

BRITISH COLUMBIA ASSESSMENT AUTHORITY



**2005-2007**  
**SERVICE PLAN UPDATE**  
SEPTEMBER 2005

# LETTER OF TRANSMITTAL

September 14, 2005

The Honourable Rick Thorpe  
Minister of Small Business and Revenue  
Legislative Buildings  
Victoria, British Columbia V8V 1X4

Dear Minister:

On behalf of the British Columbia Assessment Authority, we have the pleasure to submit our 2005–2007 Service Plan Update.

This plan fulfills our obligation under the *Budget Transparency and Accountability Act* to provide a service plan with performance measures.



**James M. I. Bruce**  
CHAIR  
BOARD OF DIRECTORS



**Doug Rundell**  
CHIEF EXECUTIVE OFFICER  
ASSESSMENT COMMISSIONER

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# MESSAGE FROM THE BOARD CHAIR TO THE MINISTER RESPONSIBLE

September 14, 2005

The Honourable Rick Thorpe  
Minister of Small Business and Revenue  
Government of British Columbia

Dear Minister:

On behalf of the Board of Directors, management, and employees, I am pleased to present the British Columbia Assessment Authority's 2005–2007 Service Plan Update.

The British Columbia Assessment Authority was established in 1974 to produce annual assessment rolls that value 1.7 million properties in the province through an independent, fair, and uniform system.

As a provincial Crown corporation, we strive to provide excellent customer service for property owners throughout British Columbia. In this Service Plan Update, the British Columbia Assessment Authority has committed to surveying our customers, including residential and non-residential property owners, local governments, provincial government, and First Nations clients in 2005, 2006, and 2007. British Columbia Assessment Authority staff are involved in developing the survey questions and an independent market research company conducts the polling by telephone.

The surveys will determine customer satisfaction with our products and services and provide direction for their continuous improvement. We will report out on the performance targets outlined in the service plan in our annual report, published each spring.

Additionally, the British Columbia Assessment Authority will be working closely with the Ministry of Small Business and Revenue to identify opportunities to streamline and simplify our governing legislation, the *Assessment Act*, the *Assessment Authority Act*, and related regulations. Clear, concise legislation and regulations will make it easier for the public to understand the British Columbia Assessment Authority's core business, as well as the assessment and complaint process.

The British Columbia Assessment Authority is nearing the end of a multi-year transition to valueBC, a new assessment information system. The successful implementation of valueBC, which is replacing our old mainframe system that has been in place since the 1970s, will be critical to the production of the 2006 assessment roll. The corporation's staff and management have made the transition to the new system their highest priority in an effort to minimize any impacts to our customers.



**James M. I. Bruce**

CHAIR  
BOARD OF DIRECTORS

## ACCOUNTABILITY STATEMENT

The 2005–2007 Service Plan Update was prepared under our direction in accordance with the *Budget Transparency and Accountability Act*. We are accountable for the contents of the plan, including the selection of performance measures and targets.

The plan is consistent with government’s strategic priorities and overall Strategic Plan. All significant assumptions, policy decisions, and identified risks as of September 2005 have been considered in preparing the plan.

We are accountable for ensuring that British Columbia Assessment Authority achieves its specific objectives identified in the plan and for measuring and reporting actual performance.



**James M. I. Bruce**  
CHAIR  
BOARD OF DIRECTORS



**Doug Rundell**  
CHIEF EXECUTIVE OFFICER  
ASSESSMENT COMMISSIONER

## OVERVIEW OF THE ORGANIZATION

The British Columbia Assessment Authority is a provincial Crown corporation established in 1974 with the mandate to produce and maintain assessments that are uniform throughout the whole of British Columbia. The Board of Directors provides policy direction and performance review, while valuation and operational matters are the responsibility of the Chief Executive Officer and Assessment Commissioner.

The British Columbia Assessment Authority's responsibilities are set out in two acts: the *Assessment Authority Act* and the *Assessment Act*. The *Assessment Authority Act* establishes the British Columbia Assessment Authority as a corporation. This Act also provides for the appointment of a Board of Directors, Assessment Commissioner,



and the funding of the British Columbia Assessment Authority by annual property tax levies. The *Assessment Act* establishes the rules under which assessment rolls must be created. This Act also sets out the appeal process. The Minister of Small Business and Revenue is charged with the administration of these Acts.

The British Columbia Assessment Authority's core function is to establish and maintain uniform real property assessments throughout the province, using current market data as a guide.

The British Columbia Assessment Authority must also classify all real property according to use, produce the annual assessment roll and send assessment notices to each person named in the assessment roll. The assessment roll contains the actual value (estimated market value) of the land and improvements as



well as the use classification and taxability of 1.7 million properties. For some properties the assessment roll contains values determined in accordance with prescribed rates and manuals approved by the Assessment Commissioner and regulations. Examples include farm land and major industrial property manuals.

**A critical element of the system is that the British Columbia Assessment Authority operates *independently* of all levels of government that levy property taxes.**

The British Columbia Assessment Authority currently employs 558 staff in 20 offices throughout British Columbia. The organization currently consists of 19 assessment areas with assessment offices located throughout the province, and a Head Office in Victoria containing the following divisions to support the assessment offices: Assessment Administration; Policy, Audit and Legal Services; Corporate Services; and Community Relations.

In addition to fulfilling their core duties, the divisions are committed to continually improving customer service, streamlining and simplifying legislation, and cutting red tape.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The British Columbia Assessment Authority is a publicly-funded corporation constituted under the *Assessment Authority Act* and governed by a Board of Directors. The Board of Directors of the British Columbia Assessment Authority provides policy direction and performance review, and the Chief Executive Officer and Assessment Commissioner has responsibilities for valuation and operational matters.

Members of the Board are:

James Bruce – Vancouver, Chair  
Bill Baird – Greenwood, Vice Chair  
David Clark – Duncan  
Carol Alter Kerfoot – Vancouver  
Chris Nicolls – Vancouver  
Anna Nyarady – Vancouver  
George Puil – Vancouver  
Brian Romer – Sechelt  
Helen Sparkes – New Westminster  
Lillian White – Delta

Board Committees engage in regular and detailed review of policies, issues, and corporate finances and make recommendations to the Board, where decisions are made.

The Board Committees are:

### **The Policy, Planning and Service Audit Committee**

- This Committee deals with all matters pertaining to the Service Plan and the Annual Service Plan Report, the service audit, inter-governmental and community policies, customer service, streamlining and simplifying legislation, and reducing red tape.
- The members of this Committee are: George Puil (Chair), Bill Baird (Vice Chair), Carol Alter Kerfoot, and Helen Sparkes.

### **The Human Resources and Education Committee**

- This Committee deals with all matters of human resources, training, and education. The Committee also acts as a reference group during negotiations regarding the collective agreement.
- The members of this Committee are: Helen Sparkes (Chair), Chris Nicolls (Vice Chair), Bill Baird, and Anna Nyarady.

### The Audit and Finance Committee

- This Committee deals with all matters relating to financial policies and the annual budget.
- The members of this Committee are: Chris Nicolls (Chair), Lillian White (Vice Chair), David Clark, George Puil, and Brian Romer.

### The Governance Committee

- This Committee reviews, monitors, and reports on Board effectiveness and deals with all matters relating to governance.
- The members of this Committee are: Carol Alter Kerfoot (Chair), David Clark (Vice Chair), James Bruce, Anna Nyarady, and Lillian White.

The Board of Directors has adopted the guiding principles included in the provincial government's Governance Framework which provide an understanding of the roles and responsibilities for all parties that are part of the Crown corporation governance environment:

- Stewardship, Leadership and Effective Functioning of the Board
- Clarity of Roles and Responsibilities
- Openness, Trust and Transparency
- Customer Service and Corporate Citizenship
- Service and Corporate Citizenship
- Accountability and Performance
- Value, Innovation and Continuous Improvement

These principles underlie good corporate governance and form the foundation for the development of a sound governance structure.

A Shareholder's Letter of Expectations was signed in July 2004 by the Chair of the Board of Directors and the former Minister responsible. This document is a public agreement that outlines performance expectations, public policy issues, and strategic priorities. It will be reviewed annually and updated as required. The Letter is available on the Internet at [www.gov.bc.ca/cas/rpts/](http://www.gov.bc.ca/cas/rpts/).

The British Columbia Assessment Authority is responsible to the Minister of Small Business and

Revenue and is guided by the ministry's legislated mandate. As directed by the Minister in the current Shareholder's Letter of Expectations, the Board, Minister's representatives and Crown Agency Secretariat are working to develop a framework, consistent with current legislation, to establish clear roles and responsibilities for the Minister, Ministry, CEO, Assessment Commissioner, and the Board of Directors. The Minister meets regularly with the Board Chair and Assessment Commissioner and periodically with the full Board of Directors.

In 2004, the Board of Directors, in their capacity as the Directors of the British Columbia Assessment Authority, revised their bylaws to reflect current best practices in corporate governance and began development of a Governance Manual. The manual outlines the British Columbia Assessment Authority's objectives, policies, corporate authorities, and procedures pertaining to the Board of Directors, the roles of the Board's advisory committees,

Board Chair, Vice Chair, Chief Executive Officer, and Corporate Secretary. It summarizes the Board's basic operating parameters for its members and advisory committees, and the executive management team. By developing a Governance Manual, the British Columbia Assessment Authority is fulfilling a recommendation of the Board Resourcing and Development Office.

The British Columbia Assessment Authority's products and services are relied upon by British Columbians, their provincial, municipal, and regional governments, and other public bodies that generate real property tax revenue, including improvement districts, hospital boards, schools, and BC Transit. Property assessments form the basis of distributing property tax for 1,663 different taxing jurisdictions in British Columbia.

The assessment rolls are to provide an independent, equitable, and uniform base from which local governments and the provincial government raise \$4.6 billion annually in property taxes. Of this money, \$2.5 billion is collected for local governments and \$2.1 billion is collected for schools and provincial general revenue. Property tax provides between 40 and 60 percent of funding for local governments and



approximately 30 percent of funding for schools.

The British Columbia Assessment Authority is funded through property tax levies. Each year, the British Columbia Assessment Authority levies a tax upon all taxable property in the province (except for some exemptions).

The 2005 revenue forecast has tax levies, payments in lieu of taxes, and contract income from First Nations generating \$64.1 million.

Each year, property owners have the opportunity to file a complaint regarding their property

assessment at the first level of appeal – a Property Assessment Review Panel – provided they have applied in writing or by electronic notification by January 31. The British Columbia Assessment Authority funds the costs of the independent appeal process through the Ministry of Small

Business and Revenue. A second level of appeal is available through the Property Assessment Appeal Board. Further appeals are through the judicial process.

The British Columbia Assessment Authority does not receive any operating grants or monies from any level of government. The corporation also sells some property information products and services to earn additional revenue.

### Annual Assessment Rolls

The assessment rolls contain the legal description, ownership, assessed value, use classification, and other details for every property in British Columbia. There are four types of rolls:

- **The Completed Roll:** this is completed by the British Columbia Assessment Authority and approved by the Assessment Commissioner in December of each year for taxation in the following year;
- **The Revised Roll:** this includes amendments made by the Assessor and the Property Assessment

Review Panels during February and March;

- **The Supplementary Rolls:** these contain changes and corrections to the Revised Roll, and are issued between April and December; and
- **The Grant Rolls:** these contain the assessed value of properties that are exempt from property taxation, such as government properties, schools, and hospitals. They are produced annually and provided to exempt property owners and municipalities, and provide a foundation for grants in lieu of property taxes.

### Assessment Notices

The British Columbia Assessment Authority provides each real property owner with a notice of assessed value of land and improvements. On or before December 31 of each year, 1.7 million assessment notices are sent by mail. All property owners have the option of receiving their notice electronically through *epost*<sup>TM</sup> by visiting [www.bcassessment.ca/products/enote/index.asp](http://www.bcassessment.ca/products/enote/index.asp).

For the majority of properties, the assessment is the estimation of a property's market value as of July 1 each year. This means that assessment notices mailed in December of each year reflect the value six months earlier.

### Community and Social Initiatives

The British Columbia Assessment Authority supports many partnership projects that add value to services that create a strong economy and support communities throughout British Columbia. The Integrated Cadastral Information Society (ICIS) was created as a non-profit organization to create a single source for all provincial mapping data from both government and private sector sources. As a member of the Society, the British Columbia Assessment Authority provides staff expertise and data that enables all partners to share resources more efficiently.

The British Columbia Assessment Authority is also a founding sponsor of CivicInfo BC, a web site portal designed to help BC local

governments to share information and services online. The corporation also works closely with various local government associations such as the Union of British Columbia Municipalities (UBCM) and the Local Government Management Association (LGMA) to address assessment-related issues and provide information that helps taxing authorities create a stable tax base to support many local programs and services.

Assessment data is also provided to the public and private sectors through strategic business partnerships with BC OnLine and other data agents in the private sector. The British Columbia Assessment Authority strives to create beneficial partnerships with other provincial government agencies to improve services and save money for taxpayers. Examples include sharing information technology infrastructure services, and being partners in government-wide initiatives such as the Integrated Registry Project being led by the Ministry of Agriculture and Lands.

The British Columbia Assessment Authority's work culture also promotes personal commitments to giving and helping others through charitable and social causes. The staff regularly participates in activities at the workplace throughout the province to help support others in their communities.

#### **First Nations Assessment Rolls**

The British Columbia Assessment Authority provides assessment rolls on a contract basis to 50 of the 51 First Nations that have authority to establish independent real property taxation systems.

#### **Statutory Reports**

These reports provide value summaries for specific taxation purposes, such as funding for school districts, regional districts, local areas, and hospital and transit services.

#### **Commercial Products and Services**

The British Columbia Assessment Authority provides several products and services available for a fee. These include access through BC OnLine to the published assessment roll, provision of bulk electronic assessment rolls, sales data and residential inventory data, custom reports, and professional consulting services. Sales of these services reduce the levy on property owners. These revenues are forecasted to reach \$3.7 million in 2005.

#### **Communications**

Improving communication is an important key to the relationship between the British Columbia Assessment Authority and our customers, as well as an important operational issue between offices and divisions. The British Columbia Assessment Authority provides information to the public through the Internet by a home web page ([www.bccassessment.ca](http://www.bccassessment.ca)); by support for CivicInfo BC ([www.civicinfo.bc.ca](http://www.civicinfo.bc.ca)), which is a comprehensive local government information



sharing site; through inclusion of assessment information on BC OnLine ([www.bconline.gov.bc.ca](http://www.bconline.gov.bc.ca)); Assessment LinkBC through various publications and reports; and through direct communication with staff at assessment offices. Information on property assessments can be provided in several languages on request at all the area offices throughout the province.

### Customer Service

The British Columbia Assessment Authority is continually working to improve our customer service. All of our 20 area offices located throughout the province offer toll-free telephone service and generic email addresses for general queries. Additionally, area office contact information is provided in the telephone book and is printed on the front page of the Assessment Notice that is mailed to all property owners in January.

Our public web site, [www.bcasessment.ca](http://www.bcasessment.ca), has been redesigned to improve our customers' access to information

about the property assessment process. Assessments by Address, an online service that allows residential property owners to compare their assessment to other homes in their area, is available on our web site from early January to March 15. Assessments by Address is also available in paper form at assessment offices, most libraries, municipal halls, and government agents' offices.

Customers can also register to receive their Assessment Notice electronically via *epost*<sup>TM</sup>. This web-based service delivers mail online for Canada Post. More information is available at [www.epost.ca](http://www.epost.ca).

We serve our customers in their native language whenever possible. We have staff who speak and write several languages and some public information materials have been translated for our clients' convenience.

## REVIEW PROCESS

The British Columbia Assessment Authority advances the broad public interest by ensuring that the assessment roll accurately represents values and therefore provides an equitable basis for property taxation. Fairness is a hallmark for the British Columbia Assessment Authority employees in their service to the community.

Property owners who question the accuracy or fairness of their assessment often resolve these issues by meeting with staff at the British Columbia Assessment Authority's local offices. If issues are not resolved, property owners may seek a review by independent

tribunals. The first level of appeal is to the Property Assessment Review Panel (PARP).<sup>1</sup> The second level of appeal is to the Property Assessment Appeal Board (PAAB).<sup>2</sup> These appeal tribunals, which are administered by the Ministry of Small Business and Revenue are independent of the British Columbia Assessment Authority and the taxing jurisdictions. Higher courts hear appeals based on matters of law.

The British Columbia Assessment Authority remits to government the cost of operating the Property Assessment Review Panel and the Property Assessment Appeal Board.

<sup>1</sup> Further information on PARP can be obtained at the Ministry of Small Business and Revenue web site at: [www.gov.bc.ca](http://www.gov.bc.ca).

<sup>2</sup> Further information on PAAB can be obtained at the Property Assessment Appeal Board web site at: [www.assessmentappeal.bc.ca](http://www.assessmentappeal.bc.ca).

### VISION

We will be the leading property assessment organization internationally and the first choice for property information in British Columbia.

### MISSION

We produce uniform property assessments that form the basis for local and provincial taxation while providing information to assist people when making real estate decisions.

### VALUES

We are guided by our commitment to:

- **Quality** in our products, services, and work life;
- **Accountability** for our actions and results;
- **Service** that is responsive and sensitive; and
- **Teamwork** in working together as one team and partnering with our clients.

## PLANNING CONTEXT AND KEY STRATEGIC ISSUES

The following discussion gives an overview of the external and internal strategic issues facing the British Columbia Assessment Authority. In addition, there are risks and opportunities related to these strategic issues. These strategic issues must be considered in light of capacity, the ability of the British Columbia Assessment Authority to achieve its goals with its current funding, staff, and infrastructure while providing excellent customer service, simplifying and streamlining legislation, and cutting red tape.

### EXTERNAL BUSINESS ENVIRONMENT

Events in British Columbia, and in the larger context of the world, have a direct impact on the operations of the British Columbia Assessment Authority. The real estate market has historically been cyclical in nature and these highs and lows in the market directly effect the British Columbia Assessment Authority. In addition, other factors that will impact the operations of the British Columbia Assessment Authority are described as follows.

### Customer Expectations

The British Columbia Assessment Authority's customers are continually increasing their expectations for products, services, and assessment roll quality. Local governments, taxpayers, and commercial customers are placing higher demands on the assessment roll with regard to uniformity, consistency, and accuracy. The provincial government has increasing expectations and requirements of Crown corporations. For the British Columbia Assessment Authority, these include reporting its financial responsibilities, overview of strategic planning and performance monitoring and making these documents available to the public, and advancement of broader social, environmental, and economic development objectives. In meeting these expectations, the British Columbia Assessment Authority must maintain the independence of the assessment function so there is no real or perceived conflict of interest in regards to assessment and taxation.

### Financial Challenges

The British Columbia Assessment Authority is reliant on property tax levies for the largest part of its revenues, however, the corporation is subject to fiscal constraints and is becoming increasingly more efficient and cost-effective. The number of properties that are assessed annually continues to increase. The British Columbia Assessment Authority is committed to reducing its reliance on taxpayers through implementing specialization and effective marketing initiatives, including private sector partnerships to streamline the collection and distribution of assessment data. The corporation has developed a new web-based replacement of its current BC OnLine system to make it far more user-friendly. The British Columbia Assessment Authority will continue to promote and support the increased use of BC OnLine through 2005.

### Client Service Solutions

Through the sale of assessment information products and services, the British Columbia Assessment Authority will seek to reduce its reliance on taxation revenues. It is increasingly important that the British Columbia Assessment Authority provides client-driven products and services that benefit all its clients and the taxpayers of the province. The British Columbia Assessment Authority is working with representatives of our client groups to address issues such as improving data quality, timeliness, and enhancing access to data, and the corporation will continue to develop and promote the use of Assessment LinkBC to local governments. One significant enhancement planned for Assessment LinkBC will be the availability of non-market change (new construction and development) reports for local governments. These reports generate data which are critical in the local government budgeting process.

### First Nations Issues

Many First Nations of British Columbia are assuming property taxation responsibilities traditionally provided by provincial and local governments. As property taxation becomes increasingly important, opportunities will be created for the British Columbia Assessment Authority to strengthen and expand its relations with First Nations. Services that can be provided include consultation, assessment, and related products. The British Columbia Assessment Authority is currently contracted to provide assessment services for 50 First Nations.

### INTERNAL BUSINESS ENVIRONMENT

While external events in British Columbia have a direct impact on the operations of the British Columbia Assessment Authority, there are internal issues facing the corporation that need to be addressed and managed. The following internal issues that will impact the operations of the British Columbia Assessment Authority are described as follows.

#### Technology

Technological change continues to impact the assessment field and is creating opportunities for greater efficiency as well as challenges in terms of capital costs and staff training. Our current legacy information system is not flexible enough to meet current and future operational and marketing needs.

An Information Systems Plan has guided the corporation through the past three years as it prepares for the transition to a new system. In 2005, the British Columbia Assessment Authority launched a

new assessment information system called valueBC. The new system will produce the 2006 Assessment Roll and replace outdated mainframe technology that has been in place since the 1970s. Its state-of-the-art database and search capabilities will enable staff to serve clients faster and more efficiently, with improved electronic linkages to other tools such as Geographic Information Systems (GIS) and databases (e.g., Land Title and Survey Authority of BC). With the goal to promote more interaction with customers, the system features services such as Assessment LinkBC, a datamart for local governments to download and customize information specifically for their needs.

Through Enterprise-wide Risk Management that identifies potential risks and provides effective solutions, the British Columbia Assessment Authority will ensure that there is no interruption in service with the implementation of valueBC. The corporation is also improving its web site technologies and telecommunications to meet increasing public demand to obtain information through online channels

such as the Internet or through toll-free telephone service. As part of the corporation's overall Information Systems Plan and Employee Training Plan, the British Columbia Assessment Authority staff will continue to upgrade their skills using technology to support their work and improve customer service.

### Demographics and Succession Planning

Demographic studies indicate that by the year 2010, a large portion of British Columbia's workforce will be retiring. This is also true for the workforce at the British Columbia Assessment Authority – over the next five years approximately 20 percent of staff will be eligible to retire. The projected number of possible retirements creates several important challenges and opportunities and highlights the need for the ongoing succession program. The British Columbia Assessment Authority is addressing succession challenges by ensuring that teams, rather than individuals, have responsibility for specialized property types.

In addition, succession planning is a key component in restructuring initiatives for Head Office divisions.

### Staff Expectations

In today's workplace, employees expect meaningful work, positive leadership, and growth in learning. The British Columbia Assessment Authority continues to address these expectations through progressive human resources initiatives while maintaining a high and consistent level of service to our clients.

### Training and Staff Development

The changing expectations of our customers require staff training that is high in quality, provides mentoring and support, is timely, and is effective. The training plan provides the direction for current and future training needs at the British Columbia Assessment Authority and will promote leadership in staff development to fulfill its current and future training needs.

### Managing Change

The British Columbia Assessment Authority is addressing change, both internally and externally, through leadership in strategic direction as presented in this 2005-2007 Service Plan Update and includes objectives and strategies under the following six key goals: Product Quality and Uniformity; Customer Service and Community Relations; Fiscal Responsibility; Human Resources Leadership; Legislation and Regulations; and Board Governance.

Major initiatives for these goals include: planning and implementing the new valueBC information system, implementing innovative and efficient valuation methodologies, maintaining the Continuous Improvement Measures initiative, succession planning, creating educational programs, and reviewing valuation policy.



### Community Relations

The British Columbia Assessment Authority is committed to working closely with its wide range of customers – from First Nations to the private sector – to constantly improve on the quality of service it provides. Regular communications and two-way dialogue with both clients and property owners is an important part of the British Columbia Assessment Authority's efforts to build on its reputation as a trusted source for high quality property assessment information.

The corporation will continue to proactively seek partnership prospects in order to maximize opportunities to provide our products and services. Staff regularly attend and sponsor provincial, national and international conferences and events that promote industry and government networking. The British Columbia Assessment Authority will also be surveying its major customer groups, residential and non-residential property owners, taxing authorities and First Nations annually for the next three years starting in

2005. The results of the surveys will be considered during the external communications strategic planning process.

### Information Transparency

Our customers must have confidence in the products and services that we provide. Access to information is an important key to the relationship between the British Columbia Assessment Authority and our clients, as well as an important operational issue between area offices and Head Office divisions. The corporation is committed to providing timely and quality information to our customers.

The British Columbia Assessment Authority's on-line services are expanding to provide the public with 'anytime' access to our data products and services. Our new assessment information system, valueBC, will drive much of the data for use by clients in the future. Specific audiences such as local governments will be able to access information through online systems such as Assessment LinkBC. The general public has access to the British

Columbia Assessment Authority's web site 24 hours a day, and each year from January to March 15, property assessment information is available on the web site. This service allows homeowners to audit the British Columbia Assessment Authority's work by comparing their property assessment to their neighbours and other similar properties.

The British Columbia Assessment Authority also provides a variety of reports on its web site, including the current Service Plan and Annual Reports and the Answer Book – a handbook for local governments. The Shareholder's Letter of Expectations is published on the government web site so the public can view the strategic plans and agreements between Government, the Board of Directors, and the British Columbia Assessment Authority.

The British Columbia Assessment Authority operates in compliance with the *Freedom of Information and Privacy Protection Act* to ensure high standards of information exchange and protection for our clients.

## Benchmarking

The British Columbia Assessment Authority benchmarks internal valuation processes and practices against selected North American assessment jurisdictions. The results from this benchmarking process allow the British Columbia Assessment Authority to continuously improve operating efficiency and control assessment costs, while providing local governments and the provincial government with \$4.6 billion annually in property taxes. The Consumer Price Index adjusted cost per property for assessment in British Columbia has been decreasing since 1977, and compares favourably with other jurisdictions that provide a comparable level of service in a similar environment.

The British Columbia Assessment Authority has been working closely with a number of Canadian Assessment jurisdictions since 2002 to share information on virtually all aspects of running a successful assessment organization in Canada. Our partners include the Municipal Property Assessment

Corporation in Ontario, Service New Brunswick, the Saskatchewan Assessment Management Agency, the Municipal Assessment Agency in Newfoundland, Service Nova Scotia, and the assessment departments in the cities of Saskatoon, Regina, Winnipeg, Calgary, and Edmonton. This list continues to grow.

We continue to exchange information with our partners and we closely review what we collect to assist us in implementing improvements within our organization. These improvements include, but are not limited to: appraisal practice and policy development, quality measurement, audit techniques, key performance indicators, staff training and development opportunities, performance measurement, competencies for staff, and our legislative framework. The British Columbia Assessment Authority undertakes benchmarking work on an annual basis between April and June for the previous year.

### Enterprise-wide Risk Management

The British Columbia Assessment Authority has adopted the provincial government's Enterprise-wide Risk Management strategy. Through input from the Risk Management Branch and the Office of the Comptroller General Internal Audit and Advisory Services, the British Columbia Assessment Authority started to implement Enterprise-wide Risk Management in 2003 and will continue this implementation. This will allow the British Columbia Assessment Authority to have a structured and disciplined approach to risk management and allow the effective management of potential opportunities. This initiative aligns strategy, processes, people, and technology to effectively manage the uncertainties faced by the British Columbia Assessment Authority.

The British Columbia Assessment Authority's customers are continually increasing their expectations for products, services, and assessment roll quality. As a result, the corporation's executive and staff routinely identify risk in project-

specific management plans. In order to be complete, our project management plans must identify risk, determine the degree of risk, and develop methods to mitigate risk. Examples of where the British Columbia Assessment Authority has proactively identified future risks include:

- The Human Resources Division has prepared detailed plans to forecast staff turnover based on the increasing number of retirees amongst our mature workforce.
- The Community Relations Division continually manages risks associated with public information campaigns, media issues and other communications initiatives to help ensure information is portrayed fairly, accurately and in a timely manner to the media and our customers.
- The Information Services Division developed a detailed project management plan for the multi-year Information Systems Plan that included a comprehensive mitigation section that clearly defines the project schedule, general themes for improvement, key assumptions, costs and resources.
- The Executive Management Team developed guidelines to delegate authority in the absence of the Chief Executive Officer and/or Executive Directors to ensure the British Columbia Assessment Authority's operations will be maintained with minimal disruption.

### Capacity

The British Columbia Assessment Authority produces Assessment Rolls by the December 31 deadline and favourable to budget while facing the following capacity challenges:

- valuing approximately 31,000 more properties in 2004 and recording all new construction and development;

- a reduction in full time regular employees by 20 percent in 2002, including a loss of many of our most experienced staff through early retirement;
  - anticipated loss of key staff with specialized knowledge through retirement;
  - increased scrutiny of assessments as property taxes form a greater portion of owners' expenses;
  - development and initial implementation of the new information systems with no change to staff complement; and
  - a volatile real estate market.
- enterprise-wide risk management;
  - utilization of seasonal temporary employees;
  - a professional, motivated, and team-oriented workforce;
  - partnerships with all levels of government, stakeholders, and clients;
  - innovative and efficient valuation methodologies; and
  - advanced technical capabilities through the new valueBC assessment information system.

The British Columbia Assessment Authority will respond to these challenges through:

- leadership and strategic planning at the Board, Executive, and local office levels;
- a rigorous project management approach;

## GOALS, OBJECTIVES, PERFORMANCE MEASURES, AND TARGETS

To fulfill our mandate and to reach our vision, the British Columbia Assessment Authority has established six key goals: Product Quality and Uniformity, Customer Service and Community Relations, Fiscal Responsibility, Human Resources Leadership, Legislation and Regulations, and Board Governance. The last two goals are new for this Service Plan and emphasize the importance of a review of legislation and regulations and good board governance practices.

For each goal, the British Columbia Assessment Authority has established objectives and strategies from 2005 through the year 2007. Over this time frame, the British Columbia Assessment Authority will consider what is working, what is not, and where limited resources can be utilized in the most relevant and effective manner. This requires a focus on results. Performance Measures have therefore been established to track progress.

The British Columbia Assessment Authority used the provincial government's strategic plan as the

guiding document to develop this Service Plan Update that outlines our goals, objectives, strategies, and performance measures/targets. As with the government, our goals and objectives were developed in the context of fiscal responsibility and maintaining the support for communities that provide services for health and education. Our strategic direction supports the provincial government in achieving its goals as set out in the British Columbia Government Strategic Plan 2004/05–2006/07.

In February 2005, new objectives and measures were outlined for goals pertaining to education, fitness, people at risk, the environment, and job creation. To support these goals, British Columbia Assessment Authority produces fair and uniform property assessment rolls that provide the basis for local governments and taxing authorities to raise billions of dollars worth of stable tax funding for local programs and services.

## GOAL

### 1. PRODUCT QUALITY AND UNIFORMITY

Property assessment services will be of the highest quality and uniform throughout the province.

### OBJECTIVES

- 1.1 The British Columbia Assessment Authority will provide significant opportunities for sustaining service delivery ensuring our products will be of the highest quality and uniform throughout the province.

### STRATEGIES

- 1.a By December 31 of each year, a new assessment roll will be completed for every municipality and rural area in the province.
- 1.b By December 31 of each year, a notice of assessment will be delivered to every person named in the assessment roll through the mail or electronically via epost™.
- 1.c The British Columbia Assessment Authority will implement enhanced measurement programs to ensure the common application of statutes, policies, business rules, and best practices throughout the province.

PERFORMANCE MEASURES	TARGETS			
	Baseline/2004 Actual (Benchmark)	2005	2006	2007
<b>PM.1*</b> The median <i>Assessment-to-Sales Ratio</i> for the residential assessment roll in British Columbia will be 97 percent.	96.67%	97%	97%	97%
<b>PM.2*</b> The median <i>Assessment-to-Sales Ratio</i> for the non-residential assessment roll in British Columbia will be 95 to 97 percent.	Multi-Family 96.38% Strata Rental 98.44% Stores 95.37% Office Buildings 95.29% Other Commercial 95.94%	95% – 97%	95% – 97%	95% – 97%
<b>PM.3*</b> The <i>Coefficient of Dispersion</i> for the provincial assessment roll will be less than 10 percent for homogeneous residential regions and less than 15 percent for heterogeneous residential regions.	Homogeneous 6.98% Heterogeneous 9.11%	Less than 10% Less than 15%	Less than 10% Less than 15%	Less than 10% Less than 15%
<b>PM.4*</b> The <i>Coefficient of Dispersion</i> for the provincial assessment roll will be less than 20 percent for non-residential properties.	Multi-Family 11.39% Strata Rental 15.85% Stores 9.32% Office Buildings 11.50% Other Commercial 9.49%	Less than 20%	Less than 20%	Less than 20%
<b>PM.5*</b> The <i>Price-Related Differential</i> will be between 0.98 and 1.03 for residential properties.	1.011%	0.98% – 1.03%	0.98% – 1.03%	0.98% – 1.03%
<b>PM.6</b> Canada Post Standards to achieve maximum reduction in postal rates will be met.	96.39%	95%	95%	95%

\* See Appendix A and B for a complete description of these performance measures and the 2005 completed roll results.



## GOAL

### 2. CUSTOMER SERVICE AND COMMUNITY RELATIONS

We will provide a level of service that meets our customers' expectations and helps strengthen the communities we serve.

#### OBJECTIVES

- 2.1 The British Columbia Assessment Authority will enhance links and partnerships leading to greater efficiencies.
- 2.2 The British Columbia Assessment Authority will satisfy our customers' needs by providing greater electronic access to data, sharing data with partners, and enhancing the analysis of data.

#### STRATEGIES

- 2.a Each year, every complaint to the Property Assessment Review Panel will be investigated and presented for consideration before March 16 and decisions delivered to property owners before April 7.
- 2.b By January 1 of each year, assessment rolls will be available for public inspection for each geographic area assigned to an Assessor.
- 2.c By the end of the first week of January to March 15 of each year, "Assessments by Address" will be available to the public on the British Columbia Assessment Authority web site.
- 2.d By the end of 2005, the British Columbia Assessment Authority will implement a new information system that will include:
  - ensuring improved public access to electronic data through the Internet;
  - providing a valuation system that enables analysis; and
  - providing integration with geographical information systems.
- 2.e Commencing in 2006, property owners will have access to our systems for updating their property information.
- 2.f The British Columbia Assessment Authority will actively support the Integrated Cadastral Information Society (ICIS), CivicInfo BC, and the Integrated Registry Project (Ministry of Agriculture and Lands).

PERFORMANCE MEASURES		TARGETS			
		Baseline/2004 Actual (Benchmark)	2005	2006	2007
<b>PM.7</b>	Each year, 98 percent of residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.	99.2%	98%	98%	98%
<b>PM.8</b>	Each year, 95 percent of non-residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.	94.8%	95%	95%	95%
<b>PM.9</b>	Percentage of property owners independently surveyed that will be satisfied with the level of customer service.	70%	75%	80%	80%
<b>PM.10</b>	Percentage of residential property owners independently surveyed who had their home inspected and were satisfied with the process.	58%	60%	65%	70%
<b>PM.11</b>	Percentage of provincial government, local governments, and First Nations independently surveyed that will be satisfied with the level of service.	85%	85%	90%	90%

## GOAL

### 3. FISCAL RESPONSIBILITY

The British Columbia Assessment Authority will continue to seek new opportunities to improve operational efficiencies while meeting service delivery targets.

#### OBJECTIVES

- 3.1 The British Columbia Assessment Authority will enhance links and partnerships leading to greater efficiencies.
- 3.2 The average cost per property for assessment services funded from property tax levies will be maintained.

#### STRATEGIES

- 3.a By the end of 2005, study and develop improvement plans for office accommodation and public access needs in office locations.
- 3.b By the end of 2006, develop greater links and partnerships with local governments and First Nations leading to more efficient and more accurate valuation information.
- 3.c By the end of 2006, develop greater links and partnerships with provincial government leading to more efficient and more accurate valuation information and public education.
- 3.d By the end of 2006, develop greater links and partnerships with the private sector leading to more efficient and more accurate valuation information and public education.
- 3.e The British Columbia Assessment Authority will continue to explore cost-effective areas to share or partner support services through specific shared projects.
- 3.f The performance measurement framework designed to measure operating efficiency results to benchmarks of other selected North American assessment jurisdictions will be monitored.

PERFORMANCE MEASURES	TARGETS			
	Baseline/2004 Actual (Benchmark)	2005	2006	2007
<b>PM.12</b> The average cost per property for assessment services funded from property tax levies will be maintained.	\$38.00	\$38.00	\$38.00	\$38.00
<b>PM.13</b> Budget revenue and expenditures forecast will be met.	Achieved	Achieved	Achieved	Achieved
<b>PM.14</b> By the end of 2007, non-tax revenues for the British Columbia Assessment Authority will be increased to \$3.9 million annually.	\$3.35 million	\$3.5 million	\$3.7 million	\$3.9 million

## GOAL

### 4. HUMAN RESOURCES LEADERSHIP

We will foster a climate that encourages professional development, and continuing corporate success, through employee fulfillment and commitment to our shared vision.

### OBJECTIVES

- 4.1 British Columbia Assessment Authority employees will be well trained in both technical and customer service areas.
- 4.2 British Columbia Assessment Authority employees will support the vision, mission, and values of the organization.

### STRATEGIES

- 4.a By the end of 2005, the responsibility for assessment of all property types will be shifted to specialized teams.
- 4.b Ensure all employees are appropriately trained on the new assessment system.
- 4.c Ensure all employees embrace customer service principles.
- 4.d Ensure all employees are supported in obtaining professional accreditation.
- 4.e The British Columbia Assessment Authority will engage employees in the review of critical success factors and their impact on the vision, mission, and values.

PERFORMANCE MEASURES		TARGETS			
		Baseline/2004 Actual (Benchmark)	2005	2006	2007
<b>PM.15</b>	Percentage of employees receiving valueBC training.	–	100%	100%	100%
<b>PM.16</b>	Percentage of employees receiving customer service training.	–	25%	100%	100%
<b>PM.17</b>	Percentage of appraisal staff with professional accreditation.	72.22%	74%	75%	76%
<b>PM.18</b>	Corporate Continuous Improvement Measurement results improve annually.	427	+5%	+5%	+5%

## GOAL

### 5. LEGISLATION AND REGULATIONS

The *Assessment Authority Act* and the *Assessment Act* and Regulations will be current, relevant, and meet the needs of the citizens of British Columbia and the strategic objectives of government.

### OBJECTIVES

- 5.1 The property assessment complaint and appeal system will be transparent, efficient, and fair.
- 5.2 Customers will agree that the *Assessment Authority Act* and the *Assessment Act* and Regulations provide a fair and equitable property assessment system.

### STRATEGIES

- 5.a The British Columbia Assessment Authority will continue to recommend that government change the appeal system to streamline the appeal process while protecting the rights of the taxpayers to appeal their property tax assessments.
- 5.b Through 2005, the British Columbia Assessment Authority will continue to recommend that government rewrite the *Assessment Act* and Regulations to clarify and simplify the Act's wording so that it is better understood by all taxpayers and supports good customer service and cutting red tape.

PERFORMANCE MEASURES	TARGETS			
	Baseline/2004 Actual (Benchmark)	2005	2006	2007
<b>PM.19</b> Of the approximately two percent that appeal, percentage of those who appeal their assessment that are satisfied with the process.	52%	54%	57%	60%
<b>PM.20</b> Percentage of property owners that are independently surveyed believe that their assessment is fair compared to their neighbours.	62%	65%	70%	70%



## GOAL

### 6. BOARD GOVERNANCE

Board Governance practices will be consistent with the corporate mandate, legislation, and good governance practices.

### OBJECTIVES

- 6.1 Clear roles and responsibilities for the Minister, Board of Directors, CEO, and Assessment Commissioner are identified.
- 6.2 The Board will review its governance practices and operations so they are consistent with the British Columbia Assessment Authority's legislation, mandate, and the Board Resourcing and Development "Best Practices Guidelines."

### STRATEGIES

- 6.a The corporation and the Minister of Small Business and Revenue will develop a framework, consistent with current legislation, to establish clear roles and responsibilities for the Minister, Ministry, CEO, Assessment Commissioner, and Board.
- 6.b Once that framework is completed and agreed to, the Shareholder's Letter of Expectations will be revised to ensure that the accountabilities of the Board, separate from those of the Assessment Commissioner, are further clarified.
- 6.c The Board will review its governance practices, committee operations, Board education and training programs to ensure they are consistent with the corporation's mandate, legislation and good governance practices outlined in the Board Resourcing and Development "Best Practices Guidelines."

PERFORMANCE MEASURES		TARGETS			
		Baseline/2004 Actual (Benchmark)	2005	2006	2007
<b>PM.21</b>	Regular meetings with the Minister by the Board Chair and Assessment Commissioner.	Quarterly	Quarterly	Quarterly	Quarterly
<b>PM.22</b>	Regular meetings with the Minister by the Board of Directors.	Biannually	Biannually	Biannually	Biannually
<b>PM.23</b>	Develop a "Shareholder's Letter of Expectations."	Current Shareholder's Letter	New Shareholder's Letter	New Shareholder's Letter	New Shareholder's Letter
<b>PM.24</b>	Develop new Bylaws.	Adopt New Bylaws	Review Bylaws	Review Bylaws	Review Bylaws
<b>PM.25</b>	Develop new Governance Manual.	Current Governance Bylaws	New Governance Manual	Review Governance Manual	Review Governance Manual

## ALIGNMENT WITH GOVERNMENT'S STRATEGIC PLAN

The British Columbia Assessment Authority used the provincial government's strategic plan as the guiding document to develop this Service Plan Update that outlines our goals, objectives, strategies, and performance measures/targets. As with the government, our goals and objectives were developed in the context of fiscal responsibility and maintaining the support for communities that provide services for health and education.

The British Columbia Assessment Authority has established six key goals: Product Quality and Uniformity; Customer Service and Community Relations; Fiscal Responsibility; Human Resources Leadership; Legislation and Regulations; and, Board Governance.

Our strategic direction supports the provincial government in achieving its goals as set out in the British Columbia Government Strategic Plan 2004/05–2006/07. Specifically, the British Columbia Assessment Authority supports the provincial government's goals in the following ways:

### GOAL 1 – A Strong And Vibrant Provincial Economy

The market value property assessment process is very stable and provides the public with accurate assessment information. The British Columbia Assessment Authority also provides its property information products and services to local governments, First Nations, banks, credit unions, law offices, and other organizations to use in their daily business dealings. The British Columbia Assessment Authority's information is also used to assist in the administration of the Home Owner Grant and the Tax Deferment Programs. The British Columbia Assessment Authority also practices fiscal responsibility and is working to improve its financial position by focusing on innovation, being cost-effective, and delivering services efficiently. In partnership with the provincial government, we are recommending changes to streamline the property assessment appeal system as well as other changes to assessment legislation to make it more easily understood.

The corporation's goals of Product Quality and Uniformity, Fiscal Responsibility, Legislation and Regulations, and Board Governance each contribute to building a strong economic foundation for British Columbia.

### **GOAL 2 – A Supportive Social Fabric**

The British Columbia Assessment Authority produces fair, equitable, and uniform property assessments that provide the basis upon which local governments and other authorities raised approximately \$4.6 billion last year to support a multitude of public services. Of this money, \$2.5 billion is collected for local governments, and \$2.1 billion is collected for schools, hospitals, and provincial government revenue. The corporation also provides assessment services on a contract basis to many First Nations communities in British Columbia.

The corporation's goals to develop skilled staff through Human Resources Leadership and strong Customer Service and Community

Relations combine to provide greater social security in communities across the province.

### **GOAL 3 – Safe, Healthy Communities And A Sustainable Environment**

The British Columbia Assessment Authority's products and services provide the basis for billions of dollars worth of stable tax funding to support local programs and services to help communities thrive.

By developing the skills, knowledge, and wellness of the British Columbia Assessment Authority's 558 employees, and by providing a safe, healthy, and harassment-free workplace, the British Columbia Assessment Authority's goal of Human Resources Leadership, and Customer Service and Community Relations promotes safe and healthy communities in BC.

The British Columbia Assessment Authority's work culture promotes caring for others, and staff demonstrate this through their

participation in various charitable and social causes throughout the province, and is committed to protecting the environment by using energy and materials wisely to conserve natural resources.

In the February 8, 2005 Speech from the Throne, objectives and measures for the following goals were outlined for future strategic planning:

1. To make BC the best educated, most literate jurisdiction on the continent.
2. To lead the way in North America in healthy living and physical fitness.
3. To build the best system of support in Canada for persons with disabilities, special needs, children at risk and seniors.
4. To lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.
5. To create more jobs per capita than anywhere else in Canada.

To support these goals, the British Columbia Assessment Authority produces fair and uniform property assessment rolls that provide the basis for British Columbia's local governments and taxing authorities to raise billions of dollars worth of stable tax funding for local programs and services. On an annual basis, approximately \$2.1 billion is raised for schools and \$2.5 billion for local governments to indirectly support education, literacy, healthy living and physical fitness. Local governments, First Nations, banks, credit unions, law offices, and other organizations use the British Columbia Assessment Authority's products and services in their daily business. The corporation's data products and services, coupled with a stable market value property assessment process, supports job creation by contributing to a strong economy.

## SUMMARY FINANCIAL OUTLOOK – JULY 2005

The following table gives the high level 2004 financial revenue and expenditure and forecast for 2005-2007, as well as key forecast assumptions and risks.

### Statement of Revenue and Expenditure

(in \$000's)	2004 FORECAST	2005 FORECAST	2006 FORECAST	2007 FORECAST
<b>REVENUE:</b>				
Tax levies	61,403	64,090	65,222	66,375
Marketing services	3,349	3,670	3,715	3,935
Contract revenue <sup>3</sup>	96	4,458	1,257	–
Interest	391	350	300	300
Gain (loss) on disposal of fixed assets	159	–	–	–
	65,398	72,568	70,494	70,610
<b>EXPENDITURE:</b>				
Salaries and benefits <sup>4</sup>	43,715	47,288	46,182	46,785
Office premises	4,413	4,769	4,500	4,616
Professional and special services <sup>5</sup>	6,048	10,117	6,822	6,810
Office	3,869	4,455	4,776	4,696
Travel	2,138	2,619	2,211	2,214
Appeal costs	1,632	2,176	2,176	2,176
Interest	68	100	102	104
Amortization	2,143	3,125	3,191	3,069
	64,026	74,649	69,960	70,470
Excess (deficiency) of revenue over expenditure before non-recurring revenue	1,372	(2,081)	534	140
Non-recurring revenue	747	–	–	–
Excess (deficiency) of revenue over expenditure*	2,119	(2,081)	534	140

**\*Note:** The deficiency of revenue over expenditure is due to the implementation of the new assessment system. This planned deficiency is caused by non-recurring expenditures and is funded from appropriated equity.

## Capital Expenditures

<i>(in \$000's)</i>	2004 FORECAST	2005 FORECAST	2006 FORECAST	2007 FORECAST
	4,966	5,625	2,491	1,520

## Staffing

<i>Number of full time equivalent (FTE) staff</i>	2004 FORECAST	2005 FORECAST	2006 FORECAST	2007 FORECAST
Regular	558	558	558	558
Temporary	80	159	100	93
Total FTE	638	717	658	651

<sup>3</sup> In March 2005, the British Columbia Assessment Authority signed a contract with the Greater Vancouver Transportation Authority for preparation of a parking site roll for TransLink. Revenues and costs associated with this contract are included in the 2005 and 2006 financial summaries.

<sup>4</sup> Salaries and benefits for 2005 include the cost of temporary staff required during implementation of the new assessment system (valueBC) and temporary staff required for the preparation of the parking site roll in 2005 and the first quarter of 2006.

<sup>5</sup> Professional and special services in 2005 includes significant non-recurring costs in support of the new assessment system implementation (valueBC), the most significant of which are staff training and the continuation of service bureau costs for the old assessment system (CAPAS) during the transition period from CAPAS to valueBC.

### Forecast Risks and Sensitivities

The British Columbia Assessment Authority's main priorities for 2005 are the production of the assessment roll and the implementation of valueBC, a new assessment system which will allow the corporation to better serve its customers. During 2005, the British Columbia Assessment Authority staff throughout the province are receiving intensive training on the new system.

During the planning period 2005-2007 there will be continued emphasis on initiatives underway, including: implementation of valueBC; service delivery; E-commerce and access to information; and the appeal system. To mitigate risks inherent in significant projects, the British Columbia Assessment Authority follows a rigorous project management discipline.

The British Columbia Assessment Authority hires temporary seasonal staff to assist with property information collection. During 2005, additional staff are being hired to assist in producing the roll while implementing valueBC.

### Key Assumptions

- The British Columbia Assessment Authority has a December 31 fiscal year end.
- The corporation borrows funds to finance operations and capital expenses during the first half of each fiscal year and repays debt from the proceeds of taxes at the end of July.
- The British Columbia Assessment Authority planned significant expenditures for technology and system upgrades over a four year period to December 31, 2005. The Board of Directors established that the funding for these costs be provided from accumulated equity from operations. The appropriated amount of \$5.4 million (at December 31, 2004) has been separately classified as a component of equity to reflect this direction by the Board.
- For 2004 and for the first quarter of 2005 (prior to implementation of valueBC), certain expenditures directly in support of developing the system (including salaries and benefits) have been capitalized.



- The deficiency of revenue over expenditure for 2005 results from inclusion of expenditures in support of valueBC implementation, including extensive staff training. This deficit is fully funded by the appropriated equity from operations noted above.
- Total tax levies forecast for the years 2005-2007 have been adjusted annually to include levies generated by new construction.
- In March 2005, the British Columbia Assessment Authority signed a contract with the Greater Vancouver Transportation Authority for preparation of a parking site roll for TransLink. Revenues and costs associated with this contract are included in the 2005 and 2006 financial summaries.
- Salaries and benefits are forecast to support 558 full time employees and seasonal temporary employees hired to assist with property information collection and special projects. In 2005 staffing is forecast to be higher than subsequent years due to the additional effort required to implement valueBC.
- Professional and special services are forecast to be higher than normal in 2005 due to significant training costs in support of valueBC implementation, and continuation of service bureau costs for the old (CAPAS) assessment system while transitioning to the new (valueBC) assessment system.
- The British Columbia Assessment Authority is required by legislation to cover the cost of the Property Assessment Review Panel (PARP) and the Property Assessment Appeal Board (PAAB). The ministry responsible for PARP and PAAB has advised that there will be an increase in appeal costs of \$544,000 from 2004 to 2005.
- New assessment system software has been purchased and customization is nearing completion. In 2005 amortization of the new system will commence.

- The British Columbia Assessment Authority will:
  - continue to exceed the International Association of Assessing Officers’ standards for assessment roll quality. These performance measures are *Assessment-to-Sales Ratio*, *Coefficient of Dispersion*, and *Price-Related Differential*;
  - continue to exceed our customers’ expectations for service; and
  - continue to fund the complaint and appeal process.

## APPENDIX A: ASSESSMENT ROLL QUALITY MEASURES

The most important and widely accepted statistical measures of the quality of the assessment roll are the median Assessment-to-Sales Ratio (ASR), the Coefficient of Dispersion (COD), and the Price-Related Differential (PRD). The International Association of Assessing Officers (IAAO) has set standards for each of these statistical measures.<sup>6</sup> These form the basis of the critical performance targets.

The reliability of these measures is founded on the records as provided by the Land Title and Survey Authority. The results compare the market value transactions as registered in the Land Title and Survey Authority against the actual value as determined by the appraisers in the British Columbia Assessment Authority.

### i. Assessment-to-Sales Ratio (ASR)

The ASR is calculated by dividing the actual value (as determined by

the British Columbia Assessment Authority) of a property that has sold by its selling price, and expressing the result as a percentage. For example, if the British Columbia Assessment Authority assessed a property with a value of \$243,000, and it sold for \$250,000, the ASR would be 97.2 percent.

The IAAO has set a standard for a median ASR of 90 percent to 110 percent for an acceptable level of assessment achievement. The British Columbia Assessment Authority's target of 97 percent exceeds this standard.

### ii. Coefficient of Dispersion (COD)

The COD measures how closely a group of numbers is clustered around its median, or middle number. The lower the COD, the better quality the product.

The COD standard set by the IAAO for single family residential properties is under 15 percent for homogeneous regions and under 20 percent for heterogeneous regions. The British

<sup>6</sup> Further information on the IAAO can be obtained at the International Association of Assessing Officers web site at: <http://www.iaao.org>

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Columbia Assessment Authority has set targets of under 10 percent and under 15 percent respectively.

### iii. Price-Related Differential (PRD)

The PRD measures the progressivity or regressivity of assessments. Assessments are said to be regressive if high-value properties are under-appraised relative to low-value properties, and progressive if high-value properties are over-appraised relative to low-value properties. Significant progressivity or regressivity results in inequitable distribution of the tax burden. A good quality assessment roll should show no sign of regressivity or progressivity.

The IAAO standard for the PRD is between 0.98 and 1.03. A PRD under 0.98 indicates progressivity; over 1.03 indicates regressivity. The British Columbia Assessment Authority has adopted the IAAO standard for the PRD.

## APPENDIX B: 2005 REVISED ASSESSMENT ROLL RESULTS

### Residential Property

The following table summarizes the provincial results for single family residential properties. These properties represent 56.9 percent of the parcels in BC and 54.8 percent of the market derived value on the Assessment Roll.

The median ASRs in all categories are well within acceptable levels, being only slightly below the British Columbia Assessment Authority target of 97 percent. The CODs are extremely good, well under the British Columbia Assessment Authority target of below 10 percent for homogeneous areas and below 15 percent for heterogeneous areas. All the PRDs also fall within the target range of 0.98 to 1.03.

For the province, from April 1, 2004 until September 30, 2004, 95.8% of sales value was captured on the Assessment Roll (\$16.647 billion actual value / \$17.378 billion sales prices).

## Roll Quality – 2005 Revised Roll SINGLE FAMILY RESIDENTIAL PROPERTY

JURISDICTION TYPE	SALES (APR-SEPT)	MEDIAN ASR <sup>7</sup>	COD <sup>8</sup>	PRD <sup>9</sup>
All Jurisdictions	36,113	96.62%	7.09%	1.011
City	20,607	96.70%	6.70%	1.009
District	9,831	96.52%	6.93%	1.014
Town	1,282	96.53%	8.01%	1.015
Village	739	96.12%	8.99%	1.015
Rural	3,654	96.36%	9.06%	1.018
VERTICAL ANALYSIS				
CATEGORY	SALES (APR-SEPT)	MEDIAN ASR <sup>7</sup>	COD <sup>8</sup>	PRD <sup>9</sup>
Low End Housing (Manual classes: 030 to 060 and 080 to 090)	12,224	96.50%	8.47%	1.014
Mid Range Housing (Manual classes: 140s and 150s)	23,311	96.60%	6.65%	1.010
High End Housing (Manual classes: 070s, and 160s and above)	1,061	96.45%	7.06%	1.015

<sup>7</sup> The ASR is calculated by dividing the actual value (as determined by the British Columbia Assessment Authority) of a property that has sold by its selling price, and expressing the result as a percentage. For example, if the British Columbia Assessment Authority assessed a property with a value of \$243,000, and it sold for \$250,000, the ASR would be 97.2 percent.

<sup>8</sup> The COD measures how closely a group of numbers is clustered around its median, or middle number. The lower the COD, the better quality the product.

<sup>9</sup> The PRD measures the progressivity or regressivity of assessments. Assessments are said to be regressive if high-value properties are under-appraised relative to low-value properties, and progressive if high-value properties are over-appraised relative to low-value properties. Significant progressivity or regressivity results in inequitable distribution of the tax burden. A good quality assessment roll should show no sign of regressivity or progressivity.

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### Non-Residential Property

The following table summarizes the provincial results for sales of multi-family, strata rental, stores, office buildings, and other commercial properties.

The median ASRs and CODs in each category are all within acceptable ranges; for this broad stratification of non-residential properties the 2005 Revised Roll has excellent results.

### Roll Quality – 2005 Revised Roll PROVINCIAL RESULTS – NON-RESIDENTIAL PROPERTY

CATEGORY	SALES (JAN-DEC)	MEDIAN ASR <sup>10</sup>	COD <sup>11</sup>	PRD <sup>12</sup>
Multi-Family	577	95.38%	11.30%	1.037
Strata Rental	629	97.37%	13.15%	1.051
Stores	701	94.41%	11.88%	1.022
Office Buildings	161	95.26%	10.28%	1.001
Other Commercial	2,619	95.18%	12.37%	1.045

<sup>10</sup> The ASR is calculated by dividing the actual value (as determined by the British Columbia Assessment Authority) of a property that has sold by its selling price, and expressing the result as a percentage. For example, if the British Columbia Assessment Authority assessed a property with a value of \$243,000, and it sold for \$250,000, the ASR would be 97.2 percent.

<sup>11</sup> The COD measures how closely a group of numbers is clustered around its median, or middle number. The lower the COD, the better quality the product.

<sup>12</sup> The PRD measures the progressivity or regressivity of assessments. Assessments are said to be regressive if high-value properties are under-appraised relative to low-value properties, and progressive if high-value properties are over-appraised relative to low-value properties. Significant progressivity or regressivity results in inequitable distribution of the tax burden. A good quality assessment roll should show no sign of regressivity or progressivity.

### APPENDIX C: CLIENT SURVEYS

The British Columbia Assessment Authority independently surveys customer groups on a regular basis to gauge how they perceive the corporation's mandate, products and resulting customer service. Corporation staff are involved in developing the survey questions and an independent market research company conducts the polling by telephone. The British Columbia Assessment Authority has conducted large-scale surveys with residential property owners in 1991, 1993, 1998, 2004 and 2005. Each survey measures performance improvement from the previous survey with the objective of improving customer service.

The residential property owners customer surveys, conducted in 2004 and 2005, surveyed individuals across the province representing three groups: a) those having no contact with the British Columbia Assessment Authority within the previous year (other than to receive an assessment notice); b) those who had appealed their assessment within the previous two years; and, c) those who had received a property inspection within the previous two years. The results validated that these customers have a high level of satisfaction with the quality of service they received from the British Columbia Assessment Authority. Public perception of the British Columbia Assessment Authority was considered strong, and homeowners believed the assessment method to estimate their property's value was fair.

## APPENDICES

In 2005, the British Columbia Assessment Authority also conducted surveys with three additional key groups: non-residential, First Nations, and local government/municipal customers using a similar methodology as the residential property owners customer survey. Local government customers were last surveyed in 1999 to measure how well the corporation is serving this key client group.

The British Columbia Assessment Authority plans to conduct similar independent surveys on an annual basis in 2006, 2007 and 2008 to use as a performance benchmark measure to improve customer service.

### APPENDIX D: CONTINUOUS IMPROVEMENT MEASURES (CIM)

Continuous Improvement Measures (CIM) was created internally to facilitate continuous improvement in the British Columbia Assessment Authority. The CIM achieves continuous improvement by focusing on workgroups, not individuals. It positively affects behaviours by focusing through results-based measurement. It also provides data to assist the British Columbia Assessment Authority in strategic planning and establishes for the corporation's Executive, workgroup strengths, and opportunities based on factual information. Corporately we have enjoyed continuous improvement over the first three years of the CIM initiative. The corporate result of 427 (in 2003) is measured by averaging the results from all 29 workgroups. The target for continuous improvement is to increase the score by five percent per year for the next three years.



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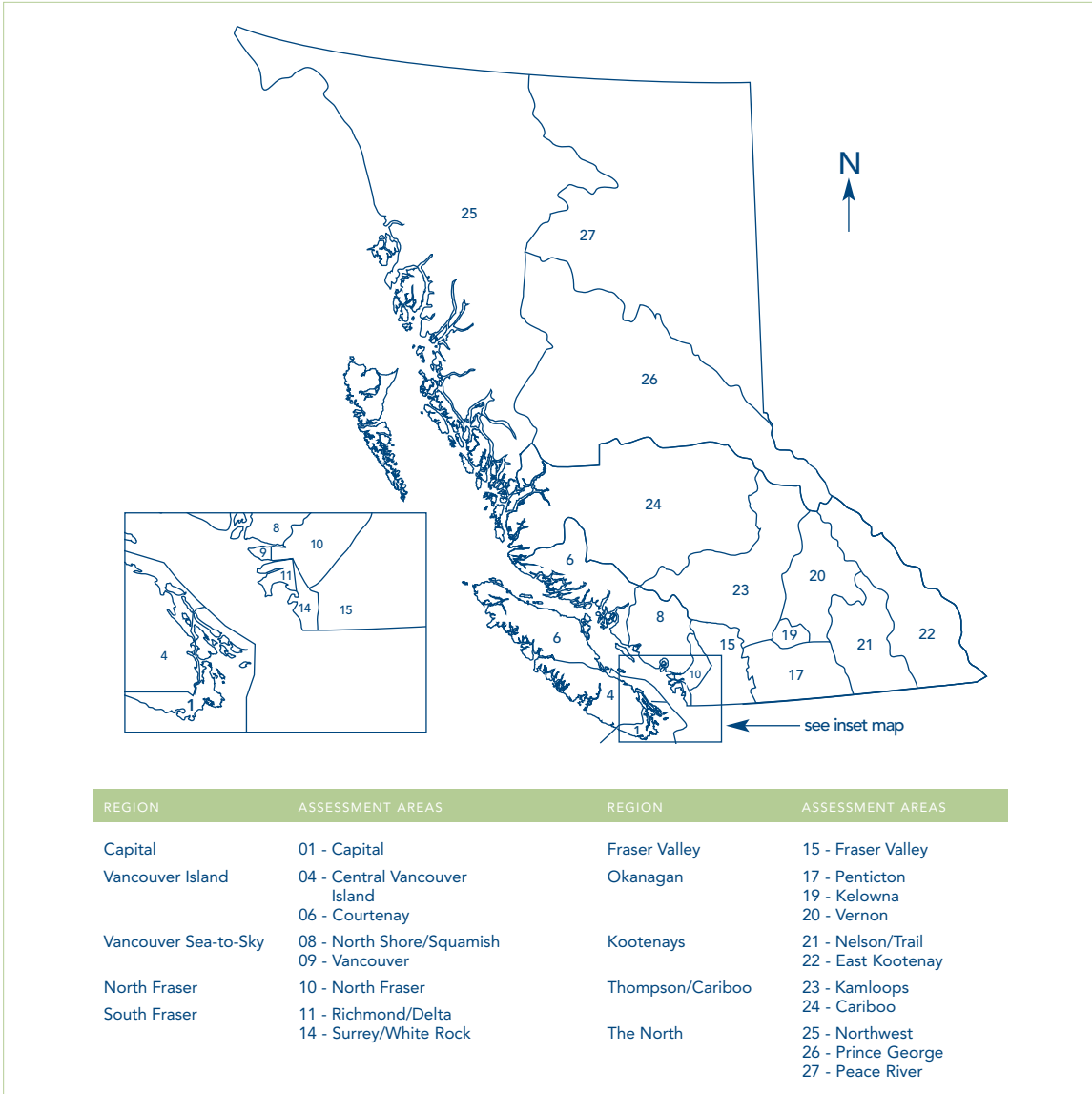
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\*Toll free telephone service is available for all locations. Consult [www.bcassessment.ca](http://www.bcassessment.ca) for further information.

## ASSESSMENT AREAS – MAP



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