

BC Assessment
Executive Offices
400 – 3450 Uptown Blvd.
Victoria BC V8Z 0B9

BC Assessment

Phone: 250 595 6211
Fax: 250 595 6222
Website: www.bcassessment.ca

April 10, 2015

Public Sector Employers' Council Secretariat
Suite 210, 880 Douglas Street
Victoria BC V8W 2B7

Attention: Christina Zacharuk
Interim President and CEO

Dear Sir:

On behalf of the Board of Directors of BC Assessment, attached is BC Assessment's Statement of Executive Compensation for the Fiscal Year Ending December 31, 2014.

I confirm that the Board is aware of the compensation paid to the members of the executive as outlined in the attached Statement, and that the compensation provided is within BC Assessment's approved compensation plan for members of the executive.

Sincerely,



Judy Rogers
Chair
Board of Directors
British Columbia Assessment

Enclosure



Statement of Executive Compensation

For the Fiscal Year Ending December 31, 2014

Introduction

BC Assessment is a provincial Crown corporation with a mandate to create uniform assessments which can be relied upon to build sustainable flourishing communities. The Board of Directors provides strategic direction, policy leadership and performance monitoring. All operational matters are the responsibility of the Chief Executive Officer.

BC Assessment establishes and maintains uniform real property assessments throughout the province, using current market data as a guide. After determining the correct classification, actual value and tax exemption status of approximately 1.95 million properties across the province, BC Assessment provides taxing authorities with an assessment roll, which lists all properties, names of the owners and the taxable values of the land and any improvements (buildings). The corporation sends an assessment notice to each person named in the assessment roll. For some properties, the assessment roll contains values that are determined in accordance with regulations and Board-approved prescribed rates and manuals. Examples include farm land and major industrial property manuals.

The real estate market creates the value that BC Assessment reports to taxing authorities and property owners. Taxing authorities determine the amount of revenue required to pay for public services, set their property tax rate and apply the rate to the assessed value of properties.

BC Assessment employs approximately 660 employees in 16 offices throughout British Columbia. The organization currently consists of 10 regions, with 15 area assessment offices located throughout the province and a head office in Victoria.

Compensation Discussion and Analysis

Compensation Objectives

Under Section 13 of the *Assessment Authority Act*, the Board of Directors is responsible for the appointment of the Chief Executive Officer and all other employees and for setting their remuneration. Compensation oversight rests with the Public Sector Employers' Council (PSEC) on behalf of the Minister of Finance and all compensation plans must be approved by the PSEC Secretariat.

BC Assessment has two compensation plans for excluded management employees. The first applies to the Chief Executive Officer and the second applies to all other excluded managers including Vice Presidents.

BC Assessment aims to maintain a management compensation program that will help attract the talent necessary to further the strategic objectives of the organization. We will also provide a compensation program that will be sufficiently attractive to provide talented employees with good reason for remaining with BC Assessment and for continuing in their efforts to enhance service to all

of our customers. Our benefits strategy is to provide competitive, cost effective health and welfare benefits that will help to attract and retain qualified employees.

Salary

The goal of the management total compensation program is to target our programs at the median of our defined external salary marketplace. Market conditions are reviewed on a regular basis. The external marketplace includes an appropriate mix of public and private sector organizations and is also sensitive to the property assessment sector in which BC Assessment competes for employees.

Salary levels for the CEO, for executive members and all other excluded employees are determined by the Board with oversight by the PSEC Secretariat.

Health and Welfare Benefits

BC Assessment provides medical, dental, extended health, short-term and long-term disability, and group life insurance benefits. Generally, these benefits are determined through negotiation with the largest employee group (the bargaining unit) and are in effect for all excluded employees, including the CEO and executive members.

Pension

BC Assessment is required by statute to be a member of the Public Service Pension Plan and to enrol all eligible employees and make contributions on their behalf. This includes the CEO and all executive members.

Vacations and Other Leaves

Excluded employees receive an annual vacation entitlement based upon years of service, commencing at 20 days in the first year of employment up to the maximum of 35 days after 25 years of employment. In addition to this base entitlement for excluded employees, the CEO is entitled to a further five vacation days per year. All employees are entitled to 12 paid (statutory) holidays per year.

Additional paid leave is available to all employees for a variety of purposes such as bereavement, maternity/parental or to care for a sick child.

Retirement Allowance

Excluded employees who retire from BC Assessment under the terms of the *Pension Act* receive a retirement allowance of approximately 1.50 days at their rate of pay on retirement for each year of public service to a maximum of 57 days.

Car Lease

The CEO and Vice Presidents are provided a vehicle allowance or lease arrangement using the Provincial Government's guidelines for executive staff to carry out company business. The maximum monthly lease payment exclusive of tax is not to exceed \$625 per month. The executive member may elect to receive a vehicle allowance in lieu of taking a leased vehicle which is equivalent to the average lease and vehicle operating costs of \$580 per month.

Gainsharing

This program measures eight different corporate performance targets and provides a monetary incentive of up to 5% of base salary. The purpose of the program is to encourage superior corporate performance for assessment roll quality and stability, employee performance, customer satisfaction and productivity.

#	Measure	Target (to achieve 100% payment)
1	Single Family Residential Median Assessment to Sales Ratio	97.0 to 100.0
2	Coefficient of Dispersion for residential properties in homogeneous jurisdictions	Less than 10%
3	Price Related Differential for residential properties	0.98 to 1.03
4	% of total general purpose taxes which are refunded by the taxing jurisdictions resulting from the supplementary process by Dec 31 for the assessment roll created two years previously	Less than 0.10%
5	% of permanent employees with Performance and Development Plan completed by May 1 of the measurement year	100%
6	% of residential and non-residential property owners independently surveyed who had direct contact with the corporation, and provided a positive rating on 10 service indicators related to the customer service they received from the corporation.	88% to 100%
7	Every second year, the % of local governments and First Nations, independently surveyed, who had direct contact with the corporation and provided a positive rating on 10 service indicators related to the customer service they received from the corporation.	98% to 100%
8	Non-market change as reported on the Completed Roll per Full-Time Equivalent employee (FTE) where 1827 hours of work equals one FTE	\$30.1 million per FTE

The gainsharing payment made in March 2014 for the 2013 fiscal year was 3.24% of basic salary.

The gainsharing program ended for management employees in 2014 to align to direction with the Crown Compensation Policy introduced in 2012. As a result, the gainsharing program was converted to base salary and amount was calculated by averaging the last 4 years of actual gainsharing payments, less the value of wage-impacted benefits such as increased employer pension contributions and statutory benefit costs. The amount of the base salary increase was 2.69% and implemented effective January 1, 2014.



Connie Fair
President and Chief Executive Officer

April 10, 2015

Date



Judy Rogers
Chair, Board of Directors
British Columbia Assessment

April 10, 2015

Date

SUMMARY COMPENSATION TABLE
For the Fiscal Year Ending December 31, 2014

Name and Position (a)	Salary (d)	Bonus and / or Incentive Plan Compensation (e)	Benefits (f)	Pension (g)	All Other Compensation (expanded below)	2014 Total	Previous Two Years Totals	
							2013	2012
Connie Fair, President & CEO	\$ 189,464	\$ -	\$ 13,230	\$ 19,921	\$ 9,417	\$ 232,032	\$ 232,132	\$ 241,605
Andy Hoggarth, VP & Executive Financial Officer	\$ 147,129	\$ -	\$ 11,812	\$ 15,294	\$ 18,867	\$ 193,101	\$ 188,779	\$ 185,652
John Madden, VP, People & Planning	\$ 145,396	\$ -	\$ 11,098	\$ 15,104	\$ 19,949	\$ 191,547	\$ 184,770	\$ 183,255
Hart Mauritz, VP, Business Innovation	\$ 149,611	\$ -	\$ 10,394	\$ 15,565	\$ 11,685	\$ 187,255	\$ 179,762	\$ 38,985 ¹
David Highfield, VP, Field Operations	\$ 148,077 ²	\$ -	\$ 8,199	\$ - ³	\$ 22,954	\$ 179,230	\$ 175,074	\$ 168,340

Name and Position (a)	All Other Compensation	Severance (h)	Vacation payout (i)	Paid Leave (j)	Vehicle / Transportation Allowance (k)	Perquisites / other Allowances (l)	Other ⁴ (m)
Connie Fair, President & CEO	\$ 9,417	\$ -	\$ -	\$ -	\$ 8,400	\$ 1,017	\$ -
Andy Hoggarth, VP & Executive Financial Officer	\$ 18,867	\$ -	\$ 7,269	\$ -	\$ 6,960	\$ -	\$ 4,638
John Madden, VP, People & Planning	\$ 19,949	\$ -	\$ 8,397	\$ -	\$ 6,960	\$ -	\$ 4,592
Hart Mauritz, VP, Business Innovation	\$ 11,685	\$ -	\$ -	\$ -	\$ 6,960	\$ -	\$ 4,725
David Highfield, VP, Field Operations	\$ 22,954	\$ -	\$ 11,308	\$ -	\$ 6,960	\$ -	\$ 4,686

¹ Partial year start date October 1, 2012.

² David Highfield was not one of the 5 highest paid Executives in 2012 or 2013 although he was an Executive member.

³ No contribution to the pension plan (reached 35 year maximum).

⁴ Gainsharing of 3.24% of salary paid on March 2014 for fiscal year 2013.