

STANDING COMMITTEE ON PUBLIC ACCOUNTS

April 11, 1989

Public Hearing: Saskatchewan Property Management Corporation (continued)

Mr. Chairman: — Call the meeting to order.

When we left off we were questioning officials from the Department of Supply and Services, Saskatchewan Property Management Corporation.

Are there further questions of Mr. Cutts and his officials?

Mr. Rolfes: — Yes, I have a few questions I would like to ask. There are, on page 445 and 446, 447, a number of ones I'd like to ask about.

Would you tell me on 445, Barlow Holdings, 112,000 — what that was for. And then following that, BEC International Corp., 217,000.

Mr. Cutts: — It's the Barlow and Lang Building that SADAC (Saskatchewan Alcohol and Drug Abuse Commission) is in. I believe it's on Hamilton Street.

Mr. Rolfes: — Do you know who the principal owners are of Barlow Holdings?

Mr. Cutts: — I'll just check and see if we have it. I think I know off the top of my head. I believe it's Mr. Barlow, his family, and the Ratner Realty, and I don't know what the equity positions are.

Yes, that's right. It's the estate of Norman Ratner and G. R. Barlow.

Mr. Rolfes: — Okay. BEC International Corporation?

Mr. Cutts: — Yes. What was the question on that again?

Mr. Rolfes: — Well I just want to know what the 217,000 was expended for — BEC International Corp.

Mr. Cutts: — Phoenix House rent, which is the provincial court-house in Saskatoon.

Mr. Rolfes: — Who are the principal owners of that?

Mr. Cutts: — W. R. MacNeill, Douglas J. Amy, and Phyllis S. MacNeill.

Mr. Rolfes: — What was the second one?

Mr. Cutts: — Douglas J. Amy, A-m-y.

Mr. Rolfes: — Canada Post Corporation, 5 million. Can you just tell me what that 5 million, 600-and-some thousand?

Mr. Cutts: — It would be the postage for all of the mail and whatever the government sends out on a yearly basis.

Mr. Rolfes: — Is that for all the government?

Mr. Cutts: — Yes.

Mr. Rolfes: — That's a lot of money, 5.6 million.

Mr. Cutts: — It is.

Mr. Neudorf: — I thought that's what it was for but . . . (inaudible) . . . as far as sending out for storage.

Mr. Rolfes: — Well I wouldn't quite go along with that. Anyway, all the junk mail one gets nowadays, it's not surprising — and some of it from government, all governments.

Central vehicle agency revolving fund. Now can you tell me what the 9 million under revolving fund is — just in general terms; don't tell me in any specific detail.

Mr. Cutts: — That, Mr. Chairman, is the operating expenses of the CVA (central vehicle agency) pool vehicles and some of the executive air services. That's the fixed cost of the executive aircraft that's kept in there.

Mr. Rolfes: — I need a little further explanation. Can you give me a breakdown on that. You mean it's just a fixed cost of the aircraft?

Mr. Cutts: — The biggest part of it, Mr. Chairman, is the operating cost of the government vehicles, the gas, the oil, the licence, and so on.

Mr. Rolfes: — Can I get a breakdown of that, please?

Mr. Cutts: — Yes. We don't have it with us now, but we'll provide that.

Mr. Rolfes: — No, but could you supply that to us, the breakdown on that \$9 million?

Mr. Cutts: — Yes we will. And between what the fixed costs are for executive and what is the executive air, just that breakdown?

Mr. Rolfes: — Well I'd like to have the costs per vehicle, the costs per aircraft — the breakdown. Okay.

Mr. Cutts: — Yes, we'll provide them, Mr. Chairman.

Mr. Rolfes: — Okay, on the next one. Dobbs Realty Development Ltd., 1.7 million. And right under that, Drope Realty Ltd. I'd like to know who the principals are in both of those groups too.

Mr. Cutts: — Dobbs Realty is the Humford House, now with the big sign on it, the London Life Building. And Joe and Leona Dobbs are the owners of that corporation. And which is the next one?

Mr. Rolfes: — Drope.

Mr. Cutts: — Drope is the Toronto Dominion Bank Building, rent. And the principals of that are . . . Drope is the estate of Jean B. Drope and Patricia Drope. That's Drope & Co. Ltd., right?

Mr. Rolfes: — Yes, Drope & Co., no, that was Drope Realty Ltd.

Mr. Cutts: — Okay.

Mr. Rolfes: — Is that the same people?

Mr. Cutts: — No there's a different group here. I'll just let Shirley read off the names of those, the directors and the shareholders.

Ms. Raab: — Shirley Skoll, Gerald Grabowski, Stan Szarkowicz, Edward Deausy, Leo Schick, and Idabelle Ring are the shareholders.

Mr. Cutts: — That's why I wanted Shirley to read them.

Mr. Rolfes: — You did very well. The First International Management Group Inc.

Mr. Cutts: — They manage the South Broad Plaza, which is 2045 Broad Street, just across from the Diplomat.

Mr. Rolfes: — Okay, okay. Good enough. And who are the principal owners?

Mr. Cutts: — The shareholders are Peter Whitmore, power of attorney, and Judy Edmonds, power of attorney. The directors of that company, by the way, are William and Zofia Blackstone.

Mr. Rolfes: — Okay, can I just ask a further question? Whitmore, is that from . . . is he a lawyer?

Mr. Cutts: — I would . . . He's a power of attorney, so I would assume he is a lawyer — Peter A. Whitmore.

Mr. Rolfes: — Do you know which law firm?

Mr. Cutts: — I believe there's only one, but I . . . there's only one law firm with Whitmore involved, and I'm not sure of the full name of that law firm.

Mr. Rolfes: — Just to . . . some other people connected with that law firm. All right. Gemini Industries.

Mr. Cutts: — That's the Gemini warehouse in the Ross Industrial Park. It's a warehouse and distribution centre.

Mr. Rolfes: — And are those Saskatchewan-owned? Is that owned by Saskatchewan people, Gemini Industries?

Mr. Cutts: — Yes, yes it is, I believe.

Mr. Rolfes: — And the principals involved?

Mr. Cutts: — We don't have that information, but from recollection it's the . . . Dallas Conley and company. And I'm not sure what . . . the family or how, but I know Dallas Conley is a principal.

Mr. Rolfes: — All right, Great-West Life Assurance Co., almost a million dollars there. Is that also for rent?

Mr. Cutts: — Yes, that's the Parkview Place on College. That's where the Department of Education is.

Mr. Rolfes: — H.A. Roberts Group Limited. Is that Saskatoon or is that here?

Mr. Cutts: — It's here. Just for clarity, that was the year that I believe H.A. Roberts sold the South Broad Plaza, so part of the year was South Broad Plaza. They have the rental on the Wascana Institute, Winnipeg North . . . (inaudible) . . . Wascana location on Maxwell Crescent, and those three properties.

Mr. Rolfes: — Okay. Who are the other principal owners in that group?

Mr. Cutts: — We don't have that information but I know two of them are Eli Fluter and Kevin Boyle, and there was one other that I don't recollect right now. We'll get you that other one.

Mr. Rolfes: — Okay. L & C Management Ltd.

Mr. Cutts: — M & C?

Mr. Rolfes: — No, L & C. Was that also for rent, and where?

Mr. Cutts: — L & C is the Chateau Towers, and that's for rent, yes.

Mr. Rolfes: — Okay. Marathon Investments Limited. I'd like to also know the principals of L & C please.

Mr. Cutts: — James Robertson, Robert Forrest, Robert Shon, Douglas Hamilton, and Thomas Corwley — C-o-r-w-l-e-y . . . And the last one was Marathon Investments?

Mr. Rolfes: — Yes.

Mr. Cutts: — That's rent on the Gordon Building, and rent on the Bank of Montreal, and rent on Victoria Plaza West which is now called, I believe, the Lloyd Bank Buildings.

Mr. Rolfes: — All right. And North West Trust Co.

Mr. Cutts: — North West Trust is again rent on the Phoenix House. Again that was one of the buildings that was sold half-way through the year, or part of the way through the year. So they were the ones that bought it from BEC International.

Mr. Rolfes: — So BEC, we've paid BEC 217,000 for the same property, and then we paid North West 408,000. Is that correct?

Mr. Cutts: — That's right, and that would have been for the full year. Like I said, BEC International sold it part of the way through the year, and this was the people they sold it to.

Mr. Rolfes: — All right. Odishaws Farm Ltd.

Mr. Cutts: — It's the Odishaws Farm building in North Battleford.

Mr. Rolfes: — What was that again?

Mr. Cutts: — It's called the Odishaws Farm building and it's in North Battleford.

Mr. Rolfes: — Yes, what's that . . .

Mr. Cutts: — I'm not sure who's in it. It's an office space that has 129 square metres of space. I'm not sure who's in it right now, but we can find that out in a moment.

Mr. Rolfes: — Who are the principals involved in that?

Mr. Cutts: — This will have to be looked up. The other principals in the H.A. Roberts Group are Joseph Bronstein and a Casey Vanee — V-a-n-e-e. We'll get that Odishaws Farm in just a minute.

Mr. Rolfes: — Parkway Office Holding — while they're looking up that — Parkway Office Holding Corporation.

Mr. Cutts: — Parkway office building is . . . that's the office building by the bubble on Parkway there. I think the archives are in that building.

Mr. Rolfes: — Okay.

Mr. Chairman: — Could I just ask about Nutzhorn, Scott Nutzhorn?

Mr. Cutts: — He was some contract service we had in the security branch.

Mr. Chairman: — Can you tell me more about that, what kind of work he would have been doing?

Mr. Cutts: — I think he was just contracted to do some extra building reviews and the like, under the . . . (inaudible) . . . points program.

Mr. Chairman: — Can you tell us how you came to engage Mr. Nutzhorn, his qualifications?

Mr. Cutts: — He's a retired RCMP officer, and I believe he'd worked with the city of Moose law, and his service was available so we hired him for doing some contract work.

Mr. Chairman: — And specifically, what did he do? What would he have been doing?

Mr. Cutts: — Well he would have been doing some building, like I mentioned, he would have been doing some building inspections under the vital points program.

Mr. Chairman: — And where would he have been doing those?

Mr. Cutts: — All around the province.

Mr. Chairman: — All around the province?

Mr. Cutts: — Yes. I believe we have, Mr. Chairman — don't hold me to the exact number — but I believe there's around 48 buildings that have been identified under the vital points program that are supposed to be kept up to a certain standard of security, and this was kind of the first year that we really started on that program, and it had been in quite a state of not being looked after for quite a number of years.

Mr. Chairman: — How would you come to engage Mr. Nutzhorn? Did you advertise for services?

Mr. Cutts: — Well I believe it was through contacts that Mr. Stienwand would have had, and knowing he was available and that he had some RCMP experience. So we would have . . . It would have been through contacts.

Mr. Chairman: — So it would have been Mr. Stienwand's contacts solely, or were there other representations made to your office?

Mr. Cutts: — I don't . . . There were no other representations that I'm aware were made to my office, but I believe it would have been through contacts with Mr. Stienwand.

Mr. Chairman: — Thank you.

Mr. Rolfes: — I'd like to follow up on the Parkway Office Holding Corporation. Was that the first year that you leased that property or . . .

Mr. Cutts: — I'm sorry. The which?

Mr. Rolfes: — Parkway Office Holding Corporation. Was that the first year you had leased that?

Mr. Cutts: — I'll find out when we first took that lease. The Odishaws building is occupied by the Department of Economic Development and Tourism in North Battleford. I still don't have who the principals are of that, and I'll bring that back.

Mr. Rolfes: — Parkway Office Holding Corporation — you said the archives are housed there. I'd just like to know . . .

Mr. Cutts: — When we took it?

Mr. Rolfes: — When you took it and what's the length of the contract.

Mr. Cutts: — I don't have that information, Mr. Chairman. We'll bring that back — when we took it and the length of the contract.

Mr. Rolfes: — I'd like to just follow up on the archives. It takes a special building, as you probably know, with special conditions to house the archives. Does it meet all the standards that you would expect, that particular building, in regards to archives? I know there was a real concern about the damage that is done to materials in the archives, and I have not had a chance to visit that building yet, which I intend to do, but does it meet the standards set out?

Mr. Cutts: — We understand, Mr. Chairman, that it meets all the standards in terms of the building-related humidity and fire protection, security, and those type of things. The problem we have in archives is we just don't have enough space for the archives right now. That's the shortcoming of any archives building, I guess, Mr. Chairman. But in terms of the standards for the preservation of what's in there, it does meet those standards.

Mr. Rolfes: — You . . . Okay, you don't know the length of the contract. You haven't got that with you.

Mr. Cutts: — Just from recollections, it was a five-year lease, Mr. Chairman, and that five-year lease, I believe, is being . . . is up, kind of, at this time frame, and there's some negotiation either that's gone on or is going on and some discussion on it. So I'd assume it would have been kind of 1984 that we would have moved in there first. We'll confirm that in detail.

Mr. Rolfes: — Okay. Polaris Properties Ltd. — can you tell me where that property is and also who the principal is now?

Mr. Cutts: — Polaris Property is the Palliser Building, and that's on Albert . . . Scarth Street, sorry. And the MLT Building, and that's on Scarth Street as well. The owners of that are Carl Wagner, Donald MacPherson, Robson Garden, Stephen Arsenych; as well, John Klebuc, Robert Pletch and William Elliott.

Just as a matter of interest, Mr. Chairman, the Palliser Building has been rented for about 15 years.

Mr. Rolfes: — SaskTel, CMR, that's 3.5 million. Can you tell me what that's for? What's CMR?

Mr. Cutts: — Mr. Chairman, we're not sure what CMR means. We assume it's some division within SaskTel where we send the cheque so they know . . . (inaudible interjection) . . . Yes, you could be right, Mr. Chair.

But what it's for is a rental of some Carrot River property that we have some space in their building, rental on the Williams Building on Saskatchewan Drive, and rental on the Saskatchewan Tel Building on Lone Street that we occupy some space in. The vast majority of it obviously is for monthly rental and long distance calls of the government telephone system.

Mr. Rolfes: — SaskPower Corporation, I assume that 5 million is on the building here in Regina. Is that correct? And . . . (inaudible) . . . Okay. Give me that first.

Mr. Cutts: — That's the electrical and gas costs for the various government-owned and -leased buildings that we operate.

Mr. Rolfes: — Do you mind telling me today who the principal owners are of . . . Oh, that's SaskPower. I thought it may have changed. You never know from day to day who owns it.

Mr. Cutts: — Mr. Chairman, that question maybe should be directed to somebody else.

Mr. Rolfes: — I thought maybe they had changed ownership yesterday. I wasn't here yesterday, so I thought maybe they had changed it.

Mr. Cutts: — They haven't advised me, Mr. Chairman.

Mr. Rolfes: — Saskatchewan Property Management Corporation — can you, without going into any specifics

there, can you tell me what the 12 million was for?

Mr. Cutts: — That, Mr. Chairman, was the rent we had talked about in the previous days. I don't believe the member was here at that time. On those 25 buildings that were transferred over to the property management corporation for that first year of transition.

Mr. Rolfes: — That's it for me. I'll turn it over to somebody else.

Mr. Lyons: — Yes, we'll have to go back starting on page 445 again, a number of companies, some of which are just out of total curiosity. Starting with the Chopstick Restaurant, 32,394.72.

Mr. Cutts: — That's the owners of the Yellowhead Highway building in Lloydminster. It's presently the tourist reception centre in Lloydminster. And do you want the principals of that?

Mr. Lyons: — Sure.

Mr. Cutts: — The shareholders are Western Grill, 1981, Tommy — and his last name is Tse; Border Cuisine Ltd., Tony and Denny, by the same name, Tse; there's a Sonny Yen, a Harry Chey, Lovell Der, and Sandy Jay.

Mr. Lyons: — Co Lloyd Inc.

Mr. Cutts: — Pardon?

Mr. Lyons: — Co Lloyd Inc., just two below Chopstick Restaurant.

Mr. Cutts: — Oh. That's again rentals for some office space in Lloydminster on 50th Street. It's the present POB building, provincial office building.

Mr. Lyons: — And the principals?

Mr. Cutts: — The principals are Art Fennell.

Mr. Lyons: — Okay. Conley Holdings Ltd.

Mr. Cutts: — Again that was a building that was . . . I'm not sure of the time frame, but we talked about that under the Gemini Industries, and Conley Holdings was either sold or transferred into this company for a small part of that year, change of ownership.

Mr. Lyons: — And the principals?

Mr. Cutts: — Dallas Conley.

Mr. Lyons: — Dallas Conley?

Mr. Cutts: — Yes.

Mr. Lyons: — Okay. Thank you. I notice that you paid the Department of Supply and Services 89,859.81. What was that for?

Mr. Cutts: — It was for the purchase of goods from our stores for the maintenance and repairs of government owned and leased buildings, and we have, I believe, an

internal transfer or movement of inventory. We have a stores division, Mr. Chairman, that carries certain supplies and inventories and equipment.

Mr. Lyons: — And you bill yourself?

Mr. Cutts: — And we bill ourselves on an interim basis, yes.

Mr. Lyons: — Okay. Just . . . Crown Office Interiors Ltd. I presume it was for the purchase of either goods or services.

Mr. Cutts: — That's for office furniture and desks and tables and the likes.

Mr. Lyons: — Was it used in any particular project, or was it . . .

Mr. Cutts: — I would think it would have been a variety of different projects, Mr. Chairman. I don't have the detail of exactly where that went, and I don't even know if . . .

Mr. Lyons: — Could you supply us with a breakdown then and find that particular . . . whether that . . . You can't?

Mr. Cutts: — I don't think, Mr. Chairman, that we could provide that information. We buy it into our furniture branch and then move it throughout government on a requirement basis. So it would have moved into inventory and then moved out in some other fashion, so it would be next to impossible to track that.

Mr. Lyons: — Okay, that's fine. Desrochers Developments Corp.?

Mr. Cutts: — That's, Mr. Chairman, rental for some office space in Duval and office space in Melville.

Mr. Lyons: — And the principals are?

Mr. Cutts: — It's Ron and Irma Desrochers.

Mr. Lyons: — Dome Media Buying Services, Ltd. What media services were bought?

Mr. Cutts: — That's advertising placement for all the tenders that we sent out through the different papers on . . . well all our tenders on construction and renovation projects and the likes.

Mr. Lyons: — That wasn't the cost of the ads though?

Mr. Cutts: — No. I don't want to say no. It says here, for expense for the advertisement placement.

Mr. Lyons: — Okay, so it was all done through Dome?

Mr. Cutts: — Yes.

Mr. Lyons: — I suppose I couldn't ask why it was that it wouldn't be placed directly by the department?

Mr. Cutts: — I think it's been a long-standing practice, Mr. Chairman, that all ads are generally placed through

an advertising agency.

Mr. Lyons: — Eagle Holdings Inc. — 99,870.14?

Mr. Cutts: — That's rental on the Eagle Building in Meadow Lake.

Mr. Lyons: — And the principals are? You might as well give me the principals, if you have them, for each of the ones I question, to save time.

Mr. Cutts: — The shareholders are: J.S. Developers Limited, White Plumbing and Heating Limited, James Griffiths, and Lorraine Turpin.

Mr. Lyons: — RJS developments limited — is that Jean Septico, by any chance?

Mr. Cutts: — Pardon?

Mr. Lyons: — The principal in RJS Developments Limited, would you have that information?

Mr. Cutts: — Is that RJS or JS?

A Member: — JS.

Mr. Cutts: — We have J.S. Developers building in Shaunavon, and the shareholder is a James Griffiths. There's an "s" on that, Griffiths.

Mr. Lyons: — Eckl Developments Ltd. and Morgan Developments Ltd. and Eckl Holdings Ltd.

Mr. Cutts: — Eckl Holding is the Packman Building in Saskatoon. The principals are Walter and Wilfred Eckl. Eckl Developments and Morgan Developments, that's the other one you asked about — that's the provincial office building in Rosetown. And the principals of that are Wilfred Eckl, Diana Reisinger, Gordon Walford, and Loretta Eckl.

Mr. Lyons: — Gordon Walford and Loretta . . .

Mr. Cutts: — Eckl.

Mr. Lyons: — Eckl, okay. Eckl Developments Ltd. and Morgan Developments Ltd., that's one company?

Mr. Cutts: — Two companies and the same owners, it looks like, Mr. Chairman. The Eckl Holding is the co-owner of Morgan . . . just a minute. Yes, the Morgan Developments, the shareholders are Lloyd John and Donald Morgan and June Korchin.

Mr. Lyons: — And that's the building in Rosetown.

Mr. Cutts: — That's the building in Rosetown.

Mr. Lyons: — First International Management Group Inc., \$743,000.

Mr. Cutts: — That's the one that the other member just asked about, Mr. Chairman.

Mr. Lyons: — Oh, I'm sorry, I didn't get that. Flynn &

Associates Ltd.

Mr. Cutts: — That's building repairs, roof repairs. It's labour, material, and equipment.

Mr. Lyons: — For?

Mr. Cutts: — For several different roofing projects, Mr. Chairman.

Mr. Lyons: — The Great-West Life Assurance Co.

Mr. Cutts: — I believe that one was given already too, Mr. Chairman.

Mr. Lyons: — Hewison Enterprises Ltd.

Mr. Cutts: — That's, Mr. Chairman, for janitorial service and water delivery at La Ronge.

Mr. Lyons: — For the office building?

Mr. Cutts: — For the office building, yes.

Mr. Lyons: — Hong Kong Land Co. Ltd.

Mr. Cutts: — That's rental on the Hong Kong trade office, Mr. Chairman.

Mr. Lyons: — For 88,000. Who were the principals of the Hong Kong Land Co. Ltd.?

Mr. Cutts: — We don't have that, Mr. Chairman. We don't have that. I don't know if we can get it, but if you're interested, we could try. They're located in Hong Kong, obviously. Well, not obviously.

Mr. Rolfes: — Could I just ask a question on that. Was that the first year that it was leased, and how long is the lease for?

Mr. Cutts: — I don't have that information here, Mr. Chairman. We'll . . .

Mr. Rolfes: — Secondly, I'd like to ask, can you tell me what you paid per square foot there? That's certainly not going to influence anybody's competitiveness, I'm sure, here.

Mr. Cutts: — I don't have that.

Mr. Rolfes: — I just wanted to know what you paid for square footage there compared to what one would have to pay here.

Mr. Cutts: — I'll phone the member and let him know that.

Mr. Muller: — Do you want to move?

Mr. Rolfes: — Well if you want it run efficiently, yes, I'll move there and run it for you guys.

Mr. Cutts: — Mr. Chairman, I'll endeavour to get that back to the minister privately if that's okay.

Mr. Rolfes: — Sure.

Mr. Lyons: — Okay, moving from Hong Kong to the Hyde Park Developments Ltd., another British firm.

Mr. Cutts: — Hyde Park Developments Ltd. is rental space on the equipment storage buildings at Norquay, Rocanville, Fairlight and Francis.

Mr. Lyons: — And the principals are?

Mr. Cutts: — The principals are Garth C. and Garth Rattee, R-a-t-t-e-e.

Mr. Lyons: — And Garth C?

Mr. Cutts: — There's a Garth C. and a Garth, two different people.

Mr. Lyons: — How do you spell Garth C's name, last name?

Mr. Cutts: — Garth C. Rattee and Garth Rattee.

Mr. Lyons: — Same name? Just with a . . .

Mr. Cutts: — Yes. Father and son, brothers — I don't know. Wouldn't be brothers, I hope.

Mr. Lyons: — Inventronics (Sask) Ltd., 96,000.

Mr. Cutts: — That's for VDT (video display terminal). It's work stations. It's the visual display work terminals where you do the key punching in. It's a company that is . . . in fact they've developed and are marketing it all over western Canada and the United States now.

Mr. Lyons: — What do they develop?

Mr. Cutts: — It's a piece of furniture. It's for visual display key punching. It's a computer table I guess, computer desk.

Mr. Lyons: — Oh it's a desk to put the computer on.

Mr. Cutts: — Yes.

Mr. Lyons: — Okay. And who are the principals of Inventronics?

Mr. Cutts: — Mr. Chairman, we have the principals of most of our property rentals, but we don't ask for nor get the information on all our vendors.

Mr. Lyons: — Okay. J. S. Developers Ltd.

Mr. Cutts: — That's the one we just talked about a minute ago. It's the Shaunavon office building. That's the James S. Griffiths you asked about.

Mr. Lyons: — Okay, that's Griffiths. Is that the same J. S. that is in the Meadow Lake . . . there was an arrangement, the Eagle building in Meadow Lake?

Mr. Cutts: — Do you remember what the company name was on that?

Mr. Lyons: — I thought it was R. J. S. Developers Ltd.

A Member: — Eagle.

Mr. Cutts: — Eagle. Okay.

Mr. Lyons: — Eagle Holdings, but Eagle Holdings is made up of White Electric . . .

Mr. Cutts: — We think it's the same person, Mr. Chairman.

Mr. Anguish: — Mr. Cutts, I believe that Mr. Lyons asked about J. S. Developers Ltd. and you said that was for a building . . . in Shaunavon?

Mr. Cutts: — That's J. S. Developers Ltd., the \$91,000?

Mr. Anguish: — Yes.

Mr. Cutts: — Yes, that's a Shaunavon office building, yes.

Mr. Anguish: — Is that not the land titles office in Battleford?

Mr. Cutts: — No. The one you talked about earlier, I believe, was another building under Eagle that was the North Battleford office, was it . . . Meadow Lake.

Mr. Anguish: — Eagle you said . . . I assume is the provincial offices in Meadow Lake, but I thought that J. S. Developers Ltd. on page 446 was the land titles office in Battleford.

Mr. Cutts: — No. It looks like the member is right, Mr. Chairman. We've crossed out North Battleford and written in Shaunavon, so what I'll attempt to do is find out which one that exactly is and just confirm that back to the committee, Mr. Chairman.

Mr. Anguish: — Could it possibly be two locations?

Mr. Cutts: — I wouldn't think so, Mr. Chairman, but I just . . . we have it here at North Battleford. It's crossed out and we've written in Shaunavon, so we'll just have to go back to clarify that, and we'll attempt to provide that information, Mr. Chairman.

Mr. Anguish: — Could we stick on a couple of questions about the land titles building in Battleford for a moment.

You mentioned, Mr. Cutts, that people like Scott Nutzhorn had been hired or contracted to do vital points inspections. Are land titles offices vital points where there would be an inspection done?

Mr. Cutts: — Some land titles would be because they're connected with court-houses. I'm not sure whether land titles on a stand-alone basis would be. I'd have to confirm that, Mr. Chairman.

Mr. Anguish: — What designates a vital point that you would want to do an inspection on? Is there some rule of thumb that you have? Is there a description of vital points?

Mr. Cutts: — I'm not sure, Mr. Chairman, whether I can even disclose that information because there is some national security around it. But if I can, I'll provide it; if I can't, obviously I won't be able to.

Mr. Anguish: — Can you tell me if there was a vital points inspection done at the land titles office in Battleford?

Mr. Cutts: — I can bring that back. I don't know, Mr. Chairman.

Mr. Anguish: — I suppose the reason I ask that question is that I have some concern if there hasn't been a vital points inspection, depending on what your description of vital points is, of course. But many records dating back to, I suppose, the beginning of land titles in the province of Saskatchewan are stored at the office in Battleford, in the old town. And there are not adequate safes; there's no sprinkler system as far as I know. The building seems to me to be totally inadequate in terms of housing such valuable documents as original titles of land.

You mentioned to Mr. Rolfes that the archives are all right in terms of humidity and security of papers, and I question as to whether or not the security and the humidity and just the space available is adequate in the town of Battleford for keeping the land titles documents. And if there was a fire, not having a safe, not having a sprinkler system, those papers would all be lost.

And that's why I'm interested whether or not you can tell us today whether there has been a vital points inspection. If not, will there be one? And do you have plans to change location or to provide more room in the same building in Battleford, or whether you're going to be looking at a fireproof vault, whether or not you're going to be looking at a sprinkler system in that particular building?

Mr. Cutts: — A whole lot of questions, Mr. Chairman. I tried to remember them as best I can. I would doubt, Mr. Chairman, whether the conditions of records would be under the vital points program. I think that would be under the jurisdiction of the archivist.

I believe there is some concern that there are, not only in North Battleford, but maybe in some other locations that have been going on for some time, original records like the member talked about that need to be looked at in terms of better storage. And what we're doing right now, in fact, is looking at some new technology in terms of being able to capture that information and putting it onto electronic form in order to save significant capital costs in terms of all the space that is required.

Mr. Anguish: — Do you have plans to expand the land titles office, the physical size of the office in Battleford?

Mr. Cutts: — That request, Mr. Chairman, would come from the owners of that, which would I believe be Justice, and I don't believe to my knowledge that there's been any request to expand that facility.

Mr. Lyons: — Okay, Mr. Chairman, continuing on. Lenale Developments Ltd.?

Mr. Cutts: — Just to confirm that R.S. developers limited

my staff tell me it is in Shaunavon.

Which is the next one, Mr. Chairman?

Mr. Anguish: — If this J.S. Developers for the 91,000, it's one building in Shaunavon, who then do you lease the land titles office from in the town of Battleford?

Mr. Cutts: — I'm not sure, Mr. Chairman, but I'll get that information. I would think it belongs to the government, but I'll confirm that. I'm not sure, Mr. Chairman. It doesn't belong to us. I'll find out.

The question on the other?

Mr. Lyons: — Lenale Developments Ltd.

Mr. Cutts: — Lenale Developments is an urban camp in Prince Albert.

Mr. Lyons: — It's a what?

Mr. Cutts: — It's an urban camp for either corrections or Social Services — Department of Justice.

Mr. Lyons: — Okay.

Mr. Cutts: — And Vic Lemieux Holdings Ltd., Nagy Holding Ltd., Ben J. Lemieux Holdings Ltd., and 5H Management Ltd., are the shareholders of that company.

Mr. Lyons: — Okay. Right below it, and I remember this from years gone by, Les Jardins Ste. Foy Ltd. That's, if I remember correctly, furniture rental. Are we still renting furniture from Les Jardins Ste. Foy Ltd.?

Mr. Cutts: — Yes. It's the amortization of some furniture we had in the Avord Tower.

Mr. Lyons: — Yes. Is this, to your knowledge, just the last year's rental on it, or has the furniture been amortized?

Mr. Cutts: — Well, the furniture would have been . . . the furniture as such would, I believe, be amortized by now, but I'm not sure. I think it was a three-year deal, Mr. Chairman.

Mr. Lyons: — Okay. Lesmeister Holdings Inc., for 196,000?

Mr. Cutts: — That's rental of office space in Ile-a-la-Crosse, rental of a building in Pierceland, rental of another POB (provincial office building) building in Ile-a-la-Crosse, and some tenant improvements in one of those buildings as well. And it's John Lesmeister is the shareholder, Mr. Chairman.

Mr. Lyons: — Okay, Magic White (Western) Ltd. I don't know whether this has been asked before.

Mr. Cutts: — That's cleaning, toiletry supplies and material.

Mr. Lyons: — McClocklin Real Estate for 326,000?

Mr. Cutts: — McClocklin is the Worobetz Place in

Saskatoon, and the principals are Commercial Holding Limited and Tom McClocklin — I'm sorry, Commerce Holding Limited.

Mr. Lyons: — Do you know the principals of Commerce Holding?

Mr. Cutts: — No, we don't. It's Thomas and Diane McClocklin.

Mr. Lyons: — McNevin Management Ltd.

Mr. Cutts: — I didn't hear that, Mr. Chairman.

Mr. Lyons: — McNevin Management Ltd., 142,716.64.

Mr. Cutts: — It's the McNevin Building in Nipawin, and George and Wilma McNevin are the shareholders.

Mr. Lyons: — Nightingale Industries Ltd., 101,000.

Mr. Cutts: — Office furniture — chairs, specifically, the majority of it.

Mr. Lyons: — Nor-Mall Developments Inc.

Mr. Cutts: — It's the POB building in Creighton, and the principals are Dewell Linn and Western Country Estates Corporation.

Mr. Lyons: — Western Country Estates?

Mr. Cutts: — Yes.

Mr. Lyons: — In Creighton?

Mr. Cutts: — I don't have the address for Western Country Estates.

Mr. Lyons: — Norwall Holdings Ltd.

Mr. Cutts: — Norwall, that's the 145,000?

Mr. Lyons: — Yes.

Mr. Cutts: — It's rental of the Marquis Centre in Prince Albert. The tenant is the Department of Highways. The shareholders are Normandale Holdings Ltd. and Robert Van Norman, are the shareholders.

Mr. Lyons: — It was Normandale Holdings?

Mr. Cutts: — Normandale Holdings, yes.

Mr. Lyons: — Olfland Land Co. Ltd., for \$427,000.

Mr. Cutts: — That's the Standard Development Building in Regina and the Canterbury Towers in Saskatoon. The shareholders are Henry, Stanley, Joseph, Milton, Libin.

Mr. Lyons: — Okay. There's one here for Parkland Data Services Ltd., \$123,636.

Mr. Cutts: — That's the Parkland Data Building in Yorkton.

Mr. Lyons: — What was that . . . was it for office rent?

Mr. Cutts: — Yes, it was. And the shareholders are Kerry Koch, William Packer, George Gress, William Wright, Ken Laxdal and lack Ferguson.

Mr. Lyons: — The Qu'Appelle Developments Limited, \$637,000.

Mr. Cutts: — That's the Qu'Appelle Building on 2240 Albert for office rental. And the shareholders are Tyerman Holdings Limited, Morris Palmer, Keewatin Farms Limited, plus David M. Tyerman, Nancy Tyerman-Tapper, L. Jane and Peter J. D. Tyerman.

Mr. Lyons: — That's for the Qu'Appelle . . . what's at 2240 Albert?

Mr. Cutts: — Social Services, I believe, are in there on . . .

Mr. Lyons: — Okay, the yellow-fronted building there. R. H. Holdings Limited.

Mr. Cutts: — That's rentals from the office building on 3130-8th Street East, Saskatoon. That's known as the Circle 8 Building. And the shareholders are Hickson Holdings Limited, Robert C. Hickson and Ronald Pidwerbesky, and Vivian Orban.

Mr. Lyons: — And that was for office rent as well, the Circle 8 Building?

There's a Ratner Holdings, Ratner Realty, and Ratner Realty Wolseley Limited.

Mr. Cutts: — The Ratner Holdings is the Ratner Building on 1942 Hamilton. The Ratner Realty is the Canadian Building on 2024 Albert, and Ratner Realty Wolseley is the Wolseley Lakeside Nursing Home. And the principals are, of Ratner Holdings Limited, Sadie Ratner, Francis Ratner, and Susan Krivel of Ratner Realty Ltd.. The shareholders are Sadie, Francis, Diane Ratner and Susan Krivel; and Ratner Realty Wolseley Limited, are Ratner Realty Ltd., Sadie Ratner and Susan Krivel.

Mr. Lyons: — Okay. Could you perhaps explain the financial arrangement that exists regarding the nursing home? Is it a privately owned nursing . . . is the nursing home owned by Ratner Realty Wolseley Limited?

Mr. Cutts: — It's a lease purchase arrangement that over the term of the lease the government will own it, but it's leased to own.

Mr. Lyons: — And this was the lease payment for this year?

Mr. Cutts: — I'm not sure when that opened, Mr. Chairman, whether that's a full year's lease or not, but I believe it is.

Mr. Lyons: — Okay. For how long is the lease?

Mr. Cutts: — It's a 25-year lease, Mr. Chairman.

Mr. Lyons: — And is this a fixed cost figure or is there an escalator in it or . . .

Mr. Cutts: — I believe it's a fixed cost. We can find that out. But normally there's a . . . on the lease proper it's a fixed cost. There's normally a five-year review on the interest, if interest rates go up or down from the original date, and I believe there would be a normal operating maintenance cost review too. It would fluctuate to some cost of living factor that we'd have negotiated.

Mr. Lyons: — So could you explain the advantage of having this lease to buy as opposed to buying it outright? I presume that there's a built-in margin for Ratner Realty Wolseley Ltd. Why wouldn't the department have contracted? Or how did this arrangement come about?

Mr. Cutts: — Mr. Chairman, I think looking at the cost of building hospitals and nursing homes in general, and finding that from some experience that overruns and schedules and cost factors were growing, we wanted to use some bench-mark in delivery of the private sector of these facilities to see their delivery methods and cost methods and how they would perform to, I guess, the bureaucratic way of doing it.

Our evaluation on it is that the schedule was maintained better than most hospital deliveries and our costs were pretty well the same. I think the new cost, the new way we're doing it, is that full costing of interest, which is normally not put into most government facilities, once they're put in, cost factors are very similar. And this includes interim financing costs which were generally not factored in. And once we do those things the similarity is much the same.

Mr. Lyons: — You say you've done the evaluation. Do you have . . . could you provide us with the documents that based on the evaluation?

Mr. Cutts: — I'm not sure whether we can provide that, but if we can, we will.

Mr. Lyons: — What do you mean, you're not sure you could provide it? You mean it doesn't exist or . . .

Mr. Cutts: — I'm not sure whether we generally provide that information, Mr. Chairman — our own, like our own, to that type of internal document.

Mr. Lyons: — Well this is just a straight question of economics, judging from what you've said, Mr. Cutts, that it was A versus B, in terms of options. Obviously you had somebody develop that option either internally or had somebody else do it, and would have to reduce it to writing.

You made the statement that the report exists. What I'm asking you is will you provide that to the committee?

Mr. Neudorf: — He answered that already.

Mr. Lyons: — No, he hasn't.

Mr. Neudorf: — He said if it's possible for him to give it, he'll give it.

Mr. Lyons: — Do we have to listen to this?

Mr. Chairman: — Well, it's not a point of order, Mr. Neudorf.

Mr. Cutts: — I'd give the same answer, Mr. Chairman, that if this information can be provided, I would provide it; if it's not normal to provide it, I'm afraid I'd have to find out whether I can provide it or not. I don't know.

Mr. Rolfes: — Mr. Chairman, I can appreciate Mr. Cutts's answer, but let me just point out, I think that is something that is relatively new, and I don't think there is a precedence as to whether or not it can be or cannot be provided. I think on this particular issue you would be setting a precedent, and I would urge you, as far as possible, to help this committee. I mean, that's one of our . . . One of our functions is to determine whether money is well spent, and it's very difficult for the committee to determine that if we can't get the information. I appreciate your comment.

What I wanted to ask you, however, was that, can you tell me — and this certainly, I hope, is not confidential information — what was the original cost of the building, of the home, the nursing home? How large is it? What was the original cost? I think you'd have to certainly know that in order to determine whether or not you got a good economic deal.

Mr. Cutts, if we don't have that . . . You know, I'd like to have that today because I'd like to go into a little more detail on that. I have several others that I want to ask about too in the same line of questioning.

Mr. Cutts: — We'll attempt to find that, Mr. Chairman. If you want to go on, we can come back to that.

Mr. Rolfes: — Yes, I want to know how many units, what's the square footage of the building, and so on.

Mr. Cutts: — The building is 4,631 square metres. So 110 times per square feet approximately. It's an 80-bed facility that replaced an existing 70-bed facility. And it wasn't completed until January '87, Mr. Chairman, so I don't think we can . . . in this set of information, we don't have all that information. Sorry, we just don't have that information with us, Mr. Chairman.

Mr. Rolfes: — Mr. Cutts, you indicated that the building wasn't completed until January 1 of '87.

Mr. Cutts: — Yes.

Mr. Rolfes: — When was it occupied for use?

Mr. Cutts: — I guess there's two stages of it, Mr. Chairman, but the final occupation would have been some time after January 1, '87.

Mr. Rolfes: — And yet we paid — what was it? — 500 and . . .

Mr. Cutts: — Yes, the first part of it was occupied approximately June 1, and it was completed June 1 and

occupied some time shortly thereafter.

Mr. Rolfes: — June 1 of . . .

Mr. Cutts: — Of '86. And there were 43 beds completed at that time.

Mr. Rolfes: — And yet we paid 582,000 in that year for rent for only part of the building?

Mr. Cutts: — Well it would have been all the centre core part of the building with all the kitchen facilities, and all the centre core part of the facilities, and the 43 beds, and then the other smaller part, just the one wing — all the heating and all that type of stuff for this . . . or that would have part of it.

Mr. Rolfes: — Could we get the details on that, I mean, if you can supply us details. I'd really like . . . Because this, from your original answer, I had assumed that 582,000 was for the whole building for one year. Now if I'm correct, I'm given to understand that that's not correct. That 582,000 . . . and 474 was not for the whole building, for only part of the building for part of the year. Is that correct?

Mr. Cutts: — That's correct and it could have been for part of the other completed building for part of that year, and we'll have to find . . . It would have, yes, because we would have had to start paying January 1, '87 rent. So it would have been for up to 43 beds and all the centre core to June 15, and from January 1, '87, until March 31, '87, we'd have paid for the whole thing. So it's a combination.

Mr. Rolfes: — Mr. Cutts, could you provide the committee the details of that rent?

Mr. Cutts: — We'll provide . . . yes.

Mr. Rolfes: — I mean the details of that rent and what actually did we pay for, the year under review.

Mr. Cutts: — During what months we paid for what part?

Mr. Rolfes: — Exactly.

Mr. Cutts: — Yes.

Mr. Rolfes: — Now secondly. I'd like to follow up now then, what is the actual rent that you pay for that nursing home, for the total nursing home, annually?

Mr. Cutts: — I don't have that, Mr. Chairman.

Mr. Rolfes: — Yes, but it may have been signed in that year. If it was signed in that year I have a right to know that. That's what I'm asking. Obviously you've negotiated and probably signed it in that year?

Mr. Cutts: — We didn't pay it in the year under review.

Mr. Rolfes: — No, but did you sign it in that year?

Mr. Cutts: — We'd have signed it in that year, I believe it would have been.

Mr. Rolfes: — Yes, I would think you would.

Mr. Cutts: — It would have been signed because we started making payments.

Mr. Rolfes: — That's right. So if a contract was signed I think the committee has a right to know what that contract was.

Mr. Cutts: — Yes, we'll provide that.

Mr. Rolfes: — Well we may have to pursue that on another day. I was hoping that we could have that information today. But we may have to pursue that, because I have another one or two that I want to follow up later on in the same line of questioning.

Mr. Cutts: — Okay.

Mr. Lyons: — I'll just truck right along on here to Regina Cartage and Storage — no pun intended.

Mr. Cutts: — It's the warehouse rental on 8th Avenue, commonly referred to as the Roll-o-flex Building? The principals are Brian and Elsie Keple, Lois Hamilton, Oswald Sauer. I guess there are a few other minor shareholders, but those are the principals.

Mr. Lyons: — Okay. And that's for . . . what is that building used for?

Mr. Cutts: — The tenants are the Department of Health, Saskatchewan Property Management Corporation, Provincial Secretary, Urban Affairs, Department of Environment and Public Safety, and New Careers. And there was some warehouse space in it and people were moving in and out of it during that year. In terms of what periods of time, who was occupying it, I don't have the details of that. But those were the tenants throughout that year.

Mr. Lyons: — Okay. The tenants, did they have office space there or was it warehouse space?

Mr. Cutts: — It was a combination of office and warehouse, Mr. Chairman.

Mr. Lyons: — All right. On to Remail Realty Corp.

Mr. Cutts: — Remail Realty Corp. is in Creighton, Saskatchewan. It's the new POB building and the shareholders are Frank and Joseph Remail, and Remail Farms Ltd. That was new during that period of time.

Mr. Lyons: — And Remail Development (1984) Ltd.?

Mr. Cutts: — That's some office space in Birch Hills, Saskatchewan. And the shareholders are Frank P. Remail Family Trust — Frank, Joseph and Jim Remail.

Mr. Lyons: — Okay, Rendek Kaufman Embury?

Mr. Cutts: — Mr. Chairman, I don't have the exact details. There was some rental space at the WIAAS (Wascana Institute of Applied Arts and Sciences) building that I think was paid to them in trust when, I believe, the

R.H. Robert Group were in voluntary receivership at that time, and I think we made one payment or there were some things in trust that were paid there, and also some legal services that were involved in setting up the corporation that Rendek Kaufman were — and are — our lawyers at that time.

Mr. Lyons: — Well that's a fairly substantial amount of money, \$215,000 for work related to — which building was this?

Mr. Cutts: — The Wascana building on north Winnipeg. And if I recall right, the renovation or expansion costs were in the area of \$120,000, and I believe it was paid to them in trust, and so the balance would have been legal costs.

Mr. Lyons: — Can you provide us with that breakdown then for . . .

Mr. Cutts: — Yes, we'll get the details of that, Mr. Chairman.

Mr. Lyons: — And the breakdown between what was paid for in terms of the building, what was paid for in legal fees?

Mr. Cutts: — Yes.

Mr. Lyons: — Thank you. I have not very much more. Silverado Holdings Ltd.

Mr. Cutts: — That was a contract, Mr. Chairman, for the demolition of what was known as hangar 20 in Prince Albert.

Mr. Lyons: — And who was the . . .

Mr. Cutts: — We wouldn't have the principals of that type of company. It was a construction company, Mr. Chairman. Who was the owner of the hangar?

Mr. Lyons: — Is this the provincial hangar in Prince Albert, that old green thing?

Mr. Cutts: — No, it was painted . . . it was kind of painted red, Mr. Chairman, orangey-red type of thing.

A Member: — The old DNS hangar?

Mr. Lyons: — Oh, the old DNS one, okay, right. Down at the end of the hangar line there.

Mr. Cutts: — Yes.

Mr. Lyons: — Okay. Smithcore Development Ltd.

Mr. Cutts: — That's rental of the court-house in Regina, Mr. Chairman. The principals are Silver Developments Ltd., Stanford Development Ltd., Owl Holding Ltd., Fransyl Holdings Ltd. (and that's F-r-a-n-s-y-l), Gary Drummond and Mark Silver, Mr. Chairman.

Mr. Lyons: — Do you have the principals in the holding companies which hold Smithcore Development?

Mr. Cutts: — No, we wouldn't have made payments to those, so we don't have those people, Mr. Chairman.

Mr. Lyons: — Okay. Randall T. Snyder.

Mr. Cutts: — That was compensation for employment termination, Mr. Chairman.

Mr. Lyons: — And what precisely took place there? What were the circumstances surrounding that payment?

Mr. Cutts: — I would think that would have been compensation in lieu of notice, Mr. Chairman.

Mr. Lyons: — Fifteen thousand dollars in lieu of notice is a lot of notice. It's usually . . .

Mr. Cutts: — I think they normally got. . . I'm not sure of the formula, but it would have been finally a negotiated sum, Mr. Chairman.

Mr. Lyons: — Was it dismissal with just cause?

Mr. Cutts: — I guess management would have felt so, Mr. Chairman.

Mr. Lyons: — No, as in . . . I mean just causes in the employer-employee relations defined definition of just cause, i.e., for insubordination or theft or dishonesty?

Mr. Cutts: — Well even those things, Mr. Chairman, are questioned whether they're just cause in today's environment, but there was a termination and a settlement was made.

Mr. Lyons: — Stardust Auction and Realty.

Mr. Cutts: — It's some space in Assiniboia, Mr. Chairman, and the . . . Mr. Chairman, I guess it was one of those small amounts. We don't have the principals of that. I think it's for . . . it's 78 square meters in space and it's been there for some time. And the tenant is crop insurance, Mr. Chairman.

Mr. Lyons: — W.B.I. Holdings Ltd.

Mr. Cutts: — Rental of business office in Moose Jaw, Mr. Chairman. And we don't have that, Mr. Chairman, who the principals are in that, but I believe from recollection that's the space that is rented to STI (Saskatchewan Technical Institute), and the principal is Bill Itcush.

Mr. Lyons: — Okay, would you provide the committee with that information, who the principals are and for what purpose the payment was made?

Mr. Cutts: — That's what it is. It's for STI Their business office is there, and the principal is Bill Itcush. I could find out if there's other members of the Itcush family who are principals, and we'll bring that back.

Mr. Lyons: — Thank you. Erwin Warneke-Theobald.

Mr. Cutts: — That is rental of the Derrick Building in Estevan, Mr. Chairman. I believe this is a building that is owned by some German principals now, and we don't

have who the shareholders are of that company.

Mr. Lyons: — You mean the principals are not Canadian citizens?

Mr. Cutts: — That's true. That building has been on the books for some time as well, Mr. Chairman.

Mr. Lyons: — But Mr. Warneke-Theobald — is he the acting principal in Canada for the German investors?

Mr. Cutts: — He's the director. The acting person is a real estate company in Regina who manages the property for them.

Mr. Lyons: — Who is that?

Mr. Cutts: — It skips my mind right now, Mr. Chairman, but getting back to the shareholders, we don't have that information.

Mr. Lyons: — West Central Developments Limited?

Mr. Cutts: — That is the Rosetown equipment storage depot, Mr. Chairman, and the principal is . . . the shareholder is Douglas Friend.

Mr. Lyons: — And it's used for storing the Highways equipment?

Mr. Cutts: — Yes it is, Mr. Chairman.

Mr. Lyons: — And was this the first year that the building was in existence?

Mr. Cutts: — I don't have that, Mr. Chairman, but I'll get that and get back to you.

Mr. Lyons: — Okay. And also there's one for Western Limited. What was that payment for?

Mr. Cutts: — Western Limited? That's the Western Building; it's office space; the address is on 2402 - 2nd Avenue. The principals are George Solomon, Muir Barber, Doris Solomon, Rand Flynn, and Western Investments Inc.

Mr. Lyons: — Okay. Weyburn Square Developments Limited.

Mr. Cutts: — That's the rental on our space in the J. Auburn Pepper Building in Weyburn, and the principals are Ron Meiers, David McCaslin, Jon Hagan, and Jim Owen.

Mr. Lyons: — Okay. Wolfe Group Investments Limited?

Mr. Cutts: — That's for the Saskatoon special care facility, Mr. Chairman, and the principals are J. Wolfe Investments, W. Eckl Holdings, Silsub Enterprises, Terrace Holdings, and John Wolfe, Mr. Chairman.

Mr. Lyons: — Now this is payment for what services?

Mr. Cutts: — That's the special care home in Saskatoon, Mr. Chairman. And what was the other part of the

question, I'm sorry?

Mr. Lyons: — I just asked what payment was made for what services.

Mr. Cutts: — Well it would have been for . . . I believe it was part of the rental for the year.

Mr. Rolfes: — Yes, Mr. Chairman, this is one I wanted to ask a further question on. What convalescent home are you talking about in Saskatoon? Which one?

Mr. Cutts: — I think it's called the Parkridge Centre.

Mr. Rolfes: — Okay. Parkridge nursing home.

Mr. Cutts: — Yes.

Mr. Rolfes: — On the west side?

Mr. Cutts: — Yes.

Mr. Rolfes: — Can you give me the particulars . . . I would like to have the particulars on that building. Was that building completed or the contract signed in the year under review, with John Wall?

Mr. Cutts: — I don't have a lot of information here on that, Mr. Chairman. It was scheduled to be occupied on January 18. I believe it was completed on schedule. Because of the cold weather, if I remember, it wasn't occupied till a few months later so the people could be moved when the people were moved out of the old san . . .

Mr. Rolfes: — January 18, '86 or '87?

Mr. Cutts: — '87. So I'm going to have to bring that information back, Mr. Chairman.

Mr. Rolfes: — Yes, I would like to have a lot more details on that arrangement on the Parkridge nursing home. What are your . . . I don't know if that contract was signed in that particular year, but I think it was.

Mr. Cutts: — I believe from recollection, Mr. Chairman, there was an interim document signed, and then the lease was signed as . . .

Mr. Rolfes: — It's a lease to purchase, right? Or lease to ownership?

Mr. Cutts: — That's a lease to ownership as well.

Mr. Rolfes: — Okay. Now, lease to ownership, the amount paid in rent when the term is up, does the government then own it, or is there an agreement to pay a certain amount after?

Mr. Cutts: — There would be an agreement to pay a certain amount after, because in any lease to purchase I think the tax requirements are such that you can't do it for a dollar, so there is some kind of bunching up so that the payment meets all the tax requirements.

Mr. Rolfes: — Do you not have some contracts where the

term of the lease, when the term of the lease expires you pay more all along, and then at the end, when the last year is up, you own the building without any additional amounts being paid?

Mr. Cutts: — I don't think you can do that, Mr. Chairman, because of . . .

Mr. Rolfes: — Okay, fair enough. Can you tell me what the building cost? What was the cost of the building?

Mr. Cutts: — We wouldn't have that, Mr. Chairman, because it was lease to purchase. And we wouldn't know exactly what his costs were. We would have, I believe, a budgeted figure, but again I don't have that with me because we were dealing with this as a rental project.

Mr. Rolfes: — I really would like to know that because in order for us to determine whether or not you're getting a fair rent, I think we need to know that. And am I right in saying that there's a substantial amount to be paid at the end of the lease for the government to own that building?

Mr. Cutts: — I would not think it would be termed a substantial amount in terms of the overall deal, Mr. Chairman.

Mr. Rolfes: — Okay, can we get the particulars of that deal? I'd really like to pursue that further next day, if we could.

Mr. Cutts: — I will attempt to gather the information and, again, attempt to find out what we can share on those details and be prepared to bring that back.

Mr. Rolfes: — The same thing would apply to the Wolseley . . .

Mr. Cutts: — Those are the two in question.

Mr. Rolfes: — Yes, those are the two that I'm interested in right now. Okay?

Mr. Lyons: — Okay. Yorkton Broadcasting Co. Ltd..

Mr. Cutts: — That's some rental office space in the Broadcast Place in Yorkton. Mr. Chairman, the principals are Buffalo Investments Inc., Laurence Investments Canada Ltd., George Gallagher, and Ed Laurence.

Mr. Lyons: — And that was the rent. During that year was it occupied for the total year?

Mr. Cutts: — Yes, it was, I believe so, Mr. Chairman.

Mr. Lyons: — And which offices were occupying that . . .

Mr. Cutts: — Who were the tenants, Mr. Chairman? The Department of Highways, the Department of Consumer and Commercial Affairs, Saskatchewan Alcohol and Drug Abuse Commission, Saskatchewan Property Management Corporation, Department of Justice, Department of Tourism, Small Business, and Co-ops, Mr. Chairman.

Mr. Lyons: — So basically most of the provincial services

provided in the city of Yorkton were occupying that space.

Mr. Cutts: — No, I believe the Parkway building had, that we talked about, you know, the Parkland Data Building had significant government services in as well, Mr. Chairman.

Mr. Lyons: — The 48719 Saskatchewan Ltd.

Mr. Cutts: — That's the Rolar Building, and I don't know if I got an address on that, Mr. Chairman. It's 1102 - 17th Street West in Saskatoon. The Department of Health occupy it, and Robert and Veronica Armbruster are the shareholders, Mr. Chairman.

Mr. Lyons: — And that was for a full year's occupancy as well?

Mr. Cutts: — Yes, I'm pretty sure, Mr. Chairman. I don't believe that was a new building. I think that's been around for some time as well.

Mr. Lyons: — Okay, 571424 Saskatchewan Ltd.

Mr. Cutts: — That's the Pollock Building, Mr. Chairman. It's in 603 Main Street in Kipling. The shareholders are Andrew Balfour and Eric Pollock, and the tenant is the Department of Health, Mr. Chairman.

Mr. Chairman, I have the information on the equipment repair depot in Rosetown that was asked relative to the term. It was January 1, 1986, and it was a 15-year lease.

Mr. Lyons: — Could you go and read that information again please.

Mr. Cutts: — It was a January 1, '86 term starting on that date, and it was a 15-year term . . . I'm sorry, July 1.

Mr. Lyons: — July 1, '86.

Mr. Cutts: — Yes.

Mr. Lyons: — So basically it was some nine months. That payment was made over nine months for nine month's occupancy, a 15-year lease.

Mr. Cutts: — Yes.

Mr. Rolfes: — I'd like to turn back to Sturdy Stone Centre Merchants Association Inc. What was that 46,683? What was that paid for?

Mr. Cutts: — There was miscellaneous contractual services, I believe, in the year under review, Mr. Chairman. We did some upgrading on both the interior and exterior of that facility to have a better profile for the merchants; that it was really a retail mall in there rather than just an office building. And it was some service we provided for the merchants to . . .

Mr. Rolfes: — Was that year when the government took out some of the retail business that the government had in there? I'm referring specifically to the liquor store that was in there which was one of the main attractions getting

people into the Sturdy Stone Building. Now was that year it was taken out?

Mr. Cutts: — I don't have that information, Mr. Chairman, but I'll attempt to gather it. I believe it was the following year, but I don't know for sure.

Mr. Rolfes: — That really was a big blow to the merchants in there when that was taken out because that took out . . . you know, immediately the traffic went over to Second Avenue where the liquor store was relocated, and it really, you know, the merchants really suffered from that decision. And I just still don't know why that decision was made, but . . .

Mr. Cutts: — Well, Mr. Chairman, I believe, if you talk to the merchants, that it was not a big blow.

Mr. Rolfes: — Oh I have talked to the merchants, and the merchants have talked to me, Mr. Cutts. That's why I'm saying it.

Mr. Cutts: — We had several meetings with them. The liquor store exit was on the exterior of the building, very little if any traffic came into the building, and the traffic that did come into the building were the people that would loiter, waiting for the liquor store to open in the morning, and that was their main concern. And now we have a tenant in there that has an interior access to use that facility, and the mall is within, I believe, 2,500 square feet of being full, Mr. Chairman.

Mr. Rolfes: — Just a comment on that, Mr. Cutts. I mean, I think I was very close to the situation, and I know that the merchants did suffer, and many of them went belly-up because of the decision and had to leave and fold their business.

But that's . . . I'm not here . . . I mean, sure, one of the drawbacks of the liquor store was that there wasn't an entrance to the . . . from the inside of the mall, but that could have easily been corrected without having to take it out, as was done with the new merchant. But I don't think going to the Sturdy Stone . . . What is now one of the big attractions of the Sturdy Stone is the farmers' market. They brought that in and you go there Saturday mornings and there are lots of people there for the farmers' market, and consequently the merchants feel much better about it now, the merchants that are in there now. But there is no doubt that they lost, and we . . . I mean, as an MLA I was contacted by a number of merchants who were very concerned, and some simply folded and went somewhere else.

But having said that, I wanted to know what the . . . this was just for the upgrading, and this was in part due to the fact that the merchants put pressure on the government, saying, hey, you've got to do something now to bring people back.

And I simply wanted to congratulate you people on at least doing that for the Sturdy Stone . . . (inaudible interjection) . . . No, I did. I did want to do that because many of those merchants . . . As I say, I met with them on several occasions and we were at a loss as to what to do to bring that business back again. And so on behalf of the

merchants, I do want to congratulate you people in at least making that decision again in building up the outside and the inside. I still think it was the wrong decision that was made.

Mr. Cutts: — I think, Mr. Chairman — and I definitely don't want to get into an argument on it either — I think the problems with the merchants were that it was an office building that didn't have a perception of a mall. And the liquor store, whether it was in there or not, a number of the merchants were in trouble mainly because there was very little perception that there was a shopping centre in the building as much as anything. And you know, we could argue about what the Liquor Board did to it, but some of them were in trouble while the Liquor Board was even there, Mr. Chairman.

Mr. Rolfes: — That is true. I don't argue with you on that, but I thought other decisions could have been made to help out the merchants rather than the one you made . . . (inaudible interjection) . . . No, it's the year under review.

Mr. Lyons: — I wonder if I can go back, Mr. Chairman, go back to the West Central Developments Ltd. now that we have an answer. The 319,000 was paid to West Central Developments Ltd. for nine months occupancy. Was that building . . . is that a lease to purchase or a rent to purchase program or is this straight rental?

Mr. Cutts: — It's straight rental, Mr. Chairman.

Mr. Lyons: — Straight rental. What is the size of that building?

Mr. Chairman: — While Mr. Cutts is searching for that answer, I just might point out that it's our purpose to question departmental officials, and although discussion between members of the committee and officials about the retail market in Saskatoon and the like are interesting for committee members, we are encouraged to think in terms of questions as opposed to a bit more wide-ranging discussion. Thank you.

Mr. Cutts: — Well, Mr. Chairman, my staff are trying to provide that information. We have some disagreement on what it is. We'll sort it out and get right back.

Mr. Lyons: — That answer is vital to my next question.

Mr. Cutts: — From the best of records we have here it looks like a straight lease. If there's questions continuing on that . . . but I will get back to you if it is not a straight lease.

Mr. Lyons: — Well you're paying . . . Mr. Cutts, this is a . . . it would be funny if there wasn't so much money involved in it. I mean, now wait a minute, you're either paying a straight lease, which was not a lease to purchase, or is that correct? When you say lease, it's just a straight rental agreement based on a 15-year lease?

Mr. Cutts: — We're saying it's a straight rental based on a 15-year lease.

Mr. Lyons: — Right. Now in terms of details of that lease . . . no, let's go back to the beginning. If it is a straight lease,

as you maintain that it is, did your department do an analysis as to the cost-effectiveness of leasing for 15 years, roughly for \$7.5 million, or of the fact of constructing the building . . . having the building constructed. This is a Department of Highways building, right?

Mr. Cutts: — That's right.

Mr. Lyons: — Where you store machinery for a certain period of time. And 15 years is not an unreasonable length of time to expect that the building would last. Did you do an analysis of construction and amortization versus straight lease?

Mr. Cutts: — Mr. Chairman, I'm not sure whether we would have done that detail analysis on that particular facility. I believe the reason why we went lease as much as anything was that, in terms of trying to do some planning, in 15 years do you really want to own an equipment repair depot in Assiniboia versus if you do any amalgamation or reallocation of equipment to Saskatoon and Swift Current? There were those types of questions and items that were in the discussion at the time, and we felt a 15-year lease gave us the best economic deal, and after 15 years you can always negotiate a buy anyway.

Mr. Anguish: — After paying them seven and a half million. My goodness.

Mr. Lyons: — Well what I'm asking, Mr. Cutts, is I'm not . . . I don't know whether you made that decision or not; I suspect it was made in other places. But all I want to know is whether or not it was reduced. Is there some kind of analysis done of option A versus option B, and the subset of options within each of the prime options? In other words, did you do it?

Mr. Cutts: — I'm not sure whether we did on that, Mr. Chairman.

Mr. Lyons: — Now if you did do it, will you provide that to the committee?

Mr. Cutts: — If we did do it, Mr. Chairman, and we can provide it, we will provide it.

Mr. Lyons: — Well, once again, if you can provide it. Will you tell us if you can't provide it as well? If it was done, first of all; and secondly, if you can or can't provide it.

Mr. Cutts: — Certainly we'll do that, Mr. Chairman.

Mr. Lyons: — That's good, although I'd be very, very interested to see the economic analysis done on that. It's just . . .

Mr. Cutts: — Well, Mr. Chairman, I think the thing that we have to consider is something that governments haven't done in the past on any buildings they've purchased, where all the interest and cost that we are now making evaluations on. I think it's a whole lot more business-like way of making those decisions when you've put all those costs in.

Mr. Lyons: — I wouldn't necessarily disagree with that,

Mr. Cutts, but there is also other costs associated with doing it the other way. And that's what I want to . . . I mean that's the debate; that's basically the debate. Is it cheaper to have the private sector to do it versus to have it done publicly and amortized and have money . . . allocation of resources and so on and so forth. That's a straight cost benefit analysis and that's what I'm asking whether or not that had been done.

Now, the central vehicle agency revolving fund payments. Are you responsible for . . . the department responsible for the overseeing and disbursement of all those funds?

Mr. Cutts: — Yes we are, Mr. Chairman.

Mr. Lyons: — Okay, so it's in order to ask regarding the central vehicle revolving fund payments on page 448 and 449. There's one in particular I'd like to ask about and that concerns the 8.6 million paid to Canadair. I presume that's for the CL-215s.

Mr. Cutts: — Yes it is, Mr. Chairman. It includes perhaps 7.9 million for the payments, shop and hangar equipment of 70,000, aircraft engine of 141,000, and aircraft parts of 590,000 — all connected with the CL-215s, Mr. Chairman.

Mr. Lyons: — Do you know, Mr. Cutts, and I don't think that it was your . . . well maybe it was you that made the decision to purchase it. Was it CVA that made the decision to purchase that or was that made by the Minister of Parks and Renewable Resources?

Mr. Cutts: — I believe, and I don't know when it goes back to, Mr. Chairman, but there was some federal-provincial agreement made at ministerial level that there would be a Canadian fleet of aircrafts put together where in Saskatchewan's place it was we bought two and the federal government leased us two for a dollar. I'm not sure a dollar each or a dollar . . . with the buy-out option for a dollar and a half.

Mr. Lyons: — Do you have the details of that lease agreement, or is that done in another loan?

Mr. Cutts: — That's the nub of it, Mr. Chairman, that the two from the federal government are for a dollar.

Mr. Lyons: — And the operating costs are assumed by the province?

Mr. Cutts: — Yes.

Mr. Lyons: — Do you have any idea what the operating costs were in that year under review?

Mr. Cutts: — We just got them in, I believe, in March of '87 and so they were just beginning operating for the '87 summer season, Mr. Chairman. I think the two — I'm not sure which two came in. The federal government's came in first; ours came in later, came in later in that year.

Mr. Lyons: — Okay. I notice another one for Dave Longpre, 34,517.86?

Mr. Cutts: — He's a contract pilot, Mr. Chairman. He would be one of the water bomber pilots that we contract seasonally, obviously, I hope.

Mr. Lyons: — And Mr. Longpre, you say, flew during that particular year?

Mr. Cutts: — I'm sorry.

Mr. Lyons: — Mr. Longpre flew in this year under review?

Mr. Cutts: — Yes, he would have. Well not the CL-215s, but . . .

Mr. Lyons: — No, no, not the CL-215s. I think he flies the other from . . .

There was one payment made to the Receiver General for Canada — the tax guy. What was that payment made for?

Mr. Cutts: — There was some publications that we'd purchased from the Receiver General; it's from Supply and Services, I guess, and the cheques are made out to the Receiver General for \$2,800. And we pay federal sales tax of 612,000 of that, Mr. Chairman . . . that we have to pay federal sales tax on any vehicles we lease through us to Crown corporations. Any that we lease to within the government, there is no federal sales tax, and so we buy them federal sales tax exempt.

Mr. Lyons: — For 614,000?

Mr. Cutts: — Yes.

Mr. Lyons: — Impressive number. There was one other. Oh, Athabaska Airways Ltd.

Mr. Cutts: — We, Mr. Chairman, charter aircrafts from Athabasca to do bird-dogging for the water bombers and the trackers, and that would be contract services in those cases. There's \$100 for gas and oil that we had an exchange or something on.

Mr. Lyons: — I notice that some of the air companies in northern Saskatchewan get contracted to do surveys with Energy and Mines. The payment, would that come out of the Energy and Mines budget or . . . that wouldn't come out of CVA?

Mr. Cutts: — Okay, that would come out of Energy and Mines, I guess.

Mr. Chairman: — Can I just ask you, Mr. Cutts, Richard's Auto Body & Paint Shop, an expenditure of some \$14,000 — was that work tendered?

Mr. Cutts: — Yes, it was tendered, Mr. Chairman.

Mr. Chairman: — Was that a public or invitational tender?

Mr. Cutts: — Mr. Chairman, we believe they're — from best recollection, they're invitational tenders.

Mr. Chairman: — And can you provide this committee with a list of the others who tendered for the work in

question, and the bids received?

Mr. Cutts: — I guess, Mr. Chairman, I'm not sure. The information here is for preparing vehicles that are resale, putting them into some type of resale condition. So it would be pounding out a few dents, and doing a little painting jobs here and there. If that's the information you want on who the tender is, we can provide you who we had on the invitational tender.

The tender information comes in based on the rates that are provided based on labour and material. I'm not sure whether we can provide that, but if we do provide it, we'll provide it. And then it also — the factor taken is can each of those shops, as the work comes up, handle the business that we need so we could . . . Even the low tender may be, in this case Richard's Auto Body, if the volume of his work was such that they couldn't handle it, we would go to somebody else.

So it's spreading the business among the best rates, and I believe, Mr. Chairman, we would try to use the best rates in negotiating with other contracts as well — other auto bodies. We'll provide you with what we can.

Mr. Chairman: — My concern in this . . . and I appreciate that. I have the same questions for Wascana Auto Body & Paint Shop, again an expenditure of some \$14,000. My concern is that whether the taxpayers got the very best deal possible in this work that was done, and whether there might have been a cheaper alternative. And any information that you may be able to provide me that would help me to answer that question and to determine what happened in this case would be most helpful. And therefore any and all information that you can provide . . . and I will accept that you will provide that later, and that your department may be recalled and that we may put further questions to you about these particular tenders.

Mr. Cutts: — We will attempt to get that, Mr. Chairman. I believe through the process we have, that we are getting the best deal for the taxpayers' money on these types of projects.

Mr. Chairman: — Okay. I just have a couple of other ones. Second, can you provide me a listing of all out-of-province travel done by the ministers listed on page 444, unless of course this information has been provided already to the Legislative Assembly. But I would like a listing then of all the out-of-province travel done by the ministers, including who accompanied the minister on the trip, the total cost of the trip, the destination of the trip, the number of days the trip took, and a brief explanation of the purpose of the trip.

Mr. Cutts: — That was all provided, Mr. Chairman, already.

Mr. Chairman: — It has all been provided?

Mr. Cutts: — Yes it has been.

Mr. Chairman: — Okay, I thank you for that.

Mr. Cutts: — Well it was provided in the fashion that was asked at that time in Committee of Finance.

Mr. Chairman: — In estimates?

Mr. Cutts: — Yes.

Mr. Chairman: — Okay. In estimates, how would you be able to provide a list or . . .

Mr. Muller: — Each minister has people who . . . (inaudible) . . . ask that question, and the minister supplies that information in each set of estimates.

Mr. Chairman: — Well how would a minister be able to tell, like, he's going to take a trip later in the year and who's going to accompany him, the purpose of the trip, and so on?

A Member: — That question's always asked in estimates.

Mr. Chairman: — Okay, I take your word for it. If the information has been provided, then it has been provided, and if not, we can always come back to that.

Thirdly, I just want to ask you . . . This morning you've been most helpful in being able to provide us with the names of principals involved and those who rent or provide space to the government. And you've made the comment at one point, this is not information that we ask in all cases . . . or are asked for in all cases from suppliers and so on, but we have it in these cases. Is this information being provided solely for the committee, or are there other reasons that you would ask for this information, from suppliers and so on?

Mr. Cutts: — This is provided in anticipation of the questions, Mr. Chairman.

Mr. Chairman: — Were others provided during the course of this year, the year under review, with a list of all these principals and those who provided services or space of the government?

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

Mr. Chairman: — Would others have been provided with a list of all those who provided service to the government and the principals of the companies that provided the service to the government through Supply and Services?

Mr. Cutts: — Again, others meaning . . .

Mr. Chairman: — Any others outside of the department.

Mr. Cutts: — Oh no. No.

Mr. Chairman: — This information goes nowhere else outside the department then?

Mr. Cutts: — No, I don't think it ever happens, Mr. Chairman. Certainly not this comprehensive list that we have here has never been provided to anybody that I'm aware of.

Mr. Chairman: — Okay. I have no further questions.

Are there are any other questions? If not, we're just past 10:30 — we're at 10:35. And I want to say first of all that I want to thank you, Mr. Cutts, for providing the clock. You're a man of your word. You said you'd get us a clock and you got us a clock, and it works. And I want to thank you for that.

I also want to compliment you, and I mean this sincerely, on the fact that you and your officials are very well prepared for these hearings. And that's of some assistance to the committee, to have officials come here who are prepared to answer questions, and that's appreciated.

Mr. Neudorf: — An exemplary performance.

Mr. Chairman: — The committee has no further questions at this time. It may be possible, depending on some of the answers that you've agreed to provide in writing, depending on those, it may be necessary to recall you at some future time. I don't know when that might be, but I would simply advise you of that. And having said that, I want to thank you and your officials for being with us.

Mr. Cutts: — Thank you, Mr. Chairman.

Mr. Chairman: — In terms of the committee, we have a motion, but we can deal with that the next day. Shall we table it?

A Member: — We can't table a motion we haven't moved.

Mr. Chairman: — It hasn't been moved so we'll just deal with it next day.

The committee adjourned at 10:36 a.m.