

2013

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 budget: \$16.310 million for fiscal year ending December 31, 2013.

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 Counts

2013	Urban Municipalities	Rural Municipalities	Northern Municipalities	Total		Change from 2012	
				Accounts ⁴	Properties	Accounts	%
No. of Client Municipalities ¹	446 ²	296	14 ³	756		0	0.0%
No. of Property Accounts ¹							
Agricultural Land	1,948	472,300	611	474,859	474,859	10,048	2.2%
Urban Land	168,956	77,015	13,987	259,958	259,958	422	0.2%
Total Land Accounts	170,904	549,315	14,598	734,817	734,817	10,470	1.4%
Residential Buildings	116,700	70,272	7,790	194,762	N/A ⁵	5,505	2.9%
Commercial Buildings	17,085	7,305	1,134	25,524	N/A ⁵	-297	-1.2%
Total Building Accounts	133,785	77,577	8,924	220,286	N/A	5,208	2.4%
Oil & Gas Improvements	22	36,417	45	36,484	N/A ⁶	826	2.3%
Oil & Gas Equipment	44	80,416	142	80,602	80,602	3,111	4.0%
Mine Equipment	0	29	5	34	34	0	0.0%
Pipelines & Railways	427	2,504	4	2,935	2,935	-21	-0.7%
Total Industrial Accounts	493	119,366	196	120,055	83,571	3,916	3.4%
Total Property Accounts	305,182	746,258	23,718	1,075,158	818,388	19,594	1.9%

Notes:

1. Excludes the City of Moose Jaw assessment services contract.

2. Cities (8), towns (139), villages (262) and resort villages (37).

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.

Growth and opportunity

The Saskatchewan Assessment Management Agency is responding to meet the challenges and opportunities that come with a vibrant and growing 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 in the new economy.

Continued positive economic growth for Saskatchewan in 2013 resulted in continued growth in property assets within Saskatchewan municipalities. The assessment of additional property assets increases the revenues available to municipalities and to the education sector.

Residential and commercial building accounts grew by 2.4% to 220,286 accounts and industrial property accounts grew by 3.4% to 120,055 accounts. These growth rates are a challenge for SAMA to administer while maintaining the same level of staffing from previous years.

This continued growth in property assets provided an estimated \$33.9 million in annually recurring property tax revenues for the agency's municipal clients and the education sector. Municipalities received an estimated \$22.3 million and the education sector received \$11.6 million in additional property tax revenues from services provided by the agency.

2013 was also a revaluation year for Saskatchewan. The agency's efforts in 2013 were concentrated on support of value for the 2013 revaluation and property maintenance related to the growing property base in the province. The agency received over 10,000 inquiries regarding the revaluation (over 4,300 of which led to appeals). Consequently, property reinspections were reduced from previous years, as staff resources were reallocated to the revaluation delivery and support of value. Increased communications, high levels of appraiser effort in handling inquiries, and online access to property assessment data via SAMAView allowed the agency to successfully deliver new values to over 800,000 properties in the province.

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 rapidly 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 is prioritizing maintenance work accordingly and approximately 60% of municipalities have advised the agency of a desired maintenance delivery date.

SAMA will begin developing major technology upgrades in 2014 that will lead to further efficiency gains as the components of the new technology are implemented from 2014 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).

SAMA continued to pilot new agricultural land inspection methods in 2013. New agland inspection methods will help to decrease the appraiser effort required per inspection.

During 2013 SAMA began 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.

Responsive and responsible government

In 2013 the agency maintained an operational workforce of 144.75 permanent staff and the operating budget increased \$522,000 (3.3%) to \$16.310 million. Eight positions that were held vacant in 2012 were permanently deleted at the end of the 2012 fiscal year.

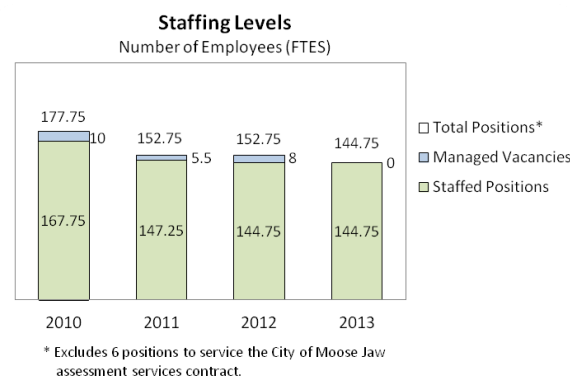
Funding party shares were shifted to 63.5% provincial and 36.5% municipal (62% and 38% in 2012, respectively) as the provincial operating grant increased \$522,000 over the 2012 level of \$9.565 million and the municipal funding level remained unchanged.

The agency has achieved and surpassed the provincial government's 2010 undertaking to reduce the size of government by 15% over four years. In 2013, the agency continued to successfully maintain a smaller and more efficient workforce. The agency's effective workforce for 2013 is 19% less than it was in 2010.

2013 Operating Budget¹	2013 Budget	2013 Actual	Variance Amount	%
REVENUES (000s)				
Provincial - Operating	\$10,087	\$10,087	\$0	0.0%
Municipal Requisition	5,788	5,798	10	0.2%
Other Revenue	435	362	-73	-16.8%
Total Operating Revenues	\$16,310	\$16,247	-\$63	-0.4%
EXPENDITURES (000s)				
Salaries and Benefits	\$11,749	\$11,777	\$28	0.2%
Other Expenses	4,295	4,105	-\$190	-4.4%
Total Operating Expenditures	\$16,044	\$15,882	-\$162	-1.0%
Surplus (Deficit)	\$266	\$365		
Inter-fund Transfers to Capital Fund	-\$266	-\$160		
Reserves (Net)	0	-132		
Beginning Surplus	0	275		
Ending Surplus (Deficit)	\$0	\$348		
Staffing (FTEs)				
Permanent Employees ²	143.75	144.75		
Managed Permanent Employee Vacancies	0.0	0.0		
Staff Complement	143.75	144.75		

Notes:

1. Excludes City of Moose Jaw assessment services contract.
2. Excludes 6 FTEs employed to service City of Moose Jaw assessment services contract.



The agency has been very successful with the Lean initiative and the productivity gains that have been attained have allowed us to reduce our workforce without any reduction in service levels (outside of the reinspection program) and while dealing with an expanding property base.

Under the Lean initiative the agency has:

- Successfully advanced the annual maintenance program by 3-4 months. In comparison, only 105 (13.9%) of client municipalities received their annual maintenance by December 31st in 2009.
- Implemented visual scheduling within the agency to evenly distribute and track individual appraiser workloads.
- Studied the data entry process to discover best practices and provided training to staff in order to make the most of the agency's central assessment database.
- Process improvements in the sales verification and revaluation processes have automated large components of the process and led to an efficiency gain of approximately 20%.
- Improved appeal-handling processes resulted in a savings of over four hundred staff days of effort handling revaluation-related inquiries and appeals in 2013 (relative to previous production levels).

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.

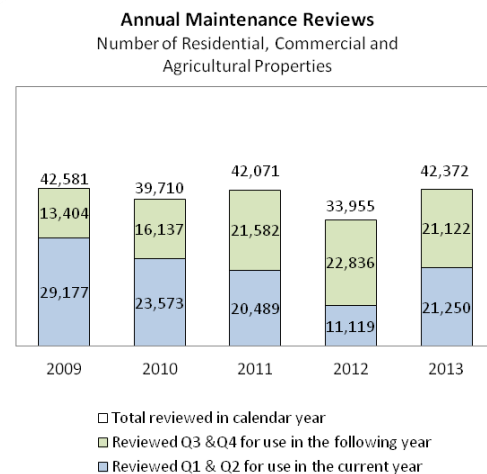
By December 31, 2013 municipal clients had submitted 54,407 residential, commercial and agricultural land properties for review – 21,250 properties for use on 2013 municipal assessment rolls and 33,157 properties for use on 2014 municipal assessment rolls.

The Agency's Performance

In 2013, the agency reviewed 21,250 properties for use on 2013 municipal assessment rolls, and in Q3 and Q4 the agency reviewed 21,122 properties for use on 2014 municipal assessment rolls. SAMA also worked with municipalities to apply 27,305 farm residence exemptions as part of the maintenance process for the 2013 assessment rolls.

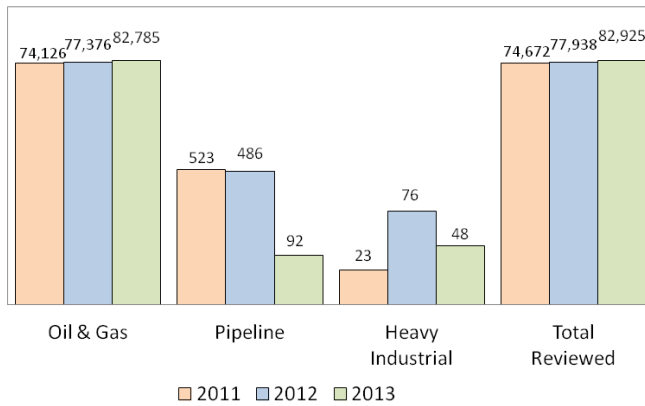
Annual maintenance reviews were completed on 42,372 residential, commercial and agricultural land properties – 77.9% of the 54,407 properties submitted for review. The remaining 12,035 properties plus an additional 1,565 properties still expected from municipalities will be reviewed in Q1 and Q2 of 2014.

The agency continues to level out the annual maintenance workload by advancing the majority of 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.



Annual Maintenance Reviews

Number of Oil & Gas, Pipeline and Heavy Industrial Properties



Annual maintenance reviews were completed on 82,925 industrial properties in 2013, an increase of 6.4% from 77,938 properties in 2012.

In the mid-1990s the agency standardized oil and gas well assessments utilizing well information attainable from Saskatchewan Ministry of Energy and Resources. 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 (82,785 properties)

tends to overshadow the volume of other industrial property assessments. In 2013, the agency also reviewed 92 pipeline assessments and 48 heavy industrial property assessments.

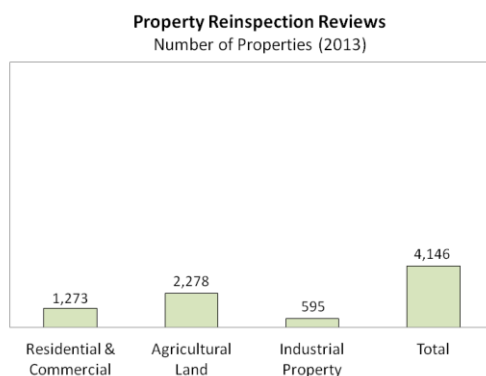
2. Reinspection Program

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 efficiency¹ and productivity² 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 workforce³. 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, and to leave the reinspection of properties where the physical property information is most likely to be accurate until later. 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 pilot project for agricultural reinspections that will result in the reinspection of six RMs during 2014.



SAMA spent significant resources in 2013 planning and seeking support for a third initiative. Through a combination of stabilized funding for inflation-related operational increases, simplification of valuation models and investments in technology, the agency will be 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

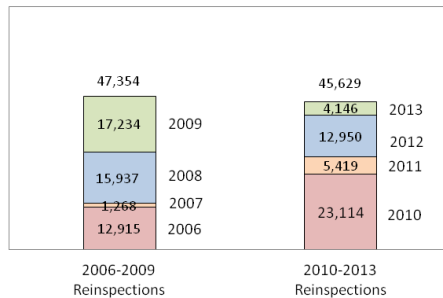
recurring revenue would be added after completion of a reinspection to all SAMA clients.

¹ Revaluation FTEs for the 2009-2012 revaluation cycle have been reduced by 22% or 7.0 FTEs annually (See KPM#6: Business process improvements through Lean).

² Reinspection rate of production has increased 57% since 2008 (See KPM#6: Business process improvements through Lean).

³ In 2010 the agency reduced its total permanent workforce by 25.5 FTEs (14%), which included 12 appraiser FTEs.

Property Reinspection Reviews
Number of Properties (Four-year Period)



The Agency's Performance

In 2013, reinspection reviews were completed on 4,146 properties – 1,273 residential and commercial properties, 2,278 agricultural land properties, and 595 industrial properties. 12,950 properties were reinspected in 2012. The reinspection program has dropped off significantly in 2013 as the agency concentrated on completing maintenance and providing support of value for our client municipalities.

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.

Reinspection reviews were completed on 45,629 properties in the 2010-2013 cycle, a decrease of 3.8% from 47,354 property reviews in the 2006-2009 cycle. The decline is attributed to decreased levels of staff available for reinspection activities (since 2010, the SAMA workforce was decreased by 19% and the agency continued to perform increasing levels of maintenance work in order to handle the property growth in the province, leaving fewer staff resources available for reinspections).

KPM #2: On-time delivery of client services

Under the Lean initiative 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.

The Agency's Performance

The agency has undertaken to increase the number of client municipalities that submit their annual maintenance requests earlier, to reduce the turnaround time for completing annual maintenance, and has worked towards increasing the amount of completed annual maintenance delivered to municipalities by December 31st of the year preceding the assessment roll year in which it will be used.

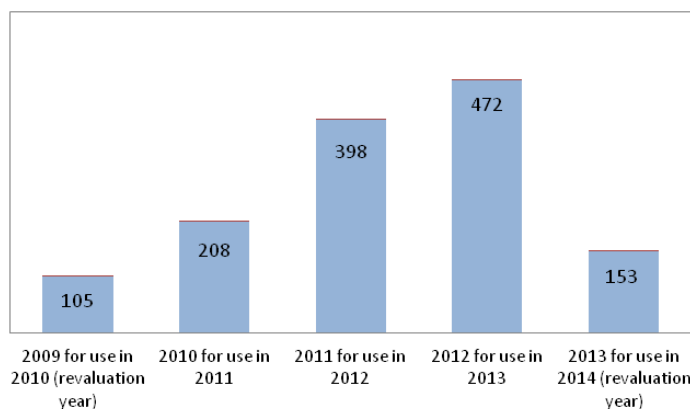
Receiving annual maintenance requests earlier is a prerequisite to increasing the amount of annual maintenance completed by December 31st. The agency is working towards a target to receive 90% of the annual maintenance requests by September 1st. In 2013, 408 (54.2%) of client municipalities submitted their annual maintenance requests by September 1st. The number of clients submitting requests by the September 1st is expected to rise in the future, with municipalities having fewer appeals to deal with in years two, three and four of the revaluation cycle.

The agency completed annual maintenance for use in 2014 for 153 (20.3%) of its 753 client municipalities (4 villages dissolved at end of 2013) by December 31, 2013. Significant and steadily improving progress has been made since the 2008 assessment roll when no annual maintenance was delivered to client municipalities by December 31, 2007. 2013 represents a 45.7% improvement in the agency's goal of delivering the following year's maintenance to municipalities by year's end (when comparing revaluation years of 2009 and 2013 with deliveries of 105 and 153, respectively).

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 improved from the previous year (87 days in 2013 vs. 91 days in 2012).

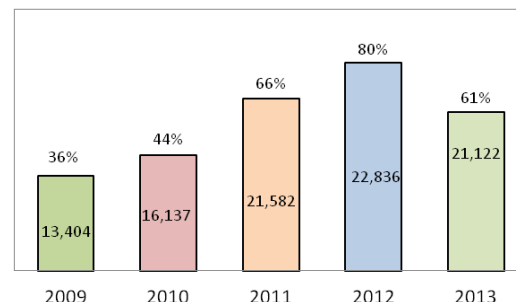
Annual Maintenance Delivery Services

Maintenance completed for client municipalities
by December 31st (for following year)



Annual Maintenance Reviews Completed

Percentage of Following Year's Assessment Roll
Reviewed by December 31st



*anticipated maintenance requests were underestimated at December 31, 2012, causing the percent-complete estimate (80%) to be high. The actual percent-complete was 52%.

KPM #3: Client satisfaction

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

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 revaluation, 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).

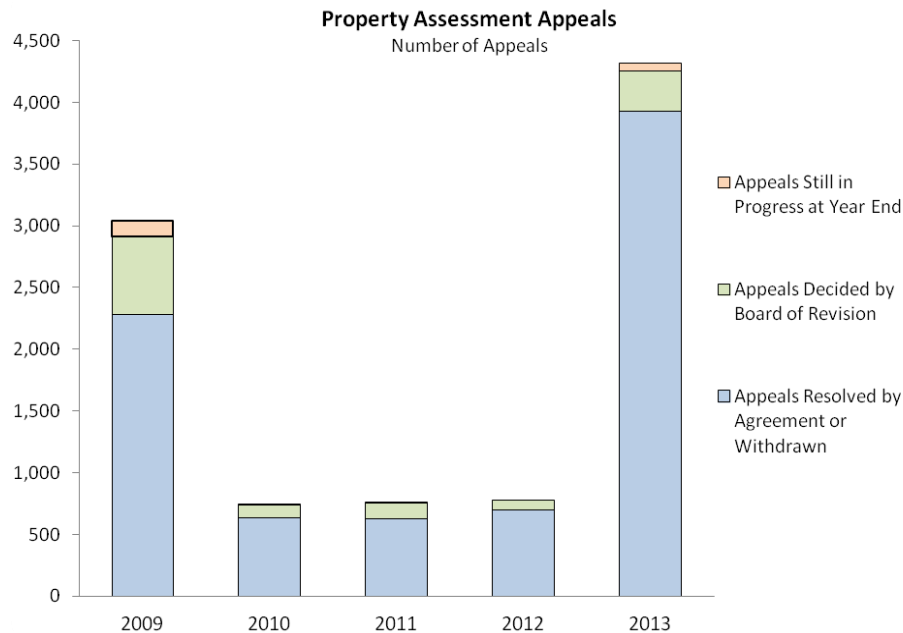
Although comments overall were very positive, the most common client request for SAMA to improve its service quality was to speed up and increase the accuracy of the maintenance program.

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

The agency has consistently maintained a relatively low level of assessment appeals with less than 0.1% of properties being appealed in each of the past three years.

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 4,321 or 0.52% of properties (3,040 or 0.39% in 2009). Of the property appeals initiated, 3,966 (90.9%) were resolved by agreement or withdrawn (2,283 or 75.1% in 2009), 350 appeals (7.6%) were decided by boards of revision (632 or 20.8% in 2009), and 67 (1.5%) were still in progress at year end (125 or 4.1% in 2009).

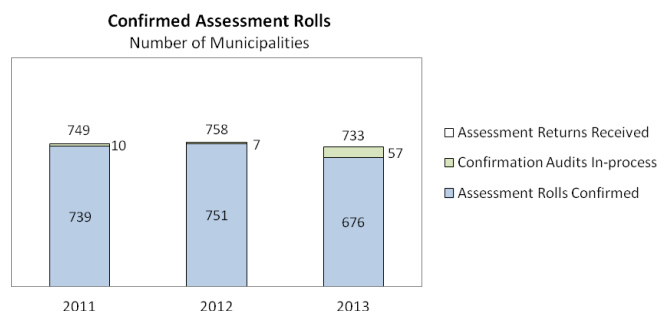
The agency, after considering the very large increases in assessed values that came with the 2013 revaluation, expected up to 6,066 appeals in 2013. The lower-than-expected number of appeals, combined with an increase in the percentage of appeals dealt with via agreements to adjust or withdrawal, allowed the agency to deliver 2013 maintenance in a similar manner to recent years (and with fewer staff than the last revaluation year – 2009). 2013 saw the largest assessment changes seen in Saskatchewan for the past twenty years, and SAMA clients only saw a 0.4% decrease to taxable assessments after factoring in agreements to adjust and board of revision rulings.

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.

The Agency's Performance



as of January 16, 2012 as of January 30, 2013 as of December 31, 2013

There were 775 municipalities in Saskatchewan in 2013 – 757 municipalities received their valuation services from the agency and 18 municipalities provided their own valuation services.

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

For the 2013 assessment roll year, 733 (92.2%) of all municipalities had submitted their assessment return by December 31, 2013.

The agency confirmed 676 (92.2%) of the submitted assessment rolls as of December 31, 2013, and 57 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 775 municipal assessment returns, 752 received compliant audit reports as of December 31, 2013 and 23 were still being processed.

KPM #6: Business process improvements through Lean

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 2013, Lean efforts have influenced all areas of the agency's operations and led to substantial efficiency gains.

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.

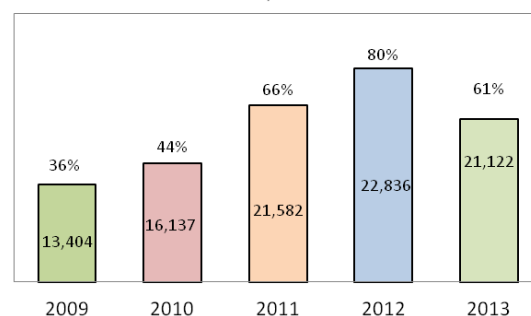
The Agency's Performance

1. Annual Maintenance Program

Over the past five years completion of annual maintenance reviews has been progressively advanced to better balance the agency's workload and provide a more timely service to client municipalities. This has been essential for the agency in order to meet the accelerating demand for maintenance within the province.

The agency has successfully advanced the annual maintenance program by 3-4 months so that the majority 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.

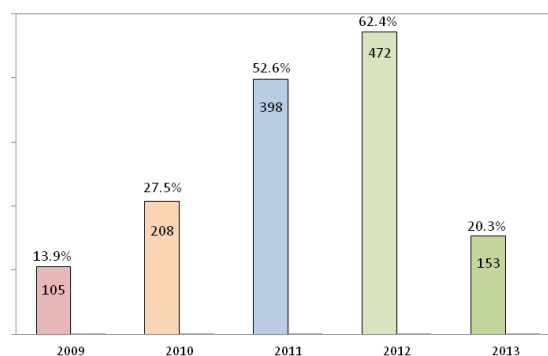
Annual Maintenance Reviews Completed
Percentage of Following Year's Assessment Roll
Reviewed by December 31st



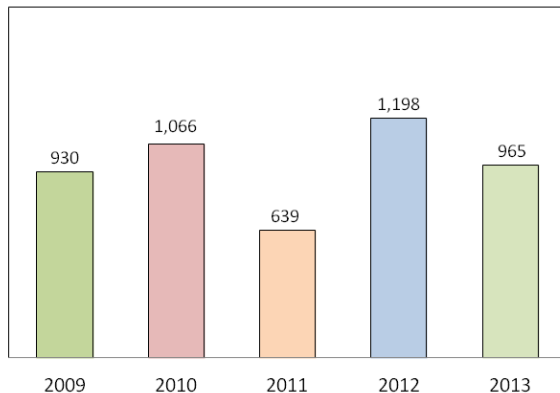
In 2013, the agency reviewed 21,122 properties (60.8% of the annual maintenance program) by December 31st, a significant improvement over 2009 when only 13,404 properties had been reviewed by year end.

The agency also completed annual maintenance for 153 (20.3%) client municipalities by December 31, 2013, compared to 2009 when only 105 (13.9%) of client municipalities received their annual maintenance by December 31st. It should be noted that in 2013 SAMA undertook a new initiative to set maintenance delivery dates with clients and works toward meeting those targets. Although the total number of maintenance completed only dropped 8% from 2012 to 2013, there was a larger drop in the number delivered. Municipalities who have requested a maintenance delivery date sometime in the first quarter of 2014 may have their maintenance completed, but not delivered by December 31.

Annual Maintenance Delivery Services
Maintenance completed for client municipalities
by December 31st for following year



Reinspection Rate of Production
Residential, Commercial & Agricultural Properties
Number of Inspections per Appraiser FTE



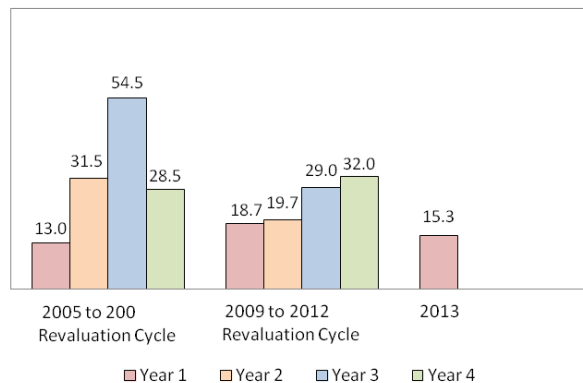
properties. In 2011, 75% of the reinspections were of commercial properties, whereas in other years only 25-30% of the reinspections were of commercial properties. Years 2013 and 2009 saw lower efficiencies within the reinspection program due to the disruptive impact of revaluation years and

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.

The lower rate of production in 2011 has been attributed to the unique nature that year's reinspection program, which focused primarily on the reinspection of more complex commercial properties. Years 2013 and 2009 saw lower efficiencies within the reinspection program due to the disruptive impact of revaluation years and support of value duties.

Revaluation Appraiser Effort
Number of Appraisers (FTEs)



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.

For the 2009-2012 revaluation cycle the agency utilized a total of 99.4 FTEs on the revaluation program, compared to 127.5 FTEs for the 2005-2008 revaluation cycle – a reduction of 28.1 FTEs or 22%. In 2013, year 1 of the revaluation cycle, the number of FTEs was reduced by 3.4 (18%) when compared to year 1 of the last revaluation cycle (2009).

3. Revaluation Program

The agency undertook Lean business process improvements starting in 2008 to identify and make changes to the sales verification and market analysis processes.

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

Cost of Property Assessment Services

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 757 cities, towns, villages, rural municipalities and northern communities in 2013.

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.

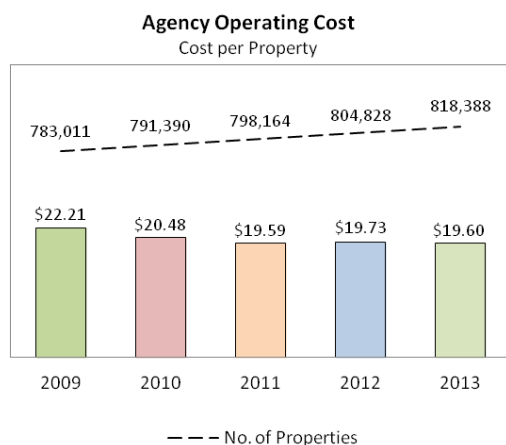
The Agency's Performance

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



The agency has reduced operating costs per property by 11.75% over the past four years – from \$22.21 per property in 2009 to \$19.60 per property in 2013.

These reduced operating costs can be attributed to a combination of funding reductions (\$2.135 million in 2010) and funding freezes in 2011 and 2012, combined with an increasing inventory of assessable properties. The agency's assessable property inventory has increased 4.5% since 2009.

While operating costs have been reduced, the implementation of Lean business process improvements over the past four years has

effectively offset any significant negative impact on the agency's services to client municipalities and the provincial government.

Annual maintenance, revaluation and support of value services have been maintained and in many aspects improved over this period of time. The only program objective that hasn't been achieved is the restoration of the reinspection program.

Workforce Commitment

KPM #8: Workforce turnover

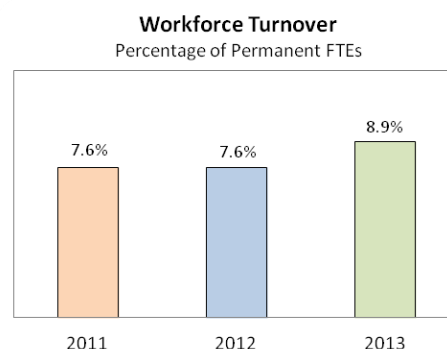
The agency's success in providing property assessment services within Saskatchewan depends on the knowledge, skills and expertise of our employees and the agency's ability to attract and retain a talented and skilled workforce in a labour-shortage market.

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 8.9% continues to be substantially higher than the agency would like. 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.

In the last quarter of 2013, SAMA management has implemented a number of changes to address staff concerns. These concerns have been documented through both exit interviews and the SAMA employee engagement survey.

The agency also implemented other changes to help create a stable and healthy work environment for staff in 2013 by settling a new 4-year collective bargaining agreement and establishing both employee code of conduct and management guides.



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

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).

Employees were surveyed in 2013 and results were benchmarked against the public sector.

The past three years have been difficult ones for SAMA and that has shown through in the survey. Overall, SAMA's level of employee engagement is 46%. The goal of the agency is to improve this measurement by 10% by the time of the next survey in 2015.

In 2013, 94% of employees responded to the employee survey (85% in 2011).

SAMA's overall engagement score was 26% lower than the public sector benchmark (46% and 72% respectively). SAMA administration conducted several employee feedback sessions following the survey and have begun implementing changes focused on increasing the level of SAMA employee engagement. These initiatives are expected to increase employee engagement levels at the next scheduled survey in 2015. A smaller survey will be conducted in 2014 to measure the impact of the action plan on employee engagement.

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.

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.

In 2013, Saskatchewan was awarded the Virginia Cup, given to the North American assessment jurisdiction that employs the most new designees of the International Association of Assessing Officers. At the end of 2013, 60 of SAMA's 77 appraisers (78%) are fully accredited (have at least four years of assessment experience and have completed the educational requirements of an assessment designation).

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.

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