

**Report to the
Saskatchewan Urban Municipalities Association
Annual Convention
January 31 - February 3, 2010
Regina, Saskatchewan**

The following report from the Saskatchewan Assessment Management Agency (SAMA) is pursuant to section 7(2) of *The Assessment Management Agency Act* (AMA Act).

Under the AMA Act, nominees to the SAMA Board who are appointed by the Saskatchewan Urban Municipalities Association, the Saskatchewan Association of Rural Municipalities (SARM), and the Saskatchewan School Boards Association (SSBA) must prepare and submit, at each association's annual meeting, a written report on SAMA's activities for the preceding year.

SAMA and the Urban Sector Under 30,000

Sharon Armstrong has been a SAMA Board member since 1999 and represents Saskatchewan's urban and northern municipalities with a population of under 30,000. Sharon is the Chair of SAMA's Urban Advisory Committee, whose members include city and village mayors and councillors, school board representatives and SAMA's President. She chairs SAMA's Resolutions Committee and sits on the following three SAMA Board committees: Governance, Legal and Legislative Review, and Quality Assurance Development.

There are eleven cities, 144 towns, 302 villages, 43 resort villages, and 16 northern municipalities represented in the urban and northern sector, under 30,000 population, which use SAMA's services.

SAMA and the Four Major Cities

Fred Clipsham has been a SAMA Board member since 1998 and represents Saskatchewan's urban centres with a population over 30,000. There are four cities: Saskatoon, Regina, Prince Albert and Moose Jaw with a population of over 30,000.

The City of Moose Jaw became a SAMA assessment service client in April 2006, under a fee-for-service contract. Saskatchewan's other three major cities operate independently of SAMA, but work with SAMA on assessment policy issues to the benefit of property taxpayers across the province. SAMA benefits from the skills and abilities of city staff and appreciates the cities' expertise, and their contribution to the property assessment system in Saskatchewan.

Fred Clipsham chairs SAMA's City Advisory Committee, which includes the city mayors, city managers, councillors and senior administration. Legal staff from the cities sit on SAMA's Legal and Legislative Review Committee, which focuses on legal aspects of proposed amendments to the Saskatchewan Assessment Manual and assessment provisions in the Municipal Acts. Legal staff from the cities work directly with the Ministry of Municipal Affairs on legislative changes. Fred also chairs the SAMA Board's Audit Committee, and sits as an observer on the SAMA – City Assessor Committee, which represents assessment professionals from across Saskatchewan.

New Board Chair

Craig Melvin's appointment as Chair of the SAMA Board of Directors expired September 1, 2009. Mr. Melvin was first appointed September 1, 2003 and served for two three-year terms. Under Mr. Melvin's leadership, SAMA, the Provincial Government, stakeholders, and other assessment service providers, including the major cities, successfully partnered to develop and deliver a property assessment system that is fully compatible with national and international industry best standards.

In October 2009, the Province of Saskatchewan selected SAMA Rural Representative Board member Neal Hardy to assume the role of SAMA Board Chair. Mr. Hardy's previous roles as Minister of the Environment and Minister of Rural Development for the Government of Saskatchewan, and as President of SARM are enhanced by his current experience as an agricultural producer, former business owner and operator and as Reeve of the Rural Municipality of Hudson Bay #394.

The Board of Directors and Agency appreciate Neal's leadership and his deep understanding of the issues facing property owners in Saskatchewan.

Urban Municipalities

SAMA provides annual maintenance, reinspection programs and revaluation services to all its client municipalities. The annual maintenance program ensures that individual properties with changes are inspected and new assessment values are calculated. The reinspection program involves co-operating with the local urban municipality to periodically review properties and ensure property assessment information in the municipality is accurate and up to date.

A number of urban municipalities have undertaken to provide their own assessment valuation services. As of January 1, 2010, 14 urban municipalities did not use SAMA's valuation services. The Town of Kerrobert asked SAMA to resume providing assessment services to them starting in 2010. The cities of Saskatoon, Regina, Prince Albert and Swift Current also do not use SAMA's valuation services.

Revaluation 2009

The year 2009 was a property revaluation year for the Province of Saskatchewan. SAMA co-ordinates a full revaluation of all properties in Saskatchewan every four years to reflect a more current valuation base date. The 2009 revaluation used June 30, 2006 as the base date. The 2013 revaluation will use December 31, 2010 as the base date.

Property assessments relate the value of a property to local market conditions as of a specific date. Since property values change over time, all assessments are determined according to a base date to ensure fairness. This base date is required to be moved forward every four years by current provincial legislation.

Agricultural properties continue to be assessed using the current regulated system based on productive value. Heavy industrial property, railway, pipeline and resource production equipment also use a regulated system.

In 2009, SAMA and the independent assessment jurisdictions implemented a market value standard for residential and commercial properties to align Saskatchewan's assessment system with other assessment jurisdictions throughout Canada.

Revaluation 2009 Consultations

SAMA's Board of Directors conducted two formal revaluation consultation sessions in Regina (August 27, 2009) and Yorkton (September 24, 2009) to:

- consult with the public regarding issues arising from the 2009 revaluation
- listen to property owners' concerns regarding assessment policy direction
- discuss potential improvements to the Agency's assessment valuation services.

Between October to December 2009, selected Board members attended conventions held by the Provincial Association of Resort Communities (PARCS), SARM, and the SSBA in order to receive stakeholder feedback at each of these events.

At SUMA's 2010 Annual Convention, several SAMA board members will be available to discuss 2009 revaluation issues at the Queensbury Convention Centre on Tuesday, February 2, 2010, between 12 Noon and 3 p.m. in Conference Room Six.

Proposed Amendments to *The Assessment Management Agency Act*

On December 1, 2009, the Government of Saskatchewan introduced Bill 127 to amend *The Assessment Management Agency Act*. (AMA Act). The bill is expected to be passed in the Spring Session of the Legislature, in May 2010.

The Bill includes major changes to SAMA's Board structure and funding formula, made in recognition of the modified system of education funding that was enacted in 2009.

SAMA's Board of Directors will be reduced in size from eleven members to seven. The new Board will include two representatives from urban municipalities (one from municipalities over 30,000 and one from municipalities under 30,000), two representatives from rural municipalities and three government appointees including the Board Chair. There were previously five government appointees. Two education sector members will no longer be part of the SAMA Board.

SAMA's funding formula is being amended from the current 40:30:30 funding arrangement to a 65:35 funding formula with government (Ministry of Finance) paying 65% of SAMA's budget and the municipal sector paying 35% of SAMA's budget. Other funding provisions remain unchanged with respect to the four-year funding plan, annual budget, consultations, timelines, payment and recovery of requisitions. The new funding formula will allow SAMA to enter into special agreements with municipalities who may want additional services over and above that provided within basic requisition formula services.

Amendments include a clause relating to Saskatchewan Municipal Board (SMB) appeal decisions, stating that the decision of the appeal board must be applied in subsequent valuations and revaluations of that property, unless there are physical changes to the property. This amendment is very similar to SAMA's current practice in dealing with SMB appeal decisions.

Other amendments include:

Reinspections: removing the requirement to reinspect the physical characteristics and condition of residential and commercial properties at least once every 12 years, and agricultural lands at least once every 16 years

Right of entry revisions: appraisers may enter a property after making reasonable efforts to notify the owner or occupier of the property (currently need prior approval), while the consent of the owner or occupier is needed to enter a private dwelling.

An immunity clause: a new provision that provides immunity from prosecution to SAMA staff when they are conducting assessment work.

SAMA Jurisdictions/Independent Jurisdictions

SAMA provides assessment valuation services to 779 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 783,300 properties, or 990,400 accounts, in the province. SAMA's central office is located in Regina. The Agency provides assessment services to municipalities from six regional offices – Melfort, Regina, Saskatoon, Swift Current, Weyburn and Yorkton – and one rural office in North Battleford. In 2006, SAMA began providing assessment services under contract to the City of Moose Jaw.

SAMA may enter into agreements with municipalities or other organizations to provide assessment services on a contractual fee basis.

Municipalities wishing to undertake their own valuation services need the prior written consent from all affected Boards of Education and the written consent of SAMA. Once Bill 127 becomes law, if not further amended, the Minister of Education's consent will be needed for a municipality to opt out or opt back into SAMA's valuation services. Any municipality that carries out its own valuations and revaluations is not required to make payment to the Agency. Jurisdictions, which employ their own appraisal personnel, still must follow SAMA's assessment procedures and guidelines.

Technological Advancements

2009 saw the development and implementation of SAMA's new website application SAMAView. SAMAView empowers the Agency to efficiently communicate -- to the public -- relevant revaluation and property assessment information.

For comparison purposes, SAMAView allows the general public access to individual property assessment information, as well as property assessment information within any SAMA client jurisdiction. This website visually presents assessment information, using easy to understand maps.

SAMAView gives the public a tool to gather specific information without having to contact municipal or agency offices. The public can then make informed decisions as to whether or not to appeal the assessment of their property.

Assessments will not reflect individual selling prices, but rather, typical assessment values for the base year. In assisting ratepayers to review the appropriateness of their property assessment, SAMA is shifting its emphasis from correctness of process to correctness of value.

To access SAMAView, please visit our website at www.sama.sk.ca and click on the SAMAView logo on our home page.

2010-2013 Strategic Directions

In March 2009, the SAMA Board established, in consultation with the Agency's funding stakeholders, five strategic directions to position and guide the Agency from 2010 through to 2013. These strategic directions focus on four generic perspectives – financial expectations, client and stakeholder expectations, internal business process expectations, and learning and growth expectations.

SAMA prepares a performance plan each year to support its annual budget. The plan specifies the Agency's goals, objectives, key actions and performance measures for the budget year, with the additional element of planned expenditures for program objectives based on staff resources (FTEs).

The performance plan is a key element of budget consultations with stakeholders that must take place prior to budget approval. The 2009 performance plan was expanded to include performance measures for each objective.

SAMA appreciates the input its stakeholders have provided to its planning process for 2010 to 2013. The Agency will continue consulting closely with stakeholders and listening carefully to what is needed to improve the Saskatchewan assessment system.

Lean Philosophy

In 2008, SAMA embarked on a strategy called the Lean philosophy. Lean is a process improvement philosophy that focuses on reducing waste, variation and imbalance. It is a common sense approach to working with complex processes ensuring that clients' and stakeholders' needs are successfully met.

The Goals of Lean:

- A 25% increase in efficiency and productivity
- Highly engaged staff, that take ownership of the business processes
- An Agency in a much better position to meet the increasing demands from clients

Lean Works by:

1. Examining processes from beginning to end, across divisions in a collaborative manner
2. Putting decision-making power in the hands of front line staff who best understand the problems
3. Giving staff the focused time needed to understand and solve problems
4. Emphasizing solutions that work within existing staffing and technology levels
5. Providing for continuous flow and continuous improvement

As of October 2009, six major business processes reviewed using Lean methodologies include:

1. Sales Verification
2. Maintenance
3. Reinspections
4. Revaluation Process
5. Information Services support and development
6. Time Reporting

One of Lean's strengths is its focus: the people most familiar with the actual work determine the necessary process improvements and plan the necessary changes. Significant progress has been achieved to date. Going forward, Lean process improvement initiatives will continue to be a major focus for SAMA in 2009 and beyond.

Customer Satisfaction Survey

In early 2009, SAMA retained an independent research firm to conduct a customer satisfaction survey with client municipalities. The main purpose of the research was to collect perceptions on the job being done by SAMA in fulfilling its mandate. The research would also establish a benchmark to gauge the agency's future performance.

The survey included questions concerning SAMA's delivery of assessment services and the Agency's communications with client municipalities. The survey incorporated nine additional questions developed by the Canadian Property Assessment Benchmarking Network (CPABN) to compare SAMA with assessment providers in other regions in Canada. These nine questions are listed below:

1. I was able to get service or be responded to by a staff member without any difficulty.
2. I was dealt with or responded to in a timely manner.
3. The staff I dealt with were knowledgeable.
4. The response I received from SAMA provided the information that I required.
5. Staff were responsive to my inquiries.
6. Staff treated me fairly and with respect.
7. I was pleased with the level of customer service I received.
8. Staff went the extra mile to make sure I got what I needed.
9. I was informed of everything I had to do to get the service/product or information I needed.

Municipal administrators made up most of the clients surveyed for this research (94%). There was a positive satisfaction rate from the majority of SAMA's clients, where 87% of respondents definitely or probably would recommend SAMA services to others in a similar position or job.

This survey will act as a valuable benchmark going forward.

Acknowledgements

The SAMA representatives on the SAMA Board would like to thank the representatives who sit on SAMA's Urban and City Advisory Committees. The guidance provided by these committees is appreciated and serves to better ensure the Agency is serving the needs of municipalities. The committees meet twice each year to provide direction on all SAMA Bylaw, policy and legislative proposals.

Governance

SAMA's Board of Directors occupies a central position in the governance of the Agency. The Board's general role is to foster the organization's short and long-term success consistent with its mandated objectives and accountability to stakeholders, such as the Saskatchewan Urban Municipalities Association. Maintaining a positive relationship with our municipal clients is essential to a stable funding base for Saskatchewan communities, and to our joint success.

Respectfully submitted,

Mayor Sharon Armstrong

Representing Urban Municipalities under 30,000

Councillor Fred Clipsham

Representing Urban Municipalities over 30,000