

# STANDING COMMITTEE ON CROWN CORPORATIONS

July 22, 1997

## MINUTE NO. 25

9:00 a.m. - Room 10

1. **PRESENT:** Ms. Lorje in the Chair and Members Bjornerud, Gantefoer, Heppner, Johnson, Koenker, Renaud, Stanger, Trew and Ward.

Mr. Gantefoer substituting for Mr. McLane

Mr. Koenker substituting for Ms. Bradley

Ms. Stanger substituting for Ms. Hamilton

Mr. Ward substituting for Mr. Kasperski

### **Other Members**

Mr. D'Autremont

Mr. Whitmore

### **Provincial Auditor's Office**

Wayne Strelloff, Provincial Auditor

Brian Atkinson, Executive Director

2. The Committee initiated consideration of the term "significant transaction" as contained in the Committee's terms of reference.
3. Officials from the Crown Investments Corporation were invited to address the Committee and present their proposed policy guidelines for the reporting of significant transactions by CIC and its subsidiary Crown Corporations.

John Wright, President and Chief Executive Officer

Patti Beatch, Vice-President, Finance and Administration

Kelly Staudt, Vice-President, Investments

John Amundson, Corporate Controller

The following document was tabled:

**CCC 48/23 - Crown Investments Corporation:** Policy Guidelines for Reporting on Significant Transactions.

4. The Committee discussed the proposed policy guidelines and directed questions to the officials of the Crown Investments Corporation.

Mr. Gantefoer tabled the following proposed motion:

**CCC 49/23 - Crown Investments Corporation:** Significant transaction report in regards to the sale of Wascana Energy Inc. shares by CIC Industrial Interests Inc.

That the Crown Investment Corporation of Saskatchewan "Policy Guidelines For Reporting Significant Transactions" be amended as follows:

Under the heading *Reporting Requirements* the following paragraph be added:

Any and all significant transactions under negotiation by a Crown Corporation in Saskatchewan shall be reported to the Crown Corporations Committee immediately following the signing of a letter of intent or a memorandum of understanding and prior to the transaction being completed in order that members of the Committee can make inquiries of the Crown Corporation's management and the Minister responsible regarding the general nature of the proposed transaction.

The discussion continuing, it was agreed that CIC would review the motion and report back to the Committee by October 1, 1997.

5. The Provincial Auditor was invited to make comments in regards to his earlier submission on the definition of the term "significant transaction" and on CIC's proposed policy guidelines.
6. The discussion continuing, it was moved by Mr. Renaud:

That the Committee accept as policy guidelines for reporting on significant transactions the document dated June 1997 prepared by the Crown Investments Corporation entitled "Significant Transactions Policy Guidelines - CIC and Subsidiary Crown Corporations".

The question being put, the motion was agreed to.

7. The Committee recessed from 10:00 a.m. until 10:20 a.m.
8. The Committee initiated consideration of the sale of Wascana Energy Inc. shares by CIC Industrial Interests Inc. on April 14, 1997. The following document was tabled:

**CCC 50/23 - Crown Investments Corporation:** report on the Sale of Wascana Energy Inc. Shares by CIC Industrial Interest Inc.

9. Officials from the Crown Investments Corporation answered questions put by Members.

Mr. Trew moved the following motion:

That the Standing Committee on Crown Corporations accept the significant transaction report on the sale of Wascana Energy Inc. shares by CIC Industrial Interests Inc.

The question being put, the motion was agreed to.

10. The Committee recessed from 10:35 a.m. until 2:25 p.m.
11. The Committee initiated its consideration of the annual report and consolidated and non-consolidated financial statements of the Crown Investments Corporation of Saskatchewan and the annual report and financial statements for the CIC Mineral Interests Corporation for the year ended December 31, 1996 with the Minister and corporate officials responding to questions put by Members.

Hon. D. Lingenfelter, Minister Responsible  
John Wright, President and Chief Executive Officer  
Patti Beatch, Vice-President, Finance and Administration  
Kelly Staudt, Vice-President, Investments  
John Amundson, Corporate Controller

12. The following documents were tabled:

**CCC 51/23 - Crown Investments Corporation:** Presentation materials for the CCC meeting of July 22, 1997.

**CCC 52/23 - Crown Investments Corporation:** Senior management and executive salaries and expenses; Miscellaneous fees and expenses; Schedule of major investments held by CIC and CIC III as at December 31, 1996.

13. It was moved by Mr. Bjornerud:

That in its next report to the Legislature, the Crown Corporations Committee makes the following recommendation:

That at such time as members of Executive Council cease to sit on the Board of Directors of Saskatchewan Crown Corporations, that political appointments to senior management positions at Saskatchewan Crown Corporations be terminated and that these vacant management positions be filled by qualified individuals selected solely by the Crown Corporation Board of Directors after an open and public search is undertaken by the Crown Corporation.

A debate arising and the question being put, the motion was negatived.

14. The Minister, corporate officials and the Provincial Auditor continued to respond to questions put by Members.

15. It was moved by Mr. Johnson:

That the Standing Committee on Crown Corporations conclude its review of the annual report and consolidated and non-consolidated financial statements of the Crown Investments Corporation of Saskatchewan for the year ended December 31, 1996; and the annual report and financial statements for the CIC Mineral Interests Corporation for the year ended December 31, 1996.

The question being put, the motion was agreed to.

16. The Chair advised the Committee that a sub-committee composed of representatives of each party would periodically meet to review any significant transaction reports and to determine whether a meeting of the committee should be called. Committee Members are to advise the Chair if they wish a meeting to be called in regards to other business.

17. The Committee adjourned at 4:05 p.m. to the call of the Chair.

---

Margaret A. Woods  
Committee Clerk

---

Pat Lorje  
Committee Chair