
Meeting Minutes

Meeting: Board of Directors

Date: June 13, 2014

Attendees

Russell Walker, Greg Herrett, Alex Morrison, Bill Joe MacLean, , Jimmy MacAlpine (by phone), Brian Cullen, Raymond Tynes, Betty MacDonald, Kevin Saccary, Doug Sabean, Bob McNeil, Amanda Whitewood

Staff Attendees

Kathy Gillis, Dwayne Phillips, Kim Ashizawa, Chis Doucette, Grace Chitate, Tracy Williams

Others

Michael Kelly, Mara Consulting & Jerry Hutchings, Grant Thornton

The Chair called the meeting to order.

1. **Review of Agenda**

The draft agenda was reviewed. Two items were added to the agenda for the Audit & Finance Committee update – 1. Investment Policy, 2. Three-Year Budget Forecast.

Moved by B. McNeil, seconded by K. Saccary that the agenda be accepted. Motion carried.

2. **Review of the Minutes**

The draft minutes of February 28, April 24 and April 25, 2014 were reviewed. Betty MacDonald's name was omitted from the list of attendees for the April 24, 2014 meeting which needs to be corrected.

Moved by B. McNeil, seconded by K. Saccary that the Minutes be accepted, with the noted correction. Motion carried.

3. **Update from Committees**

Governance Committee

(a) Board of Directors Action Plan

The Governance Committee met on June 12, 2014. As a result of the Board Evaluation there are eight recommendations that will proceed:

1. Provide Board Members with Additional Training Opportunities
 - A Queen's Governance course will occur sometime in November 2014.
2. Review and Enhance the PVSC's Corporate Performance Measures
 - PVSC staff are continuing to review and incorporate feedback and a scorecard will be presented to the Board for approval.
3. Review Board's Policy on Delegated Authority
 - Deferred until Board training is complete.
4. Include a Report Back Requirement in the CEO Performance Evaluation Process
 - CEO's evaluation/objectives will be reported on /added to the Board's macro agenda for March.
5. Review the Corporate Communications Strategy
 - A Strategy is being developed, it will include municipal engagement and communications activities and will be presented to the Board for approval
6. Introduce a Competency/Skill Matrix
 - Staff will develop a Board Recruitment Policy for approval
7. Increase Board Member's Participation in Discussion at Board Meetings
 - "In camera" sessions will be a standing item on Board agendas.
8. Clarify the Role of the UNSM Director on the Board
 - Research was conducted (legislation & Governance Manual) and the UNSM Director role will vote.

(b) Board Membership

The Association of Municipal Administrators (AMA) has reappointed G. Herrett, Town of Amherst, and appointed Greg Keefe, Halifax Regional Municipality to replace Bob McNeil whose terms ended July 31, 2014.

Quality & Client Service Committee

The Quality Committee met on May 15, 2014 and the following items were discussed:

(a) Project Updates

Advanced Notification and Consultation

The project charter has been approved, and a workshop will be held to determine options for criteria, method, etc. The next steps will include decisions on the approach & action, and the workshop.

Call Management Request for Proposal (RFP)

A project team has been established, the RFP was issued on April 1, 2014 and five vendor submissions were received and evaluated, interviews were held May 13-15th. A possible vendor has been identified, pricing information is being discussed and an onsite visit will occur.

Hosting

The RFP process is complete and the selected vendor is Bulletproof Solutions. The contract has been signed, and Pictometry and ArcGIS environments are in production (testing). K. Gillis noted that good progress is being made. The next big production item will be iasWorld. The system will have to be shut down for a day in August (Aug. 1st) to move everything at that point to PVSC.ca – Eastlink will be the provider.

Income & Expense

PVSC is reviewing the Income & Expense valuation methodology and processes for applicable commercial properties – the current state assessment is complete, International Property Tax Institute (IPTI) experts have been engaged who have identified that some of PVSC's processes, etc are being carried out very well but the current model is not sustainable in the long-term. A project team has been established to look at how IPTI's best practices could be implemented at PVSC, criteria has been developed, and the modelling requirements should be able to be met with iasWorld's functionality.

Quality Framework

The Quality Framework integrates all operational quality initiatives such as compliance monitoring, organizational performance monitoring, and quality assurance. The Framework will outline the schedule, core objectives, key elements, delivery method, and risks mitigated for each initiative.

Annual Report Plan

This year's theme for the annual report is "Partnering for the Future". The final report this year will be distributed electronically (cost savings). The draft report will be sent to the Board on June 20th for approval during the July meeting.

Permit Data Exchange

A working group has been created to further explore improving permit information exchange and processes. The next steps will include agreement, approval and launch of a business case.

Municipal Engagement

Some of the next steps include collaboration on communication of the Tax Study, complete opportunity assessment on the permit data exchange initiative, internal communications and external marketing on eDelivery, 2014 Municipal survey, visits to gather input and feedback on PVSC's service delivery, launch a Municipal extranet, development of municipal training video(s),

Communication Strategy

Corporate strategic plan under development, key focus areas will include staff engagement, strengthening relationships and partnerships with municipalities and the Province, promotion of PVSC as a modern, accessible organization that provides quality products and services. The next steps will include finalizing the communications strategy (that will support the corporate strategic plan) for Board approval.

PI Council (Property Innovation Council)

Due to changes in provincial government structure and priorities, the Property Innovation Council has been disbanded. A new structure with roles & responsibilities has been identified, and will be discussed further.

Moved by J. MacAlpine, seconded by B. J. MacLean that the Quality Committee update be accepted. Motion carried.

(b) Shared Service Governance

The Property Innovation Council no longer exists but there is a need for some type of structure for projects. M. Kelly provided background and further context.

Key considerations are that the structure should reflect the participation of stakeholders using each of the services, operating agreements should be in place with each stakeholder prior to the use of each service, and operators of each service provide assurances that resource levels necessary to maintain service agreements will be maintained.

The proposed new entity is the “Shared Property Services Executive Authority” (the Authority would not include new positions), and will be responsible for overseeing the operation of existing shared services among municipalities and the PVSC, and supporting the development of new services. The proposed structure was reviewed.

In terms of the current state and next steps – there is a need for a new entity supported by the eDelivery Steering Committee, Municipal Affairs and Service Nova Scotia, authorizing members (UNSM, AMA, & PVSC Board) need to be approached for approval, and communication of the transition from the PI Council to the new Authority needs to be coordinated.

Moved by B. J. MacLean, seconded by A. Whitewood that the proposed Shared Property Services Executive Authority, and next steps be accepted. Motion carried.

(c) Permit Business Case Scope

In 2012 PVSC created a Municipal Advisory Committee to provide input and advice on PVSC’s municipal engagement strategy, including improving communications and service delivery. A key priority identified by the Committee was improving permit information exchange. The Committee reviewed the current state and identified there was an opportunity for improvement and standardization. A working group was established and a roadmap to agree on the approach, governance structure, etc. The roadmap consists of four phases – opportunity assessment, business case, design & develop, and implementation.

The proposed objectives, key activities, deliverables, key participants, and timeframe were reviewed. The Municipal Advisory Committee and the Permit Working Group are recommending proceeding to a business case and approval is being requested. It was noted that funding (for external resource support) is available through previous PI Council commitments but at this point not required. A conceptual architecture of a Permit Data Exchange (PDX) solution was reviewed – basically use existing systems to connect using an adapter with, most likely, an extension of the existing portal.

Moved by J. MacAlpine, seconded by K. Saccary, that the Municipal Advisory Committee and the Permit Working Group proceed to a Business Case for the Permit Data Exchange initiative. Motion carried.

Audit & Finance Committee

(a) Investment Policy

In terms of compliance with PVSC's Combined Investment Policy, due diligence has been carried out, the investments are held in line with the goals and performance targets set by the policy and staff prepared a memo outlining this.

(b) Three-year Budget Forecast

For information purposes and has a heads up, the Board was provided with information regarding current preliminary budget projections for the next three years. The 2015/16 budget will not increase. For 2016/17 & 2017/18 staff have looked at a number of funding scenarios and sources and are looking at a modest increases of 1-1.5% for municipal unit billings.

K. Gillis noted the next steps will include targeting final Board approval of the budget at the October 24th meeting. Prior to that, there will be management discussions of the detailed budget proposals, PVSC's Executive Team reviewing the budget in September, and the Audit & Finance Committee's approval and recommendation of the final budget at the October 23rd meeting.

(c) 2014 Audit Report

The Audit & Finance Committee Chair, G. Herrett, noted that the Committee met on June 12, 2014 to review and discuss the 2014 Auditor's Report.

J. Hutchings, Grant Thornton, reviewed with the Board the Auditor's Report with regard to the Consolidated Financial Statements for the Property Valuation Services Corporation as of March 31, 2014.

It is the opinion of the auditor that the financial statements present fairly, in all material respects, the financial position of the Property Valuation Services Corporation as at March 31, 2014.

G. Chitate reviewed highlights of the Consolidated Statement of Operations.

Moved by G. Herrett, seconded by K. Saccary that the Consolidated Financial Statements for the year ended March 31, 2014 be accepted. Motion carried.

The Audit & Finance Committee Chair thanked staff for their efforts.

It was indicated that the Committee held an *in-camera* session during the Audit & Finance Committee meeting and there were no issues.

Grant Thornton will assess the HST implications of our eDelivery service because as the Corporation implements this project it will receive cost recoveries that may be subject to HST based on CRA's interpretations. A question was raised whether this should be included in the Management letter or as an Appendix to the Audit report. The auditor clarified that this does not have to be included in the Management letter or Audit report and it does not affect the current financial year ended March 31, 2014 but has implications for future financial years when the eDelivery project enters its implementation phase. Furthermore Grant Thornton have assigned someone to analyze the HST implications and apply for a CRA ruling for the eDelivery activity.

Grant Thornton will evaluate the controls regarding the new IT environment and external service provider. At the time of audit the Organization was still planning the transition to the new IT environment. An evaluation of IT controls by audit would be done in 2014/15 financial year.

It was noted that going forward it may be a good practice to implement a 20 questions series for the Board that the auditor and the Audit Finance Committee will address when reviewing year-end audits.

4. Strategic Planning Update

C. Doucette gave an overview on the strategic framework and timelines. Highlights were shared from the April 25th Strategic Planning workshop with the Board and from the session with staff. Chris reviewed the presentation in detail and noted that through the strategic drivers, the strategic focus has been identified. The Strategic Plan will be finalized and presented to the Board in September for final approval.

5. Tax Study

B. MacDonald indicated that the UNSM Board reviewed the draft report and recommendations in May. At that time, it was proposed that a consultant be contracted to communicate the report and gather input regarding changes to the Capped Assessment Program (CAP). The consultant has since been talking to government and stakeholders for input. The thought is to perhaps form a committee of stakeholders to discuss CAP changes and why it should be changed, and that information would be presented to government. The next UNSM meeting is scheduled for June 27th and at that point it is hoped to get recommendations from the consultant on next steps. Also, looking at a possible workshop with stakeholders on taxes.

6. Update on Meeting with the Minister, Municipal Affairs

The Board Chair provided an updated on his meeting with the Minister. Overall, he felt the meeting went well.

Board members were provided with a copy of a follow-up letter to the Minister on the issues discussed at the meeting, inclusive of municipal mergers, Land Services, Open Data (and the information that PVSC will release on the website), the Liaison Committee, and the Municipal Tax Study (the Minister was advised that PVSC will be going to a one year base date).

7. Impact and Optimization: Pictometry and Single Address Initiative (SAI)

Background information, timelines, and the business case regarding pictometry was reviewed, and highlights of its benefits to date. Now that pictometry has been widely integrated into PVSC's core valuation processes, in terms of next steps, other opportunities are being explored.

In addition, background information and highlights regarding SAI were reviewed. Next steps include continuing to promote the SAI service to remaining municipalities, finalize Operational Level Agreements, and continue to look for opportunities to leverage the portal.

8. CEO Report

No specific areas were discussed as most of the information has been provided through updates already provided.

9. CEO Objectives & Compensation (*in-camera*)

The CEO goals and objectives for 2014-15 and compensation for the next 3 years (conditional on meeting annual goals and objectives) were ratified *in-camera*.

10. Other

Pension

Earlier this year, PVSC was notified of changes to the UNSM Pension Plan and in April PVSC employees (new hires) became a part of the Standard Life Pension Plan. Requests were being put forward to request that the Nova Scotia Pension Corporation consider the entrance of all PVSC employees into the Public Service Superannuation Plan (PSSP). As of June 1, 2014 all PVSC employees are now a part of the PSSP plan.

Meeting adjourned