

# Appendix B

## Changes to Performance Measures in the 2008-2010 Service Plan

The 2007-2009 Service Plan included ten performance measures. The Detailed Report on Current Performance Measures section of the 2007 Annual Report reports on six of these measures including performance measures 1 and 2 that were consolidated into one measure. The remaining four performance measures (PM.6, PM.7, PM.9, and PM.10) were discontinued.<sup>1</sup> BC Assessment will continue to track these measures internally. Performance measures and results consistent with the 2007-2009 Service Plan are reported below.

### **PM.1 & PM.2 Assessments Accepted Without Referral to the Property Assessment Review Panel**

PM.1 and PM.2 have been retained as performance measures in the 2008-2010 Service Plan, but have been combined into one consolidated target — "each year, >98% of all assessments will be accepted without referral by the public to the Property Assessment Review Panel". The consolidated performance measurement in the 2008-2010 Service Plan is PM.4. The two measures were consolidated to simplify the 2008-2010 Service Plan and to focus external performance measurement on the five most critical key performance indicators. (See the 2007 Annual Report for a detailed discussion on the importance and performance highlights related to this measure).

<b>KEY OBJECTIVES/ PERFORMANCE INDICATORS</b>	2005 Actual (2006 Assessment Roll)	2006 Actual (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)	2007 Actual (2008 Assessment Roll)	2008 Target (2009 Assessment Roll)	2009 Target (2010 Assessment Roll)	2010 Target (2011 Assessment Roll)
<b>PM.1</b> Each year, 98 percent, or more, of residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.	99%	99%	>98%	99% Target met	>98%	>98%	>98%
<b>PM.2</b> Each year, 95 percent, or more, of non-residential assessments will be accepted without referral by the public to the Property Assessment Review Panel.	92%	92%	>95%	94.5% Target not met			

<sup>1</sup> In the process of streamlining performance measures for the 2008-2010 Service Plan, those six measures have been consolidated into five, and re-numbered. PM.1 and PM.2 have been consolidated into one measure (PM.4); PM.3 has become PM.1; PM.4 has become PM.2; PM.5 becomes PM.3; and PM.8 becomes PM.5. The *Annual Service Plan Report for the Year 2007 and a Report on the Creation of the 2008 Assessment Roll* reports on these five critical performance measures.

### PM.3 & PM.4 Satisfaction Levels for Customer Service

PM.3 and PM.4 have been retained as performance measures in the 2008-2010 Service Plan, but the performance measurement numbers have been changed to PM.1 and PM.2 respectively. The two measures were consolidated to simplify the 2008-2010 Service Plan and to focus external performance measurement on the five most critical key performance indicators. See the 2007 Annual Report for a detailed discussion of the importance of this measure, and related performance highlights.

KEY OBJECTIVES/ PERFORMANCE INDICATORS	2005 Actual (2006 Assessment Roll)	2006 Actual (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)	2007 Actual (2008 Assessment Roll)	2008 Target (2009 Assessment Roll)	2009 Target (2010 Assessment Roll)	2010 Target (2011 Assessment Roll)
<b>PM.3</b> Each year, the percentage of residential and non-residential property owners independently surveyed who had direct contact with the Corporation, and were either Very Satisfied or Satisfied with the level of customer service.	83%	86%	>86%	82% Target not met	≥83.5%	≥84%	≥84.5%
<b>PM.4</b> Each year, the percentage of local government/taxing authority, First Nations, and provincial government customers independently surveyed who had direct contact with the Corporation, and were either Very Satisfied or Satisfied with the level of customer service.	100% (Provincial clients not surveyed)	95%	>95%	95.1% Target met	Not Applicable*	≥95%	Not Applicable*

*\*The independent market research firm advising BC Assessment has recommended that, due to consistent high satisfaction levels, BC Assessment shift to a two-year cycle for surveying its local government/taxing authority, First Nations and provincial government customers to avoid survey fatigue, and to minimize the cost to property owners. Consequently, BC Assessment will not undertake a survey for PM.2 in 2008 or 2010 but will undertake the survey of these client groups in 2009.*

### PM.5 Assessment-to-Sales Ratio

PM.5, the median Assessment-to-Sales Ratio measure for the residential and non-residential assessment rolls, has been retained as a performance measure in the 2008 Service Plan, but PM.5 is now PM.3. See the 2007 Annual Report for a detailed discussion of the importance of this measure, and related performance highlights.

<b>KEY OBJECTIVES/ PERFORMANCE INDICATORS</b>	2005 Actual (2006 Assessment Roll)	2006 Actual (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)	2007 Actual (2008 Assessment Roll)	2008 Target (2009 Assessment Roll)	2009 Target (2010 Assessment Roll)	2010 Target (2011 Assessment Roll)
<b>PM.5</b> The median <i>Assessment-to-Sales Ratio</i> for the residential assessment roll in British Columbia will be 97 to 100 percent.	96%	96.5%	97-100%	97% Target met	97-100%	97-100%	97-100%
The median <i>Assessment-to-Sales Ratio</i> for the non-residential assessment roll in British Columbia will be 95 to 100 percent.	95%	95.7%	95-100%	95% Target met	95-100%	95-100%	95-100%

#### **PM.6 Coefficient of Dispersion (COD)**

BC Assessment measured the COD for properties located in both urban and rural areas according to internationally-recognized standards. The COD measures the quality of the Corporation's data by virtue of the spread of all the ASRs around its median (middle) number. The lower the COD, the better quality the product. This is a measure of appraisal uniformity.

The target for non-residential is higher than for residential properties because non-residential properties are more heterogeneous (rural) than residential properties.

The COD standard set by the IAAO for single-family residential properties is under 15 percent for homogeneous (urban) regions and under 20 percent for heterogeneous regions. BC Assessment set targets of under 10 percent and under 15 percent, respectively. The COD standard set by the IAAO for non-residential properties of less than 20 percent was the standard used by BC Assessment.

All three COD targets were met for 2007 for the 2008 provincial Assessment Roll. Although the COD is a valuable measure from an internal quality assurance perspective, the COD measure was removed to simplify the 2008-2010 Service Plan and to focus external performance measurement on the five most critical key performance indicators.

<b>KEY OBJECTIVES/ PERFORMANCE INDICATORS</b>	2005 Actual (2006 Assessment Roll)	2006 Actual (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)	2007 Actual (2008 Assessment Roll)	2008 Target (2009 Assessment Roll)	2009 Target (2010 Assessment Roll)	2010 Target (2011 Assessment Roll)
<p><b>PM.6</b></p> <p>The <i>Coefficient of Dispersion</i> for the provincial assessment roll will be:</p> <ul style="list-style-type: none"> <li>• less than 10 percent for urban residential regions</li> <li>• less than 15 percent for rural residential regions</li> <li>• less than 20 percent for non-residential properties</li> </ul>	<p>Urban 8%</p> <p>Rural 11%</p> <p>N/R 17%</p>	<p>Urban 7.4%</p> <p>Rural 10.9%</p> <p>N/R 14.2%</p>	<p>Urban &lt; 10%</p> <p>Rural &lt;15%</p> <p>N/R &lt;20%</p>	<p>7.2%</p> <p>10.2%</p> <p>14.1% Targets met</p>	<p>N/A for 2008-2010 Service Plan</p>	<p>N/A for 2008-2010 Service Plan</p>	<p>N/A for 2008-2010 Service Plan</p>

### **PM.7 Price Related Differential (PRD)**

BC Assessment measures PRD for residential properties, according to internationally-recognized standards, to determine if assessments are 'progressive' or 'regressive.' Assessments are considered regressive if high-value properties are under-appraised relative to low-value properties; they are considered progressive if high-value properties are over-appraised relative to low-value properties. Significant progressivity or regressivity results in the inequitable distribution of the tax burden, and a good quality assessment should show no sign of either. In short, the PRD measures both the fairness and equity of the assessment rolls by comparing the level of assessment of high-valued property against low-valued property.

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. BC Assessment used the IAAO standard for the PRD. This target was chosen because it is a standard roll quality measure among the international assessment community. The standard set by the IAAO is already rigorous, therefore, BC Assessment has adopted the same standard. The target for this performance measure was met. This is significant considering the volatile real estate market in British Columbia during the past few years.

Although the PRD is a valuable measure from an internal quality assurance perspective, the PRD measure was removed to simplify the 2008-2010 Service Plan and to focus external performance measurement on the five most critical key performance indicators.

<b>KEY OBJECTIVES/ PERFORMANCE INDICATORS</b>	2005 Actual (2006 Assessment Roll)	2006 Actual (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)	2007 Actual (2008 Assessment Roll)	2008 Target (2009 Assessment Roll)	2009 Target (2010 Assessment Roll)	2010 Target (2011 Assessment Roll)
<b>PM.7</b> <i>The Price Related Differential (PRD) will be between 0.98 and 1.03 for residential properties.</i>	1.01	1.01	0.98-1.03	1.01 Target met	N/A for 2008-2010 Service Plan	N/A for 2008-2010 Service Plan	N/A for 2008-2010Service Plan

### **PM.8 The Average Cost Per Property**

The average cost per property for assessment services has been retained as a performance measure in the 2008-2010 Service Plan, but PM.8 is now PM.5. (See the 2007 Annual Report for a detailed discussion on the importance of this measure, and related performance highlights).

<b>KEY OBJECTIVES/ PERFORMANCE INDICATORS</b>	2005 Actual (2006 Assessment Roll)	2006 Actual (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)	2007 Actual (2008 Assessment Roll)	2008 Target (2009 Assessment Roll)	2009 Target (2010 Assessment Roll)	2010 Target (2011 Assessment Roll)
<b>PM.8</b> The average cost per property for assessment services funded from property tax levies will be maintained.	\$35.95	\$35.27	\$37.00	\$37.32 Target not met	\$39	\$40	\$41

### **PM.9 Percentage of Appraisal Staff with Professional Accreditation**

This measure highlights the Corporation's commitment to providing property owners with the highest standards in assessment roll quality by supporting and investing in the development of appraisal staff through professional accreditation. Appraisal staff have an opportunity to obtain professional accreditation to help them perform their work, and to seek promotions within the Corporation. The staff included in this measure are working-level appraisers plus all other positions with either a requirement or a preference for accreditation as part of the job description. Accreditation of staff is tracked by BC Assessment's Human Resources Department and can be verified through external records by the accrediting organizations, the Appraisal Institute of Canada, and the Real Estate Institute of British Columbia.

The results for 2007 fell short of the stated target as there was a higher incidence of retiring accredited employees necessitating the recruitment of employees who will require three to five years to achieve accreditation. However, the overall number of employees who have professional

accreditation is still considered significant at 59 percent.

BC Assessment is committed to improving performance in this area through hiring criteria that favour candidates who are accredited or have educational backgrounds that will allow them to progress more quickly toward accreditation. BC Assessment is also committed to strengthening its partnerships with accreditation organizations such as the Appraisal Institute of Canada and the Real Estate Institute of British Columbia.

This Performance Measure has been removed to simplify the 2008-2010 Service Plan and to focus external performance measurement on the five most critical key performance indicators.

<b>KEY OBJECTIVES/ PERFORMANCE INDICATORS</b>	2005 Actual (2006 Assessment Roll)	2006 Actual (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)	2007 Actual (2008 Assessment Roll)	2008 Target (2009 Assessment Roll)	2009 Target (2010 Assessment Roll)	2010 Target (2011 Assessment Roll)
<b>PM.9</b> Percentage of Appraisal Staff with Professional Accreditation	71%	63%	71%	59% Target not met	Not Applicable	Not Applicable	Not Applicable

**PM.10 Minimize Staff Turnover**

A low turnover rate of permanent employees is important to the Corporation to maintain efficiencies and retain corporate knowledge. BC Assessment will continue to offer permanent employees a challenging work environment, opportunities for advancement, competitive wages and a comprehensive benefits package. Historically, the Corporation has experienced a low rate of permanent staff turnover compared to similar assessment organizations in Canada. However, the province’s real estate construction boom and market movement and the resulting competitive job market in recent years have meant that staff turnover has recently been significant. BC Assessment did not meet its projected target for this performance measure in 2007. With turnover rates remaining at historic high levels, recruitment activity dominated human resource activity during 2007. In 2007, 98 competitions were undertaken to fill 146 permanent positions, and a total of 142 temporary employees were also hired. There appears to be continued interest in BC Assessment as a desirable employment opportunity for both internal and external candidates.

This Performance Measure has been removed to simplify the 2008-2010 Service Plan and to focus external performance measurement on the five most critical key performance indicators.

<b>KEY OBJECTIVES/ PERFORMANCE INDICATORS</b>	2005 Actual (2006 Assessment Roll)	2006 Actual (2007 Assessment Roll)	2007 Target (2008 Assessment Roll)	2007 Actual (2008 Assessment Roll)	2008 Target (2009 Assessment Roll)	2009 Target (2010 Assessment Roll)	2010 Target (2011 Assessment Roll)
<b>PM.10</b> Minimize Staff Turnover	5%	11%	8%	13% Target not met	N/A for 08-10 Service Plan	N/A for 08-10 Service Plan	N/A for 08-10 Service Plan

For discussion regarding Data Source Reliability and Limitations regarding the above performance measures, refer to **Appendix A**.