

STANDING COMMITTEE ON PUBLIC ACCOUNTS

April 4, 1989

Mr. Chairman: — We don't need a quorum, so I suggest we proceed. The first . . . or I just might back up. We had originally scheduled to hear from the Executive Council this morning, a continuation of their department, but . . . (inaudible interjection) . . . Yes.

But the Executive Council has other commitments with cabinet this morning, and so we've arranged for SPMC (Saskatchewan Property Management Corporation) to be here instead, and I checked this with Mr. Muller and it was agreed to, so before the department is called in, do you want to put any questions to the auditor or to Mr. Kraus about anything that might be in the auditor's report?

I have one. Mr. Kraus, you evinced some concerns with the comments that you make in the auditor's report concerning your inability to get information from Deloitte Haskins & Sells. The auditor for the property management corporation . . . (inaudible) . . . page 161-162, and I wonder if there's been any resolution of this. You said that you "advise the Legislative Assembly of the results of their March 31, 1987 audit in my March 31, 1988 annual report," and I wonder if you have anything to tell us at this point?

Mr. Lutz: — Mr. Chairman, we have received some reports from Deloitte, but we are not necessarily prepared to rely on them on the strength of those reports, so there will be further resolution required of these problems between myself and Deloitte.

Mr. Chairman: — Is this an issue then that you will be raising again in your next annual report?

Mr. Lutz: — I would think so, Mr. Chairman, yes.

Mr. Chairman: — Any other questions the members have for the auditor? If not, we can call the officials in. I'd ask, Mr. Cutts, if you would introduce your officials to us.

Public Hearing: Saskatchewan Property Management Corporation

Mr. Cutts: — Thank you, Mr. Chairman. On my right is Ian Laidlaw, who is the vice-president of operations and services; on my left is Shirley Raab, vice-president of finance and administration; and in the back is Norm Drummond, who is the corporate comptroller, and Les Handford, director of finance and planning.

Mr. Chairman: — Thank you. I want to welcome you here today on behalf of the committee. I want to make you aware that when you are appearing as a witness before a legislative committee, your testimony is privileged in the sense that it cannot be the subject of a libel action or any criminal proceedings against you. However, what you do say is published in the *Minutes and Verbatim Report* of this committee and, therefore, is freely available as a public document.

I would say that you are required to answer questions put to you by the committee. Where a member of the committee requests written information of your department, I ask that 20 copies be submitted to the committee Clerk who will distribute the document and

record it as a tabled document. And I would ask you to make all your comments or address all your comments to the chair. And again that's something I would certainly encourage committee members to do as well.

Having said that, I would ask committee members if they have any questions of the officials.

Mr. Anguish: — Thank you, Mr. Chairman. I was wondering, Mr. Cutts, if you could tell us, as of March 31, 1987, the year that's under review at this committee meeting, what the total amount of building space in square footage did property management corporation have?

Mr. Cutts: — It's 884,963 square metres, all types.

Mr. Anguish: — 884,963 square metres?

Mr. Cutts: — Yes. That's on page 20 of the annual report, by the way, Mr. Chairman.

Mr. Anguish: — In terms of that amount of space that property management corporation leased, how much of it was formerly what would be considered public buildings, and how much of that space would be private buildings owned by an individual corporation or company?

Mr. Cutts: — You're asking how much, Mr. Chairman, in terms of which is leased and which is owned. Again on page 20, the leased space is 242,851 square metres and the owned is 642,112 square metres.

Mr. Anguish: — Mr. Cutts, how much of that space would have been vacant as of March 31, '87?

Mr. Cutts: — That information on page 22 and 23 of the annual report, I'd like to go over it in some detail, Mr. Chairman, if you'd permit me.

In looking at the big figures first, if we just go down those pages in the "own" space, we look at places like Uranium City where we have, I think if you add them up there's around 1,500 to 1,800 square metres of space vacant.

There's the Souris Valley Centre in Weyburn that has 6,138 square metres of vacant space. North Battleford in the community centre we have 1,684 square metres of vacant space. At Yorkton we have 21,880 in the old radar base that was vacant at that time. At the Moose Jaw we have an old . . .

Mr. Martin: — What was the space?

Mr. Cutts: — It is now the . . . it was the radar base, 21,888 square metres of space. At Moose Jaw we have an old woollen mill which is approximately 3,900 square metres. In Regina we have the old labour building that is vacant which is another 1,900 square metres.

The Saskatoon sanatorium at that time had 1,300 square metres of vacant space, and in Regina we have a SEDCO Building on Winnipeg Street that we had, was 1,700 square metres.

Those are the big numbers of vacant spaces, and those have been vacant for some time. They're basically single-use buildings. But our total space vacant is 46,026 square metres. That's the owned space that's vacant. On the leased space that's vacant, it's 3,378 square metres.

A Member: — Three thousand, three hundred . . .

Mr. Cutts: — . . . three hundred and seventy-eight square metres.

Mr. Anguish: — Now when you refer to owned and leased, owned would be buildings that would have been turned over by the Department of Supply and Services to Sask Property Management Corporation, and leased would be leases in that particular year that were already entered into by contract with Supply and Services?

Mr. Cutts: — No. Mr. Chairman, the numbers I'm talking about here are the numbers that are in the 1986-87 Supply and Services annual report, and so the owned space is owned government buildings that we've built and owned for some time, and the leased is what we've leased from the private sector.

Mr. Anguish: — Could you tell me the method by which you acquire private sector leases?

Mr. Cutts: — Yes. Mr. Chairman, the policy has not changed a lot in the last 10 or 12 years, and it's that we tender for all space, but there are exceptions. And those exceptions are when the lease is for less than three years or there's a small amount of space involved; if there's an expansion in space required for an existing agency within the same building; or if the need is urgent and there isn't time to do the tender process.

Mr. Anguish: — In all of the cases?

Mr. Cutts: — In all cases except those exceptions that have been tendered, yes.

Mr. Anguish: — Could you tell me, as of March 31, '87, how many court-houses are being leased by the government?

Mr. Cutts: — Mr. Chairman, there's two.

Mr. Anguish: — Could you tell me which court-houses those are?

Mr. Cutts: — The one in Saskatoon, Mr. Chairman, and the one in Regina. The one in Saskatoon is the provincial and municipal court, and the one in Regina, I believe, is also the municipal and provincial court, not the Queen's Bench courts.

Mr. Anguish: — Could you tell me what you pay per square metre for those two properties?

Mr. Cutts: — Mr. Chairman, it's been the practice that we do not provide square metre costs on any of our leased buildings. We never have, and it's been the common practice in not providing that information.

Mr. Chairman: — I would ask why you wouldn't provide that.

Mr. Cutts: — Again the reasons have been that the space has been leased on tender. We generally think that we get very competitive spaces, and if that information becomes available, it impacts on private sector selling the rest of the space in the building. Also it impacts on what prices that may be charged in other locations as well, Mr. Chairman.

Mr. Anguish: — Can you tell me how long the leases are on those two properties, the two court-houses, Saskatoon and Regina?

Mr. Cutts: — Mr. Chairman, I think they're both for 15 years, but we'll just check that and confirm back with you in a moment.

Mr. Anguish: — Mr. Cutts, I would assume that if those are the only two court-houses in the province that are leased, all the others are owned by Sask Property Management Corporation?

Mr. Cutts: — In the year under review they were owned, Mr. Chairman, by the Department of Supply and Services.

Mr. Anguish: — Well could you tell us then if the rental amount on all of those court-houses that were owned by Supply and Service was the same amount per square metre?

Mr. Cutts: — I'm sorry, could you repeat the question?

Mr. Anguish: — All of the court-houses outside of Regina and Saskatoon, if they were owned by Supply and Service. That's correct? Could you tell me if each court-house was charged the same amount for lease per square metre?

Mr. Cutts: — In the year under review, Mr. Chairman, there was no charge to departments on court-houses. That didn't start until 1987-88.

Mr. Anguish: — So no department or Crown or agency paid a rental to Sask Property Management Corporation for the year under review?

Mr. Cutts: — Not for the owned court-houses. In the year under review, Mr. Chairman, just to clarify it, again it was a year of transition and there were only 25 properties that the property management corporation took possession of as of March 31, 1987.

Mr. Anguish: — Twenty-five owned properties?

Mr. Cutts: — Twenty-five owned and leased properties.

Mr. Anguish: — Could you tell me what those 25 properties are? Do you have a list of those 25 properties?

Mr. Cutts: — Yes, we do. They were the Northern Institute of Technology in Prince Albert; provincial correctional centre in Saskatoon; provincial correctional centre in Prince Albert; the Saskatchewan Hospital in North Battleford, and that was the renovation; the Paul

Dojack (Youth) Centre in Regina, and these were the trailer and living units that we've added on; the Kilburn Hall in Saskatoon, for renovations; the work camp in Moose Mountain Provincial Park, and there was a construction project there; the Yorkton court-house was furniture and renovations; the Museum of Natural History in Regina, which was the renovations; the R.J.D. Williams (Provincial) School for the Deaf in Saskatoon, we added the sprinkler renovations there; T.C. Douglas Building was some repairs and renovations; the legislative power house had some upgrade; the northern work camp for some living units; the Regina court-house renovations; Saskatoon court-house renovations; Valley View Centre in Moose Jaw, the control system and water main system; fire cache in La Ronge was a construction project, a new construction project; the St. John Street campus at WIAAS (Wascana Institute of Applied Arts and Sciences), Regina, where we had a roof repair; a hangar in La Ronge, we had some additional . . . we had an addition built on; we have a constructions reception centre in Fleming . . . or, excuse me, a tourist reception centre in Fleming, and it was a new construction; we have a weigh scale in Lloydminster, it was a new construction; we have Estevan court-house was a renovation; the Palliser Regional Care Centre in Regina was some air conditioning renovations; the correctional camp in Waden Bay was new construction; and the 2340 and the 2350 Albert Street property was a lease purchase.

Mr. Anguish: — Pardon? I didn't get that.

Mr. Cutts: — It was a lease purchase agreement.

Mr. Anguish: — What's the 2340 and 2350 Albert Street?

Mr. Cutts: — That's the . . . most people know it as the old SaskTel building on Albert and Victoria.

A Member: — College.

Mr. Cutts: — Sorry, College and Victoria.

Mr. Anguish: — And you said there were renovations done there?

Mr. Cutts: — No, lease purchase agreement. We bought that from Crown Management Board.

Mr. Anguish: — Well what I was trying to determine, who paid you . . . lease money to you for accommodation or services that you provided in the year under review?

Mr. Cutts: — In the year under review, Mr. Chairman, no department directly paid us any . . . directly paid the property management corporation any lease or rent payment. The Department of Supply and Services was given some money that they paid some rent on behalf of some clients.

Mr. Anguish: — Did anyone pay you any rent or lease fees to Sask Property Management Corporation in this year under review?

Mr. Cutts: — Department of Supply and Service(s).

Mr. Anguish: — Department of Supply and Service(s)

paid to you?

Mr. Cutts: — Yes.

Mr. Anguish: — For what?

Mr. Cutts: — For the lease on these 25 properties. They were transferred to the property management corporation. They were the only ones we could responsibly collect leases on. They were the only ones in our possession at that time.

Mr. Anguish: — Which of these then that you've listed, the 20 or 25 you've listed, are owned and which are leased?

Mr. Cutts: — I think they're all owned.

Mr. Anguish: — So no private leases you were involved with during the '86-87 fiscal year?

Mr. Cutts: — That's true.

Mr. Anguish: — I'd like to, if I could, perhaps turn to the security service if I can, Mr. Chairman, or if there's other questions — if you want to pursue the lease space with other members of the committee — or can I proceed with another topic?

Mr. Chairman: — I think just one question that we might.

. . . just following up on the questions asked on the lease arrangements you have with respect to those court houses. You indicated that the information should be treated as confidential because of the impact that it might have in the market place if that information were divulged. Yet you also indicated that it would be your normal practice to have . . . ask for tenders for the supply of the space. Would that information not then be available at the time that the tenders were opened and were reviewed?

Mr. Cutts: — They're not public tenders.

Mr. Chairman: — They're not public tenders.

Mr. Cutts: — No, they're not.

Mr. Chairman: — Thank you.

Mr. Cutts: — I guess the right terminology for, Mr. Chairman, for lease space is that they're proposal calls rather than an open tender process where we purchase just straight goods and service . . . straight goods, excuse me, where you can make a value judgement on space. There's so many factors to consider in terms of price and all this auxiliary services you may get, the quality of space, etc. It is not just comparing apples to apples.

Mr. Anguish: — We're not concerned so much about comparing apples to apples; we're concerned about public accountability of all the taxpayer's dollars that you use actually, is what we're concerned about, Mr. Cutts. Are you telling us that if you call for space, if you require space, say in Saskatoon, you don't actually tender your call for proposals. And then when you review those proposals, myself or Mr. Neudorf or someone who

submitted a proposal could not come and watch the proceedings when the proposals are being reviewed?

Mr. Cutts: — That's exactly right, Mr. Chairman.

Mr. Anguish: — There is no tendering process.

Mr. Cutts: — There is an opportunity for people to bid, Mr. Chairman, on a request per proposal, and those tenders are not opened in public.

Mr. Lyons: — Just a little further on this line of questioning, Mr. Cutts. Who will be held accountable for the decisions made regarding the proposal calls?

Mr. Cutts: — My minister, I would expect, Mr. Chairman.

Mr. Lyons: — So basically what you're saying, Mr. Cutts, is that the tendering, or what used to be known as the tendering process in this province, has now become a straight political decision made for by the minister with no public accountability as to scrutiny by any agency other than yourself and the minister.

Mr. Cutts: — Mr. Chairman, the original policy's been in place I'm not sure how long, but it was certainly in place prior to 1982, and there has been no change in that policy since 1982.

Mr. Lyons: — You're saying the proposal call system was in place prior to 1982?

Mr. Cutts: — Absolutely, Mr. Chairman.

Mr. Lyons: — Do you think that's the most efficient way, Mr. Cutts?

Mr. Neudorf: — Objection, Mr. Chairman. When we start talking about opinions and . . . (inaudible) . . . the official, that's not in order at all. He's not here to express opinions; he's here to account for the expenditures . . .

Mr. Lyons: — Thank you.

Mr. Neudorf: — Any time.

Mr. Anguish: — Mr. Lutz, what's your role to play in terms of the reporting on the Sask Property Management Corporation? Is it the same as any other department, Crown, or agency?

Mr. Lutz: — Mr. Chairman, no, it no longer is since I'm not the auditor. However, through the appointed auditor I do endeavour to make sure that the requirements of the Legislative Assembly are met when the audit is done. I have the same concerns as I've always had, but I don't do the audit so it's now once removed, so to speak.

Mr. Anguish: — Well in your learned opinion, in all your years as the Provincial Auditor, would you say that we have no way of determining through this Public Accounts Committee as to whether or not there's good value for the dollar, or efficiency, economy, and effectiveness with an agency such as the property management corporation?

Mr. Lutz: — Mr. Chairman, I'm not sure right now if I (a)

understand the question, or (b) if I can answer the question. When I was the auditor of what was the department, whatever we did, we did on behalf of the Assembly. We complied with The Provincial Auditor Act in the compliance end of it, in the internal controls and systems review end of it, and the financial transactions end of it. I can't answer you right now since I don't do that audit any more. My dealings now have got to be with the appointed auditor of property management corporation.

Mr. Anguish: — You had indicated earlier that you're not getting co-operation from the private sector auditor.

Mr. Lutz: — I didn't say I wasn't getting co-operation. I said I wasn't necessarily satisfied that I could rely upon his work.

Mr. Anguish: — Well then do you intend to do an audit of the Sask Property Management Corporation?

Mr. Lutz: — I expect I will.

Mr. Anguish: — I suppose my initial question to you had to do with the facts that when the Department of Supply and Services was in existence we had access to many of the questions that we're asking for today, or at least we'll be leading up to. And now within Sask Property Management Corporation we're almost void of any information as to what happens within Sask Property Management Corporation and the way they operate with hundreds of millions of taxpayers' dollars.

Mr. Muirhead: — Point of order or else a comment, I guess. I don't think it's right for the member to say that we can't get answers for the questions that we're perhaps leading up to. That's hypothetical. I don't like that kind of a statement at all. Why can't he just ask a question and then see if he will answer or not, instead of making such ridiculous statements?

Mr. Chairman: — Well that's a good point. We're here to question the witnesses and to ask Mr. Lutz any questions, and try and defer any comments that we might have till we're finished with the questions.

Mr. Anguish: — I'd like to move on, Mr. Chairman, to the security service of Sask Property Management Corporation. And I'd like to ask Mr. Cutts, how many staff were employed formerly with the Department of Supply and Services that could be considered security service people?

Mr. Cutts: — Mr. Chairman, there were two that were a part of the security branch as of March 31 of the year under review. I do not have the total number of commissionaires and the likes that we have in a whole number of different buildings, but I could gather that information if you'd like, Mr. Chairman.

Mr. Anguish: — The two people with the security branch of Supply and Service, what was the function of those two people? What was their job description?

Mr. Cutts: — Their job description basically, Mr. Chairman, is property and facility asset security.

Mr. Anguish: — And what does that mean? What do they actually do . . . did they do?

Mr. Cutts: — Well they provided advice to building managers and to senior executives in the property management corporation and in government on the needs for proper security related to access control of buildings, related to computer security information, clean desk policies, bomb threat policies, types of filing cabinets people should have, and the like.

Mr. Anguish: — Did they also provide any type of security service for individual members of cabinet or senior officials in departments or members of the legislature?

Mr. Cutts: — I don't believe under the year under review. We were just getting started and we were restricted to just getting our organization together, and we were basically doing those types of security that I just explained to you.

Mr. Anguish: — Did the commissionaires transfer to you . . . that's in addition to these two people in the security branch. Did the commissionaires transfer from Supply and Service to Sask Property Management Corporation?

Mr. Cutts: — They would have transferred, I guess . . . No, I guess, excuse me. No, they would have been ongoing with the department of Supply and Service up until March 31 of that year.

Mr. Anguish: — And at that time they would have transferred to property management?

Mr. Cutts: — At that time their contract would have been rewritten, or the bill would have come into the property management corporation, as of April 1.

Mr. Anguish: — Could you tell me who the two people were in the security branch of Supply and Service?

Mr. Cutts: — Yes. The director was Harry Stienwand, and we had one clerical support, Laurie Sampson.

Mr. Anguish: — Laurie Sampson?

Mr. Cutts: — Yes.

Mr. Anguish: — So in terms of advising the government, there was actually one person, and the other person was clerical support staff.

Mr. Cutts: — Well clerical support staff, she was also doing some of the training and supporting the director, yes.

Mr. Anguish: — Could you tell me to March 31, 1987, what Harry Stienwand was paid as an employee?

Mr. Cutts: — Yes, he's paid \$50,400.

Mr. Anguish: — And Laurie Sampson?

Mr. Cutts: — 21,540.

Mr. Anguish: — So in the year under review when Sask

Property Management Corporation came into being, were there any additional employees hired in the security branch?

Mr. Cutts: — No.

Mr. Anguish: — Was the planning such that within your organization that there was a plan put into place to hire security people?

Mr. Cutts: — Mr. Chairman, certainly when we were looking at setting up the property management corporation and realizing the value of assets we had and the number of problems we were getting back from customers, we did do some planning that we would have to have some expanded services and assistance in the security area. And I'm talking here in terms of building security.

Mr. Anguish: — How many people did you plan to hire then in the year under review?

Mr. Cutts: — I don't know if we had a number talked about as more the need for the program, Mr. Chairman.

Mr. Anguish: — But you did know at that time there would be a need for additional people for assets and building security.

Mr. Cutts: — We anticipated there would be some need for expansion, yes.

Mr. Anguish: — What was the total budget for the security branch in the year under review?

Mr. Cutts: — Sorry, Mr. Chairman, the question was?

Mr. Anguish: — What was the total budget in the year under review for the security branch during the time they were with Supply and Services and also the balance of the year that they were with Sask Property Management?

Mr. Cutts: — I'll get that information for you, Mr. Chairman. Just in terms of correction in case you look under Harry Stienwand in the department of Supply and Service, his salary . . . the amount we paid him is not 50,400, because he only worked part of that year. So there will be a difference between that number and what you see in the statement.

Mr. Anguish: — Why did Harry Stienwand only work part of that year?

Mr. Cutts: — He was only available part of the year. We hired him in October or September, something like that.

Mr. Anguish: — Who hired him? Sask Property Management or Supply and Services?

Mr. Cutts: — Supply and Services hired, Mr. Chairman. We don't have the total budget, Mr. Chairman, for a branch of security but we'll obtain that. It would have been, I would say, roughly in the \$100,000 area.

Mr. Anguish: — So prior to Sask Property Management coming into place, there was no security branch in

Supply and Service?

Mr. Cutts: — No, there was a security role that was played in Supply and Services, prior to the year under review, in conjunction with the personnel director at that time. He had resigned and then we replaced him some time later with Mr. Stienwand.

Mr. Anguish: — What was the position before Mr. Stienwand came along?

Mr. Cutts: — It was a part-time position, plus clerical support. And this is not in the year under review, Mr. Chairman, but I'm willing to share it for clarity, that it was under the personnel human resources area.

Mr. Anguish: — In Supply and Services?

Mr. Cutts: — In Supply and Services. As well, we always had the commissionaires, Mr. Chairman, that were under the operation and maintenance area. And that's been ongoing for a number of years.

Mr. Anguish: — I know this isn't in the year under review, but you referred back to that. Was there a budget item then for security branch prior to 1986-87 fiscal year?

Mr. Cutts: — No, Mr. Chairman, there would have been no line item budget for security because it was parts of other ongoing activities. They played dual roles, I guess, for the sake of a better . . .

Mr. Anguish: — Then in the '86-87 year it was the first year where you could look at the budget documents and see a line item for the security branch?

Mr. Cutts: — No, in '86-87 that was a problem. We weren't able to answer that question either because we didn't have a line item under security. It wasn't until the following year that we set up a specific item under security.

Mr. Anguish: — Well what prompted the decision, Mr. Cutts, to establish a security branch?

Mr. Cutts: — Well I believe, Mr. Chairman, that there always had been a security branch, so it wasn't . . . it always was security. It was not something new. It's just that in the 1980s security is becoming more of an issue.

I don't think there is another corporation or department that has the amount of assets that we have under our management, that does not have some security related services and advice. I think the member talked about protecting the assets of government. If we didn't set up some security to provide some protection, we would be very remiss in not doing that.

Mr. Anguish: — Does the security branch have other mandates other than protecting the physical assets of the government — property, equipment?

Mr. Cutts: — In the year under review, no. We only had two people, Mr. Chairman. There wasn't any time for anything else.

Mr. Anguish: — I don't know if that's exactly . . . if we're on the same thing. There must have been some kind of document to describe what the security branch was going to do. Although I know that you didn't have the people on during that particular year, the document must have outlined what the mandate, so to speak, what the purpose, the objectives, the *modus operandi*, or whatever you want to call it, the mission, the duties. What are those duties of the security branch?

Mr. Cutts: — I'll repeat them again. In the sense that we talked about building security and the access control, bomb threats — all those things are related to asset and building equipment protection and security, Mr. Chairman. There were no other plans at that time on any other area except just to be able to manage that little piece of security which we had manpower for.

Mr. Anguish: — There were no other plans at that time. Is that what you said to me?

Mr. Cutts: — At that time there were no other plans. We just started . . . we just hired the guy in September to get into the building area. We were looking at 5 or \$600 million worth of property and equipment to provide protection for. I thought that was quite enough to get him started.

Mr. Chairman: — You earlier said that in describing the function of this security outfit, you said that it was primarily property and asset security. But now you're saying it was exclusively property and asset security. Did you misspeak yourself earlier?

Mr. Cutts: — Maybe I misspoke myself, Mr. Chairman.

Mr. Chairman: — All right.

Mr. Anguish: — Could you tell us how many bomb threats there were in the '86-87 fiscal year?

Mr. Cutts: — Well we don't keep an exact number of them, but we do get a number of them. We generally get . . . Public Service Commission get a few; a number of the institutes get a few, like Moose law STI, and Saskatoon Kelsey. And whether they're pranks that are played by students wanting a break for the afternoon or morning, we don't take the chance. We develop policies.

And I think, Mr. Chairman, at that time in our life it's a matter of providing preventative service as well as reactive service in having policies for such . . .

Mr. Anguish: — You don't keep track of how many bomb threats there'd be in a year. Are there that many that people are threatening to blow up government buildings or individuals . . .

Mr. Cutts: — I could more likely tell you better in 1987-88. But we only had a security service for part of the year in 1986-87, Mr. Chairman. I would think that after Mr. Stienwand came on, he would have a record of every bomb threat we had.

Mr. Anguish: — Well can you tell us from the time Mr. Stienwand came on in September, October, until March

31, '87?

Mr. Cutts: — Obviously, I don't have that information with me, Mr. Chairman, but I will get it.

Mr. Anguish: — Do you have with you how many bomb threats were investigated by Mr. Stienwand?

Mr. Cutts: — I would not have that either, but I would get that.

Mr. Anguish: — Are the RCMP called in when there's a bomb threat?

Mr. Cutts: — I don't have that information, but I'll also provide that. If it's in Moose Jaw, I would think it would be the city police not the RCMP, but I'll find out.

Mr. Anguish: — Well is it the intention of Mr. Stienwand then to have done what? To do investigations in terms of bomb threats, or to go to all the government buildings in the province, or call in managers and describe to them what you do when someone's phones and says there's a bomb, or somebody hears a package ticking in the director's office?

Mr. Cutts: — It's more policy, Mr. Chairman, of how to respond to a threat of a bomb being placed in a building and in training people how to respond in those situations.

Mr. Anguish: — So in '86-87 it was more an information process and there was no actual activity. You weren't set up to do sweeps of buildings or you wouldn't have called the RCMP.

Mr. Cutts: — I can't say that we wouldn't have called the RCMP if there had been a bomb threat, but we certainly didn't do sweeps of buildings from the security section point of view. And I'm . . . remember we're talking a new program, new manager. Mr. Chairman, I'm not even sure that we would have had the bomb threat policy completed in the year under review, but it was certainly one of the issues we were working on.

Mr. Anguish: — Could you possibly bring that with you when you come back tomorrow?

Mr. Cutts: — The bomb threat policy?

Mr. Anguish: — Well bomb threat policy, and I'd be interested knowing how many bomb threats there were before Mr. Stienwand came on, how many after, how many there were during the year, how many other enforcement agencies were called on that had some expertise. Can you bring that? Is that information available somewhere?

Mr. Cutts: — I'll see what information is available, Mr. Chairman. I'll bring whatever I can in that regard.

Mr. Anguish: — Could you tell me something about Mr. Stienwand's background?

Mr. Cutts: — I believe, Mr. Chairman, he was 25 years in the RCMP.

Mr. Anguish: — And what was his specialty in the RCMP?

Mr. Cutts: — Well, he had many specialties over the years. Starting off right from the constable he was involved with the musical ride. In the latter part he was the manager, I guess the sergeant in charge of the vital points inspection program for Saskatchewan which included, Mr. Chairman, all federal, provincial, and municipal buildings which are designated by the Emergency Measures Organization as being vital to the civic government and provincial government and federal government in times of civic problems, I guess. So they're . . . or war, or whatever. He and his team actually carried on the inspections of the building.

Mr. Anguish: — Was that the only point that he had that was stronger than other candidates for that position — that he was the inspector of vital points?

Mr. Cutts: — I'm not sure of the question, Mr. Chairman.

Mr. Anguish: — Well, I'm sure there must have been a competition for the position. Was there?

Mr. Cutts: — Yes, there was.

Mr. Anguish: — What were the points about Mr. Stienwand that drew you to hire Mr. Stienwand as opposed to maybe 25 other former enforcement people that would have applied for the job?

Mr. Cutts: — It was that specific item that drew us to Mr. Stienwand, and because of his work in that area he had excellent connections around the province in every city and town with the local RCMP or the local police. So if there was ever a problem in building property management, the relationship that he had was a very positive relationship.

Mr. Anguish: — Would you also consider Mr. Stienwand a expert in electronic surveillance?

Mr. Cutts: — I don't know if he is.

Mr. Anguish: — So on the basis of that one position he held in the RCMP, you hired him on the weight of holding that one responsibility?

Mr. Cutts: — I think, like you mentioned, Mr. Chairman, like the member mentioned, Mr. Chairman, we had several employees, or several people apply for the job. Nobody had the experience in government buildings and the vital points program that Mr. Stienwand had. Plus he had that experience right in Saskatchewan. If I recall, the next best candidate was an Irish fellow out of Edmonton who had worked with the city police up there, and his experience was fighting terrorists. So I guess we picked the guy who knew the buildings best.

Mr. Anguish: — So buildings and then terrorists was your second highest priority in the year under review?

Mr. Cutts: — Mr. Chairman, he kind of misquoted my words a bit. But as of the next best qualified in terms of security, that we selected the building person.

Mr. Anguish: — Does Mr. Stienwand have any expertise in computers, Mr. Cutts?

Mr. Cutts: — Yes, he does.

Mr. Anguish: — And what expertise is that? Is he a computer expert?

Mr. Cutts: — I believe that he has had some experience in working with the RCMP security group out of Ottawa in making sure that computers . . . access control and information in those computers is adequately protected through access management.

Mr. Anguish: — Is Mr. Stienwand the primary person who designs your computer security system?

Mr. Cutts: — No. Mr. Chairman, no.

Mr. Anguish: — So someone was hired in a later year for that function?

Mr. Cutts: — That's true, Mr. Chairman.

Mr. Anguish: — Could you bring with you along tomorrow, with the bomb threat analysis, a resume of Mr. Stienwand?

Mr. Cutts: — Yes, Mr. Chairman. We'll have that available.

Mr. Anguish: — How many people applied for the position at that time, as director of the security branch?

Mr. Cutts: — I don't have that information available with me but I think I can get that information.

Mr. Anguish: — How many people were actually interviewed? Do you have that information with you?

Mr. Cutts: — I don't have that information with me either, Mr. Chairman.

Mr. Anguish: — Do you know how many names were passed on to the minister for his approval?

Mr. Cutts: — I guess, Mr. Chairman, that at that time we were part of the Public Service Commission. It would have been done under the authority of the Public Service Commission, and the ministers don't need approval to hire those people.

Mr. Anguish: — The ministers don't need the approval to hire those people?

Mr. Cutts: — The minister's approval is not required to hire those people.

Mr. Anguish: — Was the minister's approval sought?

Mr. Martin: — Mr. Chairman, he gave the answer. It's a Public Service Commission decision and the minister is not involved in this. It's a decision that . . . (inaudible) . . .

Mr. Anguish: — Well let him answer that. How do you know?

Mr. Martin: — Because he said, because it's a Public Service Commission decision. The minister's got nothing to do with it.

Mr. Anguish: — How do you know? You don't know that.

Mr. Martin: — Sure I do.

Mr. Anguish: — You do not.

Mr. Martin: — I can take an educated guess because it's a Public Service Commission decision.

Mr. Anguish: — I'm not interested in your educated guess. I'm interested in an answer from Mr. Cutts who's the chief executive officer of property management corporation.

Mr. Chairman: — Can we get back to questions and answers here, please.

Mr. Anguish: — Was there a list submitted to the minister for his approval?

Mr. Cutts: — No, there was not.

Mr. Anguish: — There was not a list of three names submitted to the minister for his approval?

Mr. Cutts: — No.

Mr. Anguish: — He was hired totally by the Public Service Commission.

Mr. Cutts: — And the Department of Supply and Services, yes.

Mr. Anguish: — Who in the Department of Supply and Services made the decision?

Mr. Cutts: — Myself and the executive director of human resources.

Mr. Anguish: — Was the position discussed with the minister?

Mr. Cutts: — I would expect that if we were hiring that type of person, we would have discussed that we were going to staff for that position.

Mr. Anguish: — If someone would report to the minister, I would think it would be you.

Mr. Cutts: — Yes.

Mr. Anguish: — Did you discuss the position with the minister?

Mr. Cutts: — I said I did, Mr. Chairman.

Mr. Anguish: — I thought you said you guessed you did. But you did discuss the position with the minister?

Mr. Cutts: — Yes.

Mr. Anguish: — And no names came up during the discussion?

Mr. Cutts: — No, this would have been when we were starting recruiting, and I would have . . . and again I would expect I would have advised him of the name we would have hired.

Mr. Anguish: — I'm sorry, I missed your last comment.

Mr. Cutts: — I said I would have expected I would have advised him of the person we would have hired.

Mr. Anguish: — You've told us already that you would try and determine what the total budget was for the year under review. You approximated it at \$100,000. Were there any equipment purchases by this unit in the year under review?

Mr. Cutts: — I don't believe there would have been, Mr. Chairman. I don't have that exact information, but there would have been minimal, if any, purchases of equipment.

Mr. Anguish: — Does Sask Property Management Corporation, the security branch, have any contracts or agreements either written or verbal with other law enforcement agencies such as CSIS (Canadian Security Intelligence Service) or the RCMP?

Mr. Cutts: — No.

Mr. Anguish: — No for the year under review?

Mr. Cutts: — No.

Mr. Anguish: — No, period?

Mr. Cutts: — Well we're discussing the year under review, Mr. Chairman.

Mr. Anguish: — Was there a computer terminal in Mr. Stienwand's office when he was director of the security branch, Mr. Cutts?

Mr. Cutts: — In the year under review, yes there would have been. We have an electronic mail system within the property management corporation so he would have had — I don't think it would have been a computer terminal, Mr. Chairman, it would have been just a dumb terminal hooked to a mainframe computer.

Mr. Anguish: — In the auditor's report it was indicated that Sask Property Management Corporation was given \$250,000 to supply Informatics Technology. What is Informatics Technology?

Mr. Cutts: — It's a term we've applied, Mr. Chairman, to the variety of computer and software and communication related types of things, kind of around that computer industry, or . . .

Mr. Anguish: — What does it do? Does it spread sheets for you, or does it code your employees, or what's it do?

Mr. Cutts: — Well, what does what do, Mr. Chairman?

Mr. Anguish: — Well, Informatics Technology for \$250,000 — something must have happened. What happened? What is it? Describe it to me?

Mr. Cutts: — Maybe if you referred to me where the auditor referred to that, I would be able to understand what you're telling me.

Mr. Anguish: — In section 27.04 of the auditor's report on Executive Council, it indicates that \$250,000 . . .

Mr. Cutts: — Oh, you're talking about Executive Council. Sorry.

Mr. Anguish: — Pardon?

Mr. Cutts: — I'm sorry, I didn't realize you were talking Executive Council.

Mr. Anguish: — Well, I'm talking Executive Council because it indicates that \$250,000 was given to Sask Property Management Corporation to supply Informatics Technology. So what did you do for Executive Council for \$250,000. I don't understand Informatics Technology.

Mr. Martin: — Should the question not be asked more appropriately under Executive Council? Just so we can get it . . . I understand where he's going with it, but I just . . .

Mr. Chairman: — The questions were asked during Executive Council and Executive Council agreed to provide certain kinds of information. Inasmuch as the matter involves SPMC, I see nothing wrong with the member asking for clarification from SPMC about this matter. That's fine.

Mr. Cutts: — Mr. Chairman, I believe the question that was asked: what is information technology as it relates to Executive Council? Is that the question?

Mr. Anguish: — Well, start with that one.

Mr. Cutts: — Pardon?

Mr. Anguish: — Start with that question.

Mr. Cutts: — Okay, information technology as it related, I believe, as it related to Executive Council was a comprehensive database management system that would provide management information and electronic mail system to the management and the staff in Executive Council. And I guess a comprehensive management system could relate everything from accounting information to spread sheets that were talked about, to electronic mail, to database management, to anything that they may have wanted to put on that, from cabinet minutes to treasury board minutes to whatever information they wanted to manage.

Mr. Anguish: — For the internal function of Executive Council.

Mr. Cutts: — For the internal function of the Executive Council.

Mr. Anguish: — And did you perform this in-house, within SPMC?

Mr. Cutts: — I believe that yes, we did.

Mr. Anguish: — Who's your expert?

Mr. Cutts: — Our expert would have been at that time the people out of systems centre which was managed by Kevan Taylor at that time. He was the executive director.

Mr. Anguish: — Who was the hardware purchased from?

Mr. Cutts: — There were, I believe . . . there was no hardware purchased in the year under review, Mr. Chairman.

Mr. Anguish: — Was there software purchased outside of what the systems centre and Kevan Taylor's operation could provide?

Mr. Cutts: — There were no purchases outside of what we were providing, but the software requirements and the hardware requirements were being or were identified. Now when I say, were being identified, that does not mean that we had suggested that IBM or Digital or Wang would have been able to do the work. It's just that this was the tactical requirements of whatever hardware was going to be provided would have been established.

Mr. Anguish: — So was the \$250,000 paid to Sask Property Management the total amount paid for this particular contract?

Mr. Cutts: — The \$250,000 was a deposit on the total comprehensive system that I've talked about.

Mr. Anguish: — For Executive Council?

Mr. Cutts: — For Executive Council.

Mr. Anguish: — Could you tell me the total package price?

Mr. Cutts: — That would have been determined at tender time, which was not in the year under review.

Mr. Chairman: — This Informatics Technology, the deposit was made in March of '87, I believe.

Mr. Cutts: — That's true.

Mr. Chairman: — So that it might be more fruitful under the ensuing year under review to . . .

Mr. Anguish: — There was a deposit, Mr. Chairman, made for \$250,000. I think there must have been some contract there, or else the Auditor should be doing the audit immediately. You don't just go around throwing out \$250,000 — a quarter of a million bucks — and you got no contract. There must have been a contract there. How much was the contract? That's all I'm asking. That's under the year in review.

Mr. Chairman: — Well it was under the year in review,

and the auditor made some comments about the lack of detail on that expenditure.

Mr. Cutts: — Mr. Chairman, there was a contract between Executive Council and the property management corporation for them to make a deposit, and that's exactly what they did, Mr. Chairman.

Mr. Chairman: — Could we get one of those contracts?

Mr. Anguish: — Was it an open end contract; was it cost plus? What's the deal? The reason I bring that up, Mr. Cutts, is you're operating more like a business rather than the old way — government operating supply and service to greater efficiencies and economies and effectiveness, or whatever you want to call it. And it seems to me that wouldn't be a very good business practice for someone just to give you, in good faith, 250,000, a quarter of a million dollars and not know anything about the final product; you don't know anything about the final cost. Was this \$250,000 then actually for you to do a study of Executive Council's needs for information?

Mr. Cutts: — Well, Mr. Chairman, I wouldn't want anybody to suggest that the money was not on top of the table, and that we didn't have some understanding of what the money was for, and that we didn't have some understanding that the contract, the final tender, when it was come out, was going to be significantly more than the \$250,000 involved. The estimates at that time ranged that the total project could run from a million and a half to \$2 million to do this comprehensive installation for Executive Council.

So I guess in terms of efficiency, I think in managing Informatics and accepting deposits, I'm not sure it's new and different than what we would have done under Supply and Service(s) in a similar circumstances. In fact, it was . . . I think the other point, Mr. Chairman, is that the money was paid to SPMC and did not go out to any other vendor. It was from one government department to another Crown agency.

Mr. Anguish: — What's the terms of the contract then? Can you tell us the terms of the contract that you had?

Mr. Cutts: — The terms of the contract would have been fairly simple. I could bring that copy of that contract, and I could read the relevant points to you, Mr. Chairman.

Mr. Chairman: — I might say that Executive Council has already agreed to provide an itemized list of computer equipment supplied to the Executive Council, including the suppliers, all tenders for the contract, and the name of the lowest tender, in reference to contract noted in the provincial auditor's report, paragraph 27.03 and 27.04. So they've agreed to provide that specific information.

Mr. Anguish: — Did the security branch have a role to play in this Informatics Technology?

Mr. Cutts: — No.

Mr. Anguish: — None whatsoever? So the computer expertise of Mr. Stienwand has nothing to do with this? It's totally under the systems centre?

Mr. Cutts: — Yes.

Mr. Anguish: — And so if Executive Council were then concerned about maybe a security system, they'd give you another contract for Mr. Stienwand to come in and check out the security of the system. Is that how the procedure would work?

Mr. Cutts: — Hypothetically they may do that.

Mr. Anguish: — Mr. Chairman, there doesn't seem to be a lot that we can get answers for in terms of the security branch because it was very new in the year under review, so I'm wondering if we can move on to some other items or whether there's other members who wanted to question things about the security branch.

Mr. Chairman: — If I might, Mr. Stienwand . . . or did any of the security people that year wear guns?

Mr. Cutts: — I'm sorry.

Mr. Chairman: — Did they wear guns?

Mr. Cutts: — No.

Mr. Chairman: — They don't?

Mr. Cutts: — No.

Mr. Chairman: — That was later?

Mr. Cutts: — Pardon?

Mr. Chairman: — It was later they'd do that, or . . .

Mr. Cutts: — Mr. Chairman, I can answer the questions in the year under review.

Mr. Chairman: — Okay, so under the year under review, they didn't wear anything like that?

Mr. Cutts: — Absolutely not. That wasn't even in the plan, Mr. Chairman.

Mr. Chairman: — Okay.

Mr. Anguish: — Mr. Cutts, SPMC handles a great deal of money. What unit within SPMC is responsible for investing those funds? Who makes the investment decisions?

Mr. Cutts: — I guess in the year under review, Mr. Chairman, there were not in fact a whole lot of funds in the property management corporation. I think there was what . . . In fact, Mr. Chairman, in our asset organization we only had \$6 million in accounts receivable and no cash. There were no requirements in the year under review to manage investment.

Mr. Anguish: — In the year under review, unless you were totally devoid of planning, you must have planned at some point that Sask Property Management would be making a profit, or did you plan to lose money?

Mr. Cutts: — No, we planned to make money.

Mr. Anguish: — You planned to make money. Then you must have had some plan in the year under review as to how to invest that money. Even though you didn't have any money in the year under review, who was responsible in Sask Property Management Corporation to make investment decisions?

Mr. Cutts: — If the question is, did we plan, Mr. Chairman, for investment — yes, we had a director of treasury planned under the direction of the vice-president of finance and administration, who is sitting on my left.

Mr. Anguish: — And if there would have been a profit in '86-87, would that same person sitting to your left make the decision as to how to invest it?

Mr. Cutts: — Yes, between her and her staff, yes, that's true.

Mr. Anguish: — What investment options are open to Sask Property Management Corporation?

Mr. Cutts: — In the year under review, Mr. Chairman, there were none. And I guess as money became available we worked with the Department of Finance and our bank, who was the Royal Bank, to identify those best opportunities.

Mr. Anguish: — Oh, so the Royal Bank identifies it; you just . . .

Mr. Cutts: — I'm sorry. Bank of Montreal.

Mr. Anguish: — You just told me that it's in-house that those decisions are made, and now you're telling me it's the Royal Bank, Bank of Montreal, what bank?

Mr. Cutts: — It's the Bank of Montreal, Mr. Chairman, and I said we would certainly consult with outside advisers, our banker, which is quite normal in most businesses, and the Department of Finance, of how we would make investment decisions. And those were the things we would be planning in the year under review.

Mr. Anguish: — What investment options are there open to Sask Property Management Corporation?

Mr. Cutts: — I guess, again, in a planning sense, Mr. Chairman, they would have been all those . . . again, I can't give you specifics, but they would have been all those available to SaskPower, SaskTel, or any other Crown corporation who would have funds to invest from time to time.

Mr. Anguish: — What are they?

Mr. Cutts: — Like I said, Mr. Chairman, we didn't identify those in 1986-87. It was just in our planning process. You know, I guess I could make a guess, but you know, we didn't identify them.

Mr. Anguish: — Are one of those options to turn money back over into the Crown investments corporation?

Mr. Cutts: — Mr. Chairman, we're not part of Crown investments corporation. We are a treasury board Crown.

Mr. Anguish: — So the government need never expect to get money back from the profit they make from the property management corporation.

Mr. Cutts: — I don't think that's . . . Is that a question or a statement?

Mr. Anguish: — Is it possible for the Government of Saskatchewan to get money back from the Sask Property Management Corporation?

Mr. Cutts: — Yes, Mr. Chairman.

Mr. Anguish: — How?

Mr. Cutts: — I believe that in our legislation it says that we may be . . . the board of directors may, from time to time, declare a dividend, and that dividend would be paid to the government, who is the owner of the corporation.

Mr. Anguish: — Who's on the board?

Mr. Cutts: — The chairman is Mr. Taylor, the vice-chairman is Mr. Lane, and the directors are . . .

Mr. Martin: — Is this the year under review?

Mr. Cutts: — . . . Mr. Hepworth and Mr. McLeod.

Mr. Anguish: — So any time the cabinet decides that they want money from Sask Property Management Corporation, they can decide that you give so much to the government.

Mr. Martin: — Mr. Chairman, should we not be talking about 1986-1987, at which time you said there was no money to make investments, and so the decisions weren't made as to where to invest the money? I mean, let's get back to '86-87.

Mr. Chairman: — . . . (inaudible) . . . question should be about the year under review.

Mr. Anguish: — You can't continue to use the year under review to hide information. What will you do next year?

Mr. Martin: — I'm just advising you that there was no money to . . .

Mr. Anguish: — Maybe you'll call an election so they won't have to answer for any of the stuff they're doing. You don't want to give any answers out, do you, Beattie?

Mr. Martin: — Mr. Chairman, the deputy minister has said that there was no money to invest in 1986-1987. They had made some decisions to how they might invest if it was available, and he's given that answer. Now the member is asking for, you know, decisions going on in the future: what happens if, what happens . . . ifs and buts and stuff, you know. Let's get back to '86.

Mr. Chairman: — Thank you, Mr. Martin. I'm sure that

Mr. Anguish will take your comments to heart.

Mr. Anguish: — Who chooses the board of directors of Sask Property Management Corporation?

Mr. Cutts: — They're appointed by Lieutenant Governor in Council, Mr. Chairman.

Mr. Anguish: — Is that the same thing as the cabinet?

Mr. Cutts: — I believe that's how it works, Mr. Chairman.

Mr. Anguish: — Oh, and in the year under review, all of the directors were cabinet ministers.

Mr. Cutts: — Yes.

Mr. Anguish: — Are you a director as well?

Mr. Cutts: — No.

Mr. Anguish: — So each individual who's a director of Sask Property Management Corporation is a cabinet minister as well.

Mr. Cutts: — Yes.

Mr. Anguish: — Is that required under your Act?

Mr. Cutts: — The Act talks about directors. It doesn't say that they have to be cabinet ministers.

Mr. Anguish: — Then I would assume that the cabinet would also make decisions. If there was a change in directors, it's solely the decision of the cabinet to do that?

Mr. Cutts: — Yes.

Mr. Anguish: — What projections did you do, in the year under review, of course, for showing the profitability of Sask Property Management Corporation?

Mr. Cutts: — Could I have that question again, Mr. Chairman?

Mr. Anguish: — In the year under review, what projections did Sask Property Management do to show their profitability?

Mr. Cutts: — Mr. Chairman, I'm not sure of the question.

Mr. Anguish: — Did you do a business plan under the . . .

Mr. Cutts: — The question to have our 1987-88 budget? Is that the question?

Mr. Chairman: — As I understand it, he's asking you what you budgeted in terms of profit-loss for '86-87, in that fiscal year for SPMC.

Mr. Cutts: — Oh, okay. Then we budgeted for, basically, a break-even because it was our start-up first couple . . . several weeks, really. It was the only time we were in operation. We only transferred those 25 properties over . . . I'm sorry, we had those properties for a year, but that's all we had.

Mr. Anguish: — You said earlier, though, that the whole purpose of Sask Property Management Corporation, in terms of your fiscal stability, if you want to call it that, was that you were to make a profit in Sask Property Management Corporation, is that correct?

Mr. Cutts: — That's correct.

Mr. Anguish: — In the year under review then, you must have done some projections or a business plan. You must have done something to determine at some point you'd be showing a profit. Businesses do that.

Mr. Cutts: — Yes. The review under review, Mr. Chairman, was a transition year. The whole Department of Supply and Services was not transferred into the property management corporation, so basically we were managing the 25 properties. At the same time as we were running the Department of Supply and Service, we were doing some third-party lending to hospitals and so we didn't have the full operations of the property management corporation with Supply and Services included.

We were doing all the planning necessary to get the move over. We were doing all the inventory and evaluation during that first year under review to get it set up effective April 1, 1987. And so our plan was to break even in 1986-87. In fact we did a little better than that. And that was our business plan.

Mr. Anguish: — Do you plan more than one year in advance?

Mr. Cutts: — We do some projections in some areas, Mr. Chairman, more than one year in advance, but we do not do a detailed corporate five-year financial plan.

Mr. Anguish: — Well these projections that you do, do you plan on making a profit in the year 2525, or do you plan making a profit in the '87-88 fiscal year? You must have determined at some point that, yes, we're going to turn a profit this year, and that plan, I would think, would have been done in your initial year.

Mr. Cutts: — I think that's true, Mr. Chairman. Yes, we did plan to make a profit in our first years of operation, certainly.

Mr. Anguish: — What's the first year you planned to make a profit that you did on these projects in '86-87 in the year under review?

Mr. Cutts: — In '87-88, our plan was to make a profit.

Mr. Anguish: — So that was done in a projection that was done in-house within the property management corporation.

Mr. Cutts: — Yes.

Mr. Anguish: — How do you plan that in terms of when the board would make a decision to turn over some revenues to the provincial government coffers? Did you make allowance in your projections at some point — well we're going to have profit this year in '87-88; we are

projecting that; we're also projecting that we'll turn over \$10 million to the Government of Saskatchewan.

Mr. Cutts: — We did not, in our planning, try to pre-position ourselves that there would be a \$10 million or any other dividend call on our first year of operations, Mr. Chairman.

Mr. Anguish: — In the projections that you did, are there years down the road that you did, in the projections in the year under review, of course, that you projected Sask Property Management having a loss?

Mr. Cutts: — No.

Mr. Anguish: — So you're going to make a profit every year.

Mr. Cutts: — That isn't what I said, Mr. Chairman.

Mr. Anguish: — You're projecting to make a profit every year.

Mr. Cutts: — The question was, did we project to make a loss, and I said no.

Mr. Anguish: — Can you tell me again who the investment unit is? Who is it exactly that does that? You said the person to your left. Which person to your left are you referring to?

Mr. Cutts: — In the year under review, Mr. Chairman, in the year under review it was Shirley Raab, the vice-president of finance and admin, and Paul McIntyre was the director of the treasury branch.

Mr. Anguish: — How many people would be in that unit then to make those kinds of decisions?

Mr. Cutts: — At that year under review, that was it, Mr. Chairman.

Mr. Anguish: — Two people?

Mr. Cutts: — Two people. And I can tell you that their time was spent on a whole lot of other things because we were investing in the year under review.

Mr. Anguish: — And you say there were no investments made during that period of time in the year under review?

Mr. Cutts: — That's right.

Mr. Anguish: — Mr. Cutts, it's no longer possible for us to gain access to information about the personnel of Sask Property Management Corporation through public accounts, as it was in the past. When Supply and Service come in with their document, we knew who was working for the department. Now it doesn't seem to exist any longer, so we don't know who's working for Sask Property Management Corporation. There's a lack of information that goes on there, and I'm wondering if you could provide us with a list of the names and the job position and the salary level of everyone who worked for Sask Property Management Corporation in the year under review.

Mr. Cutts: — In the year under review, Mr. Chairman, the property management corporation did not have any staff. They were all working for the Department of Supply and Service, and like I mentioned earlier, while they were working for the property management corporation, we were also having dual roles in we were doing things on behalf of the property management corporation — no charge, by the way. So they would have been listed, Mr. Chairman, in the Public Accounts under Supply and Services.

Mr. Anguish: — So anyone who earned in excess of \$20,000 that worked for Sask Property Management Corporation or Supply and Services would appear in the Supply and Services estimates in the blue book, in the Public Accounts book?

Mr. Cutts: — Anybody who worked for the Department of Supply and Service would be in that book, yes.

Mr. Anguish: — Or Sask Property Management Corporation?

Mr. Cutts: — They didn't work for the property management corporation. They did work on behalf of the property management corporation. We were running, Mr. Chairman, Department of Supply and Service, and in parallel we were doing the planning, the evaluations and inventories and those things, getting ready to start the property management corporation. So we really didn't have any effect in the statement, I think, those \$3 in salaries, whatever that's for.

Mr. Anguish: — Well it seems to me that . . . when you look at . . .

A Member: — Three thousand.

Mr. Cutts: — Three thousand, sorry.

Mr. Anguish: — What was the date that Sask Property Management Corporation came into being?

Mr. Cutts: — I believe March 25 or 6 of 1986. That's when the OC started the corporation. It started operations effectively on April 1, 1987, and that's when the Department of Supply and Service . . .

Mr. Anguish: — Ceased to exist?

Mr. Cutts: — . . . ceased to exist as that operating entity, yes.

Mr. Anguish: — Well how did the decision making process then work in the year under review? There would have been a deputy minister of Supply and Services as well as yourself as president of the property management corporation?

Mr. Cutts: — I was both the deputy minister of Supply . . .

Mr. Anguish: — For this entire fiscal year?

Mr. Cutts: — Both Supply and Services deputy minister and the president of the property management

corporation for those fiscal years.

Mr. Anguish: — So you have had a direct role in most of the payees under \$20,000?

Mr. Cutts: — In that book, yes. That's Supply and Services which I was the deputy minister of.

Mr. Anguish: — Can you tell us why the amount is so large, payees under \$20,000, in the year under review? There's 7 million, well \$7.8 million, spent on payees under \$20,000. I'm looking at page 444 of *Public Accounts*.

Mr. Cutts: — Mr. Chairman, just a whole lot of our . . . as an example, our janitorial staff are four-hour-or-less people, and we have 2 or 300 of those as an example, and a lot of them would be in there.

Mr. Anguish: — About 300?

Mr. Cutts: — I don't know the exact number that would be less than \$20,000, but there would be a substantial number. We have 500 to 550 janitors in total, GSW (general service worker) 2's and 3's and so on, mechanical people.

Mr. Anguish: — Can you tell me what portion of that 7.8 million is janitorial? Is that an easy figure to come up with?

Mr. Cutts: — We would "guesstimate" it's in the 85 to 90 per cent, Mr. Chairman, and it includes summer students as well, Mr. Chairman.

Mr. Anguish: — I don't have the figure here with me because I didn't bring my other book, but how does that compare to the year before? Do you have that information handy, that is the payees under 20,000?

Mr. Cutts: — No, we don't have that, Mr. Chairman.

Mr. Anguish: — Okay. In the year under review, the senior management of the department, could you provide us with an organizational chart as to who worked in senior management during the year under review?

Mr. Cutts: — Yes. We could provide you with one copy right now, Mr. Chairman, if you like.

Mr. Anguish: — I'd appreciate that, if you can.

Mr. Cutts, what information can you provide us besides the annual report? Do you plan on providing documents to at least the Public Accounts Committee, or to the legislature, other than the annual report? And the reason I ask that, if that's part of your plan from your planning process, because formerly we had a great deal of information from Supply and Service, and now it seems like there's a great lack of information other than the annual report. Of course when you get here you keep referring to the year under review, and quite often even when things overlap you refer to the year under review.

So I'm wondering if there's a plan within property management to provide other information to either this

committee or members of the legislature.

Mr. Cutts: — I guess, Mr. Chairman . . . and I don't understand the preamble that we've tried to avoid questions with overlap. I think we've been more than fair in giving as much information in overlap as possible. If there's anything that I've missed, I'd like to go back to it and try to address it.

In terms of what we provide, Mr. Chairman, as a Crown corporation, as a treasury board Crown corporation, as I mentioned last year, we'll report and provide consistent and comparable information that our counterpart Crown corporations will follow. I'm not sure what the detail of that is, but we'll certainly be willing to provide whatever that detail is.

Mr. Anguish: — I wasn't trying to make any insinuation on yourself that you weren't trying to provide. But if you'd review the record, Mr. Martens, you Cheshire cat beside you there, and others, I invite you yourself to review the record and refer back to how many times it's not the year under review, when the verbatim transcript comes out, how many times you've referred to the year under review.

So I'm not making any insinuation. I'm just stating a fact that there's a lack of information that comes to this committee and members of the legislature, if you compare it to what there was before when it was the Department of Supply and Service. And there are many things now that we are hampered in obtaining information in a timely manner. Right now we're dealing with information that's two years old.

A number of the current items that are of public interest and are of a timely nature likely won't be dealt with by this committee until after the next election. So I wasn't insinuating anything on you as an individual that you're trying to withhold information. I'm just stating a fact about the process, which is quite cumbersome and open to a lack of scrutiny by members of the legislature for taxpayers' dollars, hundreds of millions of which are currently going into the property management corporation.

Mr. Chairman: — The purpose of having the officials here is to put questions to them, and I would certainly encourage you to do that.

Mr. Anguish: — Mr. Chairman, the point I was trying to make: I thought Mr. Cutts was indicating that I was questioning his integrity or something like that, that he hadn't been answering questions. And I was trying to explain to him that my frustration in some members of this committee is not with him so much as the process that's there. And so if I was maybe offering an apology, I didn't want Mr. Cutts to think that I in any way was insinuating anything towards him as an individual, Mr. Chair.

Mr. Chairman: — Thank you, Mr. Anguish, and please proceed with your questions.

Mr. Anguish: — Mr. Cutts, earlier in the year you referred to a building in North Battleford, and I didn't recognize the name of the building. I had actually written it down, if I can find it here. You referred to it . . .

Mr. Cutts: — Saskatchewan Hospital in North Battleford, I believe, Mr. Chairman.

Mr. Anguish: — Did you not refer to that or some other building earlier, community centre?

Mr. Martin: — He meant the hospital, I believe.

Mr. Cutts: — Oh, that was in the vacant space.

Mr. Anguish: — Yes, a community centre you had mentioned. Is that the same as the Saskatchewan Hospital?

Mr. Cutts: — That was the North Battleford community corrections centre.

Mr. Anguish: — The corrections centre, the minimum security facility in North Battleford?

Mr. Cutts: — Which is part of the North Battleford hospital.

Mr. Anguish: — It's on the hospital grounds?

Mr. Cutts: — Yes, that's right.

Mr. Anguish: — How many people in property management received early retirement in the year under review?

Mr. Cutts: — None, Mr. Chairman. There were no people in the property management corporation in the year under review.

Mr. Anguish: — How many people in Supply and Services received early retirement in the year under review?

Mr. Cutts: — We thought we had it; it appears we don't have it. We'll get that information and provide it to you.

Mr. Anguish: — Mr. Cutts, how many people that received early retirement were hired back on contract by the Department of Supply and Services in the year under review?

Mr. Cutts: — I would think that there would be none, Mr. Chairman, but I can . . .

Mr. Anguish: — I think you should reconsider that answer.

Mr. Cutts: — I'll check that to make sure. I don't have the people who had early retirement, but I'll check to make sure.

Mr. Anguish: — Because I'd submit to you there are some people in the year under review that were hired back after they were given early retirement, because it was found that some of the operations couldn't operate because some of the people were given early retirement, and no one was left to take care of the system.

Mr. Cutts: — Well I can comment on that, Mr. Chairman.

That would not be the case. There may have been some situations, Mr. Chairman, where a particular project manager was working on a particular project that, for consistency, we want him to keep going, but there was . . . I can give some assurance that, from my best recollection, that nobody was early retired and then kept occupying that same desk full time doing that same job. There might have been some parts of that job that we couldn't, for a consistency basis, couldn't responsibly change, but not in the latter . . . not in the former, I mean.

Mr. Anguish: — No one. You can say that now without checking. No one was given early retirement and then hired back on contract because the system couldn't function without those individuals?

Mr. Cutts: — There was no one that was given early retirement and then kept sitting at his desk doing the same full-time job that he had before early retirement. I can give you that assurance, yes.

Mr. Anguish: — I would think you'd want to check the record before you said that.

Mr. Cutts: — Like I said, I would check the record, but I can . . . It's our practice not to do that. Like I said, I said already three times that I'll check the record.

Mr. Anguish: — Mr. Cutts, when were you hired by the Department of Supply and Service?

Mr. Cutts: — In October, I believe, of 1982.

Mr. Anguish: — And you started your employment with the Government of Saskatchewan in the Department of Supply and Service?

Mr. Cutts: — It's not in the year under review, but I'll show you my co-operation; I'll answer it.

Mr. Anguish: — Oh thank you, you're very co-operative.

Mr. Cutts: — I was hired as an associate deputy minister of the department of revenue, supply and services at that time.

Mr. Anguish: — Can you tell us what the procedure is for making the decision between owned space and leased space? Like it seems to me that . . . and I don't know if there's an example in question in the year under review, but sometimes there is privately owned property that's leased by property management corporation, when it would seem to the public, at least, that there are government-owned buildings that are sufficient to provide the requirements of whatever particular department or agency that is going into leased space. How do you make that decision between whether you lease or whether you utilize a building that's owned?

Mr. Cutts: — Now there's just a whole lot of factors, Mr. Chairman, and I may not be able to think of them all as we talk here today. But certainly in present owned facilities there has to be a certain amount of space that existing programs can expand or move into if there is a requirement on behalf of government to expand those spaces. So we do like to keep some marginal space in

government buildings to allow for expansion.

In other situations, Mr. Chairman, there are situations where the client department may want to have a store-front space. They may want to have a space in a high-traffic area. They may want to have a space in a warehouse area that is obviously cheaper rent than in a main street area.

So there are a whole bunch of different factors that clients have that push us or direct us to acquire a space that may be in the private sector, existing or new buildings, if it's required. And it really . . . I guess it comes back to depending on the demand of the client department.

Mr. Anguish: — What is the acceptable vacancy rate in the property management corporation?

Mr. Cutts: — The vacancy rate, I think, in a 3 to 5 percent area, would more than likely be acceptable in most property management corporations and most departments of supply and service, as a result, in most property management corporations.

Mr. Anguish: — So you feel you're fairly well on target in the year under review where you had 884,000 square metres and your vacancy was about 49,000 square metres?

Mr. Neudorf: — 46,062.

Mr. Anguish: — At 46,062 — your mathematics is in your left ear — you would add on another 3,378 which is private sector leased buildings. So if you want to go on to question the department, you're more than welcome to do that; otherwise I'd appreciate you'd mind your own business.

Mr. Cutts: — I think, Mr. Chairman, the question has to be prefaced with some details of some of the vacant space that we do have there. For example, I referred to them in the answer to the first question. I believe there's about 30,000 square feet of those spaces that are single-use buildings, or they're buildings that were targeted for some specific use. So our vacant space at that time really was in the less than 20,000 square feet, which is relatively low for property management corporation with the amount of space we do have, yes.

Mr. Anguish: — The Yorkton court-house renovations, was there an RCMP investigation concerning the Yorkton court-house renovations?

Mr. Cutts: — No, not to my knowledge there was none. If there would have been, I would think, Mr. Chairman, that I would have been involved. They would have talked to me.

Mr. Anguish: — So you have no knowledge of anything under the year under review. I think you did mention that Yorkton court-house was renovated? Is that what it was in the year under review?

Mr. Cutts: — Yes.

Mr. Anguish: — You had mentioned earlier you were

going to provide me with an organizational chart. Have you provided that to the staff yet?

Mr. Chairman: — We just have the one copy available.

Mr. Martin: — Well, run down and get a couple more.

Mr. Chairman: — We're simply not able to provide copies for everyone at this specific point, but we'll certainly treat it as a tabled document and distribute it to members before the next time we meet. Would that be acceptable, Mr. Anguish?

Mr. Anguish: — Whatever you say, Mr. Chairman.

Mr. Chairman: — Well, that's what I say. As an alternative, you could all huddle together and look at it at the same time.

Mr. Anguish: — How many people in property management corporation are assigned as ministerial staff?

Mr. Cutts: — In Sask Property Management Corporation there was nobody, Mr. Chairman.

Mr. Anguish: — Pardon.

Mr. Cutts: — Under the property management corporation there was no one in the year under review. Now there is under Supply and Services, Mr. Chairman, and we'll get that for you.

Mr. Anguish: — Well do you think . . . You maybe can't answer any questions today because it was called property management corporation on the notice of the meeting, wasn't it?

Mr. Chairman: — Property management corporation. It should have said Supply and Services as well, because we're dealing with both.

Mr. Anguish: — Oh, so then we can ask questions about Supply and Services as well, Mr. Chairman; that would be all right to do that?

Mr. Chairman: — Yes, I think so.

Mr. Anguish: — Oh, I'll rephrase the question, Mr. Cutts. Under the Supply and Service department, how many people were assigned to the minister's office?

Mr. Neudorf: — I don't think . . . (inaudible) . . . to do that.

Mr. Anguish: — Do you want on, Mr. Neudorf?

Mr. Cutts: — There was five, Mr. Chairman.

Mr. Anguish: — Could you tell me who those people were?

Mr. Cutts: — Yes, there was John Bradley, Douglas Currie, Leslie Ferguson, Randy Schellenberg, and Pamela Stadnyk.

Mr. Anguish: — Could you give me the salaries of each of

those people?

Mr. Cutts: — Yes. These are the . . . Mr. Chairman, it appears in providing those five names, that was the total staff that moved in and out during the office, during his office that year. The only one that we paid salary to, it appears, is Randy Schellenberg, who had a salary of \$3,584 per month. But we'll just check to make . . .

Mr. Anguish: — \$3,584.

Mr. Cutts: — \$3,584 per month, yes. But we'll just check to make sure of that and get back to you on that.

Mr. Anguish: — Well why would you have a list of other names that worked in the minister's office if you didn't pay them?

Mr. Cutts: — Well I guess when we were preparing our list of minister's office of staff, we just had all the staff that had gone through his office during that year; in terms of the amount of money we paid out, was just that one. These other people worked for different departments and different areas of his responsibility that the minister had during that year under review, Mr. Chairman.

Mr. Anguish: — So there were five people, but against Supply and Services there was only one, Randy Schellenberg, who received \$3,584.

Mr. Cutts: — That's right. Some of those other five may have been there part time. Like I don't know, Mr. Chairman, if they were there full time, part time, or whatever they were there.

Mr. Anguish: — Since this individual was on the minister's staff, would he be housed in the minister's office? Would that be office space for that individual?

Mr. Cutts: — That's right.

Mr. Anguish: — That's what you mean when I ask you if someone is assigned to the minister, they would be people working out of the minister's office and not somewhere else in the department.

Mr. Cutts: — That's right.

Mr. Chairman: — Mr. Anguish, it's 10:30. If we might put off questions to another day, I know that I have some questions and I'm just simply not in a position to deal with them in a few minutes time.

But I want to ask the committee: we were dealing with Executive Council. They are in a position to come back to us on Thursday; alternatively, we could come back to Sask Property Management Corporation/Supply and Services on Thursday and be ready to deal with Executive Council again next Tuesday, but then I expect Executive Council will again have a cabinet conflict. So therefore I'm suggesting that we may want to go back to Executive Council this coming Thursday and then go back to Sask Property Management Corporation/Supply and Services next week Tuesday. Is that agreeable?

Mr. Martin: — Is it possible to wrap this up in the next . . .

Did Mr. Anguish want to continue?

Mr. Chairman: — No. Not on my account, no.

Mr. Anguish: — No, I don't think it's possible.

Mr. Chairman: — Is that agreeable that we come back to deal with Executive Council on Thursday, Sask Property Management Corporation/Supply and Services next week Tuesday? Is that agreeable? The meeting stands adjourned then until next Thursday at 8:30.

The committee adjourned at 10:30 a.m.