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# Meeting Minutes

## Board of Directors

September 27, 2019

Time: 9:00 am – 12:00 pm

### Attendees

Jimmy MacAlpine, Greg Keefe, Clifford Hood, Chuck Faulkner, Bobby McNeil, Joe Feeney, Doug Boyd, Mike Dolter, Darren Bruckschwaiger (phone), Connie Nolan, Jane Fraser

### Regrets

Juanita Spencer

### Staff Attendees

Kathy Gillis, Meredith Buchanan, Russ Adams, Chris Doucette, David Chipp, Kim Ashizawa, Tracy Williams

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

**1. Review of Agenda**

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

**2. Review of Minutes**

The draft minutes of June 26, 2019 were reviewed.

**Moved by Doug Boyd, seconded by Chuck Faulkner the draft minutes of June 26, 2019 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 September 5, 2019 meeting.

### Quarterly Financial Statements

The approved budget for Municipal Billing for the current financial year is \$17.695M. First Quarter financial results (ended June 30, 2019) indicate that we are operating within the approved budget with a projected modest balance on the Operating Fund. The early preliminary forecasts indicate significant reductions on employee future benefits due to updated actuarial estimates from the last full actuarial valuations. However, these budget savings have been offset by significant budget increases incurred in Utility & Review Board costs (budgeted \$160K, early projections of \$270K). The early preliminary forecasts for the first quarter are subject to change due to fluctuations in investment performance and the impact of actuarial adjustments at year-end. The Corporation completes full actuarial valuation of liabilities every 3 years, we may not see significant financial adjustments during our first year of actuarial extrapolations.

### Investment Report

Closed the quarter with a positive change in investment market values that resulted in Unrealized Gains on the Operating Fund (of \$113K). Overall the investment portfolio returns for the Quarter (and the latest 5 years) are better than market benchmarks. The investments are held within the asset mix required by the policy. Due to the positive market performance the level of funding of obligations for Employee future benefits (Health plans, Service awards, SERP) was slightly above the threshold of funding (90% to 110%) stipulated in the approved Investment policy. (i.e. Q1 funding is @ 111.7%). The funding level is subject to change given that this is the First Quarter and market performance is unpredictable. Staff will continue to monitor the funding level during the remainder of the financial year.

### Approval of 2020/2021 Draft Budget

The ARF Chair indicated the draft 2020/2021 budget and forecasts for 2021/22 and 2022/23 was presented/discussed at the Committee meeting. The draft budget recommended by the ARF Committee was presented by staff to the Board.

The following was presented/reviewed:

- Last year's approved budget
- Budget strategy
- Summary of budget assumptions
- Risks to budget assumptions
- A 2020-21 proposed budget of \$17,961,135 (a percentage change of 1.5%) with minimal increase to help stabilize future budgets

An in-camera discussion was requested.

**Moved by Mike Dolter, seconded by Clifford Hood an in-camera discussion be accepted. Motion carried.**

Following the in-camera discussion, a motion was put forward for Board approval of the ARF Committee recommendation for acceptance of the draft proposed budget.

**Moved by Mike Dolter, seconded by Joe Feeney that the 2020/21 Budget for Municipal Billing of \$17,961,135 and Forecasts for 2021/22 and 2022/23 be accepted. Motion carried.**

#### Risk Report

The risks and mitigations for the quarter were reviewed, and in particular the two largest risks as deemed by management to the organization's achievement of its strategic objectives were highlighted (Risk 1 and 3). It was indicated that cyber security breaches should be highlighted. Staff advised a Technical consultant will be reviewing the IT areas and will bring back recommendations.

The Board requested that the criteria used for assessing risk impact be provided.

**Action: Staff to distribute to the Board the criteria used to assess the risk impact.**

#### Governance and Human Resources Committee

Greg Keefe provided an update on the September 5, 2019 Governance and HR Committee meeting.

#### Director Term Extensions

Terms for three Directors will be ending in October and December 2019. With the new legislation terms can be for four years versus three years. The Governance Committee approved recommending to the Board the following Director's terms be extended by one year:

- Jimmy MacAlpine - extended from Oct 31/19 to Oct 31/20
- Darren Bruckschwaiger - extended from Dec 31/19 to Dec 31/20
- Clifford Hood - extended from Dec 31/19 to Dec 31/20

**Moved by Doug Boyd, seconded by Mike Dolter the Board accept the one-year extended appointment terms as noted above. Motion carried.**

Greg indicated that Kathy Gillis will provide an update on the AMA/Land initiative as part of her CEO report.

#### Strategy and Stakeholder Relations Committee

A strategy update will be received from the CEO, but Greg noted a marketing strategy (reassessment services, quality, advisory) was presented by staff and discussed at the Strategy Committee meeting. He noted it's a great piece of work.

**Moved by Mike Dolter, seconded by Chuck Faulkner the Audit, Risk and Finance Committee update be accepted. Motion carried.**

**Moved by Darren Bruckschwaiger, seconded by Bob McNeil the Governance and Human Resources Committee update be accepted. Motion carried.**

**Moved by Mike Dolter, seconded by Joe Feeney the Strategy & Stakeholder Relations Committee update be accepted. Motion carried.**

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

Kathy Gillis highlighted the following:

Machine Learning (ML) – New Standard: IPTI has developed a White Paper on the Potential of Artificial Intelligence in Property Assessment (use of AI and ML in valuation), to enlighten moving forward with a standard. The next step is to create a review committee.

Canadian Commercial Corporation (CCC): Staff met with a representative from CCC to gain insight. Russ Adams advised the potential benefit would be if contracting with other companies not having to go through a procurement process. (They offer a contracting mechanism / help Canadian exporters gain access to foreign government procurement markets.)

2020 Assessment Roll: This year for the 2020 Assessment Roll PVSC will be doing about 30% of the residential properties using machine learning. Currently in the process of doing the condo file and will be reconciling what will be applied using machine learning for the Roll.

The Board asked about change management with municipal units – status?  
Kathy advised the Executive Team met recently and are currently working on messaging for Municipalities and NSAAT Chairs and will need to determine who else requires communication (i.e. URB, media) – working on the strategy.

Canadian Assessment Centre of Excellence (CACE) - Steering Com. Meeting in Niagara Falls: Moving forward with a national training initiative using the manuals/valuation guides that have been developed for each special purpose property.

Under the direction of the Canadian Directors of Assessment (CDA), and sponsored by CACE, each Canadian jurisdiction will be consulted and the purpose, objectives and deliverables of each of the three entities – CDA, CACE and CPAN (Canadian Property Assessment Network) will be reviewed to determine vision/governance for assessment collaboration across Canada.

Municipal Client Service: Outreach has been prioritized to engage with municipalities. This quarter, senior staff met with CAOs and other staff in 13 of the municipalities. The meetings have been well received and regular follow-up meetings are being scheduled.

Russ Adams also provided an update on municipalities that have or have not yet signed the Service Level Agreements. For those that have not yet signed some indicated they didn't know if it needed to go to Council, in some instances there were new administrators in place, it got to the bottom of the pile for some, or some did not understand the point of signing the SLA.

PVSC/Land Quality Diagnostic Review: Municipal units seem to be getting some clarity around what PVSC can/cannot do, the governance structure and customer service. PVSC staff have a meeting with Land Services to discuss interim measures but the matter needs to be discussed at a higher level. A report will be coming back in the coming weeks from the Quality Diagnostic Review.

The Board Chair asked that Data Quality (Land/Municipalities issue) be added to the Board agenda as a standing item.

**Action: Going forward staff to add Land Data Quality to the Board agenda as a standing item.**

People Strategy / ADP: Nearing completion of a new payroll processing software "Workforce Now" from ADP, replacing the existing ADP platform. It will offer staff more self-service payroll related information/options, and as well offer an online portal for many HR related services.

Tech Strategy: Have engaged an independent IT advisor who is looking at platforms and any risks (global framework being used). Meredith Buchanan's IT team is looking at the risks (high to low priority) and how to manage. This will form part of the Risk Register management that will go back to the ARF Committee with an action plan.

Business Development: Kathy and Meredith provided the Board with an update on potential Tyler opportunity. Proposal sent to Belarus for consideration. BC Proof of Concept – work has been completed on the condo model and the results have been presented to BC. Have approached BC on next steps regarding future machine learning exploration and services and will be following up with them.

IAAO Conference: The networking event went well. Newfoundland is interested in a pilot possibly like BC's. Had the opportunity to meet with Tyler and Eagleview. Attended a SAS presentation (their machine learning tool is for quality). Met with two reps from the Netherlands; need to follow-up with them. Also need to follow-up with New Zealand.

**5. In Camera**

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

**Meeting Adjourned**