



STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND JUSTICE**

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Wood River

Mr. Warren Michelson
Moose Jaw North

Mr. Warren Steinley
Regina Walsh Acres

[The committee met at 15:00.]

The Chair: — Welcome everyone. The time being now 3 p.m., welcome to the Standing Committee on Intergovernmental Affairs and Justice. Today we have Minister Jim Reiter and his staff, who he will introduce when they start to present. Members we have in attendance today: myself, Laura Ross, as Chair. We have substituting in for Doyle Vermette, we have Trent Wotherspoon. With us today we have Doreen Eagles. Substituting in for Wayne Elhard, we have Nadine Wilson. We have Yogi Huyghebaert, Warren Michelson, and Warren Steinley.

Our first order of business is to table a document: IAJ 26/27, Ministry of Parks, Culture and Sport response to questions raised at the March 30th, 2015 meeting of the committee re variance and summary of revenues 2013-2014 and 2014-2015, increases in salary, and the Main Street Saskatchewan programs, dated June 5th, 2015. So tabled.

Bill No. 186 — *The Municipal Conflict of Interest Amendment Act, 2015*

The Chair: — On the agenda today is Bill No. 186, *The Municipal Conflict of Interest Amendment Act 2015*. We will now consider clause 1, short title. Minister, if you have any opening remarks, you may proceed.

Clause 1-1

Hon. Mr. Reiter: — Thank you, Madam Chair. I'll start by introducing the officials present, and then I will read just some brief opening remarks into the record. I have with me today Angela Currie, chief of staff; Shannon Andrews, ministerial assistant; Keith Comstock, the assistant deputy minister; John Edwards, the executive director of the policy and program services; Rod Nasewich, who's director of legislation and regulations; Allan Laird, the senior legislative analyst; and Tyffany Amy, legislative analyst.

As I mentioned, Madam Chair, I'll now read some brief comments into the record. These amendments propose to amend in a single bill *The Cities Act*, *The Municipalities Act*, and *The Northern Municipalities Act, 2010* to strengthen municipal conflict of interest provisions. This is to achieve three main purposes. First, they implement specific recommendations and respond to observations in the Barclay report regarding legislative changes to provide clearer direction and guidance for elected officials to prevent conflicts of interest at the local level. Second, they will improve the ability for government, through the minister and cabinet, to address situations of municipal conflict of interest that might arise in the future. And third, they will expand the Provincial Ombudsman's mandate to review and investigate municipal matters, including conflict of interest and code of ethics matters.

Municipal sector consultations began in April 2015. The ministry also consulted with the Ombudsman on the proposed consequential amendments to *The Ombudsman Act, 2012*. Many suggestions for revisions have been incorporated, and specific wording changes have been made to provide flexibility for councils in meeting the new requirements and to make the

provisions consistent with those in place for MLAs [Member of the Legislative Assembly]. And with that, Madam Chair, I'd be happy to take any questions.

The Chair: — Excellent. Are there any questions for the minister? Mr. Wotherspoon.

Mr. Wotherspoon: — Thanks. Well thanks to the minister, and certainly thanks to officials for their time here today. Thank you to officials for their work on certainly this very important file, and it looks to be a very constructive bill that's been brought forward.

Just before we get into it, I would like to recognize Justice Barclay's inquiry and his report, his recommendations, as a body of a lot of the substantive changes that are here today. And certainly that report, that work is something that we should be thanking Justice Barclay for, and I'd like to do just that.

I'd also like to, you know, recognize those in the municipal sector that have been consulted and engaged throughout this process, recognizing that, as we're talking about making changes that bring about improvements to ensure integrity to the service across Saskatchewan, it's important for us to recognize that the vast, vast, vast majority of municipal leaders, or those that step up for public service in general, whether municipal or any other level, have nothing but the best of intentions. And I know in the municipal sector, I know — and I suspect the minister would, you know, agree as well — they're not stepping up for any great financial reward of any sort, and they certainly do provide very important leadership to the people of their communities.

So what we're looking at here today is making sure that we build a framework and certain checks and balances that protect the integrity of all municipally elected officials and the integrity of that system. But certainly I'd like to thank all municipal representatives across Saskatchewan.

Just looking at the Barclay report itself and the recommendations within it, Mr. Minister, are there . . . When you're looking at those recommendations, could you speak to certain areas that were recommended for which your government may not have acted upon and provide us a little bit of understanding why that was the case, if that is the case?

Hon. Mr. Reiter: — If I could, Mr. Wotherspoon, first just some brief comments. I certainly do agree with your comments on Justice Barclay's report. I've thanked him personally for the good work he did. And I'd also like to recognize, as I know you would, the good work of ministry officials and also the co-operation of SUMA [Saskatchewan Urban Municipalities Association], SARM [Saskatchewan Association of Rural Municipalities], and a number of other municipal organizations.

Now as far as not acting on any recommendations, I'm going to discuss with my officials in just a minute, if you'd bear with me, just to make sure I'm not missing something. But just broadly what I would say at first is there's still a little bit of work to be done. Once the legislation's passed, some work will still be done by regulations. There'll be a code of ethics, for example, and also the issue around codifying the common-law

provisions. So there will be some ongoing work. I think I would word that in this instance that this would be sort of step one of a two-step process to comply with the recommendations. I'm just going to, as I said, check with the officials. I just want to make sure I'm not missing anything there.

Officials advise me, I think I covered it off. I think that's the provisions that are left to be done. And I should, I hope I mentioned, this is sort of the first step. We need the legislation in place, and we'll follow up with regulations. Our officials are going to be doing a little more consultation with municipal groups to solidify that.

Mr. Wotherspoon: — And could you just define what areas will be addressed through regulation as opposed to legislation? You mentioned the code of ethics. Any other items as well?

Hon. Mr. Reiter: — Sorry, Mr. Wotherspoon. I should mention, just a minor one that I didn't mention at the outset is the oath of office. The ministry's been working on changing the wording slightly, so they're considering kind of a minor change. The code of ethics, which I mentioned, there'll be more consultation done on that one, the common-law provisions under the whole conflict of interest definition.

And then there's a couple of other ones that are optional or discretionary regulations as well, and that's a council meeting procedures bylaw and also the public disclosure statements, which ministry are working on draft copies for municipalities if they wish to use. Or as long as they're in compliance with the Act, they can certainly fine-tune them as well.

Mr. Wotherspoon: — So in something like a disclosure statement, in essence the legislation will make clear what's required. The actual format or form that that's reported out, that's not so much the concern of government. Is that correct?

Hon. Mr. Reiter: — On the public disclosure statement, in just a minute I'm going to get John to be more specific on this, but broadly what it does, I would say loosely sort of patterned after the MLA one which you and I are both familiar with, only not as in-depth. It's not a net worth statement. It doesn't require people to list what they have in a term deposit or a GIC [guaranteed investment certificate], those sorts of things that you and I have to in ours. But it will require them to, for example, list property they own in the municipality they represent or an adjacent municipality. It'll require them to list business interests, those sorts of things. So I'm just going to get John to run through those for you.

Mr. Edwards: — John Edwards. So the provisions in the bill relating to the disclosure statement basically provide that the municipal council can adopt their own as long as it addresses the requirements that are set out in the bill. There is also the provision that we can add requirements at some later date, by regulation if necessary.

So we have as a ministry prepared a sample public disclosure statement that we'll be making available to municipalities so that they have something that they can use as soon as the bill comes into force. So that sample covers all the different items that are listed in the Act: the person's name and address; disclosure relating to employer; disclosure of corporate

interests; disclosure of involvement in partnerships, in business arrangements, in property holdings; and contracts and agreements that might relate to the business of the municipality. Now for any given council member, that's probably going to check off a couple of boxes. Most of them won't apply, but most will own property, and there may be a few other things.

Mr. Wotherspoon: — Thank you for that information. These items that aren't dealt with directly in the legislation, what's the reason that they're not dealt with in the legislation and that you've chosen for each of them to be by way of regulation, for example, instead? Was there lack of consensus or agreement around those items at this specific time? Or from a practical perspective, is it government's view that the regulation is a better place for it, and if so, how come?

Hon. Mr. Reiter: — In some instances, for instance I mentioned the common-law provisions or code of ethics, I would suggest that that's kind of normal and, I would think, probably what Justice Barclay was expecting. And what it also does in some of those instances, it gets the legislation in place. There was some very good work that Justice Barclay did and, I think, timely. Our government took it very seriously and wanted to act on it.

But also in instances like this, while you want to act in a prudent manner and fairly quickly, you also want to be careful you get it right. So in instances such as this, it gives my officials time to spend a little bit more time with the municipal associations to consult and make sure that, you know, it's done in an appropriate manner.

[15:15]

Mr. Wotherspoon: — I appreciate the answer. Are there recommendations that have been brought forward by Justice Barclay for which you're looking to support through regulation that right now there's disagreement with the sector as to how to best accomplish that through regulation? And could you just note those items and sort of what the different concerns are about the impact or the unintended consequences or the practical nature of the recommendation?

Hon. Mr. Reiter: — Sure. You know, I would say the municipal sector in Saskatchewan is huge. There's a lot of elected officials. And I would just add, as you did in your opening comments, that the vast majority of them do a very good job, and they do it for all the right reasons: because they want to do what's best for their community and for their province.

Anyway I would think, when you're dealing with an issue like this, you know, if you're asking if we have 100 per cent buy-in from all municipal officials, I would say no, probably not. You know, there would be a few that are concerned. I know there's a few that have raised with me they're concerned about giving the Ombudsman authority over municipal matters, which it didn't have before. But you know, if we don't go there, that to me would just kind of fly in the face of the very sort of basis of Justice Barclay's recommendations, that there needs to be some way of dealing with those conflict of interest issues beyond just the local municipal government.

So you know, as I said, there wouldn't be 100 per cent unanimous support for it, but I'd say there's very broad-reaching support for it. I think any of the concerns that, you know, are significant and are left, I think we can deal with through regulation. And you know, to those that are sort of concerned or opposed to sort of the whole piece of legislation, I would think time would probably ease their concerns.

And you know what? We're treading on new ground here. I think we're making a huge step in the right direction, but that's not to say that, you know, at a future time we might not need an amendment to deal with something that we're not seeing right now or perhaps a policy decision by government or by the Ombudsman. But I think by and large we have very solid support across the municipal sector.

Mr. Wotherspoon: — You mentioned the oath of office is something that you're currently working on right now and looking at revisions. This is something that would then be established by way of regulations? Is that correct?

Hon. Mr. Reiter: — Yes, that's right, but I'm just going to get John to elaborate on that.

Mr. Edwards: — So the oath of office would be established by regulation, but the reason we're holding back on it coming into force is because it also refers to the code of ethics. And of course you don't want the oath of office that refers to the code of ethics being in place and being mandatory until you've already covered off the code of ethics provisions.

Mr. Wotherspoon: — So I appreciate that. So it's waiting for the establishment of the code of ethics then.

Mr. Edwards: — Yes, and that will be done through a consultative process with the municipal sector. If you go online and search other municipal organizations across the country, you'll find that there are other samples of codes of ethics in various jurisdictions. We want to have the opportunity to go through those, work with the sector to come up with something that is appropriate for Saskatchewan.

Mr. Wotherspoon: — I appreciate that. So where would you see . . . What are some of the templates or some of the sample code of ethics that you would be drawing upon when you're looking at building this?

Mr. Edwards: — Well just generally other provinces. Quebec is one of the ones that has a fairly strong code of ethics. Of course the one that's used for MLAs would be one that we would want to take a close look at.

Mr. Wotherspoon: — And are there areas when you're looking at the code of ethics, are there areas of concern being noted by the municipal sector leadership right now?

Hon. Mr. Reiter: — My ministry officials tell me that, you know, discussions and consultations so far, I don't think it's a case of any sort of burning issues with the code of ethics itself other than, you know, we want to move forward with consultations. We want to get their input. I know for instance SUMA had originally raised, they were concerned about the timeline, you know, with the bill passing this fall. But you

know, we reassured them it's in regulations so there'd be plenty of time for consultation on it.

Our officials' plan right now is they'll be putting together a draft for sort of a starter for discussion, I think probably based on what some municipalities are doing right now, and then start the consultation process over the next number of weeks and months.

Mr. Wotherspoon: — Now are there items that you've moved to deal with in regulations that were initially thought that they'd be dealt with in the legislation itself?

Hon. Mr. Reiter: — I see John shaking his head no, so I think it's sort of as was envisioned.

Mr. Wotherspoon: — So it's not that areas that were easier to find agreement on are in legislation and areas where there might be less consensus or, you know, greater challenge to establishing something that's going to be effective and understood?

Hon. Mr. Reiter: — Yes, good point. We had a discussion at one point — I did — with a number of the folks in the municipal sector. Codifying the common-law provisions is probably a good example. There was a situation there where I think there was . . . I don't know if concerns is the right word to put it, but I think definitely a desire to be involved in consultations and having input on it. And there isn't certainly, you know, I would say in my opinion I don't think it's very common, in fact I can't think of any examples — there must be some — where common-law provisions would actually be put into the legislation. By its very nature, I think that isn't common but, you know, it was recommended and we're committed to acting on that.

But again we want to do it in an appropriate, prudent manner. So I think that might be an example of where probably more discussion was needed, but there was no reason to hold up the legislation to do it. We can pass legislation and that gives our officials ample opportunity to consult with the municipal sector.

Mr. Wotherspoon: — Okay, thanks for the information. Just on the common-law provisions itself, could you share a little bit about what the draft content looks like or what the draft approach was, and then in a real specific and practical way that can be understood by Saskatchewan people, then maybe what some of the . . . and then very specifically what the concerns are that have been noted by the sector?

Hon. Mr. Reiter: — To your question about the common-law provisions, what the officials . . . Well first the legislation, I guess, in a lot of instances is kind of based on the same conflict of interest provisions we have as MLAs. There is no . . . The officials tell me they don't actually have a draft, so to speak, right now to start the consultation. They're going to start with some discussions with the municipal sector when they're doing the other consultations on the code of ethics, etc. But I'm just going to ask John to give you a little bit more detail on that, on the specific sections and what's been done there.

Mr. Edwards: — Okay, so basically as the minister indicated, there were in some of the discussions with some people in the

municipal sector concerns about how much of the common law would be included in the legislation. And that was essentially a recommendation of Justice Barclay that we do that, so it went back and forth in terms of the debate. We ended up using the MLA provisions as a basis for defining what members would need to identify in their disclosure statement. We ended up using the MLA provisions in terms of the definition of conflict of interest, and we ended up using the MLA provisions for the definition of family.

Now there are a number of areas where we did not incorporate the requirements for MLAs in the municipal requirements, some of the more detailed financial requirements and things like gifts and so on.

There is one other provision that we borrowed from *The Members' Conflict of Interest Act* that is in the legislation and probably falls into the category of codifying the common law and that is the provision that . . . It's new section 117(2) of *The Cities Act*, for example, but it's in all three of the municipal Acts. It's adapted from section 5 of *The Members' Conflict of Interest Act*. So basically it says, a member of council shall not use his or her office to seek to influence a decision made by another person to further the member of council's private interest or the private interest of a closely connected person.

So that gets at the concept that Barclay pointed out of conflict of interest being broader than simply just financial or pecuniary provisions and rather something where someone on council or in the House was using their position in a way that would further someone's private interest in an inappropriate way. So those are all examples of how we've adapted the provisions for the municipal sector based on Barclay's recommendations and of course the MLA treatment.

[15:30]

Mr. Wotherspoon: — Thanks so much. And just about the procedures, the bylaws that you mentioned as well, could you share kind of what that might look like? Or is there a working draft on this front? Has there been input? Is there concern with where things are at right now? Is there agreement about the best way to move forward on that front?

Hon. Mr. Reiter: — Sure. Can I just get you to clarify? Did you say the council procedures bylaw?

Mr. Wotherspoon: — That's right.

Hon. Mr. Reiter: — That's the one. Sure. Okay, John's going to answer that with you.

Mr. Edwards: — So in three areas, the disclosure statement, the code of conduct for employees, and the council procedures bylaw, there are requirements in the legislation that municipalities bring those in following the Act coming into force. The ministry has been developing samples in all three of those areas because they're not to be specified by regulation, but municipalities will certainly need some assistance in terms of having a starting point for their own work in those areas.

So we have actually developed models of the public disclosure statement, the municipal employee code of conduct, and lastly,

a council procedures bylaw. Now we had a council procedures bylaw already on the website, that the ministry has had for some time. We felt that we needed to go somewhat further, and we've done so. In fact we've drawn on the good work of one of the cities, the city of Prince Albert, in raising the bar in terms of the quality of the procedures bylaw.

So our intent is, for each of those three areas, we'll send those out to the municipal sector once we've reached the point, I guess, where we've passed third reading. And municipalities can begin their own work to adapt those if they choose or alternatively to use them as they are if they want to have, if they want to be in a situation where they're in quick compliance with the provisions.

Mr. Wotherspoon: — Well a nice shout-out to Mayor Dionne and the crew up in, the council up in Prince Albert for providing that template, I guess.

I know that Mr. Orb at SARM had made some comments about what tools will be in place and what methods will be in place to enforce some of the rules that are being established to enforce legislation. I guess my question . . . He described this as a bit of a developing process, which I think is some of what's discussed here. Can you speak specifically to what that process looks like and how it's coming along.

Hon. Mr. Reiter: — I think what SARM President Orb was referring to, as you mentioned, Mr. Wotherspoon, is I think first the areas that John had already walked through. But I think he was also referring to sort of the work that needs to be done to inform member municipalities of both SARM and SUMA and the New North, I guess partially an educational sort of program to get the information disseminated. And the ministry has done those sorts of things with legislative changes over the years with municipalities, and we're very good at that. So they have a communications plan that they're planning on following through with, and I'm just going to get John to walk through the points of that.

Mr. Edwards: — So this whole area, I listened to Mr. Orb's remarks to the convention and also to the policy report that was given the next day by Shelley Kilbride, and they both talked about the steps necessary to implement the legislation. So there were the three areas that I spoke about earlier, but in addition to that there's a number of other things that the ministry has planned, and we've talked about these with the sector, that will help bring the level of knowledge among municipal council members and reeves and mayors up to the point where it needs to be to supplement the efforts that the associations are already undertaking.

So for example we'll be updating some of our existing publications that are online, like the council member's handbook to . . . There will be a technical bulletin that will be prepared to be distributed to municipalities once the amendments are in place. That's a normal process for us for any new or amended legislation.

There'll be information that will be added to the municipal leadership development program's roles and responsibilities module. We'll be preparing an article for the ministry's online publication, *Municipalities Today*. There'll be other steps

relating to the regular meetings that are held at the administrative level with the ministry. We'll be putting together a series of frequently asked questions that can be used either in SUMA or SARM publications or alternatively by the ministry on its own website.

And then finally, normally we do presentations on amendments to the conventions of the Rural Municipal Administrators' Association and UMAAS [Urban Municipal Administrators' Association of Saskatchewan], the Urban Municipal Administrators' Association.

The other area that Mr. Orb spoke to in his remarks that we haven't talked about yet was the need for some sort of whistle-blower protection and, you know, he referred to some of the discussions that we had had with the two presidents of the associations in that regard. And basically the notion is that we will sit down with the associations and some of their members and look at how *The Public Interest Disclosure Act* could be adapted to apply to the municipal sector.

So all of those areas are items that we'll be working away at over the next several months to try and put in place the information base that municipalities need, as will the associations.

Hon. Mr. Reiter: — Thanks, John. I would just add to that, on the whistle-blower issue I believe that first came up in a conversation at a meeting I was having with the president and executive director of both SUMA and SARM. And certainly it's interesting because in some instances this type of legislation requirement, municipalities could easily put . . . I shouldn't say easily but potentially could put officials in a situation where they feel somewhat torn, you know, if there's a situation that they're aware of that might not be appropriate and yet it in essence is their employer that they're dealing with. So I was certainly interested and I was absolutely not opposed to the idea. So the offer I made in fact again just very recently to Deb Button who is the president of SUMA, I offered that if SUMA or SARM or both so wish, that when our officials start the consultations very soon on the regulations which we went through that I'd be happy if they wanted to start discussions about that for future legislative amendments as well.

Mr. Wotherspoon: — Well it sounds like an important area that's been identified by municipal leaders and I appreciate that area of discussion as well. And I hear that this might be put on to the . . . Is that a commitment then that whistle-blower protection will be part of the consultative process that's ahead of government with the sector?

Hon. Mr. Reiter: — We intend to have consultation with them. As far as the timing, whether it'll be in conjunction with that or not, I'm waiting to hear back from the municipal associations as to what they think the appropriate timeline would be.

Mr. Wotherspoon: — And are there other jurisdictions that we can draw upon that have effective whistle-blower protection legislation in place or regulations in place?

Hon. Mr. Reiter: — I think it would be fair to say our officials tell me that they're still sort of looking at other jurisdictions. They're aware of a bylaw in the city of Toronto that offers some

protection, and they're also aware that Manitoba is looking at something similar. But you know, they'll continue to look at other jurisdictions as we move forward with this.

Mr. Wotherspoon: — Thank you very much. Obviously when you're creating new legislation, you're establishing regulation, new processes, there's some work to implement a new system. I suspect the ministry's going to be engaged in some of that support to make sure that this new system and the legislation can be utilized in a practical way on the ground.

Are you hearing of any specific concerns around a cumbersome process to what's been presented? I mean ultimately what we want is an effective system with checks and balances that ensures integrity, you know, to the office and to protect against, you know, improper utilization of one's interest and authority. Have you had much consultation on this front to make sure that what you're bringing forward is practical on the ground, and has there been changes to make sure that's the case?

Hon. Mr. Reiter: — Municipal officials have, you know, done what they normally do: they've had extensive consultation with the municipal sector.

As far as the reaction, I know in discussions I've had with . . . You know my background's in the municipal sector, and I know many people in there, and I've had numerous, numerous discussions about this. I think a lot of folks in the municipal sector took some comfort when they realized that the body that would be dealing with this was the Provincial Ombudsman because it wasn't sort of reinventing the wheel. It wasn't a whole new office being set up that no one was used to or familiar with. I think that eased any potential or a lot of potential concerns.

Beyond that, most of what I'd been hearing from the municipal sector, as recently as I think it was the week before last at the SARM mid-term convention, I spoke and spent a great deal of time there talking to people. And the questions I was getting were more along the lines of, you know, are you going to do what you normally do to disseminate information? Are you going to have workshops? Are you going to be attending conventions? Are you going to do mailouts? Is there going to be information on the website? It was that sort of thing.

And you know, I think it's important to remember the municipal sector is kind of used to this process, is used to not necessarily this specific issue with conflict of interest, but is used to amendments to the legislation they deal with. It's been done for decades. You know, a consultation process ensues and decisions are made, legislation's passed. And then effectively it's those, I think, there were seven points that John had walked through a few minutes ago on getting information out to the sector. So you know, we're following along with that tradition, and it's been, you know, generally very well received.

[15:45]

Mr. Wotherspoon: — Thank you for that information. How does this change the role of the Ombudsman? Of course there's an extension now of their mandate. So what does that look like, and what's the consultation been on that front?

Hon. Mr. Reiter: — You know, when we looked at Justice Barclay's recommendations, he talked about having someone in an appropriate position to deal with this. And you know, we had some interesting discussions about what that should look like, you know, whether it would be an existing office or a new office. And frankly, part of the discussion at the time too was how many issues would they need to deal with because this is kind of an uncharted territory. We don't know for sure, right? So it just made sense to me that we land in a situation like this where it's an office that's used to dealing with similar type of concerns from the general public.

The first year is going to be a bit of a learning experience because, like I said, I think more than anything, we don't sort of know what type of volume there would be. But our officials have had discussions with the Ombudsman's office; I haven't personally, but my officials have. And by all accounts, the Ombudsman and her officials have been very open to this and have been very supportive of it and been very helpful. I believe they've even had meetings with and kind of did a presentation if you will for, I think, the SUMA board and the SARM board if that's . . . Yes, that's right.

So I think this is one of those things, when you're dealing with something that's breaking a bit of new ground if you will, having open, frank discussions with the affected parties is just beneficial to all, and that's what was engaged in here.

Mr. Wotherspoon: — Thanks for that. It's an important piece of course because you need your . . . The Ombudsman's office is incredibly important to Saskatchewan people, and our independent officers are very important to Saskatchewan people. We need to make sure they also have the resources they require to be effective in their roles. What discussion have you had around extra resources required to support the expansion of the mandate of the Ombudsman?

Hon. Mr. Reiter: — I'm just going to let John start off because he had a discussion just a few days ago with the Ombudsman, and then I'll do a follow-up on some of the discussions that I've had with the municipal associations.

Mr. Edwards: — So we've actually had a couple of discussions with Mary McFadyen, the Ombudsman. One was early on in the process, and then the minister referred to a more recent discussion, actually just last week. I was asking what stage they were at in terms of their work to operationalize the bill, and they're at the stage where they're still developing a plan. The intent will be that the plan will basically form the groundwork for their request to the Board of Internal Economy.

They're looking at other jurisdictions and how they handle it because there are quite a number. I believe there is at least six other provinces that have ombudsman roles in one form or another. And then they've been talking with the sector and with our own staff about the volumes of inquiries that come. So no specific number at this stage. There is an acknowledgment that there is a need for some incremental resources, but the volume question that the minister referred to earlier is uncertain. I mean is there going to be droves and droves of complaints the first year, or is this going to start slow? Personally I suspect it's the latter.

Hon. Mr. Reiter: — I would just add to that, you know, John mentioned about his discussion with the Ombudsman, and she's working on a plan. He has also made her aware of discussions I've had with the municipal associations.

The discussions over the summer and right up until recently is that because this is pertaining directly to the municipal sector, both SARM and SUMA have agreed to this with some addendums I guess, if you will, that I'll speak to in a minute. But they've agreed to have this funded out of the revenue-sharing pool. The estimate that we've discussed — and again because this is very uncharted territory — is \$300,000.

And what they've asked for, and we'll have some follow-up discussions with them as well, but what they've asked for in return is sort of like annual information on exactly what we're talking about: you know, how many concerns were there filed with the Ombudsman's office in relation to municipal issues; you know, how much time, how much resources was used. I think it'll be, if you will, a bit of a work-in-progress but that's where we're at right now.

Mr. Wotherspoon: — So the \$300,000, is that a commitment then for the next fiscal year that there would be \$300,000 that would have been provided to municipalities or is being provided, but then that they would be funding the Ombudsman's work on this front? Is that the commitment? And can I just be certain that SARM and SUMA have supported that reallocation of those dollars?

Hon. Mr. Reiter: — Yes, they have. But I would add though that they've also, part and parcel of that, they've asked for sort of information in exchange which I just mentioned to you. They're going to want to know how many concerns, sort of how much resources the Ombudsman's office does use on municipal matters from year to year. And of course in future years there'll be more discussion, I'm sure.

Mr. Wotherspoon: — Right. I suspect the Ombudsman will be reporting this sort of information out publicly anyways, and certainly potentially to committees of this legislature as well, so that sort of information would be accessible?

Hon. Mr. Reiter: — Yes, I believe so because, you know, right now the Ombudsman does an annual report. Their expenditures are public. They report on volumes of complaints, I believe, types of complaints, general categories. So you know, I indicated that to SARM and SUMA during the discussions, so I don't expect any problems in that area.

Mr. Wotherspoon: — As far as any legislative changes or requirements that would support the work of the Ombudsman to make sure that they're able to access the information they need — which I guess would be access to information, potentially, of a municipality in a given case — what changes have you brought forward to make sure that the Ombudsman has the ability to make sure that they're as effective as they can be to investigate and review concerns? And maybe just speak directly about what this means for their access then to a given municipality's information.

Hon. Mr. Reiter: — Sure. There'll be a consequential amendment to *The Ombudsman Act, 2012* to give those

authorities. And I'm just going to ask Rod Nasewich to run through those with you.

Mr. Nasewich: — Rod Nasewich with Government Relations. So what the consequential amendments to *The Ombudsman Act, 2012* do is basically provide the Ombudsman the same authorities that the office currently has when it looks at complaints about government entities associated with the province. And so the amendments specifically add a reference to municipalities and municipal committees to the list of other agencies and ministries that the Ombudsman has the authority to investigate and prepare a report.

So those provisions currently provide for the Ombudsman to, first of all, notify the entity being investigated. And there are specific sort of channels that the Ombudsman recommended, in terms of if it's a complaint against administration, then it goes to the head of council. If it's a complaint against council, it goes to the mayor. If it's a complaint against the mayor, it goes to the minister responsible for municipalities. And then existing provisions in *The Ombudsman Act* already provide for the Ombudsman to request information from the entity, to actually go on the premises to conduct reviews and interviews, and also then to notify the entity of what its findings are and conduct kind of a preliminary meeting in terms of the recommendations that may come forward.

And then conversely, the Act also provides for the individuals associated with the entity to provide that information to the Ombudsman, and they're somewhat saved harmless, I guess, if you will, in providing that information. Everything in *The Ombudsman Act* is done confidentially, and there are provisions there that safeguard that information that's provided back and forth.

So that's basically what the provisions at the end of Bill 186 do, is make sure the existing provisions in the Act extend to municipalities and the review and investigation of municipal entities.

Mr. Wotherspoon: — The Ombudsman, have they commented and provided a position of support of having adequate authority right now, with the changes that are being brought forward, to access the information that they require to be effective?

Hon. Mr. Reiter: — John tells me that, as those amendments were drafted concerning *The Ombudsman Act*, that they were consulted on, that they requested some fine tuning on it, and he tells me that they're happy with the end result.

Mr. Wotherspoon: — If we look at sort of the second component of what the bill, what you've suggested the bill brings forward, it's measures or changes to make sure that the ministry or that the government itself can more effectively deal with conflicts of interest or potential conflicts of interest. Can you speak to, in a specific way, what changes by way of authorities and what processes would look like on that front?

Hon. Mr. Reiter: — Currently under legislation, legislation in existence right now, right before this bill's passed, there's various provisions in various Acts for, you know, for example, removal of members of council. You saw it with the action that this government took in the RM [rural municipality] of

Sherwood with the reeve a number of months ago. We saw it in I believe it was 2006 or 2007 under the former government, with the entire council for Sherwood.

[16:00]

So there has been various provisions across various Acts with that kind of thing. But what we've tried to do with this, sort of in compliance with the recommendations of the Barclay report, with consultations, we've tried to make that more consistent across the legislation. And with that I'm just going to get John sort of to walk through the specifics of what the amendments will do in that regard.

Mr. Edwards: — Probably two of the key changes were the following. First in the bill, authority is being added for the minister to suspend, censure, or limit the powers and duties of a council member or all of council or their officials during an official examination that's launched under the provisions of the Act, until the results are known.

This was actually a suggestion from the municipal sector so that we didn't just have stay on council or dismiss as options. It also relates to some of the discussion in the Barclay report because of course the justice noted that some of the activities that were reflective of the conflict of interest continued as the inquiry proceeded. It wasn't just all beforehand.

The second thing that was done is that there are provisions that clarify ministerial authority to issue directives as a result of the examination. And then there are some other specific changes that were made that are more technical but I think nonetheless worth raising. So we have amended the provisions in the bill to ensure that both financial interests and conflict of interest are explicitly referenced and listed as matters for which an inquiry can be ordered.

We have a provision that provides that persons conducting inquiries and inspections have the same powers, privileges, and immunity as under *The Public Inquiries Act*. We have a provision that will ensure the official examination provisions apply to all bodies that may be established by the council, not just the council itself.

And lastly there is authority for the minister to publicize the results and the report of the official examination at its conclusion, in consultation with the council, and also for the council to release the results. So a step towards greater transparency. Those are a number of issues that were addressed in the amendments relating to the province being able to deal with this kind of a matter should it arise again.

Mr. Wotherspoon: — Thanks for that information. As well, if you could just expand a bit about the grounds for which an inquiry could be proceeded with.

Mr. Edwards: — Sure. As I mentioned, basically we've added ensuring that financial interest and conflict of interest are matters that are explicitly listed as the basis for initiating an inquiry. So if the minister, for example, had brought to his attention by someone in the community or elsewhere, or became aware of it through other means, the minister might initiate an inquiry to look into it.

Mr. Wotherspoon: — Has the Privacy Commissioner been consulted on the legislation?

Hon. Mr. Reiter: — The short answer would be no. The officials tell me that the only area that they believe information, sort of private information would be shared is with the disclosure statement, and they tell me that *The Cities Act* already has provisions for that.

Mr. Wotherspoon: — You've mentioned a couple of times the RM of Sherwood, and there's been a subsequent court matter as it related to legal fees on that front with a court decision. How has the ministry interpreted that decision, and have there been changes or responsibility of government to respond at all to that decision? Or are there considerations within this legislation?

Hon. Mr. Reiter: — The bylaw you're referring to of course was ruled by a judge that it was illegal. So effectively what the council had in that instance was, the options they would have had, I guess, would be either to accept it, to appeal it, or to accept it and to attempt to recoup the legal fees that they paid out to the individual council members. None of that would require anything to be done with the legislation that we're dealing with today.

My understanding was that the decision of council at that time was not to appeal it but also not to attempt to recoup any of the legal fees. I would note though, and I think you're probably aware of this, that there's been a number of changes on council since those decisions just recently because of the elections. So whether that position of council will stay the same or whether it will change, I'm not sure, but either way it won't impact the amendments we're making in the House here or . . . I guess I would summarize it, you know, as of right now it's local autonomy. The council has the authority to make those decisions.

Mr. Wotherspoon: — So on this matter and on this decision, do you see yourself as minister or the ministry becoming engaged potentially, depending on the decisions or actions of council?

Hon. Mr. Reiter: — That's a very good question. You know, typically I'm loathe to interfere in municipal autonomy except in sort of very extreme circumstances, which this was.

You know, as to your specific question about if I anticipate taking any action in this regard, I certainly don't intend on taking any sort of imminent action, but I want to see how things play out there. You know, I wouldn't 100 per cent rule out, you know, potentially down the road . . . I want to be fair. There's a new reeve there, and I believe there's one or two other changes on council, and I want to give them every opportunity to sort of right the ship. I want to see how things are conducted over the next little while. So I'm sorry, I know that's not a definitive answer for you, but I hope you understand no definitive decision's been made.

Mr. Wotherspoon: — I appreciate, I guess, that there isn't a door closed as well to engaging. Certainly I too respect the important autonomy of local governments. That being said, this is a concerning matter and one that, you know, I think from many people's perspectives isn't yet entirely resolved. But

thanks for the response, and certainly we'll track progress on that front.

When we're looking at some of the regulations that are going to be brought forward and some of the consultation with the sector on various other fronts, what sort of timelines do you have in mind to consultations and, then further, to establishment and implementation of regulations? And what sort of, I guess, updates will you be providing as it relates to progress on that front?

Hon. Mr. Reiter: — The consultations on the regulations I would expect will start fairly soon. There's no sort of set deadline for it. I want to make sure the municipal sector is comfortable with it. So forgive me if it's a bit vague; I don't mean to be. But it'll be some months out, I would assume, until all the work's done and the processes went through. And I'm sorry, there was a second part to your question.

Mr. Wotherspoon: — I guess, how will you endeavour to keep the public and all of us apprised of those actions and where the process is at, where progress is at? What's been implemented? What's been agreed to? Because that's one of the challenges of course when matters are dealt with in regulation as opposed to legislation, is that we don't have the same sort of processes that we have here today around the legislation that's brought forward.

Hon. Mr. Reiter: — Right. You know, we'll handle that like we do any other regulatory changes in the municipal sector. The municipal sector will be engaged. We typically leave it up to the parent associations whether or not to what extent they engage their member groups. It's certainly nothing secretive about it. You know, if at any point along the way if you're interested, certainly get hold of me. I'll be happy to give you updates, but again, like I said, nothing secret. We'll be meeting with the municipal groups and typically they keep all their members up to speed on that.

Mr. Wotherspoon: — At this point in time, I don't know what other members might have for questions, but I think I'm satisfied. I just wanted to check, as it related to your own disclosure form, have you documented properly that you cheer for the Boston Bruins?

Hon. Mr. Reiter: — I sure hope I have. You know, from time to time, Mr. Wotherspoon, you and I disagree on things, but we don't disagree on that. You cheer for a good hockey team.

Mr. Wotherspoon: — Hear, hear.

[16:15]

The Chair: — Thank you very much. We will now move to clause-by-clause voting. This bill has over 100 clauses, and I will be asking leave of the committee to vote the clauses off by parts. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Is there any questions? Seeing none, we will proceed to voting off the clause. Part I, short title, clause 1-1 short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1-1 agreed to.]

[Clauses 2-1 to 6-1 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Municipal Conflict of Interest Amendment Act, 2015*. I would ask a member to move that we report Bill No. 186, *The Municipal Conflict of Interest Amendment Act, 2015* without amendment.

Mr. Steinley: — I so move.

The Chair: — Mr. Steinley moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would now like to ask the minister for final comments.

Hon. Mr. Reiter: — Thank you, Madam Chair. I'd like to thank the committee members for their time today; specifically I'd like to thank Mr. Wotherspoon for his relevant and respectful questions. And I'd also like to thank all the ministry officials, not just for their time today, but the good work they've done on this file from the very beginning. So thank you, Madam Chair.

The Chair: — I will ask a member to move a motion . . . Oh sorry, Mr. Wotherspoon. Sorry.

Mr. Wotherspoon: — Thanks to the minister for his time here today, but of course to the officials that are attending here but all the others that have been engaged in the construction of this piece of legislation. There's lots of work before the sector still by way of regulation, and I thank all the sector partners for the work that will occur in the months ahead as well.

The Chair: — Thank you very much, Mr. Wotherspoon. And I think the committee as a whole does thank everyone for attending and their prompt comments. So thank you very much. I would now like to ask a member to move a motion of adjournment.

Mr. Michelson: — So moved.

The Chair: — Thank you very much. The committee stands adjourned to the call of the Chair.

[The committee adjourned at 16:22.]