

**Mr. Chairman:** — We have before us this morning, the Liquor Board. We also have SPMC (Saskatchewan Property Management Corporation) waiting on deck this morning and we have a couple of items to deal with that we'll be asking the auditor to comment on.

One of them is a special report that he has put together for the committee comparing his recommendations from the Gass recommendations, and the other one is a response from ISM (Information Systems Management Corporation) to a request by the committee. So perhaps in the break between the Liquor Board and SPMC, we'll deal with those two items. And this should only take about 5 minutes.

We'll call the committee to order and resume discussions with the Liquor Board.

### Public Hearing: Saskatchewan Liquor Board

**Mr. Chairman:** — Perhaps I'll kick it off. Mr. Weber, last time we met we were discussing a number of things. One was the area of the Big Valley Jamboree that the auditor made comments on in the special report. And I have a few questions for you pertaining to that, given some of the comments that you made last week.

I'm wondering if you would have for the committee, an indication of what government offices or organizations received passes and was there a distribution list for those passes in the year under review?

**Mr. Weber:** — We have a distribution list, Mr. Chairman, for 1989 that I believe we supplied to the committee. As far as I'm aware the government departments involved were the Liquor Board and the Department of Tourism.

**Mr. Chairman:** — Okay, and what about 1990?

**Mr. Weber:** — In 1990 . . . We don't have an invitation list for 1990, Mr. Chairman, but I believe the government departments were the same, the Liquor Board and the Department of Tourism.

**Mr. Chairman:** — Do you know who in government offices or organizations the passes were designated for in those two years under review?

**Mr. Weber:** — They went through the ministers' offices. Who exactly were given the passes, Mr. Chairman, I'm not aware. The passes that came to the Liquor Board were through the chairman's office and then distributed from there. But the other departments I'm not aware of who they went to.

**Mr. Chairman:** — Was there anything at the time that they were sort of thought of . . . were these passes, were there any indication that they weren't transferable, or were they . . . Were there any stipulations attached to these passes when they, for instance, were passed out inside the Liquor Board to the various employees?

**Mr. Weber:** — As far as I know, Mr. Chairman, they were passed out to individuals. Whether or not they were transferable, I'm not aware. I know there was a wristband

attached to some of them for identification purposes and I don't think they were transferable, but I can't say for sure.

**Mr. Chairman:** — Would you have a list of the Saskatchewan Liquor Board employees who, including their job description, who received complimentary passes for the two years under review?

**Mr. Weber:** — Yes, we would have a list of the Liquor Board employees. They would have gone primarily to out-of-scope managers and some of our staff who are working at the trailer, hosting.

**Mr. Chairman:** — Were you ever there?

**Mr. Weber:** — No, I wasn't there, Mr. Chairman.

**Mr. Chairman:** — In the two years under review?

**Mr. Weber:** — No, Mr. Chairman.

**Mr. Chairman:** — You would have no idea then of who . . . the types of people that were attending the two trailers that are mentioned in the special report by the auditor.

**Mr. Weber:** — I have no idea exactly who was there because I wasn't in attendance. With the list we have from 1989 there were a number of individuals and companies on the list who were given complimentary passes. Whether or not they actually used the passes and attended, I have no way of knowing.

From talking to the staff who were in attendance at the trailer, there were various and sundry individuals representing different companies, in some cases other provinces, those kinds of things.

**Mr. Chairman:** — Mr. Weber, you made the assertion last week in the committee that there was no tangible benefit arrived by the Saskatchewan Liquor Board by participating in Big Valley. Do you still hold to that statement?

**Mr. Weber:** — As far as I'm aware, Mr. Chairman, there's no tangible benefit to the Liquor Board.

**Mr. Chairman:** — What would be the volume of sales, Mr. Weber, in dollars to Big Valley Jamboree by the Saskatchewan Liquor Board?

**Mr. Weber:** — Oh, off the top of my head, Mr. Chairman, I can't say. I can get that figure for you. As far as total sales to the Big Valley are concerned, there would be the Jack Daniel's Saloon that we would provide . . . sell product through obviously, and for the beer gardens as well. We don't have an exact figure, but we can certainly get one for you.

**Mr. Chairman:** — Somebody mentioned a figure to me. I believe it was either '89 or '90 that it was somewhere in the range of 20,000 dozen cases of beer.

**Mr. Weber:** — That doesn't sound unreasonable, Mr. Chairman.

**Mr. Chairman:** — What would be the dollar value say on 20,000 cases of beer?

**Mr. Weber:** — If we're looking at about \$15 dozen retail, you're looking at about 350,000, somewhere in that neighbourhood.

**Mr. Chairman:** — Is it normal in the liquor business that beer companies and others do promotion?

**Mr. Weber:** — Yes it is, Mr. Chairman.

**Mr. Chairman:** — So it is quite reasonable that the people that Saskatchewan Liquor Board deals with on an ongoing basis, often in the promotional business of their product?

**Mr. Weber:** — We deal with the industry on a regular basis, Mr. Chairman. Yes.

**Mr. Chairman:** — Is it not a fact, Mr. Weber, that Saskatchewan Liquor Board and the Tourism department were hand in hand together in the Big Valley Jamboree over a number of years, usually situated side by side, often with similar guest lists, that type of thing?

**Mr. Weber:** — To the best of my knowledge, that's correct, Mr. Chairman.

**Mr. Chairman:** — It would seem to me that the ability of the Saskatchewan Liquor Board to monitor liquor consumption and its use at Big Valley was enhanced by having employees there. Would that be a fair statement?

**Mr. Weber:** — No, Mr. Chairman, I don't think that would be a fair statement. The employees that we had working at the VIP (very important person) trailers really had no activity or weren't involved in any activity with the monitoring. Whether we had a trailer and were providing a hospitality area does not affect the amount of sales that we had at the Big Valley, nor would it affect the way we would supervise and/or monitor the activities.

Our inspection staff would be there. We liaise pretty closely with the RCMP (Royal Canadian Mounted Police) as well and with the organizing committee in order to try and anticipate difficulties that would occur, and then make sure that there are appropriate enforcement people and/or inspectors on site to deal with those situations.

**Mr. Chairman:** — So what you're saying to me, that none of the individuals in the Liquor Board who were there in the two years under review did any monitoring or sort of checked out usage of liquor on the grounds.

**Mr. Weber:** — Those people who were working at the trailers and hosting did not monitor or work on the enforcement side at all. We did have employees there who were tasked with doing that, yes, but they were separate and apart.

**Mr. Chairman:** — Where do you get that knowledge from, Mr. Weber?

**Mr. Weber:** — From the licensing department at the Liquor Board where we have our inspection staff.

**Mr. Chairman:** — And yet you weren't there yourself to actually see who was doing what?

**Mr. Weber:** — No, Mr. Chairman, I was not.

**Mr. Chairman:** — Because my information, Mr. Weber, is that one of the concerns of Big Valley over its formative years was that there should be a stronger presence by the Liquor Board, given the way that people were consuming alcohol, and that it was felt necessary for the Liquor Board to have a stronger presence there. And you disagree with that statement totally?

**Mr. Weber:** — No, as far as a presence is concerned, we always have a presence at these functions. However the main enforcement duties fall with the RCMP and there is a security staff that are there with the Big Valley organizing committee. And we take part in the organization as far as setting up what security should be there, what format the beer gardens should take, how the product should be sold, what type of product should be sold, and we have a presence there with our inspectors.

But with a small inspection staff employed by the Liquor Board, it's not practical nor possible for us to supervise the activity in a major way. And it does fall, as do other major functions, with the RCMP and the other enforcement agencies to deal with it, those that have the authority under the Act to lay charges and to deal with infractions.

**Mr. Chairman:** — As far as the two years under review, you're simply going on the word of others because you had no personal presence?

**Mr. Weber:** — That's correct, Mr. Chairman. And nor was I directly involved from the point of view of the board. At the time, licensing was not part of my jurisdiction. And that's in talking to the staff since the time as a part of the review that we're conducting.

**Mr. Chairman:** — I see. So you would have no knowledge of how many out-of-town guests, that type of thing, attended the Liquor Board hospitality area at all.

**Mr. Weber:** — No, Mr. Chairman.

**Mr. Chairman:** — You would have no guest registers or anything that you personally viewed. You don't know . . .

**Mr. Weber:** — No, Mr. Chairman. I have the guest list of the invitation list that was sent out. But as far as personal knowledge of who actually attended, where they were from, and those kinds of things, no, I was not consulted.

**Mr. Chairman:** — So there could have been 10, there could have been 100, there could have been 1,000 — you wouldn't have any idea.

**Mr. Weber:** — We can get an idea from the amount of usage of the trailers. But as far as specifics, no, Mr. Chairman, I have no idea.

**Mr. Chairman:** — Would you have a list, Mr. Chairman, of passes that were returned, for instance, or individuals

who declined passes in the years under view?

**Mr. Weber:** — No, Mr. Chairman.

**Mr. Chairman:** — You wouldn't have that either. Anyone else?

**Mr. Cline:** — I have a few questions just arising out of that, Mr. Chairman. Mr. Weber, were any of the individuals who were given free passes to attend the Big Valley deputized by the Liquor Board to monitor the enforcement of liquor regulations?

**Mr. Weber:** — Our inspectors would have been given passes to be on the grounds without having to purchase a ticket. And they are in the performance of their duty at that time. But as far as the other guest list is concerned, no, there weren't any special considerations given or powers bestowed on individuals to supervise the grounds.

**Mr. Cline:** — I take it these inspectors you're referring to are in the course of their employment and being paid for their attendance at Big Valley as well. Is that correct?

**Mr. Weber:** — That's correct. The same it would be for any other major function. For example, with Taylor Field, the inspectors are given passes to be on the grounds without having to incur any expense to do so.

**Mr. Cline:** — But in so far as free passes to individuals other than persons acting in the course of their employment, they would play no role in monitoring the enforcement of liquor regulations at the Big Valley. Is that right?

**Mr. Weber:** — To the best of my knowledge, that's correct.

**Mr. Cline:** — And would the provision of free passes and free liquor to cabinet ministers and others have any effect one way or the other on the profit that the Liquor Board would make by selling liquor and beer and wine at the Big Valley?

**Mr. Weber:** — No, I don't believe it would have any effect.

**Mr. Cline:** — And is the monitoring of liquor regulations enhanced by the provision of free passes or free liquor?

**Mr. Weber:** — To the best of my knowledge it is not, Mr. Chairman.

**Mr. Cline:** — Those are my questions, Mr. Chairman.

**Mr. Lautermilch:** — Has the Liquor Board got a promotions budget? Do you do promotions, as an example, the same as oh, Labatt's or Molson's might? Is that . . .

**Mr. Weber:** — Not in the same way. We have a merchandising budget for our retail stores. And we have promotions and programs, display programs, running in conjunction with the industry on a regular basis, and that's done on a program basis in our stores only.

**Mr. Lautermilch:** — So then it's not part of what you do, that you would promote at oh, a sports ground or at Big Valley?

**Mr. Weber:** — Not as far as promoting product. No, we don't do that.

**Mr. Lautermilch:** — Okay. That's the only question I have.

**Mr. Kujawa:** — I missed your previous testimony so if this is a repeat, forgive me.

The Liquor Board is set up with a purpose in mind. The sole purpose of it is to sell alcoholic beverages. Is that not correct?

**Mr. Weber:** — That's one of the objectives. We also are charged with the control of the sale of alcoholic beverages and the importation of product into the province.

**Mr. Kujawa:** — So that's part of the selling of the product, right?

**Mr. Weber:** — That's correct.

**Mr. Kujawa:** — Is there anything in whatever sets up the board that empowers you to give any of your product away?

**Mr. Weber:** — I'm not aware of any specific provisions that empower us to give any product away, nor am I aware of any that say we cannot.

**Mr. Kujawa:** — I have no further questions.

**Mr. Chairman:** — Mr. Weber, a couple of other areas that I want to touch on . . . (inaudible interjection) . . . Is this on Big Valley?

**Mr. Anguish:** — Yes, on the same thing.

**A Member:** — Okay.

**Mr. Anguish:** — So just a few quick questions. How many employees of the Liquor Board were actually there at the hospitality suites?

**Mr. Weber:** — I believe that over a period of time four to six employees would switch off. At any one time there would probably be three staff members there, and I believe in total there were six involved over the two years that we're looking at.

**Mr. Anguish:** — Were they paid while they were there?

**Mr. Weber:** — Yes, they were paid.

**Mr. Anguish:** — Were they paid overtime?

**Ms. Alexander:** — Only for the in-scope staff that may have been there on the weekend. Otherwise that was mostly management staff and there was no overtime incurred.

**Mr. Anguish:** — Were there expenses paid in addition to salaries?

**Ms. Alexander:** — Per diems. And mileage if the individual was driving back and forth to pick up supplies.

**Mr. Anguish:** — In the four days that some employees, who had been there, what would be an average amount of expense paid to them?

**Mr. Weber:** — One was \$155, another for 157, and another for \$90, so we're looking at anywhere around \$125 give or . . . as an average, Mr. Chairman.

**Mr. Anguish:** — I guess the 1991 jamboree isn't in the year under review, is it? We're reviewing up to March 31, 1991. Is that correct?

**A Member:** — Right.

**Mr. Anguish:** — So the '91 jamboree would fall outside of the questioning. I have no further questions on this, Mr. Chairman.

**Mr. Chairman:** — Mr. Weber, to your knowledge did the Saskatchewan Liquor Board in the past — like other Crowns for instance, where they bought blocks of Rider tickets in the mid-to-late '70s — did the Saskatchewan Liquor Board engage in that practice also?

**Mr. Weber:** — We had seasons tickets for the Riders. There were four of them that were purchased, I believe, in the late '80s. In the late '70s, early '80s there was very little donation activity and sponsorship done by the board by virtue of policy, simply because again, once we start to make those kinds of donations, it's difficult to draw the line as to which organizations are eligible and which are not. So the board participated in the last few years with Rider tickets.

I believe there was a sponsorship to the Arabian horse show and I believe there were sponsorships to different charitable organizations as well for different functions that were held.

**Mr. Chairman:** — So you're sure that the Liquor Board didn't . . . like I understand SaskTel and Power and some of them would get blocks of 40 and 50 Rider tickets. The Liquor Board never engaged in that?

**Mr. Weber:** — No, the Liquor Board did not engage in that, and the primary reason again is that we're a little different type of organization in that most of the time when entertaining is done the suppliers are doing the entertaining as opposed to us entertaining suppliers.

**Mr. Chairman:** — To your knowledge has the Saskatchewan Liquor Board ever paid for the education of any individuals at American universities?

**Mr. Weber:** — I'm not aware of us paying any . . . to American universities, Mr. Chairman, but I'd have to check back.

**Mr. Chairman:** — This would be in the last 20 years.

**Mr. Weber:** — I'm not aware of any individuals. There's one individual comes to mind that did go to school and I'm not sure where. I can check and get back to the committee on that, Mr. Chairman.

**Mr. Chairman:** — Or someone who was employed . . . or on the payroll of the Saskatchewan Liquor Board attending an American university within the last 20 years?

**Mr. Weber:** — Again, Mr. Chairman, I have no personal knowledge of that, but we can check back and see.

**Mr. Chairman:** — Would you do that please?

**Mr. Weber:** — We shall. And you want to go back how far, Mr. Chairman? The last . . .

**Mr. Chairman:** — Well it would be sometime since 1972. I have no further information, questions. If no one else does, then . . .

**Mr. Anguish:** — I do. Just one thing, I'm wondering if you have a list of Mr. Yarnton's and Mr. Urness's expenses paid in the years under review and if you'd just table those with the committee.

**Mr. Weber:** — We have the, Mr. Chairman, and we can table summaries. We didn't bring sufficient copies at this time but we have the information.

**Mr. Anguish:** — Well if you could give them to the Clerk, and I guess the Clerk can make copies for us. And if we have any further questions, we would reserve the right to ask you, when you're called before the committee at some future date under the format of the *Public Accounts* and not under the special report, we may have further questions at that time. So we'll leave it at that.

**Mr. Chairman:** — Thank you, Mr. Weber . . . (inaudible interjection) . . . Soon as we deal with these two items.

I think, given the nature of the auditor's special report, normally after each department comes forward we would go to an *in camera* session and sort of finalize our view. But given that this report is quite focused and only covers a small range, my suggestion to the Clerk would be that we do our deliberations on the auditor's special report then do our clean-up session. Is that all right with the committee? Or do you want to do them piece by piece . . . (inaudible) . . . Well because the special report by the auditor is fairly focused onto a couple of areas and only covers a few areas of government, and normally after we dispense with the department we would break into a discussion about what we would like in a report. I'm suggesting that we deal with this special report for the auditor and then put our recommendations or that type of thing in place rather than dealing with it a piece at a time.

**Mr. Van Mulligen:** — Yes.

**Mr. Chairman:** — Do you have any problem with that?

**Mr. Van Mulligen:** — I just don't have any further questions of the Liquor Board, and my guess is that once we're completed our examination of a number of different witnesses, the committee may well come to

some conclusions about the auditor's report that it wants to . . .

**Mr. Chairman:** — Yes, well he's made a number of recommendations in there that we then need to deal with in an informative way.

**Mr. Van Mulligen:** — In his report.

**Mr. Chairman:** — Right, in his report.

**Mr. Van Mulligen:** — I would see dealing with those once we've finished with all the witnesses.

**Mr. Chairman:** — Right. There's a couple of pieces of business that we need to take care of here before the next group comes in. One is a letter that went to Mr. Gordon Garrett, chairman of Information Systems Management Corporation, at the request of the committee. I believe that's been distributed to the committee. That went out under my signature, with a number of questions attached. I think everyone's had time to look at the response and seek further direction from the committee in this regard.

The other item before us is a comparison made by the auditor at the request of Mr. Van Mulligen that would put his recommendations side by side with the Gass Commission recommendations — where they are similar, where they are different — so that as we go through deliberations in the future where both of these topics come up, it gives us an ability to compare and look at the differences and the sameness in government accountability on the recommendations of the two. And perhaps I can ask the auditor to make two short comments on both of these topics, if he wishes.

**Mr. Strelieff:** — Thank you, Mr. Chairman. On the document that we've tabled today, the comparison of the Gass Commission recommendations with items in our report, you requested this on May 26 to flag those issues in our report that are similar to those in the commission's report and to facilitate your work in the future. So we did that.

We've identified about 19 similar issues and prepared the report that we gave to you. On the left-hand side of the report is the relevant excerpt from our report, and then on the right-hand side is the recommendations or material that covers the same issue done by the Financial Management Review Commission or the Gass Commission. And the bottom of . . . after each issue is space provided to you to help you keep track of your views or questions on each of the issues as we move through it, and also on how the committee handles or disposes each of the issues that are contained in our report and the Gass Commission.

John Hunt, the person on my right here, is the person that's in charge of preparing this comparison, and is also monitoring the implementation of the Gass Commission's recommendations in the future; and will, as I said in previous meetings, will be preparing findings to be included in our next annual report on the adoption or implementation of the recommendations.

**Mr. Chairman:** — Any questions?

**Mr. Van Mulligen:** — I don't have any questions, just a comment to thank the auditor for this. And at the point that we do deal with the auditor's report, this analysis should prove to be most helpful.

**Mr. Chairman:** — Any comments on the letter from Information Systems? All right, we'll call the next group before the committee then.

Perhaps while we're waiting for them, last time we had the auditor make a brief comment of where that department appeared in the report and perhaps that would be worthwhile to have him do that now, as they're coming in.

**Mr. Strelieff:** — Okay, thank you, Mr. Chairman. Again we're just reviewing where in our report we refer to the Sask Property Management Corporation. And there's several reference to it beginning on page 13 where we report that nine people paid by SPMC were working for other organizations, for a total cost for the two years of 629,000. Four worked at the Executive Council, two worked at the Provincial Secretary, two at the Future Corp, and one at Sask Diversification Corporation. And that's the information provided to us by SPMC.

On page 14, in the middle where we say one person was paid by SPMC, and SPMC did not know what services this person provided or to which organization.

On page 17, near the bottom of the page where it indicates approximately 162 . . . \$163,000 was paid three companies for goods/services not received.

And then moving to page 22, near the top of the page where we note four items where SPMC provided goods and service to the Executive Council without charge.

And on page 23, at the top of page 23, we note a total of 446,000 was paid to other organizations . . . or services, goods and services were provided to other organizations without charge.

And we also note that some of the information that was provided to you by SPMC has . . . SPMC has adjusted some of their responses when submitting their information to this committee compared to what information they submitted to us. So you may want to ask the corporation to explain those adjustments to you.

Thank you.

### **Public Hearing: Saskatchewan Property Management Corporation**

**Mr. Chairman:** — Good morning, Mr. McMillan.

**Mr. McMillan:** — Good morning, Mr. Chairman.

**Mr. Chairman:** — I'll ask you to introduce your officials to the committee, please.

**Mr. McMillan:** — First of all to my immediate right, Norman Drummond, who is the corporate controller at Saskatchewan Property Management Corporation. To his

right is Rob Isbister, director of financial planning for the corporation. To my left is Barrie Hilsen, the assistant vice president of human resources.

**Mr. Chairman:** — Thank you. Before we begin our deliberations, Mr. McMillan, I have the duty as chairman to inform you of some things. Witnesses should be aware that when appearing before a legislative committee your testimony is entitled to have the protection of parliamentary privilege. The evidence you provide to this committee cannot be used against you as a subject of a civil action.

In addition, I wish to advise you that you are protected by section 13 of the Canadian Charter of Rights and Freedoms which provides that:

A witness who testifies in any proceedings has the right not to have any incriminating evidence so given used to incriminate that witness in any other proceedings . . .

The witness must answer all questions put 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 then distribute the document recorded as a tabled document. You are reminded to please address all comments through the Chair.

I would entertain a speaking list on the Saskatchewan Property Management Corporation.

**Mr. Anguish:** — In the years under review, in the numbers of people pointed out in the auditor's report, how many people were paid by SPMC but actually worked for the Executive Council?

**Mr. McMillan:** — Mr. Chairman, in response to the question, in respect of the two fiscal years a total of three persons paid for by Saskatchewan Property Management Corporation actually worked for the department of the Executive Council.

**Mr. Anguish:** — I'm sorry, what was the number?

**Mr. McMillan:** — Three.

**Mr. Anguish:** — And how many people in total worked for other organizations but were paid by SPMC?

**Mr. McMillan:** — A total of 10, Mr. Chairman, a total of 10 persons were paid by SPMC and worked for other departments of government.

**Mr. Anguish:** — And do you know at this time where each of those 10 people worked?

**Mr. McMillan:** — We know where 9 of the 10 worked.

**Mr. Anguish:** — Can you tell us where those nine people worked? You've said three worked at Executive Council. Can you tell us where the other six worked?

**Mr. McMillan:** — Three worked in the Executive Council, three persons worked in the premier's office, which I

should have clarified that answer earlier, that it's a total of six for the Executive Council — three in the premier's office and three in the department, as it's understood. Two persons worked for the Future Corporation, and one person worked for what was known as Fair Share Saskatchewan.

**Mr. Anguish:** — What about the other one person that nobody knows where they worked. Do you know who it is?

**Mr. McMillan:** — Yes we do.

**Mr. Anguish:** — I'm not necessarily asking for a name at this point. You haven't been able to determine who they are?

**Mr. McMillan:** — We did identify who that individual was, and we aren't absolutely certain as to who the individual worked for. We do know, however, that the individual worked here in the Legislative Building. It was to an office in this building that his monthly salary cheques were directed. That office was room 203 of the Legislative Building, which at that time was, and today remains, the offices of the government caucus.

**Mr. Anguish:** — Room 203 would be the government caucus office.

**Mr. McMillan:** — That's correct.

**Mr. Anguish:** — How long was this person on the payroll of SPMC?

**Mr. McMillan:** — The answer to the question, the corporation paid salary to this individual during the entire two fiscal years.

**Mr. Anguish:** — And what was that salary for each of the fiscal years under review?

**Mr. McMillan:** — He was paid a salary at the rate of \$2,925 per month for '90-91, and for '89-90 was paid a monthly salary of \$2,758.

**Mr. Anguish:** — What benefit did SPMC get from this individual?

**Mr. McMillan:** — We have no knowledge of the corporation deriving any benefit from the . . .

**Mr. Anguish:** — Why would Saskatchewan Property Management Corporation pay an individual that you got no benefit from and didn't know where they worked? Why would this person be paid continuously for a period of at least two years, you know, the two years under review, without someone questioning it?

You have the controller here with you today, who I believe was with the corporation during that period of time. You have the vice-president of human resources is here with you. Are there that many employees at the Property Management Corporation that a person could just continue to be paid for two years and never show up at SPMC?

**Mr. McMillan:** — Well in the situation related to this individual, the request came from a minister's office to the president's office, to the office of the president of Saskatchewan Management Corporation, that this particular individual be retained, that he be hired. And the corporation, following the instructions of the president, hired the individual and thereafter it was with the approval of the president and other officers of the corporation that monthly salaried payments were made to this individual.

**Mr. Anguish:** — Is there any documentation on file that the professional employees within the Property Management Corporation every questioned paying this individual?

**Mr. McMillan:** — Not to my knowledge, Mr. Chairman.

**Mr. Anguish:** — Who was the minister at the time of hiring?

**Mr. McMillan:** — The first period of time it was the Hon. Graham Taylor and the second fiscal year, '90-91, would have been the Hon. Jack Wolfe.

**Mr. Anguish:** — And the president of SPMC at that time?

**Mr. McMillan:** — In answer to the question, Mr. Chairman, Mr. Otto Cutts was the president of the corporation during the 12-month period of the fiscal year of '89-90, and Mr. Ron Dedman assumed the president's office in the very early portion of January 1990.

According to board minutes, the Dedman appointment was, I'm corrected, it was December of 1989.

**Mr. Anguish:** — Do you have knowledge as to what the work was that was performed by the nine other employees — the three of Executive Council, the three in the premier's office, the two at Future Corporation, and the one at Fair Share Saskatchewan — do you know what their duties were?

**Mr. McMillan:** — Yes, we do.

**Mr. Anguish:** — Can you tell us if the Property Management Corporation received any benefit whatsoever from those nine employees?

**Mr. McMillan:** — Mr. Chairman, I think that it would be fair to say that in respect of benefit derived by the corporation in respect of the nine employees there would be no ... the corporation derived no specific benefit from those employees.

**Mr. Anguish:** — The Property Management Corporation has paid out a considerable sum of money to people that they've received no benefit from. Has there been any thought as to recovering this money from the individuals who were paid, similar to the Liquor Board who currently has a civil action against an employee?

**Mr. McMillan:** — No, Mr. Chairman, there has not been any action taken with respect to efforts to collect monies paid these individual employees.

**Mr. Anguish:** — Is it something that that's being considered? Has the staff of SPMC recommended that it be reviewed by Justice or be reviewed by a private sector lawyer to determine whether or not the corporation can recover this money?

**Mr. McMillan:** — The answer to that question is no.

**Mr. Anguish:** — Can you tell us what job was performed by the three people in Executive Council?

**Mr. McMillan:** — Those three individuals are identified on material which the corporation submitted to the Clerk of the committee. I would identify them as ... they'd be identified as individuals B1 to B3 inclusive.

**Mr. Anguish:** — Yes, I'm sorry. I'd forgotten that you had provided that in writing. So those nine employees are all provided for in the documentation that you provided to the Clerk of the committee. Is that correct?

**Mr. McMillan:** — That's correct.

**Mr. Anguish:** — In regard to the Fair Share initiative of the previous administration, what was the total paid for by SPMC? Do you know what your budget suffered or what appropriations were made from your budget towards Fair Share?

**Mr. McMillan:** — Mr. Chairman, if I understand the question, the member is asking for an aggregate of the monies expended by SPMC for the Fair Share program in both fiscal years.

**Mr. Anguish:** — Yes, I would think that it would only fall under one of the fiscal years, but maybe there were expenditures under two fiscal years.

**Mr. McMillan:** — Mr. Chairman, in response to that question, for the fiscal year 1990-91, aggregate of expenditures made by SPMC in respect to the Fair Share Saskatchewan program was \$437,226. In respect to the fiscal year 1991-92, there's an amount of money that was paid by the corporation for Fair Share, but I don't have the answer to that question. I don't have the dollar figure.

**Mr. Anguish:** — Part of this was paid for, I understand, a strategy plan that was to be developed by Coopers & Lybrand.

**Mr. McMillan:** — That's correct.

**Mr. Anguish:** — Can you tell us the amount paid to Coopers & Lybrand for that strategic plan?

**Mr. McMillan:** — Mr. Chairman, payments made by Saskatchewan Property Management Corporation for services provided by Coopers & Lybrand were covered by three invoices in the calendar year 1991. The amounts of the individual invoices are as follows: \$6,908.15; 31,928; and the third one for \$22,774.

**Mr. Anguish:** — So in excess of \$60,000 SPMC paid for a study on Fair Share Saskatchewan. What benefit did SPMC get from that?

**Mr. McMillan:** — The corporation received no benefit from the particular work.

**Mr. Anguish:** — Why would you do it?

**Mr. McMillan:** — The corporation was instructed initially to underwrite or cover the costs of the Fair Share program. It was subsequently . . . in the subsequent fiscal year, from '91-92, an instruction of Treasury Board that the corporation cover the costs associated with Fair Share Saskatchewan.

**Mr. Anguish:** — Has SPMC ever undertaken any kind of review to determine how much of their budget was spent by intimidation of cabinet ministers and the president of the corporation on the employees?

**Mr. McMillan:** — I'd have to, Mr. Chairman, answer that by saying no. No study, no analysis has been undertaken, in answer to that question.

**Mr. Anguish:** — It would seem like there's substantial amounts, because any time we ask questions about SPMC where there seemed to be no authority for the payments, that came by directive from the minister through the president; and the employees, some of whom are with you today, just made it happen. And it seems like a large part of SPMC operated by intimidation to get the payments turned out.

I'm wondering if you could tell us, Mr. McMillan, what the Coopers & Lybrand study actually did. Did SPMC, for example, receive a copy of the Coopers & Lybrand study after having paid for it?

**Mr. McMillan:** — There's, Mr. Chairman, a fair bit of correspondence on the records of the corporation with regard to what services Coopers & Lybrand were to provide the corporation. To the very best of my knowledge, there is however no evidence in the corporation's records of an actual report provided by Coopers & Lybrand on the Fair Share proposal.

**Mr. Anguish:** — Who were the individuals that worked for Coopers & Lybrand that carried out the study? Do you know that?

**Mr. McMillan:** — There were identified six individuals on one aspect of the work undertaken by Coopers & Lybrand. If the committee wishes the names of those six individuals, we'd certainly place those . . .

**Mr. Anguish:** — These were employees of Coopers & Lybrand?

**Mr. McMillan:** — Either direct employees of Coopers & Lybrand or individuals retained by Coopers & Lybrand under a subcontract.

**Mr. Anguish:** — Could you tell us who those individuals are?

**Mr. McMillan:** — Our records indicate a D.C. Moors, a T. Embury, a K. Davison, an A. Kettle, an H. Van Alstyne, and an M. Roberts.

We then have on another invoice in addition to the names that I've already presented, a T. Stephen and a K. Matters. So a total of eight individuals, the names of eight individuals are identified with payments to Coopers & Lybrand.

**Mr. Anguish:** — Did the invoice break down the billing amount per employee that Coopers & Lybrand had working on the strategic plan?

**Mr. McMillan:** — It breaks down numbers of hours committed to the project by the individuals. And it doesn't indicate what fee each individual was billed at — at what rate each individual was billed at.

**Mr. Anguish:** — Does SPMC have any idea where the report went to?

**Mr. McMillan:** — We don't have actual knowledge of where any reports prepared by Coopers & Lybrand may have gone. We only presume that they were delivered to a project manager for Fair Share Saskatchewan or an official or public officer associated with Fair Share Saskatchewan. But the Property Management Corporation received nothing in the way of an actual report.

**Mr. Anguish:** — Was there liaison between the Property Management Corporation and Fair Share Saskatchewan? And if so, who communicated with each other between the two corporations?

**Mr. McMillan:** — Well they were . . . the individuals associated with Fair Share were our employees, were employees of the Property Management Corporation. So there was a liaison within the corporation between, for example, people that processed payment vouchers and individuals who submitted invoices from Fair Share.

**Mr. Anguish:** — Who headed up Fair Share then within SPMC?

**Mr. McMillan:** — The gentleman by the name of Art Battiste — B-A-T-T-I-S-T-E.

**Mr. Anguish:** — And how many employees worked under Mr. Battiste?

**Mr. McMillan:** — Mr. Chairman, there would be, to the best of my knowledge, five individuals directly paid for under the Fair Share program — four in addition to Mr. Battiste. I don't have the names of the individuals with me.

**Mr. Anguish:** — So in fact wouldn't there be more than 10 individuals that were paid by SPMC but didn't work there? Aren't there in fact then, another six people at least that did work for another organization, being Fair Share, but were paid for by the Property Management Corporation?

**Mr. McMillan:** — We did start paying for people associated . . . paying salaries for people associated with Fair Share Saskatchewan in 1991-92. Prior to that, in the previous fiscal year, individuals that worked with Fair Share were either seconded or paid for by SPMC but



provided a service to the Fair Share program.

In the fiscal year 1990-91 we paid a total of \$8,261 for salaries and benefits. The bulk of the payments for that fiscal year, the figure that I provided to the committee earlier of 437,226, was made up of professional fees that were billed to the corporation that involved payment to individuals.

**Mr. Anguish:** — I'd like to go back to the Coopers & Lybrand study. The invoice that you got for . . . I think you said 31,000—and-some-odd dollars, what was the total number of hours that was billed to the corporation for that invoice?

**Mr. McMillan:** — Mr. Chairman, the total number of hours billed for the total of \$31,928 is 140 hours.

**Mr. Anguish:** — And which of the Coopers & Lybrand people billed the most hours?

**Mr. McMillan:** — Well a T. Embury led the list at 63.5 hours followed by D.C. Moors at 52 hours.

**Mr. Anguish:** — It seems Mr. Embury did fairly well in the year under review. It seems that there are other departments within government where his billings show up in the years under review as well. Does this billing amount, the \$31,928, seem to be an hourly rate for these employees? Is that what you had determined from the invoice?

**Mr. McMillan:** — I'm not certain, Mr. Chairman, whether it's made up exclusively of an hourly fee or whether there are some disbursements included in this total bill.

**Mr. Anguish:** — Would a controller or financial vice-president in any organization, in your opinion, pay for such a bill without more detail than what's provided here?

I mean you've made a payment from the corporation for \$31,928 and nobody can tell us exactly what it's for, whether there were some disbursements or whether it was an hourly rate strictly for the six employees of Coopers & Lybrand that were billed or whether it was just to help Mr. Embury because he was a friend of the government. Wouldn't you want more detail than that in the normal course of paying bills at SPMC?

**Mr. McMillan:** — Mr. Chairman, the services of Coopers & Lybrand were outlined in a letter which an officer of that company wrote to Mr. Art Battiste on March 20, 1991. And that letter outlined the services that the company was going to be providing.

That undertaking of the offer of services by Coopers & Lybrand was agreed to or accepted by the corporation, and subsequent invoices from the company, from Coopers & Lybrand, were judged by individuals in the corporation to be consistent with the offering of services made in the Coopers & Lybrand March 20 letter.

**Mr. Anguish:** — Well I guess I understand that, Mr. McMillan, because it happened. But I'm asking you, as a chief executive officer, would you not want more detail

than what's provided before you would authorize a payment? It seems to me in normal practice when dealing with the government, they want to know in minute detail as to what they're paying for, or should want to know because they're dealing with taxpayers' dollars ultimately.

And the billing, as I understand it, basically just lists the employees and the number of hours they worked and the payment was made. I just ask you, as a professional opinion, wouldn't a corporation want to know more detail than what's provided?

**Mr. McMillan:** — In answer to the question, Mr. Chairman, I think that I personally would. But as I understand it, not having been contemporary to these events, the specific instructions were provided by the president of the corporation to officials of the corporation to pay the invoices that were submitted by Coopers & Lybrand.

I don't think that there was a matter of complicity on the part of the employees, as the officials beneath the president, as much as there was a compliance on their part with the general instruction, direction, of the president of the corporation.

**Mr. Anguish:** — Well I understand there's not much more that can be answered by Property Management Corporation in this regard because you only paid the bills and received no benefit.

But it would appear to me that Mr. Embury, who I would assume is the former MLA (Member of the Legislative Assembly) of the same stripe as the previous government, if the billing was only for work performed hourly by the employees listed, Mr. Embury would have been charged back to the corporation at a rate of \$230 per hour. And that seems to me to be a little high priced and I hope that in the future SPMC doesn't continue to make such payments.

At this time I have no further questions, Mr. Chairman.

**Mr. Chairman:** — I wonder if the committee shouldn't take a five minute break?

The committee recessed for a period of time.

**Ms. Haverstock:** — Mr. McMillan, I'd like to go back to employees working elsewhere, pages 12 and 13 of the special report. Within the answers that were provided to us on 42-22, there are names of supervisors given who were to oversee the work done by each of these employees.

My questions are as follows, and these two questions go together. First, did any of these supervisors voice any complaints to their superiors about the questionable nature of the secondments; and secondly, if so, what was the nature of the protests and how long did these persons continue to voice their concerns about how public funds were being spent?

**Mr. McMillan:** — Mr. Chairman, I apologize for the delay in preparing my response. Only on one occasion . . . my

understanding is in the case of the preparation of the budget for the fiscal year 1990-91 that members of the executive of the corporation, the executive management group of the corporation, did express objection to having to pay for these individuals who worked away from the corporation.

Their concerns were not with respect to the calibre or nature of the work that these individuals were performing, for they had no knowledge of what these individuals were doing wherever it was that they may have been working, but their objection or protest, to use your term, was based upon the budgetary implications for their respective program areas in the corporation, that to pay these individuals was having a drawing effect upon their appropriated budgets, which they objected to.

**Ms. Haverstock:** — I think, for the record, it would be of some value to note who those individuals are who were concerned about the ways in which monies were being spent in their department, for which they in fact received no benefit. It's to their credit that they were concerned about tax dollars.

Regarding employee A3, which is listed in the response 42-22. It's alphanumeric code A3. It's regarding the individual seconded to the premier's office. This employee, it states, presumably provided clerical secretarial support to one Reg Howard. Now I'm interested in the use of the word presumably. Does that mean that there is no evidence that this individual rendered any services to the premier's office?

**Mr. McMillan:** — Our understanding is that the services were provided to the Executive Council. This may have been poorly worded, but it's presumed by people in the corporation that the services were of a clerical secretarial support nature to a gentleman by the name of Reg Howard at the premier's office. The corporation doesn't presume that that was where this individual worked, but it's presumed by corporation officials that that is the individual for whom Ms. A3 worked.

**Ms. Haverstock:** — All right. I have, in response to a question that I asked of the Saskatchewan Property Management Corporation some time before, and I have this dated July 7, '92 in response to my question. And I'm going to restate the question and have you perhaps fill out the response given what you've just responded to my first two questions, and the statements of supervisors actually reporting or stating that they were dissatisfied with their budgets being allocated to pay for seconded positions for which their department received no benefit.

My question was: to your knowledge was your department required to change its budget either by increasing the budget or by reallocating funds in order to accommodate employees for whom you had no supervisory responsibility or authority? And the response was the employees were absorbed in the corporation's overall budget. And my second question was: if so, what portion of your budget's department was affected? The response was: not applicable.

**Mr. McMillan:** — Mr. Chairman, I believe it would be fair to say that there was a reallocation of dollars identified for

expenditure in the corporation in order to accommodate these people, but ... accommodate payments to these people but there was no requirement for additional funds by the corporation.

The net effect of payments to individuals who worked without the corporation was that it simply cut into the declared profit of the corporation — reduced, in other words, the profit of the corporation reported or declared.

**Ms. Haverstock:** — Mr. Associate Chair, Mr. McMillan, would that not have been covered by my question: either by increasing the budget or by reallocating funds? Would not those dollars have been, in essence, reallocated? Was it just my choice of words here that resulted in it appearing as though there was no inappropriate use of dollars for accommodating employees who really did nothing for SPMC?

**Mr. McMillan:** — Well the dollars, if I can understand the question properly, correctly, dollars were allocated in order to cover the salaries. But it wasn't a matter of monies not being available to pay for other activities that the respective divisions or areas of the corporation would have engaged in. It was a matter of reallocating money. It was a matter of absorbing the costs of these individuals.

**Ms. Haverstock:** — All right. So in essence what I'm hearing you say is that SPMC absorbed the cost of these individuals; that it did not change the dollar amount that was available to SPMC to spend on any other kind of items.

**Mr. McMillan:** — That is correct.

**Ms. Haverstock:** — All right. Thank you. Mr. Associate Chair, how many new employees were hired during the two years under review?

**Mr. McMillan:** — Mr. Chairman, we don't ... or Mr. Vice-chairman, we don't have that information with us now. If we could beg the committee's indulgence and certainly obtain the information with some clarification as to whether these are permanent or non-permanent, casual employees. In the period of time we certainly would undertake to provide the committee with the information.

**Ms. Haverstock:** — I'd very much appreciate that, and why don't we state: all of the above.

**Mr. McMillan:** — Okay.

**Ms. Haverstock:** — And to go along with that, I think that if you would add this please to your written response: how much in the two fiscal years under review was spent advertising publicly for these positions, for these new positions? And next, how did the people requesting these extra staff justify their funding request if in fact there was no job description?

**Mr. McMillan:** — Okay, we will undertake to provide that. This information is asked for in respect of all people hired by the corporation in the ...

**Ms. Haverstock:** — Yes. All new individuals that were

hired in the two years under review in any kind of position, be they casual, temporary, or permanent positions, and whether or not there was public advertising; if there were job descriptions provided for these individuals . . . for the positions. And if you could in fact tell me if this is — because of your experience — if in your experience this is a normal procedure and whose policy it was, whatever that policy ends up being.

Thank you. That's all I have.

**Mr. Cline:** — I want to go back for a few minutes, Mr. Chairman, to the Fair Share initiative of the government and, Mr. McMillan, in the documentation you've provided to this committee, the statement is made under the heading section: for goods and services provided without charge, and so on, that responsibility for the administration of the Fair Share project was assumed by SPMC. And my question to you is: does that type of initiative or did that initiative have anything to do with the legislated mandate of SPMC to your knowledge?

**Mr. McMillan:** — Mr. Chairman, in response to the question I would say that the answer to that would be no, that the activities engaged in by Fair Share Saskatchewan and the nature of the program would not have been consistent with the statutory objects of the corporation.

**Mr. Cline:** — Now can you tell this committee why it was that responsibility for Fair Share at a cost of some \$437,000 was assumed by SPMC?

**Mr. McMillan:** — I speculate here, but I believe that the reason Fair Share was placed on the doorstep of Saskatchewan Property Management Corporation was because of the corporation's role in providing accommodation to government departments and agencies and program offerings of the government. That as a provider of accommodation is the reason that the entire program costs related thereto were passed on to the Property Management Corporation.

**Mr. Cline:** — But notwithstanding that, you state in the information you've provided that when SPMC assumed the responsibility for the administration of the program, it was the understanding that the corporation would be reimbursed for the cost.

**Mr. McMillan:** — That's correct.

**Mr. Cline:** — And how did that understanding arise?

**Mr. McMillan:** — Mr. Chairman, I'm advised that that understanding was arrived at by corporation officials following discussions that they had with representatives of the treasury board division of the Department of Finance. The standpoint of the Property Management Corporation, those individuals involved in those discussions having reached that understanding, would have been the president and the vice-president of finance. Who those discussions involved from the standpoint of the Department of Finance, I do not know.

**Mr. Cline:** — So are you saying that officials of the treasury board told the Property Management Corporation that it would be reimbursed for any costs

associated with the Fair Share initiative?

**Mr. McMillan:** — That was the understanding of the officials of the corporation, yes.

**Mr. Cline:** — And what subsequently happened to change the understanding of the Property Management Corporation with respect to this expectation of reimbursement?

**Mr. McMillan:** — I understand that the then vice-president of finance simply reported to officials in the corporation that following discussions which she had with Department of Finance officials, the corporation had been . . . (inaudible) . . . to absorb the costs of Fair Share within the budget of the corporation. It was a verbal instruction, an understanding reached as a result of information being conveyed verbally.

**Mr. Cline:** — And this instruction would have originated with whom?

**Mr. McMillan:** — The instruction would have originated from officials of the treasury board division of the Department of Finance; possibly officials senior to the executive director of the treasury board division, possibly the deputy minister of finance. It's only speculation on my part however.

**Mr. Cline:** — And now the understanding from treasury board conveyed to the corporation that the corporation would be paid for costs incurred, I assume, would have arisen before the Fair Share initiative was undertaken. Is that correct?

**Mr. McMillan:** — Or as it was unfolding.

**Mr. Cline:** — And when did the understanding — and all of this is verbal, I take it — come down from the treasury board that the Property Management Corporation would not be reimbursed for the cost of the Fair Share initiative?

**Mr. McMillan:** — In a memorandum from the then vice-president of financial services in the corporation dated May 8, 1991, she referred to the advice received, or the instruction received, from treasury board that the corporation was to assume or absorb all Fair Share related costs for the fiscal year 1990-91.

**Mr. Cline:** — And was this in fact after the costs had been incurred?

**Mr. McMillan:** — Yes.

**Mr. Cline:** — So in that respect it sounds like the corporation was led down the garden path by the treasury board.

**Mr. McMillan:** — Well I would say that plans or undertakings changed.

**Mr. Cline:** — Now I'm looking at a document you provided to the committee, which is called a specific services contract between, it says: Her Majesty the Queen, in right of the province of Saskatchewan, represented by Fair Share Saskatchewan, here and after

called the department, and Charlton Communications. And that is dated March 1, 1990.

First of all, do you know, Mr. McMillan, whether this contract relates to the Fair Share initiative undertaken by the Property Management Corporation?

**Mr. McMillan:** — Yes, the answer, Mr. Chairman, to the question is yes, the work provided by Charlton Communications to the corporation did relate directly to Fair Share Saskatchewan.

**Mr. Cline:** — And is my understanding correct that pursuant to this contract which says: the contractor, Charlton Communications, shall provide to the department the following services to co-ordinate all communications activities ... no reference to Fair Share within the body of the contract — and the contract says the department will agree to pay the contractor expenses and so on but never says what the amount of the contract will be.

But to get back to my question, is my understanding correct that SPMC paid \$297,775 to Charlton Communications?

**Mr. McMillan:** — And 17 cents.

**Mr. Cline:** — And 17 cents. And that was paid pursuant to this contract?

**Mr. McMillan:** — That's correct.

**Mr. Cline:** — Now I asked you earlier, Mr. McMillan, what any of this had to do with the mandate of the Property Management Corporation. I'm troubled by the fact that the contract says that it's between Her Majesty the Queen, represented by Fair Share Saskatchewan; not SPMC, but Fair Share Saskatchewan, which is then called the department. Now to your knowledge, was there ever any department in the Government of Saskatchewan known as Fair Share Saskatchewan?

**Mr. McMillan:** — Not to my knowledge.

**Mr. Cline:** — Okay, and in fact SPMC itself was not a department of the government. Is that correct?

**Mr. McMillan:** — That's correct, it was not.

**Mr. Cline:** — It's a Crown corporation with a legislated mandate.

**Mr. McMillan:** — Correct.

**Mr. Cline:** — And this ... pursuant to this contract, which doesn't refer to any amount of money and has nothing to do with the mandate of SPMC and wasn't signed by SPMC and wasn't signed by any department that exists in the Government of Saskatchewan, officials of SPMC paid Charlton Communications \$297,775.17.

**Mr. McMillan:** — Correct.

**Mr. Cline:** — Okay. Now did anybody in the corporation stop to question the legality of this expenditure or the

authorization for the expenditure?

**Mr. McMillan:** — It appears to me, Mr. Chairman, in answer to the question that no one objected to the payment of the account to Charlton. It was approved for payment by Mr. Battiste. It was also approved by and on the Charlton Communications invoice or statement of account, signed by the then vice-president of financial services as well as the then president of the corporation.

**Mr. Cline:** — And Mr. Battiste was an employee of SPMC?

**Mr. McMillan:** — That's correct. One of the five.

**Mr. Cline:** — And to get back to what you said before, is it my understanding that this money was paid under these circumstances that we've described on the direction of the treasury board to the Property Management Corporation?

**Mr. McMillan:** — Initially, the understanding was that costs incurred by SPMC in respect of Fair Share would be reimbursed, that the corporation would be reimbursed those expenses. That understanding then changed and the corporation was instructed to absorb the costs that had already been incurred with respect to Fair Share Saskatchewan.

**Mr. Cline:** — Was part of this understanding ... did the understanding include some discussion from whom the costs would be reimbursed to SPMC?

**Mr. McMillan:** — I have no knowledge of whether a source department or agency was discussed by anyone.

**Mr. Cline:** — So as far as SPMC was concerned, there was some verbal understanding that there would be reimbursement, but no understanding of from whence the reimbursement would come.

**Mr. McMillan:** — That's correct.

**Mr. Cline:** — Did anybody in the corporation raise any concern about the fact that there was a contract between a non-existent department and Charlton Communications and that monies were being paid even though the amount of the contract is not referred to in the contract? I mean, did anybody raise any concern that the costs were running up to some \$297,000?

**Mr. McMillan:** — There were no questions with regard to the agreement, or in fact had been entered into on behalf of Fair Share by Mr. Battiste. I note on a copy of the agreement that I have with me that it was also signed under the word "accepted", signed by one R.G. Dedman, then president of the corporation.

**Mr. Cline:** — And they're signing for the corporation even though the contract is in the name of a department called Fair Share Saskatchewan?

**Mr. McMillan:** — That's my understanding in reading the agreement, yes.

**Mr. Cline:** — Did Mr. Battiste and Mr. Dedman obtain any legal advice with respect to the drafting of this

contract?

**Mr. McMillan:** — I don't have any knowledge of, nor do officials of the corporation today have any knowledge of, the advice of a solicitor being obtained in the preparation or the execution of the agreement.

**Mr. Cline:** — And I take it from the contract itself that there was no upper limit placed by the corporation on the amount of money that could be charged by Charlton Communications?

**Mr. McMillan:** — No upper limit is stated in the agreement or understood to have been reached between the parties through the agreement.

**Mr. Cline:** — Was this payment made . . . I see an invoice from Charlton Communications Incorporated dated March 14, 1991, for \$297,775.17. Was this invoice which was sent two weeks before the end of that fiscal year the only invoice in relation to Charlton Communications?

**Mr. McMillan:** — I believe, Mr. Chairman, I believe that that is correct, that that March 14, 1991 invoice is the only one submitted in relation to the '90-91 fiscal year by Charlton Communications.

**Mr. Cline:** — So is my understanding correct that on March 1, 1990, officials of the Property Management Corporation signed a contract with Charlton in the name of a non-existent department; and then some 12 months and two weeks went by and at that point a bill was received from Charlton for the \$297,000 figure?

**Mr. McMillan:** — Yes.

**Mr. Cline:** — During that one year and two weeks, was there any monitoring by the Property Management Corporation of the amount of money that Charlton would be billing or the amount of work Charlton was doing, and therefore the costs that were being incurred during that fiscal year?

**Mr. McMillan:** — Not to my knowledge, Mr. Chairman.

**Mr. Cline:** — So this invoice from Charlton could have been \$100,000, it could have been \$400,000, and the Property Management Corporation would not know what the costs would be until the invoice was received.

**Mr. McMillan:** — That is apparently the case.

If I may, Mr. Chairman, just draw to the committee's attention this particular specific services contract, come back to a question asked by Mr. Cline as to whether a solicitor may have been involved in the drawing of the contract.

It's apparent to me that paragraph 5 refers to the agreement being in effect from March 1, 1991, continuing in effect until March 1, 1992, but the agreement is dated Regina, March 1, 1990. I don't know which date is . . . I would presume 1990 is in error, that the agreement would not have been entered into a year before it was to take effect and the billing then made a

year subsequent to the agreement taking effect.

**Mr. Cline:** — Okay. I hadn't noticed that and I thank you for pointing that out. Yes, it says it will be from March 1, '91 to March 1, '92, which I take it was in fact the time that the Fair Share initiative started. So the date March 1, 1990 would be incorrect, you think?

**Mr. McMillan:** — I suspect that, yes.

**Mr. Cline:** — And then the question I asked a few minutes ago would be based upon an incorrect premise on my part and that is that rather than being billed a year and two weeks after the date of the contract for the \$297,000, the corporation was billed two weeks after the execution of the agreement for \$297,000. Okay. And hence there would be no need to monitor because it was obviously a very short period.

**Mr. McMillan:** — That would appear to be the case.

**Mr. Cline:** — Okay. And at that point, after the two weeks, were any questions raised within the corporation about the amount of the contract for the work that had gone on presumably in the two-week period?

**Mr. McMillan:** — I have no knowledge, Mr. Chairman, of any questions being raised about the propriety of the invoice statement of account from Charlton Communications Inc.

**Mr. Cline:** — And I note, by the way, that the invoice is in accordance with the contract, which is with Fair Share Saskatchewan. The invoice is addressed to Fair Share Saskatchewan which, as I understand it, was not a government department, was not a Crown corporation, and in fact had no legal existence. And notwithstanding that, the invoice was paid by the Property Management Corporation. Is that correct?

**Mr. McMillan:** — That's right.

**Mr. Cline:** — And to your knowledge, nobody in the corporation was the least bit concerned about the contract, the amount, or, it would seem, anything else in connection with this matter?

**Mr. McMillan:** — I wouldn't make a . . . I wouldn't concur in a blanket manner, Mr. Chairman, with that statement. There may have been employees of the corporation that questioned the propriety, the appropriateness of the invoice. But there's no knowledge today of who those individuals may have been.

The very senior people of the corporation, by having signed the invoice, appear to have regarded it as in order and appropriate. But I can't speak for the numerous employees that would have been aware of the invoice and whether or not they had any objection or, if they did, to whom they expressed those objections.

**Mr. Cline:** — Well at the time that this invoice was received and paid by the corporation, was the corporation still under the understanding, based on its verbal arrangement with the Treasury Board officials, that the cost would be picked up by some unknown source?

**Mr. McMillan:** — Yes, I understand that was the case.

**Mr. Cline:** — Now, Mr. Chairman, I want to move on to another area, but there may be other members of the committee that wish to ask questions about this particular contract.

**Mr. Chairman:** — Yes, there's actually quite a number of people on my speaking list. Mr. McMillan . . . And I do have my name on here.

**A Member:** — We'll have to take your word for that.

**A Member:** — No one would question that.

**Mr. Chairman:** — I would hope not.

Mr. McMillan, you've stated that in your view Fair Share Saskatchewan wasn't in the mandate of SPMC. Could you give the committee a brief history of what your background is, your activity in government.

**Mr. McMillan:** — My personal background?

**Mr. Chairman:** — Right.

**Mr. McMillan:** — I first was employed, Mr. Chairman, by the Saskatchewan government in September of 1971 in the department of the Executive Council. I worked in a variety of different areas of the Saskatchewan government between 1971 and May of 1982 when the order in council under which I was appointed was terminated. I then returned to the employ of the Saskatchewan government in November of 1991.

**Mr. Chairman:** — Is there anything in your previous employment that gave you any expertise in the area of property management or supply and services?

**Mr. McMillan:** — Not in the area of property management, no; marginally in relation to client services.

**Mr. Chairman:** — Would you have considered your appointment between 1971-72 and '82 to be in the realm of a political appointment?

**Mr. McMillan:** — I would regard the services that I provided to the government as having been politically sensitive. I do not regard my initial employment by the government as having been the result of political considerations.

**Mr. Chairman:** — But you were an OC (order in council) appointment?

**Mr. McMillan:** — That's correct.

**Mr. Chairman:** — By the previous NDP (New Democratic Party) government?

**Mr. McMillan:** — That is correct.

**Mr. Chairman:** — Was not the mandate of Property Management Corporation always, since its inception after the old department was done away with, to be the

provision of services to government agencies both . . . that would include office space, equipment, infrastructural things, anything that went to do with people hired through the Public Service Commission?

**Mr. McMillan:** — The mandate of the corporation related to the provision of services and facilities, that's correct. And to the extent that the corporation was involved in the provision of facilities and the provision of accommodation was, as I suggested earlier, my understanding as to why the Fair Share program was assigned to or came under the umbrella of the Saskatchewan Property Management Corporation.

**Mr. Chairman:** — Under the Fair Share initiative, it was envisioned that several thousand government employees would ultimately be relocated in various areas around Saskatchewan. Is that correct?

**Mr. McMillan:** — I understand that, yes.

**Mr. Chairman:** — And along with that relocation, Property Management would have had to have done all the things — provide space, help with relocation, moving of personal effects — all sorts of things that Property Management engages in. Would that be correct?

**Mr. McMillan:** — Correct.

**Mr. Chairman:** — So that between yourselves and the Public Service Commission you would have almost had the entire spectrum of employee moves?

**Mr. McMillan:** — I think that would be a fair assumption.

**Mr. Chairman:** — And there wouldn't really be any other areas of government that have had that responsibility either in the past or at the present?

**Mr. McMillan:** — Not, Mr. Chairman, for the public service, no. Those would be the two — the Public Service Commission and Saskatchewan Property Management Corporation.

**Mr. Chairman:** — That's why I find your statement unusual, that you say that it wouldn't be within the mandate of the corporation to perform that task. I don't see where anyone else could have properly performed that function.

**Mr. McMillan:** — In the provision of accommodation, the second part of that after my initial statement that it didn't fall within the specific mandate of the corporation, I did indicate to the committee that it did to the extent that the corporation is in the business of providing accommodation. And in that regard it was an appropriate function for the Property Management Corporation to consider accommodation requirements flowing from the Fair Share program. The activities undertaken in relation to Fair Share, the advertising of benefits to rural Saskatchewan through the Fair Share program really, in my estimation, did not square with the mandate of the corporation.

**Mr. Chairman:** — So what you take issue with was the video presentation as put together by Charlton

Communications that was used during presentations to communities, that type of thing. SUMA (Saskatchewan Urban Municipalities Association), SARM (Saskatchewan Association of Rural Municipalities), various groups that that presentation was made to, that's the part that you object to?

**Mr. McMillan:** — I just don't see the expenditure of monies from SPMC for an audio-visual package for a direct mail campaign for organization and on-site co-ordination of meetings as being part of the mandate or the objects of the corporation. Nor do I regard the contract for feasibility studies of the entire program being exclusively a responsibility of Saskatchewan Property Management Corporation, the Coopers & Lybrand contract.

**Mr. Chairman:** — You say exclusively. So you're saying that what you would have preferred, had you been the president at the time, were other agencies in a co-operative effort then attached to the Fair Share concept?

**Mr. McMillan:** — Well I would have ... my personal preference would have been had I been contemporary with those events would have been that government would have set up a discreet or a distinct financial appropriation for the Fair Share program where there would be a measure of accountability to Treasury Board, for example, which I don't think was the case with the arrangement that was entered into.

**Mr. Chairman:** — Obviously there was some interaction between SPMC and the Treasury Board as far as you can determine.

**Mr. McMillan:** — I understand there was, yes.

**Mr. Chairman:** — And Treasury Board is made up of Department of Finance officials, cabinet ministers ...

**Mr. McMillan:** — Well Treasury Board itself is a committee of cabinet staffed by personnel from the Department of Finance.

**Mr. Chairman:** — Right. So basically what you're dealing with in the case of SPMC and Fair Share was a directive of cabinet when it comes right down to it.

**Mr. McMillan:** — Right. I think that's ... I'd believe that, yes.

**Mr. Chairman:** — That would be a fair assessment.

**Mr. McMillan:** — Yes it would be.

**Mr. Chairman:** — And that you're saying that it is improper for cabinet to come to those kind of decisions?

**Mr. McMillan:** — No, I'm not saying it's improper. I said earlier that that would not, if I had been contemporary to the situation, would not be a route that I would have concurred in. I would have suggested, recommended, advised a different method of financing the Fair Share program.

**Mr. Chairman:** — Have you had the opportunity to discuss this matter with any of the former top officials of Property Management?

**Mr. McMillan:** — Top officials of Property Management Corporation that are no longer employed by the corporation?

**Mr. Chairman:** — Yes.

**Mr. McMillan:** — The answer to the question is no.

**Mr. Chairman:** — So none of the 15 or 20 people that would have had direct day-by-day managerial positions that are now terminated, you would have not had any ability to assess what went on between those individuals?

**Mr. McMillan:** — I would have had an ability to confer with them; I did not have an opportunity to confer with them. They had all departed before I arrived at the corporation.

**Mr. Anguish:** — You can call them before the committee if you want.

**Mr. Chairman:** — Anyone else on this particular aspect of ...

**Mr. Van Mulligen:** — Can I just follow up on this?

**Mr. Chairman:** — Well I've got D'Autremont, Lautermilch, and Anguish.

**Mr. Van Mulligen:** — I have just one question in follow-up, if I might, Mr. Chairman, on your line of questioning. In all of this, the Coopers & Lybrand study which was to develop a strategic plan, as I understand it, for Fair Share, there's no record of this study having been received by your corporation.

**Mr. McMillan:** — That's correct.

**Mr. Lautermilch:** — Mine was on another previous issue that we had discussed.

**Mr. Chairman:** — Perhaps if we've all gone past this issue, it's five after 11. Before we get into a new area, we should at this point break, request the committee come back next week.

**Mr. McMillan:** — All right. Thank you very much.

**Mr. Chairman:** — That you, Mr. McMillan.

The committee adjourned at 11:05 a.m.