

**Property Valuation Services Corporation  
Board of Directors  
Meeting Minutes  
February 15, 2008**

**Attendees**

Lloyd P. Hines  
Darren Bruckschwaiger  
Trudy LeBlanc (via phone)  
Ken Simpson (via phone)

Carroll Publicover  
Debbie Kampen  
Bobby McNeil (via phone)

Mervin Hartlen  
Greg Keefe

**Regrets**

John Prall  
Russell Walker

**Staff Attendees**

Kathy Gillis  
Russ Adams  
Louis de Montbrun  
Tracy Williams

**Others**

Mark Singer, Grant Thornton

---

**1. Agenda**

- The agenda was reviewed.

**2. Business Arising**

**2008/09 Budget and Outstanding Issues**

R. Adams presented an overview of two issues relating to HST and Benefit Liabilities to the Board members.

The business case to form the Corporation recognized that as the service was removed from the Province its status for HST reimbursement would change. It was expected that as the service was for municipalities, the Corporation would receive the same partial HST rebate (approximately 74%) that they receive. In the spring of 2006 the Canada Revenue Agency (CRA) was asked to designate the Corporation as a municipality for purposes of receiving a partial reimbursement of HST paid by the Corporation. After a very long delay CRA finally responded in December 2007 that it would not do so. Should this stand the PVSC will have additional costs of \$435,000 for non-recoverable HST on the goods and services purchased by the Corporation.

Mark Singer, of Grant Thornton, has been retained to represent the Corporation to CRA on this issue. He provided analysis of options that the PVSC may pursue to rectify this initial HST status. The options include further representation to CRA to be designated as a municipality for HST rebate purposes, or pursue inclusion on the provincial exemption list under the Reciprocal Tax Agreement between the Province and the Federal government. All of the options have varying chance of success but it will certainly take a minimum of six months before there is a resolution.

The Board discussed the impact of the various options. It was noted that

public information available on the CRA website indicates that a very similar corporation in another province is considered as a municipality for GST purposes so it is difficult to understand the CRA position on the PVSC.

Staff will continue to pursue all viable options for resolution with CRA and the Province.

In regards to benefits liability, the Minister for SNSMR will designate the Assessment Service staff that will become employees of the PVSC as of April 1, 2008. In accordance with the PVSC Act these staff will no longer be civil servants of the Province but will retain entitlement in the pension and benefit programs in which they are currently enrolled. The Province and the PVSC have reached agreement on the liability for most of these benefits being allocated proportional to service with the respective entity. However, the issue of ownership of the liability for post retirement health benefits remains outstanding. The expense of servicing this liability annually must therefore be considered. Staff will meet with the Comptroller of the Province to clarify this issue.

The Chair noted the issues represent potentially significant new operational expenditures, if we are not able to change the current status. Therefore, the Board considered if the 2008/09 budget will be revised for these potential liabilities or if they be identify as contingencies for possible budget revision during the year once the issues are finalized.

After discussion, questions and comments the Board decided to maintain the current budget at \$15.81 million and adjust PVSC's plans for 2008/09 (ie. diverting the Provincial Assessment Inspection Program (PAIP), research and development of the iasWorld technology and initiatives to advance the Client Services model of the Corporation) to be able to cover these potential additional costs within the existing budget. The municipalities will be advised of the potential costs in the letter outlining the 2008/09 budget.

**Moved by C. Publicover, seconded by D. Kampen that the potential additional costs be funded under the current budget of \$15.81 million and that full disclosure be provided to the municipal units via a letter from the Chair.**

**Motion carried.**

**Meeting Adjourned  
Next Regular Meeting – February 29, 2008**