

1996 BILL 4

Fourth Session, 23rd Legislature, 45 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA*

BILL 4

**GLENBOW-ALBERTA INSTITUTE
AMENDMENT ACT, 1996**

THE MINISTER OF COMMUNITY DEVELOPMENT

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 4

1996

GLENBOW-ALBERTA INSTITUTE AMENDMENT ACT, 1996

(Assented to _____, 1996)

HER MAJESTY, by and with the advice and consent of the
Legislative Assembly of Alberta, enacts as follows:

Amends RSA
1980 cG-5

1 *The Glenbow-Alberta Institute Act is amended by this Act.*

2 *The preamble is amended*

(a) *in the first recital by striking out “man and the natural world in which he” and substituting “the human race and the natural world in which it”;*

(b) *in the second recital by striking out “Eric L. Harvie, Q.C.,” and substituting “the late Eric L. Harvie, Q.C.”;*

(c) *in the third recital*

(i) *by adding “the late” before “Eric L. Harvie”;*

(ii) *by striking out “have proposed” and substituting “proposed”;*

(iii) *by striking out “have further proposed to make” and substituting “made”;*

(iv) *by striking out “have given” and substituting “gave”;*

(d) *in the fourth recital by striking out “it is” and substituting “it was considered”;*

(e) *in the fifth recital*

Explanatory Notes

1 Amends chapter G-5 of the Revised Statutes of Alberta 1980.

2 The preamble presently reads:

WHEREAS it is desirable that the cultural life of Alberta be enriched through the development of an increased knowledge and understanding of the arts, technology and social heritage of man and the natural world in which he lives; and

WHEREAS the Glenbow Foundation of Calgary, a corporation established by Eric L. Harvie, Q.C., and his family, has made invaluable contributions to Alberta's cultural life through the collection and preservation of objects of historical, cultural and scientific interest with special emphasis on objects related to the history of Western Canada; and

WHEREAS Eric L. Harvie and his family have proposed as their memorial to the Centennial of Canadian Confederation that the Glenbow Foundation, together with the collections, buildings and properties belonging to the Foundation, be vested in a body corporate having perpetual life for the lasting benefit of the people of Alberta and have further proposed to make a gift of \$5 000 000 to aid in the establishment and operations of such body and to this end have given their undertaking in this connection, a copy of which undertaking is contained in the Schedule to this Act; and

WHEREAS the encouragement and support of the humanities and natural sciences, while primarily a matter for private and local initiative, is also a proper matter of concern to the Government of Alberta and in accepting this generous gift on behalf of the people of Alberta it is appropriate that this Legislature grant an equal

(i) *by striking out “it is” and substituting “it was considered”;*

(ii) *by striking out “Alberta;” and substituting “Alberta, and that institute was created by this statute when originally enacted on April 15, 1966; and”.*

(f) *by adding the following after the fifth recital:*

WHEREAS the name of the Harvie Foundation, referred to in this Act, has been changed to the “Devonian Foundation” and certain other changes have been made to this statute as originally enacted;

3 *The following is added before section 1:*

Definitions

0.1 In this Act,

- (a) “Board of Governors” or “Board” means the Board of Governors of the Institute;
- (b) “by-laws” means the by-laws of the Institute;
- (c) “collection assets” means cultural property which, immediately before April 1, 1996, was in the custody of the Institute and held by it for the purpose of exercising curatorial care of or ensuring public access to it, and includes all replacement cultural property subsequently acquired in exchange or in partial exchange for any such cultural property or for any such replacement cultural property and all cultural property acquired by the Crown as a result of an agreement under section 23(2), but does not include
 - (i) materials and equipment used to provide public access to any such cultural property;
 - (ii) any property that has been received by the Institute on loan or rental or otherwise on the understanding that it will be returned to the party from whom it was received, or
 - (iii) books and other catalogued material forming part of the Institute’s library;
- (d) “Crown” means the Crown in right of Alberta;
- (e) “cultural property” means property belonging to any one or more of the following categories:

sum of money and make other provisions for the advancement of these objectives; and

WHEREAS it is desirable to establish an institute to hold and administer these grants, and to foster historical, cultural and scientific activities in Alberta;

3 Definitions.

- (i) collections or specimens of fauna, flora, minerals or objects of palaeontological interest;
- (ii) property relating to history, including the history of science and technology or military or social history;
- (iii) products of archaeological excavations or of archaeological discoveries;
- (iv) elements of artistic or historical monuments or archaeological sites that have been dismantled or dismembered;
- (v) antiquities, including inscriptions, coins and engraved seals;
- (vi) objects of ethnological interest;
- (vii) property of artistic interest, including
 - (A) pictures, paintings and drawings produced entirely by hand on any support and in any material;
 - (B) works of statuary art and sculpture in any material;
 - (C) engravings, prints and lithographs;
 - (D) artistic assemblages and montages in any material;
- (viii) postage, revenue or similar stamps;
- (ix) archives, including sound, photographic and cinematographic archives;
- (x) articles of furniture or musical instruments;
- (f) “curatorial care” means, in relation to cultural property, its housing, care, preservation and maintenance as a historic resource under proper museum, art gallery or archival conditions for curatorial purposes;
- (g) “Institute” means the Glenbow-Alberta Institute continued by section 1(1);

- (h) “Minister” means the Minister determined under section 16 of the *Government Organization Act* as the Minister responsible for this Act;
- (i) “public access” means, in relation to cultural property, its exhibition or display, whether in the Institute’s premises or elsewhere, and generally its being made available, whether physically or in a representational form through technology, to and for the use and enjoyment of the people of Alberta.

4 *Section 1(1) is repealed and the following is substituted:*

Continuation
of the Institute

1(1) The corporation created by this Act with the name “Glenbow-Alberta Institute” is continued with the objects, duties and powers set out in this Act.

5 *Section 2 is amended*

- (a) *by striking out* “man, his arts, his history and the nature of the world in which he” *and substituting* “the human race, its arts, its history and the nature of the world in which it”;
- (b) *in clause (a) by striking out* “objects of man” *and substituting* “human objects”;
- (c) *by adding the following after clause (b):*
 - (b.1) exercise curatorial care of and provide public access to the collection assets and otherwise deal with the collection assets in accordance with the agreements referred to in section 23(2);

4 Section 1(1) presently reads:

1(1) There is hereby created a corporation with the name "Glenbow-Alberta Institute" and with the objects, duties and powers herein set out.

5 Section 2 presently reads:

2 The objects of the Institute are to promote and encourage the acquisition and diffusion of knowledge of man, his arts, his history and the nature of the world in which he lives, in such a manner as to best serve the educational and cultural needs of the peoples of Alberta and, in particular, but without limiting the generality of the foregoing, the Institute may in furtherance of its objects:

- (a) collect and preserve specimens of nature, art works, documents and objects of man, and record, publish and make available information related thereto;*
- (b) exhibit the collections of the Institute;*
- (c) undertake and support research and education related to the general objects of the Institute;*
- (d) lend collections, circulate exhibitions and provide technical aid to other organizations with similar purposes to that of the Institute;*
- (e) co-operate with and enlist the aid of municipalities and organizations the objects of which are similar to any of the objects of the Institute;*
- (f) provide financial grants and loans to museums and art galleries and other corporate bodies with similar objects;*
- (g) establish, erect and maintain museums and art galleries ;*

6 *The following is added after section 2:*

Natural person
rights, etc.,
and
restrictions on
powers

2.1(1) Subject to this Act and the by-laws, the Institute has the rights, powers and privileges of a natural person.

(2) The Institute shall not, either directly or through a subsidiary or other instrumentality of the Institute,

(a) carry on its activities or exercise its general powers except for the objects or in furtherance of the specific powers specified in section 2,

(b) carry on activities or exercise powers that it is prohibited by this Act or by the by-laws from carrying on or exercising,

(c) exercise any of its powers in a manner contrary to this Act or the by-laws,

(d) declare any dividend, or

(e) distribute any of its income or property to the Governors or to its members or any of them except in accordance with this Act.

(3) Notwithstanding subsection (2),

(a) the Institute may pay Governors and members reasonable prices or remuneration for goods, services or other benefits provided to it by them, including remuneration and expenses to the chair, vice-chair and Governors,

(b) if there are no reasonable grounds for believing that the Institute is, or would after the payment be, unable to pay its liabilities as they become due, the Institute may, subject to section 16(3.1) and (4), distribute any of its income or property, other than the Government's gift referred to in section 17 and all income and other investments deriving from it, to a member that

(i) is a body corporate whose purposes or objects are similar to the Institute's objects, and

(ii) is, except for provisions similar to those stated in this subsection, subject to a prohibition against distributing its income or property to any of its members, directors or officers,

(h) solicit, receive and hold gifts of every nature for any purpose similar to any objects of the Institute on any trusts and conditions that seem proper to the Board of Governors and administer the gifts in accordance with those trusts and conditions.

6 Natural person rights, powers and privileges, and restrictions on business and other activities.

and

(c) on the Institute's liquidation,

(i) the Government's gift referred to in section 17 and all the remaining income and other investments deriving from it are to revert to the Crown, and

(ii) the Devonian Foundation's gift referred to in section 16 and all the remaining income and other investments deriving from it and all the other remaining property of the Institute are to be distributed or transferred, in accordance with the by-laws, to a body named in the by-laws with the object or the ultimate object that they become vested in a body corporate referred to in clause (b)(i), subject to the condition that on any such distribution or transfer the physical property is to remain, and any instrument of transfer must place the transferee under the obligation that the physical property is to remain, in Alberta.

(4) Subject to subsection (3)(c), the Institute's property may be used only to further its objects or the specific powers specified in section 2.

7 *Section 3 is repealed and the following is substituted:*

Board of
Governors

3(1) The governing body of the Institute is the Board of Governors, which is to consist of such number of Governors, being not fewer than 12 and not more than 24, as is fixed by the by-laws.

(2) The Devonian Foundation shall appoint 2 Governors.

(3) Such number of Governors as constitutes at least a majority of the number fixed under subsection (1) and as is specified in the by-laws is to be elected by the members of the Institute at its annual general assemblies in accordance with the by-laws.

(4) The Board shall appoint one of the Governors to be the chair and another to be the vice-chair of the Board.

(5) The by-laws

(a) may, with respect to the chair and vice-chair of the Board and all the Governors, provide for

7 Section 3 presently reads:

3(1) The governing body of the Institute shall be the Board of Governors consisting of 15 Governors.

(2) The Lieutenant Governor in Council shall appoint 9 Governors, one of whom he shall designate as the chairman of the Board of Governors.

(3) The Devonian Foundation shall appoint 2 Governors.

(4) The Governors appointed by the Lieutenant Governor in Council and the Governors appointed by the Devonian Foundation shall, by a resolution passed at a meeting of the Board made up of those Governors, appoint 4 other Governors.

(5) The chairman shall hold office as a Governor and chairman for a term of 3 years or until his successor is appointed by the Lieutenant Governor in Council.

(6) The term of office of a Governor, other than the chairman, expires at the end of the annual general assembly of the Institute

- (i) the fixing of their terms of office,
 - (ii) their removal from office,
 - (iii) the filling of vacancies in their offices, and
 - (iv) the fixing of their remuneration and expenses,
- (b) must provide for the election of Governors by the members at annual general assemblies under subsection (3), including the process of and the procedures at each election and the system, if any, for staggering or interspacing the elections;
- (c) must establish how and by whom those Governors who are not appointed under subsection (2) or elected under subsection (3) are to be appointed or elected, and
- (d) must fix the quorum for the Board.

8 *Section 4 is amended*

(a) by repealing subsection (2) and substituting the following:

(2) Notwithstanding subsection (1) but without limiting the Board's legal responsibility for managing and conducting

held in the 3rd year following the year in which the Governor was appointed.

(7) When the office of a Governor appointed under subsection (2), other than that of the chairman, becomes vacant before his term of office expires, the Lieutenant Governor in Council may appoint a person as Governor to fill the vacancy for the unexpired term.

(8) When the office of a Governor appointed under subsection (3) becomes vacant before his term of office expires, the Devonian Foundation may appoint a person as Governor to fill the vacancy for the unexpired term.

(9) When the office of a Governor appointed under subsection (4) becomes vacant before his term of office expires, the Governors appointed by the Lieutenant Governor in Council and the Governors appointed by the Devonian Foundation may, by a resolution passed at a meeting of the Board made up of those Governors, appoint a person to fill the vacancy for the unexpired term.

(10) Notwithstanding subsection (2), (3) or (4), if

- (a) the term of office of a Governor, other than that of chairman, expires, and*
- (b) that office remains vacant 90 days after the term of office expired,*

the remaining Governors may by a resolution of the Board appoint a person to fill that vacancy.

(11) Notwithstanding subsection (7), (8) or (9), if

- (a) the term of office of a Governor, other than that of chairman, becomes vacant before the term of office expires, and*
- (b) that office remains vacant 90 days after it became vacant,*

the remaining Governors may by resolution of the Board appoint a person to fill that vacancy for the unexpired term.

(12) Only Canadian citizens and persons who have been lawfully admitted to Canada for permanent residence are eligible to be Governors.

(13) Subject to subsection (12), a person who is a Governor is eligible for reappointment to the Board of Governors.

8 Section 4 presently reads in part:

(2) In addition to its ordinary corporate powers the Institute may acquire, hold and alienate real property and exercise any other powers that may be necessary to carry out its objects.

the Institute's business and affairs, the Board may by by-law delegate to any Governor or to any officer, employee or committee of the Institute any of its powers, duties or functions under this Act other than

- (a) anything that this Act provides must or may be done by by-law,
- (b) the establishment of procedures with regard to prudent investment standards under section 17.2(3),
- (c) to the extent that the function is performed by the Board,
 - (i) the appointment or election and the removal of the chair, vice-chair, chief executive officer and Governors, and
 - (ii) the filling of a vacancy on the Board,
- (d) the appointment and removal of an auditor,
- (e) the borrowing of any money and the giving of any security for any borrowing, and
- (f) approval of the Institute's annual financial statements or of its annual budget.

(b) in subsection (3) by striking out "and, in the case of members of the Board who are members of the Legislative Assembly, the rate of remuneration shall be prescribed by the Lieutenant Governor in Council".

9 Sections 5, 6 and 7 are repealed and the following is substituted:

Vice-chair

5 In the absence or incapacity of the chair, the vice-chair of the Board may act as and exercise all the powers of its chair.

Remuneration
of officers and
employees

6 The Institute may pay its officers and employees such remuneration as is fixed by, and expenses in accordance with such scale of expenses as is established by, the Board.

(3) The Institute may pay the members of the Board of Governors remuneration for their services and may compensate them for reasonable travelling and other expenses incurred while absent from their ordinary place of residence and in the course of their duties as members of the Board and, in the case of members of the Board who are members of the Legislative Assembly, the rate of remuneration shall be prescribed by the Lieutenant Governor in Council.

9 Sections 5, 6 and 7 presently read:

5(1) The Board of Governors shall appoint annually one of its members as vice-chairman of the Board, who in the absence of the chairman may act as and exercise all the powers of the chairman.

(2) The Board of Governors shall appoint one of its members or another person as the treasurer of the Institute for a term of not less than one year and a person so appointed may be reappointed.

(3) The treasurer may be paid such remuneration as may be fixed by the Board of Governors.

(4) The Board of Governors may appoint a director, a secretary and any other officers and employees it considers necessary and prescribe their duties and their salary or remuneration.

10 Section 8 is amended

(a) in subsection (1) by repealing clause (b) and substituting the following:

(b) establishing committees and respecting the duties and conduct of the Governors, the committees and officers;

(b.1) establishing any restrictions on the activities that the Institute may carry on or on its powers beyond those provided for in this Act and in any other law;

(b.2) respecting the matters which, pursuant to this Act, may or are to be dealt with by by-law;

(b) by repealing subsection (2).

11 Sections 9, 10 and 11 are repealed and the following is substituted:

Honorary
offices

10(1) The Board of Governors may bestow on individuals such honorary offices as it thinks fit.

(2) The by-laws may stipulate the rights, if any, and other incidents attaching to each honorary office created under subsection (1).

6(1) Five Governors and the chairman or vice-chairman constitute a quorum of the Board and the affirmative votes of the majority of the Governors present at a meeting of the Board at which a quorum is present are sufficient to pass any by-law or resolution and to bind all the Governors.

(2) A resolution signed by all the Governors shall be as valid and effective as if passed at a duly constituted meeting of the Board of Governors.

(3) When one or more vacancies occur on the Board, the remaining Governors may exercise all the powers of the Board so long as a quorum remains in office.

7(1) There shall be an executive committee consisting of not less than 2 Governors and such officers as the Board of Governors by by-law provides.

(2) The executive committee shall exercise the functions, powers and duties with respect to the management of the Institute that are delegated to it by by-law of the Board of Governors.

(3) The executive committee may elect its chairman from its members.

10 Section 8 presently reads:

8(1) The Board of Governors may make by-laws

(a) respecting the calling of meetings of the Board and general assemblies of the Institute and the conduct of business thereat, including the manner of holding elections;

(b) respecting the duties and conduct of Governors and of the executive officers and of the executive committee;

(c) generally as to the conduct of the business and affairs of the Institute.

(2) A by-law made by the Board is of no effect until approved by the Lieutenant Governor in Council.

11 Sections 9, 10 and 11 presently read:

9 The Board of Governors may, by resolution, authorize

(a) the borrowing of any money from a bank, treasury branch or other person that is considered necessary to meet the current expenditures and obligations of the Institute, and

(b) the giving of promissory notes, temporary debentures or similar forms of obligations as security for any such borrowing,

12 Sections 12 and 13 are repealed and the following is substituted:

Membership

12(1) The membership of the Institute consists of the persons or the classes of members established under subsection (2).

(2) The by-laws may establish

- (a) the persons who are to constitute the membership, or the classes of membership, of the Institute,
- (b) the fees, if any, payable to the Institute by members or by members of each class, and
- (c) subject to this Act, the rights and obligations of the members or of the members of each class.

**Annual
general
assembly**

13 An annual general assembly of the Institute's members must be held each year

- (a) either to elect (where elections are provided for in any given year under the by-laws) all the Governors who are to be elected under section 3(3) or, if elections are to be staggered, such number of Governors for that year's assembly as is provided for in the by-laws,
- (b) to provide an opportunity for a wide expression of views on the Institute's activities, and
- (c) to deal with such other matters as are provided for in the by-laws.

but no amount may be borrowed that would result in the total amount borrowed and outstanding exceeding the accrued income of the Institute.

10(1) The Premier of Alberta and the chairman of the Devonian Foundation are the honorary chairmen of the Institute.

(2) An honorary chairman may attend and participate in any meeting or other proceedings of the Board of Governors or of the Institute.

11 The Institute, on the recommendation of the Board of Governors, may invite any distinguished persons it thinks appropriate to become Patrons of the Institute.

12 Sections 12 and 13 presently read:

12(1) The membership of the Institute consists of

- (a) the honorary chairmen of the Institute,*
- (b) the members of the Board of Governors,*
- (c) the Associates of the Institute, and*
- (d) the Fellows of the Institute.*

(2) Associates are persons who hold the offices or positions designated by the Board of Governors as being offices or positions entitled to membership in the Institute, as being representative of provincial, municipal or local government or as being representative of educational, religious or other public interests.

(3) Fellows are persons elected by the Board of Governors as members of the Institute in recognition of their outstanding contributions in the humanities, arts, sciences, in the advancement of knowledge or in the furtherance of the objects of the Institute.

13(1) There shall be an annual general assembly of the Institute to provide an opportunity for a wide expression of views on the activities of the Institute.

(2) The annual assembly shall be held at the place and time the Board of Governors decides.

(3) At least 30 days before the annual assembly the secretary of the Institute shall mail to each member of the Institute a notice of the time and place of the meeting.

(4) At each annual general assembly the director of the Institute shall present a report on the activities of the Institute since the last annual general assembly, and the treasurer shall present an audited statement of the financial position and affairs of the Institute during the previous fiscal year.

(5) When the Board of Governors has recommended a distinguished person as a Patron of the Institute the members

13 Section 15 is amended

(a) in subsection (1)

(i) by striking out “On the acceptance by the Institute of the gifts mentioned in sections 16 and 17 all” and substituting “All”;

(ii) by striking out “chairman” and substituting “chair”;

(b) by adding the following after subsection (1):

(1.1) Notwithstanding subsection (1), the Glenbow Foundation’s shares may be transferred.

14 Section 16 is amended

(a) by repealing subsections (1) and (2) and substituting the following:

Gift from
Devonian
Foundation

16(1) In this section, “the Devonian Foundation’s gift” or “the gift” means the gift of \$5 000 000 referred to in the original undertaking of the Harvie Foundation, as set out in the Schedule, which the Institute accepted for its own use subject to the conditions set out in this section as this section was originally enacted.

(2) Subject to subsection (4), the Devonian Foundation’s gift or any part of it shall be invested in accordance with section 17.2.

(b) by repealing subsection (3.1) and substituting the following:

(3.1) If the use of the income would result in the value of the assets of the Devonian Foundation’s gift’s being less than its initial value of \$5 000 000 adjusted for inflation in accordance with subsection (3.2), the income shall be reinvested in accordance with section 17.2, unless the Board, having complied with the $\frac{3}{4}$ majority/60-day notice requirement of section 17.1, approves another use of that income or any part of it.

(c) in subsection (3.3) by striking out “Harvie” and substituting “Devonian”;

(d) in subsection (4)

present at a general assembly may direct that the person so recommended be invited to become a Patron.

13 Section 15(1) presently reads:

15(1) On the acceptance by the Institute of the gifts mentioned in sections 16 and 17 all the shares of the Glenbow Foundation except one vest in the Institute and the one remaining share vests in the chairman of the Board of Governors in trust for the Institute.

14 Section 16 presently reads:

16(1) The Institute shall accept for its own use subject to the conditions set out in this section the gift of \$5 000 000 referred to in the undertaking of the Harvie Foundation as set out in the Schedule to this Act.

(2) Subject to subsection (4), the Harvie Foundation's gift or any part of it shall be

(a) invested within the classes of investments enumerated in section 86 or 88 of the Canadian and British Insurance Companies Act (Canada) as they read on May 31, 1992, or

(b) if permitted under the Financial Administration Act, deposited in the Consolidated Cash Investment Trust Fund.

(3) Subject to subsection (3.1), any income, including capital gains, derived from an investment referred to in subsection (2) may be used

(a) towards the operating expenses of the Institute,

(b) for reinvestment in accordance with subsection (2), or

(c) to further the general objects of the Institute.

(3.1) If the use of the income would result in the value of the assets of the Harvie Foundation's gift's being less than its initial value of \$5 000 000 adjusted for inflation in accordance with subsection (3.2), the income shall be reinvested in accordance with subsection (3)(b), unless the Lieutenant Governor in Council approves the use of that income or any part of it in accordance with subsection (3)(a) or (c).

- (i) *by striking out* “Subject to the approval of the Lieutenant Governor in Council, the” *and substituting* “The”;
- (ii) *by adding* “but the Board may not approve the expenditure or loan unless the $\frac{3}{4}$ majority/60-day notice requirement of section 17.1 has been complied with” *after clause (b)*.

15 Section 17 is amended

- (a) *by repealing subsections (1) and (2) and substituting the following:*

Gift from
Government

17(1) In this section, “the Government’s gift” or “the gift” means the gift of \$5 000 000 paid to the Institute out of the General Revenue Fund by the Provincial Treasurer on the completion of the original undertaking given by the Harvie Foundation, as set out in the Schedule.

(2) The Government’s gift or any part of it, including amounts included in the adjusted figure referred to in subsection (4), shall be invested in accordance with section 17.2.

- (b) *in subsection (3) by striking out* “Any” *and substituting* “Subject to subsections (2), (4) and (5), any”;

- (c) *by adding the following after subsection (3):*

(4) The Institute shall not engage in any transaction that would result in the value of the assets of the Government’s gift’s being less than an amount equal to the gift’s initial value of \$5 000 000 adjusted for inflation in accordance with subsection (6) to the date as of which the latest audited financial statements of the Institute preceding April 1, 1996 were prepared.

(3.2) For the purposes of subsection (3.1), the gift shall be expressed as 1987 dollars and shall be subsequently adjusted for inflation for each year thereafter on the basis of the average of the All-items Consumer Price Indexes for The City of Calgary and The City of Edmonton as prepared by Statistics Canada (Canada) or on the average of any other statistical measurement issued by Statistics Canada (Canada) in place of those indexes.

(3.3) For the purposes of subsection (3.1), the assets of the Harvie Foundation's gift shall be valued at market value.

(4) Subject to the approval of the Lieutenant Governor in Council, the Board may for the purpose of carrying out the objects of the Institute

(a) by purchase, grant or otherwise expend all or any part of the gift, and

(b) make loans from the gift to municipal governments, universities, colleges and educational institutions in Alberta, or to any organization or person if the loan is guaranteed by the municipal government, to assist in the acquisition or improvement of land and buildings being used or to be used as museums or art galleries.

15 Section 17 presently reads:

17(1) On the completion of the undertaking given by the Harvie Foundation, as set out in the Schedule to this Act, the Provincial Treasurer shall pay to the Institute out of the General Revenue Fund a gift of \$5 000 000.

(2) The Government's gift or any part of it shall be

(a) invested within the classes of investments enumerated in section 86 or 88 of the Canadian and British Insurance Companies Act (Canada) as they read on May 31, 1992, or

(b) if permitted under the Financial Administration Act, deposited in the Consolidated Cash Investment Trust Fund.

(3) Any income, including capital gains, derived from an investment referred to in subsection (2) may be used

(a) towards the operating expenses of the Institute,

(b) for reinvestment in accordance with subsection (2), or

(c) to further the general objects of the Institute.

(5) If the use of the income (including capital gains) earned after March 1996 would result in the value of the assets of the Government's gift's being less than an amount equal to the gift's initial value of \$5 000 000 adjusted for inflation in accordance with subsection (6) while remaining in compliance with subsection (4), the income shall be reinvested in accordance with section 17.2, unless the Board, having complied with the $\frac{3}{4}$ majority/60-day notice requirement of section 17.1, approves another use of that income or any part of it.

(6) For the purposes of subsections (4) and (5), the gift shall be expressed as 1987 dollars and shall be subsequently adjusted for inflation for each year after 1987 on the basis of the average of the All-items Consumer Price Indexes for The City of Calgary and The City of Edmonton as prepared by Statistics Canada, or on the average of any other statistical measurement issued by Statistics Canada in place of those indexes.

(7) For the purposes of subsections (4) and (5), the assets of the gift shall be valued at market value.

16 The following is added after section 17:

$\frac{3}{4}$ majority/60-day notice requirement

17.1 The $\frac{3}{4}$ majority/60-day notice requirement referred to in sections 16(3.1) and (4) and 17(5) is that

- (a) the action in question must be approved at a first Board meeting to consider the matter by a resolution approved by a majority of at least $\frac{3}{4}$ of all the Governors then holding office as such,
- (b) at least 60 days' prior written notice of a 2nd such meeting must be given to all those Governors,
- (c) that written notice must specify the action sought to be approved by the Board and state that the purpose or one of the purposes of that 2nd meeting is to obtain that approval, and
- (d) the action must be approved at that 2nd meeting by a resolution approved by at least the $\frac{3}{4}$ majority referred to in clause (a).

Prudent investment standards

17.2(1) Notwithstanding anything in this Act, the Board shall adhere to prudent investment standards in making investment decisions and in managing its total investments.

16 60-day notice and $\frac{3}{4}$ majority requirements and prudent investment standards.

(2) For the purposes of subsection (1), prudent investment standards are those which, in the overall context of an investment portfolio, a reasonably prudent person would apply to investments made on behalf of another person with whom there exists a fiduciary relationship to make such investments, without undue risk of loss or impairment and with a reasonable expectation of fair return or appreciation.

(3) The Board, on the recommendation of its investment adviser, shall establish written procedures to ensure that prudent investment standards are applied by it in making investment decisions and in managing its total investments.

17 Sections 18 and 19 are repealed.

18 Sections 20 and 21 are repealed and the following is substituted:

Audit

20 The Board of Governors shall have the financial statements of the Institute audited as at the end of each fiscal year of the Institute.

17 Sections 18 and 19 presently read:

18 Notwithstanding section 16(3) or 17(3), any funds that are derived from the gifts referred to in sections 16 and 17 or that are otherwise acquired by the Institute and that are not immediately required by the Institute to further its objects shall be, subject to any trust or condition to which the funds are subject,

- (a) invested within the classes of investments enumerated in section 86 or 88 of the Canadian and British Insurance Companies Act (Canada) as they read on May 31, 1992, or*
- (b) if permitted under the Financial Administration Act, deposited in the Consolidated Cash Investment Trust Fund.*

19 The Provincial Treasurer shall pay each year to the Institute from money voted for the purpose by the Legislature, a grant to be applied towards meeting the operating expenses of the Institute.

18 Sections 20 and 21 presently read:

20 The Auditor General is the auditor of the Institute.

21(1) The Institute shall annually, after the end of its fiscal year, prepare a report

- (a) summarizing its activities and financial affairs during the last fiscal year,*
- (b) setting forth its financial position at the close of the last fiscal year, and*
- (c) containing any other information that the Provincial Secretary requires.*

19 *The following is added before the Schedule:*

Transfer and ownership of collection assets

22(1) All property which, at the beginning of April 1996, constitutes collection assets and does not already belong to the Crown, regardless of who owns it, is hereby transferred to the Crown.

(2) All collection assets are vested in the Crown to be held by it, subject to this Act, on behalf of the people of Alberta.

Collection assets - care, access and location

23(1) The Institute has full responsibility for and authority with respect to providing curatorial care of and ensuring reasonable public access to the collection assets.

(2) The Minister and the Institute may negotiate to enter and enter into agreements providing for the matters referred to in subsection (1) and for the transfer to the Crown of specified cultural property acquired after March 1996.

(3) The Crown shall pay to the Institute such amounts of money as are appropriated by the Legislature to meet the fees payable to the Institute for providing the curatorial care of and ensuring reasonable public access to the collection assets.

(4) The Minister and the Institute shall negotiate every 3 years with a view to entering into agreements as to what services are to be provided by the Institute in consideration for the fees payable under subsection (3).

(5) The principal location of the collection assets is to remain in Calgary.

Transitional - continuation of offices

24(1) *Notwithstanding anything in section 3 or 13 but subject to this section, the persons who held the offices of chair and vice-chair of the Board and of Governors at the end of March 1996 are to continue to hold those respective offices until they are replaced pursuant to section 3 or the by-laws made with reference to that section, as the case may be, or until their offices are previously vacated.*

(2) *The replacement referred to in subsection (1) of the chair, vice-chair and Governors must be in effect before April 1, 1997.*

(3) *Persons referred to in subsection (1) who were appointed by the Lieutenant Governor in Council are deemed to have been appointed by the Board and not by the Lieutenant Governor in Council, and section 20 of the*

(2) When prepared, the report shall be submitted to the member of the Executive Council charged with the administration of this Act who shall lay a copy of it before the Legislative Assembly if it is then in session and, if not, at the next ensuing session.

19 New sections on transfer, ownership, care and location of, and access to, collection assets, agreements and transitional provisions respecting offices.

Interpretation Act applies as if those persons had originally been appointed by the Board.

(4) The chair or vice-chair and 5 Governors constitute a quorum of the Board during the transitional period covered by this section.

20 This Act comes or is deemed to have come into force on April 1, 1996.

20 Coming into force.