

Meeting Minutes

Board of Directors February 3, 2017

Attendees

Jimmy MacAlpine, Clifford Hood, Alex Morrison, Greg Keefe, Mike Dolter,
Connie Nolan, Jane Fraser, Darren Bruckschwaiger, Betty MacDonald

Regrets

Michele McKenzie, Jim Spurr

Staff Attendees

Kathy Gillis, Meredith Buchanan, Kim Ashizawa, Chris Giddens, Tracy Williams

The Chair, Jimmy MacAlpine, called the meeting to order.

1. **Welcome**

The Chair welcomed the new Board members Clifford Hood, Town of Yarmouth, Jane Fraser, Halifax Regional Municipality, and Darren Bruckschwaiger, Cape Breton Regional Municipality.

2. **Introduction and Rules of Engagement**

As the facilitator for this discussion, Chris Giddens introduced himself and provided information pertaining to his professional background.

Board members participated in an exercise that allowed them to identify and talk about their interests and key strengths for serving on the Board. Together, Board members also discussed expectations, behaviors and key components for an effective board.

Action: Staff to prepare a summary of the discussion points in terms of board expectations, behaviors and key components for an effective board and provide back to the Board.

3. **Strategic Direction Discussion**

The draft strategic plan was reviewed by Board members in advance of the meeting. As background, Chris Giddens noted the Board previously agreed the priorities that would be explored for the direction of the organization were municipal unit engagement/service offerings, pursuing the land registry/strategy & next steps, and broadening growth opportunities/external service offerings.

In terms of the growth opportunity/external service offerings, staff and the leadership team participated in discussions and exercises to look at PVSC in terms of challenges, strengths, weaknesses, threats, and as well shared ideas about potential growth opportunities. Senior management then reviewed and assessed the information and undertook an in-depth approach to look at potential growth opportunities. It was determined that PVSC needs to continually improve what we do, generate revenues (enough to put back into the Corporation to reduce municipal unit costs), and mitigate risk.

After some discussion, the Board endorsed the Strategic Plan and moving forward in this direction from a growth opportunity stand point, subject to risks consideration.

In terms of the land registry initiative, Jimmy MacAlpine noted that PVSC previously (in 2015) put forward a response to the Province's RFSQ (Request for Supplier Qualifications) to outsource the registry, but government then ceased proceeding with outsourcing. He also noted that at the time of Assessment moving out of government the intention was to explore Land transferring as well but at the time it was "parked". Jimmy indicated this initiative still needs to be pursued. The Chair and Kathy Gillis indicated that PVSC continues to seek opportunities to discuss/engage the province and other stakeholders and provided an update on the steps that have occurred over the last while.

The Board endorsed continuing to move forward with pursuing Land and "planting seeds". At this point, rather than staff spending any significant amount of time and effort on this, the approach will be that the Chair, along with the UNSM, will lead the charge to pursue engagement efforts/meetings with the Minister of Service Nova Scotia as well as the Minister of Municipal Affairs, and potentially others.

Action: Staff to develop a strategy/engagement plan (i.e. personnel to engage, key messages) for the Chair and UNSM that will be used to continue moving forward in pursuing the Land initiative.

Moved by Connie Nolan, seconded by Darren Bruckschwaiger that the Board accept the Board Chair and the UNSM leading the charge to pursue the Land initiative through engagement/meetings, as per the strategy/engagement plan that will be developed. Motion carried.

4. Review of Minutes

The draft minutes of the September 30, 2016 meeting were reviewed.

Moved by Greg Keefe, seconded by Mike Dolter that the draft minutes of September 30, 2016 be accepted. Motion carried.

The draft minutes of the November 4, 2016 meeting were reviewed.

Moved by Darren Bruckschwaiger, seconded by Alex Morrison that the draft minutes of November 4, 2016 be accepted. Motion carried.

The draft minutes of the December 21, 2016 meeting were reviewed.

Moved by Connie Nolan, seconded by Greg Keefe that the draft minutes of December 21, 2016 be accepted. Motion carried.

5. Committee Updates

Audit, Risk and Finance Committee

The Audit, Risk and Finance Committee Chair, Mike Dolter, advised the Committee met on February 2, 2017 and the following update was provided.

(a) External Auditor Planning

Grant Thornton was awarded the Request for Proposal (RFP) for Financial Audits until 2019. Field work (fiscal audit) will start in May and will be presented to the Committee on June 22, 2016. Grant Thornton has committed to communicating with management.

(b) Investment Reports – Quarter 3 (Q3)

Q3 ended with a positive return on our investments - within targets. Markets were not strong but were okay.

(c) Q3 Financials

Overall spending within the third Quarter is within the Approved Budget. Expected budget savings are for the most part due to temporary staff vacancies, staff movements and NS Utility and Review Board costs.

Staff are meeting with the Department of Municipal Affairs staff regarding the issue of actuarial valuation pertaining to the post-retirement benefits liability and getting a Regulation clarification change.

(d) Q3 Enterprise Risk Management Report

The Committee received an update on the 15 principal risks – highlights included:

- Occupational Health & Safety - Policy was revised & signed off.
- Compliance & Risk Management - Provided background material to the IAAO (International Association of Assessing Officers) auditor for the Provincial Audit, also met with the auditor during field work, and the draft audit results are expected in March.
- New Services Benefits - Permit Data Exchange has now gone live with 46 Municipalities signing on with the new service.
- Business Continuity - Further consideration is being carried out pertaining to the new Bulletproof contract & technology (Cloud options) to implement/test Business Continuity.
- CAP - There have been market value decreases in 34% of residential properties and 22% of residential properties experienced a decrease in their market value and an increase in their taxable (capped) assessment.

(e) Request from R. Bugley, Cumberland

A request was received from Mr. Rennie Bugley, CAO, Municipality of Cumberland asking the Board to review the formula used to calculate the distribution of the PVSC Budget (based on the average of a municipalities' proportional share of the total Uniform Assessment and assessment accounts in the Province). The Committee reviewed/compared distributions and have found the formula is a fair calculation.

The Board agreed a letter be sent to Mr. Bugley from the Chair advising the funding formula is considered a fair calculation.

Action: Staff to draft a letter to R. Bugley, Municipality of Cumberland County, from the Chair advising of the Board's review/discussion regarding the funding formula used to calculate the distribution of the PVSC budget and that the calculation is considered fair.

Action: As requested by the Chair, for ease of access, staff to upload a copy of the analysis (the budget distribution spreadsheet which includes a breakdown of the uniform assessment, assessment accounts, municipal unit recovery, and the recovery allocation) to the Board's intranet site (Audit, Risk and Finance section).

Moved by Darren Bruckschwaiger, seconded by Betty MacDonald that a letter be sent to Rennie Bugley, Municipality of Cumberland advising the funding formula used to calculate the distribution of the PVSC budget is considered fair, and as well that the Audit, Risk and Finance Committee update be accepted. Motion carried.

Governance Committee

(a) CEO & Executive Team Compensation Review

Nancy Stabenow of Carrigan Partners Consulting presented the Governance Committee with the framework, findings and recommendations pertaining to the CEO & Executive Compensation Review. The Committee supported the recommendation of a "3-tier zone salary model" for the Executive level, and the recommendations pertaining to the CEO were discussed *in camera*.

(b) Committee Appointments

Board member were contacted and the following is the suggested committees structure:

Governance: Jimmy MacAlpine (Chair), Jim Spurr, Greg Keefe, & Betty MacDonald

Audit, Risk and Finance: Mike Dolter (Chair), Connie Nolan, Jane Fraser, & Darren Bruckschwaiger

Quality & Client Service: Michele McKenzie (Chair), Alex Morrison, & Clifford Hood

Moved by Jane Fraser, seconded by Greg Keefe that the Board committee appointments be accepted. Motion carried.

(c) Board Recruitment

Two Board vacancies still currently exist – one UNSM Regional (HRM), and one Town. Applications (one for each vacancy) have recently been received and were reviewed by the Governance Committee. The Chair will be contacting the two applicants to have informal conversations (as per the recruitment process) to determine & confirm their interest and commitment in serving on the Board, prior to providing a recommendation to the UNSM.

(d) Governance Composition

The Committee has suggested a review be undertaken of the current PVSC Board appointment model, with respect to governance issues/risks (i.e. recruitment/legislation specifications). Staff will prepare a research paper that will be reviewed with the Governance Committee. The research will include identifying the present situation, issues, governance best practice and what a model could possibly look like.

(e) Support Requirements

Board members contact information (email and phone numbers) will be placed on the Board's Intranet site. Meeting agendas will be sent out two weeks prior to the meetings for input for new agenda items, and *in camera* will be a standing agenda item for all committee meetings.

(f) Expense Policy Review

The current Board Expense Policy requires review and in some areas clarity. Staff are currently undertaking this review from a staff point of view and will do the same for the Board. Betty MacDonald noted the UNSM is also undertaking a review of their expense policy.

Kathy Gillis indicated the possibility of expenses being posted to the open data portal and that this will be considered as part of the policy review. It was also noted by the Governance Committee that all policies and mandates should be reviewed annually.

Moved by Alex Morrison, seconded by Darren Bruckschwaiger that the Governance Committee update be accepted. Motion carried.

6. **CEO Report**

As noted in the CEO Report, Kathy Gillis highlighted the three items pertaining to: CAP - Betty MacDonald provided an update on the UNSM's next steps, which includes a meeting with PVSC, the Land Registry - previously discussed as per item 3, and the Provincial Audit – the auditors were onsite at our Dartmouth office in January and met with senior operational and internal audit staff and the audit report is expected sometime in March/April.

The Open Data Portal was launched in December along with the MOU (Memorandum of Understanding) signing. Looking at additional data sets for the portal. More municipal units are interested in participating. Overall, to date, all has gone well. The Open Data forum will continue – Greg Keefe is the Chair.

**Moved by Alex Morrison, seconded by Betty MacDonald that the CEO Report be accepted.
Motion carried.**

7. Vice-Chair Appointment

A Vice-Chair for the Board was required with Russell Walker no longer a member. Board members elected Greg Keefe, and he accepted the position of Vice-Chair for the PVSC Board.

8. In Camera

The Board held an *in-camera* session to discuss the CEO compensation review.

Meeting Adjourned