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# Meeting Minutes

## Board of Directors

February 4, 2022

Time: 9:00 am – 12:00 pm

Location: GoToMeeting (virtual)

### Attendees

Greg Keefe, Joe Feeney, Doug Boyd, Bobby McNeil, Chuck Faulkner, Connie Nolan, Mike Dolter, Laurie Murley, Darren Bruckschwaiger, Rachel Jones

### Regrets

Juanita Spencer

### Staff Attendees

Kathy Gillis, Russ Adams, Kim Ashizawa, Rebecca Vorstermans, Joram Benham, Hugh Fraser, Tracy Williams

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## 1. Review of Agenda

The draft agenda was reviewed, there were no additions or deletions

## 2. Review of Minutes

The draft minutes of December 3, 2021 were reviewed.

**Moved by Mike Dolter, seconded by Connie Nolan the minutes of December 3, 2021 be accepted. Motion carried.**

## 3. Committee Meetings Update

### Audit, Risk and Finance (ARF) Committee

The Committee Chair, Mike Dolter, noted that summary notes from the January 27, 2022 meeting were provided in advance but provided an overview as follows:

#### (a) Quarter 3 (Oct 1-Dec 31, 2021) Financials

The projected year end surplus is \$1.018M

(b) Investment Report

The Non-Pension Benefits Fund return was 3.84% for the quarter and 9.21% one-year return (December 2020-December 2021), and the Technology Advancement Fund return was 2.16% for Q3 and 4.53% one-year return. The Investment Manager attended the January 27<sup>th</sup> ARF meeting and reviewed the composition of the funds and market outlook, and also reviewed an additional Fixed Income option for the two portfolios of which the Committee will review and discuss at a future meeting whether an adjustment is warranted.

(c) Risk Update

The Committee received an update on the risk register and mitigation strategies:

- The Provincial Government is considering a new tax on non-residents – PVSC will continue to engage with government as invited.
- Non-compliance Appeals - If property owners are deemed non-compliant from failure to provide commercial income and expense data they can appeal. Several non-compliant appeals from the 2021 Assessment Roll were filed with the Nova Scotia Assessment Appeal Tribunal (NSAAT) by property owners to restore their right to appeal. Significant additional commercial valuations could come under appeal should NSAAT continue to restore appeal rights in remaining cases.
- Disclosure Appeals – Some agents, on appeal, for property owners have requested disclosure of specific income and expense data of other commercial properties in addition to the consolidated blinded market analysis information PVSC provides, which PVSC believes contravenes confidentiality and may appeal to the Utility and Review Board (URB).

As a further update, Kathy Gillis advised PVSC met with the Dept. of Municipal Affairs & Housing (DMAH) regarding the NSAAT and have identified areas believed to need resolution by the Department. DMAH will be establishing a working group (at the policy program level). The non-compliance appeals dollar value is \$330M, and \$160M for the disclosure appeals. The Municipality has been kept informed.

(d) Cybersecurity

Joram Benham, PVSC's Senior Developer, will provide the Board with an update on IT Risk Management (see item 6).

(e) Assessor Candidate Training (ACT) Program

Four Assessor candidates started on January 17, 2022. The ACT training has commenced and is being well received. The Board's approval of the program released funding of \$100K from the Special Operating Reserve for the current

fiscal (to March 31, 2022), with further amounts of \$400K and \$300K to be authorized in fiscal 2022-23 and 2023-24. The ARF Committee is recommending Board authorization up to 400K for fiscal 2022-23.

**Moved by Mike Dolter, seconded by Rachel Jones, as recommended by the Audit, Risk and Finance Committee, the Board authorize the release of up to \$400K as of April 1, 2022 from the Special Operating Reserve for the Assessor Candidate Training program for fiscal year 2022-23 (April 1, 2022-March 31, 2023) be accepted. Motion carried.**

(f) **Audit Plan**

The external auditors, Grant Thornton, reviewed at the ARF Com. meeting the audit strategy for the year ending March 31, 2022, it will be fairly standard.

Fees for the 2022 audit are up slightly from 2021 (\$1250 or 5% increase. They also proposed fees for 2023 of \$25K. The Committee is recommending Board acceptance of the 2022 audit plan and fees, as well as the engagement of Grant Thornton for the 2023 audit at the proposed fee.

**Moved by Mike Dolter, seconded by Chuck Faulkner, as recommended by the Audit, Risk and Finance Committee, the 2022 audit plan and fees of \$24,250 and the engagement of Grant Thornton for the 2023 audit at the proposed fee of \$25K be accepted. Motion carried.**

**Moved by Joe Feeney, seconded by Doug Boyd the Audit, Risk and Finance Committee update be accepted. Motion carried.**

**4. ACT Update**

Kathy acknowledged the team's hard work led by Rebecca Vorstermans; great feedback is being received.

Rebecca provided the Board with an overview of the Program in terms of the training modules delivered, roles and responsibilities, new assessor tasks, and how progress will be measured.

As per questions from the Board, Kathy encouraged the Board to look at the program as a long-term investment (it's currently funded through the Special Operating Reserve). As well, the program could be customized and tailored to other jurisdictions.

**5. Macro Agenda – Approval**

The draft 2022-23 Macro Agenda was reviewed.

**Action: Staff to reschedule the March 17<sup>th</sup> Governance Committee meeting and the April 1<sup>st</sup> Board meeting (due to meeting conflicts for some members).**

**Moved by Darren Bruckschwaiger, seconded by Mike Dolter the Macro Agenda be accepted as per the noted changes. Motion carried.**

**6. Risk Report – Cybersecurity Update**

Joram Benham, a key IT staff with PVSC, provided the Board with an update on the IT risk management objectives, purpose, and status on (eight) critical controls and priority recommendations. He noted there are twelve remaining controls/recommendations of which two have been completed, seven are in progress, and three not started. PVSC does a lot of internal cyber control but also partners with Bulletproof Solutions (managing and monitoring PVSC's cloud services, network, servers, and provides proactive communication on new threats), and CFC Cyber Insurance (providing real-time threat/zero-day alerts, expert advice on risk mitigation & best practices, cyber incident reporting and response). Joram also provided an overview on short-term and ongoing/long-term future work. Russ Adams thanked Joram and acknowledged that he is very instrumental in PVSC's due diligence.

**7. Municipal Stakeholder Update**

Hugh Fraser provided an update on the outreach and engagement with the 49 municipal units prior to the end of the year and for the 2022 assessment roll by staff, which was well received. Since then, various presentations have been provided. It was also noted that more calls than usual have been received via PVSC's Service Centre and the majority are regarding the Capped Assessment Program (CAP) and assessment increases. Going forward there will be quarterly updates with the municipal units – an increased focus on contact. Kathy added there are a lot of reports being sent to the municipal units, but this tactic will be much more about "profile" info. The Board noted that quarterly updates are a great idea and at some point, should perhaps reach back to survey the outreach.

**8. In Camera (Board and Staff)**

**Moved by Bobby McNeil, seconded by Rachel Jones to move *in-camera* for the reorganization /senior leadership succession plan discussion/approval.**

**Moved by Darren Bruckschwaiger, seconded by Mike Dolter to move out of *in-camera*.**

**Moved by Mike Dolter, seconded by Darren Bruckschwaiger the Board accept staff's report, and the additional work to be done by the Governance Committee, on the reorganization/senior leadership succession plan. Motion carried.**

**9. In Camera (Board)**

The Board decided an in-camera was not required.

**Meeting Adjourned**