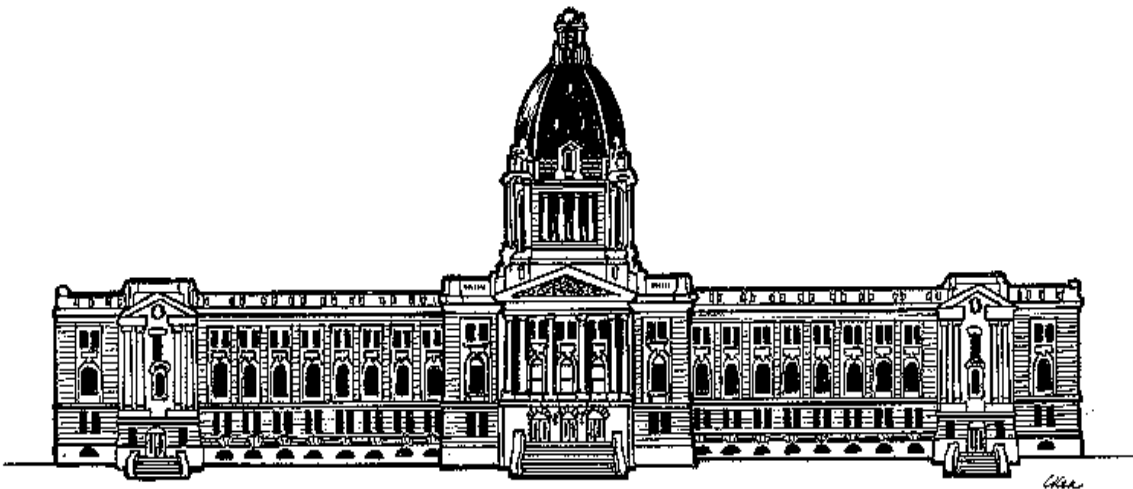




# **STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES**

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## STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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Mr. Warren McCall  
Regina Elphinstone-Centre

Mr. Randy Weekes  
Biggar

[The committee met at 19:00.]

**The Chair:** — Good evening, ladies and gentlemen. And welcome to the Crown and Central Agencies Committee. And we have two substitutions. We've got Ms. Deb Higgins substituting for Buckley Belanger, and we've got Kevin Yates substituting for Mr. Warren McCall.

Okay, we have a number of documents to table which have all been distributed to you. You will also have received a list of the eight documents we will be tabling. These are the annual reports and financial statements for various Crown entities, as well as the Provincial Auditor's report on the 2010 financial statement of CIC [Crown Investments Corporation of Saskatchewan] Crown corporations and related enterprises.

**General Revenue Fund  
Government Services  
Vote 13**

**Subvote (GS01)**

**The Chair:** — This evening's committee will be considering the estimates for Ministry of Government Services. We will begin the discussion with vote 13, Government Services, central management and services, subvote (GS01).

Minister Ross is here with her officials. Madam Minister, would you please introduce your officials and if you have a short opening statement.

**Hon. Ms. Ross:** — Thank you very much, Mr. Chair. At this time I would like to table answers to the questions that the committee members had asked on April 5th. We will also provide the information along with the answers. We're going to provide a copy of the accommodation guidelines.

Thank you very much, Mr. Chair. I would like to introduce to you and to the members of the committee the officials from the Ministry of Government Services who are with me here today.

We have Ron Dedman who is the deputy minister. We have Shelley Reddekopp who is director of finance services. We have Greg Lusk at the back who is executive director of commercial services. We have Al Mullen, executive director asset management, and we have Dwight Milleker, regional director, Regina facility management accommodation services.

I thank them for appearing with me before the committee today to help answer any questions about the ministry's estimates.

**The Chair:** — Thank you, Mr. Yates.

**Mr. Yates:** — Thanks very much, Mr. Chair. I would like to start this evening's discussions talking about potential liabilities, and if the minister could please indicate to members of the committee all outstanding liabilities of the department.

**Hon. Ms. Ross:** — Thank you very much. I'd like to ask the member to maybe be a little bit more specific, to give us some clarification of what you are referring to.

**Mr. Yates:** — Thank you very much, Madam Minister. The concern is guarantees or assurances that the department may have made on behalf of the Government of Saskatchewan and what those liabilities for future years would be to the province of Saskatchewan.

**Hon. Ms. Ross:** — Thank you very much. We do not have guarantees. The ministry has leases but we do not have, as the member has asked us for, guarantees.

**Mr. Yates:** — Thank you very much. Did the department indicate or did the ministry indicate what leases, long-term leases, that the . . . or loans that may be outstanding by the department?

**Hon. Ms. Ross:** — Sorry. Could I have you speak a little closer into your mike? It was very garbled and I could hardly understand you. I do apologize.

**Mr. Yates:** — Pardon me. Could the minister indicate to us any long-term leases that the department has undertaken or currently has and what the liabilities are on them as well as any outstanding loans that the department may have?

**Hon. Ms. Ross:** — Okay. The member has asked if we have any loans. No, we do not have loans. Now also in your question, you asked for a long-term lease and the accounting definition of a long-term lease is anything longer than one year. So that's a fairly large encompassing . . . I mean we could probably start listing off, but that's the accounting definition is a lease that is longer than one year.

**Mr. Yates:** — Thank you, Madam Minister. I'll narrow what we're looking for. When the department purchases assets, do they have any loans against those assets, even real property and leases that would be of a nature beyond 10 years?

The concern is, Madam Minister, after 1991 there was a commission, the Gass Commission, that did extensive work on government liabilities and made significant recommendations. Now in that period of time, some \$713 million of liabilities had to be written off in the then Saskatchewan Property Management Corporation. And at this point what we're trying to discover is what liabilities the Department of Government Services has on behalf of the Government of Saskatchewan?

**Hon. Ms. Ross:** — When we purchase a capital asset, it goes through the budgetary process. And government does not have the authority to borrow, so there are no loans against our assets. Government Services, sorry. Government Services does not have the authority to borrow so there are no loans against our assets.

**Mr. Yates:** — So they're totally cash financed.

**Hon. Ms. Ross:** — Through the appropriation.

**Mr. Yates:** — Thank you.

**Ms. Atkinson:** — Through what appropriation?

**Hon. Ms. Ross:** — I'll have the deputy minister, Ron Dedman,

explain the process.

**Mr. Dedman:** — When we purchase through ... For Government Services, it would be through our appropriation. And when we're purchasing on behalf of another ministry, it would be through their appropriation.

**Ms. Atkinson:** — If I could. So for instance, last year you purchased assets. Can you tell us what that amounted to, and where would we find it in the budget book? Or this year, you have plans to purchase assets. Where will we find it?

**Mr. Dedman:** — It would be in book 7.

**Ms. Atkinson:** — Book 7? So for instance, this year in terms of major capital asset acquisitions, it's the intention of the ministry to acquire assets totalling \$33.1 million. Is that correct?

**Mr. Dedman:** — Yes that's correct.

[19:15]

**Ms. Atkinson:** — This is cash financed.

**Mr. Dedman:** — Yes.

**Ms. Atkinson:** — And are you purchasing assets for other ministries?

**Mr. Dedman:** — 2011 and 2012, we have the capital lease requirements for the Melville Crop Insurance. We are doing a building retrofit at the Kramer Building in North Battleford. We're doing an HVAC [heating, ventilating, and air conditioning] replacement, conversion of boilers at Palliser Campus in Moose Jaw on a SIAST [Saskatchewan Institute of Applied Science and Technology] project. We are doing some redevelopment of the Norm Vickar Building in Melfort, a redevelopment of the former Liquor Board space into rentable space. We are looking at an option to provide an additional access road to the Paul Dojack Centre. We are doing ongoing renovations to the Walter Scott Building, and Weyburn Court House upgrades.

Within Government Services, we will be doing vehicle purchases of 7.4 million, and we have some purchases related to executive air and air ambulance maintenance.

**Ms. Atkinson:** — Can you — I mean it's quite a bump up from last year; it's 33.148 million — can you provide us in writing how you're allocating all of this capital?

I thought Crop Insurance was its own separate entity, and I thought it owned its own assets. Is that incorrect?

**Mr. Dedman:** — We acquired the lease and lease it to them.

**Ms. Atkinson:** — Thank you. Can you provide us with a detail breakdown of the 33.1 million and how it's allocated to each? You know, Melville Crop Insurance, how much is going to them?

**Mr. Dedman:** — Well Crop Insurance is 14.5 million.

**Ms. Atkinson:** — Is that to expand the services that they're providing because we are taking over the federal program?

**Mr. Dedman:** — Yes.

**Ms. Atkinson:** — Okay.

**Mr. Dedman:** — It's an addition to the existing building and a retrofit of the existing building.

**Ms. Atkinson:** — And do we own that building?

**Mr. Dedman:** — No.

**Ms. Atkinson:** — So are we going to, when we're doing \$14.5 million worth of additions, are we going to own that asset?

**Mr. Dedman:** — The 14.5 is the capitalization of the lease payments over the life of the lease.

**Ms. Atkinson:** — And how long is the life of the lease?

**Mr. Dedman:** — I believe it's 20 years.

**Ms. Atkinson:** — Twenty years? Oh, another one of those 20-year guys. Okay. And can you tell us about air ambulance or exec air, what are doing over there? Another plane or a new plane?

**Mr. Dedman:** — I can break that down to an engine overhaul at 325,000; avionics at 75,000; and something called a Halo gross weight kit of 100,000 that's on one aircraft. The second aircraft has an avionics upgrade of 75,000, and the third aircraft has a Halo gross weight kit of 100,000. Those are executive air.

**Ms. Atkinson:** — And air ambulance.

**Mr. Dedman:** — An engine overhaul of 350,000; avionics of 75,000; and the gross weight kit of 100,000 on one aircraft. And the gross weight kit on the other two at \$100,000 each.

**Ms. Atkinson:** — And what about the access road to Paul Dojack.

**Mr. Dedman:** — The access road to Paul Dojack is 532,000, and that is mainly the planning and the options to do that road.

**Ms. Atkinson:** — I suppose you contract that out, do you?

**Mr. Dedman:** — Yes.

**Ms. Atkinson:** — And will that be tendered?

**Mr. Dedman:** — Yes.

**Ms. Atkinson:** — So we'll see it on SaskTenders.

**Mr. Dedman:** — Yes.

**Ms. Atkinson:** — Okay. And Walter Scott, what's left to do there?

**Mr. Dedman:** — Walter Scott is 1.645 million, which is part of

the long-term project which was a \$16 million project to re-life the building for the next 30 years. And this is the last year that work will be done there.

**Ms. Atkinson:** — And then I'm very curious about the liquor store in Melfort. What's happening there? That's the building the liquor store owns, I presume.

**Mr. Dedman:** — The liquor store was in the Norm Vickar Building, and they've moved to a different location. So it's redevelopment of the space left vacant in the liquor store.

**Ms. Atkinson:** — And that's publicly owned. That's owned by government. And how much do you expect to spend on that one?

**Mr. Dedman:** — 785,000.

**Ms. Atkinson:** — Okay. And can you tell us what you spent on the renovations for the new liquor store?

**Mr. Dedman:** — We didn't do that work.

**Ms. Atkinson:** — You didn't do it. Okay. So the Kramer retrofit, the HVAC over at Palliser. I'm not quite at \$33 million yet, but can you tell us what's happening with the Kramer retrofit and HVAC at Palliser?

**Mr. Dedman:** — Just bring you . . . First the Weyburn Court House is 3.44 million, and I think the other one that you don't have is the CVA vehicles of 7.4 million.

**Ms. Atkinson:** — I do have that. And Palliser.

**Mr. Dedman:** — 315,000.

**Ms. Atkinson:** — Okay. And the Kramer retrofit?

**Mr. Dedman:** — 2.8 million.

**Ms. Atkinson:** — 2.8 million.

**Mr. Dedman:** — Yes.

**Ms. Atkinson:** — And that's in North Battleford, I presume?

**Mr. Dedman:** — Yes.

**Ms. Atkinson:** — Okay. So if I add all these up I should get close to 33 million. Should I?

**Mr. Dedman:** — Close to that. In addition, there's a 250,000 for operating equipment for accommodation services. And the total would be 33.148 million.

**Ms. Atkinson:** — Okay, thank you. So I just wanted to go back to my colleague. One of the places that we learned of when we came to government in 1991 was the use of SPMC [Saskatchewan Property Management Corporation] to finance hospitals, nursing homes, you name it. And so as a result of the Gass Commission, which I have here, we wrote off, Gass recommended that we write off over \$700 million in dubious loans — 713 million actually — through Sask Property

Management Corporation.

So we just want to make sure that we're not going to start accumulating deficits over at Government Services. So can you tell us if someone came to you and suggested that maybe Government Services should look after a project and guarantee it, what's your process for that?

**Mr. Dedman:** — As a ministry, we have no power to borrow or to guarantee, so anything we're asked to do would have to go through the Treasury Board process.

**Ms. Atkinson:** — Well things can go through treasury boards, and treasuries can say yes, you can guarantee it. So are you saying you have no legislative authority to start borrowing money?

**Mr. Dedman:** — That's correct.

**Ms. Atkinson:** — Okay. In terms of the courthouses here, you're project managing on behalf of clients a \$13.7 million courthouse. Is that cash financed?

**Mr. Dedman:** — That money would be appropriated through Justice.

**Hon. Ms. Ross:** — You're requesting information on the Saskatoon, right?

**Ms. Atkinson:** — Yes, I believe so. Yes. So it's through Justice, but it's cash financed. It's not borrowed money to do this project? Or Pine Grove, it's not borrowed money?

**Mr. Dedman:** — Certainly not borrowed money by us.

**Ms. Atkinson:** — By Government Services.

**Mr. Dedman:** — Right.

**Ms. Atkinson:** — Okay. But you can't comment on whether it's borrowed by some other ministry?

**Mr. Dedman:** — It could be more borrowed by Finance, but not by any other ministry.

**Ms. Atkinson:** — Okay. So just so I'm clear, there are no assets that Government Services is purchasing that they're using borrowed money for those assets. It's all cash financed. There's been actual money given to Government Services to do the purchases?

**Mr. Dedman:** — So if we were to purchase anything, we would need an appropriation to do that. I'm not sure I'm answering your question.

**Ms. Atkinson:** — Okay. Melville crop insurance, you say it's 14.5 million. You have to capitalize this over a 20-year period. Am I correct?

**Mr. Dedman:** — Correct.

**Ms. Atkinson:** — Okay. So you have to, for the purposes of the budget, you have to allocate it in this fiscal year?

**Mr. Dedman:** — That's correct.

**Ms. Atkinson:** — Even though you will be paying this money out over a period of years. Okay, for the Kramer retrofit, \$2.8 million. You've got an allocation of actual money, \$2.8 million from the Ministry of Finance to do this retrofit. Am I correct?

[19:30]

**Mr. Dedman:** — Yes.

**Ms. Atkinson:** — Okay. The road, everything else, the cars — everything except the Melville Crop Insurance — you actually have cash on the dash to pay for it.

**Mr. Dedman:** — That's correct.

**Ms. Atkinson:** — Very good. Just making sure we're not going back to the past. I'm finished with my questions.

**Hon. Ms. Ross:** — [Inaudible] . . . I know that one committee member had asked for us to share with you the leases, and Al Mullen here would be more than happy to share with you the list of leases. Go ahead, Al.

**Mr. Yates:** — You can just table it, if you like . . . [inaudible].

**The Chair:** — Okay. Are we clear on that now, what we're doing with that one? And Ms. Higgins, you're done with questioning or Ms. Atkinson, you're done with questions. And, Mr. Yates, back to you.

**Mr. Yates:** — No, Ms. Higgins is going to go.

**The Chair:** — Ms. Higgins is going to go. All right.

**Hon. Ms. Ross:** — Can I just . . . We are not going to provide this copy of information. We will provide a tabled copy because there is information on here that should not be shared. Okay? We'll be more than happy to provide you with the whole list that we have here.

**Ms. Higgins:** — I wanted to step back a little bit. Ms. Atkinson, when you were breaking down the numbers for Ms. Atkinson, you had made comments on air ambulance, various parts, expensive parts. I believe it was early in the fall where there was a mishap with one of the planes landing at a small airport where they had got inaccurate or received some inaccurate information on the conditions when landing. The plane, as I recall, did a bit of a nosedive, tipped on its front, bent propellers, a variety of other damage. Also at that time, once the knowledge of the mishap became public, the Premier offered one of the exec air planes to substitute for the air ambulance.

Now while that's a very nice offer, we both know that it's impractical and improbable because there is a great deal of difference between an executive air plane and air ambulance. There would need to be considerable retrofit done for an exec air King Air to be used as an air ambulance. Was there any retrofit done on an executive air King Air to change it into or make it more appropriate for an air ambulance in the time that it was offered by the Premier for use by air ambulance?

**Hon. Ms. Ross:** — Thank you very much. The exec air plane that was retrofitted was in fact in the past an air ambulance. So because of that, the retrofitting of that exec air into an air ambulance was easily accommodated. We had removed the equipment from the incapacitated air ambulance and reused the equipment in the retrofit with a cost of \$24,000 and a time frame of a week and a half.

**Ms. Higgins:** — Where was the retrofit done?

**Hon. Ms. Ross:** — In the hangar here in Regina.

**Ms. Higgins:** — At a total cost of 24,000?

**Hon. Ms. Ross:** — Well we were utilizing the equipment from the incapacitated ambulance and so it was the removal of the existing equipment and stripping out the exec air and reinstalling the air ambulance equipment that was ours.

**Ms. Higgins:** — Has the other plane been repaired, and is it back in service?

**Mr. Dedman:** — The damaged aircraft is in Red Deer at the company that's repairing it. And there are some unique parts that were damaged that can only come from the factory, and apparently the factory has to do some redesign on some of those parts before they can be retrofitted to the aircraft. So the repair time could be another six months.

**Ms. Higgins:** — So then at the disposal of government, there is how many exec air planes?

**Mr. Dedman:** — Two.

**Ms. Higgins:** — Two. Has that meant an increase to chartered flights?

**Mr. Dedman:** — I believe it has but I think it's something less than 10 charter flights in the time since that plane was damaged. A very small number. We can get that number specifically if you'd like.

**Ms. Higgins:** — If you could, please. Also, during written questions we had asked about purchase cards that the government is now going to. And there was comments in the answers from Government Services that you are looking at getting rid of fleet cards that have been used through the central vehicle agency and are basically, I mean, assigned to the vehicle — not to the person but to the vehicle. The fleet cards have always been operated on an internal system, have they not?

**Hon. Ms. Ross:** — Yes, they have.

**Ms. Higgins:** — So why at this point in time are you looking at . . . Well it looks like you have awarded a contract to T-Chek Systems Inc. to replace the current fleet card process. Can you please explain to me why and what the cost will be?

**Mr. Dedman:** — The fleet card system that was used was a paper-based system and it didn't have very much information that came back to us in a timely way. Because until the actual documents are entered into the system, we can't begin to do any analysis on a fleet management basis. So the new cards will

give us much, much quicker information. And the new cards can be set up so that things like gas purchases over the tank capacity of the vehicle would be made known to us immediately. And so it's much more like a conventional card and everything is done electronically, so there isn't a lot of paper processing as is required with the current system.

**Ms. Higgins:** — So to move to this system, does it require Government Services to change any technology that currently exists in the offices?

**Mr. Dedman:** — Yes.

**Ms. Higgins:** — And what is the cost for that?

**Mr. Dedman:** — The new system is a standard credit card that is used in the same way as the other ones were used on a vehicle-by-vehicle basis. So there really isn't any cost on the credit card part. We do have a new fleet management system that will input this information, but the credit card per se doesn't really cost us anything.

**Ms. Higgins:** — Well I didn't ask the cost of the credit card. I asked the cost of the technology upgrades for the new system. While the officials are looking for the information on what the cost of the technology upgrades are . . . And I guess I would expect that technology upgrades within the department would have been calculated and budgeted for in budget. I wouldn't think it would be that hard to find.

But while the officials are looking for it, I guess what I would like to ask also while we're waiting for the technology costs upgrade to meet this new system is, the new contract has been awarded to T-Chek Systems Inc. Where is the company based and what expertise do they bring to this contract?

**Mr. Dedman:** — T-Chek was one of several companies that tendered for this. They're a US [United States] company based in Minneapolis, and their expertise is that they provide credit cards for a number of different companies and organizations. It is a MasterCard that is used in this process. And again, we don't pay T-Chek for the credit cards.

**Ms. Higgins:** — But you pay for the technology, right? I don't know what you mean when you're saying you don't pay for the credit cards. When you say that, what I see is you don't pay for the little plastic card that every vehicle's going to have or every person's going to have. Like I mean those are a dime a dozen. But it's all the assets that make that credit card work. That's what you're paying for. So that's what we were looking to . . . Or is the system supplied for a commission? Is the system supplied for a percentage? Like you know, that's I guess what we're looking for.

**Mr. Dedman:** — We don't pay T-Chek for the credit cards or the system or the information they provide. It's part of I guess the people that take the credit cards, and the businesses that take them, pay a fee. And that's how credit cards work in most circumstances.

**Ms. Higgins:** — Well okay. Do these fall under the same . . . In some of the written questions that I asked, when we look at government right across the board going to purchase cards,

which in most cases are a traditional credit card and there is a cashback or a percentage discount or a kickback, however you want to look at it, it goes to, I'm told, the Department of Finance. And it was about half a million dollars I think was the average amount. I think that was kickback to the Department of Finance last year for the usage on these cards. Does this T-Chek Systems, which is just a mechanical arm or technology arm of MasterCard, I would assume . . . Or are they contracted separately? I guess that's kind of on an aside. Are these also included in the cashback or percentage back that would go to the Department of Finance?

[19:45]

**Mr. Dedman:** — With T-Chek, if we pay faster than the normal government payment period, so if we pay within a week, we will expect to save about \$60,000 a year from them. Also with T-Chek we've maintained all the discounts we get from the oil companies on our gas purchases.

**Ms. Higgins:** — So the gas purchases and the discounts remain the same as what they were under the fleet cards?

**Mr. Dedman:** — Yes, that's correct.

**Ms. Higgins:** — So I guess I'm a little uncomfortable with going with an American company. And I wonder why the Saskatchewan government wouldn't focus on spending Saskatchewan taxpayers' money at least in Canada, if not in Saskatchewan, and supporting the people that are actually paying the bills. Like when we've, I mean, we have a Sask-first policy supposedly with the Crown corporations. As a taxpayer, I am more comfortable with my tax dollars being spent in the province instead of with an American company.

**Mr. Dedman:** — I guess the only thing is that the Government of Saskatchewan won't be paying any money to T-Chek. I guess the only thing would be whatever the merchants pay for the utilization of the card would go to T-Chek. So normally with any credit card, payments go to MasterCard or to . . .

**Ms. Higgins:** — But then I have to question the answer you gave me in written questions. Because what you say is, central vehicle agency will be implementing a new fleet card service in 2011-12. The new contract has been awarded — not to MasterCard, not to CIBC [Canadian Imperial Bank of Commerce], not to the Royal Bank — has been awarded to T-Chek Systems Inc. So if the contract is with T-Chek Systems Inc. — that's what you told me — you're saying no money goes to T-Chek, then what kind of a contract do you have with T-Chek, if any?

**Mr. Dedman:** — What we get from T-Chek is specialized fleet information that they manage on the purchases that take place on those cards. But they make their money on the payments from the merchants, not from payments from the Government of Saskatchewan.

**Ms. Higgins:** — So T-Chek is collecting the information on the fleet, but the payments go through the MasterCard. Am I close? Am I getting closer? I'm not quite understanding how you're describing this here.

**Mr. Dedman:** — The card is a MasterCard, and it's managed by T-Chek.

**Ms. Higgins:** — But no money goes to T-Chek. And you are getting additional information which needs additional technology and it's not costing you anything?

**Mr. Dedman:** — The vendor, the person using the CVA [central vehicle agency] card makes a purchase at a gas outlet, and there's a payment from that gas outlet for whatever credit cards are used. And the credit cards on the CVA tie to T-Chek.

**The Chair:** — We wish to change now?

**An Hon. Member:** — Yes, please.

**The Chair:** — Okay, Ms. Atkinson.

**Ms. Atkinson:** — Because it's a bit confusing. So under the old fleet system, a cabinet minister would load up with gas, a bill would be sent to Government Services, I presume, and they paid the gas station. Now the system is, you go with your MasterCard. You get gas. Who pays for the gas? Government Services?

**Mr. Dedman:** — Yes.

**Ms. Atkinson:** — So you send a cheque to where? MasterCard or to T-Chek?

**Mr. Dedman:** — T-Chek.

**Ms. Atkinson:** — T-Chek, right. So money is going from Government Services to T-Chek in Minnesota? Am I correct?

**Mr. Dedman:** — We're paying T-Chek for the gas purchases.

**Ms. Atkinson:** — Right. Right. Okay, so you're paying T-Chek for the gas services and you get to, or the public service gets to use a MasterCard, but it's a T-Chek MasterCard. The bill goes to Government Services. Government Services sends the money to T-Chek and T-Chek provides the technology so you instantly, apparently instantly know if some cabinet minister is loading up their truck instead of a government CVA as an example. I'm using that as an example; I'm not making any suggestion. Am I correct?

**Mr. Dedman:** — Yes.

**Ms. Atkinson:** — Okay. Okay. So this whole system is supposed to make the public service and anyone who has access to a card honest. It's your check and balance. Is that correct?

**Mr. Dedman:** — Yes, it is a check and balance. But one of the challenges of the old system, because it's paper-based, would be that we could be criticized in Government Services in that there could be a problem in credit card utilization and, because it's paper-based, it could take a long time before we could identify the problem.

**Ms. Atkinson:** — Have you identified any problems since you've gone to this system?

**Mr. Dedman:** — We're just in the process of highlighting the system with two ministries.

**Ms. Atkinson:** — Okay. I have one question before we . . . I know we only have an hour. Thank you very much for the Wolfe Group Investment Ltd. I see, I just want to put it into the record that the people of this province, the Ministry of Government Services, formerly SPMC, have paid to Wolfe Group Investment Ltd., from 1986 to 2011, \$57,965,312, I guess, for the nursing home, Parkridge nursing home. And this doesn't include payments that would have been made in 1987 to 1988 and 1988 to 1989. Does this amount include the money that was sent from the Ministry of Health to the Saskatoon Health Region, I think it was over \$7 million, to do some renovations there?

**Hon. Ms. Ross:** — No.

**Ms. Atkinson:** — No. Okay. So then it is fair to make this assumption that probably we're dealing, we're at 50, close to \$58 million for this lease and we don't . . . That doesn't include two years which probably takes us to 60 million. I'm being generous; 60 million plus. We have to do over \$19 million in renovations of which, of which \$7 million has been sent out. So we still have to do another \$12 million in renos.

Okay. And can you tell us, based on what that facility cost to construct in 1986, if we cash financed it, what it would have cost? Do you know that?

**Mr. Dedman:** — I don't think we have that number.

**Ms. Atkinson:** — Okay. Okay. Thank you. I just want to make this observation, Mr. Chair. It's a very expensive way to have, to have a nursing home which will be in existence for several decades financed, very expensive. And I think that's why in 1992 — I have the Gass Commission here — we got rid of these kinds of operations. And we cash financed public buildings, and we didn't lease them.

**The Chair:** — Are there any other questions? Mr. Yates.

**Mr. Yates:** — Thank you very much. I'd like to go back to the purchase cards again and ask, were there not any Canadian, and in particular, any Saskatchewan companies that tendered for the purchase cards, and if so, why the selection of a US-based company?

**Mr. Dedman:** — The Bank of Montreal was one of the companies that bid on this. However the technology to overlay the fleet portion of the process was not available from Bank of Montreal. So what we get with T-Chek is we get the fleet management aspect that can integrate into our system in a seamless way.

**Mr. Yates:** — Now could you explain that to me in detail? I understand about a vehicle being able to input, that if a vehicle has 80 litres of gas and it puts 100 litres of gas in, all of a sudden that raises a red flag. And there are computer programs that can do that. Are you saying that the Bank of Montreal had no such system available or would not offer that service?

**Mr. Dedman:** — I believe the Bank of Montreal system was a



conventional credit card system that would give the things that a conventional credit card provides without those extra checks and balance or without that extra tracking. In addition to things that are on there, there would be daily limits for how many purchases were made in a day that would be flagged and different things like that.

**Mr. Yates:** — Thank you very much. And there's no additional cost to the taxpayers of the province in any way for the utilization of this service provided by T-Chek?

**Mr. Dedman:** — That's correct.

[20:00]

**Mr. Yates:** — Is the cost to Saskatchewan companies and service stations, is the cost per transaction greater than those provided by the Bank of Montreal or other providers?

**Mr. Dedman:** — No, I don't believe so.

**Mr. Yates:** — Would you provide for us, if you could, the costs per transaction that T-Chek charges Saskatchewan companies? Then we can check it against standard fees of other companies.

**Mr. Dedman:** — We'll request that information from them.

**Mr. Yates:** — Thank you very much. I guess our time is up.

**The Chair:** — Thank you very much. Being the time 8 o'clock, we would now ask for a motion of adjournment, but first I'd like to thank the minister and her committee and for members for being here. And that motion of adjournment . . . Mr. D'Autremont. All in favour?

**Some Hon. Members:** — Agreed.

**The Chair:** — I call this meeting adjourned. Thank you.

[The committee adjourned at 20:01.]