

2022 Business and Financial Plan

*Delivering Results in
Challenging Times*



sama

SASKATCHEWAN ASSESSMENT
MANAGEMENT AGENCY

Mission Statement

The Saskatchewan Assessment Management Agency develops, regulates and delivers a stable, cost-effective assessment system that is accurate, up-to-date, universal, equitable and understandable.

The Saskatchewan Assessment Management Agency is responsible for Saskatchewan's property assessment base with a value of over \$267 billion. This property assessment base is the foundation for fairly distributing just over \$2.2 billion of property taxes levied annually by municipalities and the Province to Saskatchewan property owners.

The agency has a two-fold responsibility to the Province and municipalities. Its governance responsibilities for the property assessment system include property assessment research and policy development, maintaining a central database of property assessments, providing assessment information to the Province and assuring the quality of assessments. In addition, the agency provides assessment valuation services to 757 client municipalities and to the Province for the education sector.

The agency maintains the assessment valuations for client municipalities on over 868,000 properties. Assessment valuation services include annual maintenance reviews, periodic property reinspections, complete revaluations every four years and support of value services.

2022 Overview

The agency's four-year plan for 2022-25 is being established concurrently with the 2022 budget. Fiscal responsibility is essential to the Government's commitment to a plan of balanced growth and effective use of resources. This means that the agency's spending has to be affordable for the funding parties and sustainable over the long term. The agency has committed to limiting operational spending increases to a maximum level of 1.5% annually. SAMA's 2022 budget request is an overall increase of 0.68% to revenues (over the 2021 budget).

For a detailed description of SAMA's strategic directions and deliverables planned for 2022 and beyond please see SAMA's 2022-25 4-Year Funding Plan.

In summary, the operational priorities in 2022 will be to conduct 110,000 property reviews (combined property maintenance and reinspection reviews), to represent SAMA's clients in approximately 2,000 property appeals throughout the support of value process and to continue research / analysis towards the 2025 revaluation. On the governance side, SAMA will continue to provide quality assurance service for the entirety of Saskatchewan, maintain and enhance the central assessment database and continue to provide assessment policy updates. SAMA intends to accomplish this with the same level of staffing in 2022 as 2021.

Activities to be Undertaken

*this section is also included in SAMA's 2022-25 Four-Year Plan and thus includes references to years 2023 to 2025 in addition to 2022

Mission, Strategies and Actions

Mission Statement

The Saskatchewan Assessment Management Agency develops, regulates and delivers a stable, cost-effective assessment system that is accurate, up-to-date, universal, equitable and understandable.

Strategy

Deliver core assessment services while simplifying and streamlining policies and procedures to improve efficiency and effectiveness

Key Actions and Performance Measures

- Provide annual maintenance and reinspection reviews of at least 110,000 properties per year (between 30,000 and 40,000 residential, commercial, agricultural and industrial maintenance property reviews and between 70,000 and 80,000 reinspection review properties per year).
 - Deliver assessment maintenance data to municipalities by the specified date to 85% of municipalities and to 95% of municipalities within three weeks of the specified date.
 - Update approximately 95,000 oil and gas well assessments annually via standardization in addition to the overall 110,000 property inspections target.

- Continue towards a 12-year reinspection cycle, targeting municipalities that are furthest out-of-date and adding assessment / tax revenue sources to municipalities and the education sector. At the end of 2025 SAMA will have completed eight years of the twelve-year cycle.

- Provide support of value services to client municipalities for an estimated 12,000 appeals during 2022-25.
 - Maintain current support of value service levels including professional management of property assessment appeals, one-on-one assessment reviews with property owners, and attending to appeals filed with local boards of revision, the Saskatchewan Municipal Board and the Saskatchewan Court of Appeal.
 - Increase support of value resources as required annually for expected increases in appeals associated with the increased level of property reinspections.
 - Focus on support of value training for employees and more specialized training for key staff in dealing with high risk or complex appeals.
 - Procure third-party legal counsel when required for appeals and add an internal legal resource if fiscally and strategically advantageous.

- Provide client municipalities, the provincial government, stakeholders and property owners with reliable and timely access to property assessment records, confirmed municipal assessment totals and information on property value trends in Saskatchewan.
- Through informational materials, training workshops and other initiatives, continue to work with client municipalities, stakeholders and property owners to educate and raise awareness of the property assessment system, and assessment policies and practices. SAMA's goal is to keep municipal client satisfaction surveys above 90% positive.
- Confirm municipal assessment rolls that are accurate and have been completed in 100% accordance with the municipal acts.
- Utilize a structured business process improvement process to review all major SAMA functions at least once during 2022-25 and make changes to work processes when appropriate.

Strategy

Use research and technology to improve services for stakeholders

Key Actions and Performance Measurements

- Revalue approximately 869,000 properties in 757 client municipalities for the 2025 Revaluation.
 - Maintain current continuous sales verification service levels.
 - Update all assessment models, rates and costs for the January 1, 2023 base date and implement them in SAMA's CAMA system.
 - In 2023 complete the market analysis of all properties.
 - Complete income approach analysis of entire inventory of income approach properties by April 1, 2024.
 - In Q2 2024 provide preliminary values to the Province and client municipalities.
 - In Q1 2025 finalize and provide assessed values to client municipalities.
- Conduct a full provincial agricultural productivity review, a full transmission pipeline assessment model review and a full provincial oil and gas assessment policy review with development complete by February 2023 and implementation of the new models in time for the 2025 revaluation.
- Author and release the *2023 Base Year Manual*, the *2023 SAMA Cost Guide* and *Market Value Assessment in Saskatchewan Handbook*.
- Operate and maintain the Govern.net system, the computer assisted mass appraisal system used to derive and store property assessments.
- Enact enhanced cybersecurity features to protect system integrity and performance.
- Explore new opportunities and implement GIS mapping enhancements.
- Further enhance the current web portal and enterprise service bus to improve the flow of data and the reporting function between SAMA and client municipalities.
- Coordinate the consistent application of assessment valuation methodologies by appraisers.

- Maintain or upgrade the current fleet of remote data collection devices (handheld computers) that appraisers use in the field.
- In addition to traditional methods, leverage digital tools to have reliable, frequent, and convenient communication with stakeholders as well as amongst staff.
- Develop and maintain computer-assisted technologies that optimize the Agency's business operations. SAMA plans to further leverage its portal with clients to increase the ease of receiving and distributing reports. SAMA also plans to use GIS mapping to increase the accuracy and efficiency of agricultural assessments.
- Conduct a software application upgrade for a more efficient and effective assessment reporting process.
- Facilitate meetings for the rural, urban, city, city assessor and commercial advisory committees and make necessary policy changes in response to issues raised by committees.

Strategy

Strengthen the capabilities of all employees

Key Actions and Performance Measurements

- Ensure leadership, relationship, learning, and workforce systems are aligned to deliver quality services effectively.
- Invest just under 2% of annual budget into staff training and development.
- Allot 50 hours annually per employee for training and development.
- Provide an environment that allows every employee the opportunity to succeed.
- Train, coach, and mentor each SAMA appraiser. Train appraisal staff to have expertise on all three approaches to value (cost, sales and income).
- Maintain a voluntary turnover rate of 5% or less.
- Employ an appraisal workforce of which 70% are licensed and accredited and encourage all appraisers to pursue a senior professional designation.
- Conduct exit interviews with all staff leaving SAMA and maintain a succession plan that includes all key positions and encourages internal succession whenever possible.
- Complete a comprehensive review of SAMA enterprise architecture and transition the agency to Information Technology Infrastructure Library (ITIL) v4 as SAMA's IT delivery framework.
- Implement software to streamline the delivery of human resources services and data for staff.

Strategy

Maintain and enhance SAMA's stakeholder supported funding model

Key Actions and Performance Measurements

- Enhance the current funding model and ensure that funding shares are up-to-date and match actual costs and benefits received by adjusting fees for service and matching component charges per property to SAMA costs. SAMA will begin charging for properties that are currently not part of the requisition formula (such as empty residential lots) and will charge more for commercial and industrial properties. By doing this, SAMA will be able to minimize any across-the-board increases to all property types.
- The agency's review of costs showed that the current commercial and industrial charges are too low to accurately reflect the staff effort required to service these property types.
- Managing SAMA's costs to align with the Province and economic conditions of stakeholders while also tracking inflation.
- Optimizing revenues for SAMAVIEW and assessment data licensed to other parties.
- Tracking and communicating assessment valuations and the return on investment to stakeholders for SAMA's funding.
- Monitoring costs of other assessment jurisdictions in Canada and ensuring SAMA is at or near the top in terms of value provided relative to its cost of service.
- Offering additional services (at cost) to municipalities beyond the base provided in the municipal requisition.
- Building relationships and providing assessment services to First Nations upon request.
- Effectively deliver assessment services and support of value to be a leader in Canadian jurisdictions and provide stable, high quality assessments as evidenced by limited losses from appeals to less than 1% of provincial taxable assessment.
- Conduct competitive public tenders for all major purchases.

FINANCIAL ESTIMATES - 2022 Budget

(in thousands)

	Approved 2021 Budget	2021 Forecast	2022 Budget	\$ Var	% Var
<u>REVENUES</u>					
Provincial	\$11,616	\$11,388	\$11,559	-\$57	-0.49%
Municipal:					
Base and technology fee	8,670	8,689	8,756	86	0.99%
Service fees	400	381	450	50	12.50%
Moose Jaw contract	579	605	610	31	5.35%
Other revenue	<u>450</u>	<u>445</u>	<u>465</u>	<u>15</u>	3.33%
	21,715	21,508	21,840	125	0.58%
<u>EXPENDITURES</u>					
Salaries and benefits	15,334	15,408	15,411	77	0.50%
Other expenses	6,063	5,700	6,105	42	0.69%
Moose Jaw contract	<u>579</u>	<u>605</u>	<u>610</u>	<u>31</u>	5.35%
	21,976	21,713	22,126	150	0.68%
Managed expenditures	<u>262</u>	<u>205</u>	<u>286</u>	<u>0</u>	-
Surplus (Deficit)	0	0	0	-	-
No. of permanent employees	163.25	163.25	163.25	0	0.00%

2022 Funding Request

Province of Saskatchewan: \$11.559 million.

Municipal clients of SAMA: \$9.206 million.

How Resources Will Be Used

Operational expenditures have a budgeted increase of 0.68% in 2022 (over the 2021 budget).

- The number of permanent positions will remain the same from 2021 (163.25) and the allocation of positions between assessment services, governance and support services will all be unchanged.
- Employee salaries and benefits are estimated to increase 0.50%.
- Other expenses have a budgeted increase of 0.69%.
- Governance costs (assessment research and policy development, maintaining a central database, providing assessment information to the Province, and assuring the quality of assessments) are budgeted at \$6.602 million.
- Assessment valuation services costs (annual maintenance, revaluation, property reinspection and support of value programs) are budgeted at \$14.163 million – \$9.206 million for municipalities and \$4.957 million for education.

SAMA Municipal Requisition

- In 2022 a \$5 increase to the per property fee for service will generate \$50,000 of the \$136,000 increase.
- The remaining \$86,000 will be generated by new fees for agricultural properties in urban municipalities, a new small fee per empty lots and increases to the industrial and commercial per property rates. If demand for property reviews increases to pre-pandemic levels, these increases will be lowered to keep the requisition at an overall increase of 1.5%.
- There will be no increase to residential or agricultural rates in 2022.

How Funding Will Be Shared

- 100% of governance (assessment research and policy development, maintaining a central database, providing assessment information to the government and assuring the quality of assessments) to the Province.
- 35.0% of assessment valuation services to the Province and 65.0% to client municipalities. 2020 property tax levies for education and municipalities were split approximately 35/65.

Ongoing support costs for technology will be allocated to the funding parties on an equal basis.

2022 Budget by Major Category (Detail)

	<u>2022</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>2021</u> <u>Budget</u>	<u>% of</u> <u>Change</u>
<u>REVENUES</u>				
Provincial	\$11,559	52.9%	\$11,616	-0.5%
SAMA municipal invoice	8,756	40.1%	8,670	1.0%
Municipal service fee	450	2.1%	400	12.5%
Moose Jaw contract	610	2.8%	579	5.4%
Other revenue	465	2.1%	450	3.3%
Total operating revenues	<u>21,840</u>	<u>100%</u>	<u>21,715</u>	<u>0.6%</u>
<u>EXPENDITURES</u>				
Salaries and benefits:	15,967	72.2%	15,886	0.5%
Technology, software and computer-related expenses	1,665	7.5%	1,650	0.9%
Office rent	1,281	5.8%	1,275	0.5%
Travel expenses	920	4.2%	950	-3.2%
Professional services	400	1.8%	250	60.0%
Capital expenditures	347	1.6%	400	-13.3%
Staff training and development	315	1.4%	305	3.3%
Land titles information	200	0.9%	195	2.6%
Data licensing and printing	162	0.7%	170	-4.7%
Board of directors	138	0.6%	136	1.5%
Telephone and communications	121	0.5%	127	-4.7%
Aerial photography/geospatial imagery	85	0.4%	85	0.0%
Postage	73	0.3%	75	-2.7%
Office and other	452	2.0%	473	-4.4%
Total operating expenditures	<u>22,126</u>	<u>100%</u>	<u>21,977</u>	<u>0.7%</u>
Surplus,(deficit)	-286		-262	
Managed expenses	286		262	
Transfers from (to) reserve	0		0	
Beg. surplus(deficit)	0		0	
End. surplus,(deficit)	<u><u>\$0</u></u>		<u><u>\$0</u></u>	0.0%
Number of permanent employees	<u>163.25</u>		<u>163.25</u>	0.0%