

Title: Wednesday, October 24, 2007 Members' Services Committee

Date: 07/10/24

Time: 1 p.m.

[Mr. Kowalski in the chair]

The Chair: It's 15 seconds ahead of schedule, but we'll call the meeting to order. A number of you have in the past number of days advised me that there are some agenda items that you need to deal with outside of the city later this afternoon, so it's my intent to try and steer this meeting for an adjournment of approximately 2:30. Actually, there's really no reason, unless the members feel differently, for us to go on much more than that.

The first item of business that we have is the approval of the agenda. Mrs. Ady, seconded by Mr. Shariff. All those in favour? Carried.

The approval of the minutes of April 4, 2007. They have been circulated. Mr. Shariff to move. Any seconder? Mr. Oberle. All in favour? Okay.

Then Business Arising from the Minutes. There are basically five items in here that we have in the binder. The first one, item 4(a), is a furniture replacement update. Remember that the committee gave approval for the Legislative Assembly of Alberta to undertake a furniture renewal project. We have in the documents for you an update as to where we're at right now as well as the progress being made this current fiscal year. Would there be any questions or comments members would like to make with respect to that first item? Would that be fine, then? Okay.

Ms Pastoor: I'm sorry, Mr. Chair. How close are we? When we get into phase 4, how many more are there, really, to go? Do you know?

The Chair: This year? Well, let's see. In the first year we did 27 units, in 2005 to 2006, as identified. In the second year we did 24, so that's 51. This year we're doing 14, so that takes us to 65, and there are 83 in all. Okay?

Ms Pastoor: Yeah. Thanks.

The Chair: The second item. Members wanted to have a comparative jurisdictional review of extraordinary temporary residence allowance and the number of regularly scheduled air trips or equivalent mileage from across the country, so we are undertaking that. It's not complete. It's there for you, to give you a comparative. We will continue to do this.

There are some variances across the country, some things in some jurisdictions that we do not have here in this one. As an example, interestingly enough, when I looked at Nova Scotia, Nova Scotia provides to each member two trips to Ottawa per year for a member of their Legislative Assembly. Now, we have no provision for travel outside of the province of Alberta, but I leave that for you. You've had the document for a week. We will continue to update this and make it as updated as possible. If members have any questions arising out of it or want some additional information, please raise it now.

Yes, Ms Pastoor.

Ms Pastoor: Yes. Thank you, Mr. Chair. What I'd like is to also have Alberta's in here, and then, quite frankly, I don't have to dig for it myself – I'm lazy – so that I have the comparison with Alberta. We don't have the Alberta information. That is what I'm saying.

The Chair: Well, because we've assumed that you would know what Alberta has. That's the assumption.

Ms Pastoor: Well, I would like to have it. I still would like to have it in writing. Thank you.

The Chair: Okay. We'll add an additional one. We'll add Alberta, then, to make clarification with respect to this.

Ms Pastoor: Thank you.

The Chair: Would there be additional comments or questions?

Mr. Taylor: Just a question, Mr. Chair. As this is completed, do you have any sense of when this will come back to the committee and for what purpose?

The Chair: Well, we'll continue to keep an update for you. So for the next meeting, which we'll ask for when we deal with the budget for this year, hopefully we'll get some more information on this or just add the Alberta one. We may even just carry this as a regular tab inside the binder for you so that it's always available.

Mr. Taylor: Okay. All right.

The Chair: Would that be fine?

Mr. Taylor: I might want to bring this up as a matter for discussion at a future meeting.

The Chair: Absolutely. Absolutely. You can bring that up, sure, at any time. Absolutely.

Mr. Taylor: Thank you.

The Chair: Included in that document was the jurisdictional review of Canadian postage allocations for mail-outs, so it's in there as well. We've been advised that this year, in the current calendar year, no postal increase is forthcoming – is that correct, clerk? – so we're up to date with respect to that.

Item 4(d), review of the history and rules regarding the granting of leader's office allowances to duly constituted opposition parties in the Legislative Assembly of Alberta. You'll see that under tab (d). We've gone back 22 years, so the historical information is all there, including the graph, including minutes and comments that came out of various meetings going back to 1986. You have a complete historical comparison over those 22 years. It's there as well and up to date. Any questions or anything with respect to that or anything further that we need? Okay.

Then (e). There was this concern or question about the implication of extending participation in the Members' Choice benefit plan to former members over the age of 70, and we have a backgrounder in there. We are continuing to do the work in there, so I've given you the background, the information where we're at today. The issue is at the bottom of the background page: the Members' Services Committee has been asked to investigate whether participation on the extended benefits option can be extended past the age of 70 years for former members. We are continuing discussions with the carriers we have with respect to this.

To date provisions may be available to extend coverage over the age of 70 for the prescription and extended medical and dental plans. However, there may be some limitations and additional premiums for out-of-Canada emergency travel coverage. This was the one item where a number of former members have said, "Look, we know we can get on a number of these programs, but there seems to be an issue if we're over the age of 70 and we want to participate in the

emergency travel coverage.” So we’re continuing the discussions with Alberta Blue Cross on this. I don’t know where we’re at, Cheryl, or how close we are to getting some conclusions or whether we’re in a position to have some recommendations and actual discussion.

Mrs. Scarlett: We will be able to report on this in terms of definite answers of what we can or cannot do by the next meeting. However, I can tell you that just based on e-mails today with Blue Cross, it looks encouraging with respect to that provision.

The Chair: We’ll have the numbers and the facts and everything else for the members to review shortly.

Additional comments?

Ms Pastoor: When is our next meeting?

The Chair: Well, we’ll determine that when we come to number 7. I’ll give you a recommended date.

Okay. Mrs. Jablonski.

Mrs. Jablonski: Thank you, Mr. Chair. Could you just review, for my curiosity, where we stand now with past members and health benefit coverage? They’re allowed to take some coverage out now?

The Chair: If they pay. There are provisions under our rules to basically provide coverage, well, when you leave for five years, thereafter basically up to the age of 70. When you hit age 70, then we have all kinds of problems. However, we’re recognizing now, in the changing world of demographics, that everybody is living longer and longer and longer, so not only this kind of an institution but many public and private-sector companies are looking at all these other provisions. That’s where we’re at right now. You have everything identified for you in the consolidated Members’ Services Committee orders. I can go through it for you, but it’s there for you as well.

Mrs. Jablonski: Just one more question: when you pay, do you pay for the complete plan, or is there a sharing for five years with the LAO?

The Chair: Well, in the case of Alberta health care anybody over the age of 65 who is a citizen of Alberta doesn’t have to pay. If you’re under 65, of course, you do pay. For the most part, whatever the tariff is, you bear. It gets to be very expensive; you know, as an example, the life insurance side. The older we get, the more difficult it is to get life insurance, and in fact we get to the point where it’s almost impossible.

Ms Pastoor.

Ms Pastoor: Yes. Thanks, Mr. Chair. I’d just like to point out, in light of what the minister of employment said yesterday, that I think this is a very, very timely discussion.

The Chair: I don’t know what the minister said yesterday. Would you enlighten the world.

Ms Pastoor: She said that we should be keeping the mature workforce for as long as possible and that companies really are accommodating those over 65 in terms of having part-time work and actually mentoring younger people coming into the system. So I think that in light of those comments this is very timely, and hopefully we’ll put it to bed soon.

1:10

The Chair: Okay. Others? Any other comments?

Then there are your updates and the business arising from the minutes. I’m not aware that there are other items out of the minutes.

Then number 5, New Business. The first one is the review of the report of the Auditor General for the year ended March 31, 2007. The Auditor General and I advised this committee several meetings ago that the Auditor General as usual undertakes a review of the Legislative Assembly. This year he advised us that he wanted to undertake an audit with respect to the programs that we have and the policies that we have and the guidelines that we have with respect to a series of things.

I’m really pleased to report that the Auditor General tabled his report a few weeks ago. He made such comments as the following.

Overall, we found that the Office has adequate systems to ensure payments to or on behalf of Members, their staff and offices are in accordance with established policies . . .

We found no purchases of gifts or promotional items by Members that were contrary to policies and guidelines.

In the case of gifts and promotional items the 83 members in Alberta in 2006-2007 expended \$890,244, or an average of \$10,725 per member. That was quite a reduction from the previous year. In 2005-2006 that total was \$990,241, or an average of \$11,930 per member, probably 11, 12 per cent less in the last fiscal year than the previous one to that.

Other conclusions that he had: “We concluded that the Office has adequate systems to ensure that payments made to or on behalf of Members are in accordance with established policies and guidelines. The systems are operating as intended.” He looked at various criteria. In terms of clearly documented policies he said that the criterion was partially met and that we might improve some of the words with respect to that. The expense payments: he said that all the criterion was met. Records: he said that all the criterion was met. Adequate controls: he said that all the criterion was met. The process to recover noncompliant transactions: he said that all the criterion was met.

He went on to examine the travel expenses of 30 members in his sample. “The Office has a good system in place to deal with these expenses. There was proper supporting documentation and review by the Office. We also examined the caucus expenses and found no issues needing further review.”

Then he also went on to say that he would have some recommendations, and we welcome the recommendations. He says:

We recommend that the Members’ Services Committee clarify policies and guidelines governing:

- purchases of gifts by Members
- payments of bonuses to constituency employees by Members.

Those were his two recommendations.

Then he also said that he would recommend that the Members’ Services Committee “review whether the system governing the Temporary Residence Allowance is working as intended.”

Overall, I’m just absolutely pleased that we have been audited and, secondly, would welcome the recommendations he had.

There was an opportunity for the chair and the Clerk to meet with representatives of the Auditor General to review some of these items. We did explain to him this whole question because he did have two recommendations. First of all, we explained to him the payment of bonuses to constituency employees by members. We pointed out to him that effective April 1, 2006, the Legislative Assembly Office of Alberta had commenced implementation of the constituency compensation and benefit plan. Prior to that, individual members would determine the package of pay for each of their constituency officers. You saw us come back, and the committee

agreed that effective April 1 we would have a grid system put in place.

We explained to him that during that year, from April 1, 2006, to March 31, 2007, people were being slotted into these grid systems. There were some changes. There was the case of several employees, I believe four, that basically had some bonuses associated because they had moved from one grid to another grid, and that was the way it was done. It was done in concert with our director of human resources, Cheryl Scarlett.

At this point, Cheryl, I want you to jump in and give us whatever specifics you can with those individual cases. You don't have to mention names or anything, but the process. In my view, I've reviewed this, gone through it with the Clerk and Cheryl, and am absolutely convinced that everything was done exactly the way we intended to have it done. But, Cheryl, I want to hear from you as well.

Mrs. Scarlett: As was mentioned in the report, there are basically four different reasons why bonuses may be awarded: one to reward exceptional performance, one to compensate employees for extra hours worked, one to allow employees to catch up on pension contributions, and one is adjustments relative to compensation for lower base monthly earnings in terms of fitting them into the grid.

With respect to the four that were flagged, looking at them individually, one of them indeed was as a result of a combination of the member rewarding exceptional performance, extra hours worked, and to deal with a pension-related issue in terms of purchase of prior service.

The second one was a situation where the employee was not paid equitably for the level of work performed, and when they were put into the grid, there was a significant adjustment made. So we corrected that but also recognized that there was some retroactivity required for that service performed, and that was paid out in the form of a bonus.

The third one was more in recognition of an employee that does not work full-time on a regular, recurring basis, and the salary is set that way. However, throughout the year, as is the case in many of the constituency offices, the staff put in additional hours, so the bonus was in recognition of not only exceptional performance but additional work performed, that being the case also in the fourth situation.

The Chair: Would members have additional questions either to the chair or to Cheryl?

Mrs. Ady: Well, I'm wondering about the pension piece. Obviously, you know, we've introduced the opportunity for constituency assistants to participate in the pension. I know that I was of course looking even in my office at that particular issue, and there was quite a big settlement in order for them to be made whole. I'm wondering if that's what happened in this situation. It sounds like it did. We were examining the same issue of: how do we insert them into a pension opportunity if they've been there a long time, yet now there's this accrual of years and how do we get there? I'm assuming that that's what happened in that case. It might be a good flag for all of us as we're looking at our own employees.

The Chair: Cheryl, do you have a comment?

Mrs. Scarlett: Yes. In that particular case some of that bonus money was primarily directed in terms of assisting the employee buying back the prior service as a result of the conversion over with the new constituency compensation plan.

Mrs. Ady: Excellent.

The Chair: Eighteen months have now gone by since the time we implemented this new policy. I suspect we're probably in a pretty good position of catch-up for most people. I'm making that statement hoping that's the case.

Mrs. Scarlett: Yes. It is coming along very well, and we continue and will continue to work with members here to ensure that all staff are placed in the grids and continue to do the regular annual performance appraisals and perhaps be eligible for the merit as well as for the market adjustments as was outlined in the guidelines.

Mrs. Ady: Are we then saying that everyone must now be in the grid, that they have to be placed on the grid somewhere according to those definitions on the grid that we have put forward?

Mrs. Scarlett: The intent of that guideline was that we ensure that staff are paid appropriately for the level of work that they are doing, and to do so, we have some suggested grids that we would suggest that you take and put in. If you put them right into the grid, then the annual merit and market adjustments work very well in terms of the system that we tend to parallel, which is the public service system for the opted and excluded.

The Chair: Any others? Ms Pastoor.

Ms Pastoor: Yes. Through the chair to Cheryl. In my office I know that this person is in this grid. Do I know that her work would be comparable to someone else in a different office at the same grid? How do we determine that? Because I know that not all offices are open all the time.

Mrs. Scarlett: What has been established presently is that there are three job descriptions: constituency assistant 1, 2, and 3. Those have been written in a generic form to reflect varying levels of responsibility. Those then were reviewed in comparison to the Alberta public-sector classification and pay system to ensure that for people working at those levels of responsibility the pay was set relative to equity in the public service. So if you've identified that someone in your constituency office is a constituency level 3 performing this level of responsibility as outlined by that job description, that should be consistent with all others who have identified that their staff are also constituency level 3s.

1:20

The Chair: First of all, we put the onus of responsibility on the individual MLA here to make sure that the MLA is in actual fact doing the primary source of supervision. If a member hires someone and insists that the employee be at the third grid and then we find out later that that employee is not doing anything, well, the onus is not on the employee. The onus is on the member, and we'll have to deal with it internally.

Mr. Taylor: Through the chair to Cheryl. Interestingly, in many workplaces where a grid system of compensation is used, there's a system for moving the employee through the grid, moving up a notch every so often. Does such a system exist with this grid system?

Mrs. Scarlett: Yes. Within this grid system at each level there are several steps, and the intent would be that once per year, based on satisfactory performance, on the employee's anniversary we are now

sending you a performance appraisal form for you to take and sit down with your staff, send it back and say: I approve an increment increase in recognition of merit. In addition, from time to time when the public service of Alberta opted and excluded group receives the cost-of-living adjustment, that same cost-of-living adjustment will be rolled out to the entire scale. Subsequently, we will come back to you and say that we want your approval to roll out the cost-of-living adjustment as well that they should be eligible for.

Mr. Taylor: A follow-up question, though. Is there a prescribed schedule, you know, at which time someone who's rated as a 3.2 automatically moves up a position in the grid to a 3.3, if you follow my drift?

Mrs. Scarlett: If someone is a constituency level 3, they're in the third grid, and they perhaps may be paid right now at the second level. If on their anniversary you feel that they've done an acceptable job and recommend an incremental increase, they would go to the third step.

Mr. Taylor: Okay. Understood. Thank you.

The Chair: So the answer is yes to your question.

Others?

Okay. Then I think that covers and clarifies the bonuses of constituency employees. Because we've now gone 18 months into this and there was a phase-in period, I think things will flow along pretty good.

The second recommendation the Auditor General made. On page 189 of his report he said that the Members' Services Committee should clarify policies and guidelines governing purchases of gifts by members. We have a printed document that we put out to all members which points out – and we have it, of course, in our guidelines as well – a document, this one here, Expenditure Guidelines, the coloured one, that you have in your binder. If you look at the bottom of the third page, you will see promotional expenses. Those items which are acceptable:

- lapel pins, flags
- presentation books, annual magazine subscriptions
- art, craft items, collectibles or commemorative items
- tangible items appropriate for the MLA to give in the course of their duties for that particular occasion.

Noncompliant:

- cash donations
- cheques; money orders; bank drafts
- livestock; pets

Who would give a pet? I don't know.

- any item with a partisan identification.

I can understand livestock, by the way – and this may be really strange – because if you're a rural MLA, you probably get eight invitations a year to go to 4-H calf sales. I've never bought a calf, and I don't think that any MLA has ever bought a calf, but there are 48 other people in the room bidding for these kids' calves, and they always look at you to buy a calf. I couldn't eat a whole – well, I wouldn't want to buy a calf for that, anyway.

Mr. Taylor: Mr. Chairman, we've all bought a fair amount of bull in our time.

The Chair: Okay. Thank you very much.

We've reviewed this, and we've looked at a number of other places. I've got some recommendations for you, and they are in one of the sheets that you have in that section. So we currently have those things that are acceptable, those things that are noncompliant.

The Auditor General makes it very, very clear that there's not an issue here for anybody, but he basically says that there is no cap. Well, that's a policy decision that this committee can choose to make or not make. We currently have no cap with respect to this. I'm recommending to the committee that we do establish a cap, that the value of any item purchased would not exceed \$400.

Now, how did we come up with \$400? Well, there is a review of legislation dealing with the Ethics Commissioner, and there's some legislation coming forward. My understanding is that the Ethics Commissioner is basically recommending that there be a cap for Members of the Legislative Assembly, to move the maximum right now of \$200 to \$400, in terms of what members may accept. So that's the reason we've got \$400. It's a principle thing, and it's recommended to basically mean the same thing.

The second thing in the sheet that I'm recommending we add to our noncompliant thing is alcohol. Now, I'm not aware of people going out and buying, but I can see in 2005 and 2006, the 100th anniversary of the province of Alberta, then the 100th anniversary of the Legislative Assembly of Alberta, members sometimes going to some place that's holding a big, big event, and everybody says, "Well, let's crack a bottle of champagne, you know, to celebrate this 100th anniversary" or whatever the heck anniversary it is.

Well, anyway, I'm suggesting that the best way for us, probably, now to deal with this is just to eliminate the opportunity for alcohol so that we don't have to worry about that and the same thing for currency or cash in kind and then add one additional item: the gift or promotional item is not to be given to members; in other words, you don't buy gifts for one another – the Speaker always gives you a little thing at Christmastime, maybe a calendar or an Alberta-opoly game, but I don't take it out of my constituency funds – nor for personal or partisan reasons. I think those are pretty commonplace things, and I think that they cover. The members have been very, very good about this, and I want to repeat that again. I'm just really pleased that the Auditor General has come forward and basically said that that's not an issue, but we can clarify a few things.

So I give you those recommendations for clarification. That's my recommendation.

Mr. Taylor: Mr. Chairman, maybe I'm just being really picky or detail oriented here today, but I don't see in your proposed amendment that you've included livestock or pets again.

The Chair: They are already included.

Mr. Taylor: So this adds to the noncompliant list. Okay.

The Chair: This adds to the list. I'm not now saying that we can buy livestock or pets.

Mr. Taylor: Just checking.

The Chair: Although, you know, if you go to a senior citizens' drop-in centre, a lot of people will tell you the best therapy for a lot of seniors is to have a pet. So if you showed up with a parrot one day, I don't know. A book or a parrot. Okay. Anyway, we're not buying parrots.

Mrs. Jablonski.

Mrs. Jablonski: Thank you, Mr. Chair. I'd like to address your recommendation about alcohol. Although I'm not a big supporter of alcohol, I would tell you that there are bona fide occasions when we might want to purchase something that has alcohol in it, and I'll give you an example.

This weekend I attended the Red Deer College wine auction, and the purpose of that wine auction is to raise funds for bursaries for students that have financial need. They do an extremely good job of it, but when they ask for donations, they ask for an exclusive wine to be auctioned off in a silent auction or a live auction. I know that our good MP brought some exclusive wine that was auctioned off, and they raised \$800 for that.

I would agree with you that I could provide for them a wine rack or something rather than the alcohol, but the point I'm making is that sometimes there is a bona fide reason why you may want to make a purchase through your constituency fund to support the good works of the community.

The Chair: Fair game. I'll put it on the table. The committee will make the decision. I'm just making recommendations.

Mrs. Ady: Well, you know, I like the idea of creating some parameters for members to work under because sometimes when you're out there, you just want to know what the rules are. Right? Just tell me what the rules are so that I can operate well within them. I like your idea or suggestion of a dollar amount so that people know exactly where they're operating. I think that's a good suggestion because when you don't know sometimes, you can inadvertently make a bad decision, and I think it would help members.

As far as the alcohol I just think there's so much grey in that area that I would almost rather prefer to stay on the right side of that one as opposed to try and make those judgment calls. I would say get a wine rack just so that you can stay as far away from it as possible. I think that we are out in the public eye and that we, you know, have to be able to manage differently than others maybe would. That would be my feeling. I like the idea of setting a ceiling on that, but I really think we'd be better to stay on the far side of that one issue.

Mr. Graydon: I really like the recommendations, and I'm prepared to make a motion that

we accept the proposed amendments to the Members' Services order regarding the purchase of gifts and promotional items, section 6.

That sets the \$400 limit, and it eliminates the purchase of alcohol.

1:30

The Chair: Is there a seconder? Mr. Martin. Discussion on the motion? All those in favour of the motion, please signify. It's carried unanimously.

We have accompanying that, then, a revised Members' Services Committee order that basically would put all of this in practice, and we can make it effective today, if we so choose. The order is being circulated now. It reads:

Section 6 is repealed and the following is substituted . . .

6(1) Subject to subsection (2), this Allowance may be used for the purchase of

- (a) pins, flags or other things suitable for the Member's constituents and others, or
- (b) items suitable as gifts to be given in the course of the Member's duties.

(2) Purchases under this section are subject to the following restrictions:

- (a) the value of an item must not exceed \$400;
- (b) the following items are prohibited:
 - (i) alcohol,
 - (ii) currency in the form of cash, cheque, bank draft or money order, and
 - (iii) cash-in-kind where its use is unrestricted;
- (c) an item must not be given to another Member; and
- (d) an item must not be given under personal or partisan circumstances.

This order comes into force on the date it is passed, so if you would agree, then it would pass at Edmonton on this 24th day of October 2007.

Mrs. Jablonski.

Mrs. Jablonski: Thank you, Mr. Chair. I'd just like clarification on 2(b)(iii), which is "cash-in-kind where its use is unrestricted." I don't quite understand what that means.

Dr. McNeil: It's like giving a gift certificate where there's no limitation on what you can buy with that gift certificate.

Mr. Oberle: You're talking about a gift certificate that they can buy alcohol with.

Dr. McNeil: Where they can buy alcohol with it.

Mrs. Jablonski: Okay.

Dr. McNeil: That would be different than getting a gift certificate from Chapters for \$50 for a book, for example, that you can buy. That's a gift certificate, but its use is restricted.

The Chair: Okay. Does that clarify everything?

Mrs. Jablonski: Yes. Thank you.

The Chair: Anybody want to move this? Mr. Ducharme. Sec-
 onder? Mr. Martin. All those in favour? Okay. Thank you very
 much.

So we'll do that on the 24th day of October 2007 and sign it. In essence, we'll convey to all members where we've arrived at with that one.

Now, the third item that the Auditor General has made mention of came in after these other two items. He basically said, "We recommend that the Members' Services Committee review whether the system governing the Temporary Residence Allowance is working as intended." Now, Mr. Clerk, I asked you to provide me with a copy of the Legislative Assembly Act. Could you circulate that, please? Or is it in here? I don't see it in here. Okay. Rob, would you circulate it, please.

This item goes back to 1983. In 1983 the Members' Services Committee basically made provision for a temporary residence allowance, so this is in the Legislative Assembly Act. Everything is going along very, very well, and various Members' Services Committees basically say: "Yeah. Okay. When the House is not sitting, we'll have something called the non-sessional allowance, and that's up to 10 days per month. When the House is sitting, you have the 10 days per month plus the provision to in fact go beyond that because you're there." The going beyond that goes back to 1983, and I've given you a copy of the Legislative Assembly Act, which basically carries all this out.

So everything is going along perfectly fine, and it's working exactly as intended. If the House is adjourned for eight days or more, members can claim for those additional days. Presumably, if the House is adjourned for eight days or less, members may not. But I'm not aware of too many circumstances when the House has been adjourned for less than eight days. Remember, we passed a special motion of the Assembly this spring when the members came forth and said that every fourth week would be a constituency week and the House wouldn't sit. So we just simply applied the policy we've had for 23 years with respect to the whole thing.

The Auditor General just basically raised this item. He says that

it's kind of needlessly complex. Well, okay. Fine. We have a piece of legislation. We have decisions from Members' Services for 20 years. We put it all together in the consolidated Members' Services Committee order. It's subjective, in my view, whether or not it is needlessly complex. I can understand it. I'm a member. Most members can understand it. We've not had any administrative problems with this that I'm aware of. The Auditor General raised it. I've reviewed it. We've had the staff folks associated with this review it.

I brought in, if the members wanted to change it, a proposed change, that you'll have on the same page as we have the promotional items. The only problem with the proposed change is that we can't change it unless there's a change in legislation, which means that the Legislative Assembly Act of Alberta has to be amended, changed, which means that we have to go and ask a minister of the Crown to provide legislation. That would never make the fall sitting. It would never make the spring sitting. Probably the earliest would be the fall of 2008.

At the conclusion of this whole thing is my recommendation, after having reviewed it, that it work in the following way: if we are out of session, the members go to a maximum of 10 days per month. That's the way we are. If we are in session, the members basically can claim for the days on which they are on official business in Edmonton. If the House adjourns for eight or more days, they can do it; if the House adjourns for eight or less days, they cannot claim for anything within those eight days. To me it's very clear is what it is. My recommendation is that this is working as we intended it to work. It may be complex, but that's not an issue because we've administered it, and we've had no problems with anybody. It's maybe only complex for somebody who has no experience with this. My basic recommendation is that we go as we are.

Mr. Oberle: Mr. Chair, I'd concur with your analysis. I don't find it to be complex, and I'd be prepared to move your recommendation, which is that

we do not adjust the temporary residence allowance.

The Chair: If we had a seconder, then we'd have a discussion.

Mr. Shariff: I'll second that.

The Chair: We're open to discussion on this. Ms Pastoor.

Ms Pastoor: Yeah. The Auditor General found that some members, 55 out of 60 – I'm not sure who the other five were that didn't get it – did get extra money. I probably shouldn't comment on this in terms of the complexity of it because I don't do it. My office does it.

The Chair: Okay. I'm going to make something very, very clear. I will not accept any signature from any staff person with respect to any expense-allocated item for any member. The responsibility is on the member.

Ms Pastoor: I understand that.

The Chair: If there ever is a problem that the member gets into, no member will come to the Speaker and say: "I'm sorry. I didn't do it." No. I will not accept that.

Ms Pastoor: My signature is on it. I understand your point.

When I looked at this, I thought that whatever rate you would choose, I don't know why it isn't just \$1,750 a month flat, period,

and be done with it, why there has to be all the in and out and whether you're in or out. It's \$1,750 a month, and if you come up for committee meetings, you will be paid for committee meetings. If you come up for caucus, that's probably your salary. I don't understand why you need extra.

The Chair: You will not be paid for coming up for committee meetings when the Legislature sits.

Ms Pastoor: No. I'm speaking outside of the sitting. If you come up, you get money for your attendance at a committee. What I'm saying is that I don't understand why you need anything extra. If you get \$1,750 a month, you could live on that comfortably.

What I don't have here is the number of people who either don't rent or lease or own. Is there anybody that lives outside the 60-kilometre radius that actually lives in a hotel? Or does everybody own? The \$1,750 should be enough. Period. That's what it is, and you don't need any more. I don't understand why it's if you're in or out.

The Chair: Well, the Members' Services Committee is the one that determines all of that.

Mr. Oberle: Well, maybe I could just offer a little clarification there. When we are not in session, you do get the flat \$1,750 a month, plus you get committee pay if you are in Edmonton to attend committee meetings or anything else. In a month when we are in session, rather than \$1,750 a month you can claim for the actual nights that you stayed in Edmonton, which typically in a month would be more than the \$1,750, in recognition of the fact that you are spending quite a bit more time in Edmonton and have additional expenses, presumably higher utilities and other expenses that go with being here in Edmonton. I think it's working as intended.

1:40

Ms Pastoor: You still are up to a maximum . . .

The Chair: I'm sorry. Mr. Taylor is next.

Mr. Taylor: Okay. Well, Mr. Chairman, I'm going to pick up at least to some extent on what Ms Pastoor is saying here. In terms of a question and a comment the question, first of all, is: am I to understand, then, that we could not simply change the temporary residence allowance to a flat \$1,750 a month every month of the year and eliminate the per diem for members who have a deed or a lease without actually changing the Legislative Assembly Act? That would be the question.

The comment. With all due respect to Mr. Oberle, who has more years of service than I do, I don't understand this. This looks unduly complex to me. As I read through the proposed amendment, it seems to me that there's nothing here that would prevent a member from claiming the equivalent of 10 overnight stays, or \$1,750, plus \$175 for every single night that he actually came up here out of session to do any official business. My sense, if we do the math on that, is that the Auditor General is going to be coming back to us perhaps next year and saying, "Now, you've got people who are claiming \$8,000 a month, practically, in living expenses," or "You've got way more people who are claiming \$5,000 a month."

It seems to me, Mr. Chairman, that our intention in doing this was to create a situation whereby when the Legislature was in session, members were paid a per diem for every night they stayed in Edmonton. If the Legislature wasn't in session, they got a flat \$1,750 a month capital residence allowance. It was to be one or the

other, not both. When that was done, we didn't anticipate a three weeks on, one week off sitting of the Legislature, which triggered the over eight days adjournment clause.

The bottom line is that, effectively, we double-dipped last spring, and it was perfectly legal.

The Chair: No. You're wrong in the assumption you give. That was not the intent of the members, going back to 1983. That's a subjective conclusion that you've arrived at with respect to that. As the Auditor General points out, the intent was to provide for the reasonableness associated with it.

The members in the last 23 years have arrived at this situation whereby if you're out of session, you get the 10 days plus the committee work; when you're in session, you get the 10 days, but there's no provision to claim for a committee day. That's why the sessional day was determined to be the acceptable one, Mr. Taylor.

Mr. Taylor: Do you see the look of puzzlement on my face, Mr. Chairman? I'm still not clear.

The Chair: Well, it seems to me pretty straightforward. It should be.

Mr. Taylor: Okay. It doesn't seem straightforward to me, sir.

The Chair: I can accept that.

There was another question on this side, was there not?

Mr. Martin: Well, again, it's not a problem that we've had in our caucus because none of us qualify. I guess what I'm trying to figure out is: what is the Auditor General driving at? Did he come back and say that there are specific people here, that the system is being abused because of what's happening? What is he driving at specifically? Because he has the concerns.

The Chair: He says, "We recommend that the Members' Services Committee review whether the system governing the Temporary Residence Allowance is working as intended."

Mr. Martin: He didn't give any . . .

The Chair: No. No. This is all we have in the report. It's not in his other ones. What he's basically saying is that. Then he also says that there should be fair compensation. Basically, again, to repeat the way it is: when the House does not sit, a member may claim up to 10 days per month. Then as time went on, basically, members were allowed to claim for committee days on which they worked as well. Then this spring we added even more committee days when we created these additional five or six committees. So I guess you could presumably say that at one point in time, regardless of how many committee days there are, you cannot claim for a committee day over and above the 10. When the House is not sitting, you can claim for the 10 days, and if you are on another committee, you can claim for each of those days.

Now, the claim is for the following purposes: accommodation, parking, food, et cetera, that go with the expenses associated with it. I don't know if that's too complicated: just to say that when the House is not in session, you claim for 10 days plus each day of committee. When the House is in session, we have another rule that says that if a committee meets when the House is in session, you cannot claim for that committee meeting. Then the application of the rule was that when the House is sitting, you can claim for the 10 plus those other days that you were in Edmonton on official business

for the House purpose; however, if the House adjourns for less than eight days and you happen to go to seven committee day meetings during those less than eight days, you can't claim for any of those. That's governed by the legislation plus our interpretations over the years with respect to it. Okay, that's complex. That's complex.

Mr. Taylor: So if the proposed amendment were in effect as of today . . .

The Chair: Yes.

Mr. Taylor: . . . I would therefore qualify for a capital residence allowance for the month of October of \$1,750, plus I would qualify for a per diem of \$175 just because I came to this committee meeting today?

The Chair: Would you qualify for the committee? You don't need any rule change. That's the way it is right now. It's the way it is right now, and you have signed in the past for that.

Mr. Taylor: No. When I sign for committee service, that has nothing to do with the temporary residence.

The Chair: Oh, it's over and above it. It's over and above it. That's the rule now.

Mr. Taylor: Yes. What I'm asking for clarification on, though, is whether I'm right in my interpretation of this proposed amendment, that it says that in addition to . . .

The Chair: So far I haven't moved any amendment. We're not discussing any amendment.

Mr. Taylor: But Mr. Oberle has, has he not?

Mr. Oberle: No, I've moved a recommendation.

Mr. Taylor: Okay.

The Chair: He moved to let the system be exactly the way it is.

Ms Pastoor: Is the motion not on the floor?

The Chair: Yes, it is.

Mr. Taylor: Okay. Well, then, Mr. Chairman, if I may rephrase my question.

The Chair: Sure.

Mr. Taylor: As things sit today, we will be paid for our committee service on this committee today.

The Chair: Yes.

Mr. Taylor: Assuming that we all have leases or deeds or mortgages, we will be paid our capital residence allowance of \$1,750 a month.

The Chair: Yeah.

Mr. Taylor: Are we also qualified, then, to claim a per diem temporary residence allowance of \$175 for this day?

The Chair: No, not at all. Nothing has changed. Absolutely not. That would be double-dipping.

Mr. Taylor: Yes, it would.

The Chair: No. You're absolutely not allowed to do that.

Mr. Taylor: Okay.

The Chair: Absolutely not. That would be fraudulent. Absolutely not.

Ms Pastoor, do you have something further?

Ms Pastoor: Yeah, just what the Auditor General had said, that between the two allowances they found examples that members had received 'schwacks' of money. Well, 5,000 bucks a month is a lot of money to me.

Mr. Oberle: 'Schwack' being the technical term now?

Ms Pastoor: Well, yes. That means a lot of money. How did they get that kind of money?

The Chair: Well, one member receiving \$5,425 and three members receiving that – those were the members – and the other members were not within that at all.

Ms Pastoor: But it just appeared to be something that he obviously highlighted, and that's my problem.

The Chair: And he highlighted it entirely within the rules. Those members, obviously – and I haven't bothered to check this because it's based on the honesty and integrity of the member – must have been in Edmonton for those number of days on official business and claimed it. Now, the Auditor General said that there was nothing fraudulent about this or anything else. You can bet your bottom dollar, though, that as a result of all members' reading this, members will be increasingly vigilant, I'm sure, with respect to the claiming of these things.

Mr. Oberle first, then Mr. Taylor.

Mr. Oberle: Well, I just want to point out that one member, obviously, claimed that they spent 31 nights in March on House business in the city of Edmonton, and that's consistent with the policy unless you wish to question that individual member's claim, which is a whole other matter. Nonetheless, they've claimed that they spent 31 nights in Edmonton on House business, and it's not for this committee to question that member's integrity.

1:50

The Chair: I have no idea who that member is, by the way, nor do I want to know.

Mr. Taylor: Mr. Chair, I don't think that there's any intent here on the part of this committee or any member of this committee to question that member's integrity. In fact, the Auditor General has already ruled on that and said that the member was absolutely within the rules as they exist now. What the Auditor General is suggesting is that this committee take another look at the rules because the public perception out there is that they are designed to greatly fatten our wallets.

The Chair: Well, okay. That may be so. I've not had any comments from anybody in the public.

Mr. Oberle: I question that last remark. The Auditor General recommended that the Members' Services Committee review whether the system governing the temporary residence allowance is working as intended. I don't see anything about public perception or fattening wallets or anything else in that statement, and the Auditor General has already stated that he found no evidence of fraud or anything else in here. He's just asking, "Is it working as intended?" which is a policy question, which the Auditor General shouldn't be wading into. He's just asking us: is it working as intended? That's our question to answer, not his. He hasn't outlined any incidences of fattening wallets or anything else, and I object to the language.

Mrs. Ady: Well, I'm wondering, too, if this was highlighted because of the change that happened in how we were conducting our business. That maybe was what drew his eye to it. He's saying: "Okay. You've had a change. Is it still working as intended?" We'd done our breaks differently, so I think that's a really appropriate question for the Auditor General to ask, and it's an appropriate question for this committee to consider: because of the change in our business, can this policy still work as intended? I really do think that that is what we're looking at here.

The Chair: Others?

Mr. Oberle, your motion basically says that the committee has reviewed this and the committee believes that the system is working as intended. Is that basically correct? There was a seconder as well. Shall we call the question, then?

Hon. Members: Question.

The Chair: All those in favour, please raise your hand. All those opposed, please raise your hand. So there are two in opposition to that. Okay. Thank you very much.

Like everything else that comes out of an Auditor General's report, I look forward to further review of all policies that we have as we go through time.

The next item on the agenda, hon. members, has to do with the parameters with respect to an upcoming budget that would come into effect as of April 1, 2008. Now, as a result of the changes that were made in the Legislative Assembly in the spring of 2007, we are now advancing the schedule for all budgetary preparations in preparation for the spring session. The motion that you gave, that you agreed to, that the Assembly agreed to with respect to fixed dates says that the fall session will come in on November 5, I believe, but it also says that the spring session will come back on February 4, as I recall. That's in a motion, so we now are governed by that. Normally there's a three-month advance time required during the budget preparation. That's the reason why I'm asking us to deal with the parameters of an upcoming budget now: so that we can have everything done.

I'm also going to recommend under number 7, the date of the next meeting, the third week of November. I'm going to recommend that you take a look at your calendars and see if you're available on November 13 – I believe that's a Wednesday – at 6:30 p.m. I've checked all your calendars. You all are available for such a meeting at that time, and that's the reason why. By calendars I mean the other committees already determined by the Legislative Assembly. What your personal calendars have, I have no way of knowing.

Then the next point I want to do is take you through the parameters, the guidelines, that we will use in preparing the budget for the upcoming year. If you agree to the parameters, we will go back, do all the numbers, provide to you one week ahead of time the binder

which has the specific numbers in it, and ask you to come back on November 13, after you've had the binder for one week, to give your yeas or your nays with respect to the budget that we would go with. It's only because we're now into this new system that we have to really get along and deal with it.

So in terms of the parameters I've got the document in there called Budget 2008-2009. Let me take you through these parameters. There's only one page of them. Basically, there are only a couple of new items in it, and I'll highlight them as we go through.

First of all, we build our budget on the basis of operational costs due to inflationary factors. We looked at the Alberta CPI, not the Canadian CPI but the Alberta CPI. So you have in there a document which points out the monthly economic review, and we get this out of Statistics Canada. In there you'll find a document which basically says that the CPI that we're playing with at the moment is 5 per cent for the Alberta CPI.

Clerk, what page is it on? I can never find it when I want to find it.

Dr. McNeil: Page 11. Right at the top on the right-hand side. All items.

The Chair: Consumer price index, July 2006, 2007: it says 5.0 per cent. That's where we get the number from to determine that first recommendation. That's, basically, the number we've agreed to by way of principle in building the budget that you gave the direction to before.

In terms of remuneration adjustments we follow the settlements in the public service of the province of Alberta; follow, not lead. The numbers already put out for the public service of Alberta, negotiated with the government of Alberta, are 4 per cent public service scale in-range adjustments plus a possible 4.8 per cent public service market adjustment and a consequent increase in employer benefit costs resulting from remuneration adjustments (a) and (b) to arrive at that number. It doesn't mean everybody's getting 8.8 per cent; it just means that those are the guidelines to be used in terms of allocating that particular item.

I'll take you through this, and then we'll stop and have questions, okay? We've included in here the \$228,000 for the learning and wellness account budgeted for 2008-2009, same amount as last year. Once again – this was implemented last year; I've just highlighted it here again – there's no increase in this. It's just carrying through. All LAO, constituency and caucus staff, and all MLAs are eligible to participate in this program as per public service guidelines. A number of members and staff, basically, have done a variety of different things. It's quite remarkable.

The guidelines are pretty restrictive, but a number have said that they want to get on the Dr. Bernstein diet program or something. Is this acceptable, Cheryl?

Mrs. Scarlett: Portions of it are; however, the injections are not.

The Chair: Okay. A number of members have basically done very well in this regard. Well, you know, a report came out yesterday that basically says that the two most obese people in the world – take America out of this picture – are South Africa and Canada. So this is a serious issue, a very, very serious health issue, a lot more serious than those puffers, in my humble opinion.

Budgeting purposes: the same number of 85 sessional days was used again. No change in that.

Funds for election preparedness and post-election responsibilities are included in these estimates. What this is is a small amount of dollars given to the library to do constituency profiles, that are

always given to all candidates prior to an election. Clerk, how much are we putting in there?

Dr. McNeil: A rough estimate is \$50,000.

The Chair: Fifty thousand bucks. It's just, basically, a preparation of information with respect to constituencies. We'll have that number for you, but that's essentially what it is.

Funding has been included for the four new standing policy field committees: Community Services, Government Services, Managing Growth Pressures, Resources and Environment: essentially, that budget which came in this year, which we had to add as a result of the debates and discussion. The only thing that would be adjusted in those things, as far as I know, would be the inflationary thing of 5 per cent.

Funds budgeted to anticipate the special select Ethics Commissioner search committee is what we would build into this as well. I don't think that at the moment we have that amount from the committee yet. We haven't got it yet, but we'll have it zeroed in before we arrive at 3.

2:00

Mr. Oberle: Do we not as well have the Auditor General's term expire in this budget year?

Dr. McNeil: I don't believe so. His is a seven-year term. I think he's got two years. This is his fifth year, I think.

Mr. Oberle: Thank you.

The Chair: MLA administration budget: member remuneration adjustments. We deal with the average weekly earnings of an Alberta worker, a blue-collar worker in the province of Alberta, and we get this thing published and printed out by Statistics Canada. In there we're looking at a number that basically says 4.7 per cent at the moment. We put in 5 per cent. Of course, if it's less than the amount that we have in our budget, we only use what we've agreed to here as the guideline. At the moment we're going with 4.7 per cent. They've got two numbers in here, 4.7 per cent and 5 per cent, that come out for the average weekly earnings index. So that's the reason for that number being what it is.

The transition allowance. Exactly the same. No increase in that. It remains exactly as it is.

Members are entitled to an RRSP allowance. Per member the number goes up. In the current fiscal year it's \$9,500, and in 2008-2009 it goes up by \$500 to \$10,000.

Total funds budgeted for the members' services allowance – this is not salaries for MLAs; this is the constituency offices and everything else – adjusted by that same 5 per cent figure.

The Fort McMurray allowance remains the same, for the constituency assistant at Fort McMurray, at \$1,040.

There is a new government program that came out in October of 2007. We said that we would follow the government's initiatives as a result of its discussions with its unions. So there is a new program called the 55th to 57th parallel retention program, where an employee working in a number of different offices can receive up to, I believe, \$6,000 – is that correct? – per annum for those places. We have in here a document which points out where those places are. The 55th to 57th parallel retention bonus applies to places from Cadotte Lake to Young's Point provincial park, including Peace River, Grande Prairie, and places thereabouts. That is a program that's in existence, so I'm recommending that we, because our principle was that we would follow through, build in this \$84,000 for that particular program.

You'll note the next one. A million dollars has been centrally budgeted for constituency office staff benefits based on benefit enrolment. This is down by \$482,000 from the current year. We've now got a good understanding of what this benefit package was. Last year we didn't; we were implementing it for the first time. So that's a reduction.

I'm recommending a change in the temporary residence rate effective April 1, 2008, to move from \$175 a day to \$185 dollars a day. It's the result of the application of that inflationary factor.

The MLA kilometre rate. We've always said that we would be 7 cents less than the public service rate. The public service rate has gone to 44 cents, so 44 minus 7 arrives at 37 cents, so that's why there's an increase from 36 to 37 cents in that regard.

The furniture replacement one we've already talked about, \$210,000 in the current year. I think we've got \$200,000 built in for next year.

I'm recommending one other addition to our budget, \$90,000 to ensure that our constituency offices are barrier free or barrier reduced. There are still some offices in the province of Alberta where it's difficult for people in wheelchairs and others to access those offices. Whatever the reasons are for the landlords and the like, I'm recommending that if we have to do something, we would make sure that those offices are barrier free.

The risk management item is down just slightly.

Caucus budget adjustments. I'm recommending that same COLA factor of 5 per cent.

You have, then, the background in there, the documentation with respect to the average weekly earnings index. You have the documentation with respect to the so-called COLA adjustments. You have the documentation with respect to the 55th to 57th parallel retention program. The learning and wellness account guidelines are included in there, the number of Legislature days, the *Hansards* produced – these are just for information – the Legislature committees. The RRSP documentation is in there.

You've asked me for information with respect to the flow, then, that would occur in various offices and the like. I've given you a complete spreadsheet to show how these differences would be as a result of the application of these dollars, so you can look at all of the offices in the province of Alberta.

Members have indicated to me that there are variances with respect to the fees they pay on a monthly basis. I've got some documentation here as well as the list of electors updated as best as we can get. You can see that there's dramatic increase in Alberta. There's been dramatic increase. Two hundred and eighty thousand more electors appear now today than did in March 2005, and you can see where those numbers are kicking out. You can see the documentation there with respect to the mail item. We're estimating Alberta's population by July 1 of next year to be above 3.5 million. I see the rationale for, again, the temporary residence allowance increase and the mileage increase.

Well, there's another item we're going to come down to just a little later, and that's offices. But if you look to tab D in the next section, you'll see constituency office lease information and the tremendous variance in terms of what's being paid by various members in different places. There are some members who will spend more days in Edmonton, so you have this variance with respect to residence allowance. You also have a tremendous variance with respect to how much money per month somebody would pay for rent.

As an example, under 36, Edmonton-Meadowlark pays \$278 a month for constituency office rent where another member pays over \$2,000 per month and both in the city of Edmonton. Olds-Didsbury-Three Hills pays \$636 a month for rent. In Fort McMurray-Wood

Buffalo it goes to \$1,772. Then you add all of the additional items in there.

By adjusting the constituency office budget by that amount, it's not scientifically pure, but I don't know how else we do this because every circumstance is different. In some cases, as I said, some members may spend more days per month, and in others if you put a cap on it, you have a problem. If you put a cap on this, you have a problem as well.

I give you all of this as background, and we'll come back to it in a second, but we can blend it all in, too, because it does fit into the budget. Those are the parameters that we have. I welcome any questions you have, any thoughts you have, any suggestions you have because I will be asking you to approve the parameters so we can go back and build the budget.

Mr. Shariff: Mr. Chair, I have two comments to make. I know that they will probably not be considered for this particular exercise that we have, but I think it's important, and maybe we should visit it. The first one pertains to the allowance that's based on the number of electors that we have. I'm looking at constituencies like mine, which have large numbers of constituents but not necessarily a large number of electors. But these are residents that access my office, that need communication, correspondence, and work on their behalf. So maybe the Clerk might want to revisit this formula and see, if it was adjusted on a number of constituents basis and trying to keep the costs neutral, what would happen down the road. That's one.

The second one is pertaining to the rental costs. I'm a hundred per cent sure that at the end of this election, when people are negotiating their leases, these prices are going to jump significantly in Calgary. It will have an impact on our budgets, and I'm sure it'll happen across the province. I don't know how we are going to deal with it, but there are many people who may not even have an office at the end of this term because the landlords will be able to get a much higher rate than what they have been getting so far. So that's something that will be impacting us, and maybe we need to think along those lines about how we deal with it.

2:10

The Chair: Okay. Agreed to thinking about and reviewing both of those. Others?

There is a variance. You can see it. This information is there. Other comments that people would like to make with respect to this? If there are not, I would really, really appreciate a motion from the members to give me the direction to go forward and then build this budget and bring it back to you.

Mr. Oberle: So moved, Mr. Chair.

The Chair: Mr. Oberle. Mrs. Jablonski. Discussion? We have a motion to proceed with the parameters. All those in favour, please raise your arms. Opposed? Okay, that's carried unanimously. I appreciate that very much.

The next item, hon. members. Well, it's amazing to me how many members – there are probably half a dozen – come to me and basically say: "You know what? We spend a lot of time travelling in my truck or my car, and we don't always travel on paved roads and, boy, oh boy, the dust and the dirt and everything else." You can get a detailing thing. We currently allow members to have a detailing to clean up their vehicles, one detailing per year at a maximum of \$250. Because of this thing, I'm recommending that we go to two – two – detailings per year at a maximum of \$250 per detailing.

Mrs. Jablonski: Mr. Chair, I would move that we accept your recommendation to
move to two detailings per year at a maximum of \$250 per vehicle per detailing.

The Chair: Seconder? Ms Ady. Questions? Discussion?

Mr. Shariff: Mr. Chair, I've never used detailing in all the years that I've been here. I'm just curious to know: is \$250 the average rate in Calgary?

The Chair: It's actually more than that, but we're putting a cap on it. We had one former member – well, I'll tell you because he used to raise it – Mr. Wickman. He wanted six or seven detailings a year for his vehicle. I kept telling him: "Sorry, Percy. You're going with one. That's it." He lived in Edmonton. He was not in the country where he had to go on gravel and dirt roads. He did it at this meeting, so this is not speaking out of turn.

Anyway, we've got a motion. Any discussion on it? All those in favour please raise your hands so I can see them. Opposed? Carried. Oh, one opposed: Ms Pastoor.

Okay. Constituency office rental increases. Mr. Taylor, you raised this with me. I went through all of this to give you the background and the detail. Would you like to raise something further with it?

Mr. Taylor: I raise this with the committee at the behest of a couple of members of our caucus who are certainly feeling the pinch from high rents. It's very, very interesting to look at these numbers here. The people who are raising the issue I think have had fairly recent rent increases, and their pain is reflected in that. Looking personally here, I see that my lease is up at the end of next February, and not knowing what my landlord has in mind but knowing what's happening to, you know, rental rates per square foot in my area of Calgary, I can expect a whopping increase as well.

An Hon. Member: Calgary-Currie?

Mr. Taylor: It's Calgary-Currie, yeah. Uh-huh.

Although I don't have a clear notion of precisely what this committee should do in this regard, I'd like to open it up for discussion among us as to how we respond to this. I think it is time to respond because we've seen in Calgary and Edmonton, in those cases where leases have been renewed, significant rent increases, well in excess of, you know, the cost of living that we use as a guideline for increasing constituency office budgets year over year. It's been suggested to me that a rethink of the matrix system might be in order or something parallel to that to speak to the specific issue of office rents and to be open about that.

This is coming very much from an urban perspective. I don't know how this is going to play out necessarily in more rural constituencies, but we know what rental rates have been like not only in Calgary and Edmonton but in Grande Prairie, Fort McMurray, Lethbridge, and various other places, and we may need to consider some sort of parallel to the matrix system given that the matrix system tends not to apply in urban constituencies. Certainly, in the case of my constituency I can walk from one side to the other in the space of an afternoon. I well understand why I register, I think, a minus 12 on the matrix. However, it doesn't take away from the fact that paying the rent is becoming a real problem for an increasing number of MLAs, Mr. Chairman.

The Chair: And I appreciate that. The matrix thing came in as a result of the Electoral Boundaries Commission.

There are actually three items involved in this constituency office

information that I just ask you to put your head around if you want to deal with this matter. First of all, one way of getting control of this is to basically put a cap on the size of the office. If you take a look at this, you can see the tremendous variance in size of offices. You can see Calgary-Cross, which has 645 square feet. It pays \$349.38 per month, but there's another person who might have \$1,143 per month. One way of dealing with this, obviously, is the size of the office.

Secondly, does it include parking or not include parking? There's usually a premium cost associated with additional parking. If we want a guideline, we either say "Yes, there's parking" or "There's no parking."

Then you can say, well, basically, location: is it going to be Main Street or not Main Street? Then you talk about a term: how much term do you want? Then you talk about, well, what kind of utilities would be included. All of those things sort of kick into it because there is a tremendous, tremendous variety of things, including signage and what have you. Some members pay signage, and some don't.

I'll just give you an example of my own. My landlord comes to me just recently in Barrhead, where my constituency office is. I've got 1,830 square feet, and I've been paying my landlord \$600 since 2000. Every time he comes in in the past and says he wants a rent increase, I tell him no. He says, "Well, I may have to evict you," and I say, "Well, fine." That's the way it was. Anyway, he came to me two weeks ago. Finally, after seven years I have to reluctantly agree that we have to give him a rent increase. He wants 33 and a third per cent increase. That's what I'm faced with now, going up to \$800 a month, but after seven years that seemed fair. It seemed reasonable. But I can understand this.

Other members have all kinds of issues. Look, I've got 1,830 square feet in Barrhead for \$600 a month. The Member for Cardston-Taber-Warner gets 350 square feet, and he's paying \$700 a month. There are differences, but there are differences right within cities and towns. I'm wide open for this.

Mr. Oberle: I certainly am sympathetic to Mr. Taylor. I notice that he pays \$2.10 per square foot, whereas I think I'm probably just over \$1.00 in Peace River, which we think is expensive locally. I don't know if I'd frame it as an urban/rural. I notice that Fort McMurray pays \$2.70 a square foot. You know, certain hot spots. I didn't look up Grande Prairie, but I imagine they're similar.

I would caution you, though, against looking at this as an office size problem. My office is 1,300 and some square feet, I think, but I pay for two assistants in that office because I need them. A rural constituency is different, or maybe my constituency is different. I don't know. The other thing is that I also have meeting space in that office because there is none available otherwise. You know, it fits the job that I have to do there. I notice that a number of people have constituency offices of less than 400 square feet. Wow. I'm impressed.

The Chair: Bonnyville-Cold Lake's got 500 square feet.

Mr. Oberle: There are lots of bathrooms that are more than 400 square feet.

The Chair: Therein lies the issue. Look, we're wide open.

Mr. Taylor: Mr. Chairman, I concur with Mr. Oberle that using the size of the office, the square footage of the office, is probably not the way that we want to go. I would refer you back to your own example of Calgary-Cross, where at 645 square feet they're paying

\$350 a month, roughly, and I'm right below, on the next line down, at 582 square feet, paying over \$1,200 a month. You get great variations even, you know, from one area of a city like Calgary or a city like Edmonton to another.

Certainly, Mr. Oberle and other MLAs from ridings that represent big chunks of geography have challenges that those of us who represent smaller urban ridings don't face in terms of serving the constituents and covering that great distance. I'm not proposing that we take away anything as far as those who benefit most from the matrix program are concerned, but it still leaves us with the problem that we need to do something to address rent increases.

2:20

The Chair: Okay.

Mr. Martin.

Mr. Martin: Well, yeah. There'll be rent increases. I'm not sure that we can have a policy. I don't know how you go about developing a policy. One of the problems is – I guess we can look around if we don't like it. If down the way we have to take a look at a matrix change or something like that, we should do it. But I don't know how you would change something.

I mean, I'm confused as to how you would even do that. You can't compare rural to urban, as was pointed out, because of the differences. I know that in some cases they may need a couple of offices in bigger areas, so that's a different problem. If in a year or something the rents have gone up, skyrocketed, the way you are anticipating, maybe we can review it and take a look at it. But at this stage I don't see how we could begin to deal with this. It's up to all of us to negotiate the best deal we can. If we can't get that deal, I guess just look around.

The Chair: This flow chart is a very good flow chart. We might want to add one additional column in perhaps a different colour, as Mr. Martin has indicated, as these changes come with the term, to see what the adjustment would be, to let you know and follow this and monitor it for a year or two

Mrs. Ady: Well, I just want to concur with the member who's talking about rent increase. I'm bracing myself at this point in time because mine hasn't been up for a while, but I anticipate a rise. As well, I think you need to be sensitive to the idea that to say, "Well, go and find another place and negotiate a better deal": there's no room at the inn. There is nowhere else to go.

These offices are a point of contact with constituents. It's where constituents can find their Alberta government and come and get the help they need. It's critical that they stay in their constituency very visible so that people can find them and use them. I've looked around my constituency. There are zero other options at this point in time. So we need to be sensitive. I concur that we can look at it as we see rents rise.

The other issue is that if rents go up and continue to jump dramatically, that means that we can't pay our staff. So I think we need to stay on top of this particular issue. I would agree.

Mr. Melchin: I'm not really in favour of budgets being developed that get too prescriptive for every category. While I appreciate that the offices have an element, we could have gone through the wage question too. There are radically different wage pressures in different communities from year to year. In fact, even when we get into these \$400 rules for gifts question, I appreciate that some guidelines are good, but I'm still not in favour of our getting so prescriptive.

We should have authority as MLAs for a budget. We should talk about more the global question of a budget. Is it adequately servicing us? I'd say that we've done some very good things in recent years. We were really unable to pay our constituency assistants hardly anything, I mean, in comparison to any other worker around here, so we've made some corrections. While this is instructive, and I think they are elements of looking at our overall budget, I would only put it into a context of: are our overall budgets reasonable? I would say that they are in the context we have.

The Chair: Greg, thank you very much.

Mr. Taylor.

Mr. Taylor: Thank you, Mr. Chairman. I'm sensitive to what Mr. Melchin has just said and, at least in principle, concur with what he says. We've made changes over the past couple of years on the wage side and on the benefit side which have given, I think, each constituency office a little more room to manoeuvre in the budget. We do routinely hand out cost-of-living increases to cover an increase in the constituency office budget from year to year. Every member, in my view, has a responsibility to do everything in her or his power to stay within their budget. I'm not encouraging, you know, the notion that we just increase the budgets to make up for free-spending ways on the part of any one particular member or another.

It doesn't take away from the fact, Mr. Chairman, that rents are going up and have been going up at a much faster rate than the cost of living generally, does not take away from the fact, as Mrs. Ady said, that "there is no room at the inn." That's absolutely true. I would just note, to add to what she said, that the LAO seems quite pleased whenever a new member is elected and decides to take over the office space occupied by the old member. Not only does that resolve the issue of having to pull out all the security equipment and replace it someplace else, but it represents a continuity for the constituents. Between elections we park our party brands at the door and represent every constituent in the riding, you know, whether they voted for us or for the other person, whether they voted at all, or whether they're even of voting age.

In light of those things, in addition to tracking this over the next couple of years, because this is already a clear and present problem for some of our members, I would propose that when you craft your budget to bring back to us, Mr. Chairman, you perhaps look at a special category of rent and assign that a higher percentage increase than you're assigning to the office budget generally. For instance, if you're working with an office budget of, let's say, \$100,000 and you're paying \$10,000 a month in rent – I'll work on nice round numbers here – you take that \$10,000 component out and assign a percentage increase to it which more adequately reflects average rent increases, commercial rent increases across the province of Alberta or in Calgary or in Edmonton. Perhaps you want to do it on a bit of a matrix scale, that way, municipality by municipality, and assign a percentage to that component, and then the 5 per cent COLA clause to the remaining \$90,000.

The Chair: Actually, we can do that pretty easily. In the Members' Services Committee record in terms of the allowance to arrive at that \$93,000, that constituency element, that \$93,000 or \$90,257 that you've got in here, it's based on \$22,192 for office operations, \$61,539 for staffing, which is in here. We can adjust that office operations by a higher number if we need to than the staffing operations because it's already covered. We can do it pretty easily, actually. The question is that if we just do it across the blank, we're still going to have the situation of: where's the efficiency control?

I don't know how we get at that. I don't have a problem, you know, if the committee wants to do it. Just remember: how do we deal with the responsibility side about controlling some of these costs as well?

Mr. Ducharme.

Mr. Ducharme: Thank you, Mr. Chairman. I've been listening to the discussion that's been taking place in regard to the rent. But when I look at the information you provided to us as to what our members' services allowance is going to be for each of our constituencies, there's a sizable increase that's coming in next year. Surely to God, you should be able to cover your rent increase. I know that in my situation I return a lot of dollars at the end of the fiscal year, and I'm sure that there are many others that do the same. But with the increases that are being proposed with the inflation numbers, it should be able to cover the rent increases that some of our members should be facing. I think you could spend your time more wisely on other issues than trying to work out a matrix on rent.

The Chair: Well, we will follow it, and we will watch it, and we will monitor it, and we will deal with it if required.

Ms Pastoor.

Ms Pastoor: Thank you. Just in response to Mr. Ducharme, there are going to be rent increase pressures, but there is going to be pressure on staffing as well. I mean, I can speak for my office. I've got a couple of people that are highly trained and probably are actually underpaid if you would put them into the private sector. So I think we're going to see salary pressures as well. I'm not sure that just meeting inflation is going to meet either the rent or the salary pressures.

The Chair: Okay. Well, I've been reading all the newspapers and listening to the television and the radio. I've been told that there's doom and gloom coming and that everybody's leaving Alberta in the next couple of days because of what everybody's going to do, so maybe this will all go away and we won't have a problem. Sorry. I hate to be cynical, but what's all this stuff in the media about, then?

Okay. Then we're all right on that one.

2:30

Event tickets. Ms Pastoor and others have talked to me about this. Essentially, the way the situation is today, if a member is attending an event where no portion of the cost of the tickets is receiptable for tax purposes, we allow a claim for such a ticket. The problem comes in when you have a charitable contribution in the ticket. If a member were to be able to claim for the whole ticket for something that has a charitable portion on it, then in essence the member is using public funds to get a tax receipt for him- or herself. We've said that, no, that isn't the case, and we've said that, well, we all have these tax things as part of the income that we get, so we don't deal with it.

However, so many members have come in the last couple of years with respect to this matter. I also recognize that in some parts of Alberta, where members may have provincial organizations or are magnets for things – Red Deer, Lethbridge, or Grande Prairie – when you have all these big, major fundraisers, you get inundated with requests to go there. In some cases people give you complimentary tickets, but in most cases this is not the case, and you want to basically say that you're going to do it.

Basically, what I'm recommending is the following. It says:

It is recommended that the interpretation be made congruent for both constituency and caucus purchases of event tickets, whether for the

Member to attend or for gifts. Therefore, the interpretation would be to allow for the payment of event tickets from either the MSA or caucus funds

- where there was no charitable portion as part of the ticket price, or
- where there was a charitable donation portion, pay for the non-charitable part. (i.e. the attendee would be responsible to pay for the charitable amount personally but would also be eligible to receive a charitable receipt for tax purposes.)

In other words, if the ticket costs \$250 and you would be eligible to get a \$150 taxable receipt of the \$250, you pay the \$250 but claim for \$100, making sure that we have the documentation, and the other \$150 you claim for a taxable contribution. So the \$100 that you could pay for under a claim: you could claim for that. That would cover it, and we shouldn't have any problems with any income tax people or the like. That's my recommendation.

Mr. Shariff: Mr. Chairman, quite often we attend these events by virtue of our position as MLAs.

The Chair: I'm assuming that it's only as your position as MLA.

Mr. Shariff: Otherwise, in personal, private life I would not have attended. So far I haven't been claiming any tax benefits for any tickets that I've bought, but I'm wondering if there is maybe any appetite to set aside a certain amount of budget – let's say that we can start with a \$2,000 per year limit and monitor it over time – that the member can claim up to that amount per year for attending various events. Then maybe in two, three years we might have a track record to realize what the actual cost is and increase or decrease that amount. The member should not take advantage of the income tax receipt, as opposed to partial payment and having to make a contribution where you never really intended to.

The Chair: Why would you take the feds off the hook? You're just giving them money. Alberta taxpayer money is going to Ottawa.

Mr. Shariff: But you're suggesting that the member pays the portion.

The Chair: He or she gets a tax receipt. This way, there wouldn't be any tax receipt.

Mr. Shariff: A 30 per cent return?

The Chair: Well, okay. We have to be fiscally prudent.
Ms Pastoor.

Ms Pastoor: Yes. Thank you, Mr. Chair. I think this probably came up – again, I think we're into a rural . . .

The Chair: No, we're not. No, we're not at all. As a matter of fact, I'll guarantee that I get 10 times more invitations as a rural member than you do.

Ms Pastoor: I think that probably is because you travel in a different circle than I do.

The Chair: No. I have eight different communities.

Ms Pastoor: I understand that. I don't have the numbers – I could easily find them – but I would suggest that I get very, very few comp tickets and that almost every event I'm invited to is a fundraiser. It's becoming more and more and more prevalent that these organiza

tions have to operate. Even the ones that in the old days may have had just a little dinner to thank their volunteers still turn it into a silent auction or whatever. So I think this is a good idea.

Mr. Oberle: Well, typically if you're invited to an event that has a silent auction, you can deal with that through the gifts policy, right?

The Chair: Yeah.

Mr. Oberle: In my experience most of those are complimentary tickets. Actually, that's all covered under the gift to you under the Conflicts of Interest Act – right? – when you do get comp tickets. That's been my experience. I don't generally pay for tickets. With most of these things their fundraising is through a silent auction or whatever else, and I donate a gift to the thing.

The Chair: This is particularly bad where you have these charitable fundraisers – and I pointed out places like Lethbridge, Red Deer, Edmonton and Calgary, obviously, in this as well – where you would get the Diabetes Association, the Run for Joy, or whatever the heck it is, and you get the tickets. Some people are very good about giving you complimentary tickets, but a number are not. If you were a single member in a place – well, with two members in Red Deer I suspect that you're probably getting a lot of invitations, the same way in Grande Prairie, in Lethbridge, Medicine Hat, Edmonton, and Calgary.

Anyway, there's my recommendation.

Mrs. Ady: I'd like to move that we accept the Speaker's recommendation on this issue.

The Chair: Discussion?

Mr. Taylor: I'm actually going to refer us back to item 5(d), the constituency office rental increases you suggest. While I'm inclined to support your recommendation on the event tickets, that the whole issue of an increasing number of ever more expensive charitable events that we should be at would be less of an issue for most members if we took the rental portion of the constituency office budget, teased it out from the whole budget – and as I look back here in the Monthly Economic Review from the province of Alberta, I see that the percentage change in shelter costs in Alberta from July '06

to July '07 was 11.5 per cent – and apply that figure to the increase to the rental portion of constituency office budgets.

The Chair: Actually, the motion we have before us has to do with event tickets.

Mr. Taylor: Yes, I understand that.

The Chair: So I don't how you get the two of them wound in there: dealing with event tickets plus an 11.5 per cent increase in rent.

Mr. Taylor: Mr. Chairman, I'm making a suggestion for when you go back and craft the budget for the coming fiscal years.

The Chair: Okay. But right now we have a motion on event tickets. Okay? All those in favour, please say aye. Okay. Thank you very much.

Is there other business the members may want to raise?

I'm recommending November 13 at 6:30 p.m. as when we would have the budget. We would bring it back, probably an hour. You would have the binder one week ahead of time, and it would be just straightforward numbers.

Mr. Shariff: Tuesday the 13th.

The Chair: Is that what November 13 is?

Mr. Taylor: Yes. It is Tuesday, and we're off on the Monday.

The Chair: We are? Oh, yeah, that's right. Another day off.

Mr. Taylor: Less than eight in a row.

The Chair: I was planning on being here.

Would that look okay? You've all got these daytimers, these BlackBerrys, these BlueBerrys, and everything else. Okay. Thank you very much.

A motion to adjourn would be in order. Mr. Taylor. That's a lot of enthusiasm. A seconder? Mrs. Ady. All agreed? Thank you so much.

[The committee adjourned at 2:39 p.m.]