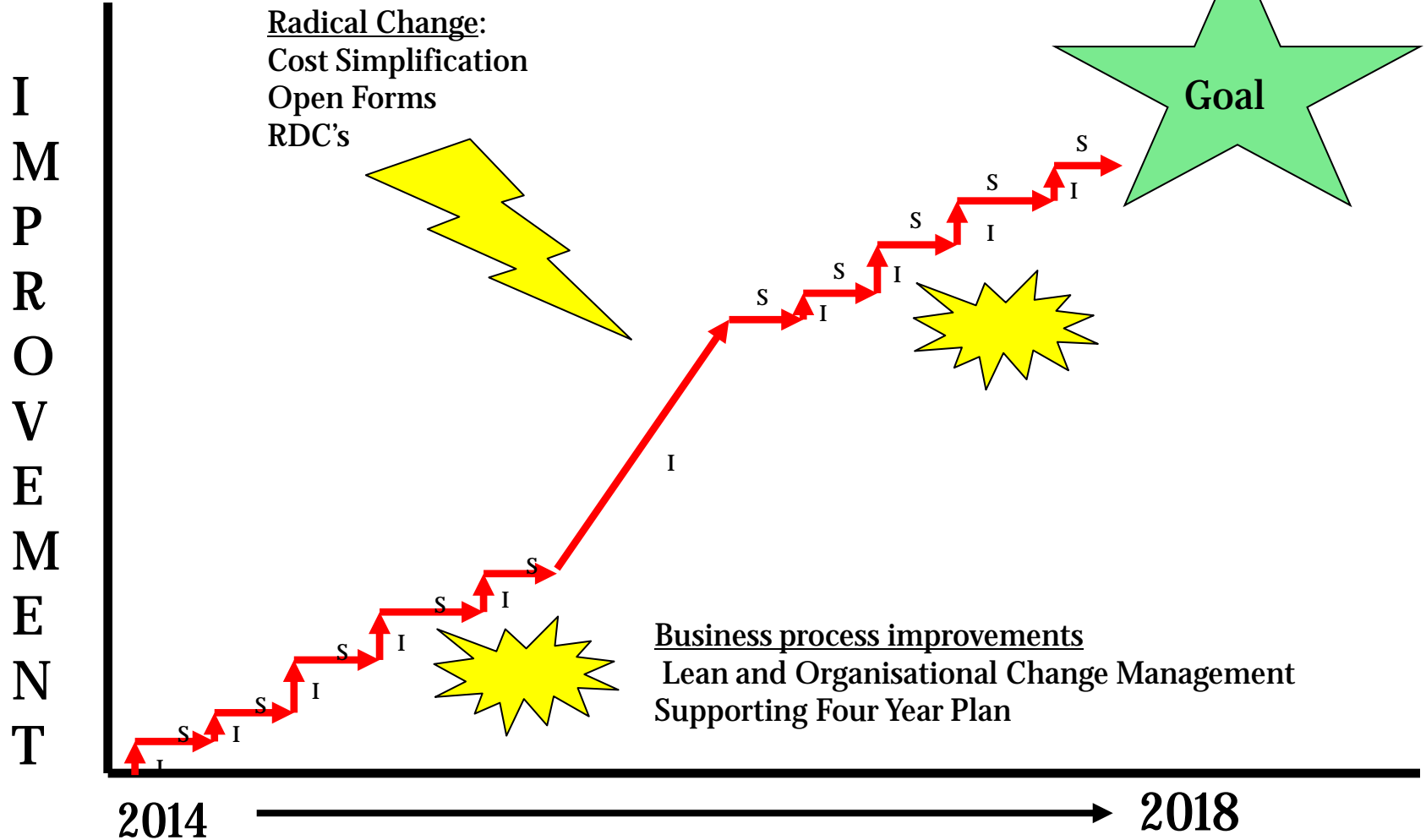
The Goal

- Increase the number of property reviews from 50,000 (2012) to 100,000 per year by 2018, while increasing employee engagement and fulfilling our core responsibilities

Innovate our way to a 12 year inspection cycle



Four Year Plan



Technology Infrastructure Program (TIP)

Business Process

- ∅ Simplified residential and commercial cost models

Technology

- ∅ Implement remote data collection devices to improve productivity of data collection and quality of data.
- ∅ Develop a mobile compliant web portal to enhance service to municipalities, public, and commercial users.
- ∅ Expand use of GIS in day-to-day business processes.

Supporting Our People

Professional
Development
Support

Strong Benefits
Package

Work Life
Balance

Change
Management
Support

Agency Starting on a Better Path



Questions?

