

2017

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: \$19.281 million for fiscal year ending December 31, 2017.

Permanent staff: 150.75 Full Time Equivalents (FTE's).

Client Municipalities and Property Counts

	Urban Municipalities	Rural Municipalities	Total	Change from 2016 Accounts	%
No. of Client Municipalities	475	296	771		
No. of Land Accounts:					
Agricultural Land - Arable	1,804	313,468	315,272	-877	-0.3%
Agricultural Land - Non-Arable	1,049	118,396	119,445	286	0.2%
Agricultural Land - Improved	163	43,530	43,693	1,033	2.4%
Residential - Improved	132,727	18,828	151,555	2,139	1.4%
Residential - Vacant	29,731	16,531	46,262	-1,511	-3.2%
Seasonal - Improved	10,464	12,137	22,601	95	0.4%
Seasonal - Vacant	3,375	6,879	10,254	-446	-4.2%
Commercial & Industrial	30,870	14,574	45,444	281	0.6%
Resource Property	335	91,362	91,697	1,574	1.7%
Total Land Accounts	210,518	635,705	846,223	2,574	0.31%

Meeting Our Client's Needs

In 2017 the Saskatchewan Assessment Management Agency (SAMA) completed the fourth year of the Technology Infrastructure (TI) Program. The TI Program was a challenge to the Agency's resources due to system delays that set the agency back in the first quarter of the year while SAMA maintained its core responsibilities during a revaluation year.

The highlight of the year's technological change was the completion of Phase 2 of the TI Program, and significant work done to prepare the Agency to implement Remote Data Collection (RDC) devices in early 2018. 2017 saw a unique situation with decreasing market values since the 2015 base date, combined with overall percentage increases and tax increases which led to challenges for the Agency. However, in delivering all the new maintenance and revaluation numbers to our clients, we were able to maintain the trust of our client municipalities.

SAMA was also dealing with a high number of assessment appeals in 2017 (approximately 7,200 total appeals). There is some risk moving into 2018, as a number of 2017 BOR (Board of Revision) decisions have been deferred to 2018, and new appeals in 2018 could be higher than expected. The results of these delayed BOR and SMB (Saskatchewan Municipal Board) decisions could affect the agency moving forward.

Economic growth for Saskatchewan in 2017, albeit at a slower pace than in recent years, resulted in continued growth in property assets within Saskatchewan municipalities. Property counts grew by 2,574 properties or 0.3% to 846,223.

The assessments conducted in 2017 by SAMA provided an additional estimated \$18.33 million in annually recurring tax revenues for the agency's municipal clients and the education sector. Of the \$18.33 million, municipalities received approximately \$12.04 million and the education sector received approximately \$6.29 million (the provincial average municipal mill rate was 8.4782 and the education sector mill rate was 4.4302).

The agency conducted 66,907 property reviews in calendar year 2017, up over the 62,094 property reviews in 2016 (an almost 8% increase). This increase represented the sixth consecutive annual increase in the agency's output of property reviews.

All of this work is focused on meeting our client's needs. Municipalities want a stable and predictable revenue source that is delivered inexpensively. Additionally, SAMA's clients want a system that is up-to-date. Ratepayers need to be treated fairly and equitably. SAMA strives to deliver all of this to our clients in a transparent and understandable fashion.

SAMA has been committed to our 2014-2017 goal to increase the number of property reviews from 50,000 to 100,000 per year by 2018, while also improving the quality of those assessments. SAMA is using technological innovation and efficiency gains to achieve a 12-year revaluation cycle, and capture the \$30+ million dollars of annual revenue that is currently being left on the table for municipalities.

2017 Revaluation

On January 1, 2017, Saskatchewan implemented the 2017 Revaluation using January 1, 2015 as the base date. Saskatchewan's revaluations are based on a four-year cycle, and 2013 was the year of the last

revaluation using a January 1, 2011 base date. The revaluation includes an updating of all assessments in the province to reflect economic and market conditions as of the new base date.

Saskatchewan has two valuation standards: the market valuation standard for residential and commercial properties, and the regulated property assessment valuation standard for agricultural land, heavy industrial property, railway roadway, pipelines and resource production equipment (mines and oil and gas wells).

The Saskatchewan Assessment Management Agency is responsible for the governance of the assessment system in the province. This includes researching and studying assessment valuation policy and best practices with regards to application of province-wide assessment valuation standards and policies. As of December 31, 2017 SAMA is the assessment service provider for 771 municipalities in the province. The cities of Prince Albert, Regina, Saskatoon and Swift Current provide for their own assessment services.

On November 28, 2016, the Government of Saskatchewan announced the percentages of value for the 2017 Revaluation. All percentages of value stayed the same with the exception of residential, multi-family and seasonal residential property, going up from 70% to 80%, and non-arable agricultural land (pasture) going up from 40% to 45%. Commercial and Industrial property remains at 100% of assessed value.

For 2017, assessment trends reflect a four year economic update between the 2013 and the 2017 revaluations (with corresponding base dates of January 1, 2011 and January 1, 2015). The variation between the two revaluations saw the 100% assessed value trend for the province increase from \$175 billion in 2013, to \$242 billion in 2017, a multiple of 1.38 times. Similarly, the taxable assessment trend rose 1.44 times, from \$111 billion in 2013 to \$160 billion in 2017.

The value of arable agricultural land in Saskatchewan has increased significantly since the 2013 revaluation, and saw the largest overall increase compared to other property types in 2017. The value of arable and pasture agricultural land have both increased by over two times for the 2017 revaluation. This increase in value is similar to increases for other categories of property that occurred between the 2009 and 2013 revaluation when residential, seasonal, and multi-family also increased by nearly two times.

SAMA's Funding and Workforce

In 2017 the agency had a budgeted and actual operational workforce of 150.75 permanent staff.

The operating budget increased \$531,000 (2.8%) to \$19.281 million. In terms of actual revenues, the municipal revenue increased \$495,000 (6.8%) over the 2016 level and the provincial funding remained unchanged. The actual funding party shares for 2017 were 56.8% provincial and 43.2% municipal (58.4% and 41.6% in 2016, respectively).

Actual capital funding party shares for SAMA were \$624,000 from municipalities (unchanged from 2016) and \$612,000 provincial. There were no changes in the levels of capital funding from 2016.

SAMA's workforce has been at same level of full-time equivalent staff for six years (excluding non-permanent staff being funded via four-year TI Program restricted funds). Business process improvements and improvements via the TI Program have created productivity gains that have increased the output per staff member and decreased the cost--per-property of SAMA's service. Change and continual improvement have gradually become part of the agency's workforce culture.

2017 Operating Budget	2017 Budget	2017 Actual	Variance	
			Amount	%
REVENUES (000s)				
Provincial - Operating	\$10,545	\$10,238	-\$307	-2.9%
Municipal Requisition	7,768	7,774	6	0.1%
Other Revenue	968	1,279	311	32.1%
Total Operating Revenues	\$19,281	\$19,291	\$10	0.1%
EXPENDITURES (000s)				
Salaries and Benefits	\$13,591	\$12,760 *	-\$831	-6.1%
Other Expenses	5,243	4,689	-\$554	-10.6%
Total Operating Expenditures	\$18,834	\$17,449	-\$1,385	-7.4%
Surplus (Deficit)	\$447	\$1,842		
Inter-fund Transfers to Capital Fund	-\$244	-\$1,384		
Reserves (Net)	0	-555		
Beginning Surplus	0	386		
Ending Surplus (Deficit)	\$203	\$289		
Staffing (FTEs)				
Permanent Employees	150.75	150.75		
Managed Employee Vacancies	0.0	0.0		
Staff Complement	150.75	150.75		

Key Performance Measures

Delivery of Property Assessment Services

KPM #1: Properties assessed for client municipalities

1. Annual Maintenance Program

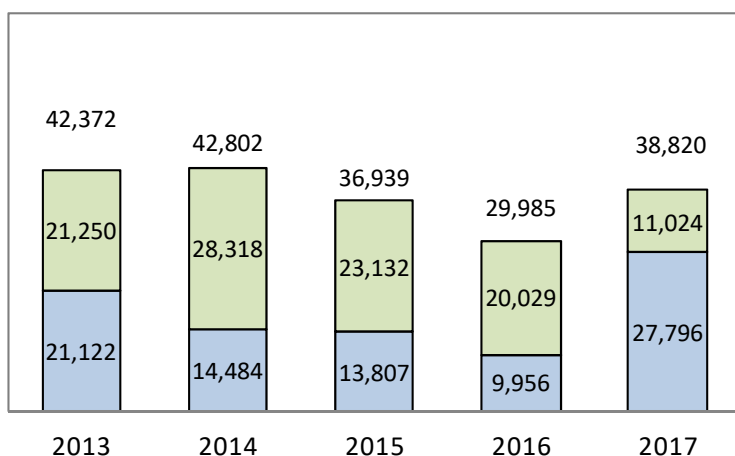
The annual maintenance program reviews and updates all properties with developments or changes that may affect the property's assessed value. The municipality submits a list of the properties affected, and the agency reviews each identified property and provides the municipality with an updated assessed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

The Agency's Performance

In 2017, the agency reviewed 27,796 properties for use on 2017 municipal assessment rolls, and in Q3 and Q4 the agency reviewed 11,024 properties for use on 2018 municipal assessment rolls.

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

The agency continues to level out the annual maintenance workload by advancing some maintenance to the preceding year in order to spread the work 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.

In terms of SAMA's maintenance fee-for-service initiative, the agency completed 24,700 residential, commercial and agricultural maintenance requests. This was a decrease from the 25,812 chargeable reviews done in 2016.

The volume of standardized oil and gas annual maintenance (91,237 properties) tends to overshadow the volume of other industrial property assessments. In 2017, the agency also updated 9,800 properties via renditions received from resource companies, reviewed 3,304 properties via the industrial maintenance program and conducted a flow line review of 5,400 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 25 years, the reinspection program has 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 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) through various business improvement initiatives and to redirect those gains to the property reinspection program. During the past several years those gains have been partially used to enhance the reinspection program while also providing SAMA with more capacity to handle an increased demand for maintenance work and an increased level of appeals.

The second initiative is to simplify valuation policies and improve inspection efficiency. Over the last two years SAMA has positioned itself to implement new simplified residential and commercial cost models starting in mid-2016. These policy changes are expected to increase our inspection capacity by over 20%.

The third initiative is the introduction of new technologies, intended to increase SAMA staff capacity to inspect properties. Numerous components of technology have been introduced at various times during the last four years.

By the end of 2017, the following components of new technology have been introduced:

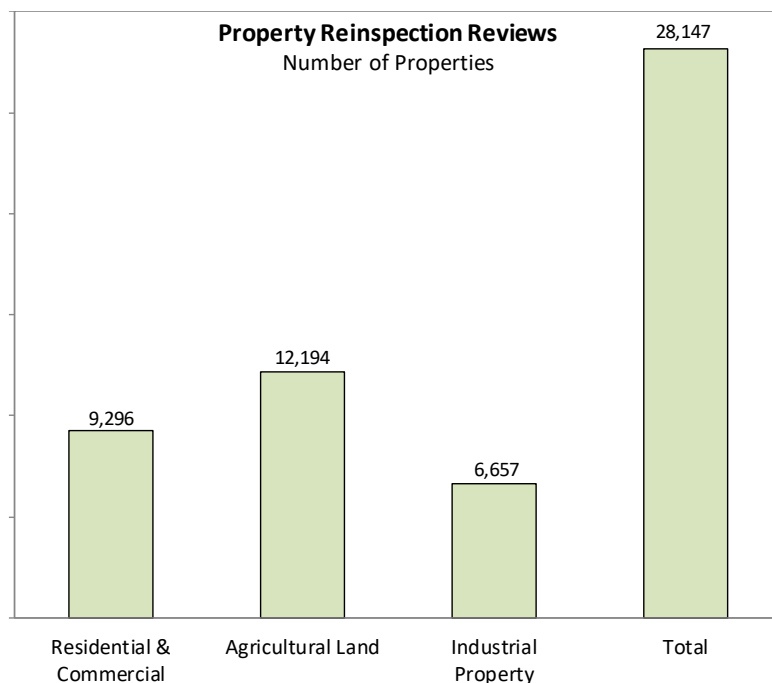
- more efficient data entry via the "Open Forms" enhancements made to the system, reducing the amount of time to enter property attributes into the Govern system
- an update of the core system to a .net platform - an integral step in being able to implement future upgrades such as data entry via tablet computers, web portal tools and GIS capabilities

As an example, a recalculation of SAMA's entire assessment database used to take 54 hours, but can now be completed in as only 9 hours.

The Agency's Performance

SAMA was able to allocate resources to its reinspection program in 2017 despite it being a revaluation year and there being heavy demands for staff time to work on support of value activities.

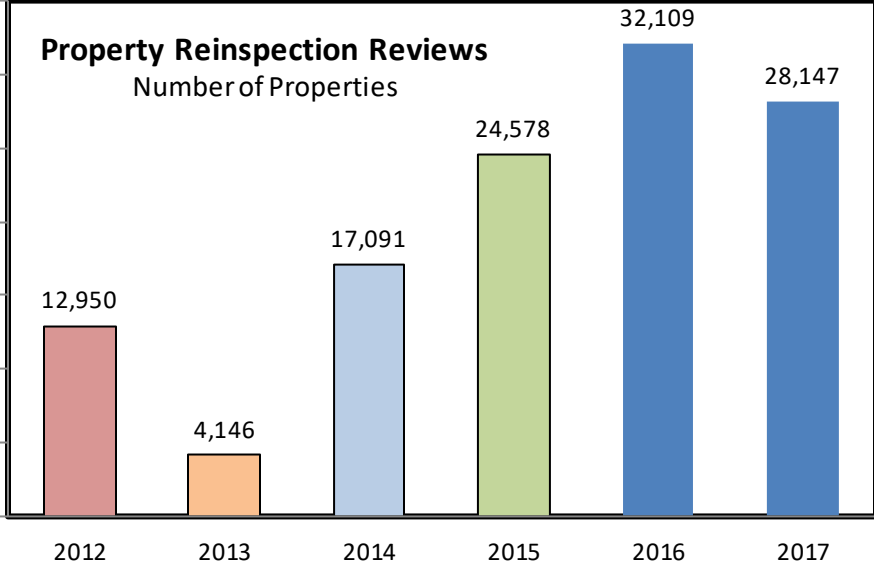
The agency reinspected 28,147 properties in 2017 (32,109 in 2016 and 24,578 in 2015). The agency



reinspected 12,194 agricultural properties, 9,236 residential properties and 6,717 commercial properties, targeting areas and municipalities where the assessments were estimated to be the furthest out-of-date.

SAMA's continues to make progress towards its goal of reaching a 12-year reinspection cycle. The 2017

reinspection program number of 28,147 is a huge increase over the 4,146 properties reinspected 4 years ago in 2013 (the last revaluation year).

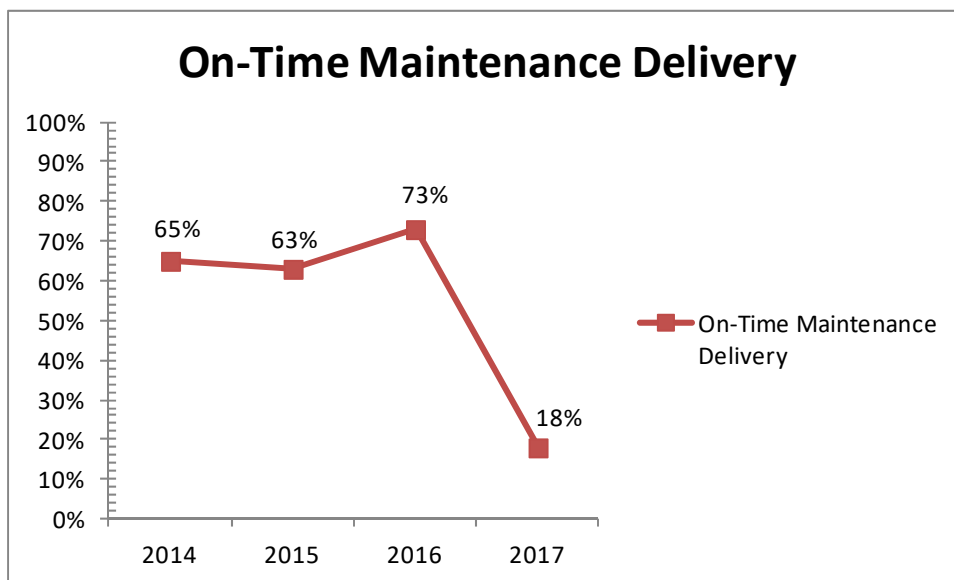


KPM #2: On-time delivery of client services

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 in an effort to ensure client municipalities can complete their assessment roll by the May 1st legislated deadline. Advancing maintenance deliveries to clients also carries the benefit of improving 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.

The Agency's Performance

SAMA delivered on-time 18% of municipalities who requested their 2017 maintenance packages in the first part of 2017 (on-time delivery was 73% in 2016 and 63% in 2015). Delivery of the final computer-aided mass appraisal software from our vendor was delayed by approximately 12 months. Concurrent to this upgrade, the source file the agency relies on for producing oil and gas assessments was reformatted by the province. This required a complete rebuilding of the process of taking the source file and integrating it into the computer aided mass appraisal software. During these delays SAMA communicated with its municipal clients to keep them up-to-date on revised delivery dates and provide assurance that the delays experienced in 2017 will not be repeated in future years.



KPM #3: Client satisfaction

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

The Agency's Performance

The agency's biannual survey of client municipalities focuses on determining their level of satisfaction with the assessment services received. The results of the 2017 survey were less positive for SAMA than 2015 but were still generally favourable for the agency.

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

Client municipalities scored the agency an average of 3.57 out of 4 for customer service (contact satisfaction), a decrease from 2015 (3.78). In terms of customer service, clients were most satisfied with the manner in which they were treated by SAMA staff (fairly and with respect) and were least satisfied with being dealt with in a timely manner.

77% of client municipalities scored the agency positively for the 2017 revaluation (94% in 2013). Of the 77%, 22% rated SAMA as excellent and 55% as good.

In the 2017 survey, 95% of the survey respondents indicated that they would recommend SAMA's services to other clients. In 2015, all respondents replied that they would recommend SAMA. 23% of municipalities reported having a problem in their dealings with SAMA, an increase of 5% from the previous survey.

The feedback was an endorsement of the service that SAMA is providing but also a signal that the agency has room to improve in certain areas. Respondents were most happy with the quality of SAMA service and the manner in which the services are delivered. The most common suggestions for improvement were: improving staff levels/continuity, improving maintenance accuracy, improving revaluation errors, improving communication and improving maintenance turnaround time.

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 highest number of appeals generally occur in the first year of a revaluation, followed by a reduced level in Years 2, 3 and 4. 2017 was a revaluation year and, as expected, the number of appeals was much higher than the previous 3 years. 2017 involved the revaluation of 846,223 properties (818,388 properties in 2013 and 783,011 in 2009), and appeals in 2017 were initiated on 0.9% or 7,213 properties (there were 4,321 appeals in 2013, the most recent revaluation year, and 1,989 appeals in 2016, 2,225 in 2015 and 1,368 in 2014).

The 7,213 appeals in 2017 represent a large increase over the previous year and the previous revaluation year (5,224 more than 2016 and 2,892 more than 2013), although the number resolved by agreement to adjust or that were withdrawn was 5,267 (73.0% - 82.0% were withdrawn or adjusted in 2016). The 7,213 appeals represent an appeal rate of 0.85% (7,213 appeals of the 846,223 properties). Additionally, the value of properties appealed was equal to 4.0% of the property database (\$3.6B of the \$88.3B total database). As a result of appeals, SAMA clients had a \$620.0M or 0.70% decrease to taxable assessments (-0.28% in 2016, -0.20% in 2015 and -0.33% in 2014).

2017's support of value work involved over 45,000 direct labour hours, representing approximately 37.9% of SAMA's assessor resources (7.6% of resources in 2016 – a non-revaluation year). In the previous two revaluation cycles the number of appeals were 5,342 (2009 to 2012) and 11,890 (2013 to 2016). If the increase in appeals seen in 2017 are also seen in years 2018-2020, the agency should expect 19,856 appeals in the current cycle. The demand for support of value has and will continue to force SAMA to allocate a portion of its gains in efficiencies from other areas to deal with appeals rather than expanding the provincial reinspection program. In addition to a general increase, there has also been an increase in appeals to the Saskatchewan Municipal Board when compared to the previous revaluation cycle.

SAMA is mitigating its appeal risk by:

- enhancing defence of value training for staff and improving documentation to explain and support assessment appeal decisions
- working through the SAMA City Assessor group to encourage the Saskatchewan Municipal Board to meet with assessment service providers and applicants to discuss ways to improve the timelines of appeal decisions

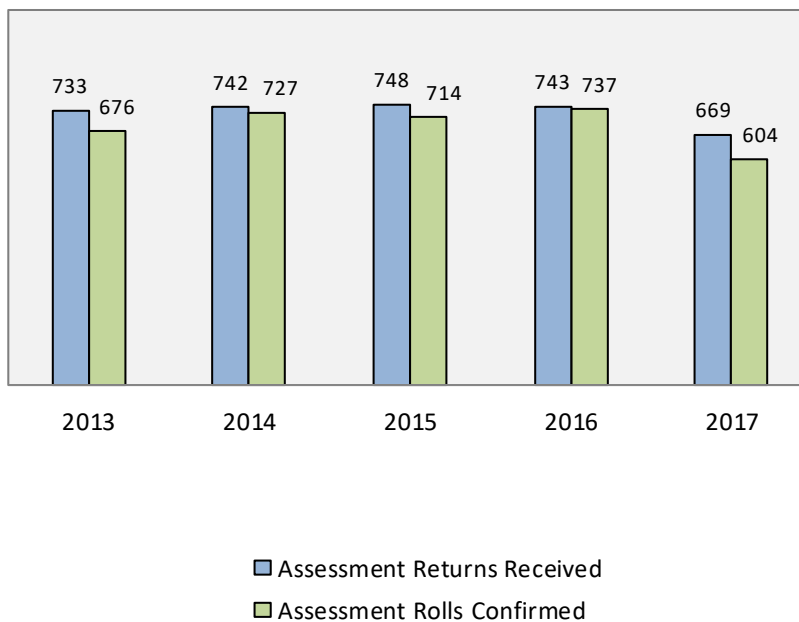
Appeals training was the primary focus of business process improvement initiatives in 2017. In 2017 SAMA realized that further training was needed for appraisers and the establishment of the Appeals Support Committee and the work done looks to have been a successful process. The training provided to all appraisal staff has raised the skill level of staff dealing with appeals and has put SAMA into a stronger position going into the next round of SMB appeals. The training has played a part in SAMA being able to deal with over 7,200 appeals while still increasing the number of property reviews conducted.

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 768 municipalities in Saskatchewan in 2017 – 760 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 2017 assessment roll year, 669 (87.1%) of all municipalities had submitted their assessment return by December 31, 2017.

The agency confirmed 604 (93.2%) of the submitted assessment rolls as of December 31, 2017, 65 assessment returns were still being audited and 99 municipalities had not submitted a return.

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 669 municipal assessment returns received, 604 had compliant audit reports as of December 31.

Cost of Property Assessment Services

KPM #6: SAMA's Technology Infrastructure Program

In 2014, SAMA implemented a four year 2014-2017 funding plan, which included a capital project for new technology called the Technology Infrastructure (TI) Program.

SAMA recognized that our inspection capacity was below where it needed to be, and through the use of updated technology and more efficient business practices the Agency sought to double our ability to carry out inspections.

2017 was the fourth year of SAMA's four year TI Program, which is being implemented in 4 phases throughout the run of the program.

2017 TI Program Budget	2017 Budget	2017 Actual	Variance	
			Amount	%
<u>REVENUES (000s)</u>				
Provincial - Technology Premium*	\$612	\$612	\$0	0.0%
Municipal - Technology Premium	624	624	0	0.0%
Total Technology Development Revenues	\$1,236	\$1,236	\$0	0.0%
<u>EXPENDITURES (000s)</u>				
Phase III of Project - Remote Data Collection	1,784	1,470	-\$314	-17.6%
Total Technology Development Expenditures	\$1,784	\$1,470	-\$314	-17.6%
Excess (deficiency) of revenue over expenses	-\$548	-\$234		
Beginning Surplus (Deficit)	\$548	\$1,357		
Inter-fund Transfers to Capital Fund	\$0	\$842		
Reserves (Net)	0	0		
Ending Surplus (Deficit)	\$0	\$1,966		

Phase 1: Implementation of Open Forms in Govern Classic

The completion of phase 1 actually occurred in 2015. It involved an updated user interface to speed up data inputting. Although the development of this phase was a 2015 event, inspections per appraiser continue to increase as staff become more familiar and efficient using the updated software.

Phase 2: Implementation of updated Govern System

In phase 1 of the TI Program, SAMA updated the user interface of the Govern computer system. Phase 2 of the TI Program saw the internal workings of the Govern system updated and modernized to a .net system.

The upgrade of the .net system software has been in production since December 2016. After the initial implementation of Govern 6.1, three subsequent waves of reports and interfaces were implemented. Interface and reporting items requiring further enhancements have been identified for Information Systems prioritization and implementation.

Critical to the ongoing success of the Govern 6.1 implementation is an upgrade from version 16.06 to 16.11. This upgrade was implemented in September 2017 for use by SAMA end users. The primary goal for this upgrade is to include basic MATIX (GIS) functionality, and create the foundation for necessary Remote Data Collection (RDC) functionality. It also includes fixes for defects identified in production since the December 2016 implementation, as well as basic functionality enhancements designed to enhance your ability to use the Govern system to complete our work. These include, but are not limited to:

- Improved speed for land rate changes;
- Administration control of fonts on the forms;
- Changes to the site history form;
- Split merge functionality;
- Estimates functionality;
- Batch process for hold reason code;
- Enhanced sales searches;
- Roll Forward functionality (fixes);
- Removal of stranded building records for sales;
- Manual entry of sales functionality (fixes); and,
- Enhanced call tracking form.

Phase 3 - Remote Data Collection

Remote Data Collection (RDC) development work is well underway, with Subject Matter Experts (SMEs) from around the province providing input for requirement workshops in June 2017. These requirements were gathered, sorted and prioritized.

The Project SMEs were part of a beta group receiving a Panasonic handheld device intended for this type of specific use. Similar devices are used by Saskatchewan Municipal Hail, Police Forces, EMS and ambulance workers and other groups. The devices have basic functionality with an “out of box” version of Govern 6.1-16.11 for Mobile. The intention was to put the devices to use while current methods of assessment are still available (paper), so we can gather further input for requirements and prioritization. Other appraisers were able to view the intended use of these devices and see where project customization and requirement solutions provided further benefits for field use of the devices. Iterative changes will be applied to these beta systems as they are developed, with the advantage of field testing prior to the next project phase.

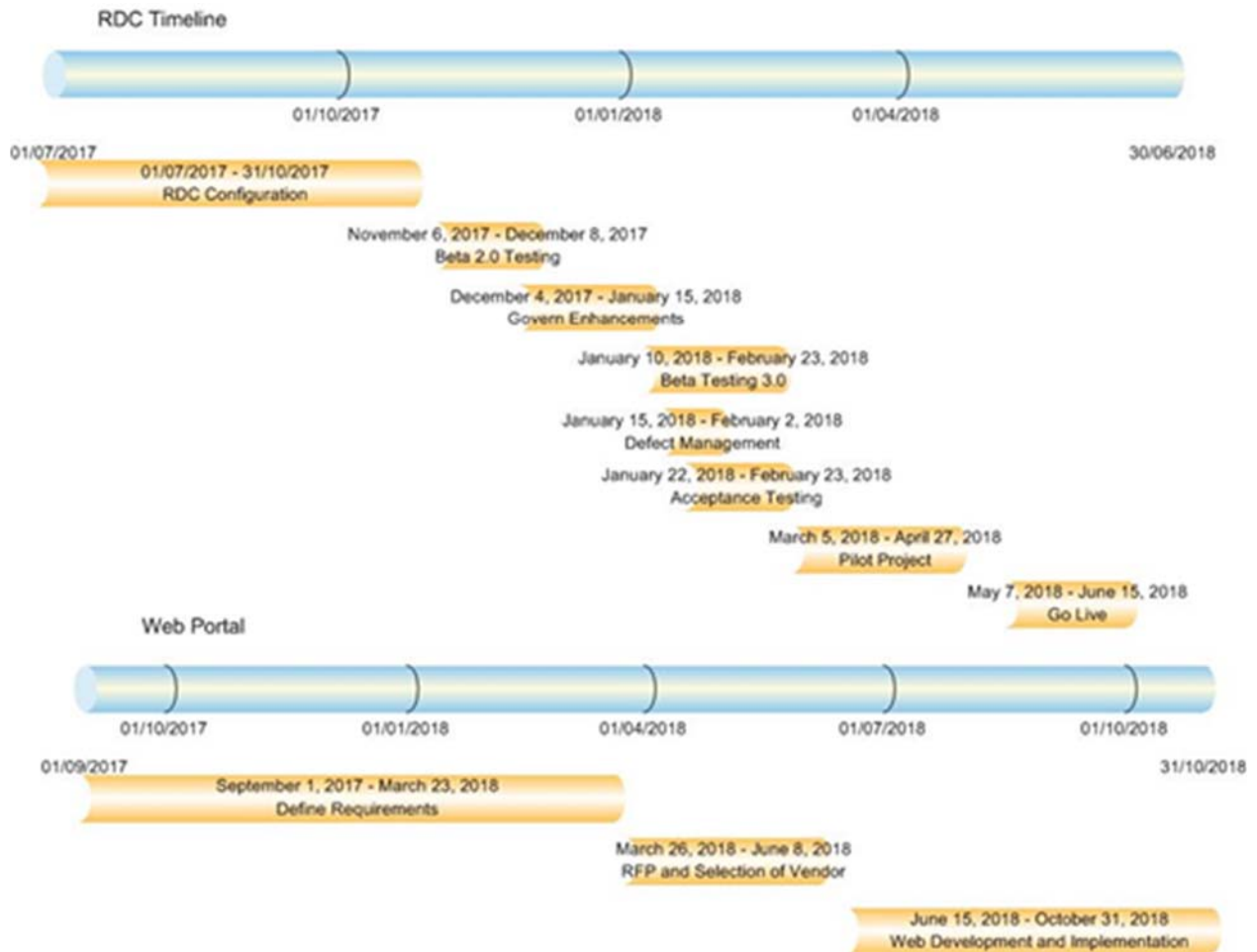
We will be targeting the release of fully functioning devices to a second small controlled pilot group by the beginning of March 2018. It will include requirement solutions necessary for a fully functioning Govern Mobile application. Subject to that second pilot producing successful results, full roll out of the production system, RDC devices and associated training for all appraisers will be scheduled for May of 2018, following the completion of assessment maintenance.

Phase 4 – Web Portal

Concurrently, SAMA will be working with an agency that specializes in the development of critical corporate websites to address identified stakeholder needs and requirements necessary for the implementation of a web portal.

Requirements gathering is currently underway, having begun in November 2017. Following the successful definition of requirements, SAMA will send out a Request for Proposal (RFP) and subsequently select a vendor and develop and implement the web portal in the second half of 2018.

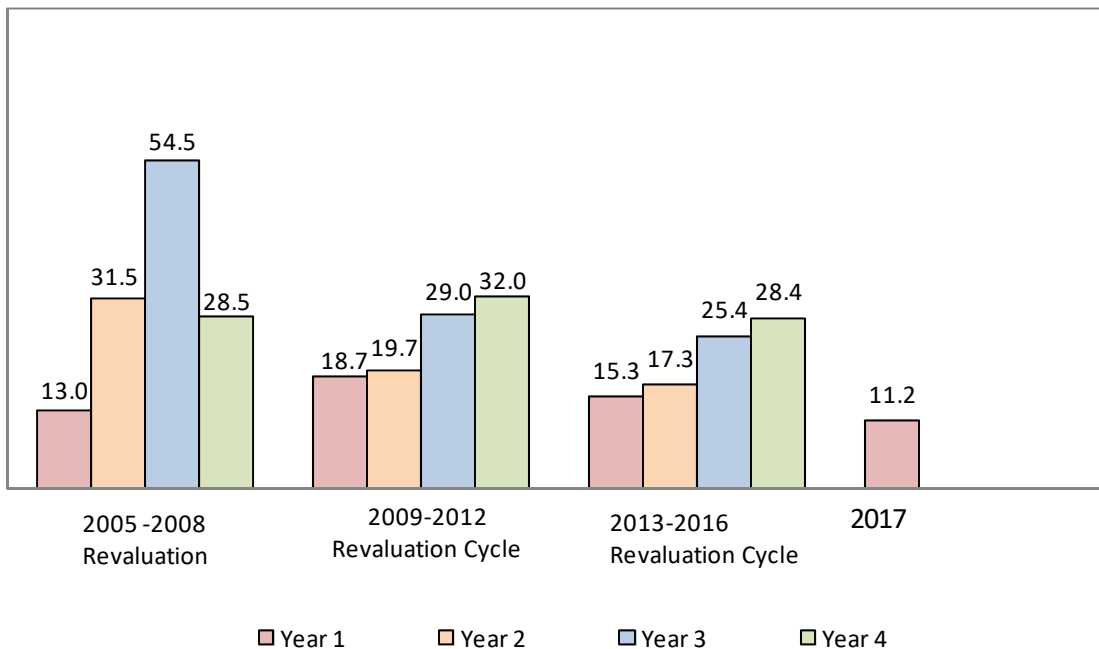
Technology Infrastructure Program Timeline



Efficiency Gains in SAMA's Revaluation Program

One of the agency's goals has been to decrease the amount of hours spent on the quadrennial revaluation. 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. 2017 was the first year of the current cycle of 2017-2020. The 11.2 FTE's spent on revaluation is a decrease of nearly 27% when compared to 2013 (the last year 1 of the previous cycle).

Revaluation Appraiser Effort Number of Appraisers (FTEs)



By spending less time on revaluation efforts, SAMA has been able to allocate more time to maintenance, reinspection and support of value activities.

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 771 cities, towns, villages, rural municipalities and northern communities in 2017.

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

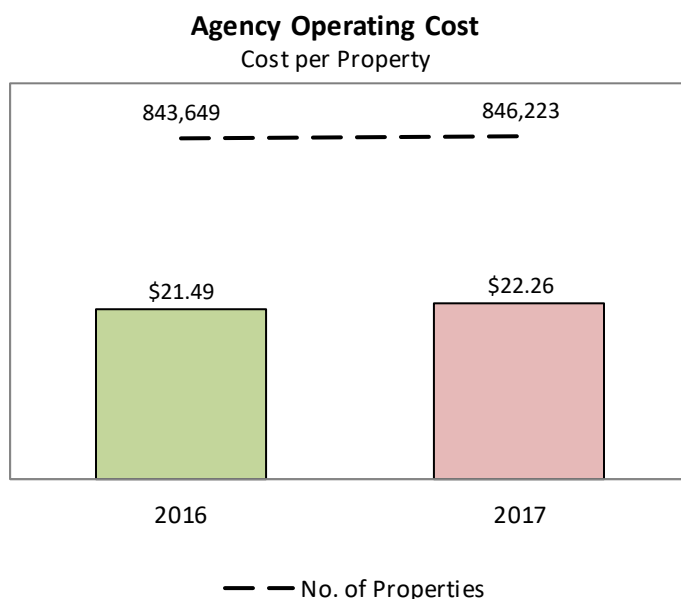
1. Planning and reporting

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.

2. Operating costs

In 2017 the agency's operating cost per property rose to \$22.26 (846,223 properties and a total operational spending of \$18.833M). The 2017 operating cost per property represents a 3.5% increase over the previous year (\$21.49 per property in 2016). The 2017 Consumer Price Index for Canada (all items) was 1.9%.

Delivery of annual maintenance, revaluation and support of value services remain the agency's main priorities while also concentrating on progressing through the TI Program and mitigating increases to operating costs.



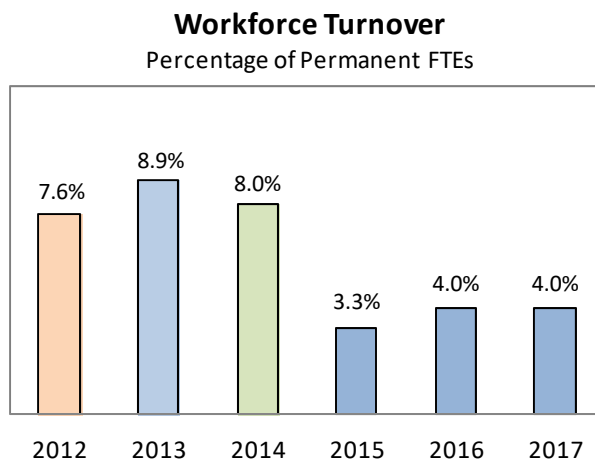
Workforce Commitment

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.

The Agency's Performance

In 2017 the voluntary turnover rate at SAMA remained steady at 4.0%. The turnover rate continues to be below the goal of 5%. SAMA attributes the low turnover rate to a number of initiatives undertaken by the agency that support a high level of employee engagement.



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.

The Agency's Performance

The last employee engagement survey was conducted in 2015 and the next is scheduled for 2018

Employee engagement and organizational performance are critically linked and the agency conducts surveys to determine the level of employee engagement, and to assist the agency in developing and implementing new initiatives and programs. SAMA conducted an employee engagement survey in 2015 to determine the agency's current employee engagement status and to identify possible areas for improvement. Once again, the survey had a very high response rate of 83% for all SAMA employees.

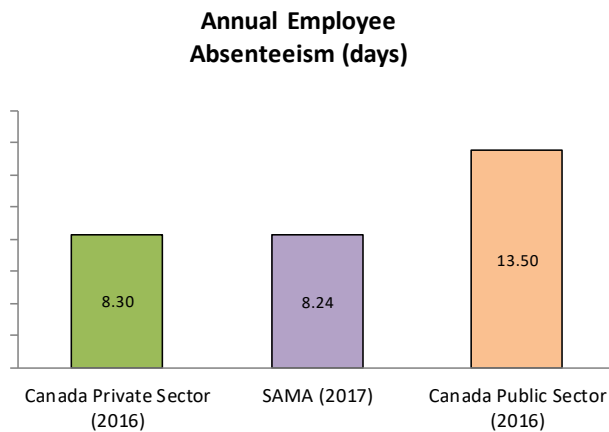
The 2015 survey showed an increase in favourable employee engagement, with a score of 57% (from 51% on the 2014 pulse survey and 46% on the last full employee engagement survey in 2013). SAMA was pleased to meet its previously set goal of a 5% increase over the 2013 results. Additionally, the employee survey also indicated that employee engagement had increased in all measured survey

dimensions, indicating progress in many of the drivers of employee engagement, rather than in isolated areas.

With the current rapid pace of change and SAMA's Technological Infrastructure Program, the agency recognizes that employees are undergoing a major shift in the policies and procedures that affect their work, as well as new technological tools that are an essential part of day-to-day work. During 2017, 115 staff received change management training to help the agency adapt effectively. Overall the TI Program

involved 1,262 hours of staff training time for calendar year 2017.

In 2017, SAMA's employee absenteeism rate improved over 11%, decreasing from 9.28 days per employee in 2016 to 8.24 days per employee in 2017. SAMA's rate of 8.24 is slightly below the Canadian private-sector average of 8.30 days.



Investing in 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 2017, 60.0% or 51 of SAMA's 85 appraisers (61.8% in 2016 and 65.2% in 2015) are fully accredited (have at least four years of assessment experience and have completed the educational requirements of an assessment designation). SAMA continues to be an industry leader in supporting staff while they further their career training – providing full tuition and up to twelve paid professional leave days per annum for staff pursuing a professional appraisal 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 nearly fifteen 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.

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