
Meeting Minutes

Board of Directors

February 1, 2019

Time: 9:00 am – 12:00 pm

Attendees

Jimmy MacAlpine, Greg Keefe, Darren Bruckschwaiger, Clifford Hood, Mike Dolter, Connie Nolan, Doug Boyd, Bobby McNeil, Chuck Faulkner, Joe Feeney

Regrets

Jane Fraser, Juanita Spencer

Staff Attendees

Kathy Gillis, Meredith Buchanan, Kim Ashizawa, Tracy Williams

1. **Board Welcome – New Board Members**

The Board Chair, Jimmy MacAlpine, welcomed the new Board members. An orientation session was held on January 31, 2019.

2. **Review of Agenda**

The draft agenda was reviewed.

**Moved by Mike Dolter, seconded by Clifford Hood the agenda be accepted.
Motion carried.**

3. **Review of Minutes**

The draft minutes of November 23, 2018 were reviewed.

**Moved by Greg Keefe, seconded by Connie Nolan the draft minutes of
November 23, 2018 be accepted. Motion carried.**

The draft minutes of November 28, 2018 were reviewed.

Moved by Connie Nolan, seconded by Greg Keefe the draft minutes of November 28, 2018 be accepted. Motion carried.

4. Committee Meetings Update

Governance and Human Resources Committee

Greg Keefe, Governance & HR Committee Chair provided an overview of the recommended new Strategy & Stakeholder Relations Committee.

Moved by Darren Bruckschwaiger, seconded by Clifford Hood the recommended Strategy & Stakeholder Relations Committee be accepted. Motion carried.

Greg reviewed the membership structure for each of the Board's committees as follows:

Governance & Human Relations Committee

Clifford Hood, Darren Bruckschwaiger, Joe Feeney, Greg Keefe

Strategy & Stakeholder Relations Committee

Doug Boyd, Chuck Faulkner, Bobby McNeil, Greg Keefe

Audit, Risk and Finance Committee

Jane Fraser, Connie Nolan, Mike Dolter, Juanita Spencer

Moved by Bobby McNeil, seconded by Clifford Hood that the membership structure for the three committees be accepted. Motion carried.

Members will be contacted with the meeting dates.

Audit, Risk and Finance Committee

Mike Dolter, Audit, Risk and Finance Committee Chair provided an update from the January 23, 2018 meeting.

Audit Plan

The external auditor (Grant Thornton) presented their audit approach and strategy for the annual financial audit. They discussed the various phases of the audit including assessing risks, determining the planned audit response to risks, evaluating internal controls and testing accounts and transactions. The auditor also explained new auditing standard requirements in Canada for enhanced description of audit responsibilities, management role and the role of those charged with

governance and oversight of the Organization's operations. The changes focus mainly on responsibility for disclosure of going concern issues/risks.

Moved by Clifford Hood, seconded by Connie Nolan the Board approve and accept the Audit Plan. Motion carried.

Q3 Financials & Investment Report

The Committee reviewed the Quarterly Financial Statements and the Investment Report for the quarter ended December 31, 2018.

There was no significant change in the projected balance on the Operating Fund compared to the previous quarter. Overall operations are expected to be within the approved budget for Municipal Billing for 2018/19 of \$17.434M. Current forecasts indicate the Operating Fund is expected to have a modest positive closing balance at the end of this financial year, largely attributable to savings on vacancies and reductions in office rents due to office space reduction strategies. This is contingent on the investment returns for the remainder of the year and the actuarial valuation of liabilities.

There was a dip in market performance for the quarter ended December 31, 2018 and investment returns were lower than the previous Quarter. While the portfolio returns were better than market benchmarks overall, we closed the quarter with modest investment losses.

The level of funding of obligations for Employee future benefits (Health Plans, Service Awards, SERP) stayed within the threshold of funding (90% to 110%) stipulated in the approved Investment policy. (Dec 31, 2018: 94% funded.)

It was noted that a full actuarial valuation of benefit liabilities as of March 31, 2019 will be completed this year and actuarial adjustments will affect the reported balances on the Operating Fund.

Moved by Connie Nolan, seconded by Greg Keefe the Quarter Three Financials and Investment Report update be accepted. Motion carried.

ERM Risk Report

The Committee reviewed PVSC's principal risks, and discussed:

- Municipal Relationships and how they support PVSC's new service development. The mitigations of this risk include signing off MU Service Level Agreements.

- Importance of developing back-up for key resources especially in Artificial Intelligence team (mitigating Leadership distraction from core).
- Information security (cyber security) and significant impacts from technology change.

Accounts Receivable & Interest Policy

The Committee reviewed the Accounts Receivable & Interest policy.

- Municipalities are expected to pay their proportionate share of PVSC's approved annual budget in a timely manner and invoices are mailed 30 days prior to Invoice date (the invoice date is the 1st day of the Quarter) to allow adequate processing time for municipalities.
- Invoices are due 30 days after the invoice date and PVSC will charge interest at a rate of 1% per cent a month (12% per annum) for any outstanding balance not paid by due date.
- Staff will advise the Audit, Risk & Finance Committee when a municipality is late in payment and interest is charged. As circumstances warrant the Committee may recommend that the Board exercise its authority under Sec. 37(4) of the *PVSC Act* to impose further penalties, including withholding assessment services during the year and/ or withholding transmittal of the municipal assessment roll.

Moved by Mike Dolter, seconded by Greg Keefe the Audit, Risk and Finance Committee update be accepted. Motion carried.

5. CEO Report

In consideration of the new board members, Kathy Gillis noted the CEO Report is a representation of strategic and some business items (i.e. appeals, etc.). Highlights of the Report included:

Phase Out of the Capped Assessment Program (CAP)

PVSC, as administrators of the CAP, are keenly interested in staying informed on the Nova Scotia Federation of Municipalities (NSFM's) resolution (regarding the Province working with municipalities and stakeholders to phase out the CAP and provide better alternatives, and as well enable pilot projects to be undertaken). East Hants and CBRM have met with the Minister of Municipal Affairs to discuss this initiative and PVSC staff will provide support with the exiting of the program if required, it would mean resources and involve a technical component.

Artificial Intelligence (AI) Strategy

An update was provided on the current AI initiatives.

External Stakeholder Outreach

Will be reviewing our communication activities and looking at a revised approach with the municipal units to enhance the service level connection.

Appeal Survey Results

Last fall (October 2018) PVSC conducted its annual (online) survey with property owners (478 participants) who appealed their property assessment. Results showed that PVSC continues to deliver consistent results despite a greater proportion of new property owners appealing.

Canadian Directors of Assessment (CDA) Centre of Excellence

The Steering Committee held its first meeting in January. Upon completion of Phase one in June/July 2019, a decision will be made on next steps.

Organizational Review

Michael DeVenney (consultant & strategist) has been engaged to complete an organizational functional performance review. Changes will be shared with the Board when they become available.

Subsidiary Update

A meeting was held with the Minister of Municipal Affairs in January and the hope is to meet again in the short term on the creation of the subsidiary.

2019 Assessment Roll Update

- Municipalities received an assessment roll on December 28, 2018
- Property Assessment Notices were sent to property owners on January 14, 2019
- 2200 appeals to date have been received, down a bit from this time last year.
- Pop-up offices have been established in Bridgewater & Port Hawkesbury.
- There have been approximately 3700 inquiries to date, compared to 3600 this time last year.
- A brief update on short-term rentals was also provided.

6. Bylaws

Greg Keefe indicated the draft bylaws were reviewed in detailed by the Governance Committee with Robert Andrews, PVSC's Senior Legal Counsel. The following sections were highlighted with the Board, and it was noted that basically all other sections are from the *PVSC Act*:

Section 2 – Definitions

(g) Municipal Experience, (i) Municipal Manager, (k) Recruitment and Appointment Committee

Section 6, 7 & 8 – Objects (what PVSC can undertake under the legislation)

Section 9d – Membership

There were some questions and comments from the Board regarding this section, in terms of who is eligible to attend internal PVSC activities & meetings, including Board meetings. After some discussion it was determined that the Governance Committee would review.

Action: Staff to review Section 9d and Section 55 of the draft bylaws and determine “open” meetings and an *in-camera* policy to take back to the Governance Committee for review to determine if the bylaws require any revision.

Section 27 - Removal

Section 55 – No Annual General Meeting

This Section will be reviewed in consideration of a review of Section 9d.

It was pointed out that once the bylaws are approved, the corresponding policies that currently exist will no longer be relevant.

Moved by Greg Keefe, seconded by Jimmy MacAlpine the Bylaws be approved and accepted. Motion carried.

7. In Camera

There were no matters identified for recording purposes following the *in camera*.

Meeting Adjourned