

BC Assessment

2017 – 2019 SERVICE PLAN

February 2017



For more information on BC Assessment contact:

400 – 3450 Uptown Boulevard

Victoria, B.C., V8Z 0B9

1-866-valueBC (1-866-825-8322)

or visit our website at

www.bcassessment.ca

Accountability Statement

The *2017–2019 BC Assessment Service Plan* was prepared under the Board’s direction in accordance with the *Budget Transparency and Accountability Act* and the B.C. Reporting Principles. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what is contained in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of January 24, 2017 have been considered in preparing the plan. The performance measures presented are consistent with the Taxpayer Accountability Principles, BC Assessment’s mandate and goals, and focus on aspects critical to the organization’s performance. The targets in this plan have been determined in consideration of BC Assessment’s operating environment, forecast conditions, risk assessment and past performance.



Judy Rogers
Board Chair

Table of Contents

Accountability Statement	3
Strategic Direction and Context	5
Performance Plan	6
Financial Plan	15
Resource Summary Table.....	15
Significant IT Projects	17
Appendices	18
Appendix A: Hyperlinks to Additional Information	18

Strategic Direction and Context

Strategic Direction

The *Assessment Act* provides BC Assessment with the mandate to provide real property assessments that are uniform in the whole of British Columbia. We produce an annual Assessment Roll for two million properties in the province that provides fair, equitable, independent and trusted property assessments. BC Assessment plays a vital role in British Columbia's property tax system that provides about \$7.2 billion annually to support communities and a strong economy.

We continue to move forward as a customer-centric organization that creates value for our customers by enhancing our assessment-related products and property information services. The establishment of a division focused on supporting our customers helps us to gain an in-depth understanding of their needs, and to respond with high-impact and cost-effective products and services. Replacement of our aging core property assessment and support systems will allow us to develop and implement digital capabilities for customer interactions, property data access and information exchange. Our commitment to data quality continues to drive investments in data management processes and systems to maximize the value of our property data for all British Columbians.

The *2017–2019 Service Plan* aligns with the [Taxpayer Accountability Principles](#), and BC Assessment will execute the direction shown in the 2017 [Mandate Letter](#), including: completion of the nextGen valueBC project; maintaining the average 2017 tax levy on existing taxpayers at levels equivalent to 2016; identifying and developing solutions for emerging assessment issues; and, continuing the multi-year Property Data Accuracy Program.

Operating Environment

The significant market movement in real estate has dominated headlines. We have responded by creating a Market Activity Response Team and by investing additional resources in our core Assessment Division to ensure quality assessment rolls now and into the future. While our current systems have proven to be reliable, we recognize the need to upgrade our core assessment technology to improve data quality, and expand the use and access to our property data. These requirements, combined with the additional workload created by market activity and the addition of approximately 20,000 new properties annually to the assessment roll, will continue to exert pressure on the financial capacity of BC Assessment.

BC Assessment monitors and proactively manages significant business risks, including: improving and sustaining property data accuracy; addressing cyber security threats; keeping pace with rapid changes in technology; managing organizational change; and, predicting assessment appeal levels and associated operational pressures and costs. Significant opportunities to help us achieve our Performance Plan stated goals include: leveraging our property data to provide valuable property information products and services; optimizing technology and business processes to enhance productivity; investing in the skills and engagement of our employees; and, exploring relationships for information exchange and cost sharing, consistent with the Province's open data policy.

Performance Plan

Goals, Strategies, Performance Measures and Targets

For the *2017–2019 Service Plan*, we refined our goals, strategies and performance measures to ensure that we provide optimum support for government’s goal for a strong economy and alignment with the Taxpayer Accountability Principles. These changes reflect our commitment to improving how we perform our work and manage our customer-facing activities.

Our refined strategies create the conditions in which we will continue to realize BC Assessment’s mission of creating uniform assessments and trusted property information to support economic and social prosperity in B.C.

Goal 1: Our work delivers an accurate assessment roll with current property information in a financially responsible manner

BC Assessment is committed to improving operational effectiveness while delivering a high quality Assessment Roll. Continued investment in new technologies and improved processes will enable BC Assessment to contribute to a stable tax base and provide assessment solutions to customers while limiting increases in the costs associated with delivering property assessment services.

As an assessment organization, accurate information about properties is critical to the delivery of fair and uniform assessments. We therefore invest heavily in property data accuracy programs, in which we use innovative methods to collect and verify data at unprecedented levels as the number of properties in British Columbia continues to grow. The replacement of our core mass appraisal system will allow us to take advantage of significant advancements in digital technologies and to improve both our assessment and business practices.

Strategies

- Invest in assessment quality management initiatives that increase the accuracy and advance the fairness of our annual assessment roll.
- Design and implement a new, flexible core business system that optimizes the delivery of assessment and other property information services.
- Invest in data management governance, processes and systems to optimize data accuracy and enable the integrated use of property, financial and operational data.
- Implement a continuous business process and system improvement discipline throughout the company to achieve operational productivity gains.

Performance Measure 1: Assessment to Sales Ratio

Performance Measure	2015 Actual	2016 Actual	2017 Target	2018 Target	2019 Target
Assessment to sales ratio					
- Residential	98.1%	98.2%	97–100%	97–100%	97–100%
- Non-residential	96.1%	96.3%	95–100%	95–100%	95–100%

Data Source: Internal property information database.

Discussion

The Assessment to Sales Ratio (ASR) is a common roll quality measure used 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 assessed 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 percent. 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 90-110 percent for an acceptable level of assessment achievement. BC Assessment's targets of 97-100 percent for residential properties and 95-100 percent for non-residential properties are far more challenging targets than the international standards.

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. For non-residential sales, data are based on sales occurring throughout the year. The actual 2016 (2017 Assessment Roll) ASR results in the *2017–2019 Service Plan* are based on the 2017 Completed Roll. The 2016 results that will be included in the *2016 Annual Service Plan Report* will be based on the 2017 Revised Roll, and may differ slightly from the 2017 Completed Roll results.

Performance Measure 2: Coefficient of Dispersion

Performance Measure	2015 Actual	2016 Actual	2017 Target	2018 Target	2019 Target
Coefficient of dispersion					
- Urban	6.3%	7.2%	5.0–10.0%	5.0–10.0%	5.0–10.0%
- Rural	8.4%	9.0%	5.0–15.0%	5.0–15.0%	5.0–15.0%

Data Source: Internal property information database.

Discussion

The Coefficient of Dispersion (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.

BC Assessment has set targets for the COD based on IAAO standards for single-family residential properties of 5-10 percent for homogeneous (urban) regions and 5-15 percent for heterogeneous (rural) regions. The COD is calculated by adding 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 the table at right.

Example Calculation of Coefficient of Dispersion (Using 97.5% as the Median)	
Assessment to Sales Ratio (ASR)	Deviation from Median
86.60%	10.90%
92.70%	4.80%
97.50%	0.00%
102.30%	4.80%
104.90%	7.40%
Total Deviation	27.90%
Average Deviation	5.58%
Coefficient of Dispersion = (5.58% ÷ 97.5%)*100% = 5.72%	

The actual 2016 (2017 Assessment Roll) COD results in the 2017–2019 Service Plan are based on the 2017 Completed Roll. The 2016 results that will be included in the 2016 Annual Service Plan Report will be based on the 2017 Revised Roll, and may differ slightly from the 2017 Completed Roll results.

Performance Measure 3: Assessment Roll Stability – Change in Taxes Collected

Performance Measure	2015 Actual	2016 Actual	2017 Target	2018 Target	2019 Target
Assessment roll stability – change in taxes collected	0.10%	0.06%	≤ 0.22%	≤ 0.22%	≤ 0.22%

Data Source: Internal property information database.

Discussion

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 after creation of the “revised roll”. Roll stability is a critical issue for local governments, which rely almost exclusively on property taxes to fund services to their residents. The objective of this measure is to track changes in taxes collected by the taxing jurisdictions, indicating 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.

Following the [Property Assessment Review Panel](#) revisions to the completed roll, the annual assessment roll may also be subject to supplementary changes as a result of data errors or adjustments made after an appeal is made to the [Property Assessment Appeal Board](#). This performance measure estimates the change in the amount of taxes collected or refunded by taxing jurisdictions based on the change in general taxable value for a period of 19 months after the Revised Roll. For example, the 2016 value measures the 2015 roll stability by estimating the changes in taxes collected as a result of supplementary rolls issued between May 1, 2015 and December 31, 2016. The 2016 value will be reported in the 2016 Annual Service Plan Report, which will be published in May 2017.

Performance Measure 4: Average Net Cost per Property for Assessment Services

Performance Measure	2015 Actual	2016 Forecast	2017 Target	2018 Target	2019 Target
Average net cost per property for assessment services	\$43.20	\$43.03	\$43.87	\$44.29	\$46.57

Data Source: Internal property information database.

Discussion

BC Assessment’s primary source of revenue is a tax levy collected from each taxable property. This tax levy is a component of the property taxes paid by property owners to the taxing jurisdictions, which in turn, remit the tax levy collected to BC Assessment. This performance measure reflects BC Assessment’s commitment to keeping costs to the taxpayer as low as possible while still meeting increased service demands in a progressively more complex assessment environment.

Cost per property target adjustments are made each year as new information becomes available and our forecasts are refined. The targets for 2017 to 2019 have been calculated using service plan forecasts that take into consideration projected new construction and development, and key assumptions regarding changes in revenues and expenditures. In 2019, our replacement core mass appraisal system will go live, at which time amortization charges will be added to our operating expenditures. In addition, there will be an overlap of software maintenance costs to support the new system and the existing legacy system. Both of these factors are expected to cause an increase in the cost per property figure for 2019.

The cost per property for assessment services funded from the levy has been calculated by:

$$\frac{\text{Total expenditures less Non-tax levy revenue}}{\text{Number of taxable properties}} = \text{Average net cost per property}$$

BC Assessment maintains appropriate internal controls and will continue reporting regularly to the Board of Directors and to the Office of the Comptroller General.

Goal 2: Our people are skilled and knowledgeable professionals invested in making our vision reality

Research suggests that successful 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 also contribute to higher levels of customer satisfaction, trust and confidence in what an organization does. BC Assessment strives to provide a workplace of choice for its employees, and leverages innovation and technology with investment in employee development to create a supportive, diverse and flexible work environment where people can find a rewarding career.

Strategies

- Build and promote a great place to work and grow a career, with flexible work options.
- Enable a culture where everyone owns our values and is committed to our strategic direction.
- Invest in the professional development of highly skilled people.

Performance Measure 5: Level of Employee Engagement

Performance Measure	2015 Actual	2016 Actual	2017 Target	2018 Target	2019 Target
Level of employee engagement	64	Biennial survey	66	Biennial survey	68

Data Source: BC Assessment has a contract with BC Stats, part of the Ministry of Technology, Innovation and Citizens' Services, to act as an independent third party to conduct our employee engagement survey.

Discussion

Employee engagement is measured through a biennial employee engagement survey that gauges employee perceptions on motivation, work capacity and capability, leadership, and alignment with the organization's vision, mission and goals. The target is an average score (not a percentage) that expresses all responses to a series of survey questions.

The survey is conducted by an independent organization, and only those results with a confidence level of at least 95 percent are reported. The average scores from the employee engagement survey allow comparisons within and between departments and organizations. In 2009, BC Assessment began using the same employee engagement survey approach as the provincial government, to permit benchmarking against the government's annual engagement score results.

In spring 2012, BC Assessment's management implemented a biennial survey schedule for the engagement survey to allow sufficient time to analyze previous results and effect improvements. It was acknowledged at the same time that a static long-term target cannot account for the future state of the many, complex engagement drivers; thus, targets have been set at "previous result + 2" to reflect both the previous result and the desired level of continuous improvement to the score.

For the 2015 Employee Engagement Survey, a number of changes were made to reduce the length of the survey and align questions with our newly created value statements, while retaining comparability for the primary engagement drivers of organization commitment and job satisfaction. We continue to implement the findings from the 2015 survey, supplementing it with targeted engagement feedback conversations in all offices, while beginning preparation for the 2017 survey.

Goal 3: Our customers trust us and see us as essential to satisfying their property information needs

BC Assessment is a customer-centric organization that aims to meet the diverse needs and expectations of our customers while operating within our assessment mandate and financial capacity. This requires an understanding of our various customer groups and continuous improvement of our

supporting processes, products and services. We strive to improve access to and exchange of property information to support our assessment business and provide greater value to our customers.

Strategies

- Enhance our customers’ understanding of who we are, what our business does, and how we can provide value to them.
- Create insights into all of our customer segments, and provide them with relevant assessment products and services.
- Develop and implement digital capabilities to interact with customers and exchange property data and information.

Performance Measure 6: Customer Satisfaction Index – Employee Interaction

Performance Measure	2015 Actual	2016 Forecast	2017 Target	2018 Target	2019 Target
Property Owners	82	Not applicable*	≥ 86	≥ 86	≥ 86
Taxing Authorities	Biennial survey	≥ 86	Biennial survey	≥ 86	Biennial survey

Data Source: BC Assessment has a contract with a market research firm to act as an independent third party to conduct our customer satisfaction surveys. The index figure is relative to 100.

Footnote: * BC Assessment is changing the report date for property owner survey results to better align with our business cycle and improve our performance information. We conduct customer surveys for property owners in the first quarter each year, when the greatest proportion of interactions occurs, with results reported against the previous year's target (e.g. the first quarter 2016 survey was reported as the calendar 2015 result). This report timing does not allow us to extend the data collection timeframe for improved response rate and properly review the findings prior to reporting and discussion. Thus, we are changing the timing of our reporting so that the survey outcomes will be reported for the current year. This means that the results of the first quarter 2017 survey will be reported against the 2017 target rather than a 2016 target, but there is no interruption to our customer survey process.

Discussion

BC Assessment regularly reviews customer feedback to identify areas where we can enhance the customer experience. Our approach uses e-mail surveying with questions designed to evaluate customer interactions with BC Assessment. The results are analyzed to determine what specific service attributes are important to our customers, with a relative weight analysis used to create the index for Customer Satisfaction – Employee Interaction. The index number itself is relative to 100 with excellent performance represented by results in the range of 86 to 100. BC Assessment has set performance targets in this excellence range.

In prior years, Provincial Government customer survey responses were included in calculating the results for taxing authorities. In preparation for the 2017 survey, we acknowledged that we have a relationship with our Provincial Government customers that is unique and different from that with local governments and First Nations. We learned that the current customer survey is not an effective tool to gather feedback from Provincial Government customers, so we will not survey this customer group in 2017. We will instead develop new strategies to determine the best mechanism to obtain their feedback.

The result for property owners represents the combined results for all property owners; this includes residential, commercial, and major industry. Property owners are surveyed annually while taxing authorities are on a biennial survey program at their request.

Performance Measure 7: Percentage of Assessments Accepted without Appeal

Performance Measure	2015 Actual	2016 Forecast	2017 Target	2018 Target	2019 Target
Percentage of assessments accepted without appeal	98.8%	≥ 98.0%	≥ 98.0%	≥ 98.0%	≥ 98.0%

Data Source: Internal property information database.

Discussion

BC Assessment interprets high acceptance of assessments by residential, commercial and major industry customer groups as a validation of the quality, accuracy and uniformity of 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 Ministry of Community, Sport and Cultural Development is responsible for administering the independent [Property Assessment Review Panel](#) (PARP) process between February 1 and March 15 each year. The number of complaints (appeals) to PARPs gives a useful measure of public acceptance of the assessments.

Property owners are encouraged to contact BC Assessment following the receipt of their assessment notices in January of each year if they have concerns or questions. For unresolved issues, customers can register a complaint with BC Assessment by January 31 and request a formal hearing by an independent review panel. A Notice of Hearing is then issued and a meeting with the PARP scheduled for the property owner. Following the hearing, and prior to April 7 each year, BC Assessment is required to send a Notice of Decision to the property owner, 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. As data quality and accessibility have improved, the number of formal complaints has been low and usually filed by fewer than two percent of all property owners.

The actual 2016 results (for the 2017 Assessment Roll) for this performance measure will be available in April 2017, and thus are not provided in this service plan. Appeal rates for the 2017 Assessment Roll will be included in the *2016 Annual Service Plan Report*, to be published in May 2017.

Goal 4: Our products and services optimize the value we create for our customers

BC Assessment is working to optimize the value we provide to British Columbians by sharing our extensive property information. This requires continued investment in the accuracy of our property data. For many years, public and private sector organizations have shown interest in accessing and acquiring this data. More than ever before, accurate and comprehensive property data is proving useful in supporting economic development in our province. BC Assessment is supporting the expanded use of our property data by enhancing access channels, product options and service delivery, and by encouraging other organizations to use the data for their own purposes. BC Assessment is working to define value-added products for customer clarity. While most data is

provided free-of-charge, there are also limited circumstances in which commercial users pay for data. The revenue from data licensing is reinvested in our assessment business and helps to keep the burden on property taxpayers as low as possible.

Strategies

- Define a portfolio of high-impact and cost-effective property information products and services.
- Build organizational capability and capacity to enhance our products and services.
- Safeguard non-tax levy revenue sources and increase access to our data.

Performance Measure 8: Customer Satisfaction Index – Products and Services

Performance Measure	2015 Actual	2016 Forecast	2017 Target	2018 Target	2019 Target
Property Owners	66	Not applicable*	≥ 73	≥ 73	≥ 73
Taxing Authorities	Biennial survey	≥ 73	Biennial survey	≥ 73	Biennial survey

Data Source: BC Assessment has a contract with a market research firm to act as an independent third party to conduct our customer satisfaction surveys. The index figure is relative to 100.

Footnote: * BC Assessment is changing the report date for property owner survey results to better align with our business cycle and improve our performance information. We conduct customer surveys for property owners in the first quarter each year, when the greatest proportion of interactions occurs, with results reported against the previous year’s target (e.g. the first quarter 2016 survey was reported as the calendar 2015 result). This report timing does not allow us to extend the data collection timeframe for improved response rate and properly review the findings prior to reporting and discussion. Thus, we are changing the timing of our reporting so that the survey outcomes will be reported for the current year. This means that the results of the first quarter 2017 survey will be reported against the 2017 target rather than a 2016 target, but there is no interruption to our customer survey process.

Discussion

Customer satisfaction with our products and services is measured using the same survey methodology as that used to evaluate customer satisfaction with employee interaction (Performance Measure 6).

Survey results are analyzed to determine what specific product and service attributes are important to our customers, with a relative weight analysis used to create the index for Customer Satisfaction – Products and Services. The index number itself is relative to 100. BC Assessment has set performance targets to provide above average customer satisfaction with our products and services.

The result for property owners represents the combined results for all property owners; including residential, commercial and major industry. Property owners are surveyed annually while taxing authorities are on a biennial survey program at their request.

Taxpayer Accountability Principles

All our work directly supports the Taxpayer Accountability Principles. Examples of how we support each principle are described in the table below.

Principle	BC Assessment Implementation
Cost consciousness (efficiency)	<ul style="list-style-type: none"> • Improve efficiency by implementing leading practices across assessment operations and enabling functions, striving for continuous improvement and streamlining business processes. • Partner with taxing authorities and government agencies for cost sharing on improved processes to collect new property data, adding non-market change (new construction) to the Assessment Roll and resulting in additional tax revenue. • Examine and improve planning and governance frameworks for resource management.
Accountability	<ul style="list-style-type: none"> • Align with government's strategic agenda by incorporating the 2017 Mandate Letter from our Minister into our 2017–2019 Service Plan. • Regular reporting to government and to the public on our financial results and performance against our goals and targets. • Increase the amount of property data and assessment related information available to the public online, to demonstrate transparency for taxpayers and our customers.
Appropriate compensation	<ul style="list-style-type: none"> • Our compensation oversight rests with the Public Sector Employers' Council (PSEC) and the PSEC Secretariat approves all compensation plans. Our compensation philosophy is to provide fair compensation and to target the total compensation package at the 50th percentile of the defined comparator markets. • The Board of Directors complies with the <i>Public Sector Employers Act</i> by disclosing the annual total compensation for the Chief Executive Officer and the top four highest paid executives.
Service	<ul style="list-style-type: none"> • Our focus on customer centricity puts the needs and expectations of our customers first, defining and evolving our strategies for all customer groups to ensure that our processes, products and services improve service delivery.
Respect	<ul style="list-style-type: none"> • Demonstrate through our people practices, such as the Employee Engagement Survey, 360° leadership feedback reviews for managers and supervisors, leadership training and personal performance and development planning. • Form partnerships with local governments and other stakeholders to proactively collaborate in a manner that respects the use of taxpayers' monies. • Implement our comprehensive Stakeholder Engagement and Communications Strategy to support and enhance relationships with key stakeholder groups.
Integrity	<ul style="list-style-type: none"> • Integrity is a key element of the organization's Principles of Conduct (within Standards of Conduct Policy). • Our Standards of Conduct policy is regularly updated and communicated to all employees and managers, as well as to the public.

Financial Plan

Summary Financial Outlook

(\$ thousands)	2015 Actual	2016 Forecast	2017 Budget	2018 Budget	2019 Budget
Total Revenue (\$000)					
Tax levies	85,500	87,462	89,572	92,547	95,574
Other	5,957	5,929	6,359	6,297	5,708
Total	91,457	93,391	95,931	98,844	101,282
Total Expenses (\$000)					
Employee expenses	60,057	62,363	63,578	64,456	66,871
Other operating expenditures	27,161	25,380	27,026	27,647	28,466
Amortization	3,357	3,448	3,539	3,704	5,509
Total Operating Expenditures	90,575	91,191	94,143	95,807	100,846
Net Income	882	2,200	1,788	3,037	436
Total Liabilities	15,336	17,426	15,239	14,525	13,905
Accumulated Surplus	34,993	37,193	38,965	42,002	42,439
Capital Investment (\$000)					
Information technology	1,582	6,717	12,471	13,143	9,254
Other (tenant improvements, vehicles, furniture)	504	1,509	1,652	1,154	280
Total Capital Investment	2,086	8,226	14,123	14,297	9,534

Key Forecast Assumptions

BC Assessment's financial planning process takes a long-term view of the nature and level of operating and capital expenditures, cash flows, equity balances, and tax levy revenue requirements to ensure finances are managed to meet expenditure commitments, address increasing demands caused by growth and improvements in products and services, manage potential risks, and execute the Provincial and Board of Directors strategic business objectives.

Key forecast assumptions include: replacement of the core assessment system will be completed within budget as approved by Treasury Board; annual increase in revenue from growth; expenditures will be in line with projections; and, budgeted surpluses will be transferred to the capital equity reserve to fund technology improvements, as approved by Treasury Board.

Management Perspective on Future Financial Outlook

BC Assessment is funded primarily through property tax levies administered by the taxing authorities – budgeted to be approximately \$89.6 million in 2017. In addition, BC Assessment receives revenue from a number of other sources, including contracts with First Nations, payments in lieu of taxes and data access services.

The organization collects its revenues from taxing authorities in July of each year. BC Assessment borrows funds from the provincial government to finance operations and capital expenditures during the first half of the year and repays its debt in full by August of each year. The Minister of Finance acts as the fiscal agent of BC Assessment.

The Board of Directors approves the annual operating and capital budget. The Board also approves the annual property tax levy rates following the provincial Cabinet's review and agreement.

BC Assessment manages the increasing financial pressures resulting from folio growth, continuous improvement of customer service levels and the fiscal environment by encouraging and leveraging technology, investing in innovation to improve workforce productivity, and by using risk-based operating and resource allocation methodologies.

Significant IT Projects

Significant IT Project (over \$20 million)	Targeted Completion Date (Year)	Project Cost to Dec 31, 2016	Estimated Cost to Complete	Approved Total Capital Costs of Project ¹ (\$ millions)
<p>nextGen valueBC: Implement a replacement solution for BC Assessment’s aging core assessment business system.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Replace the existing system prior to the loss of vendor support in 2020. • Reduce the overall labour necessary to produce the assessment roll through automation. • Implement a modern application that can be integrated with other existing and planned systems, and that can be extended to introduce new functionality as needed. <p>Benefits:</p> <ul style="list-style-type: none"> • Will allow obsolete legacy systems to be retired, reducing the overall set of systems to be supported and maintained. • Using off-the-shelf software provides a built-in path for ongoing system enhancements and upgrades. <p>Risks:</p> <ul style="list-style-type: none"> • Potential for the solution to have more gaps to requirements than expected, resulting in more work, increasing costs and potentially impacting on time delivery. • Potential to underestimate the effort required to complete the work on time, resulting in project delays. <p>Work Planned for 2017 to 2019:</p> <p>2017: Major build phase, including data conversion, interfaces and reports</p> <p>2018: Completion of the build phase, final data conversion and testing</p> <p>2019: Completion of testing, training and implementation</p>	2019	\$4.8	\$22.9	\$27.7

¹ Total project costs consist of third party capital costs of \$25 million and capitalized internal salary costs of \$2.7 million for a total capital cost of \$27.7 million.

Appendix – Links to Additional Information

Information	Hyperlink
Board of Directors and Corporate Governance	bcassessment.ca/About-Us/how-bc-assessment-works/Board-of-Directors
Organizational Overview	www.bcassessment.ca/About-Us/about-BC-Assessment
Executive Management Team	www.bcassessment.ca/About-Us/how-bc-assessment-works/executive-management-team
Property Assessment Review Panel	www.cscd.gov.bc.ca/parp
Property Assessment Appeal Board	www.assessmentappeal.bc.ca/