

2014 to 2017 Budget and Financial Plan

SARM Regional Meetings
June 18-27, 2013



Purpose of Assessments



- Assessments pay for essential services that politicians and taxpayers want and need.
- In 2012 the assessment base brought in \$1.55 billion. Over 50% of revenue for municipalities.
- Revenue needs are growing to support growing economy
- Preserves local autonomy

SAMA Responsibilities

- **AMA Act – Board Governed Agency**

Governance

\$160 B/ \$1.55 B

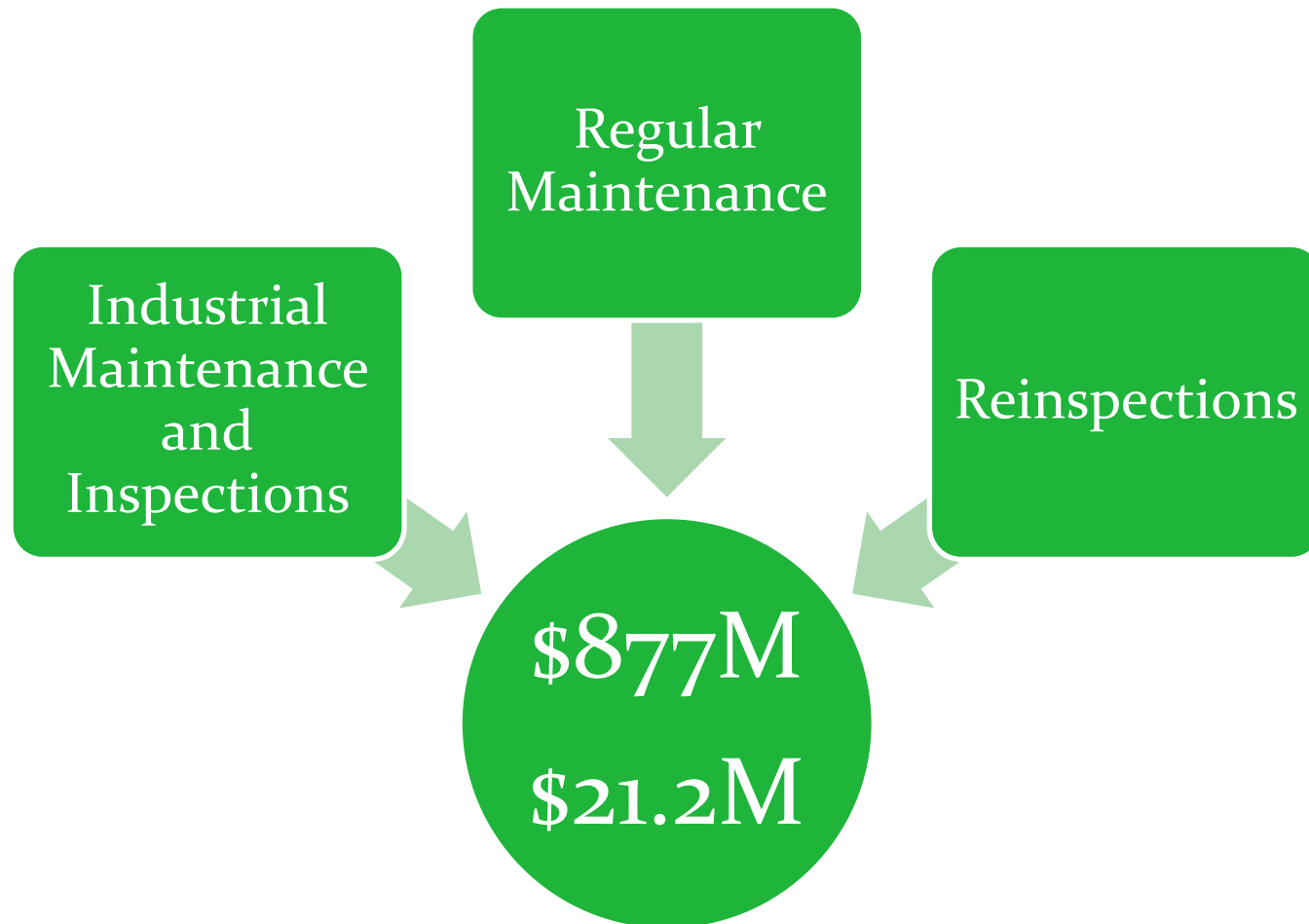
- Policy
- Quality Assurance
- Computer System
- Communication
- Safety Net for Province

Assessment Services

756/774

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

SAMA's Work is Paying Dividends



What we have done in the last 4 years

- SAMA responded to the province's Lean initiative
- Improved service with more timely delivery of annual maintenance
- Cut 20% of workforce without affecting current service (exceeded government target of 15%)
- Current budget down \$800,000 since 2009
- Developed and retained a dedicated team of technical specialists, professional assessment appraisers and agrologists.
- Rapidly growing economy is challenging our inspection ability beyond what can be gained from Lean alone

The Cost of Not Keeping Up With Inspections

sama
SASKATCHEWAN ASSESSMENT
MANAGEMENT AGENCY



Money Being Left on the Table

sama
SASKATCHEWAN ASSESSMENT
MANAGEMENT AGENCY



\$30,000,000

**Cities/Towns
1997/1995**

**Villages
&
Resort Villages
1991**

**Rural
Municipalities
&
North
1989**

Our New Strategic Directions (2014-2017)

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

Capital Project for New Technology



- \$4.9M for handhelds and GIS technologies
- Cost shared between Province and Municipalities (50:50)
- \$612,000 per year for four years needed
- Cost shared between 756 municipalities (10.6% Technology Premium)
- Essential to strategy to double productive capacity of staff
- Move from 2:1 office to field days to 1:1

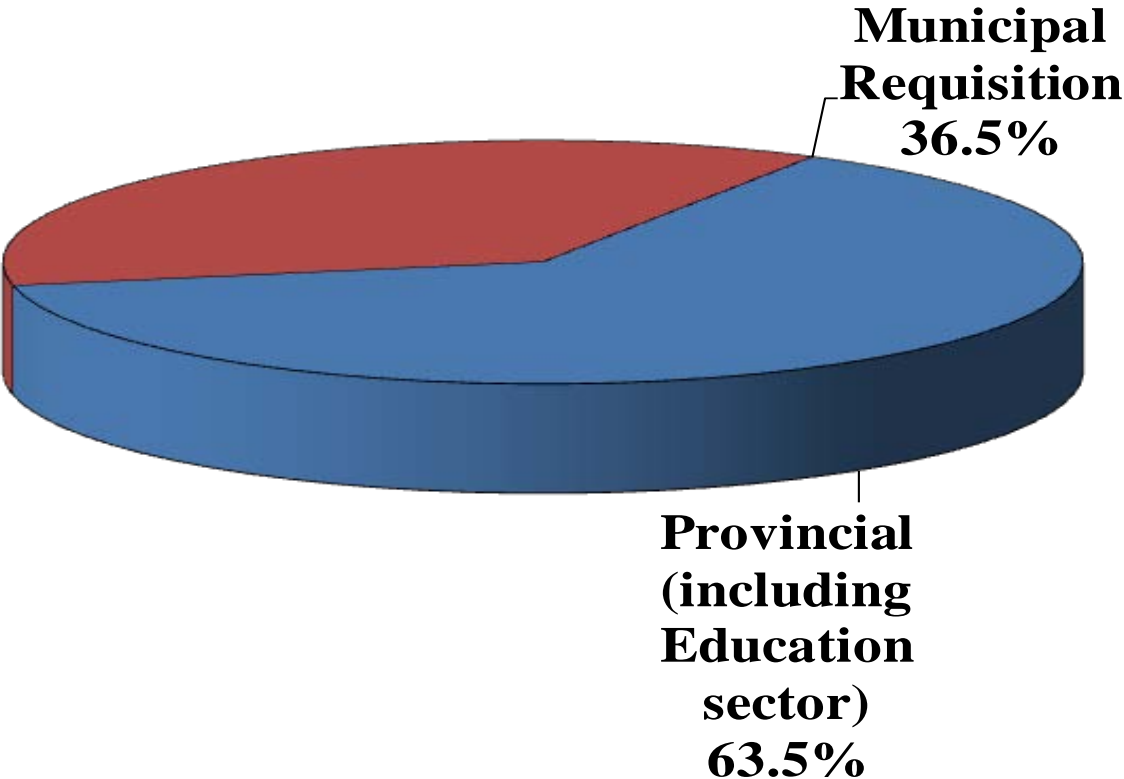
SAMA Current Revenue Sources

\$16.3 M in 2013

\$10.1M Government (2013)
Governance + Assessment Services

\$5.8M Municipalities (2004-2013)
Assessment Services

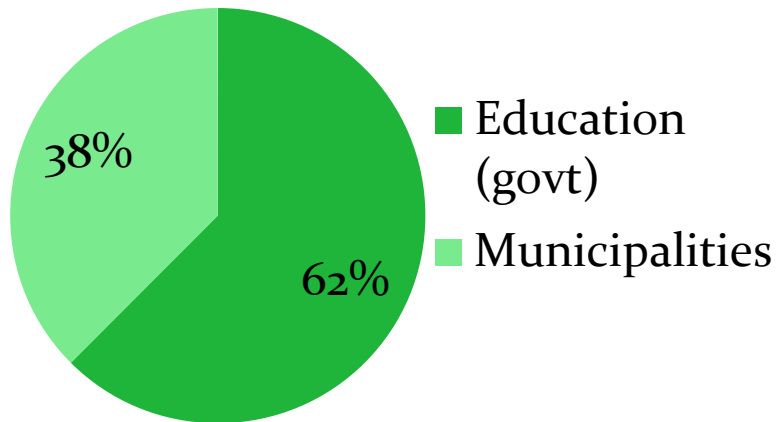
Other Revenue \$0.4M (2013)



Benefits Received Have Changed

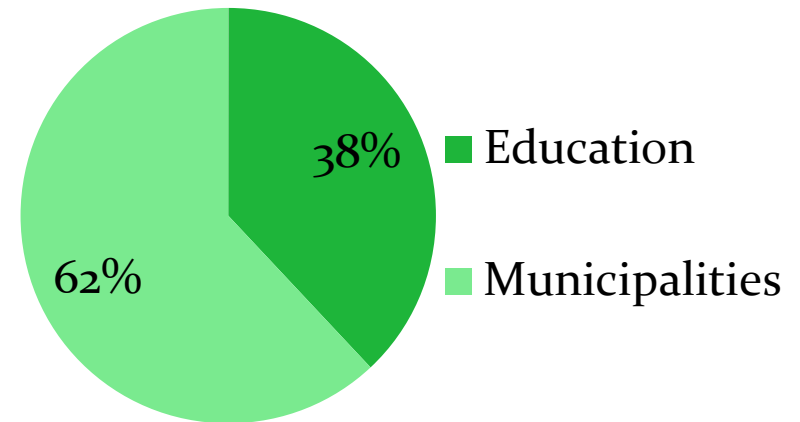
2000 to 2008

Property Tax Revenue



2012

Property Tax Revenue



Updated SAMA Funding Formula

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

2014 to 2017 Budget Estimates

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

Municipal Requisition Information

1. Municipal requisition has remained capped at \$5.8M since 2004
2. In 2013, 526 municipalities (181 RM's) of 756 are paying less in requisition than in 2007
3. 2014-2015 are the phase-in years for funding
4. In 2014, 188 municipalities (55 RM's) will still be paying less than in 2007

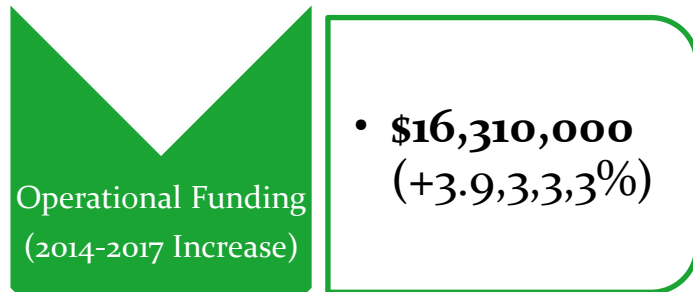
Impact on Selected RM's

<u>Saskatchewan Assessment Management Agency</u>								
<u>Municipal Requisition History - 2007:2013</u>								
PHASE-IN (Note 4)						5.10%		
						User-Pay		
Proposed 2014 Requisition						3.0% inc.	3.0% inc.	3.0% inc.
MUNICIPALITY	2007	2013	Operating (8.1%)	Capital (10.6%)	Total	2015	2016	2017
R.M. of Willow Bunch #42	\$11,275	\$8,504	\$689	\$899	\$10,092	\$10,368	\$10,652	\$10,945
R.M. of Cupar #218	\$9,355	\$8,940	\$724	\$945	\$10,610	\$10,899	\$11,198	\$11,506
R.M. of Saltcoats #213	\$8,577	\$8,312	\$673	\$879	\$9,864	\$10,134	\$10,411	\$10,697
R.M. of Gull Lake #139	\$7,743	\$9,040	\$732	\$956	\$10,728	\$11,021	\$11,323	\$11,634
R.M. of Sliding Hills #273	\$13,061	\$13,274	\$1,075	\$1,404	\$15,753	\$16,183	\$16,627	\$17,083
R.M. of Vanscoy #345	\$25,723	\$27,631	\$2,238	\$2,922	\$32,791	\$33,687	\$34,610	\$35,561
R.M. of Lake of the Rivers #72	\$7,961	\$5,674	\$460	\$600	\$6,734	\$6,918	\$7,107	\$7,302
R.M. of Mountain View #318	\$9,855	\$7,976	\$646	\$843	\$9,465	\$9,724	\$9,991	\$10,265
R.M. of Kelvington #366	\$8,934	\$9,998	\$810	\$1,057	\$11,865	\$12,189	\$12,523	\$12,867

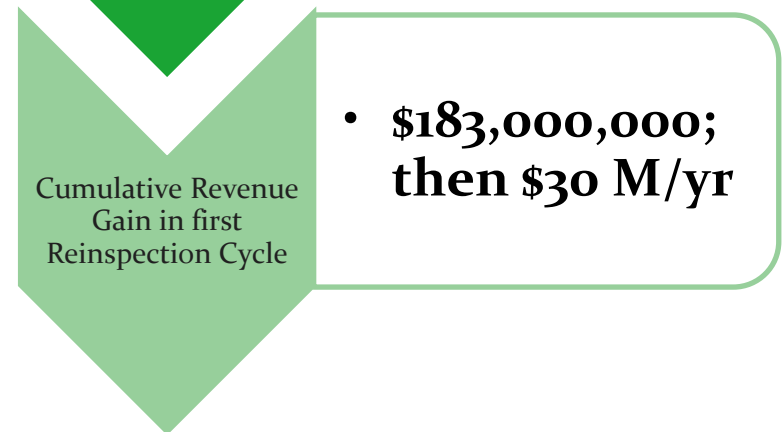
Business Case

Value of Capturing Assessment Growth

Operations



New Technology



Questions?

