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# Meeting Minutes

## Board of Directors

**June 22, 2018**

**Time: 9:00 am – 12:00 pm**

### Attendees

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

### Regrets

Michele McKenzie

### Staff Attendees

Kathy Gillis, Meredith Buchanan, Russ Adams, Kim Ashizawa, Grace Chitate, Shannon Peterson, Joram Benham, Robert Andrews, Tracy Williams

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## 1. Review of Agenda

The draft agenda was reviewed.

**Moved by Jane Fraser, seconded by Jim Spurr the draft agenda be accepted.**

**Motion carried.**

## 2. Review of Minutes

The draft minutes of April 6, 2018 were reviewed.

**Moved by Darren Bruckschwaiger, seconded by Betty MacDonald the draft minutes be accepted. Motion carried.**

The draft minutes of April 27, 2018 were reviewed.

**Moved by Jane Fraser, seconded by Mike Dolter the draft minutes be accepted.**

**Motion carried.**

### **3. Committee Meetings Update**

#### Audit, Risk and Finance Committee

Mike Dolter, Audit, Risk and Finance Chair provided the Board with an update from the May 24, 2018 and June 21, 2018 meetings.

#### Investment Policy Review

- As a prudent measure to maintain funds proximate to liabilities, the Committee recommends amendment of the Investment Policy to manage the Retirement Benefits Fund within a threshold of 90% to 110% ratio of market valuation to actuarial liability valuation (see highlighted changes p.4 of Investment Policy).
- The Committee recommends amending the Statement of Responsibilities (Appendix 3, p. 10 of the Investment Policy) to clarify the Committee reviews for selection of the fund manager and makes a recommendation to the Board, which is responsible for the approval.
- The Committee recommends waiting a further year before reviewing the current investment manager to assess performance under the new Bank of NS ownership structure.

#### Mobile Assessor Update

- Staff provided an update on the progress of negotiations with Data Cloud Solutions (DCS) for the implementation of Mobile Assessor. The Committee requested this update be provided at the June 22 Board meeting (as per item 5).

#### Risk Update - Information Security Update

- Staff provided an overview of Information Security protocol and process at PVSC as an update on risk treatment. The Committee noted this is of particular interest with recent information breaches at the Province and felt it beneficial for the Board to receive the presentation (as per item 6).

#### Consolidated Financial Statements

- The Committee review the draft Consolidated Financial Statements for the year ended March 31, 2018. Key points to note:
  - The Corporation's overall spending stayed within the approved budget of \$17.176M and the approved transfers from the Technology Advancement Fund to finance special Strategic Initiatives.
  - Future employee benefit liabilities are 96% funded.
  - The implementation of a pilot project with Municipal Assessment Agency (Newfoundland) created cost recovery revenue of approx. \$185K during the year.

- The allocation of the Special Operating Reserve at the end of the financial year was to meet the following restrictions/ requirements:
  - \$140K reserved for Operating Loan for a new wholly owned subsidiary
  - \$46K transferred and applied to offset 2018/19 approved budget
  - \$407K reserved to be applied to offset future budget increases as required
- The Committee recommends the Board approve the Consolidated Financial Statements as at March 31, 2018.

### **External Audit Report**

- Grant Thornton provided an unconditional audit report (draft until Statements approved by the Board) on the Financial Statements. It was noted the auditors made no adjustments or any corrections for misstatements in the course of the audit, nor did they identify any significant deficiencies in internal controls.

**Moved by Mike Dolter, seconded by Darren Bruckschwaiger the Board accept (1) amendment of the Investment Policy to manage the Retirement Benefits Funds within a threshold of 90% to 110% ratio of market valuation to actuarial liability valuation; (2) amending the Statement of Responsibilities (Investment Policy appendix) to clarify Committee and Board roles regarding the selection of the fund manager; (3) waiting for a year before reviewing the current investment manager to assess performance under the new Bank of NS ownership structure; and, (4) the Consolidated Financial Statements as of March 31, 2018. Motion carried.**

#### **4. Q1 CEO Report**

Short-term Accommodation – The Department of Business, through a provincial working group, will be putting forward recommendations to inform the treatment of short-stay rental properties (AirBnBs). PVSC has offered support as a resource and stakeholder. Airbnbs are treated different from inns, etc. as per the Assessment Act. Over the next six months PVSC will be conducting a review (i.e. residential or commercial classification) of these properties. Kathy also noted she will be advising Municipal Affairs of this via her upcoming meeting with the Deputy Minister. As well, PVSC managers will be advising municipalities (those that have inquired) of the same.

Collective Agreement Bargaining – Bargaining is coming up for next year (Collective Agreement expires end of March 2019, and in preparation the Executive Team is looking at recent trends.

Artificial Intelligence (AI) – The June 18, 2018 AI presentation was well received. In terms of the strategy Kathy indicated some thought needs to be given to it. Board members also noted it was a great presentation, that the Corporation needs to take some sort of action and not be left behind, there is value/potential to eliminate some of the transactional pieces, better prediction, impressed with the passion of staff, and also the work that will be undertaken with Dalhousie, needs to be put into context of adaptive intelligence or prediction intelligence.

Three staff are going through “boot camp” course with Dr. Gu, Dalhousie University; a great partnership with academia.

Business Development – Meredith Buchanan provided the Board with an update on the various business development meetings, potential collaboration initiative and strategic planning opportunity.

Proud to do Our Part Award (global citizen) is one of the new recognition awards that lines up with PVSC’s virtues. The individual/team is nominated by staff and was selected by the Board. The award will be presented to the selected staff member at the upcoming All Staff Event on June 27, 2018.

## **5. MobileAssessor**

Russ Adams provided the Board with an update on MobileAssessor as presented to the Audit, Risk and Finance Committee on May 24, 2018.

The business case for MobileAssessor was reviewed with the Board on April 27, 2018 (via conference call). Staff concluded that the project should proceed in a phased approach versus a pilot approach, which would be more cost effective. (The pilot approach would have limited functionality and only cover a portion of required data capture, and lead to rework). The Board approved proceeding with Phase I implementation, and authorized staff to contract with Data Cloud solutions (DCS). The target date is mid October to be operational with approximately 210k property accounts.

In terms of procurement and as per PVSC’s procurement policy, PVSC has determined the MobileAssessor product from Data Cloud Solutions is our only viable option given the specialized expertise of this supplier and the absence of viable alternatives. PVSC’s procurement policy recognizes that alternative procurement may be used rather than public tender where specialized circumstances exist.

PVSC has done Privacy Impact Assessments (PIA) for other previous projects (i.e. iasWorld implementation, Single Address Initiative (SAI), Permit Data eXchange

(PDX)) as a risk assessment and mitigation strategy tool, that can be conducted as the implementation proceeds. \$40k has been budgeted for this, and PIA discussions have been initiated with Bulletproof. The process will be conducted through the summer and targeted for completion in October. PIDPA (Personal Information Protection and Electronic Documents Act) compliance through the Canadian cloud computing service (AWS Canada) will be included in the vendor contract negotiation. The vendor (Data Cloud Solutions) has also been advised that a PIA is being conducted.

As more PIAs are being done, capacity is building to conduct them in-house which would be more cost effective.

**Action: Staff to discuss bringing/building capacity in-house to conduct Privacy Impact Assessments (PIAs) and a policy on PIAs.**

## **6. Information Security**

Russ Adams noted that Joram Benham, Senior Oracle Developer, has been coordinating some of the information security items this year. Joram provided an overview of the terminology in terms of personal information, privacy, confidential information, cyber security, and information security. As well, he provided an overview of PVSC's technology environment, how's it managed, and PVSC's information security in terms of current state.

## **7. MOU / SLA**

The first draft of the Memorandum of Understanding (MOU) was reviewed by the PVSC Board and feedback provided. It was then distributed to both the NSFM (Nova Scotia Federation of Municipalities) and AMA (Association of Municipal Administrators) and has since been approved by both boards and has now reached the final approval stage and sign-off by all three boards.

PVSC Board suggested the provision of services language in the MOU be reviewed to ensure inclusion of HRM Charter.

**Action: Staff to review any language under Orderly Provision of Services in the MOU to ensure inclusion of the HRM Charter.**

**Moved by Jane Fraser, seconded by Clifford Hood the Memorandum of Understanding among the NSFM, AMA and PVSC be accepted, and that staff review the Orderly Provision of Services language in the MOU to ensure inclusion of HRM Charter. Motion carried.**

Shannon Peterson provided a high-level overview of the Service Level Agreement (SLA). In terms of consultation, PVSC legal counsel, Operations and Client Services teams provided input and have reviewed, and a review was also conducted with a small municipal group who provided feedback which has been incorporated. The SLA is a standardized agreement with an appendix for each municipal unit outlining their services.

Once the MOU is signed by all the parties, a joint communication will be issued to the Municipal Units (mayors/wardens/councillors/CAOs/Dir. of Finance) and PVSC Board and staff. Following that, PVSC staff will meet with each municipal unit to provide the SLA.

Prior to the SLA being communicated or provided to the municipal units, as suggested by the PVSC Board, the SLA will be provided to the FNSM Board (Aug 24<sup>th</sup> meeting) and AMA Board (July 18<sup>th</sup> meeting) to obtain their endorsement.

#### **8. Subsidiary Status**

In early 2017 the PVSC Board approved the three-year strategic plan. Since then, as background and a reminder, Kathy Gillis outlined the steps/events that have occurred in terms of trying to create the subsidiary. Recently, PVSC was advised by the Department of Municipal Affairs (DMA) there is no legislative authority in the PVSC Act to establish a for-profit company. In light of this, the PVSC and NSFM Board Chairs had a discussion with the Minister. The Minister is willing to meet with both organizations to discuss the matter further and how it can be resolved. A letter has since been sent to the Minister asking for a meeting date. Kathy also noted, for the record, no incorporation has taken place. The draft presentation outlining the approach for the meeting with the Minister was reviewed with the Board.

Note: Prior to the *in camera*, it was noted the PVSC Board and Committee August meeting dates will be moved to September 6<sup>th</sup> & 7<sup>th</sup> (v. August 30<sup>th</sup> & 31<sup>st</sup>).

#### **9. In Camera**

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

**Meeting Adjourned**