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# Meeting Minutes

**Meeting: Board of Directors**

**Date: September 18, 2015**

## Attendees

Jimmy MacAlpine, Russell Walker, Kevin Saccary, Amanda Whitewood, Mike Dolter, Robert Bird, Raymond Tynes, Brian Cullen, Michele McKenzie, Betty MacDonald

## Regrets

Doug Sabeau, Alex Morrison

## Staff Attendees

Kathy Gillis, Meredith Buchanan, Chris Doucette, Russ Adams, Grace Chitate, Tracy Williams

## Other Attendees

Doug Boyd & Michael Kelly, Mara Consulting

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The Chair, Jimmy MacAlpine, called the meeting to order. New and returning Board members, were welcomed, Mike Dolter, Town of Truro, Robert Bird, Town of Amherst, Amanda Whitewood, Halifax Regional Municipality, and all attendees introduced themselves.

### 1. **Review of Agenda**

The draft agenda was reviewed. Agenda items were rearranged to allow sufficient time to review and discuss the 2016-17 Draft Budget and the Land Registry.

**Moved by Russell Walker, seconded by Kevin Saccary that the (rearranged) agenda be accepted. Motion carried.**

### 2. **Review of the Minutes**

The draft minutes of June 25, 2015 were reviewed.

**Moved by Russell Walker, seconded by Raymond Tynes that the June 25, 2015 Minutes be accepted. Motion carried.**

The draft Minutes of July 23, 2015 were reviewed.

**Moved by Russell walker, seconded by Kevin Saccary that the July 23, 2015 Minutes be accepted. Motion carried.**

### 3. **PVSC 2016-17 Budget**

Russ Adams, VP Enterprise Risk and Quality Services, thanked Grace Chitate, Manager of Finance, and Melanie Deal, Financial Services Officer for their work in preparing the draft budget. As presented to the Audit, Risk and Finance Committee on September 17, 2015, Russ provided the budget strategy for the next 3 years, the budget scenario for 2016/17, and reviewed the proposed 2016/17 budget of \$17.09M (with no increase in Municipal funding). In addition, the Capital budget was reviewed which will remain as is for the next 3 years, and the funding pressures and how they will be managed were discussed. In terms of managing specific ongoing Operations pressures, changes through the Workforce Planning (WFP) initiative (PVSC moving to a blended role model for commercial (except specialized positions), residential & field assessors) will focus on more efficient utilization of resources and distribution of work assignments. This initiative has been piloted with staff through developmental assignments (of which the Union is aware).

Russell Walker, Chair of the Audit, Risk and Finance Committee, provided an update from the September 17<sup>th</sup> meeting on the financials.

#### Quarter 1 Financials

Investments are down with a Q1 loss due to market fluctuations, an inter fund transfer was made to Special Reserves for 2014/15 and Q1 for the amortization for capital contributions for the Single Address Initiative, and there is a projected surplus in the Operation Fund.

#### Budget

The proposed 2016-17 flat budget is the 6<sup>th</sup> consecutive year with no increase in Municipal funding which is being maintained through WFP, Quality Initiatives, Technology Advancements, and Special Operating Reserves. Collective Bargaining will begin on October 26, 2015, and a Mandate for Collective Bargaining was presented for a three-year term. Also, budget reserves have been allocated for participation in the Land Registry outsourcing plan.

#### Investment Manager Review

A review was completed by an external consultant of PVSC's Investment Manager and the report has concluded the manager is compliant with the approved Investment Policy. Overall, investment performance is above benchmarks.

The Audit, Risk and Finance Committee is recommending approval of the 2016-17 Budget by the Board of Directors, and approval of the recommended Mandate for Collective Bargaining.

**Moved by Russell Walker, seconded by Kevin Saccary that the 2016-17 Budget of \$17.09M for PVSC be accepted. Motion carried.**

**Moved by Russell Walker, seconded by Raymond Tynes that the Mandate for Collective Bargaining as discussed at the Audit, Risk and Finance Committee meeting be accepted. Motion carried.**

#### 4. Land Registry Update

Kathy Gillis provided an update and information on the Land Registry.

- As background, on July 21, 2015, the government (Service Nova Scotia) announced the possible outsourcing (Alternative Service Delivery) of three provincial registries: Motor Vehicle, Joint Stock Companies, and Land. Alternative Service Delivery (ASD) is being viewed as an option to update the registry technology and allow the Province to focus on Health and Education priorities.
- Land Services is essential to PVSC and exploration of Land corresponds with PVSC's strategic plan – Broadening our Services. Also, it was always the intention when Assessment Services moved out of government to ask government for Land, and PVSC has met and talked with government previously with regard to exploring this option.
- PVSC has assembled a team of internal staff and external advisors to research the land opportunity and to better understand what would be required to make a decision regarding whether to bid/not bid. In addition, the Union of Nova Scotia Municipalities (UNSM) sent a letter to the Ministers of Municipal Affairs and Service Nova Scotia, and the Premier to advise on potential risks for consideration. A meeting has taken place with the Minister of Municipal Affairs.
- Alternatives for consideration with regard to a decision to bid/not bid on the Land Registry outsource opportunity were reviewed with the Board. Creating a Steering Committee of the PVSC Board is suggested (that would consist of the three committee chairs and Doug Sabeau (because of his knowledge and experience in this area) to oversee and provide input into the bid/no bid evaluation.
- The prospective procurement timelines were also reviewed as per Phase I (Request for Supplier Qualifications) and Phase II (Procurement Process).

**Moved by Kevin Saccary, seconded by Russell Walker to proceed with the creation of the proposed Steering Committee to oversee and provide input into the bid/no bid evaluation be accepted. Motion carried.**

Michael Kelly and Doug Boyd provided detail on the purpose of the bid/no bid process, bid options & goals, pros/cons of the options, and recommendation/next steps.

Going forward, the Steering Committee will be engaged in the bid/no bid analysis, the UNSM will continue to lobby, and the Steering Committee will update the PVSC Board as things proceed.

## 5. Update from Committees

### Governance Committee

#### (a) Board Recruitment

Jimmy MacAlpine advised the Governance Committee met on August 24, 2015 to discuss PVSC Board appointments and plan for a current Independent Director vacancy. As advised by the UNSM, Robert Bird has been appointed to the UNSM Town position, Mike Dolter to the AMA Town position, and Amanda Whitewood to the AMA Regional position. With Amanda's appointment to the AMA position, an Independent Director vacancy has been created. Andrea Forbes-Hurley from Knightsbridge Robertson Surette (KBRS) attended the Governance Committee meeting and provided an overview of the proposed approach to recruiting and selecting candidates for the independent position. Similar to past recruitment efforts, advertisements were posted in the Chronicle Herald, Cape Breton Post, All Nova Scotia, LinkedIn, and on the PVSC and KBRS websites to announce the position. Additionally, KBRS has engaged in directed outreach to identify potential candidates. A short list of candidates will be presented to the Governance Committee in early October, with interviews expected to be completed by the middle of October, and the Committee's intent is to provide the Board with a recommendation for approval at the October 23<sup>rd</sup> Board meeting.

#### (b) Board Committees Membership

As a result of the recent Board appointments, the Governance Committee also discussed the membership of the Board Committees as vacancies currently exist on all three committees. The Governance Committee recommends Mike Dolter to the Audit, Risk and Finance Committee, Amanda Whitewood to Governance, and Robert Bird to the Quality and Client Service Committee. In addition, the Quality and Client Service Committee has a vacant Chair position and the Committee is recommending Michele McKenzie who is willing and interested in accepting this responsibility.

**Moved by Raymond Tynes, seconded by Russell Walker the committees appointments (Mike Dolter – Audit, Risk and Finance Committee, Amanda Whitewood – Governance Committee, and Robert Bird & Michele McKenzie (Chair) – Quality and Client Service Committee) as recommended to the Board by the Governance Committee be accepted. Motion carried.**

#### (c) Upcoming Board Vacancies

Jimmy MacAlpine also indicated there will be three Board vacancies coming up in December and would therefore like to start the process for those now along with the Independent Director vacancy.

**Moved by Jimmy MacAlpine, seconded by Mike Dolter that the Governance Committee report be accepted. Motion carried.**

### Audit, Risk and Finance Committee

#### (a) Enterprise Risk Management (ERM)

Further to the Audit, Risk and Finance Committee financial update, Russell Walker pointed out that the Principal Risk Report for the ERM program was presented to the Committee. Fifteen Principal Risks for PVSC have been identified, based on likelihood, impact, and tolerance, and that each risk has been assigned a steward.

Russ Adams also provided an update to the Board on the status and progress of the ERM project.

- The steps covered to date were reviewed and the next steps will include implementing the monitoring and reporting processes, followed by integration and transition into operations.
- In terms of progress, the ERM Policy has been approved by the Board; the Governance roles & responsibilities have been established; the process & tools have been designed & implemented for the Framework, and as well the tolerance & risk appetite defined; and, ERM 101 has been developed and delivered to the Board, Audit, Risk & Finance Committee, Managers and Staff. There are additional pieces of work to complete pertaining to the Framework and Communications and Training.
- The objectives of the Principal Risk Report were reviewed, and a summary overview of the Principal Risks (strategic and operational) were reviewed.

It's anticipated that a quarterly review will occur with the Audit, Risk and Finance Committee and an annual review with the Board.

**Moved by Russell Walker, seconded by Kevin Saccary that a quarterly review of the Principal Risk Report occur with the Audit, Risk and Finance Committee and an annual review with the Board be accepted, as well as formal acceptance of the Principal Risk Report. Motion carried.**

### Quality and Client Service Committee

Jimmy MacAlpine provided an update on the Quality Committee meeting held on September 17, 2015.

#### (a) IPTI Certification

The International Property Tax Institute (IPTI) Certification will provide PVSC with international recognition and assurance that its valuation processes are aligned with best practices. As per the certification process, over the last number of months, documentation has been provided to IPTI, and a final Certification Report is expected by the end of October. The Department of Municipal Affairs has expressed that they will not pursue an audit at this point in time and they have requested an overview of the certification results, which IPTI will present to them when the Report is finalized.

(b) Advanced Notification and Consultation

Through Advanced Notification and Consultation (ANC), preliminary assessment values will be posted on PVSC's website on October 14, 2015, and staff will engage in proactive and targeted outreach. The purpose of the ANC approach is to provide clients the opportunity to review their property data & preliminary value, and contact PVSC to discuss and ask questions prior to the final Assessment Roll. Various promotional activities will be conducted, including a news release, promotion through Viewpoint, advertisements in the Chronicle Herald, All Nova Scotia, Kijiji and all Transcontinental news websites.

(c) PVSC Media Audit

As a result of the new five-year communications strategy launched last year, the Board suggested that a media audit be conducted. The audit analyzed media coverage from January 2013 to March 2015, and included 96 print articles, 10 audio clips, & 7 videos, and was assessed on length, placement, visuals, quotes, theme, tone, and outlet. Overall, the audit concluded that PVSC fares better in terms of coverage and reputation than government, the mainstream media is aware of PVSC and understands its role, and that the stories being reported are substantive in nature.

**Moved by Raymond Tynes, seconded by Michele McKenzie that the Quality Committee report be accepted. Motion carried.**

6. **Great Place to Work**

The Great Place to Work agenda item was deferred to the next meeting.

7. **CEO Report (Quarter 2)**

**Moved by Raymond Tynes, seconded by Kevin Saccary that the CEO Report be accepted. Motion carried.**

8. **In-camera**

An *in-camera* session was held, there were no discussion points to note.

**Meeting adjourned**