

BC Assessment
Executive Offices
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BC Assessment

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May 17, 2012

Public Sector Employers' Council Secretariat
PO Box 9400 Stn Provincial Government
Victoria, BC V8V 9V1

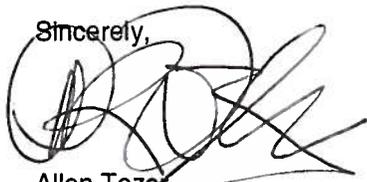
Attention: Paul Straszak
CEO

Dear Sir:

On behalf of the Board of Directors of BC Assessment, I am pleased to provide BC Assessment's Statement of Executive Compensation for the Fiscal Year Ending December 31, 2011.

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,



Allen Tozer
Chair, Human Resources and Compensation Committee
Board of Directors
British Columbia Assessment

Enclosures (2)



Statement of Executive Compensation

For the Fiscal Year Ending December 31, 2011

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 1.9 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 650 employees in 17 offices throughout British Columbia. The organization currently consists of 10 regions, with 16 areas and 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 intends 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 clients. 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 effected 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 11 paid (statutory) holidays per year.

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

Car Lease

The CEO and Vice Presidents are provided a vehicle allowance or lease arrangement using the Provincial Government's parameters for executive vehicles. 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.

Incentive Plan Compensation

The CEO is eligible for a re-earnable, non-pensionable incentive payment of up to \$10,000 per year based upon performance. Performance measures and targets are established by the Board of Directors each year, and are based upon a combination of corporate customer service, product quality, and product uniformity measures contained in the Service Plan, and a survey on CEO performance

completed by the Board. The 2010 performance measures, targets and actual performance achieved is listed below. The performance in 2010 triggered the 2011 incentive payment of \$10,000. Additional information that describes the performance measures is available in the 2010 Annual Service Plan Report at www.bcassessment.com.

Performance Measure	2010 Target	2010 Actual
Employee Engagement Survey Results	65	60
Residential/Non-Residential Survey Results	≥84.5%	83.8%
Percentage of Assessments Accepted without Appeal	≥98.0%	98.4%
Assessment to Sales Ratio (ASR) – Residential	97-100%	97.6%
Assessment to Sales Ratio (ASR) – Non-Residential	95-100%	96.3%
Coefficient of Dispersion (COD) – Urban	<10%	6.5%
Coefficient of Dispersion (COD) – Rural	<15%	8.0%
Roll Stability	≤0.37 of 1%	0.32 of 1%
Cost Per Property	\$40.49	\$39.99
Greenhouse Gas Emissions - (tonnes of CO ₂ equivalent)	664	610

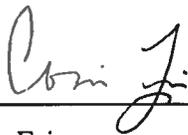
The Incentive Compensation Plan for Vice Presidents consists of a corporate gainsharing program, which all BC Assessment employees participate in except the CEO. This program measures eight different corporate performance targets and provides a monetary incentive of up to 5% of base salary. The purpose of the program is to encourage superior corporate performance for assessment roll quality and stability, employee performance, customer satisfaction and productivity. The targets are negotiated between BC Assessment and its union.

	Performance Measure	2010 Target (to achieve 100% payment)	2010 Actual
1	Single Family Residential Median Assessment to Sales Ratio	97.0 to 100.0	97.6%
2	Coefficient of Dispersion for residential properties in homogeneous jurisdictions (urban)	Less than 10%	6.5%
3	Price Related Differential for residential properties	0.98 to 1.03	1.008
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%	0.32%
5	% of permanent employees with Performance and Development Plan completed by May 1 of the measurement year	100%	98.3%
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%	83.82%
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. ¹	98% to 100%	96.86%

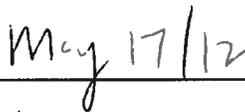
¹ Gainsharing agreement carries forward previous year actual in any year where survey is not conducted.

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	\$21.82 million per FTE
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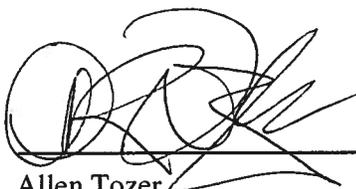
The payment made in March 2011 for the 2010 fiscal year was 3.01% of basic salary.



 Connie Fair
 President and Chief Executive Officer



 Date



 Allen Tozer
 Chair, Human Resources and Compensation Committee
 Board of Directors
 British Columbia Assessment



 Date

SUMMARY COMPENSATION TABLE
For the Fiscal Year Ending December 31, 2011

Name and Principal Position	Salary (\$)	Incentive Plan Compensation Paid (\$)	Benefits (\$)	Pension (\$)	All Other Compensation (\$)	Total (\$)	Previous 2 Years Totals (\$)
Connie Fair President & CEO	\$180,306.65	\$10,000.00 ¹	<i>CPP:</i> \$2,217.60 <i>EI:</i> \$929.16 <i>Medical:</i> \$1,452.00 <i>Dental:</i> \$1,167.68 <i>Extended Health:</i> \$1,143.94 <i>Group Life:</i> \$1,086.91 <i>LTD:</i> \$3,354.56	\$17,810.94	<i>Professional</i> <i>Membership Dues:</i> \$1,038.24 <i>Vacation Payout:</i> \$0.00 <i>Car Allowance/Lease:</i> \$8,400.00		
	\$180,306.65	\$10,000.00	\$11,351.85	\$17,810.94	\$9,438.24	\$228,907.68	2009 = \$225,174.66 2010 = \$226,947.45
Andy Hoggarth Vice President & Executive Financial Officer	\$141,386.39	\$4,240.13 ²	<i>CPP:</i> \$2,217.60 <i>EI:</i> \$929.16 <i>Medical:</i> \$1,308.00 <i>Dental:</i> \$1,167.68 <i>Extended Health:</i> \$1,143.94 <i>Group Life:</i> \$806.52 <i>LTD:</i> \$2,492.12	\$13,809.28	<i>Professional</i> <i>Membership Dues:</i> \$870.47 <i>Vacation Payout:</i> \$5,451.23 <i>Car Allowance/Lease:</i> \$6,670.00		
	\$141,386.39	\$4,240.13	\$10,065.02	\$13,809.28	\$12,991.70	\$182,492.52	2009 = \$175,815.31 2010 = \$182,171.03
Peter Bretherton Vice President, Field Operations	\$141,386.39	\$4,240.12 ²	<i>CPP:</i> \$2,217.60 <i>EI:</i> \$929.16 <i>Medical:</i> \$726.00 <i>Dental:</i> \$1,167.68 <i>Extended Health:</i> \$1,143.94 <i>Group Life:</i> \$806.52 <i>LTD:</i> \$2,492.12	\$13,809.28	<i>Professional</i> <i>Membership Dues:</i> \$1,038.24 <i>Vacation Payout:</i> \$4,633.54 <i>Car Allowance/Lease:</i> \$6,670.00		
	\$141,386.39	\$4,240.12	\$9,483.02	\$13,809.28	\$12,341.78	\$181,260.59	2009 = \$181,894.43 2010 = \$176,332.73
Harry Mercer Vice President, Business & Customer Services	\$141,386.40	\$4,240.12 ²	<i>CPP:</i> \$2,217.60 <i>EI:</i> \$929.16 <i>Medical:</i> \$1,308.00 <i>Dental:</i> \$1,167.68 <i>Extended Health:</i> \$1,143.94 <i>Group Life:</i> \$806.52 <i>LTD:</i> \$2,492.12	\$13,809.30	<i>Professional</i> <i>Membership Dues:</i> \$0.00 <i>Vacation Payout:</i> \$0.00 <i>Car Allowance/Lease:</i> \$6,670.00		
	\$141,386.40	\$4,240.12	\$10,065.02	\$13,809.30	\$6,670.00	\$176,170.84	2009 = \$172,251.02 2010 = \$175,927.71
David Highfield Vice President, Field Operations	\$142,808.67	\$4,256.37 ²	<i>CPP:</i> \$2,217.60 <i>EI:</i> \$929.16 <i>Medical:</i> \$726.00 <i>Dental:</i> \$1,167.68 <i>Extended Health:</i> \$1,143.94 <i>Group Life:</i> \$806.52 <i>LTD:</i> \$2,492.12	\$0.00 ³	<i>Professional</i> <i>Membership Dues:</i> \$1,038.24 <i>Vacation Payout:</i> \$5,451.23 <i>Car Allowance/Lease:</i> \$6,670.00		
	\$142,808.67	\$4,256.37	\$9,483.02	\$0.00	\$13,159.47	\$169,707.53	2009 = \$187,458.86 2010 = \$175,610.85
Andy Robinson Vice President, Policy & Legal Services (hired June 15/09)	\$141,386.35	\$4,240.12 ²	<i>CPP:</i> \$2,217.60 <i>EI:</i> \$929.16 <i>Medical:</i> \$1,452.00 <i>Dental:</i> \$1,167.68 <i>Extended Health:</i> \$1,143.94 <i>Group Life:</i> \$806.52 <i>LTD:</i> \$2,492.12	\$13,809.30	<i>Professional</i> <i>Membership Dues:</i> \$0.00 <i>Vacation Payout:</i> \$0.00 <i>Car Allowance/Lease:</i> \$6,670.00		
	\$141,386.35	\$4,240.12	\$10,209.02	\$13,809.30	\$6,670.00	\$176,314.79	2009 = \$95,323.10 2010 = \$174,244.19

Notes

1. \$10,000 maximum (non-pensionable earnings)
2. Gainsharing of 3.01% of salary paid March 2011 for fiscal year 2010.
3. No contribution to the pension plan (reached 35 year maximum).