

ANS
Memorandum



Government
of
Saskatchewan

Minister's Office

Government Relations

LEGISLATIVE ASSEMBLY

MAY 31 2018

COMMITTEE'S AGENDA
Date: JUN 01 2018

From: Warren Kaeding
Minister of Government Relations and
Minister Responsible for First Nations,
Métis and Northern Affairs

Phone: 306-787-6100
Fax: 306-787-0399

To: Fred Bradshaw
Chair
Intergovernmental Affairs and Justice Committee

File:

Re: Standing Committee on Intergovernmental Affairs and Justice - (May 8, 2018):
Follow-Up Information

During the Ministry of Government Relations' appearance before the Standing Committee on Intergovernmental Affairs and Justice on May 8, 2018, I agreed to provide some additional information on the following:

1. *Policies and procedures of the Clarence Campeau Development Fund (CCDF) regarding Board appointments, net assets and future plans* – Attached to this Memo is a response from the CCDF on the questions posed during Committee. If there are any further questions, Committee members can contact Pam Larson, the Chief Executive Officer for the CCDF, at (306) 657-4870.
2. *Number of projects for the Clean Water and Wastewater Fund* – An up-to-date list of projects is maintained online at <http://www.infrastructure.gc.ca/pt-sp/pt-sp-sk-eng.html>
3. *PST and Approved Municipal Infrastructure Projects* – No project contracts entered into before the PST expansion have been affected. 159 projects were approved after the PST expansion. However, most projects have contingency included in their project budget to accommodate for price increases. PST costs are eligible costs and can be claimed for program reimbursement.
4. *Municipalities and Reserves* – Best available information from 2016 audited financial statements show that municipalities have approximately \$12.2 billion in accumulated surplus, of which \$10.0 billion is in net tangible capital assets, \$1.2 billion in appropriated reserves, and \$1.0 billion in unappropriated surplus.

Based on the 2016 audited financial statements, the total of the appropriated reserves and unappropriated surplus by sector are:

- Cities: \$936.1 million (43.3 per cent of total for all sectors)
- Resort Villages: \$19.5 million (0.9 per cent of total)
- Towns: \$241.5 million (11.1 per cent of total)
- Villages: \$80.8 million (3.7 per cent of total)
- Rural Municipalities: \$829.7 million (38.4 per cent of total)
- Northern: \$55.3 million (2.6 per cent of total)

Based on the 2016 audited financial statements, the total of the appropriated reserves by sector are:

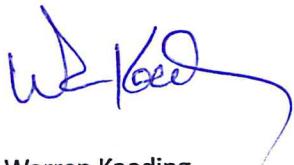
- Cities: \$689.5 million (60.8 per cent of total for all sectors)
- Resort Villages: \$7.7 million (0.7 per cent of total)
- Towns: \$133.8 million (11.8 per cent of total)
- Villages: \$21.5 million (1.9 per cent of total)
- Rural Municipalities: \$270.3 million (23.9 per cent of total)
- Northern: \$10.4 million (0.9 per cent of total)

5. *Breakdown of Human-Caused Fires* – Wildfires have only two causes, lightning strikes and human induced. The breakdown is as follows:

- As of April 1st, 2018, the Ministry of Environment - Wildfire Management reported 149 human induced wildfires. This will change on a daily basis due to current conditions within the province.

6. *911 Texting* – As of May 1, 2018, there are 314 registered users for Text 911 (T911) and one actual T911 call for 2018.

Sincerely,



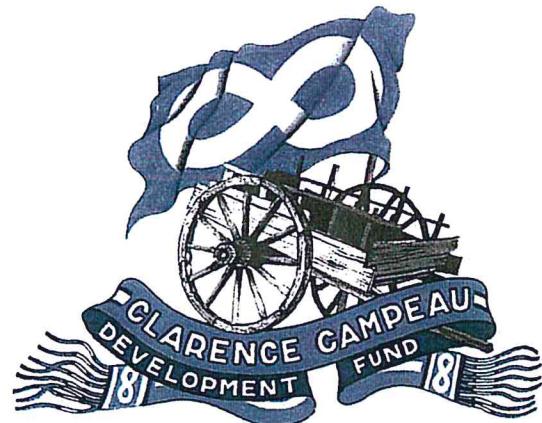
Warren Kaeding
Minister of Government Relations and
Minister Responsible for First Nations, Métis and Northern Affairs

Attachment

cc: Tammy Kirkland, Deputy Minister of Government Relations and
Deputy Minister of First Nations, Métis and Northern Affairs

bcc: Laurier Donais, Assistant Deputy Minister, Government Relations
Keith Comstock, Assistant Deputy Minister, Government Relations
Giselle Marcotte, Assistant Deputy Minister, Government Relations
Duane McKay, Assistant Deputy Minister, Government Relations
Jeff Markewich, Executive Director, Government Relations

May 22, 2018



Serving Saskatchewan's Métis

Honourable Warren Kaeding
Minister Responsible for First Nations,
Métis and Northern Affairs
Ministry of Government Relations
Room 30, Legislative Building,
2405 Legislative Drive
Regina, SK S4S 0B3

Dear Minister Kaeding,

Subject: Letter of Response, May 8, 2018

Thank you for providing us with an opportunity to respond to the questions posed by the MLA for Athabasca, Buckley Belanger on May 8, 2018.

The Clarence Campeau Development Fund (CCDF) is a transparent and accountable organization. The allocation of dollars we receive from the Province is secured and accounted for by the CCDF board and the management of CCDF. We operate under the Gaming Corporations Act, the Provincial Auditors Act, the Trustees Act, the Operating Agreement and a policy and procedure manual. CCDF has strong internal controls, an independent, non-political board, and we have had twenty years of consecutive clean audits. Under the Provincial Auditors Act our board members are considered agents of the Crown. Neither the Métis Nation nor the Province own CCDF nor do they manage CCDF.

Annual Reports are produced and made available to the Province, the MN-S and the Federal Government on an annual basis. CCDF's annual report are available on our website and a 1000 copies are provided to the Métis community and the general public. Information about our programs and services can be obtained by visiting www.clarencecampeau.com or by simply contacting the CCDF office. Mr. Belanger is welcome to access information directly from CCDF or meet with me at any time.

I will respond to the 4 main questions posed by Mr. Belanger.

1. **Board Appointments** – The Fund is managed and operated according to the rules and procedures found in schedule “A” of the Operating Agreement. There shall be five (5) Métis Voting Board members. All Board members, including the Government ex-officio members, must provide CCDF with a credit check and criminal record check.

One (1) position is held by the Minister of Economic Development for the Métis Nation-Saskatchewan (MN-S) who is appointed by the President, approved by the Provincial Métis Council with the appointment ratified by the Métis Nation Legislative Assembly. He/she must have sound credit and a clean criminal record check. This position is temporarily vacant as the current Minister of Economic Development for the MN-S is not willing to provide a credit check or criminal record check and will only sit on the CCDF board once a new Operating Agreement is in place.

The other four (4) voting members represent Urban, South, North and Member At Large and must be independent, non-elected members. The four independent, non-elected members will not:

- hold an elected office on the Provincial Métis Council;
- be part of the immediate family of a person currently holding elected office on the Provincial Métis Council. For the purposes of this paragraph, an immediate family shall include a spouse, sibling, parent, son or daughter;
- be in a non-arm’s length business relationship with a person currently holding office on the Provincial Métis Council.

The method of appointment is contained in the Policy and Procedure Manual. When a position is vacant, a call for new board members is advertised on the CCDF website, in newspapers, on the Métis Business Directory and we also receive referrals. Once applications are received, a selection Committee of the Board identifies individuals, three (3) to five (5) individuals, that meet the requirements as outlined in the Agreement and these candidates are recommended to the Provincial Métis Council of the MN-S. The MN-S through a motion of the Provincial Métis Council will appoint individuals to fill positions available on the board from the names provided by the CCDF Nominations Committee of the board. Where the MN-S does not, within 60 days of a list of nominees being presented, make an appointment to the board, from the list of nominees, the Board may, for the purpose of ensuring continuity and proper functioning of the Board, make the appointment from the list of nominees. The new appointee shall be entitled to serve as a member of the board for three (3) years with the possibility of a reappointment for another three (3) years. This method has proven to be a successful

model, limiting political interference resulting in the successful Fund that exists for Métis people today.

Under normal circumstances the maximum term is 6 years. The opinion of our lawyer is that until the board member is replaced he/she will remain to protect the integrity of the Fund.

2. Bonuses to Employees – In 2015, CCDF engaged Koenig and Associates to development a formal compensation model for employees at CCDF and in 2018, Morris Interactive reviewed the compensation model to ensure it was in line with industry wage standards.

CCDF supports a total rewards philosophy that rewards and recognizes effective team interaction and employee commitment to the corporate values. On an annual basis, an employee's performance is reviewed by the CEO using a performance review tool and the employee may receive an annual salary increments based on a combination of inflation and merit in keeping with industry wage standards and taking into consideration both their technical and behavioural competencies.

The Investment and Audit Committee has full responsibility and authority for the CEO's annual performance and compensation review and adjustments. The CEO is eligible to receive an inflation increase in base salary on an annual basis and an annual performance bonus subject to a satisfactory performance evaluation. Performance is measured against an evaluation grid established by the Board in its absolute discretion. My performance was satisfactory and CCDF experienced one of the most successful years since its inception. I did not request or receive an increase/bonus as I felt my pay should coincide with the Provincial Government's wage freeze. In 2017, no inflation increase or annual bonus was paid to the CEO.

3. CCDF's Net Worth: \$29,345,584:

Cash:	\$2,609,399
Investments:	\$15,951,987
Other Cash less payables:	\$96,374
*Total Cash:	\$18,657,760

*Of the \$18,674,399, \$15,195,229 is from the Province of Saskatchewan and \$3,479,170 is from the Government of Canada.

Capital Assets (Building, Computers, Furniture): \$788,510

Contributions to Métis Clients and Communities (Repayable and non-repayable)

Loans Receivable:	\$7,741,987
Mortgages Receivable:	\$2,157,327
*Total Loans and Mortgages:	\$9,899,314

*Of the \$9,899,314, \$6,320,555 is from the Province of Saskatchewan and \$3,578,759 is from the Government of Canada.

In 2017, CCDF launched the Métis Community Capacity Strategy (MCCS) and committed \$4,256,197 to the Strategy with the intent of getting more funding to the Métis Communities. The MCCS is a five-year pilot project that is working with nine Métis communities of which, six communities are in the northern part of the province. The purpose of MCCS is to identify business opportunities and build capacity to ensure that the communities can capitalize on those opportunities and begin generating wealth from within. Currently, five of the nine communities have seven projects being actively pursued. To date, we have contributed \$765,258 in repayable and non-repayable contributions to two Northern projects creating ten full-time jobs and twenty-eight seasonal construction jobs.

4. Northern Presence and Results

CCDF does not have a physical office in the North, but in the past sixteen months, CCDF and Northern Research Group, the consulting firm working with CCDF on the MCCS, have visited the following Northern Communities:

Community	# of Visits
Beauval	10
Buffalo Narrows	4
La Loche	4
Pinehouse	5
Ille A La Crosse	8
Jans Bay	2
Cole Bay	1
Village of Green Lake	9
Meadow Lake	9
La Ronge	2
North Battleford	1
Prince Albert	5

In 2016 and 2017, CCDF disbursed repayable and non-repayable contributions to Northern communities in the amount of \$1,314,588 and \$605,363.

CCDF is estimated to receive \$2,700,000 from gaming revenue in 2018 and projects to disburse contributions well in excess of \$5,000,000 to Métis clients and communities which does not include the costs associated with MCCS or CCDF's operating expenses.

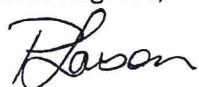
In 2017, CCDF received \$2,857,686 from the Government of Saskatchewan and disbursed \$4,939,330 in repayable and non-repayable contributions, a shortfall of \$2,081,644. The shortfall does not include the MCCS cost or our operating expenses. The shortfall is covered by the repayment of principal CCDF receives from clients and from the interest revenue earned on interest bearing contributions and investments. CCDF received principal repayments of \$4,063,331 and interest revenue of \$459,478.

As you can see, the annual allocation CCDF receives from the Province is not sufficient to cover operating costs and disbursements made to Métis entrepreneurs and communities. CCDF's on going success and growth is attributed to the ability of the passionate CCDF staff to create genuine and supportive relationships with our Métis entrepreneurs and communities. We are successful in collecting the principal payments from clients because they value their relationship with CCDF. By collecting principal payments, we are able to disburse more funds than we received from the Province on an annual basis and operate the CCDF.

If you have any further questions, please feel free to contact me.

I would like the opportunity to meet with you in Regina at your office at your earliest convenience. In addition, I would like to extend an invitation to you to visit our office, meet our staff, and allow us to share our exceptional results and provide you an overview of CCDF.

Kind Regards,



Pam Larson, CPA, CMA
Chief Executive Officer

cc: Buckley Belanger, MLA for Athabasca
Laurier Donais, Assistant Deputy Minister Corporate Services, Public Safety
Standards and Disaster Recovery
Wayne Cowan, Vice Chair-CCDF