



Legislative Assembly of Saskatchewan

BOARD OF INTERNAL ECONOMY

MINUTES AND VERBATIM REPORT

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The Honourable Don Toth
Speaker



No. 3 — May 5, 2008

BOARD OF INTERNAL ECONOMY

Hon. Don Toth, Chair
Moosomin

Hon. Dan D'Autremont
Cannington

Ms. Doreen Eagles
Estevan

Hon. Donna Harpauer
Humboldt

Mr. Glen Hart
Last Mountain-Touchwood

Mr. Len Taylor
The Battlefords

Mr. Kevin Yates
Regina Dewdney

BOARD OF INTERNAL ECONOMY

Room 8 Legislative Building
5:25 p.m. May 5, 2008

Present: Members of the Board of Internal Economy

Hon. Don Toth, Speaker, Chair
Hon. Dan D'Autremont
Hon. Donna Harpauer
Mr. Glen Hart
Mr. Len Taylor
Mr. Kevin Yates

Staff to the Board

Ms. Marilyn Borowski, Director, Finance and Administrative Services
Ms. Linda Kaminski, Director, Human Resource and Payroll Services
Mr. Gregory Putz, Clerk of the Legislative Assembly
Ms. Margaret Tulloch, Secretary to the Board

AGENDA Moved by Mr. D'Autremont, seconded by Mr. Yates, that the proposed agenda be adopted. Agreed.

MINUTES Moved by Mr. Hart, seconded by Mr. Yates, ordered, that the Minutes of Meeting #2/08 be adopted. Agreed.

ITEM 1 Decision Item: LAS Employee Health Plan and Retiree Health Plan

The item was presented by Ms. Linda Kaminski.

Moved by Mr. D'Autremont, seconded by Mr. Yates:

That any previous Board Orders for the Legislative Assembly Service Employee Health Plan and Retiree Health Plan be revoked and substituted by the following.

The LAS Employee Health Plan and Retiree Health Plan be established effective June 1, 2008 with the following provisions:

- 1) That Great West Life be retained as the insurance provider for the LAS Employee Health Plan and Retiree Health Plan;
- 2) That the massage therapy benefit under the Employee Health Plan be reduced from \$400 to \$200;
- 3) That the Retiree Health Plan premium subsidy of 15% for retirees be eliminated; and,
- 4) That the Retiree Health Plan enrollment criteria for Members and constituency assistants be set at age 50 years with no minimum years of service.

The question being put and a debate arising, it was agreed.

Minute # 1698

ITEM 2 Decision Item: Response to Provincial Auditor's Memorandum of Audit Observations for the Year Ended March 31, 2007 (tabled at Mtg. #1/08).

The Board met in camera to consider the recommendations of the Provincial Auditor.

The Board agreed that Mr. Speaker would write on behalf of the Board in response to the Auditor's recommendations.

The Board, having concluded its discussion, resumed public meeting.

Moved by Ms. Harpauer, seconded by Mr. Taylor that the meeting adjourn.

The Board adjourned at 6:04 p.m.

Hon. Don Toth
Chair of the Board of Internal Economy

Margaret Tulloch
Secretary to the Board

[The board met at 17:25.]

The Chair: — Well members, we'll call our meeting to order and thank you one and all for coming to the meeting and I trust you enjoyed supper. We're all on a . . . have a better mode right now, feeling comfortable. I hope you aren't ready to put your heads back though and take a quick nap through our meeting. You've had a chance to look at the proposed agenda. I wonder if we could have a motion to accept the agenda as presented. Moved by Mr. D'Autremont. Greg, Mr. Putz.

Mr. Putz: — Mr. Speaker, if I may just make a suggestion for the second item on the agenda, that has to do with the auditor's management letter. Over the last number of years, as members are probably aware, especially those who are members of the Public Accounts Committee, that the auditor incorporates the points that he makes in the management letter into a chapter into the auditor's report to the Assembly, which is reviewed by the Public Accounts Committee. And his most recent report also contains a chapter on the board. And if I may just point out that in the past the Public Accounts Committee has recommended that the board deal with this chapter rather than the committee itself.

So if I may make a proposal that in conjunction with the board's review of the management letter, that they concurrently review this auditor's chapter from the report. In essence it's the exact same points that is raised in the management letter. The first three points and the fourth point which you'll deal with, it was not contained in the public report of the auditor.

So the suggestion is that to add this chapter 4 of the auditor's 2007 report volume 3 to the agenda to be dealt with concurrently with the auditor's management letter.

The Chair: — Are the members agreed?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Agreed with the proposed agenda as moved by Mr. D'Autremont? Agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you. Have the members had an opportunity to go over the minutes, no. 2, '08, going back to March 18? Members prepared to accept the minutes as presented? Can I have a motion to that effect? Mr. Hart.

Mr. Hart: — I so move.

The Chair: — Moved by Mr. Hart that the minutes for the meeting no. 2 '08 be accepted as presented. Any questions? Oh we do need a seconder in committee, right. Mr. Yates, seconded by Mr. Yates, which I probably should have for the acceptance of the agenda as well. And Mr. Yates will do the . . . Thank you, Mr. Yates. Any questions? All those in favour of accepting the minutes as presented?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Then we will move on to item no. 1, the

report back on the LAS [Legislative Assembly Service] employee health plan and retiree health plan. And I'll invite Ms. Kaminski to just make a comment or two. What you have in front of you, first of all I'll just add, what you have in front of you are the results of the survey that was taken and the comments that . . . or actually the recommendations that came back from the board sitting down and talking to the individuals involved. And so I will invite Ms. Kaminski to just let us know exactly what transpired, and we'll move on from there.

Ms. Kaminski: — Thank you very much. Just a brief report then. The board will recollect that the Legislative Assembly Service was concerned about the rate of the retiree health plan premiums, and as a result of that then we undertook to seek with our insurance broker to conduct a market survey of a variety of insurance companies and to have them quote on our employee plan and our retiree plan.

As a result of that market survey, Great-West Life, who is our current insurance carrier, came in with a really substantial reduction in our retiree health plan premium rate and a slight reduction in our employee plan premium rate. And the selection criteria was based upon pricing services and reporting structure from the insurance carriers. So there was, I think, about 11 insurance carriers that they went out to, and then we had results from I think it was 9 or 6 of them who reported back, and Mercer, our insurance broker, recommended that the Legislative Assembly continue to retain Great-West Life as our insurance provider for both the Legislative Assembly employee health plan and the retiree health plan.

And so what I've done here at the bottom of the document is I gave you the rates for both the employee plan and the retiree plan as of January 1, 2008. And at the top of the next page are the rates proposed by Great-West Life as a result of the market survey, effective June 1, 2008. And you will see the reduction on both the employee and the retiree costs. In fact you might note that the retiree health plan premium rates they have quoted to be the same as the employee health plan. And that's a substantial reduction from what they had been previously.

And in addition to that, I had also noted for you that the retiree health plan premium rates would now be less than executive government. And I did provide for you as an attachment to the very back the employee health plan premium rates for executive government's plan and the retiree health plan rates for executive government. And again just to reiterate, the executive government retiree health plan premiums are now greater than what the Legislative Assembly health plan premium rates will be as of June 1, 2008, assuming that the board agrees with the recommendation that's coming forward.

The other point to make is that massage therapy expenses was the only difference between executive government's health plan and the Legislative Assembly health plan. And executive government has a \$200 per year massage therapy benefit, and LAS has a \$400 per year massage therapy benefit, so there is a difference. And that's the only difference in the health plan benefits that are provided between the Legislative Assembly employee health plan and the executive government health plan.

The other point made on the bottom of page 2 of the document

is in regards to the eligibility requirements for the retiree health plan. And the Legislative Assembly retiree health plan and executive government are both the same. There are two components to be eligible to enrol in the retiree health plan and that's a minimum of age 50 and a minimum of eight years of service.

Finally then on page 3 of the document are the recommendations. And the recommendations certainly indicate that the Legislative Assembly proceed to retain Great-West Life as the insurance provider for both our employee plan and our retiree health plan. The second recommendation is that the massage therapy benefit underneath the employee health plan be reduced from the \$400 to \$200 annually. And the third point, the third part of the recommendation is that the current retiree health plan premium subsidy of 15 per cent for retirees be eliminated. And finally the last recommendation, point no. 4, is that the enrolment criteria for members and constituency assistants be set at age 50 years with no minimum years of service.

I do want to speak very briefly to point no. 3 which is the recommendation about the premium subsidy. You might have noted that Legislative Assembly currently has a 15 per cent premium subsidy and that's consistent with the executive government attachment that I have for you. Executive government is providing approximately a 15 per cent premium subsidy, so at the end of the day then, the cost for the individual retiree is being reduced by 15 per cent.

Now the recommendation here is that the Legislative Assembly retiree health plan no longer provide a 15 per cent premium subsidy, and we thought that made sense because the retirees would be paying the same rate as the employees, and that is a reduced amount compared to what executive government retirees are paying. So hence we thought that it didn't make sense to have a 15 per cent premium subsidy applied to these new rates effective June 1.

So the bottom line is that we are certainly recommending that the board approve these recommendations effective June 1, 2008, and there are four recommendations there. And I'll certainly speak to any questions that any of the board members have in that regard.

The Chair: — If I could have someone who would be willing to move a motion that we accept the report as presented and then we'll open the floor up to questions? A seconder to that? So it will be moved by Mr. D'Autremont, second by Mr. Yates, that we accept the recommendations regarding the LAS benefit plan. And I'll open the floor for questions, if there are . . . Yes, Mr. D'Autremont.

Hon. Mr. D'Autremont: — On the executive government plan, if you look at it right now, their rate is lower than ours. Let's use the family one, \$122 versus 151. That rate, is that being looked at? Is that being renegotiated at the present time?

Ms. Kaminski: — Presently the executive government has just recently renewed their rates, so they are starting a new two-year period I believe, at the top of my head. I would have to confirm that. But again their rates are higher on the retiree portion only — I just want to make sure you're clear on that. Whereas on the

employee plan rate, their rate starting at 51.18 for single, 99.49 for a couple, and 122.67 for a family — those rates are lower than our January 1, 2008, rates and they are still lower than what the LAS rates will be June 1, 2008. So I want to make sure that you're very clear that their employee plan rates are less than Legislative Assembly. It's the retiree plan rates that will be more than LAS rates as of June 1.

The Chair: — Any further questions? So the motion by Mr. D'Autremont, seconded by Mr. Yates, is that any previous board orders of the Legislative Assembly Service employee health plan and retirement health plan be revoked and substituted by the following:

That the LAS employee health plan and retiree health plan be established effective June 1, 2008 with the following provisions:

(1) that Great-West Life be retained as the insurance provider for the LAS employee health plan and retiree health plan;

(2) that the massage therapy benefit under the employee health plan be reduced from 400 to 200;

(3) that the retiree health plan premium subsidy of 15 per cent for retirees be eliminated;

(4) that the retiree health plan enrolment criteria for members and constituency assistants to be set at age 50 years with no minimum years of service.

Everyone in favour of the motion as presented?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Carried. Thank you.

And now we'll move to item no. 2, response to the Provincial Auditor's memorandum of audit observations for the year ended March 31, '07, and as Greg had mentioned earlier, the review of the auditor's chapter from his annual report. And I wondered, Greg, if you just want to bring us a little more up to speed on where we're at in discussing this and then we can open it up to questions.

Hon. Mr. D'Autremont: — Mr. Speaker, perhaps we should move in camera for discussion of this issue.

The Chair: — Okay, is there a motion to move in camera?

Hon. Mr. D'Autremont: — I'll make a motion that we move in camera.

The Chair: — Mr. D'Autremont, seconded by Mr. Yates, that we move in camera. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Thank you.

[The board continued in camera.]

The Chair: — Is there any further business before the board?

Hon. Mr. D'Autremont: — Mr. Speaker, I think we have consensus that you will respond to the Provincial Auditor, as we discussed, on the four recommendations.

The Chair: — That was, I gather, the consensus of the meeting. No further business. Do I have a motion to adjourn? Ms. Harpauer. And a seconder for the adjournment? Len. This meeting stands adjourned. Thank you each one for taking this time out of your busy schedules.

[The board adjourned at 18:04.]