

# Meeting Minutes

## Board of Directors

**September 23, 2022**

Time: 9:00 am – 12:00 pm

Location: Virtual (GoToMeeting)

### Attendees

Joe Feeney, Doug Boyd, Greg Keefe, Bobby McNeil, Chuck Faulkner (attended until 11:05 am),  
Connie Nolan, Juanita Spencer, Tara Maguire

### Regrets

Laurie Murley, Rachel Jones, Darren Bruckschwaiger

### Staff Attendees

Kathy Gillis, Russ Adams, Nancy Mansfield, Tracy Williams

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The Chair welcomed and introduced Board Director Tara Maguire.

#### 1. Review of Agenda

The draft agenda was reviewed. The stakeholder relations update was removed from the agenda. A full update will be provided at the next meeting once the municipal outreach is completed by Jimmy MacAlpine. To date he has met with 22 municipal units.

**Moved by Chuck Faulkner, seconded by Doug Boyd the agenda be accepted as amended. Motion carried.**

#### 2. Review of Minutes

The draft minutes of June 15, 2022 were reviewed.

**Moved by Greg Keefe, seconded by Connie Nolan the minutes of June 15, 2022 be accepted. Motion carried.**

### 3. Committee Meetings Update

#### Audit Risk & Finance Committee (ARF) Update

The ARF Committee met in-person on September 8, 2022, and the members met the new PVSC Controller, Anne Power. Staff decided to bring the controller position and duties back in-house with the recent promotion of Nancy Mansfield to a CFO position within BDO. Anne has many years experience in financial positions and has CPA and CMA designations. The Committee thanked Nancy for her contribution over the past 3 years.

#### Quarter 1 Financials

Staff reviewed expenditures with the Committee. Currently the forecast has a small positive variance of \$25k at year end versus budget, although with only one quarter completed it is likely this variance will change. Staff noted that this is tracking closer to budget than in prior years. Inflation is much higher than when the budget was determined. This has increased costs for some expenditures such as printing and postage. However, the most significant portion of the budget is salaries and benefits which are determined through the collective agreement in place through to fiscal 2024-25. There are some other offsets such as a reduction in the URB costs that balance out the inflationary pressures in the current fiscal.

Staff noted four new positions in the upcoming fiscal 2023-24 budget request that, if approved, would ideally be filled this fall. This can be accommodated within the current budget given the drawdown from the Special Operating Reserve (SOR) for the Assessor Candidate Training (ACT) program positions this year. This will be reviewed and presented to the Board with the 2023-24 budget request (as per item 4 of the agenda).

#### Investment Report – 1st Quarter (April - June 2022)

An update was provided on the Non-Pension Benefits Fund position as of June 30, 2022, with a -9.18% return over the quarter. Staff noted that the markets have recovered somewhat since June but remain volatile. The Fund at the end of July recovered with a 5.84% return in July.

The Tech Fund performance was -7.83% for the quarter. This Fund has also recovered somewhat with a monthly return in July of 5.11%.

The Funds are professionally managed, and the investment policy is conservative which hopefully mitigates the extremes of the market to some extent. It is however prudent to periodically review the investment objectives and policies relative to the liabilities. The Committee will include a review in this year's committee agenda.

### Draft Fiscal 2023/2024 (April 2023 – March 2024) Budget

Staff reviewed the current budget with the Committee (for 2022-23) approved last fall, the current forecast and environmental context and considerations as background for the preparation of the fiscal 2023-24 draft budget and projections for the subsequent three fiscal years.

In keeping with the forecast from last year the draft 2023-24 budget maintains a zero percent increase in the recovery from the municipalities year over year at \$17.532M. Staff have constructed the budget around core operating costs. To achieve the zero increase in 2023-24 a drawdown from the SOR is required. Strategic projects for development can be funded with Board approval on a case basis from the reserve funds.

The Audit, Risk and Finance Committee is recommending the Board approve the 2023-24 budget with a MU recovery of \$17.532M.

Staff will review the details for the Board's consideration.

### PVSC Budget Variance Policy

The Committee discussed and is recommending a draft policy outlining the use and maintenance of the fund. At Board discretion the fund may be used to:

- A. Offset municipal recovery
- B. Retain positive variance or offset negative variance in operating expenditure versus budget at fiscal year end, and
- C. Fund strategic initiatives

To maintain the Fund the Committee suggests that a target of 10% of the operating budget be used for consideration of replenishment allocation.

The Committee is recommending the Board accept the Budget Variance Policy.

### PVSC Memorial Scholarship

The Committee is recommending the policy to establish the PVSC Memorial Community Award. This scholarship will be administered by the Nova Scotia Community College (NSCC) as per the draft gift agreement. It will be funded from the returns of a segregated portion of the investment funds.

**Moved by Doug Boyd, seconded by Chuck Faulkner the Board accept the Budget Variance Policy as recommended by the Audit, Risk and Finance Committee. Motion carried.**

Moved by Greg Keefe, seconded by Connie Nolan the Board accept the PVSC Memorial Scholarship Policy as recommended by the Audit, Risk and Finance Committee. Motion carried.

**Governance & Human Resources Committee Update - Sept. 15, 2022**

The Governance Committee discussed a number of topics that will be scheduled for review this year.

- **Board member compensation** – It has been a number of years since this was reviewed and with the assistance of an external support, staff will initiate a benchmarking of similar Boards for comparison & discussion.
- **Review Board member role description** - This will also include discussion on why and how the Board may establish diversity in its membership.
- **Cycle of member succession** – Currently only have one upcoming vacancy to replace in November, however the cycle is continuous and there should be planning for future succession (relates to member description).
- **Review & update of Board governance policies** - As these are reviewed/updated they should be located in a central repository so all members may access as needed (Board’s SharePoint site).
- **Risk review** – This will be part of the Audit, Risk & Finance Committee agenda.

As noted Jimmy MacAlpine has been meeting with municipalities individually gathering feedback on relationships with PVSC, and Kathy Gillis has offered to share the findings of this outreach with the NSFMC CEO. Also, Kathy has contacted the new Executive Director of the AMA to arrange a meeting with him.

**4. 2023-2024 Draft Budget**

Russ Adams reviewed the:

- current approved 2022-23 budget and forecasts
- trends & considerations
- current Reserves (Special Operating Reserve and Technology Advancement Reserve) as of April 1, 2022
- budget strategy for the next three years
- proposed budget including staffing, postage, travel, leasing, and other highlights, a strategy for the utilization of the Reserves, and assumptions & risks

As indicated in the ARF Committee update, as part of the budget strategy for the next three years, strategic projects for development can be funded with Board approval on a case basis from the Reserve Funds as opportunities present themselves.

The draft budget has been constructed based on maintaining a 0% increase in the recovery from municipalities and requiring a drawdown from the SOR.

The proposed draft 2023-24 budget was presented for the amount of \$17,532,239 in municipal funding (a 0% increase).

Also reviewed were the:

- three-year capital budget projections
- three-year cost recovery budget projections
- three-year budget proposal

In addition, for information purposes, charts were reviewed illustrating PVSC's budget (MU recovery) from fiscal 2008-09 to fiscal 2023-24 (nominal vs. inflation adjustment).

**Moved by Bobby McNeil, seconded by Greg Keefe, as recommended by the Audit, Risk and Finance Committee, the Board of Directors 1. approve the fiscal 2023-24 budget as presented with a \$17,532,239 municipal funding requirement (a 0% increase over 2022-23), 2. authorize a transfer from the Special Operating Reserve in fiscal 2023-24 to achieve this municipal funding level, which is in addition to the allocation from the SOR previously authorized to fund the ACT program in fiscal 2023-24, 3. approve projecting 0% increase in municipal funding recovery for fiscal 2024-25 and 2025-26, however the Board has not as yet approved budgets for those future years and reserves the right to revise as circumstances may warrant, be accepted. Motion carried.**

In terms of next steps the PVSC budget will be presented at the NSFAM annual fall conference, Nov 1-4, 2022 at the Westin Hotel, Halifax.

#### **5. Assessor Candidate Training (ACT) Program Update (Jeff Caddell)**

As introduced by Kathy, Jeff Caddell is an assessor and has performed in a variety of roles, he has a designation as an accredited appraiser and Jeff will be taking on an ACT role along with three experienced mentors. A bigger internship approach is being launched into the program. There will be four or five new assessor candidates starting the program in November with the intent to get them through the full assessment cycle. Jeff reviewed the goals, objectives and structure of the program, and the candidate evaluation and current enrolment.

#### **6. Q2 CEO Report**

Further to the CEO report, which Kathy noted is a work in progress, she highlighted the following:

- In August 2022 new folks were appointed in leadership positions and the team met to discuss the strategic plan and objectives. The strategic plan that was created in 2021 (to carry out over the next 18 months) is being examined for relevancy (i.e., digitization brought forward by Carolyn McKenzie, VP of Innovation & Technology, the work Rebecca Vorstermans is doing on stakeholders & the

municipal units) as there may be an opportunity to rethink some initiatives. Plans will be established to determine what can be done over the next six months to meet objectives and will then look beyond 12 months, and will update the Board on what can be achieved or paused for the next 12 months.

- Jimmy MacAlpine continues to meet externally with municipal officials. Also working with him internally to determine what more can be done in terms of service level.
- Staff attended/attending the AMA and NSFM fall conferences, and the CoVA (Conference of Valuation Agencies) conference.

**Moved by Doug Boyd, seconded by Greg Keefe the CEO Report be accepted. Motion carried.**

**6. In Camera**

No items were identified for recording purposes.

**Meeting Adjourned**