

Meeting Minutes

Board of Directors

October 20, 2023

Time: 9:00 am – 12:00 pm

Location: PVSC Dartmouth Office, Boardroom A

Attendees

Joe Feeney, Bobby McNeil, Darren Bruckschwaiger, Cathie O'Toole, Connie Nolan, Laurie Murley (MS Teams), Doug Boyd

Regrets: Tara Maguire, Juanita Spencer,

Staff Attendees: Kathy Gillis, Russ Adams, Anne Power, Tracy Williams

1. Review of Agenda

The draft agenda was reviewed.

Moved by Darren Bruckschwaiger, seconded by Doug Boyd the agenda be accepted. Motion carried.

2. Review of Minutes

The draft minutes of September 22, 2023 were reviewed.

Moved by Laurie Murley, seconded by Cathie O'Toole the minutes of September 22, 2023 be accepted. Motion carried.

3. PVSC Board Remuneration – Update

The Board Chair indicated he, Kathy Gillis and Russ Adams met with the President, Vice-President, and CEO of the Nova Scotia Federation of Municipalities (NSFM) to discuss the PVSC Board's motion on recruitment & strategy, the use of the third-party consultant and to modernize remuneration. The information presented was well received and in terms of timing it seemed logical to proceed. Subsequently, the PVSC Board approved

the resolution recommending the remuneration package to the NSFM Executive via a letter to President Chisholm-Beaton (October 11, 2023).

4. Committee Meetings Updates

Audit, Risk and Finance (ARF) Com.

The ARF Committee Chair, Doug Boyd, indicated the Committee met on September 7, 2023. A summary of the meeting was sent in advance of the October 20, 2023 Board meeting for review. In summary, three motions were outlined for consideration regarding:

- a. Revised PVSC Budget Variance Policy approval.
 - b. Fiscal 2024-25 budget approval.
 - c. Proposal, approval, and appointment of financial auditors' firm for fiscal 2023-24, 2024-25 and 2025-26.
- a. Revised PVSC Budget Variance Policy (Reserves)
- Staff indicated there has been an accumulation of Reserves over the years plus contingency.
 - Staff have made recommendations to adjust the policy to balance contingency for financial emergency and ongoing capacity to offset budget increases to municipalities, while keeping municipal billing aligned to full budget expenditure.
 - In summary, the suggested policy changes are:
 - The contingency portion of the reserve shall be maintained at 3-month operating budget (v. 1 month), i.e., one quarter of the annual expenditure. It shall only be used for fiscal emergencies.
 - Any year end surplus shall be added to the SOR to be used for future offset to municipal billing at the Board's discretion. However, if it exceeds 3 months operating excluding the contingency portion, then the Board shall use SOR to offset Municipal Unit (MU) billings in the next fiscal year.
 - The differential between total budget expenditure and municipal billing shall not exceed 6%. This is to avoid significant increase in the MU billing to cover total budget expenditure when the SOR funds have been depleted.
 - This current fiscal will drawdown from the SOR.

Moved by Doug Boyd, seconded by Laurie Murley the revised PVSC Budget Variance Policy, as per the noted changes in the revised draft policy dated September 23, 2023 be accepted. Motion carried.

b. Fiscal 2024-25 Budget (April 2024-March 2025)

- Staff provided an overview of fiscal 2022-23 year end financial results as at March 31, 2023.
- Reviewed the current 2023-24 budget and forecasts approved October 2022, reviewed the trends, increased areas of cost and projected cost areas for 2023-24 (i.e., professional & external admin., IT CAMA & support, strategic projects, printing & postage, salaries), and noted that the current fiscal projections include a drawdown from the SOR.
- In terms of Budget context, PVSC decreased MU billing -1% in 2021-22, then 0% increase in 2022-23 and 2023-24. CPI during this period has increased 11% and so the Corporation is facing inflationary pressure. Maintaining a 0% increase in 2024-25 MU billing presents difficulties, and a sharp increase to actual total expenditure once the SOR is depleted.
- The Committee considered the presentation for the 2024-25 budget and the pressures increasing the total expenditures projected to 2024-25, and the years beyond. As noted in the current fiscal projections there will be a drawdown from the SOR this fiscal year. This will increase going forward and should be considered in light of the revised Reserve (Budget Variance) Policy.
- The Committee considered various scenarios of MU billing and SOR drawdown to cover total expenditures. The Committee is recommending a modest increase of 2% in MU billing starting in F25 (2024-25) and projected to continue in the subsequent F26 (2025-26) and F27 (2026-27) year. This scenario balances the municipal billing compared to total expenditure and SOR drawdown.
- Board members indicated they were comfortable with the 2% increase and that it was prudent.

Moved by Doug Boyd, seconded by Bobby McNeil as recommended by the Audit, Risk and Finance Committee the Board approve and accept the fiscal 2024-25 budget with a 2% increase in the Municipal Unit recovery and a projected drawdown from the Special Operating Reserve and other income (cost recovery & interest). The forecasts for fiscal 2025-26 and fiscal 2026-27 are for a 2% increase each in the Municipal Unit recovery. Motion carried.

- Staff noted that the next steps include preparing to present to the NSFM and how this get communicated.

(c) Appointment of Financial Auditors

Grant Thornton submitted a proposal to provide professional financial audit services for the audits of Fiscal 2023-24, 2024-25 and 2025-26. As noted in previous meetings the Committee finds the service and experience of Grant Thornton to be very professional. They are proposing to maintain the fee for the 2023-24 audit with modest increases in the subsequent two years.

Moved by Doug Boyd, seconded by Darren Bruckschwaiger as recommended by the Audit, Risk and Finance Committee the Board accept the Grant Thornton proposal and appoint the firm as Financial Auditors for Fiscal 2023-24, 2024-25, and 2025-26. Motion carried.

5. In Camera

An in-camera session was not required.

Meeting Adjourned