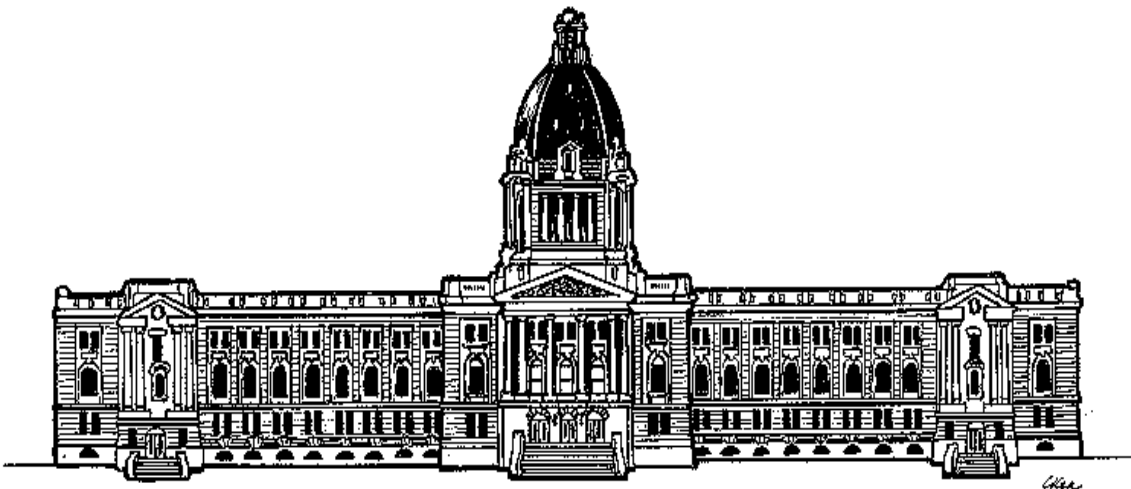




STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Hansard Verbatim Report

No. 36 – May 18, 2006



Legislative Assembly of Saskatchewan

Twenty-fifth Legislature

**STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES
2006**

Ms. Sandra Morin, Chair
Regina Walsh Acres

Mr. Dan D'Autremont, Deputy Chair
Cannington

Hon. Graham Addley
Saskatoon Sutherland

Ms. Donna Harpauer
Humboldt

Mr. Allan Kerpan
Carrot River Valley

Hon. Mark Wartman
Regina Qu'Appelle Valley

Hon. Kevin Yates
Regina Dewdney

[The committee met at 17:08.]

The Chair: — Good afternoon, everybody, and welcome to the Standing Committee on Crown and Central Agencies. Today we will be dealing with Saskatchewan Property Management. And perhaps we'll start off with getting the members of the committee to introduce themselves, starting with Mr. D'Autremont please.

Mr. D'Autremont: — Dan D'Autremont, MLA [Member of the Legislative Assembly] for Cannington.

Mr. Huyghebaert: — Del Huyghebaert, MLA, Wood River.

Ms. Harpauer: — Donna Harpauer, MLA, Humboldt.

Ms. Draude: — June Draude, MLA, Kelvington.

Hon. Mr. Yates: — Kevin Yates, MLA, Regina Dewdney.

Hon. Mr. Addley: — Graham Addley, MLA, Saskatoon Sutherland.

Hon. Mr. Forbes: — David Forbes, Saskatoon Centre, chitting in for Mark Wartman.

The Chair: — Thank you. And we have Mr. Huyghebaert sitting in for Mr. Allan Kerpan, and as said already we have Mr. David Forbes sitting in for Minister Wartman.

**General Revenue Fund
Property Management
Vote 13**

Subvote (PM01)

The Chair: — So I would like to welcome Minister Lautermilch here today on behalf of Saskatchewan Property Management, the minister responsible, and your officials. And perhaps you'd like to introduce your officials for us as well.

Hon. Mr. Lautermilch: — Thank you very much, Madam Chair. And I'm just going to quickly introduce the officials that I have with me here today. To my left is Garth Rusconi who is the assistant deputy minister of accommodation services — or to my right, my other left. One gets confused. To my right, Mr. Rusconi. To my left Deb McDonald, the deputy minister of SPM [Saskatchewan Property Management]. To her left is Donald Koop, the assistant deputy minister of commercial services. And at the table is Debbie Koshman who is the assistant deputy minister of corporate support services; and with her is Mr. Phil Lambert, the assistant deputy minister of information technology and telecommunications.

Madam Chair, we have been before the committee before, and I've made opening remarks at that time. So I have no need to make opening remarks today.

The Chair: — Thank you, Mr. Lautermilch. With that we'll be dealing with Saskatchewan Property Management, vote 13, central management and services (PM01). Ms. Draude.

Ms. Draude: — Thank you very much, Madam Chair. I have questions regarding the highway traffic officers and the vehicles that they're using now. Is there a change in the type of vehicles that the traffic officers will be using this year?

Hon. Mr. Lautermilch: — Madam Chair, we have standard guidelines with respect to the types of purchases that are made for different types of jobs, and I'm told by the officials that they're not aware of any changes that are contemplated at this point.

Ms. Draude: — Are they still going to be using Crown Victorias, or is there any thought of them going to four-by-four pickup trucks?

Hon. Mr. Lautermilch: — Madam Chair, the process works as follows. The department would make a request to Property Management Corporation for full-size vehicles or four-by-fours or downsized vehicle. Based on their request and for what type of vehicle they would want, the Property Management Corporation would put forth their tendering process and accept bids. And as has been the past practice, the low bid would be successful. Now if they request four-by-fours, whoever's in the market and on the tender list would be welcome to put in a bid. And price would determine what kind they would be.

Ms. Draude: — So for clarification then, there hasn't been any request to change the type of vehicles that's used by the highway traffic officers from Crown Victorias to Dodge four-by-four pickups.

Hon. Mr. Lautermilch: — We're not aware of any requests that have been made with respect to the Highway Traffic Board and what they would be looking for.

Ms. Draude: — Thank you very much.

The Chair: — Mr. D'Autremont.

Mr. D'Autremont: — Thank you, Madam Chairman. Mr. Minister, and officials, I'd like to welcome you here today. I have some questions for you in relationship to some of your contracting procedures and methods.

I have a questionnaire here that's used by SPMC [Saskatchewan Property Management Corporation]. It's called specialty communications services supplier questionnaire. Now what is this form used for? I believe it's to provide services to SPMC, but is it simply a request to be on the supplier list? Or is it a contract? What is it?

Hon. Mr. Lautermilch: — Madam Chair, if the member could forward us a copy of what he's referring to, but it very much sounds like a questionnaire that we would be putting out to potential clients of Sask Property Management.

I know on some occasions, they've asked what type of services they can provide, what type of services they'd like to see, what kind of changes they would like to see the corporation embark in. If you have more detail, we could perhaps respond in more detail.

Mr. D'Autremont: — I'll pass on a copy of it. I think I have another one here as well. Yes.

Hon. Mr. Lautermilch: — Madam Chair, this is a document that was . . . it's no longer in use by the corporation. The corporation doesn't provide this service. It's done through Executive Council. But this was the form that was used with respect to photography some time ago, and I don't have a date for you as to when that might have been.

Mr. D'Autremont: — When was this changed over to Executive Council?

Hon. Mr. Lautermilch: — About five years ago.

Mr. D'Autremont: — That's interesting because the people who approached me about this did so about six months ago and were still being covered by this particular form. It still seems to be in effect.

So if this form isn't being used, what form is being used now? And what are the requirements that the suppliers that signed up with SPM to provide services, what kind of a contract are they dealing with now?

Hon. Mr. Lautermilch: — Well I'm told that we don't do specialty communications services for photography. I can only assume that my officials would have some understanding of what areas of business they embark in.

Madam Chair, I'm told that with respect to photography, in order to ensure that there's a broader base of photographers used that there is a rotation list of photographers. And when the corporation . . . or not the corporation. When the department requires a photographer, they contact Executive Council and through the list, and a rotation list, they're informed as to who would be up on the rotation. That's what I'm told by my deputy.

Mr. D'Autremont: — So this rotation list of photographers, who is then employing them and their services? Is it SPMC? Is it a particular department? Is it Executive Council? Who makes the arrangements for them? This was an application submission to be on SPMC's list to supply photography services. Who looks after that now?

Hon. Mr. Lautermilch: — Well we don't have a list because we don't supply that service. When we require, as a department, a photographer, we would contact Executive Council, as I understand it, and they would tell us who is next on their rotation list. Then that person or that photographer would be contacted, and an arrangement would be made between that photographer, I'm assuming, and the people within the department who do that work.

Mr. D'Autremont: — So SPMC no longer maintains a list of suppliers for these kind of services, and I have the minister's assurance then that this is all done from Executive Council.

Hon. Mr. Lautermilch: — I'm told that the photography services are done and the list is done and compiled through Executive Council. That is to the best of my knowledge how the process works. It's not done within the department.

Mr. D'Autremont: — So any submissions to be on that list or any contracts resulting from that are done through Executive Council.

Hon. Mr. Lautermilch: — Madam Chair, I'm told that there is a communications procurement branch within Executive Council that manages the list, that compiles the list, and if anyone is interested in being added to the list that it would be that branch within Executive Council that should be contacted. Now I can undertake to find out specifically who might be in charge of that, what the contact numbers would be, email, phone number, and so forth. We don't have that at our disposal here today.

Mr. D'Autremont: — So since these forms were forms that were used in the past by SPMC and SPMC no longer deals with this issue, does that mean anyone who signed these particular forms and submitted them, that these forms are no longer valid than any . . . their signatures on there are no longer valid, that these contracts are null and void?

Hon. Mr. Lautermilch: — It would appear, Madam Chair, that if this form is to be submitted, it would be to communications services, room 130, 3085 Albert Street, Regina. That's on, I guess, on the top of this list or the top of this supplier questionnaire.

Mr. D'Autremont: — Who is resident at 3085 Albert Street? What office is that?

Hon. Mr. Lautermilch: — Well I wouldn't be aware of who that might be. I mean I can respond to the department, the people who work within the department, the addresses out of which they work, and I've indicated to the member that this is not our form. It is not within the purview of the work that Property Management does, and so I can't answer with any degree of certainty as to who that might be. I don't know that.

The Chair: — Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you, Madam Chair. Welcome again, officials and Minister. I've got a number of questions I want to talk about and facilities and others I guess. Is SPM moving to a different facility in Regina?

Hon. Mr. Lautermilch: — Yes.

Mr. Huyghebaert: — And when is that being done?

Hon. Mr. Lautermilch: — I'm told by the deputy minister that the corporation is . . . Golly, it's hard to get away from the corporation to a department. The department is in the middle of the move at this point right now.

Mr. Huyghebaert: — Was SPM directly involved in any aspects of the building renovations?

Hon. Mr. Lautermilch: — We had two people who were part of the project management team, you know, to ensure the interests of the department were looked after as part of the project team. So we had two employees involved as part of that team.

Mr. Huyghebaert: — Was SPM involved with the tendering process?

Hon. Mr. Lautermilch: — I am told that the consultant and the general contractor had been hired prior to SPM's involvement. And we agreed that we would accept that and that we would also want to ensure that generally accepted tendering practices would be in place.

Mr. Huyghebaert: — What was the cost of the renovations? What was the cost to SPM?

Hon. Mr. Lautermilch: — Madam Chair, I am told that the cost will be in the neighbourhood of \$14 million which is a bit over budget. I'm told that the costs of materials had increased from the initial estimate and the initial allocation, that labour costs have increased, and that there were some unforeseen costs — asbestos and those types of things — that the department was unaware of.

The member will know in this economy to find qualified tradespeople, to find contractors, is difficult. They're in demand. And it would appear that we have to pay a premium if we want to ensure that work gets done. And I would say it's not unusual for construction projects to run over budget at this time. And this one is not dissimilar in that the original was 11.5 and the actual, we believe, will be around 14 million.

Mr. Huyghebaert: — What comparison in square footage would there be from the facility that's being moved into vis-à-vis the one that was moved out of?

Hon. Mr. Lautermilch: — I'm told that the size of the building that we're moving into is about 65 per cent of the former Bay building which is 52,000 . . . Do you want this in metres or feet?

Mr. Huyghebaert: — It doesn't matter.

Hon. Mr. Lautermilch: — 52,640 feet. That dates me. But that's the size. And that's where the department will be located.

Mr. Huyghebaert: — And 52,640 square feet in the new building, how does that compare to the previous facility?

Hon. Mr. Lautermilch: — Madam Chair, we can get those numbers for the member. What we are doing is we're consolidating from two places into one. So what we will do is get the square footage from both old locations, and we will pass those on to the member.

The head office space is obviously larger because the head office is now where the other employees are as well who will be brought into this 52,000 square feet. But we'll undertake to get those figures for you.

Mr. Huyghebaert: — Okay. And you're consolidating two facilities, you said, into there. Is this the executive office that's going to be in what was the old Bay building and the deputy minister's office, that sort of thing? Is that what's going to be housed in there?

Hon. Mr. Lautermilch: — Yes, I'm told that that's where the

headquarters is going to be for the department.

Mr. Huyghebaert: — Thank you. I have a question that's come up in the past, but it's come up again. And it has to do with the Souris Valley Centre in Weyburn. And I guess my first question would be, is that a SPM property?

Hon. Mr. Lautermilch: — Yes it is. We have been responsible for that property for a considerable period of time. We've been obviously trying to find a market for it. We've been working very closely with the city, with mayor Schlosser and his administration in an attempt to find an alternate use for it.

I mean, obviously we've had a look at the building costs. It's wound down now. It's not heated. There were some maintenance costs to keep the building heated, to keep it operating. If we're not going to be successful in working with the city to find a new occupant, obviously there will have to be another solution, because we can't leave it empty forever. But it's certainly our preference, and we've been working hard with them there to try and find a positive solution for it.

Mr. Huyghebaert: — It's my understanding that in this case the city would have first dibs on it. Is that correct?

Hon. Mr. Lautermilch: — Part of the process . . . But I mean, we have, Mr. Huyghebaert, been attempting to market it through a real estate company. It's been on the market. And I mean obviously there's a liability if we can't find an owner to it, and we would want to ensure that we would protect the interests of the city of Weyburn as well. So we've been working with them in an attempt to market the building.

Mr. Huyghebaert: — I guess where I'm going with this is, it's my understanding that the city or the local area would have the first dibs on it. And where I was going to was, is what kind of a time limit? You say you're already advertising, but is there a time limit date that it's a go, no go, for the local, in this case the city of Weyburn? Or how long can it drag out?

Hon. Mr. Lautermilch: — I think everybody has been working diligently. It's such a large, large building. It's just a huge facility, and so the opportunities are limited. And we've been maintaining it in a state of readiness. We kept the boilers on, and we kept it heated for a long period of time. We determined that it was probably time to cut costs a bit, and so we haven't kept it heated.

There has been, I can tell you, some interest in purchase of the building and the property, although we haven't found yet a conclusion. But I know that the mayor has been actively involved. I met with him. I met with some principles who are interested in the asset and who see some benefit too and some potential there. But again we haven't come to a conclusion yet.

But I don't think that we would want to be rushed into a decision that wouldn't be right for the city and that wouldn't be right for the province. And if there's a chance to find a buyer, you know, I mean whatever capital we have into it . . . is there. And so we're taking a patient approach, but we'd obviously like to move it.

Mr. Huyghebaert: — Thank you. Is SPM involved in —

different subject — is SPM involved in the new STC [Saskatchewan Transportation Company] terminal at all?

Hon. Mr. Lautermilch: — I'm told no.

Mr. Huyghebaert: — On page 124, executive management costs are up about \$120,000. Can the minister explain what those additional costs are for?

Hon. Mr. Lautermilch: — It's just the rate of salary increases that are part of the government policy.

Mr. Huyghebaert: — And just below that, accommodation services increased by nearly 300,000 or a little over 300,000 and can we get an explanation on that please?

Hon. Mr. Lautermilch: — Mr. Huyghebaert, the accommodation services increases are, as I am reading to you, \$428,000 in terms of, that's on supply and other payments increases.

Accommodation costs at Century Plaza have increased \$305,000, and that's due to amortization costs, life cycle maintenance fees. So that's what that would be, I guess amortization and maintenance.

Mr. Huyghebaert: — Was any of these costs associated with the move to the new downtown spaces?

Hon. Mr. Lautermilch: — No. None of it is due to costs.

Mr. Huyghebaert: — Then the follow-up would be, is the cost of the move . . . I would imagine there's some associated costs of the move into the new spaces. Is that included in the \$14 million, or is there another additional cost associated with the move?

Hon. Mr. Lautermilch: — Madam Chair, I'm told that moving is included in the \$14 million.

Mr. Huyghebaert: — I have a couple of general questions to the minister. What percentage, or I guess this is just more of a . . . I don't know if you keep an accurate percentage, but I'm kind of looking for what percentage of the property managed by SPM is vacant.

Hon. Mr. Lautermilch: — Madam Chair, the amount of vacant usable space is 3 per cent, or 32,926 square feet.

Mr. Huyghebaert: — And you distinctly said usable. What about unusable, like other facilities? Is there some sitting there that's a cost, that is unusable space that's still owned and managed by SPM?

Hon. Mr. Lautermilch: — Mr. Huyghebaert, the amount of vacant space total is 4.6 per cent of the inventory which is 45,296 square feet. The usable that I referred to earlier is 32,926. So it would look like there's about 12,000 square feet that's deemed to be unusable or 1.6 per cent of the total inventory as I do quick addition here.

Mr. Huyghebaert: — Would the Souris Valley centre fit into which category? Or is it included within that?

Hon. Mr. Lautermilch: — I'm told by my officials that the numbers that I quoted to you here are incorrect, but what I will undertake to do is to get an updated and correct number — usable versus unusable and percentage of total inventory. I could maybe ask Mr. Rusconi to give a more technical understanding of what's deemed to be unusable because I would have no idea on that.

Mr. Rusconi: — Sorry for the misinformation. There's a number of what we call unusable facilities in the province. Souris Valley clearly is one at this point in time. So there is the total of both usable and unusable is larger than what I indicated. I don't have that number with me tonight, but I can certainly provide it.

Mr. Huyghebaert: — Sure. About those figures again, would they be about comparable to the last year, last couple of years? Is this kind of a traditional set of figures?

Mr. Rusconi: — Yes. Clearly our total inventory over the last number of years has been pretty constant and the amount of usable and/or unusable space has again been pretty constant. For example in '05 the usable vacant space was 3.5 per cent. So it's been pretty constant over time.

Mr. Huyghebaert: — It's my understanding that SPM provides services to some non-government organizations such as SIAST [Saskatchewan Institute of Applied Science and Technology]. Can somebody tell me what the cost increases to these non-government organizations are?

Mr. Rusconi: — Maybe if I can go through a sort of a quick process. SPM each year — be it the executive government or non-executive government — any people we provide space to, we provide an estimate of the accommodation cost that they will have for the following year's operation which is provided to the customer or the tenant.

So in the case of SIAST, for example, we would have provided an estimate of the accommodation cost for their accommodation requirements which they would then go forward to Treasury Board, through Learning in this case or Post-Secondary, to get approval for their accommodation costs.

Now all of our costs are at cost recovery. So typical increases from year to year are generally salary increases, utility rate increases. If they've expanded the amount of space that they are using, then their accommodation costs would also increase. Now so there . . . Most of our tenants would have had changes in their accommodation costs. And most of them would have risen slightly as a result of utility rate increases or salaries.

I don't have a figure for each tenant that we have. But clearly those people would have that number.

Mr. Huyghebaert: — Okay. Thank you. Would it be possible to get a list of the non-government organizations that we provide services to?

Mr. Rusconi: — From an accommodation point of view, certainly.

Mr. Huyghebaert: — In accommodation services (PM02), I

notice there's about a 7 million increase to the operations and maintenance allocation. And I was wondering what that increase is related to?

Hon. Mr. Lautermilch: — Madam Chair, the increase is 7 million, and that's reflected in anticipated natural gas utilization, electrical utilization, and costs throughout the fiscal year, and that's been budgeted as a \$2.5 million expenditure. Maintenance cost including maintenance, life cycle maintenance for a net of 4.7; amortization changes affecting owned property is in there in a increase of 1.2 million; central management services allocation increase of 244,000; and Century Plaza reduction in that expense is a decrease of 1.5 million. And budgeted are miscellaneous adjustments for salary to reflect current Public Service Commission compensation plans. That is budgeted as a net decrease of 200,000. And I think that adds up to 7 million.

Mr. Huyghebaert: — Thank you. And just while we're on that same page, the energy performance investments are up about 400,000 and wondering what that deals with.

Hon. Mr. Lautermilch: — There are two components to that. One is a carry-over of projects from '05-06, and that's energy performance enhancements of 300,000. And leadership and energy and environmental design, that is to hire consultants engaged in detailed design to ensure that new construction meet the lead standards, that's an increase of \$100,000 — so an aggregate of 400,000.

Mr. Huyghebaert: — Okay. Thank you. And I notice it's the same as '05-06, but wind energy of \$400,000 — is this just because wind energy is more expensive?

Hon. Mr. Lautermilch: — Yes. That's support for the wind energy projects. The province has invested, as have our federal government, invested in some of the green energy initiatives I think in other provinces as well.

Mr. Huyghebaert: — I guess it's . . . I suppose because it's a government program. I'm just wondering . . . We're buying a more expensive energy. Are we being compensated at all for it from the federal government for using wind energy? Or is that just straight out of the taxpayer's pocket?

Hon. Mr. Lautermilch: — We're uncertain. There is some support from the national government, Mr. Huyghebaert. What we will do is find out in what form that comes. I think, as with a lot of alternate energy sources and a lot of jurisdictions, I know Alberta has a program where their governments support their wind energy initiatives as we do. But we'll find out what the connect between the federal government and the support they might be giving us on wind energy might be, and we'll forward that to you.

Mr. Huyghebaert: — Okay. Thank you. Project management, an allocation of 14.6 million for the correctional facility, and I'm just curious as to what SPM's role is in this project.

Hon. Mr. Lautermilch: — Madam Chair, Mr. Rusconi is just the person to be able to answer that for Mr. Huyghebaert.

Mr. Rusconi: — There's a number of projects each year that

are funded through Treasury Board to the program department, i.e., the correctional facility. So the funding is allocated to Justice.

There's a similar amount indicated in our estimates because we manage the project on their behalf. We do all the administration of the project, and then we bill Justice back, so a similar process for the provincial lab. So when that happens — it's on a regular basis — that's the process that we follow.

Mr. Huyghebaert: — Thank you for that. Now when we see a release for a total cost of a project, are these dollar figures included in the total cost of the project, or are they separate from the total cost of a project, dollar value that we would see?

Mr. Rusconi: — I'm sorry. I'm not sure I understood that question.

Mr. Huyghebaert: — Here it's in Property Management's vote, \$14 million and \$10 million roughly for the lab. Now if the correctional facility's total cost for the project is \$80 million, does that include the 14, or is this 14 on top of the 80 million when we see a figure from the end?

Mr. Rusconi: — It includes the 14. It's the funding that is estimated that will be required for the next fiscal year work. So it's part of the total cost.

Mr. Huyghebaert: — Okay thank you. I just have a couple more, and then my colleague would like back in. The hangar cost, can you give me the cost of the new — whatever it's called — the facility, office facility, airport hangar, whatever you want to call it, at the airport. What the total cost of that project was, is?

Hon. Mr. Lautermilch: — Madam Chair, the project cost is \$1.1 million. It began in August '05. It was completed in January '06. And we like to call it a replacement to two portable trailers that were outside of the hangar in which we had our department, our executive air employees, working.

They were moved out of the building because the hangar where those offices were . . . because of unsafe work conditions. There was mould that was found, and that needed to be straightened out. So they were in portable trailers since 2001.

So what we've done is we've built a building next to the hangars that connects the hangars with the offices where the executive air staff had been relocated to. The temporary trailers are gone, and it has become, I guess, office space for the officials who run the service for us.

Mr. Huyghebaert: — Thank you. I'm very familiar with that. I know I mentioned this last time I asked about other options, and I don't believe any other options were looked at. And so I don't want to go down that road again. My questions before were, were other options looked at? Because there were other options out there. But I've got answers to that from last estimates.

My next question that I have comes from the other day, Mr. Minister, when we were talking about flying, this flying service. And *Hansard* of 28 April, here is your comment. I'll quote: "What the member doesn't say is the number of miles has gone

down, air miles that have flown has in fact gone down.”

I guess my question is, what kind of numbers of miles have been reduced in air travel in the last year?

Hon. Mr. Lautermilch: — Madam Chair, the total miles flown in '05-06 were 339,858 miles. In '04-05, they were 339,948. So it was down a bit, not a lot but a bit. And in 2003-04, the number was 322,328. The number of charters was down as well. From '04-05, from 79 to 63, although the total number of flights were up from 653 to 676.

And I think it's important that the general public understand that the service is used by cabinet, by Crown Corporations, and by opposition and by government MLAs, [Member of the Legislative Assembly] who return to their constituencies during the legislative session. So it's certainly a broader base than just cabinet. They're well used, these aircraft.

And the maintenance costs have been very competitive. We have very good, qualified pilots, as you would appreciate being a career pilot yourself. So we are actually quite proud of the service and the fact that we've been able to maintain costs.

Most of this, I would say, are . . . Most of these flights are in province although when economics can justify out-of-province flights, we use them. And I guess when it's cheaper to run a commercial flight, we do that.

I think I would just close by saying that anyone who assumes that getting on a 25-year-old Cheyenne-2 at 6 o'clock in the morning at 30 below . . . It's a necessary evil. It's a necessary part of this job. And that's why, that's why those aircraft are there. They're cold, and they're bouncy. And so those of us who aren't professional pilots maybe don't appreciate the turbulence like some that do it for a living, but anyway that's how they're there.

Mr. Huyghebaert: — Yes. Thank you. By my calculations then, the drop in air miles equated to 90 air miles from one year . . . [inaudible] . . . So it's not really what I would say a significant drop. You know, from my background, that's just a few circuits at the airport.

I was trying to get a figure for that because I noticed that the dollar figure for air service has increased by \$889,000 and I was trying to relate this dramatic drop in air miles and the costs going up. And I know gas has increased. And I guess that's going to be my easy question for you. Is \$889,000 totally attributable to cost of the fuel?

Hon. Mr. Lautermilch: — I'd be pleased to give you a breakdown of, just like, of the whole 889,000 because I think it's important. You know, I think as elected people, all of us need to be able to defend the service. And if we can't, you know, then we need to make some changes, and I think we can with executive air.

The aviation fuel cost increase was 443,000. The aircraft material and repairs were up 310,000. Salary costs were up 112,000. We had an expenditure of safety training for our pilots of 95,000. We were able to effect some cost savings on our insurance. That amount is 121,000. And there's some minor

changes that included computer software, and I'm assuming that's aircraft computers. I don't know that, but that amount is 26,000. And central management and services allocation increase of 24,000. And I'll have to ask my officials what that is because I'm not sure what that is. That's what was charged as part of overhead costs.

Mr. Huyghebaert: — Thank you, Mr. Minister. That completes the questions that I have. I know my colleague from Last Mountain-Touchwood would have a few more questions for the five or so minutes that we have remaining. And I'll just thank the officials for their answers to my questions right now, in case I don't get in later. So I'd just like to turn it over to the member from Last Mountain-Touchwood.

The Chair: — Mr. Hart.

Mr. Hart: — Thank you, Madam Chair. Minister, I guess the last time we met and discussed the Echo Valley Conference Centre, you said you'd arrange a meeting. To this date, this meeting hasn't taken place. I wonder if you could just update us as to why the meeting hasn't taken place.

Hon. Mr. Lautermilch: — We had been in contact with the two principals that were discussing and had put forth proposals on the Echo Valley Conference Centre. That had taken some time. I think I've written . . . And I understand from phone calls from my office to your colleague, Mr. McMorris, that he had been in touch with the principals and had met — I understand from both sides — both parties and that his questions had been answered, is what I was told.

I mean obviously we're willing to . . . If these two proponents want to share their information with you, that's a process that we had committed to and that we would be interested in and I stand by that. If the two proponents would want to share their information with you, it's fine with me.

I mean, I'm just going to make this point. When we evaluated these two proposals from the two different communities, we looked at the costs to the corporation — now the department — and which was the least cost and which was the most sensible, you know, option for us. And that's how the decision was made, and we stand by that.

And from my perspective, if Mr. Zimmerman and Fort Qu'Appelle people want to meet. That's fine. I mean, we would be more than interested to have you see the details of their proposals, but we've signed a non-disclosure agreement with them. And if they're willing to put their proposals on the table for your scrutiny, that's just fine with us.

Mr. Hart: — Well, Minister, if you can arrange it, I think I would still be interested in it. But as I'd indicated the last time we discussed this issue, I said also part of that meeting should be the disclosure of what's contained in the option. I'm looking at answers to question 597 and where it's indicated that the town of Fort Qu'Appelle and the developer are “. . . required to demolish or refurbish the Administration Building and the Power House before December 31, 2010.”

You know, and I raised the whole . . . I'm not going to, you know, cover the ground that we did last time. But I guess a

further question is, I mean, why were only those two buildings identified? Are those the only two buildings identified in the option? There are numerous buildings out there. Why those two buildings? Why are they identified in part of the option? I guess two questions: are they the only two buildings referred to in the option, and if so, why?

Hon. Mr. Lautermilch: — Well without getting into the details — because obviously we're bound by, you know, by non-disclosure agreements — but both proponents had agreed to demolishing those two buildings. So it was the same, both had agreed to that. I mean, so it's not one rule for one and one rule for another. It wasn't that way.

Mr. Hart: — Well, Minister, I realize we have to some other . . . This committee has some other work to do, so I think probably what . . . I would just make a couple of points.

One, that if you can arrange the meeting, I simply would be interested in sitting in on the meeting. And I would . . . as I said you can review what you discussed last time. I think it's important that, you know, that the provisions of the option be also made available.

And the other point I'd like to raise, just for the public record, the Saskatchewan Architectural Heritage Society has identified the conference centre and put it on their watch list of endangered structures. I just wanted to put that on the public record. And I see by some nodding that you're aware of that. Obviously, by the option that you've awarded to the town of Fort Qu'Appelle, you're not going to heed their concerns. Would that be a fair conclusion?

Hon. Mr. Lautermilch: — Madam Chair, to respond I would say that whoever would be managing, owning or operating those buildings would have to work through the heritage branch of government. That's how it works. And so, same for one as the other. That's just the process that they'd have to use.

I want to make it clear before we adjourn these debates, that I would very much welcome the opportunity to have the proponents from the Fort Qu'Appelle proposal and the proponents from the Fort San proposal meet with you, go through the proposal.

Obviously SPM has nothing to hide in terms of the process. We want the lowest cost solution for the province. That's what we want. There have been allegations with respect to politics being played, and I can tell you that I've had a look at this. And I came in new, and I came in fresh, and there's absolutely no doubt in my mind the corporation acted in the best interest of the corporation at that time. They have chosen what I know to be the least cost option.

And I'm not going to say any more than that because I don't think that would be fair. But I think both proponents, if they want to be fair, should be willing to allow you — both Mr. Zimmerman and the other proponent — should be willing to allow you because you did have some concerns, and we want to allay those fears to allow you to have a look at their proposal. And I'm sure you'll come to the same conclusion that I did when I looked at them, that we have chosen the low cost for government option. And that's what we were looking for.

Mr. Hart: — So, Minister, then if your officials can arrange these meetings, you will . . .

Hon. Mr. Lautermilch: — Need to have both of the proponents agree, and we haven't got that agreement at this point. And I can tell you that I'm not interested in any other proposal other than you, who raised the issue and Mr. McMorris, along with the officials, perhaps myself and the two proponents once they're willing to disclose the nature of their proposals because, as I said, I'm sure you're going to find the same as I — that the officials made the choice based on what was the most cost-effective proposal for the government. That's their job. That's what they do for a living. And I have all measure of trust that they did what was right in the interest of the taxpayers, and I want you to have that assurance too.

But in order for that to happen, both Fort San and Fort Qu'Appelle proponents have to agree to allow you to look at the documents because if we were to disclose them, we'd be in breach of the agreement that we made with them, and I'm not willing to do that. And I don't think you would ask me to do that.

So we'll try one more time to see if we can get agreement on that. And if we can, we'll sit down and have a cup of tea, and we'll have a look at it.

Mr. Hart: — Madam Chair, I understand that the Fort San people are willing to put their proposal on the table. So if that's the facts of the matter, I guess then maybe it's just a matter of arranging a convenient time for everyone involved in this issue. But I haven't been part of all the discussions that have taken place, so I'll leave that with you and your officials.

Hon. Mr. Lautermilch: — I knew before we had the last set of estimates that the Fort Qu'Appelle group were, and it was my understanding at that time that the Fort San people weren't willing to have their proposal come forward. Now if there's a change and if we can sit down without a media circus and just have you review the proposals . . . and I know you'd treat them as confidential. I have no doubt in my mind that you would, and you would respect their confidentiality and their business plans.

And that's why I propose that kind of a format and that kind of a forum. And if we can make that happen, the commitment is absolutely we will.

The Chair: — One more comment, Mr. Hart? I'm sorry . . . [inaudible interjection] . . . Yes. Go ahead, Mr. Hart.

Mr. Hart: — Thank you, Minister, and I look forward to that meeting. I feel that you always said the one party is in agreement. I believe the other party is also in agreement. So if you can make that happen, I would greatly appreciate it. Thank you and your officials for the information provided.

The Chair: — Okay. We'll head into the vote then on Saskatchewan Property Management, vote 13. Central management and services (PM01) zero amount. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Accommodation services (PM02), 8,178,000. Is

that agreed?

Some Hon. Members: — Agreed.

The Chair: — Project management (PM03), zero dollars. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Purchasing (PM04), \$1,764,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you. Transportation services (PM05), zero dollars. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Government support services (PM06), zero dollars. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Major capital asset acquisitions (PM07), 24,324,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Amortization of capital assets, zero dollars. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: —

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2007, the following sum for Property Management, 34,266,000.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Can I get someone to move that motion please?

Hon. Mr. Yates: — Madam Chair, I move the motion.

The Chair: — Thank you, Minister Yates. That concludes Property Management, and we'll be moving on with the next votes for this committee. Thank you very much to Minister Lautermilch and your officials for answering the questions here today, and thank you for appearing before this committee.

[Vote 13 agreed to.]

Hon. Mr. Lautermilch: — Madam Chair, if I may, I would just like to thank members of the opposition for their questions. They were thoughtful as usual, and challenging. I'm not good at details some days, and they found that out. But anyway I want to thank them very much. And I want to thank the officials of the department who serve the people of Saskatchewan I believe very, very well in a professional manner as part of the best civil service in this country. Thank you.

**General Revenue Fund
Information Technology Office
Vote 74**

The Chair: — Thank you very much, Mr. Lautermilch. Thank you very much. And we will then move on, Public Service Commission. My apologies, Information Technology, vote 74, central management and services (IT01) for 1,706,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — IT [information technology] coordination and transformation initiatives (IT03), 3,739,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you. Major capital assets acquisitions (IT07) in the amount of 250,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Interdepartmental services (IT04) zero dollars. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Amortization of capital assets, 63,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: —

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2007, the following sums for Information Technology office, 5,695,000.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — So with respect to Information Technology Office, vote 74, found in Supplementary Estimates on page 5. Oh sorry, can I backtrack? I'm sorry. I forgot to ask someone to move that motion on Information Technology Office with respect to the sum of 5,695,000.

Hon. Mr. Addley: — Moved.

The Chair: — Thank you, Mr. Addley.

[Vote 74 agreed to.]

**General Revenue Fund
Supplementary Estimates
Information Technology Office
Vote 74**

The Chair: — So then moving forward to Information Technology Office, vote 74 in Supplementary Estimates on page 5 in the amount of \$243,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Oh sorry. Okay back up again. Central management and services (IT01), 23,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — IT coordination and transformation initiatives (IT03), 151,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — And services provided to external agencies (IT06) in the amount of 69,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Resolved the committee resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2006, the following sums for Information Technology Office, 243,000.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you.

Hon. Mr. Yates: — I shall move that, Madam Chair.

The Chair: — Will somebody move that motion please?

Hon. Mr. Yates: — Yes. I would.

The Chair: — Thank you.

Hon. Mr. Yates: — I shall move that motion.

The Chair: — Thank you, Minister Yates.

[Vote 74 agreed to.]

**General Revenue Fund
Public Service Commission
Vote 33**

The Chair: — All right. Moving on to Public Service Commission vote 33 found on page 129. Central management and services (PS01) in the amount of 2,150,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you. Human resource information services (PS06) in the amount of 5,890,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you. Employee relations, policy and planning (PS04) in the amount of 1,837,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Human resource client service (PS03) in the amount of 3,779,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Aboriginal career connections program (PS07) in the amount of 507,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Amortization of capital assets in the amount of 1,310,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Okay. So committee resolutions:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2007, the following sum for Public Service Commission, 14,163,000.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Can I have someone move that motion please? Minister Forbes.

Hon. Mr. Forbes: — I so move.

The Chair: — Thank you, Minister Forbes. Minister Yates.

[Vote 33 agreed to.]

Hon. Mr. Yates: — Thank you, Madam Chair, I move:

The sixth report of the Standing Committee on Crown and Central Agencies be adopted and presented to the Assembly on May 19, 2006.

The Chair: — Thank you, Minister Yates. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you. Minister Yates.

Hon. Mr. Yates: — I move we now adjourn.

The Chair: — Thank you very much for that motion. The Standing Committee on Crown and Central Agencies now stands adjourned. Thank you very much.

[The committee adjourned at 18:25.]