

*BC Assessment*

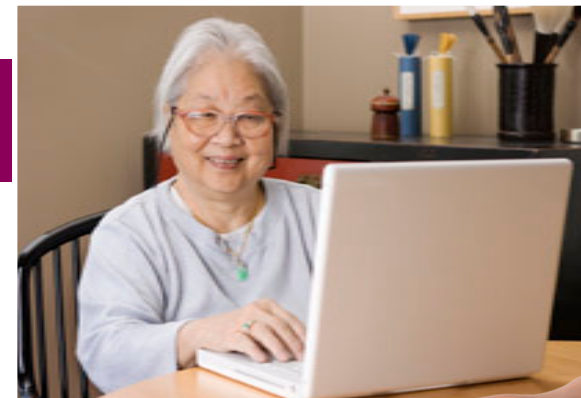
SERVICE PLAN 2010-2012

*We Value BC*





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## Letter from the Board Chair to the Minister Responsible

The Honourable Bill Bennett  
Minister of Community and Rural Development  
Government of British Columbia

Dear Minister,

On behalf of the Board of Directors, the management and the employees of the British Columbia Assessment Authority (BC Assessment), I am pleased to present the 2010–2012 Service Plan.

BC Assessment was established to operate at arm's length from taxing authorities and maintain uniform and reliable assessments that form the basis for determining tax levels in communities throughout British Columbia. In 2009, BC Assessment was indirectly responsible for generating over \$6 billion in revenues for critical public services such as hospitals, schools, roads, recreational programs and utilities.

The turbulent economic climate of the past two years underscores the need to consistently seek new ways to deliver greater value to our customers. In November 2008, the B.C. government passed Bill 45 (the *Economic Incentive and Stabilization Statutes Amendment Act, 2008*). This bill changed the 2009 roll production process to cushion property owners from the rapid changes in property values across the province in late 2008. While Bill 45 created technical and time-sensitive challenges unprecedented in BC Assessment's history, the 2009 Assessment Roll was produced on schedule and property owners benefited from much greater stability in their assessments. At the same time, we maintained high property owner satisfaction, and complaints and appeals dropped to some of the lowest levels seen in our 35-year history. The dedication, professionalism and skill of BC Assessment's staff, the integrity of our assessment information and our innovative approach in response to changing customer needs were integral to these achievements.

Property values have stabilized in the past year, and new construction is close to the high levels witnessed in 2006 and 2007. Annual increases in the number of new properties that require assessment services are continuing the growth trend of recent years, and add the equivalent of a city the size of Victoria or Prince George to the roll each year.

## Letter from the Board Chair to the Minister Responsible



Our 2010–2012 Service Plan sets out an ambitious framework for responding to these challenges. At an operational level, the Board of Directors has directed BC Assessment to implement six broad business transformational initiatives to support its strategic goals and achieve the performance targets set for the 2010–2012 period:

- Develop and implement a broad-based, multi-year human resource improvement strategy to achieve an engaged and skilled workforce that is committed to superior customer service.
- Develop and implement a customer service strategy to align the resources of BC Assessment to better respond to customer requirements for its four key customer segments – local government, First Nations, and non-residential (market/non-market) and residential property owners.
- Create an optimal mix of delivery channels that allows customers to access BC Assessment's products and services through their preferred methods of communication and information exchange (i.e., electronic interchange, web, email, phone, video and in-person services at the area offices).
- Adopt new technologies and practices to enable more efficient re-assessment practices within BC Assessment.
- Achieve annual performance targets for roll quality by annually prioritizing and addressing issues that affect the consistent and equitable application of statutes, policies and business rules across the province.
- Enhance BC Assessment's management information system and business best practices to drive improvements in corporate performance and enable it to be an effective and agile service delivery organization.

BC Assessment takes pride in delivering services to its customers accurately and efficiently. We are also proud of our international reputation as a high-performing property assessment organization. Together, these qualities will allow us to continue to deliver the best value to our customers and ensure that "we are trusted to value BC."



Anna Nyarady

CHAIR, BOARD OF DIRECTORS

*BC Assessment's 2010–2012 Service Plan was prepared under the Board's direction in accordance with the Budget Transparency and Accountability Act (2000) and the BC Reporting Principles. The service plan is consistent with the B.C. government's strategic priorities and fiscal plan.*

*All significant assumptions, policy decisions, events and identified risks, as of February 11, 2010, have been considered in preparing the service plan. The performance measures presented are consistent with BC Assessment's mandate and goals, and focus on aspects critical to the organization's performance. The targets in the service plan have been determined from an assessment of BC Assessment's operating environment, forecast conditions, identified risks and past performance. The Board of Directors is accountable for the contents of the service plan, including selection of the performance measures and targets.*



## Organizational Overview

### VISION

We are trusted to value B.C.

### MISSION

To create uniform assessments which are relied upon to build sustainable communities throughout B.C.

### VALUES

**INTEGRITY:** We act in an ethical manner and we honour our commitments.

**TRANSPARENCY:** We are fair and open in how we conduct our business.

**IMPARTIALITY:** We are objective and unbiased. We do our work and make our decisions without favour or prejudice.

**INNOVATIVE:** We provide creative business solutions and support a culture of continuous improvement.

BC Assessment is a publicly funded provincial Crown corporation with the legislated mandate to establish and maintain assessments that are uniform in the whole of British Columbia, in accordance with the *Assessment Act* (1996).

Our work helps all levels of government to establish a sound foundation for fiscal planning and service provision. BC Assessment's products and services are relied on by British Columbians, provincial and municipal governments, and other public bodies that

generate real property tax revenue. While BC Assessment has no direct role in property taxation, property assessments form the basis of distributing property tax in B.C. for 160 municipalities, 29 regional districts, 315 improvement districts and 58 First Nations. The tax amount for each property is based on the assessed value of property and the projected cost for the provision of public services as determined by the taxation authority.

In 2008, \$6.04 billion in tax revenues were generated through property tax levies. This funding allows communities across the province to sustain the community services, transportation infrastructure, schools, parks, and recreational and cultural services that provide broad public benefits to British Columbians. A reliable assessment roll contributes to a stable tax base for taxing jurisdictions, which is essential to achieving sustainable communities at local, regional and provincial levels.

BC Assessment celebrated its 35th anniversary in 2009. Before it was created, local governments depended on their own separate assessment organizations. Assessment criteria and valuation methods varied, and assessments were frequently challenged and often difficult to defend. By 1973, with 140 independent assessment organizations in B.C., the situation had grown into a serious provincial crisis of trust. Alarmed with the rising incidence of equity grievances, and pressured by property owners and the public sector, the provincial government created the BC Assessment Authority. Six months later, the Authority created B.C.'s

first impartial and independent assessment roll. When established in 1974, BC Assessment had 879,125 folios on the assessment roll, with a value of \$42.2 billion, and was supported by 704 staff. In 2010, approximately 650 full-time staff manage a portfolio that has more than doubled to 1.88 million folios, with a value of \$969 billion.

For more information on BC Assessment's history, see [www.bccassessment.bc.ca/pdf/about/09-06-30\\_Update-BCA\\_Corporate\\_History.pdf](http://www.bccassessment.bc.ca/pdf/about/09-06-30_Update-BCA_Corporate_History.pdf) or [www.bccassessment.bc.ca/about/history.asp](http://www.bccassessment.bc.ca/about/history.asp).



## Organizational Overview

**Table 1: BC Assessment's Core Products**

PRODUCT	DETAIL
<b>Assessment Roll</b>	<b>Completed Roll</b> – Annual assessment roll completed, approved by regional assessors by December 31, and used to calculate taxation in the following year
	<b>Revised Roll</b> – Includes amendments made by a Property Assessment Review Panel (PARP) during February and March each year
	<b>Supplementary Roll</b> – Contains changes and corrections, including decisions from the Property Assessment Appeal Board (PAAB). Supplementary rolls are issued between April and December
	<b>Grant Roll</b> – Contains the assessed value of properties that are exempt from property taxation, such as government properties, schools and hospitals. A total of 10 grant rolls (e.g., BC Hydro, BC Transmission Corporation, BC Rail) are issued by March 31 each year. The roll that values these exempt properties serves as the foundation for payments in lieu of property taxes
<b>First Nations Assessment Roll</b>	BC Assessment completes an assessment roll for 58 First Nations that have authority to establish independent real property taxation systems
<b>Assessment Notice</b>	An assessment notice details the assessed value of the land and any improvements on the property. The assessment notices are mailed to every person designated on the assessment roll to receive one
<b>Statutory Report</b>	A statutory report gives value summaries for specific taxation purposes, such as funding for school districts, regional districts, local areas, and hospital and transit services

"British Columbia is seen as an exemplary authority in managing and assessing its land base."

Integrated Cadastral Information Society (ICIS)

## How We Serve Our Customers

The provision of an annual assessment roll is central to our work (see Table 1). The assessment roll contains the legal description, ownership information, assessed value, use classification, tax exemption status and other details for every property in British Columbia. Each year, BC Assessment determines the market value of properties as of July 1, and every December 31 both provides an annual assessment roll to each taxing jurisdiction and sends a Property Assessment Notice to every designated property owner. For the 2010 roll, BC Assessment issued 1.96 million assessment notices to property owners – 36,574 more than 2009.

Taxing authorities are one of our principal customer groups, and they include local, provincial (B.C.) and federal governments. We also provide assessment services to 58 First Nations that have taxing authority. Other key customer groups include homeowners, businesses, non-profits and government property owners (See Figure 1). Customers can access our products and services through a range of channels that include personal assistance at the local office, by phone or via the Internet. Publicly accessible information on organizational structure, products, assessment cycles, office locations and contacts, and fact sheets for frequently asked questions can be found at [www.bccassessment.ca](http://www.bccassessment.ca).

## Organizational Overview

### Our Customer Service Commitment

Living up to our values and our commitments is essential to maintaining the trust placed in us by the Province and its people. Our customer service commitment (see Figure 1) to be reliable, accessible, uniform, and respectful, defines how we work with our customers. To be trusted and valued, we need to meet customer needs as fully as possible while operating within our given mandate. We use a “No Surprises” approach, which means consulting with customers and stakeholders, providing easier access to our staff and delivering cost-effective assessment solutions.

At BC Assessment, we are continually working to improve our customer service. Online services are increasingly popular, so we have responded with web-based property assessment information through services such as e-valueBC™, an Internet-based system that lets most property owners compare their assessment with the sales of other properties. e-valueBC provides homeowners with year-round access to their property assessment, and to additional assessment information such as comparable sales and property details available for limited periods during defined assessment inquiry and appeal periods. Electronic PDF files of the e-valueBC information, which includes assessment and sales data but no ownership information, are available at assessment offices, most libraries, municipal halls and Service BC centres (formerly Government Agents offices) until the end of the appeal period in April.

Figure 1: BC Assessment's Customers and Customer Service Commitment



The proportion of direct phone calls from our customers is increasing each year. In 2009, our customer survey results indicated that 87% of survey respondents had accessed our services via the phone – an 18% increase from 2008. We have responded to this greater demand for phone use by installing a technologically advanced telecom system that enables customers to be seamlessly transferred

anywhere in the province, to the assessment staff best able to answer their specific inquiry. This system also has service continuity features to maintain customer access even while certain offices may be temporarily unavailable, and the capability to add video and Internet conferencing features in the future, to further enhance customer service.



## Organizational Overview

### How We Ensure Fair and Accessible Assessment Information

BC Assessment must deliver property assessments that are fair and accurate. Property owners have access to a range of options to ensure the accuracy or impartiality of their assessment. To facilitate the resolution of assessment complaints, BC Assessment also extends its office hours in each area office in January. Local BC Assessment appraisers can often resolve issues with a property owner before the February to mid-March Property Assessment Review Panel (PARP) appeal period begins. In cases where informal resolution with the appraiser is not possible, the matter can be forwarded to a local Property Assessment Review Panel. Prior to April 30, property owners may appeal panel decisions to the Property Assessment Appeal Board (PAAB) which is independent from the PARP process, the provincial government, and BC Assessment. PAAB decisions may be further appealed to higher courts that hear property appeals based only on points of law.

For more information on appeal processes and timelines, please visit [www.cd.gov.bc.ca/parp/](http://www.cd.gov.bc.ca/parp/) or [www.assessmentappeal.bc.ca/](http://www.assessmentappeal.bc.ca/).

### How We Collaborate

We work in partnership with other agencies to add value to services and to save taxpayer dollars. For example, as a founding member of the Integrated Cadastral Information Society (ICIS), which is creating a single source for all provincial mapping data from government and

private sector sources, BC Assessment provides expertise and data that enable all partners in ICIS to share resources more efficiently. We sponsor organizations that represent local governments at various levels, including the Union of British Columbia Municipalities, the Local Government Management Association and the Government Financial Officers Association of British Columbia. BC Assessment has enhanced consultation with taxing jurisdictions through the establishment of a Taxing Jurisdiction Advisory Committee. Details on the Taxing Jurisdiction Advisory Committee are available at [www.bcasessment.ca/TJAC.asp](http://www.bcasessment.ca/TJAC.asp).

BC Assessment also consults with a variety of property owner groups, and works directly with partner organizations such as the Appraisal Institute of Canada and the International Association of Assessing Officers (IAAO) to continually improve the assessment system in British Columbia. These arrangements increase awareness and understanding of the assessment process in the province, leading to a more effective and efficient property taxation program across all of the jurisdictions in B.C.

### How We Are Funded

BC Assessment is funded primarily through property tax levies administered by the taxing authorities – forecast to be \$72.9 million in 2009. In addition, BC Assessment receives approximately \$5 million in revenue each year from a number of other sources, including contracts with First Nations, payments in

lieu of taxes and data access services. The latter includes provision of bulk electronic assessment roll, sales, and residential inventory data; custom reports; professional consulting services; and enhanced data provision with BC OnLine and private sector data agents. Revenue from all these non-tax sources offsets potential tax levy increases for property owners.

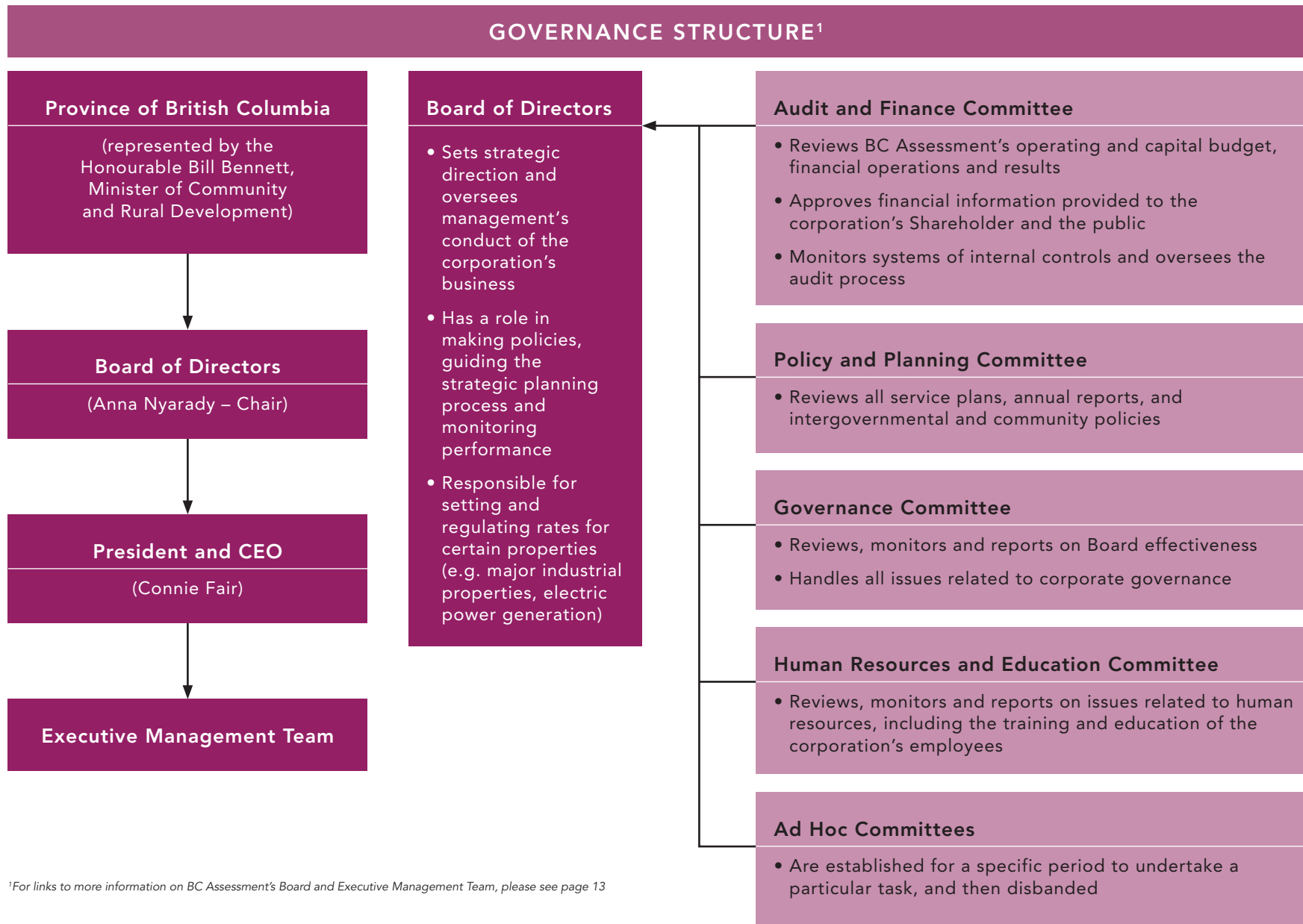
### How We Are Organized

BC Assessment currently employs approximately 650 full-time staff positions in 19 offices throughout the province. The primary points of customer service are 18 area offices, which are geographically dispersed across B.C. By the end of 2010, the total number of area offices will be reduced to 16 through strategic office amalgamations. The efforts of all staff, both in field operations and in the support divisions, are coordinated to meet BC Assessment's mandate and goals. Whether they are collecting data, developing new products, interacting with customers, building stakeholder and partner relationships, effectively managing our facilities and resources, or developing and maintaining our systems and processes, all staff members contribute to the quality of our product delivery and customer service.

Figure 2 highlights our governance and organizational structure, including roles and responsibilities. Additional information on the location of our assessment regions and area offices can be found at [www.bcasessment.ca/pdf/offices/Province\\_map\\_regions\\_2007.pdf](http://www.bcasessment.ca/pdf/offices/Province_map_regions_2007.pdf).

## Organizational Overview

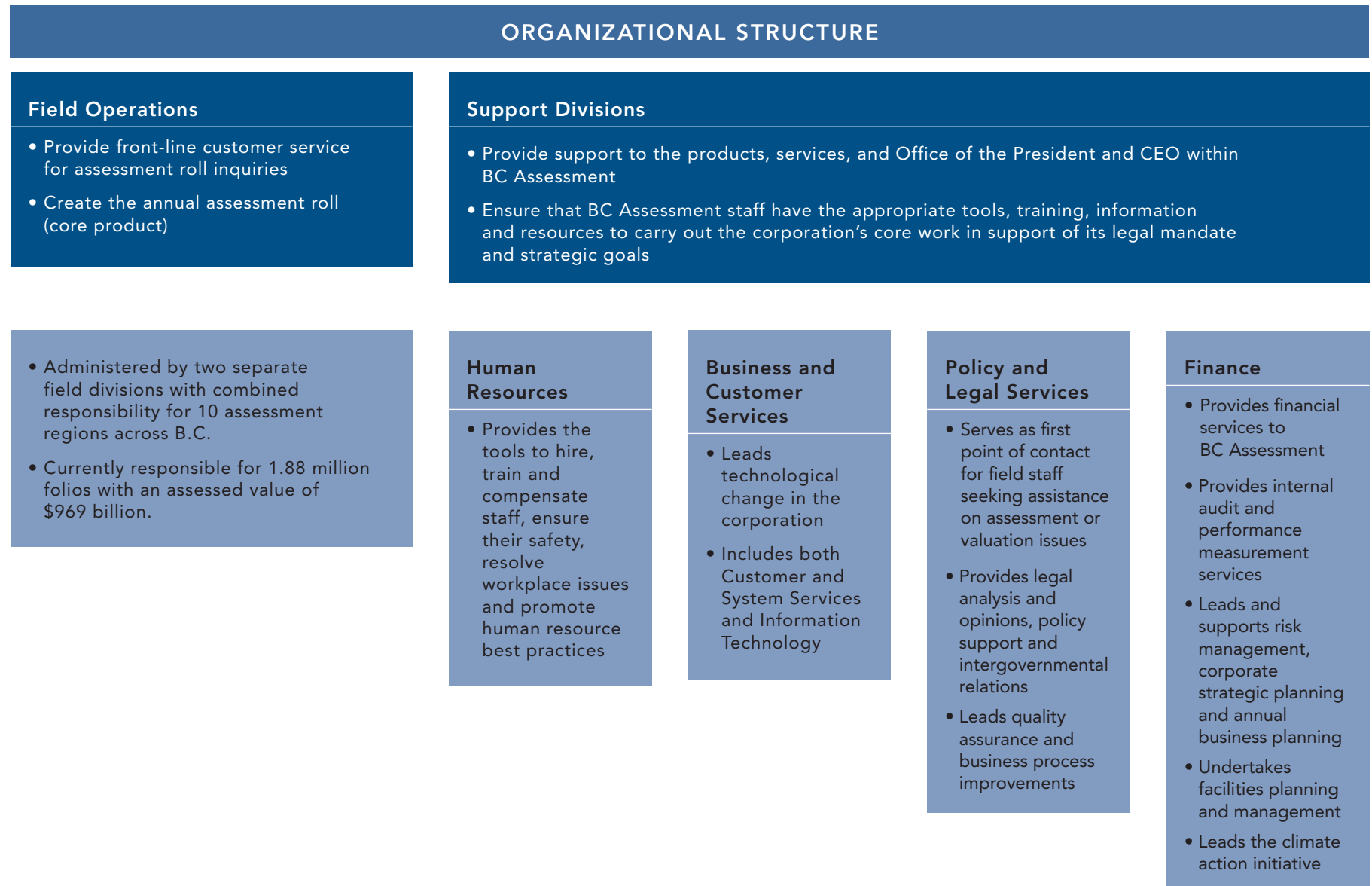
Figure 2: BC Assessment's Governance and Organizational Structure



<sup>1</sup>For links to more information on BC Assessment's Board and Executive Management Team, please see page 13

## Organizational Overview

Figure 2: BC Assessment's Governance and Organizational Structure





## Our Corporate Governance

### Board of Directors

BC Assessment is governed by a Board of Directors appointed by B.C.'s Lieutenant Governor in Council. The Board occupies a central role in the governance of BC Assessment. Under s. 5.1 of the *Assessment Authority Act* (1996), the Board must manage or supervise the affairs of BC Assessment. The Board has the general duty to guide the strategic direction of BC Assessment and oversee management in the conduct of the organization's business. In carrying out these duties, the Board has a role in policy-making, strategic planning processes and performance monitoring. The Board also has exclusive jurisdiction to regulate the valuation rates of certain properties in the province.

The Board is supported by four standing committees, ad hoc committees as required, and the Executive Management Team (see

Figure 2). Responsibility for day-to-day management of BC Assessment is delegated to the President and CEO, who leads BC Assessment in achieving the goals and priorities set by the Board, sets standards for organizational conduct and recommends new initiatives to the Board. BC Assessment's governance is defined in legislation applicable to all Crown corporations, as well as in the *Assessment Authority Act* (1996) and the *Assessment Act* (1996).

### Governance Principles

Board members are guided by BC Assessment's Code of Ethical Conduct, which establishes the minimum standards expected of Board members and senior staff. More generally, Board members are expected to demonstrate integrity, high ethical standards, sound judgement, an ability to question traditional

assumptions, strong interpersonal skills, and a high level of commitment to BC Assessment and its success. All Board members are independent of the management of BC Assessment and have no material interest in it. The Board also hires an external ethics advisor to provide guidance to the Directors on the Code of Ethical Conduct and potential conflict-of-interest issues, real or perceived. The Board of Directors has adopted the guiding principles included in the provincial government's *Best Practice Guidelines: BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations*.

### Shareholder's Letter of Expectations

The corporate governance framework is also defined in the 2010 Shareholder's Letter of Expectations between the Minister responsible for BC Assessment – the Honourable Bill



Members of the Board from left to right: Anna Nyarady Chair, Bruce Hryciuk Vice Chair, Janet E. Heino, Shawn McLaughlin, Doug Morneau, George Puil, Brian Romer, Allen Tozer, Eldon Unger, Judy Rogers.

Bennett, Minister of Community and Rural Development – acting as a representative of the Shareholder (the government of B.C.) and the Board Chair. The letter specifies a common understanding between the Shareholder and the Board of Directors on responsibilities, accountabilities, key governance issues, core services, public policy issues, strategic priorities and performance expectations for BC Assessment. Excerpts of the strategic priorities and performance expectations are presented in Table 2.

## Public Accountability and Reporting

Accountability to the Shareholder and the public is demonstrated through both the three-year service plan and the annual service plan report, which include critical components of the Shareholder's Letter of Expectations and identify our response to the provincial government's direction.

### FOR MORE INFORMATION ON

*Best Practice Guidelines: BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations:* [www.fin.gov.bc.ca/brdo/governance/index.asp](http://www.fin.gov.bc.ca/brdo/governance/index.asp)

BC Assessment's Board of Directors' and Executive Management Team's roles, responsibilities, membership and mandate:

[www.bcasessment.ca/about/board.asp](http://www.bcasessment.ca/about/board.asp)

[www.bcasessment.ca/about/executive.asp](http://www.bcasessment.ca/about/executive.asp)

[www.bcasessment.ca/pdf/about/Board\\_Governance.pdf](http://www.bcasessment.ca/pdf/about/Board_Governance.pdf)






2010 Shareholder's Letter of Expectations (complete version):

[www.bcasessment.ca/pdf/about/2010Shareholders\\_letter\\_of\\_expectations.pdf](http://www.bcasessment.ca/pdf/about/2010Shareholders_letter_of_expectations.pdf)



## Our Corporate Governance

**Table 2: Excerpts from 2010 Shareholder's Letter of Expectations and BC Assessment's Relevant Actions**

STRATEGIC THEME	SHAREHOLDER'S LETTER OF EXPECTATIONS – KEY GOVERNMENT DIRECTIONS	BC ASSESSMENT – KEY ACTIONS
 <b>1. People and Culture</b>	Continue to inspire a culture of engaged and skilled people committed to superior levels of customer service. This direction includes ensuring a supply of qualified employees, developing an engaged workforce with consistently high levels of performance and establishing a learning culture	"People and Culture" has been identified as our number one strategic priority in the 2010–2012 Service Plan, and as a result, BC Assessment has undertaken the development of a multi-year human resource strategy
 <b>2. Customers</b>	Continue to enhance the customer service focus of the property assessment system by undertaking initiatives to understand the specific requirements of stakeholders and measuring performance against BC Assessment's customer service commitments	BC Assessment will continue to implement its customer service strategy to define customer requirements, and undertake regular surveys to determine customer satisfaction with assessment services
 <b>3. Relationships</b>	Participate in the review of the recommendations of the Farm Assessment Review Panel, and assist in the analysis and implementation of any recommendations the government decides to adopt	BC Assessment will work to implement the government's decisions on the 2010 Assessment Roll resulting from recommendations from the Farm Assessment Review Panel
 <b>4. Products and Services</b>	Continue to work with the Ministry of Community and Rural Development to improve Property Assessment Review Panel (PARP) operations through business process improvements, incorporation of customer feedback and improved communications. Initiate a pilot project to develop an alternate delivery model for the PARP process	In conjunction with the Ministry, BC Assessment will undertake a survey in 2010 to assess the satisfaction of PARP participants with the appeal process. The survey results will be used in the development of options for improvement to the PARP process
 <b>5. Effectiveness</b>	<p>Conduct the corporation's business effectively and efficiently by improving the collection, maintenance and distribution of assessment information, and by operating in a financially prudent manner that maximizes existing revenue opportunities</p> <p>Comply with the Shareholder's requirements to make the public sector carbon neutral by 2010, including accurately defining, measuring, reporting on and verifying the greenhouse gas (GHG) emissions from the corporation's operations; implementing aggressive measures to reduce the GHG emissions and reporting on these reduction measures and reduction plans; and offsetting any remaining GHG emissions through investments in the Pacific Carbon Trust</p>	<p>"Effectiveness" has been identified as a strategic priority in the 2010–2012 Service Plan. Initiatives under way to address this include developing and maintaining new sources of geospatial and electronic property information to enable new and more efficient assessment practices; enhancing the management information system to enable timely and risk-based decisions; and maximizing existing revenue streams</p> <p>In 2010–2012, BC Assessment will continue to implement specific actions to reduce GHG emissions from BC Assessment's operations, and set reduction targets as part of its climate action plan</p>



## Strategic Context



The following section gives an overview of the external and internal strategic issues facing BC Assessment, and the strategies that it is using to respond to them.

### Market Conditions

#### GROWTH IN THE NUMBER AND VALUE OF PROPERTIES COMPRISING THE ASSESSMENT ROLL:

The rate of folio growth in 2009 slowed to 1.6%, a small decline in relation to the past few years. Annual increases in the number of new properties (folios) that require assessment services display a steady upward trend, and 29,660 new folios in 2009 added the equivalent of the City of Victoria or Prince George to the assessment roll (see Figure 3).

While market values declined in late 2008, they have since recovered in many areas of the province. After a short slowdown, the pace of growth in the value of properties has begun to rebound. For 2010, the assessment roll has a value of \$969 billion, an increase of approximately \$16 billion or 1.7% over the 2009 assessment roll (see Figure 4).

The assessment values reported to taxing authorities and property owners are based primarily on real estate values, and severe upward or downward changes in the provincial economy tend to be reflected in both the level of new construction and the real estate market. For example, the value of general non-market change (new construction/re-zoning) for the 2010 roll was \$14.11 billion, down significantly from \$19.91 billion for the 2009 roll (see Figure 5).

Figure 3: Number of Folios in the Assessment Roll – 1998 Roll to 2010 Roll

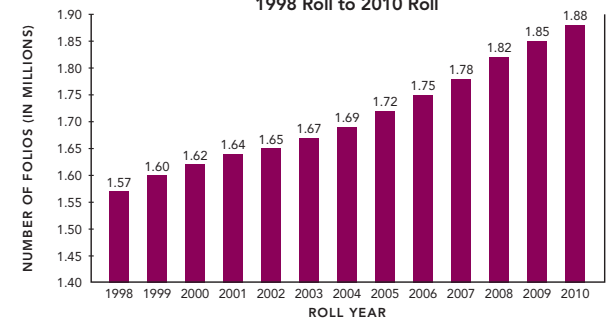
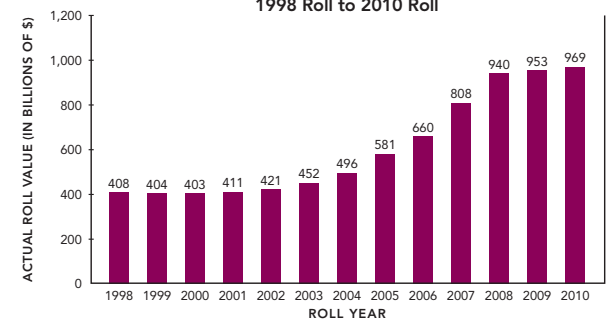


Figure 4: Value of the Assessment Roll – 1998 Roll to 2010 Roll



## Strategic Context

Figure 5: Value of New Construction/Non-Market Change, General Base, in Assessment Rolls – 2007 Roll to 2010 Roll

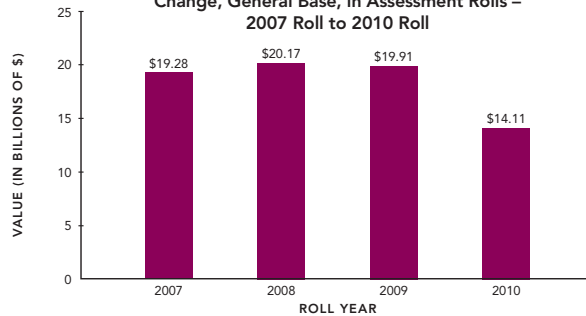
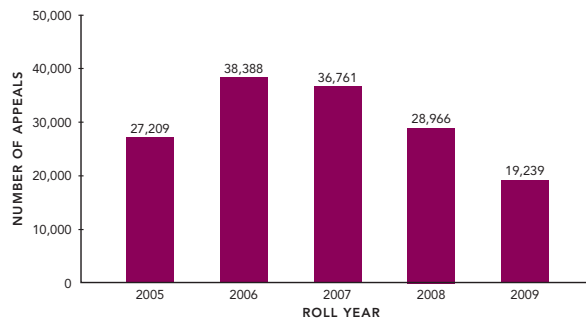


Figure 6: Appeal Rates – 2005 Roll to 2009 Roll



When property values change rapidly, as they have in the past few years, maintaining a stable and predictable tax base becomes more difficult. This creates a more uncertain environment for financial planning at the local government level.

### APPEAL RATES:

The real estate market fluctuations of the past few years may make it more difficult for customers to trust property assessments. While 2008 and 2009 were unusual years in an uncertain real estate market, appeals and challenges to the accuracy of assessments were down substantially, from 28,966 based on the 2008 roll, to 19,239 based on the 2009 roll. At just 1.04% of the 1.85 million properties assessed, the appeal rate in 2009 continued the downward trend over the past few years (see Figure 6), and dropped to one of the lowest levels seen in our 35-year history. The reduction in appeal rates since 2006 came as a result of significant efforts by BC Assessment to be more proactive in customer communications and to provide easier access to assessment information. In 2009, the appeal rates were further reduced by the stabilizing effect of Bill 45. As the market has stabilized somewhat since late 2008, we expect appeal rates to revert to 2008 levels, but still remain below the peak rates of 2006.

### Organizational Capacity

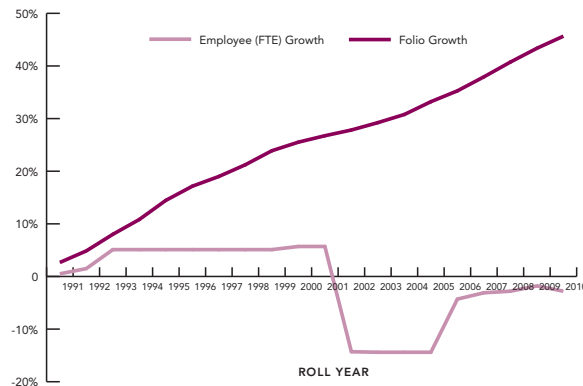
Portfolio growth in terms of the number and value of properties continues to increase workloads within BC Assessment (see Figure 7). At the same time, BC Assessment's revenues from new construction and data sales are constrained, and we are working within a broader government environment that requires fiscal restraint and enhanced efficiency. We are working to continuously improve our technology, tools and processes to meet our mandate for an assessment roll that is uniform and accurate.

BC Assessment has three specific priorities:

- Increased focus on technological advancements, to streamline business processes and practices and free up organizational capacity
- Further integration of business planning and risk management with budgeting, to strengthen the focus on corporate priorities
- Continued implementation of a multi-year project, to revise the manner in which the organization collects and manages residential inventory.

## Strategic Context

Figure 7: BC Assessment's Productivity



### Customer Expectations

BC Assessment's various customer groups have high expectations for products, services and assessment roll quality, necessitating a uniform and accurate assessment roll. Customers also increasingly want this information to be delivered quickly and be available at all times from any location.

A high standard of customer service is critical to our success. BC Assessment regularly surveys its customers groups in order to measure progress against its ambitious targets (see Table 4). Full 2009 customer survey results for our residential, non-residential, local government, First Nations and provincial government customers are posted at [www.bcassessment.ca/news/index.asp](http://www.bcassessment.ca/news/index.asp).

The results indicate that we have consistently high levels of customer satisfaction, and we are committed to maintaining our focus on customers' needs in order to meet our performance targets.

In 2010, BC Assessment will be undertaking three major initiatives to address customer needs:

- Continue to implement a unified corporate customer service strategy that aligns resources to better respond to the needs of our four key customer groups: local government, First Nations, and non-residential (market/non-market) and residential property owners.
- Create an optimal mix of delivery channels that allows customers to access our products and services through their preferred methods

of communication and information exchange (i.e., electronic interchange, web, email, phone, video and in-person services at the local office).

- Continue customer service training for BC Assessment staff.

### Technology

Technological change continues to impact BC Assessment, shaping both the expectations of our customers and the ways we deliver services. The number and scale of projects required to develop and maintain assessment technology are growing within the organization. While these new technologies will enable BC Assessment to realize efficiencies and improve services, they also pose financial, process and human resource challenges. In addition, varying degrees of technical capability across customer groups challenge our objective of minimizing customization in our products and services in order to increase uniformity and lower costs.

In response to the technological challenges, BC Assessment has implemented new planning, governance and project management processes, to ensure smooth transitions and successful adaptation of new technologies that support its strategic priorities.

#### ON CUSTOMER SURVEYS:

"This important research tells us how we are doing to measure up to our service principles. We use the feedback to enhance our products and services which support positive customer experiences for the future."

Connie Fair  
President and CEO

## Strategic Context

### Data Quality

Data quality is at the heart of BC Assessment's ability to create uniform assessments that can be relied on to provide a stable tax base across the province. Feedback from the Taxing Jurisdiction Advisory Committee and our customer surveys has indicated that customers place a high priority on high-quality data. Ensuring that BC Assessment meets customer expectations for data quality remains a challenge in the face of large increases in both the number of properties and the overall value of the assessment roll each year.

In response to these customer expectations, BC Assessment is continually improving its management control framework, which includes policy and business process reviews, quality assurance, data validation, risk management and internal auditing.

### Climate Change

Responding to climate change will profoundly affect how we conduct our business and how we meet the needs of our customers, stakeholders and Shareholder.

BC Assessment is in the final phase of a three-year climate action plan to support the provincial government requirement for all public sector organizations to be carbon neutral by 2010. Specific initiatives include relocation of some office premises to Leadership in Energy and Environmental

Design (LEED) standard facilities, and shifting corporate culture through staff implementation of office Green Teams.

### Finances

The funding model for BC Assessment, which relies almost exclusively on a small annual property tax levy on all properties in the province, challenges the organization to quickly respond to increasing costs and the growing number of properties and new developments. The current context of public sector fiscal restraint also challenges BC Assessment's ability to choose a sustainable investment spending path to meet all of its corporate priorities.

In response to the increasing demands on our resources, BC Assessment continues to encourage innovation to create efficiencies in its projects and processes, and is moving toward an enhanced risk-based corporate planning and resource allocation model.

### Our People

BC Assessment is facing a range of workforce issues:

- Significant turnover of 8% to 10% in the past few years has been far above the historical range of 2% to 3%.
- Almost 35% of employees have less than three years' experience in the organization.
- Large numbers of highly skilled appraisal staff are approaching retirement in the next few years.

- Unique training and leadership development programs that use a multi-year "apprenticeship" model to develop new appraisal staff are needed.
- As practices and processes evolve, a mixture of new job skills, especially in information technology, is required.
- BC Assessment needs to continue implementation of recruitment and retention strategies to prepare for a potentially volatile and competitive future labour market.

In 2010, BC Assessment is continuing the development of a multi-year human resource improvement strategy to achieve an engaged and skilled workforce that is committed to superior customer service.

"We have a lot to be proud of, both in what we do and also in the quality of the people that make up BC Assessment."

Anna Nyarady  
Chair, Board of Directors  
(Employee Recognition Event, October 2009)

# Strategic Risks and Opportunities



BC Assessment assesses risks and opportunities through its annual business planning process and is in the process of refining its enterprise risk management program to further enhance the capacity to identify and manage key factors that affect organizational performance. Risks and opportunities are summarized in Table 3, along with key strategic management actions.

**Table 3: Summary of Risks and Opportunities**

ISSUE	RISKS AND OPPORTUNITIES	BC ASSESSMENT – SUPPORTING GOALS AND STRATEGIC ACTIONS
<b>EXTERNAL ENVIRONMENT:</b> Instability in the real estate market and lack of comparison sales data for some properties	<p><b>RISK:</b> BC Assessment is facing a potential increase in assessment appeals and may have a limited ability to defend certain types of market-based property values</p> <p><b>OPPORTUNITY:</b> To capitalize on the growing awareness and understanding of the assessment process in the customer base and enhance the use of proactive communications to increase the level of customers' trust in assessment data</p>	<p><b>GOAL 2: Customers;</b>  <b>GOAL 3: Relationships</b></p> <p><b>ACTIONS:</b></p> <ul style="list-style-type: none"> <li>• Increase the amount of assessment information, including maps and photos, available electronically to property owners</li> <li>• Increase consultation with commercial property owner groups, to seek additional means of obtaining appropriate market information</li> </ul>
<b>OPERATIONS:</b> Highly specialized appraisal systems and processes	<p><b>RISK:</b> Highly specialized and specific appraisal systems and processes create a steeper learning curve for new employees and dependencies on a few experienced staff members who fully understand the programs, resulting in the potential for lost efficiencies</p> <p><b>OPPORTUNITY:</b> To increase BC Assessment's understanding of client group needs and thereby improve service delivery</p>	<p><b>GOAL 1: People and Culture;</b>  <b>GOAL 4: Products and Services</b></p> <p><b>ACTIONS:</b></p> <ul style="list-style-type: none"> <li>• Increase the availability of advanced training for the existing valuation system, and provide more comprehensive implementation training as an integral part of new system deployment</li> <li>• Continue to implement an initiative to focus and align its services with the needs of its key customer groups</li> </ul>

## Strategic Risks and Opportunities

**Table 3: Summary of Risks and Opportunities**

ISSUE	RISKS AND OPPORTUNITIES	BC ASSESSMENT – SUPPORTING GOALS AND STRATEGIC ACTIONS
<p><b>STRATEGIC ENVIRONMENT:</b> BC Assessment is implementing an ambitious program of business transformation within an environment where workload pressures are increasing</p>	<p><b>RISK:</b> Across BC Assessment, workload is a serious issue that needs to be managed through engagement, improved planning, workload distribution, prioritization and leveraging of IT applications so that staff disengagement, burnout and retention issues do not result</p> <p><b>OPPORTUNITY:</b> To enhance integration of strategic planning, capacity assessment and financial forecasts, while using effective communications to manage change and move BC Assessment forward</p>	<p><b>GOAL 1: People and Culture;</b> <b>GOAL 5: Effectiveness</b></p> <p><b>ACTIONS:</b></p> <ul style="list-style-type: none"> <li>• For all staff, provide clear direction and opportunities for input on future plans and priorities through the strategic planning process, Executive office visits and the ongoing BC Assessment Open Line staff engagement forum</li> <li>• Through the revised 2010–2014 Corporate Business Plan process, BC Assessment has already integrated the budget with resource allocation and operational priorities, to better balance capacity with workload and to set clear expectations for outcomes</li> <li>• Investigate and invest in new technologies that will improve productivity, to address demands on the organization’s limited capacity</li> </ul>
<p><b>PEOPLE:</b> Turnover, plus challenges in recruiting new staff, limited succession planning and high dependence on key individuals with specialized skill sets</p>	<p><b>RISK:</b> A lack of experienced staff in critical positions may leave BC Assessment vulnerable, which may result in reduced performance, longer decision-making cycles, and impacts on roll quality and service provision. In addition, retention of skilled staff in a wide range of professional and technical positions may present a challenge if the job market becomes more competitive</p> <p><b>OPPORTUNITY:</b> To develop high-performing teams that blend the large number of new staff with senior employees who have significant institutional knowledge, with the aim of creating innovative and cooperative business solutions in an increasingly complex operational environment</p>	<p><b>GOAL 1: People and Culture</b></p> <p><b>ACTIONS:</b></p> <ul style="list-style-type: none"> <li>• Continue working to meet the challenge of “growing our own” appraisal staff, and increasing the focus on people in its strategic and operational plans</li> <li>• Improve staff engagement by developing, at the corporate and local office levels, action plans that draw on the results from the 2009 Employee Engagement Survey. In combination with a continued emphasis on the corporate orientation and training program, this action is expected to increase BC Assessment’s ability to retain existing staff and recruit new staff as required</li> </ul>



## Strategic Risks and Opportunities

**Table 3: Summary of Risks and Opportunities**

ISSUE	RISKS AND OPPORTUNITIES	BC ASSESSMENT – SUPPORTING GOALS AND STRATEGIC ACTIONS
<b>TECHNOLOGY:</b> The pace of adoption of new technologies to meet growing customer expectations	<b>RISK:</b> The number and scale of projects initiated to develop and maintain assessment technology present risks to financial and human resources, as well as to employee engagement, if workload prioritization, project and change management best practices are not consistently applied  <b>OPPORTUNITY:</b> To create efficiencies and increase the ability to meet customer expectations by leveraging and expanding the use of communications and imaging data collection technology	<b>GOAL 1: People and Culture;</b> <b>GOAL 4: Products and Services;</b> <b>GOAL 5: Effectiveness</b>  <b>ACTIONS:</b> <ul style="list-style-type: none"> <li>• Implement an IM/IT governance process to engage staff on the appropriateness and priority of system enhancements</li> <li>• Develop additional project and change management processes, tools and templates, and make these new procedures mandatory for all projects across BC Assessment</li> </ul>
<b>FINANCE:</b> Revenues	<b>RISK:</b> Revenues may be negatively affected by constraints on the BC Assessment property tax levy and a reduction in revenue from new construction and data sales, resulting in financial challenges for BC Assessment and potential impacts to roll quality and service provision  <b>OPPORTUNITY:</b> To enable greater stability in project and resource planning by implementing a longer-term planning cycle aligned with BC Assessment's strategic vision and goals.	<b>GOAL 5: Effectiveness</b>  <b>ACTIONS:</b> <ul style="list-style-type: none"> <li>• Continue to enhance systems and processes to further improve the ability to operate in a financially prudent manner. Projects supporting this action include the new integrated corporate business plan, and a comprehensive budget/resource prioritization and allocation process</li> <li>• Initiate deployment of a new Finance and Human Resources system in 2010, for the purpose of achieving increased efficiencies, lowered costs and additional opportunities for performance management</li> <li>• In the next one to three years, maximize existing revenue sources to support financial sustainability</li> <li>• In the long term, explore alternate revenue streams that will support additional financial sustainability</li> </ul>

BC Assessment is working to enhance its enterprise risk management program, and invested additional resources in late 2009 to enable an increased focus on education, accountability and administration.

We will be refining our corporate risk register to more fully explain, rank, evaluate, and track significant risks and opportunities for the organization. The risk identification and tracking carried out in the corporate risk register will

feed directly into our internal strategic planning and business planning processes, explicitly linking actions and associated resources to areas of uncertainty and concern.



## Our Corporate Strategy

The success of BC Assessment depends on its people, as well as on its ability to provide high-quality service to customers and to collaborate with partners. We must carry out business in a manner that provides value while making the best use of resources and showing wise stewardship of public funds. As part of our strategic planning program, we analyze our strategic issues, risks and opportunities. We have translated this critical analysis into five corporate goals that set out an ambitious and balanced strategy for our people and culture, our customers, our relationships, the products and services that we provide, and our effectiveness, to ensure our continued success and meet our corporate vision.

The 2010–2012 Service Plan and the Shareholder's Letter of Expectations establish the performance expectations that serve as goal posts for BC Assessment. The service plan goals are supported by a range of strategies that guide day-to-day activities. For each of these goals, performance measures provide the

basis for measuring the tangible results that we are aiming for. Together, the goals, strategies, performance measures and targets described in this section represent our plan of action and clearly set out the conditions that will define our success..

### GOALS

Following a review of the main strategic issues and risks, BC Assessment established five key goals for 2010–2012:

- 1. PEOPLE AND CULTURE:** Inspire a culture of skilled and engaged people committed to superior levels of customer service.
- 2. CUSTOMERS:** Strengthen public trust and confidence by serving our customers with care and professionalism while anticipating their needs and expectations.
- 3. RELATIONSHIPS:** Engage and collaborate with our Shareholder, key stakeholders and partners to support assessment solutions.

**4. PRODUCTS AND SERVICES:** Provide timely, accurate and reliable products and services for our customers, key stakeholders and partners.

**5. EFFECTIVENESS:** Conduct our business effectively and efficiently.

The goals and performance measures presented in this Plan remain consistent with the 2009–2011 Service Plan Update, issued in August 2009. People and Culture continues to be the number one strategic goal for BC Assessment. We also are continuing with our targeted approach to liaising with customer groups, partners and key stakeholders, in order to be more proactive in meeting customer needs and developing assessment solutions with our Shareholder and stakeholders. A key corporate goal is the commitment to improve our organizational effectiveness to minimize the cost of assessment services to property owners, while adhering to sound environmental practices.

## Our Corporate Strategy

### Corporate Performance Measures

The corporate performance measures reported in the BC Assessment Service Plan and Annual Service Plan Report are supplemented by additional key performance measures that are tracked internally to monitor corporate performance. BC Assessment's measures and targets are consistent with the meaning and use described in the *Performance Reporting Principles for the British Columbia Public Sector* (BC Reporting Principles). These principles define a target as a forecast of a performance measure's value in a given year of a service plan. The targets are not, however, intended to limit continuous improvement. BC Assessment regularly refines these measures and targets through its audit and performance program.

### Target-Setting and Benchmarking

BC Assessment establishes performance targets that specify results to be achieved over a three-year period. These targets are reviewed annually and re-evaluated based on changing conditions, both within our organization and external to it, such as availability of skilled staff, financial stability and technological needs. The targets are intended to challenge the organization, and there is every expectation, even if a stretch, that they can be achieved. Strategies and management decisions throughout the year are intended to align resources and energies toward achieving critical targets.

Benchmarking, a key part of our performance management program, permits comparisons from other jurisdictions that give us confidence that the property assessment process in this province provides high-quality, uniform assessments and that we are a well-run Crown corporation. In support of our benchmarking objectives, we are a founding member of the Canadian Property Assessment Benchmarking Network, which was established to share assessment and other management information between assessment jurisdictions across the country. Results from some of our benchmarking activities are regularly included in the Annual Service Plan Report.

Table 4 summarizes the strategic performance measures and targets related to BC Assessment's five corporate goals. Background detail on the validity and reliability of the performance measures and targets is located in the Appendix. The 2010 Annual Service Plan Report, published in May 2011, will present the results of our progress against the 2010–2012 Service Plan.




#### FOR MORE INFORMATION ON

Service plans and annual service plan reports: [www.bccassessment.bc.ca/publications/reports/index.asp](http://www.bccassessment.bc.ca/publications/reports/index.asp)

*Performance Reporting Principles for the British Columbia Public Sector*: [www.llbc.leg.bc.ca/public/PubDocs/bcdocs/368657/Reporting\\_Principles\\_Nov2003.pdf](http://www.llbc.leg.bc.ca/public/PubDocs/bcdocs/368657/Reporting_Principles_Nov2003.pdf)



## Our Corporate Strategy

**Table 4: BC Assessment's Goals, Strategies, Performance Measures and Targets**

GOALS	STRATEGIES	PERFORMANCE MEASURES	2009 ACTUAL	2010 TARGET	2011 TARGET	2012 TARGET
 <b>1. PEOPLE AND CULTURE:</b> Inspire a culture of skilled and engaged people committed to superior levels of customer service	Retain, attract and develop a highly skilled workforce	PM.1: Level of employee engagement	62	65	68	69
 <b>2. CUSTOMERS:</b> Strengthen public trust and confidence by serving our customers with care and professionalism while anticipating their needs and expectations	Define, measure and improve service levels to our customers	PM.2: Percentage of customers satisfied or very satisfied with service: – Residential/ Non-residential	83.9%	≥84.5%	≥85.0%	≥85.0%
	Ensure BC Assessment employees take pride in delivering service excellence in our dealings with every customer	– Local government/ First Nations	95.8%	Biennial survey	≥95.0%	Biennial survey
 <b>3. RELATIONSHIPS:</b> Engage and collaborate with our Shareholder, key stakeholders and partners to support assessment solutions	Build on, improve and reinforce our relationship with our Shareholder by being proactive in sharing and exchanging information that will support provincial goals	PM.3: Percentage of customers satisfied or very satisfied with service: – Provincial government	99.4%	Biennial survey	≥95.0%	Biennial survey
	Enhance strong partnerships and alliances with our key stakeholders and partners that promote trust and mutual business benefits					

## Our Corporate Strategy

**Table 4: BC Assessment's Goals, Strategies, Performance Measures and Targets**

GOALS	STRATEGIES	PERFORMANCE MEASURES	2009 ACTUAL	2010 TARGET	2011 TARGET	2012 TARGET
 <b>4. PRODUCTS AND SERVICES:</b> Provide timely, accurate and reliable products and services for our customers, key stakeholders and partners	Ensure uniformity and quality in assessment rolls	PM.4: Percentage of assessments accepted without appeal	≥98.0% Target <sup>1</sup>	≥98.0%	≥98.0%	≥98.0%
	Provide convenient, innovative ways to access and exchange assessment information	PM.5: Assessment to Sales Ratio (ASR):				
		– Residential	96.9%	97-100%	97-100%	97-100%
		– Non-residential	95.5%	95-100%	95-100%	95-100%
		PM.6: Coefficient of Dispersion (COD)				
		– Urban	6.6%	<10.0%	<10.0%	<10.0%
		– Rural	8.4%	<15.0%	<15.0%	<15.0%
 <b>5. EFFECTIVENESS:</b> Conduct our business effectively and efficiently	Develop innovative methods to increase business performance in collecting, managing and distributing information	PM.7: Assessment roll stability	≤0.37 of 1% Target <sup>2</sup>	≤0.37 of 1%	≤0.37 of 1%	≤0.37 of 1%
	Operate in a financially prudent manner	PM.8: Average cost per property for assessment services	\$39.11 <sup>3</sup>	\$40.49	\$41.03	\$42.09
		PM.7: Greenhouse gas emissions	Not Applicable	TBD <sup>4</sup>	TBD	TBD

<sup>1</sup> 2010 Assessment Roll appeal rates will be available in April 2010 and will be reported on in the 2009 Annual Service Plan Report

<sup>2</sup> Actual results for the 2009 Roll Stability measure will be available in April 2010 and will be reported on in the 2009 Annual Service Plan Report

<sup>3</sup> 2009 cost per property is based on preliminary 2009 results as of January 12, 2010. The final value will be available in April 2010 and will be reported on in the 2009 Annual Service Plan Report

<sup>4</sup> The measure and target for greenhouse gas emissions are anticipated to be finalized in March 2010 and reported on in the 2009 Annual Service Plan Report

# Summary Financial Outlook

Table 5 provides a summary of 2008 financial results as reported in the 2008 Annual Report, the financial forecast for 2009, financial plans for 2010–2012 and related assumptions.

**Table 5: BC Assessment's Summary Financial Outlook**

(in \$000's)	2008 ACTUAL	2009 FORECAST	2010 PLAN	2011 PLAN	2012 PLAN
<b>REVENUE:</b>					
Tax levies	69,151	72,857	75,809	77,852	80,951
Other (note 1)	5,292	5,018	5,060	5,150	5,037
Investment	775	152	170	500	800
Gain on disposal of property, plant and equipment	26	108	-	-	-
	75,244	78,135	81,039	83,502	86,788
<b>EXPENDITURES (note 2):</b>					
Salaries and benefits	49,425	51,195	52,287	53,343	55,198
Professional and special services	6,410	7,541	6,736	7,460	7,566
Office premises	5,084	5,461	7,579	6,427	6,688
Office	4,663	5,356	5,831	6,494	6,795
Travel	1,510	1,265	1,357	1,378	1,393
Appeal costs (note 3)	2,890	2,535	2,750	2,900	2,987
Interest	80	20	39	90	132
Amortization	3,361	4,055	4,460	5,410	6,029
	73,423	77,428	81,039	83,502	86,788
Net Income	1,821	707	0	0	0

## Equity Balances, end of year

(in \$000's)	2008 ACTUAL	2009 FORECAST	2010 PLAN	2011 PLAN	2012 PLAN
Equity in property, plant and equipment	14,423	13,297	16,394	16,496	15,568
Equity from operations					
- appropriated (note 4)	5,950	10,000	6,000	7,000	8,000
- unappropriated	5,881	3,664	4,567	3,465	3,393
	26,254	26,961	26,961	26,961	26,961



## Summary Financial Outlook

### Capital Expenditures

(in \$000's)	2008 ACTUAL	2009 FORECAST	2010 PLAN	2011 PLAN	2012 PLAN
Information technology (operations and enhancements)	2,546	2,690	3,645	4,875	3,440
Other (tenant improvements, vehicles, furniture)	2,494	441	3,912	637	1,661
	5,040	3,131	7,557	5,512	5,101

### FORECAST ASSUMPTIONS

1. Other revenue includes revenue from contracts with First Nations, payments in lieu of taxes, data access services, and other miscellaneous items.
2. Expenditures include estimated inflationary increases and the funding of planned corporate initiatives.
3. BC Assessment is required by legislation to cover the operating costs of the Property Assessment Review Panel (PARP) and the Property Assessment Appeal Board (PAAB). PARP and PAAB are administered by the Ministry of Community and Rural Development and are independent of BC Assessment.
4. The Board of Directors of BC Assessment established that funding for significant non-recurring expenditures will be provided from accumulated equity from operations. In addition to amounts appropriated to fund significant non-recurring expenditures, since 2005, the Board has appropriated \$1 million each year for future assessment system replacement. Appropriated amounts have been classified as a component of equity.
5. BC Assessment does not have any long-term debt for the planning period. The organization borrows funds to finance operations and capital expenditures during the first half of each fiscal year and repays debt from the proceeds of taxes at the end of July. The Minister of Finance acts as the fiscal agent of BC Assessment.
6. The financial plan has been prepared in accordance with current Canadian Generally Accepted Accounting Principles (GAAP).

## APPENDIX: Performance Measures – Background and Context

Most of the appraisal information used in BC Assessment's performance measures is collected throughout the year by professional appraisal staff through a variety of methods (such as property inspections) and sources (municipalities, regional districts, real estate boards, the Land Title and Survey Authority of British Columbia and individual property owners). In some cases, the measures adopted are international standards. BC Assessment consistently conducts regular and extensive surveys with its various customer groups and relies on third-party, commercial survey companies that work to established professional standards.

To improve the comparability and quality of our performance measures, we undertake periodic reviews, and in 2010 we will be implementing a number of projects as part of our annual audit plan to improve the effectiveness of our internal management controls. BC Assessment aspires to incorporate the eight BC Reporting Principles endorsed by the Legislative Assembly's Select Standing Committee on Public Accounts that outline the characteristics of good performance reporting by public sector organizations. For more information on the BC Reporting Principles, see [www.llbc.leg.bc.ca/public/PubDocs/bcdocs/368657/Reporting\\_Principles\\_Nov2003.pdf](http://www.llbc.leg.bc.ca/public/PubDocs/bcdocs/368657/Reporting_Principles_Nov2003.pdf).

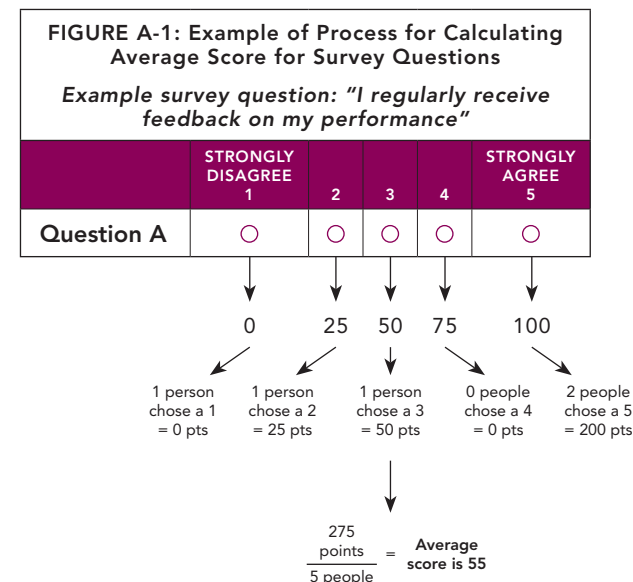
The information outlined below provides more detail on what the performance measures are, how they relate to the corporate goals, and why these measures and targets were selected. Progress on our measures will be publicized in the 2010 Annual Service Plan Report.

### GOAL 1. PEOPLE AND CULTURE

#### PERFORMANCE MEASURE 1: LEVEL OF EMPLOYEE ENGAGEMENT.

In all organizations, employee engagement is the foundation for a workplace that enhances satisfaction and commitment, and creates an environment where people want to come to work. Engaged employees contribute to higher levels of customer satisfaction, trust and confidence in what an organization does.

Employee engagement is measured through an annual Employee Engagement Survey that gauges employee perceptions on motivation, work capacity and capability, leadership, and alignment with the vision, mission and goals. The target is an average score (not a percentage) that expresses all responses to a series of survey questions. To calculate average scores, a two-step process is employed, as shown in the example in **Figure A-1**. First, the five-point scale is converted to points, and second, all of the points are added up and divided by the number of people in the group. This calculation gives the average score.



The survey is conducted by an independent organization, and only those results with a confidence level of 95% are reported.

The average scores from the Employee Engagement Survey allow comparisons within and between departments and organizations. As an example, in 2009 BC Assessment began using the same Employee Engagement Survey approach as the province, to permit benchmarking against the province's annual engagement score results.

## APPENDIX: Performance Measures – Background and Context

### GOAL 2. CUSTOMERS AND GOAL 3. RELATIONSHIPS

BC Assessment is a customer-driven organization. BC Assessment aims to meet its customer, stakeholder and Shareholder needs as fully as possible while operating within its given mandate and financial capacity.

#### PERFORMANCE MEASURES 2 AND 3: PERCENTAGE OF CUSTOMERS SATISFIED OR VERY SATISFIED WITH SERVICE – RESIDENTIAL/NON-RESIDENTIAL, LOCAL GOVERNMENT/FIRST NATIONS, AND PROVINCIAL GOVERNMENT.

We regularly review customer feedback to identify areas where we can improve. Targets are based on past performance, customer needs assessments and key improvement strategies to be undertaken. The surveys for our residential, non-residential, local government and First Nations customer groups measure progress on our strategic goal 2. The provincial government survey is focused on measuring our success on goal 3.

To ensure integrity in the survey process, BC Assessment initiated a Request for Proposal process in 2009 to select a professional market research consulting firm. Through this process, we verified the qualifications and experience of the selected firm, and we are confident that the services received are reliable. The survey results were found to be reasonable when compared to historical trends and current market movement.

Surveys have an inherent margin of error. The surveys conducted in 2009 had a margin of error ranging from 2.4% for the residential survey, to 7.6% for the provincial government survey:

- Residential: +/-2.4% with a 95% confidence level
- Non-residential: +/-3.2% with a 95% confidence level
- Local government: +/-3.3% with a 95% confidence level
- First Nations: +/-7.4% with a 95% confidence level
- Provincial government: +/-7.6% with a 95% confidence level.

In 2008, at the request of the local government, First Nations and provincial government customer groups, we implemented a biennial survey program to measure their satisfaction with our services. After 2009, our next survey of these customer groups will be in 2011. Residential and non-residential property groups continue to be surveyed annually.

A customer service composite index was developed to support these measures. The questions used for the composite scores address our customer service commitments that include reliability, accessibility, uniformity and respectfulness. The responses are drawn from customers who have had direct contact with BC Assessment in the past year, using a series of questions with a four-point scale where 1 is

strongly disagree and 4 is strongly agree. The results reflect a weighted average based on the number of respondents.

For two sets of customer groups, BC Assessment reports combined results: residential responses are combined with responses from non-residential property owners, and local government responses are combined with those from First Nations. For ease of presentation, survey results are blended into one number for each of the two groupings, but for the purpose of internal performance reporting, BC Assessment continues to track the performance measures separately for individual customer groups. The provincial government results are not blended with another group. The results of our 2009 customer surveys are posted at [www.bcassessment.ca/news/index.asp](http://www.bcassessment.ca/news/index.asp).

### GOAL 4. PRODUCTS AND SERVICES

Data quality and product and service innovation are at the heart of BC Assessment's ability to meet changing customer, stakeholder and partner needs and expectations.

#### PERFORMANCE MEASURE 4: PERCENTAGE OF ASSESSMENTS ACCEPTED WITHOUT APPEAL

BC Assessment interprets high acceptance of assessments by both residential and non-residential property owners as a validation of the quality, accuracy and uniformity of

## APPENDIX: Performance Measures – Background and Context

assessments. Property owners who do not agree with the estimate of their property's market value or exemption status, or who believe that their property was improperly classified, can challenge the assessment. The number of complaints (appeals) to the Property Assessment Review Panels gives a useful measure of public acceptance.

Staff receive formal complaints from property owners in January of each year and enter the information into the valueBC information system. Notices of Hearing are distributed and panel hearings are held in communities throughout the province. Following the hearings and prior to April 7 each year, BC Assessment is required to send Notices of Decision to property owners, indicating what the panel's decision was and whether the complaint was successful or unsuccessful. Data quality is maintained through internal controls including a review and audit of the complaint data and comparison with historical trends and current market movement to ensure the data's accuracy. While appeal rates have been declining since 2005, rates typically increase in periods of rapid change in market values. In this regard, Bill 45 (*Economic Incentive and Stabilization Statutes Amendment Act*, 2008) had a moderating effect for one year and must be considered as a factor that influenced the appeal rates in 2009. We expect that appeal rates will increase again for the 2010 Assessment Roll, reverting back to 2008 levels, but not to the peak levels seen in 2006.

Historically, formal complaints have been low, usually fewer than 2% of all property owners. The Ministry of Community and Rural Development is responsible for administering the independent PARP process between February 1 and March 15 each year. The actual 2009 results are not available until April 2010, and are thus not provided in the 2010–2012 Service Plan. Appeal rates for the 2010 roll will be included in the 2009 Annual Service Plan Report.

### **PERFORMANCE MEASURE 5: ASSESSMENT TO SALES RATIO (ASR) – RESIDENTIAL AND NON-RESIDENTIAL**

The ASR is a roll quality measure set by the International Association of Assessing Officers (IAAO). The ASR measures how closely assessments mirror a property's actual selling price. BC Assessment measures the ASR for properties according to internationally recognized standards. The ASR is calculated by dividing the actual value (as determined by BC Assessment) of a property that has sold by its selling price, and expressing the result as a percentage. For example, if a property is assessed with a value of \$243,000 and it sold for \$250,000, the ASR would be 97.2%. In short, the ASR measures how accurately BC Assessment appraises property at market value.

The IAAO has set a standard for a median ASR of 90% to 110% for an acceptable level of assessment achievement. BC Assessment's target of  $\geq 97\%$  for residential properties and  $\geq 95\%$  for non-residential properties exceeds this standard.

BC Assessment's statistics are based on all available single-family residential arm's-length sales for the two quarters surrounding BC Assessment's valuation date of July 1. In regions with significant market movement over the six-month period, the dispersion will be overstated. For non-residential sales, data are based on sales occurring throughout the year.

The actual 2009 results in the 2010–2012 Service Plan are based on the 2010 Completed Roll. The 2009 results included in the 2009 Annual Service Plan Report will be based on the 2010 Revised Roll and may differ slightly from the 2010 Completed Roll results.

### **PERFORMANCE MEASURE 6: COEFFICIENT OF DISPERSION (COD) – URBAN AND RURAL**

The COD measures the quality of assessments by calculating the dispersion, or spread, of all the ASRs around the median ASR. The COD is a measure of appraisal uniformity. A more accurate portfolio of assessments would be indicated by a lower COD percentage. BC Assessment also measures the COD for properties located in both urban and rural areas, according to internationally recognized standards.

## APPENDIX: Performance Measures – Background and Context

The COD standard set by the IAAO for single-family residential properties is under 15% for homogeneous (urban) regions and under 20% for heterogeneous (rural) regions. BC Assessment has set targets of <10% and <15%, respectively.

To calculate the COD, add together the differences between each ASR in the group and the median ASR. The average difference is the sum of these numbers divided by the median and expressed as a percentage. An example calculation is presented in **Table A-1**.

Table A-1: Example Calculation of Coefficient of Dispersion	
Using 97.5% as the median	
ASSESSMENT TO SALES RATIO (ASR)	DEVIATION FROM MEDIAN
95.5%	2.0
96.7%	0.8
97.5%	0.0
98.7%	1.2
99.2%	1.7
Total Deviation	5.7
Average Deviation	1.14
COD	=1.14/97.5 or 1.17%

The actual 2009 results in the 2010–2012 Service Plan are based on the 2010 Completed Roll. The 2009 results included in the 2009 Annual Service Plan Report will be based on the 2010 Revised Roll and may differ slightly from the 2010 Completed Roll results.

### GOAL 5. EFFECTIVENESS

BC Assessment is committed to improving effectiveness while adhering to sound environmental practices. Increases in the average cost per property are not to increase at a rate greater than inflation. Continued investment in new technologies and systems will enable BC Assessment to contribute to a stable tax base and provide innovative assessment solutions to customers, while continuing to limit increases in the costs associated with property assessment services.

#### PERFORMANCE MEASURE 7: ASSESSMENT ROLL STABILITY

In any given year, property status can change, and new properties may be created while others are deleted. BC Assessment annually measures the stability of the assessment roll by analyzing the number of additions or deletions made to the roll. Roll stability is a critical issue for local governments, which rely almost exclusively on property taxes to fund service provision to their taxpayers. The objective of this measure is to minimize tax losses to the taxing jurisdictions by creating a stable, dependable assessment roll. This performance measure is accepted by BC Assessment and

throughout the taxing jurisdictions as a good measure of the stability of the assessment roll.

This performance measure examines taxes refunded as a result of a supplementary roll, which are changes to the roll after the annual assessment roll is officially closed. Supplementary changes can be due to mistakes in information or property values that have changed after a property was appealed to a PARP or the PAAB. Although value changes to the roll can be negative or positive, only the refunds are considered in this measure, because refunds reduce the amount of money that municipalities have available to them.

The measure considers 19 months of information for one year in arrears. For example, the 2009 value measures the 2008 roll stability by examining taxes refunded owing to supplementary rolls issued between May 1, 2008 and December 31, 2009. The results for the 2009 measure year will be reported in the 2009 Annual Service Plan Report.

#### PERFORMANCE MEASURE 8: AVERAGE COST PER PROPERTY FOR ASSESSMENT SERVICES

This performance measure reflects BC Assessment's commitment to keeping costs for assessment services to the taxpayer as low as possible while still meeting increased service demands in a progressively more complex assessment environment.

## APPENDIX: Performance Measures – Background and Context

The targets for 2010 to 2012 have been set using the service plan forecasts that take into consideration projected new construction and development, and assumptions regarding changes in revenues and expenditures. The targets reflect a commitment by the Board of Directors to not increase the cost per property by more than the rate of inflation each year, reinforcing BC Assessment's commitment to increasing its internal efficiencies.

The cost per property for assessment services funded from tax levies has been calculated by taking total expenditures for the year less revenues that are not categorized as "tax levies," "payments in lieu of taxes" and "First Nations revenue," divided by the number of properties for the revised roll produced for the following year. BC Assessment maintains appropriate internal controls and will continue reporting regularly to the Audit and Finance Committee and Board of Directors and quarterly to the Office of the Comptroller General. BC Assessment is subject to an annual external audit of its financial statements, currently performed by the Office of the Auditor General.

The reliability of this measure is founded on the records provided by the Land Title and Survey Authority of British Columbia ([www.ltsa.ca](http://www.ltsa.ca)). The results compare the market value transactions as registered against the actual inspection information as determined by BC Assessment's professional appraisers. The results for 2009, as reported in the

2010–2012 Service Plan, will be "preliminary actuals." The final 2009 results will be reported in the 2009 Annual Service Plan Report.

### **PERFORMANCE MEASURE 9: GREENHOUSE GAS EMISSIONS**

The Province of British Columbia has committed to taking action on climate change by promoting practices that reduce greenhouse gas emissions. In partnership with the Province, BC Assessment will be developing a performance measure to monitor progress in reducing the carbon footprint of its operations.

Our greenhouse gas emissions measure and target will be finalized in 2010 and reported on in the 2009 Annual Service Plan Report.





*BC Assessment*  
*We Value BC*

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