

Discussion Paper on Board of Revision Remuneration

Executive Summary

The work of the Board of Revision (BOR) is important to the integrity of the City of Regina assessment process and that the system be fair and equitable. A decision was put forward from the BOR for the Office of the City Clerk Administration to review and analyze the remuneration between Hearings and Decision Writing. The focus is to determine how compensation should be allocated and at what level.

A number of remuneration alternatives have been reviewed including:

1. Status Quo, keep remuneration the same for both Hearings and Decision Writing.
2. Maintain daily Hearing compensation and for every day of Hearings, Board Members will be reimbursed with an equal day of Decision Writing.
3. Re-allocate \$50 from daily Hearing compensation to Decision Writing and for every day of Hearings, Board Members will be reimbursed with an equal day of Decision Writing.

After reviewing and evaluating the above alternatives, it is recommended that alternative #3 best meets the goals and targets of this review. This model will equally disperse the total compensation between Hearings and Decision Writing. This model will also increase total compensation level by re-allocating a portion of the current Hearing compensation to Decision Writing so that Board Members will be reimbursed with an equal day of Decision Writing for every day of Hearings.

To support the financial constraints, it is recommended that the Board Assistant monitor the compensation levels and budget impact of the new proposed model. A high-level implementation plan has been provided in this report to help with the recommendation and impact considerations.

In conclusion, it is imperative that qualified Board Members process and validate the City's system to be fair and decisions made are reasonable. The BOR remuneration is long overdue and has not been sustained. The proposed recommendation will correct the allocation and level of compensation to attract and retain our valuable Board Members.

Introduction

BOR hears appeals and makes decisions with respect to property assessments in accordance with *The Local Improvements Act 1993* and *The Cities Act*. The work of BOR is important to the integrity of the City of Regina assessment process and that our system is fair and equitable.

On March 22, 2017, a decision from the BOR was put forward for the Office of the City Clerk Administration to undertake a review and analyze information concerning the remuneration for attendance at Hearings and Decision Writing. The main focus is to determine how the remuneration should be allocated and at what level.

Goal & Target

The purpose of this report is to identify whether the compensation for attendance at Hearings and Decision Writing is appropriate. This report will assess whether the distribution of compensation commensurate the appropriate time, effort and expertise required in the appeal process. A recommendation will be provided on:

1. The compensation allocated between Hearings and Decision Writing.
2. The total level of compensation to Board Members if deemed appropriate.

Current Situation Analysis

The current remuneration for BOR was approved by City Council on January 25, 1999 and has not been revised since 2004. The Board Members feel a large proportion of the remuneration for appeals is allocated to the compensation for attending Hearings. Hearings might be the most critical component of the appeal process as careful listening and note-taking are important. However, a clearly worded decision through the Decision Writing process demonstrates that the Board has heard and understood the essence of the appeal.

The Decision Writing process is to prove that the reasons for the Board's decision is fair and adequate. Once the required analysis is done, it is essential that a decision be written that clearly demonstrates the Board understood the issues before them, present a logical and rationale reason for their decision. In most cases, Decision Writing takes more time, with more effort than attending Hearings itself. In Figure #1 (Appendix B), the number of days spent on writing decisions double the days spent on hearings.

Figure #1: Number of Rendered Appeals in days from 2013 – 2017

	2013	2014	2015	2016	2017	Average
Rendered Appeals*	140	152	36	103	195	125
# of Hearing Days	22.5	20.0	12.0	7.0	17.0	15.70
# of Writing Days	49.5	53.5	16.5	18.0	47.0	37.0
Total	72.0	73.5	28.5	25.0	64.0	52.70

*Rendered Appeals - includes all lead-appeals and sub-appeals

Overall, the amount of time and effort put into the appeal process have been expressed to exceed the current compensation levels. The City of Saskatoon has addressed the same issues on what should be appropriate for compensation to retain and motivate qualified Board Members.

Financial Situation Analysis

With the recent budget reductions past down by the Saskatchewan province, the City of Regina has been greatly impacted by this economic down turn. The City has been directed to stay within Council approved budget and find ways for efficiencies and cost savings where possible.

The Office of the City Clerk Administration is provided an annual budget of \$27,000 to be used for their remuneration towards board committees (includes Development Appeal Board and other Quasi-Judicial Boards). Depending on a re-assessment year, anywhere from \$5,000 to \$20,000 would be compensated to the BOR Board Members alone as shown below in Figure #2 (Appendix B). This compensation is forecasted to increase due to the number of appeals in the preceding economic growth years. Best practice recommends a 10% contingency for additional growth and risk speculations.

Figure #2: Hearings vs Decision Writing Compensation from 2013 – 2017

	2013	2014	2015	2016	2017	Average
Hearings	\$12,730	\$11,600	\$650	\$1,800	\$12,450	\$7,846
Decision Writing	\$6,761	\$6,907	\$2,222	\$3,166	\$5,904	\$4,992
Total	\$19,491	\$18,507	\$2,872	\$4,966	\$18,354	\$12,838

When comparing to other municipalities of similar size, Regina BOR remuneration is considered fair and reasonable for the province of Saskatchewan, refer to Appendix A for more details. There are multiple compensation models and they vary from municipalities to municipalities. These models can range from volunteers to annual salaries. Some municipalities compensate their Board Members on a daily rate, while

others are based on number of appeals heard. Some municipalities separate compensation between Hearings and Decision Writing like Regina and Saskatoon, while others combine the two as total compensation.

The separation of duties requires a significant amount of time from the Board Assistant to track Board Members contribution to ensure compensation is fairly distributed. Hearings is compensated throughout the year based on a daily remuneration, whereas a formula determines Decision Writing compensation at the end of the year. This formula, not only adds complexity to the workload of Board Assistants but also sparks debates between Board Members on what is a fair allocation. Cities like Calgary and Winnipeg avoid this dispute by providing a total compensation that includes both duties. Other cities, use a model that would reimburse Board Members with an equal day of Decision Writing for every day of Hearings.

Stakeholder Preferences

A survey was conducted to gather Board Members inputs and feedback. The following is the summary from the survey results:

- 63% of Board Members feel they are under compensated (dissatisfied) with the total remuneration, while 37% feel they are compensated fair (satisfied).
- 50% of Board Members prefer to allocate total remuneration to Hearings and Decision Writing evenly.

Compensation Models

Total compensation under Model I:

Figure #3: Status Quo, keep the remuneration the same for both Hearings and Decision Writing.

	Chairperson	Panel Chairperson	Member
Hearings	\$300	\$250	\$200
Decision Writing*	\$75 - \$150	\$63 - \$125	\$50-\$100
Total	\$375-\$450 per day	\$313-\$375 per day	\$250-\$300 per day

*Members will be reimbursed with an equal day of Decision Writing for every two days of Commercial Hearings and every four days of Residential or simplified Hearings.

Pros

- An increase in compensation is not perceived well in the public eyes during any financial deficit or hardship.
- Would not require additional sources since approved budget is currently adequate based on historical data and forecast, as shown in Appendix C.
- Total compensation is acceptable and reasonable compared to other municipalities of similar size, as shown in Appendix A.
- Regina BOR remuneration is above average compared to other committees and such as SMB, DAB and other Quasi-Judicial Boards.

Cons

- Compensation has not been revised since 2004, remuneration has not been sustained with the increased cost of goods and services.
- Biased allocation of compensation: 40% more effort and time are put into Decision Writing compared to attendance at Hearings, as shown in Appendix B.
- Complex Decision Writing formula is calculated annually, whereas attendance at Hearings is compensated throughout the year, as shown in Appendix C.
- 63% of Board Members feel Decision Writing is under compensated relative to the skills required to successfully perform the duties and produce adequate decisions.
- It has been expressed that the municipal average might not be a fair evaluation of compensation or benchmark for the work produced by Board Members.

Total compensation under Model II:

Figure #4: Maintain daily Hearings compensation and for every day of Hearings, Board Members will be reimbursed with an equal day of Decision Writing.

	Chairperson	Panel Chairperson	Member
Hearings	\$300	\$250	\$200
Decision Writing**	\$300	\$250	\$200
Total	\$600 per day	\$500 per day	\$400 per day

* For every day of Hearings, Board Members will be reimbursed with an equal day of Decision Writing.

Pros

- Total compensation will be above average or amongst the top compared to other municipalities of similar size, as shown in Appendix A.
- Remove the compensation gap between Hearings and Decision Writing, eliminating any preference of duty or bias perceptions.
- Remove the complex Decision Writing formula and provide compensation throughout the year that is similar to those of Hearings.
- Support 63% of Board Members who feel Decision Writing is under compensated relative to the skills required to successfully perform the duties and produce adequate decisions.

Cons

- Current \$27,000 approved budget is not significant during reassessment year with other board committee remunerations or any contingency, as shown in Appendix C.
- Total compensation is considered fair or reasonable compared to other municipalities in Saskatchewan, as shown in Appendix A.
- Some municipalities do not separate Hearings and Decision Writing, it is expected that the daily compensation covers both duties.
- Current remuneration is already above average compared to other board committees, this increase will trigger a domino effect to other board committees.
- Compensation is still based on the number of days of Hearings, regardless of the actual number of appeals, effort or time put into Decision Writing, as shown in Appendix B.

Total compensation under Model III:

Figure #5: Re-allocate \$50 from daily Hearings compensation to Decision Writing and for every day of Hearings, Board Members will be reimbursed with an equal day of Decision Writing.

	Chairperson	Panel Chairperson	Member
Hearings	\$250	\$200	\$150
Decision Writing**	\$250	\$200	\$150
Total	\$500 per day	\$400 per day	\$300 per day

** For every day of Hearings, Board Members will be reimbursed with an equal day of Decision Writing.

Pros

- Re-allocating \$50 from daily Hearings to Decision Writing will help minimize financial impact and additional funding sources, as shown in Appendix C.
- Total compensation will still be above average compared to other municipalities of similar size, as shown in Appendix A.
- Remove the compensation gap between attendance Hearings and Decision Writing, eliminating any preference of duty or bias perceptions.
- Remove the complex Decision Writing formula and provide compensation throughout the year that is similar to those of Hearings.
- Support 63% of Board Members who feel Decision Wiring is under compensated relative to the skills required to successfully perform the duties and produce adequate decisions.

Cons

- A reduction in Hearing compensation could potentially reduce the quality of Hearing notes or participation in attendance if Board Members already feel the remuneration is undercompensated.
- Compensation evaluation or benchmark is based on municipal average and assuming that average is appropriate, however municipal average could be undervalued.
- Current remuneration is above average compared to other board committees, this increase could trigger a domino effect to other board committees.
- Compensation is based on the number of Hearings per day, regardless of the actual number of appeals, effort or time put into Decision Writing, as shown in Appendix B.

Recommendation

Currently, Board Members receive higher compensation for attending Hearings than Decision Writing. While the hearing notes are important, the critical part of the process is the Decision Writing. According to the survey results, most Board Members feel Decision Writing is under compensated relative to the skills required to successfully perform the duties of their role.

After doing research and analyzing potential compensation alternatives, it is recommended that Board Members be reimbursed a day of Decision Writing for every day of Hearings by re-allocating \$50 from a day of Hearing to Decision Writing as indicated in Model III. This will provide an equal distribution between Hearings and Decision Writing and at the same time increase the level of total compensation for each Board Member doing both duties. The process of re-allocating funds will help reduce the impact of existing budget or the need to ask for additional funding sources. The Office of the City Clerk Administration is confident the Board Members will find the proposed compensation model fair, satisfying and leading compare to other municipalities of similar size.

Implementation

- In order to manage the workload and minimize budget impact, Board Administration will need to manage the number of appeal days to align with annual approved budget.
- Current budget is about \$27,000 split between BOR and other board committees, re-assessment year could be variance to regular years to help manage and flatten excessive cost.
- If the Panel hears anywhere from three to 12 appeals in one day, the Decision Writing is divided equally amongst the Board Members, each member will be compensated for one day of Decision Writing.
- If one or two appeals are heard in one day, Decision Writing is taken on by one Board Member of the Panel and will be compensated for a full day of Hearing. This will opt other Board Members from Decision Writing and the compensation.
- Board Members are encouraged to alternate and equally distribute Hearings and Decision Writing duties.
- Under the proposed Model III, the increased total compensation should retain existing Board Members and attract potential members with the experience and skills to successfully perform and efficiently produce adequate decisions.
- City Administration has authority to make changes to future Board Member compensation under Council discretion if deem appropriate and fair.

- If the Board Administration does not notify the Board Members one week in advance of the cancellation of hearings, each Member will be compensated for one day of Hearings.

Conclusion

In conclusion, a resolution was adopted to review the compensation level and the allocation between Hearings and Decision Writing. A re-allocation of compensation is recommended to reimburse Board Members a day of Decision Writing for every day of Hearings. This recommendation will not only evenly distribute the compensation for Hearings and Decision Writing, but also increase the level of total compensation.

A large proportion of the time and effort are put towards Decision Writing which is currently undervalued. The BOR remuneration has not been revised since 2004. This recommendation will provide the Board Members with a competitive compensation compared to other municipalities of similar size and retain the skills and expertise required to successfully produce adequate appeal decisions.

The new compensation model will support all stakeholders; Board Administration and Board Members to continue to validate the integrity of the City of Regina assessment process to be fair and the system is equitable to property owners.

Board of Revision Model Comparison
Appendix A

City	Position	Hearing/Day	Writing/Day	Total	Notes
Winnipeg					
	Chairperson	300.00		300.00	Decision Writing and Hearings are combined
	Panel Chairperson	300.00		300.00	
	Member	200.00		200.00	
Calgary					
	Chairperson	550.00		550.00	Decision Writing and Hearings are combined
	Panel Chairperson	450.00		450.00	
	Member	320.00		320.00	
Prince Albert					
	Chairperson	225.00	75.00	300.00	\$25 per appeal (Assuming on average three are heard in one day)
	Panel Chairperson	225.00	75.00	300.00	
	Member	150.00	75.00	225.00	
Saskatoon					
3,600.00 Annual	Chairperson		150.00	150.00	For every day of Hearings, Board Members will be reimbursed for one day of Decision Writing
1,800.00 Annual	Panel Chairperson		150.00	150.00	
	Member	150.00	150.00	300.00	
Regina (Alternative 1: Status Quo)					
	Chairperson	300.00	75.00-150.00	375.00-450.00	Board Members are provided one day of Decision Writing for every two days of Commercial Hearing and one day of Decision Writing for every four days of Residential or simplified Hearings
	Panel Chairperson	250.00	63.00-125.00	313.00-375.00	
	Member	200.00	50.00-100.00	250.00-300.00	
Regina (Alternative 2: Maintain Hearing and Increase Decision Writing)					
	Chairperson	300.00	300.00	600.00	For every day of Hearings, Board Members will be reimbursed with an equal day of Decision Writing
	Panel Chairperson	250.00	250.00	500.00	
	Member	200.00	200.00	400.00	
Regina (Alternative 3: Reallocate from Hearing to Decision Writing)					
	Chairperson	250.00	250.00	500.00	For every day of Hearings, Board Members will be reimbursed with an equal day of Decision Writing
	Panel Chairperson	200.00	200.00	400.00	
	Member	150.00	150.00	300.00	

Board of Revision Data from 2013 -2017

Appendix B

	2013	2014	2015	2016	2017	Total	Average	%
# of Rendered Appeals	140	152	36	103	195	626	125	
# of Appeals in Days								
# of Hearing Days	22.5	20.0	12.0	7.0	17.0	78.5	15.70	30%
# of Decision Writing Days	49.5	53.7	16.5	18.0	47.0	184.7	36.94	70%
# Total Days	72.0	73.7	28.5	25.0	64.0	263.2	52.64	100%
\$ Hearings vs \$ Decision Writing								
\$ Hearings	\$12,730	\$11,600	\$650	\$1,800	\$12,450	\$39,230	\$7,846	61%
\$ Decision Writing	\$6,761	\$6,907	\$2,222	\$3,166	\$5,904	\$24,959	\$4,992	39%
\$ Total Compensation	\$19,491	\$18,507	\$2,872	\$4,966	\$18,354	\$64,189	\$12,838	100%
Average Metrics								
Average # of Rendered Appeals in a Day	6.2	7.6	3.0	14.7	11.5	43.0	8.6	
Average # of Decision Writing in a Day	2.8	2.8	2.2	5.7	4.1	17.7	3.5	

Board of Revision Model Forecast
Appendix C

Model I: Status Quo

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Days	Total
Hearings	0	0	1,700	0	4,500	4,200	0	0	1,675	375	0	0	17	12,450
Decision Writing	0	0	0	0	0	0	0	0	0	0	0	5,904	47	5,904
Grand Total	0	0	1,700	0	4,500	4,200	0	0	1,675	375	0	5,904	64	18,354

Model II: Maintain daily Hearings compensation

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Days	Total
Hearings	0	0	1,700	0	4,500	4,200	0	0	1,675	375	0	0	17	12,450
Decision Writing	0	0	1,700	0	4,500	4,200	0	0	1,675	375	0	0	17	12,450
Grand Total	0	0	3,400	0	9,000	8,400	0	0	3,350	750	0	0	34	24,900

Model III: Re-allocate \$50 from daily Hearings compensation

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Days	Total
Hearings	0	0	1,300	0	3,500	3,250	0	0	1,300	300	0	0	17	9,650
Decision Writing	0	0	1,300	0	3,500	3,250	0	0	1,300	300	0	0	17	9,650
Grand Total	0	0	2,600	0	7,000	6,500	0	0	2,600	600	0	0	34	19,300