



Legislative Assembly of Alberta

The 28th Legislature  
First Session

Special Standing Committee  
on  
Members' Services

Monday, December 10, 2012  
9 a.m.

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First Session**

**Special Standing Committee on Members' Services**

Zwozdesky, Hon. Gene, Edmonton-Mill Creek (PC), Chair  
Young, Steve, Edmonton-Riverview (PC), Deputy Chair

Calahasen, Pearl, Lesser Slave Lake (PC)  
Dorward, David C., Edmonton-Gold Bar (PC)  
Forsyth, Heather, Calgary-Fish Creek (W)  
Goudreau, Hector G., Dunvegan-Central Peace-Notley (PC)  
Jablonski, Mary Anne, Red Deer-North (PC)  
Mason, Brian, Edmonton-Highlands-Norwood (ND)  
Quadri, Sohail, Edmonton-Mill Woods (PC)\*  
Quest, Dave, Strathcona-Sherwood Park (PC)  
Sherman, Dr. Raj, Edmonton-Meadowlark (AL)  
Smith, Danielle, Highwood (W)

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9 a.m.

**Monday, December 10, 2012**

[Mr. Zwozdesky in the chair]

**The Chair:** Good morning, everyone. I have 9 a.m. It's Gene Zwozdesky. I'm assuming that we have everybody with us in one capacity or another. This is officially a breakfast meeting given that members have driven longer distances to be here, so I will declare food is okay at the tables as is coffee or whatever other choice of drink you might like to have.

This meeting is hereby called to order. We'll start with the roll call, beginning with members who are here on behalf of themselves or on behalf of others, the people who are present. Let's start with Mr. Quest.

**Mr. Quest:** Good morning. Dave Quest, Strathcona-Sherwood Park.

**Mr. Goudreau:** Good morning. Hector Goudreau, Dunvegan-Central Peace-Notley.

**Mrs. Jablonski:** Good morning. Mary Anne Jablonski, Red Deer-North.

**Mr. Dorward:** Morning. David Dorward, MLA, Edmonton-Gold Bar.

**Mr. Quadri:** Sohail Quadri, Edmonton-Mill Woods. I'm sitting in for Steve Young, Edmonton-Riverview.

**The Chair:** And we have on the teleconference – who do we have there? We're doing government members here. Is there one more government-type member? Pearl, are you there?

**Ms Calahasen:** Yes, I am here. Pearl Calahasen, Lesser Slave Lake.

**The Chair:** Okay. Thank you.

Let's go to Danielle. I thought I heard your name.

**Ms Smith:** Danielle Smith, Highwood.

**The Chair:** Danielle Smith. Anyone else from Wildrose?

**Mrs. Forsyth:** Heather Forsyth.

**The Chair:** Anyone from the Liberal opposition? Once again, I'm just asking: is anybody joining us yet from the Liberal opposition? I'm not hearing anyone, so I'll assume that they are going to participate, but they're not on the line yet. They're not here in person yet either.

The New Democratic opposition. Anyone with us? I'm not hearing anyone from the New Democrats, so perhaps they're in a similar boat to the folks from the Liberal opposition. We'll announce them as they join us.

Thank you very much, everyone. I do not have any housekeeping items to bring to your attention other than to tell you that I'm continuing my trips to the outlying areas. I'm heading out to Drayton Valley, Rocky Mountain House, Sundre this week, and then I'll be picking off a couple more spots as they become available so that I can become more acquainted with your local circumstances. You may recall that this issue goes back to when Brian Mason raised it at our very first meeting, which is why we're dealing with it in the order we're dealing with it, constituency office budgets and so on, and that's the meat of our agenda for today.

Are there any other housekeeping items, by the way, that anyone else wishes to mention? No? Okay. In which case, we'll be happy to recognize Mr. Mason if he would just sign in for the record, please.

**Mr. Mason:** Sure. Thank you. This looks like a fair fight for a change. Brian Mason, MLA, Edmonton-Highlands-Norwood.

**The Chair:** Thank you, Brian.

We'll move on to approval of the agenda, item 2. Could I get a motion from someone to please approve today's agenda as circulated? Hector Goudreau has moved. Can you do it for the record, please, Hector?

**Mr. Goudreau:** I'll move the adoption of the agenda.

**The Chair:** As circulated. Thank you. Is there any discussion in that respect? Neither hearing nor seeing any, I'll call the vote. Those in favour of Mr. Goudreau's motion, please say aye. Those opposed, please say no. That is carried.

We move on to approval of the minutes, which is item 3, from the December 4, 2012, MS Committee meeting. These also were circulated. Could I get a motion from someone to approve these minutes? Moved by Mrs. Jablonski. Would you for the record enunciate, please?

**Mrs. Jablonski:** I move that we approve the minutes of the December 4 meeting.

**The Chair:** Thank you very much. Is there any comment with respect to Mrs. Jablonski's motion? I'm not hearing any comments. Those in favour of the motion to approve the minutes of the MSC from December 4, please say aye. Those opposed, please say no. That is also unanimously approved. Thank you.

We're moving on to our first item under old business. Mr. Mason, just before you entered the room, I was crediting you and saying thank you, so to speak, for having raised this issue of constituency office budgets and the matrix element right at our very first meeting – you may remember that – which gave rise to a number of visits to constituency offices by myself. You were one of the people I visited, and I will be visiting more this week and more next week as well so that I have a very good round up for it. Thank you for that.

The first item under old business is the Legislative Assembly budget estimates for 2013 and 2014. I'm going to give a brief recap for about three or four minutes on this before we get into it. However, I want to also make sure that everybody has their binder, which was provided at the last meeting, I believe. That binder has a number of tabs to it which we'll get into in just a moment.

I want to open up by commenting that the budget that we're going to be looking at is for all LAO. All. That means people who work here as LAO staffers. That includes everyone referenced in the extensive overview that Scott Ellis, the director of financial management and admin services, gave us at the November 27 meeting. That would be two meetings ago. It includes the explanations that he gave with respect to the role and function of LAO with respect to the eight different branches that comprise LAO and work to support MLAs both here in the Annex as well as in MLA constituency offices, and it certainly includes the process that he outlined by which the LAO budget that is before you today is developed. What goes into that process, how it's done, and so on was all covered by Mr. Ellis.

He also provided us with an organizational chart to help us better understand how the pieces fit together, how they function

together, what their particular role is in the bigger picture of things. In turn, that will help facilitate a much better meeting today and, if needed, a second meeting, which I suspect will be the case.

In other words and in a nutshell, the proposed budget that we're going to get into and start discussing in a moment deals with absolutely everything that comes under the broader banner of the term "LAO." For the record all private members, which everybody on this committee is, for example, are considered under the umbrella of LAO.

I think Dr. Sherman has just joined us if you wouldn't mind just signing in, Raj.

**Dr. Sherman:** Raj Sherman, Edmonton-Meadowlark.

**The Chair:** Thank you very much.

So when I say the broad banner of LAO – and I say this because there are a number of new people who are on this committee, first-time MLAs, and there are a number of people who are listening in as well who are first-time MLAs – it includes all the things that Mr. Scott Ellis enunciated. It took him about two pages or more of our *Hansard* to do so. Those include the Leg. Library; IT services and equipment, so the hardware, the software, the licensing both here at the Annex as well as in the constituency offices; MLA indemnity pay; the remuneration and benefits for MLAs – MLA expenses, travel, living allowances, postage, freight – all the expenses connected to MLA committee meetings, including hosting and the meeting expenses themselves, advertisements; employer contributions to health benefit premiums; and, of course, MLA service allowances and our caucus budgets and so on.

In conclusion, all of these expenses for purposes of our budget discussions today and subsequently are then grouped under some specific headings that are reflected in and under the first tab in your binder, called Overview.

**9:10**

Let me just take you there very briefly. If you have your binders in front of you, you all have a first tab – I believe it's a red one – and it's called Overview. On page 1 the first heading you have is called LAO Branch Budgets. The subtotal for this category will be \$22.7 million for '13-14 projected. On that same page your second major category is MLA admin budget, and that is projected at \$36.557 million for 2013-14.

On the next page, which is page 2 of 2 under Overview, you have a third category called Caucuses and Independent Member's Budgets. That subtotal for that grouping is \$7.147 million.

The final major category of the four is called Special Funding Requirements. That particular subtotal is \$5,014,000.

When you add up all four of those categories, hon. members, you will get a grand total estimate, which is on the next tab. Let's just flip to that quickly, and then we'll get into our discussion. If you flip open to the next tab – it's called Estimates Summary – you will find there all four major categories on that one sheet, which I just explained. The first category there deals with the branches. You can see \$22.7 million is their subtotal. The next one, MLA administration, is \$36.5 million. The next one is caucus budgets, \$7.1 million.

Then for special funding, unfortunately, no subtotal was given there. That's just a mere oversight. When you add \$3.969 million and \$1.045 million, you'll get a subtotal of \$5,014,000.

When when you add those four together, you come up with the total voted expenditure of \$71.421 million.

The next line, which is revenue, \$324,000, is basically gross revenue from the gift shop. So you subtract that, and you wind up

with a net expenditure, and that's what we're going to be talking about in smaller groupings, of course, but nonetheless, of \$71,097,000.

That's it for the overview. I'm going to suggest that we go into the first category, then, for discussion. We'll go through each of these so that it's clear how the numbers were developed and what broad parameters we're following in accordance with what Mr. Ellis offered.

**Ms Smith:** Mr. Chair, can I seek a clarification that you did not go through just so that I have the context? I just need to understand your difference between 2012-13 estimate comparable and the column that says 2012-13 forecast. I'm assuming that 2012-13 is what we budgeted last year, and then the 2012-13 forecast is what we're actually spending this year. Are you able to clarify on that?

**The Chair:** I can. Let's get everybody into the estimates summary tab. You all have a tab in the binder called Estimates Summary. If you just open that up, you'll see there, basically, three columns of numbers which Ms Smith is referring to. Let me go to the middle column of numbers first because that is the 2012-2013 estimate. In other words, a year ago almost to this day a committee just like ours sat down and said: here are the estimates we're putting forward. That's exactly what they were, estimates.

If you look to the right and see the 2012-13 forecast, that is LAO staff's best guess as to what we're going to come in at for each of the categories. For example, LAO is projecting an actual forecast of \$1.39 million for financial management and admin services whereas the budget for 2012-13 was \$1.425 million. Now we're going to be talking about the first column, which is 2013-14. What estimate are we putting there? You can see what that total is.

That's how these three categories work. It's always the case that as the quarters roll by us, or in this case our annual rolls by us, we ask LAO to give us the most up-to-date, the freshest information so that we know where we stand in our budget and you can see where the variances sort of lie. Does that help, Ms Smith?

**Ms Smith:** It does.

**The Chair:** Okay. Mr. Mason, you had a point as well.

**Mr. Mason:** Yes. Thanks, Mr. Chairman. I had a question with respect to capital items and, specifically, items relating to construction within the offices contained in this building, the caucuses' offices. Are we going to be dealing with that today? If not, how do we deal with it?

**The Chair:** We have a category here called special funding. It's the last of the four major categories, but it deals primarily with the changeover to the federal building. Renovations that are happening here are actually under a project-specific budget, mostly under Infrastructure.

Now, I need someone to give us some detail on that. Scott Ellis, do you want to comment further?

**Mr. Ellis:** If Mr. Mason is referring to the recent caucus reallocation and the dollars that were spent in regard to moving walls and those kinds of things, that is a project that was funded by Alberta Infrastructure. They are the ones who established a budget for the work based on the scope that was set out earlier in the project, and that's not reflected anywhere in these budget documents today.

**Mr. Mason:** Mr. Chairman, I'm getting at something, a particular change to our space that was committed to by you, but now we've received information that it's not going to go ahead because it has to be separately budgeted for on an independent basis. I mean, we could perhaps deal with this just in your office if that's preferable to you, but it is a concern here.

**The Chair:** Well, let me just comment, Brian. Just for everyone's sake, all of the changeovers that happened after the election to ready up the Legislature Annex for members of the government side and for members of the opposition side were budgeted under what Infrastructure called a project budget, and it was called project 1. That budget got used, consumed, expended, and it's over.

Now, there are other things that were not contemplated in that, which, Brian, you and I have talked about, which Dr. Sherman and I have talked about, which Ms Smith and/or her representatives have talked about. Primarily in your case, Brian, which we still have to do some follow-up for, we do not yet have all the money for that, but there is a process in motion. I have spoken with the Minister of Infrastructure to see what might be possible to open up project 2 funding. I honestly don't know what the latest update on that is because I haven't visited the numbers for several weeks. Why don't you and I follow up on that after this meeting and see where we can get to, and then we'll bring in Minister Drysdale or his staff as needed and some of our staff as well.

**Mr. Mason:** Thank you.

**The Chair:** Okay. These are just general questions before we get into the budget itself, folks, so bear with us, please.

Dr. Sherman.

**Dr. Sherman:** Thank you, Mr. Speaker. Just looking at the numbers from forecast 2012-13 to estimate '13-14, that's a 16.5 per cent increase when the number of MLAs has only increased 4.5 per cent, from 83 to 87. Why such a large estimate?

**The Chair:** Because what you're doing is that you're comparing the actual, or forecast, to the estimate for 2013-14, so you're looking at where we might be coming in at for 2012-13. What I'm looking at are the two budgeted numbers, and the reason I'm doing that is because there are still a few unknowns, which we're going to get into as we go through this. You're quite right. You've flagged one. We have an increase in the number of MLAs, and as you know, with each MLA that comes on stream, we incur additional costs, which we're going to get into right away if we get that far, and I hope we will. That means that there will be extra staff, that there will be extra offices and rent, that there will be extra travel and all other things going with it. That doesn't just include the operation out in the constituency, but each MLA also gets support staff here at the Annex, as you know. We'll see how that impacts the budget right away, but in a nutshell we are looking at the difference between estimates and estimates, okay?

9:20

We'll have more information later as it comes up for the actual forecast because it could change. Suffice it to say that it's always better for us at the Members' Services Committee to make sure that we're not under our expenditures. Why do I say that? Because we will bring in our estimates to the House. They will come through Treasury Board. They usually get voted on first, and they usually go through unaltered, so we want to make sure that we're representing all four caucuses, such as you're doing for your

caucus, and that we are estimating as best we can to take into account as many unforeseens as possible.

**Dr. Sherman:** Thank you.

**The Chair:** Thank you.

Are there any other general questions?

If not, shall we start, then, with the binder? I wanted to draw your attention quickly, if I could, to one other thing. Just to go back, under the general overview, which in my binder is a red tab, you can see the big-picture overview, that I think will help us to put a lot of other things into context. So perhaps before we go to tab 1, called Financial Management, if I could just take you back to the very first tab, the one that says Overview, what you'll see here in the first sentence is the adjustment rate of 3 per cent for in-range adjustments. What that means is that we are basically projecting approximately a 3 per cent increase for the staff that work under LAO in certain categories and the staff that work in other areas, for you and so on, but we won't have a finite number on that until we see how the AUPE negotiations conclude and so on.

I flag it for your attention because this 3 per cent, which is on the second line on the first page under overview, comes up again and again and again as we go through the different branches, which we'll get into here.

Is that the 3 per cent, Scott, that's AUPE, or is that the CPI?

**Mr. Ellis:** No. That's the AUPE. I should clarify that that's a merit, an in-range percentage, and there is a market percentage on top of that normally. That's covered off in the special funding category, the market portion.

**The Chair:** Thank you. But my point is that it occurs and reoccurs throughout the next several pages.

Then the second and third bullets are pretty straightforward, but the fourth bullet is the 2 per cent inflationary factor. You will see under that fourth bullet where it says that this is "based on a maximum forecasted +2.34% change in Alberta CPI."

Now, for individuals who are joining us for the first time and don't work with or don't understand CPI, it's basically consumer price index. The consumer price index is calculated annually specific to Alberta. It's like a basket measure, if you will, of a number of standard staple goods and services which a special department tracks the increases to or decreases to, depending on the year. The factor that we've been given for 2013 – and that's sort of concurred with by the Conference Board of Canada – is 2.3 per cent.

Scott, is that right?

**Mr. Ellis:** Correct.

**The Chair:** Yeah. In that ballpark.

Then your next budget parameter there is the sessional days and the number of committee meetings and the increases in daily sitting hours, which addresses in part Dr. Sherman's question earlier. I mean, there are a lot of factors like that.

Finally, you'll know that under this first broad banner we are hosting the 51st Canadian regional conference of Commonwealth parliamentarians in July 2013, so that's included in there as well.

Now, there are a number of others things that go on through here, but let's deal with this first broad category, and then we'll see what progress we can make. I'm going to ask you to flip forward two tabs until you find tab 1, which is called Financial Management & Administrative Services. Are we all there? All right. Thank you.

I'm on page 1 of 2 under that particular tab, and we're going to look at the overall expenses tied into one of the eight branches. This happens to be the branch for which Mr. Scott Ellis is responsible, and it's called financial management and admin services. You will see here that the first category is human resource expenses, which basically means all the person-power support that is related to increased services and support services for MLAs and for their staff in the constituency and in their caucus offices.

Secondly, it covers all MLA expense disclosure and reporting. This is a fairly new domain for us, so there are additional dollars required there, particularly at the LAO end. With respect to the transition to the Edmonton federal building there are expenses included there, and of course here comes the first reference to the 3 per cent in-range merit adjustment, as I explained earlier.

Finally, you'll see there also that there are associated benefit costs, and that is your employer contribution costs.

The last thing is the operational expenses, and Mr. Ellis is saying that there will be no change. In other words, there's no inflationary accommodation required here because he has none. This page is exclusive to FMAS staff only.

Now, let's turn the page over and get the discussion going. The next page has all the numbers laid out the way that I just clarified for Ms Smith and others. We're dealing with the human resource expenses for FMAS and/or the operational expenses for the FMAS branch only.

Are there any questions or comments regarding these numbers or anything pertaining to FMAS? Mr. Mason, followed by Mr. Dorward.

**Mr. Mason:** Thanks very much, Mr. Chairman. There is no increase in the staff complement. It's 13 FTEs to 13 FTEs. Have I got it wrong?

**The Chair:** There's one extra staff, Brian.

**Mr. Mason:** Okay. Well, I'm down at the bottom, and it says that the 2012-2013 estimate is 13 FTEs, and then in the next column, the 2011-2012 estimate, it's 13 FTEs.

**The Chair:** No. You must have the wrong binder because we don't have anything with '11-12.

**Mr. Mason:** I do think I actually have last year's budget.

**The Chair:** Have you got the other one handy, Brian?

**Mr. Mason:** I've got the updated stuff here.

**The Chair:** To answer your question, Brian, it is an increase of at least one person in Scott's area.

I think, Scott, you can elaborate. It's primarily to do with the expense disclosure aspect, is it?

**Mr. Ellis:** That's correct. We're estimating that it'll be one FTE for sure to look at the gathering of the expense transactions relative to the reporting, to review those expenditures, to redact them where necessary, and then the last component is to be able to post them electronically online for the public to view.

**The Chair:** Okay. Thank you.

Let's go to Mr. Dorward, and if necessary we'll come back to Mr. Mason.

**Mr. Dorward:** Well, firstly, I'm concerned that everybody doesn't have the information. If we could take a five-minute pause?

**Mr. Mason:** It's okay. Carry on. I'm used to working on minimum information around here.

**Mr. Dorward:** Okay. Just a suggestion. I think it's important that any time you have a cost that applies to a particular situation, which is the transition over to the new building, that be a separate line item. I think it's a dangerous thing to include it in an estimate in a line for fear that that becomes the norm rather than the exception. I would have preferred to see the dollars for the transition severed. I think they're kind of just lumped in in earnings and employer contributions. Do we have a further breakdown of what it's actually costing us to get over to the other building?

**The Chair:** Yes, we do. It's under the very last category, the very last page of your binder.

**Mr. Dorward:** But some of that's inherent in these numbers here, is it not?

**The Chair:** Some of it is impacted here. You're right. Scott, do you want to address that quickly?

**Mr. Ellis:** The costs that are included here are for staff costs. We have a contract with an individual to assist us during this transition phase. These are staffing costs directly related to the LAO and my branch.

**The Chair:** The question really is that we're dealing with your branch only at the moment, and Mr. Dorward's question should pertain to your domain. Can you tell us approximately how much money is required for the changeover from your branch only?

**Mr. Ellis:** That would be approximately \$40,000.

**The Chair:** Forty thousand dollars?

**Mr. Ellis:** Yeah.

**The Chair:** And it's spread out through all of these different lines, is it? A little bit here, a little bit there?

**Mr. Ellis:** No. It's primarily in the earnings line.

**The Chair:** Primarily in the earnings line. Are you good with that, Mr. Dorward?

**Mr. Dorward:** Yes and no. Thank you for that. That leaves, by my calculation, about \$160,000. Let me break that down. If we go from the estimate of \$1,424,000 in total to the \$1,665,000, that's a difference of \$241,000. If \$40,000 is to get to the other building, that leaves \$200,000. There's one full-time equivalent position in there as well. I guess I could do the math and say that that full-time equivalent position is \$200,000, or is there something else in there?

9:30

**The Chair:** No. Remember that the 3 per cent merit increases are built in.

**Mr. Dorward:** Which would be about another \$40,000.

**The Chair:** How many staff do you have there?

**Mr. Ellis:** We have a total of 14 FTEs.

**The Chair:** Fourteen FTEs. Just so there's no misunderstanding – I appreciate what Mr. Dorward is saying – why don't you just correct it?

**Mr. Ellis:** He's correct that the overall difference in the 2012-13 estimate versus the '13-14 is \$241,000. Of that, \$80,000 is relative to benefit costs, and \$40,000 is the federal building, and then we have the 3 per cent merit increase as well and the associated benefit costs of that and then the FTE. So all of those items add up to that difference of \$241,000.

**Mr. Dorward:** Okay. I'm happy with that.

I do have an overall question, though. Are we going to be voting on these per section, or are we going to wait till one grand vote, or are we going to vote at all? What are we doing?

**The Chair:** At this stage we're just going through and answering all the questions. I'm not calling a vote per branch or per section. We're dealing with a global budget, David. The point here is to develop a clear understanding so that when we do call the vote, we're able to do it in all good conscience. Now, I don't know what the practice has been in the past, but I'd like to make sure that everybody is comfortable and more or less in agreement with each page as we go.

**Mr. Dorward:** Okay. The only concern I have: I don't know if we're going to be restating this or reshoving it or whatever, but I would prefer to see any costs that are one-time costs on a separate line just so they don't weave themselves into future budgets.

**The Chair:** A valid comment.

Scott, is there a way that you can put in that one-liner that Mr. Dorward is requesting?

**Mr. Ellis:** I would have hoped it would have been a one-time cost as well, but unfortunately the federal building transition – we've been at this building project for a number of years now. Consequently, the staffing cost has remained there, but we'll be sure to reduce our budget appropriately at the time that staffperson is no longer needed and we're in the federal building and everyone is happy.

**The Chair:** So it's a one-time cost that could have legs for a few years?

**Mr. Ellis:** Correct.

**The Chair:** Which makes it not a one-time cost but a go-forward cost for an unspecified period of time.

**Mr. Ellis:** Correct.

**Mr. Dorward:** Also, Mr. Chair, the final overall comment I have – and I'm not suggesting we do anything this year but just for comment – is that I would prefer to see a bit of a three-year plan with respect to our costs. Ideally, it would have been good to see 2014-15, '15-16, kind of, you know, looking out ahead into the future and trying to get a feel for where we're headed with an overall plan for what we're doing. That might help us to plan further out.

**The Chair:** Noted.

All right. It doesn't mean we can't come back to this page, but if we're okay for the moment, shall we go to tab 2, human

Resource Services? Are we agreed? Okay. Thank you. Let's move on, then.

On this page we're dealing exclusively with issues pertaining to . . .

**Ms Smith:** Sorry, Mr. Chair. It took me a minute to get off mute there. Can I just go back to the previous page?

**The Chair:** Sure.

**Ms Smith:** Can Mr. Ellis explain why he thinks he needs another full-time person to manage the expense issue? I guess the way I'm looking at it is that I know that I receive summary documents every single month, so that part of the work is already done. That's not additional work. So what you're talking about is having a person one day a month or, if we decide to do this quarterly, one or two days quarterly where they would have to redact the information and post it online. Because I've seen my own staff member do this for me, I doubt very much that you actually need an additional full-time person to do that work once every month or every couple of months for 67 people or so. You would be doing it for the LAO; obviously, we're not doing this for the government, ministerial expenditures. So I'm just a bit confused about why that work couldn't just be distributed among the existing staff members and why Mr. Ellis feels he needs another full-time staff member to do what seems to me a fairly modest amount of work that we would be asking them to do through that motion if it passes.

**The Chair:** It's actually a very significant amount of work. It's also brand new work, and as you know, that is the final checkpoint. I'll get Mr. Ellis to comment on it, but based on what I've seen, I am going to tell you very honestly, Ms Smith, that he probably needs more than one, but they're going to get by with one.

Mr. Ellis, would you like to defend that projection?

**Mr. Ellis:** Sure. Basically there are reports that are produced right now, but those reports will not suffice in this particular case because we're talking about a subset of transactions. We'll now have to go back in and pull out specific transactions relative to the parameters that have been established in the expense reporting, pull those documents, photocopy them, start to look at them in terms of: is there anything that needs to be redacted? We'll scan it and put it into an electronic database such that it's reviewable by members at some point in time prior to being released to the public. Ultimately it will be posted to a website.

Those processes have to occur for 87 members, who have a number of transactions going through their budgets on a regular basis throughout the course of the year. So it's not just one member, and it's not a caucus. It's every member, and they all have transactions on their credit cards, on expense claims, et cetera, et cetera. We have to go back and re-create that information. It's not a summary report we're talking about. We're going back to the detailed documents, scanning them, redacting them, and getting them ready to post publicly.

**Ms Smith:** Just so we're all working with the same figures, you said "87." My understanding is that members of cabinet do not run through LAO, so their significant expenditures would not fall as a burden on your staff. Am I mistaken on that?

**Mr. Ellis:** Yes. All member expenses come through the LAO for their travel, et cetera. Only in the case where ministers are doing government business would their expenses go through the government department. Their travel to and from the capital, for example, the automobile claims: those apply to all 87 members.

**Ms Smith:** Okay. Well, maybe you can help me understand. I mean, I'm assuming that you've got staff members who are examining these expenses as they come in to verify them. I guess it just seems to me to add an extra step of them scanning it in while they're handling the paper, with the idea of only handling paper once. I guess I just don't see why this would require a whole other person. In fact, it seems like there'd be an inefficiency in trying to bring another, new person in and then handling the paper multiple times. It just seems to me an extra process that you can add on to the existing handling of those expenses. Can you maybe just elaborate on why that's not correct?

**Mr. Ellis:** Well, basically, we feel there's an additional amount of work that's relative to processing these transactions and to scanning them. We don't typically scan any of those documents. We do review them for compliance, and then we would be keypunching that information in for payment. However, in this case we're scanning the documents, reviewing them to make sure they're not only compliant but also that there's no personal information associated with them. It's a fairly involved matter, especially if we have to go back to expense claims or credit card statements, et cetera, and pull all those documents. It's not something we would normally be doing.

Furthermore, with respect to the protection of personal information we have to review all of those scanned documents to ensure that there is no personal information that would be harmful to the public or to the member. So there is a fair bit of work.

We also have to establish something on the website that allows us to post that information there. There's a lot of ITS work, basically, systems that we need to put in place to ensure that these transactions are properly reported.

**The Chair:** Okay. I have Mr. Dorward.

If you have anything else, Ms Smith, you can come back.

**Mr. Dorward:** The way I looked at that was that I saw one full-time position going up, and I said to myself: "There are 5 per cent more MLAs, and 5 per cent more of 13 full-time equivalents is .65 per cent of a person. But they're only really asking for one extra person, and that includes all the work to be done on those expenses." So I thought adding an extra person into your group was fairly reasonable.

9:40

**The Chair:** Okay. We can come back to this as needed, but let's move on then to tab 2 if there are no other questions under FMAS, shall we?

Okay. Let's go. So we're on human resource services. This is an area exclusive to Cheryl Scarlett, who is with us. She's our director of human resource services. Again, her additional costs, if you will, are first and foremost related to increased services and support for MLAs and for staff in the constituency offices as well as here at the Annex for caucus offices. Then there's some succession planning and backfill cover-off related to employee leaves, and again the 3 per cent in-range merit adjustment and the associated benefit costs are reflected there as an increase. Under operational expenses you can see that the general inflationary factor of 2 per cent is provided there.

So let's turn the page, and there you have the details and the numbers. Let me open up the floor to any discussion regarding any of the numbers or anything else that pertains to human resource services as it pertains to the second branch under the charge of Cheryl Scarlett. Are there any questions?

If not, then we can move on and come back to this one if necessary. Shall we move on, then, to tab 3, Speaker's office? Agreed? Okay. Let's move over. So we're now dealing with the office of the Speaker. Human resources expenses: again, the 3 per cent is salient there, and there's a 1.5 per cent adjustment to the Speaker's remuneration as per section 40(1)(a). Operational expenses: application of the general inflationary factor of about 2 per cent.

Now, what do we have here? Are there any questions or comments regarding the numbers that are on the next page? Okay. Thank you. I don't hear any. We can come back if necessary.

**Mr. Dorward:** I do have a question.

**The Chair:** Yes.

**Mr. Dorward:** I'm sorry; I was trying to remember my notes here. I don't mean necessarily to dive into the \$51,000 for office administration and supplies. But as it pertains to the \$21,000 for the '13-14 estimate, the office of the Speaker spent \$30,000 more than budgeted, I take it, in that area.

**The Chair:** Which line are you on, please?

**Mr. Dorward:** Office administration and supplies.

**The Chair:** Office administration and supplies?

**Mr. Dorward:** Yeah. The third column over is \$51,000.

**The Chair:** That's primarily the changeover to a new Speaker: new letterhead, new cards, a bunch of new things there. I don't have them all just at the top of my head.

**Mr. Dorward:** So is \$21,000 sufficient given that you spent \$51,000?

**The Chair:** I think so because most of the changeover is occurring in the year we're experiencing now, David, so we're able to reduce that to only \$21,000 total going forward.

**Mr. Dorward:** Okay.

**The Chair:** Is there anything else there, Dr. McNeil, that bears mention?

**Dr. McNeil:** No. I think that's straightforward.

**The Chair:** That covers it? Okay. Thank you very much.

**Dr. Sherman:** Mr. Chair, employer contributions have gone from \$42,000 forecast to \$90,000 estimate. Why the big difference?

**The Chair:** Cheryl, this is your area. Can you help us on this one, the employer contributions? It's the second line on page 2 of 2.

**Mrs. Scarlett:** The adjustments in terms of the employer contributions are in relation to the remuneration paid within the office, so that includes not just the health benefits, contributions of pensions. So any adjustments are the result, perhaps, of some change in the office staff.

**The Chair:** For example, we had a 30-year veteran who retired, and we had two new people come in, right?

**Mr. Mason:** The 30-year veteran, was that the Speaker?

**The Chair:** No. It was a support staff member.



**Mrs. Forsyth:** Mr. Chair, you're looking at going from \$42,000 to \$90,000. Am I right on that?

**The Chair:** That's the estimate on the page before you. Yes.

**Mrs. Forsyth:** Why the difference? What were you saying?

**The Chair:** Just a moment.

Is it Bev or Cheryl that's going to comment?

**Mrs. Forsyth:** That's \$48,000 more.

**The Chair:** We understand. Let's just get the answer here.

Cheryl, have you got the detail?

**Mrs. Scarlett:** In terms of truly reflecting the staff that are now in the Speaker's office and the contributions that go with the salaries that they're paid, those are the real estimates.

**Mrs. Forsyth:** If I can continue, the previous Speaker was at \$42,000, and now you're increasing your staff by two.

**The Chair:** No. I have two new staff members because two former staff members moved out, and one of the staff members that moved out was a veteran of many years in the position. Now, the two new people that we've brought in have different circumstances. They might be at different levels of pay and so on, so the employer contributions will be different.

Have you got the numbers there, Cheryl?

**Mrs. Scarlett:** In terms of the forecast for that period of time there was a vacancy for a period of time, and that also would affect the real costs of the benefits for this year versus the estimate for next year.

**The Chair:** That's right, too. Thank you. I forgot that.

There was a vacancy in the office – I think it was Mrs. Forsyth who asked – so there were fewer employer contributions needed in actuality for 2012-13. There's a combination of factors there.

**Mrs. Forsyth:** Okay. Thanks.

**The Chair:** Okay. Thank you.

Are we moving on, or are we still here? Okay. Brian.

**Mr. Mason:** Thanks, Mr. Chairman. The real issue here is an underexpenditure of \$50,000, not an increase in the budget year over year. I'm just doing a little bit of quick math, and the earnings dropped \$36,000 compared to the estimate but fully \$30,000 just on the benefits side. Usually the benefits are about, I think, 20 per cent of payroll costs. These are pretty large numbers.

**The Chair:** Somebody is buzzing their phone. Please move it from your microphone.

**Mr. Mason:** That's me. It's gone.

**The Chair:** Thank you.

Sorry. Cheryl, did you get the rest of that question?

**Mrs. Scarlett:** Sorry. I don't have the specific details relative to each of the employees. Part of the variance could be related to whether certain employees may or may not have been contributing as well to the pension, not just the health costs.

**The Chair:** Okay. Brian?

**Mr. Mason:** That's fine.

**The Chair:** Thank you.

Anyone else on tab 3, Office of the Speaker? We can come back if necessary. All right. Then let's move to item 4, Legislature Library. Again you see here under human resources the 3 per cent. I think we can go straight to the numbers. You see the operational expenses there, but let's move to the numbers page, please, page 2 of 2. Are there any questions or comments with regard to the Legislature Library expenses, the estimates?

**Mrs. Forsyth:** If you just look under their books and periodicals and newspapers, they've dropped in books but gone up on newspapers, et cetera. Are they not ordering more books? Am I wrong there? Do you understand where I am?

**The Chair:** I do, indeed. Thank you.

She's under the operational expenses category, about two-thirds of the way down. Books are going from an estimate this year of \$104,000 down to an estimate of \$94,000 whereas periodicals and newspapers are going from a \$114,000 estimate up to \$124,000. Val is here to explain why.

**9:50**

**Mrs. Forsyth:** And if you can explain the electronic products at the same time because that's going up.

**The Chair:** Okay.

Can you just introduce yourself and your title?

**Ms Footz:** I'm Valerie Footz, Legislature Librarian. The difference between books and the newspapers and periodicals: we're basically just shifting \$10,000 for our loose-leaf products. We're just shifting them to periodicals and newspapers. It's a more appropriate treatment because it's a subscription-based, ongoing expense. We've just basically taken from our books and moved to our periodicals and newspapers.

Our electronic products are basically all of our subscription databases that we get on behalf of members and their staff. It covers things like the Conference Board of Canada, FPinfomart, databases that we get through the Alberta Library, all of those things that are available for research purposes for members and their staff.

**Mrs. Forsyth:** Thank you for that answer. You guys do a great job, so thank you.

**Ms Footz:** Thank you.

**The Chair:** Brian Mason.

**Mr. Mason:** Thanks very much, Mr. Chairman. This is the same line item as we talked about with respect to your office, but this time the underexpenditure under employer contributions is very large. The estimate was \$414,000, but the forecast expenditure is only \$290,000, so there's a difference of \$124,000. I think that warrants an explanation.

**Ms Footz:** Basically, we take the numbers that are provided to us as part of the parameters, and we put in what is expected. Then what we have done is that we forecast based on what we've spent so far this year and then what the actual expenditure is. Again, we do this based on the 22 FTEs, but not all of those staff are salaried. They're part-time, or it's pages and so forth. That's why it's down so much lower than it actually generally ends up being. We just apply the formula, and then that way if something does happen or there's an increase . . .

**Mr. Mason:** I'm sorry. I really didn't hear an actual, concrete reason for this underexpenditure. If we're basing the estimate for 2013-14 on the actual expenditures, then we shouldn't be seeing an increase here over the estimate in 2012-13, so I'm having trouble understanding how these numbers were arrived at.

**Ms Footz:** The forecast also covers – this year, again, we have continued to do some restructuring. I took over as Legislature Librarian in 2010. We've been moving some staff around to have efficiencies and so on. Also, this year we have had some vacancies in our staff. I think all of that sort of combines to make it a little bit lower than anticipated.

**The Chair:** Just before we go to Dr. Sherman and leave Mr. Mason's point, Jacquie Breault, did you have an additional explanation you wanted to give other than what Val has just given?

**Ms Breault:** Certainly. Generally speaking, we budget for the maximum entitlement. As Val mentioned, especially in years when there's restructuring, people could go from part time to full time, from nonmanagement to management, or wages to salary. So to ensure that we have adequate resources within a year, generally speaking, overall, for the LAO branches we make sure that we sort of budget to the max, reasonably but to the max, of what an entitlement may be for the people that we have on staff.

**The Chair:** In a nutshell, increases in expenses for the employer contributions are precipitated by more staff coming in to fill vacant positions, some staff going up the grid from part-time staff to full-time staff and some who are changing category of job nomenclature. They're becoming managers or whatever. They're upgrading, in other words.

Is there something I've left out here, Cheryl?

**Mrs. Scarlett:** Correct. To add to that as well in terms of the formulas for the health benefits and the pensions relative to the submission of the budget – and this also applies for the constituency employees portion of the budget as well – as Jacqueline indicated, it is budgeted on the assumption that everybody is participating in the family coverage versus single and also accommodates those situations where you have turnover in a year. Because so many of our benefits are tied right to the salaries, if there is some variance throughout the year because of vacancies, increases, decreases, that's why you'll see some of those variances in any given year.

As well, for this coming year, again, because benefits are tied to salaries, when you apply the 3 per cent in-range adjustment, there is a bump required relative to the estimated costs of the benefits.

**The Chair:** It's just that it's such a significant bump that it stands out.

I didn't get Jacquie Breault to introduce herself. Could you for the record just identify who you are and what your position is, please?

**Ms Breault:** Certainly. Jacqueline Breault, financial management and administrative services. I'm the manager of corporate services.

**The Chair:** Thank you.

Mr. Mason, are you okay with that explanation, or is there a supplementary?

**Mr. Mason:** Well, it's a little vague, I guess. The basic problem is

that we had \$414,000 budgeted last year, and we underexpended that by \$124,000, which is very significant. Based on that, we're now making an estimate for this coming budget year of an increase of \$25,000.

**The Chair:** Val, we're going to move on to the next item here shortly. Dr. Sherman is still on the list, and there might be others. But as we go on with discussion over the next couple of hours, would you mind working up a little more detail – I'm not sure what that detail would look like – just so that Mr. Mason and perhaps others could be a lot clearer on the numbers situation as enunciated by Mr. Mason minutes ago?

Okay. Let's move on to Dr. Sherman, still on Legislature Library.

**Dr. Sherman:** Actually, Mr. Speaker, this seems to be a pattern in all the estimates. If you go back to FMAS, the forecast for 2012-13 was \$240,000. There is a \$124,000 greater estimate for 2013-14, in excess of 50 per cent. For the Legislature Library it's \$124,000 more. When you move on to House services, it's \$270,000 more. For overall visitor services it's \$131,000 more, from \$115,000 to \$246,000.

I can understand cautiously overestimating your expenses – I think that's a good thing – but why such an overestimation? And it seems to be across the board for all of these areas, not just library services.

Now, was last year an outlying year, where it was actually much less than it normally is, or is 2013-14 expected to be an outlier?

**The Chair:** Scott, do you want to start the explanation trail here?

**Mr. Ellis:** I think that basically what you're seeing here is that in our forecasting numbers we're not maybe including as much as we should have included. Based on the fact that what directors or managers are doing is estimating their forecasts based on actual expenditures to a point in time in the year, some of those expenses may not accrue evenly over the remaining part of the year. They may be higher in the balance of the year; therefore, our forecast may be understated somewhat there.

There's another significant thing that's happening here with respect to nonmanagement pensions. The employer contribution portion went up significantly as a result of changes to that particular plan that will occur January 1. That increase is significant. It's about an 18 per cent increase over what we had previously been providing to matching contributions by the employee. So that's a significant hit in here that you'll see recurring in a number of different areas.

Why you're seeing it recurring is because a lot of our staff are nonmanagement, and that increase has affected those branches significantly. Based on when you look at our forecast – because we haven't actually implemented that cost at this point in time in our forecast, but we will be doing it in our budget. As a matter of fact, on January 1 we'll be increasing our nonmanagement pension contributions, so you'll see an increase, definitely, in that area alone coming forward into the new calendar year.

10:00

**The Chair:** What I hear you saying, Scott, is that when we look at that last column, which is called 2012-2013 Forecast – in other words, in parentheses, anticipated actual – at, let's say, the end of January or the end of February, that column will be significantly higher. It'll bring it all closer together because of the changes you've just mentioned.

**Mr. Ellis:** That's correct.

**The Chair:** Okay. So January 1 is a magical date.

**Mr. Ellis:** January 1 for the purposes of the nonmanagement pension plan specifically, yes.

**The Chair:** That's a very significant point.  
Dr. Sherman, any supplemental to that?

**Dr. Sherman:** No. Thank you.

**The Chair:** No? Okay.

All right. We are on the Legislature Library. Is there anyone else with any comments? We can come back if we wish later, but are there any comments right now on the Legislature Library estimates? Mr. Mason.

**Mr. Mason:** Thanks very much. I, my staff, and the caucus find the Legislature Library an invaluable resource and very helpful to us. I'm just wondering if there's anything that you really need to improve those services that maybe just didn't find its way in here for some reason?

**The Chair:** Okay, Val. There's a leading question for you but a good one.

**Ms Footz:** I think what we are grappling with, again, is to provide you and every member with the information that they need, how they need it. Our major challenge right now is trying to capture some of the social media and tracking things appropriately and making sure that you're able to keep abreast of that kind of thing. We're basically waiting for the technology that we can implement, working with the IT branch.

So far we haven't found anything that is capturing the Alberta-centric sources that we need. As we go forward, there may be something that comes up, but right now we're monitoring and trying to shuffle resources as we need to when those things come up.

Thank you for that.

**The Chair:** Okay. Thank you.

Last call for the moment for Legislature Library?

**Ms Calahasen:** Mr. Chair, I just want to thank the library. They've been so incredibly helpful whenever I've needed anything to do with any topic whatsoever. I would like to make sure that they are adequately resourced so that we can continue to get the great service that we receive from them.

**The Chair:** Thank you. Noted.

Anyone else?

All right. Let's move on, then, to tab 5, House Services. Here again you'll see the 3 per cent in-range merit adjustment and associated benefit costs. We will need some additional person-power help for legislative committees and legal services. There is an increased number of evening sittings that are likely as well as more committee meetings that are likely, and there are expenses that revolve around those.

On the operational expense side you'll see that there's actually a decrease in other labour and services expenses because of the completion of the Legislature Building anniversary. We're just wrapping up the 100th anniversary of the building, so that expense will fall away.

With that brief overview, let us turn the page to the numbers. We're on page 2 of 2, called House Services. Are there any

questions or comments regarding the numbers here? I have Mr. Quest, followed by Mr. Mason.

**Mrs. Forsyth:** And I'd like on, please.

**The Chair:** Thank you.  
Mr. Quest.

**Mr. Quest:** Well, thank you, Mr. Chair. Just in looking at the line item second from the bottom, conferences, a fairly significant increase across the board, I'm just wondering where that comes from.

**The Chair:** In a nutshell, that is because it's our turn to host the Canadian version of the Commonwealth parliamentarians' regional conference, at which many are expected. It's a one-time shot. I'll be hosting that, and it will be in July 2013.

**Mr. Quest:** Okay. Great. Thank you.

**The Chair:** Okay. Thank you.

**Mr. Mason:** Mr. Chairman, just seeing the same trend here, it seems to me to be a trend across the administration. Maybe if we could get Dr. McNeil to give us perhaps a little more specific explanation. It does seem to be a pattern, so there must be some underlying reason.

**The Chair:** Which line are you looking at?

**Mr. Mason:** Once again, I'm looking at the earnings and employer contributions lines.

**Dr. McNeil:** We had an election in April, so the House adjourned on the 26th of March and didn't come back till the 28th of May. In effect, there were two months where we didn't pay for pages, security staff, *Hansard* operations, and so on.

In terms of the components in this budget we've got the House operations, legal and interparliamentary relations, security and ceremonial, communications and broadcast services, so the costs that we would have normally incurred in April and May of 2012-13 were not incurred. The major reason why the comparison of earnings and employer contributions is down in this particular budget is because of that fact. In other words, we didn't sit for – what? – 30 days maybe, maybe a few more than that. That's the major reason in this budget as to why those two numbers, the forecasts, are lower. We didn't pay those costs for two months.

**Mr. Mason:** That makes sense to me. It just gives rise to another question. What percentage of your staff costs are only when the House is sitting?

**Dr. McNeil:** I'm not sure that I can answer that. I can figure that out, but I can't answer that off the top of my head. It's fairly significant in terms of the security, the pages, *Hansard*. Now, that's sometimes offset by committee meetings outside of session and so on. You know, one of the difficulties we have is keeping our *Hansard* staff active and employed. The fact that we have committee meetings now outside of session and we're doing some sort of catching up on some historical stuff in *Hansard*: that's one of the things we do to try to keep our staff onboard so they want to keep working for us. They're sort of a rare breed in terms of their skills and so on.

**Mr. Mason:** And their patience.

**Dr. McNeil:** And their patience, yes.

**Mr. Mason:** Thank you. That's satisfactory to me.

**The Chair:** Mrs. Forsyth.

**Mrs. Forsyth:** Thank you, Mr. Chair. Under the operational expenses I am going down the column where we see an increase of \$10,000 in travel, an increase of \$4,000 in hosting, an increase in office administration/supplies of \$24,000, and then, of course, Mr. Quest asked the question in regard to a \$79,000 increase in conferences. I'm just struggling with that, so maybe you could help me out. Why the travel increase, why the hosting increase, why such an increase in office administration/supplies, and \$79,000 extra to host one conference?

**The Chair:** Yeah. Actually, the typical cost for a conference is about \$150,000 in other jurisdictions, and as you know, it's not a one-dayer. It's five days this time. Five days. It's quite an undertaking, Heather, as you know. You've been to them. So that answers the conferences question.

With regard to travel, hosting, and office admin who would like to address that?

**Mrs. Forsyth:** Just on the conferencing, then, if the \$79,000 addition is for the Commonwealth regional conference, what is the balance for when you talk about conferences, the other – what would it be? – \$88,000? What other conference does that include, then?

**The Chair:** Well, in 2012-13 we hosted – who did we just host here? Western parliamentarians?

Rob Reynolds, can you help us? I forget the exact name.

*10:10*

**Mr. Reynolds:** Yes. Earlier in the year, Mr. Speaker, we hosted the presiding officers' conference, at the start of February. More recently we held the Commonwealth Parliamentary Association Canadian regional seminar. That was held in October, just prior to the start of session. Those are two conferences that Alberta hosted.

We've had more than our fair share of hosting. It just goes around, really, so that, you know, once every 13 years you host these things. Our turn just seems to be coming up.

**Mrs. Forsyth:** Okay. If you could tell me: why the \$10,000 extra in travel? You've got a hosting line of another \$4,000 and \$24,000 in office administration and supplies.

**The Chair:** Yeah. We've got that, Heather.

Let's start with travel. David McNeil, can you address that?

**Dr. McNeil:** Yes. The travel budget is based on budgeting for full-fare economy for the normal number of members that we send to these various interparliamentary conferences. Based on the locations where these conference are to be held in 2013-14, the calculation of these costs ended up being \$10,000 more. That's the sort of plain and simple explanation. Every year we do that calculation, and that's what the numbers came out to this year.

**Mrs. Forsyth:** Okay. What about the \$4,000 extra on hosting?

**The Chair:** Yeah, the \$4,000 on hosting. David?

He's just looking up some details to see if he's got it with him.

**Dr. McNeil:** I think we thought that based on the fact that we're hosting these other conferences this year, both the Parliamentary Counsel conference and the big conference, we should add a bit more in hosting for that purpose. That's all.

**Mrs. Forsyth:** Wouldn't that come under the conferencing number, though?

**Dr. McNeil:** It normally would, but I think we put it in this case in hosting.

**Mrs. Forsyth:** Okay. What about the office administration/supplies? There's an additional \$24,000.

**Dr. McNeil:** Well, I think that's related to the fact that we expect a number of additional committee meetings this year. With the amount and nature of the materials that are provided for these committee meetings, we thought that that should be added to cover that possibility.

**Mrs. Forsyth:** What's the percentage of increase from last year to this year, in a percentage number?

**The Chair:** The budget is going from \$7,450,000 estimated for 2012-13 up to \$7,762,000.

Mr. Dorward, do you have a calculator handy?

**Mr. Dorward:** Yeah, I do. I do things differently, but I'll mention that in a second.

**The Chair:** What is the percentage difference, though?

**Dr. McNeil:** It's 4.2 per cent.

**The Chair:** Roughly 4.2 per cent.

**Mr. Dorward:** Yeah. I can confirm that.

**The Chair:** Okay. That's confirmed.

**Mrs. Forsyth:** I think that probably that's the only time Mr. Dorward and I have agreed on numbers. Thank you, David.

**Mr. Dorward:** You're welcome.

**The Chair:** Well, that's progress.

Okay. We'll move to Mr. Dorward, with that segue, and then Dr. Sherman.

**Mr. Dorward:** Just a general comment. Everybody can ask their questions how they want, but I'd just like to say that, really, a true and correct analysis of what we're doing should take into account the money that we spent this year and the amount that we expect to spend next year, not what we thought we would spend this year and what we think we'll spend next year. If you're going to find savings in something and drive down your costs, you really should . . .

**Mr. Mason:** Look at your actuals.

**Mr. Dorward:** Yeah, look at your actuals. When I look at that, somehow we found a way to get down to \$67,000 on office admin, and we went up to \$114,000.

I'm not diving in now. We've heard the explanations. I'm happy with them. I just thought I'd make that as a general comment.

**The Chair:** Well, it's a fair comment, and I wish we had the luxury of waiting till our year expired and waiting until January I kicked in for the other items before we sent in a budget, because I agree with you in theory, David. The fact is that we have to have some numbers ready here and turned in and finalized by an absolute, final, drop-dead date of I think January 15, which was

enunciated at the last meeting. The forecast will change. We've heard that from Mr. Ellis and others here already. We'll get it more actual, and in most cases it'll be higher. So we'll get closer to our original estimate for 2012-13, but in the meantime we have to move on to 2013-14.

I have Dr. Sherman, and then is that Heather?

**Mrs. Forsyth:** Yes, please.

**The Chair:** Okay. Dr. Sherman, followed by Mrs. Forsyth.

**Dr. Sherman:** Thank you, Mr. Speaker. Just going to office admin/supplies in the middle of operational expenses, I recognize that Dr. McNeil has explained, you know, that we weren't in the Leg. for a couple of months because of the election and the summer and whatnot, but that's a \$24,000 increase in the estimate, which is really, probably, 26 per cent approximately.

**The Chair:** From \$90,000 projected in the original estimate up to the '13-14 estimate of \$114,000?

**Dr. Sherman:** Yeah.

**The Chair:** Okay. Carry on.

**Dr. Sherman:** Why such a large estimate? Why such a large jump?

**The Chair:** Dr. McNeil, a first go? Office administration and supplies: do you want to look that one up?

**Dr. McNeil:** Yeah. Let me look that one up.

**The Chair:** Let him look that one up, Raj, and we'll come back to it.

**Dr. Sherman:** Okay. Thank you.

**Mr. Dorward:** In my experience you sometimes find coding issues. I notice that for postage and freight the actual was down quite a bit, and you've stuck with that. I'm wondering if some of that didn't slide into office administration and supplies perhaps, which, you know, could be some of the issue there.

**The Chair:** I have Mrs. Forsyth next on the speaking list while David is still seeing if he's got enough information with him to get into a more detailed answer for Dr. Sherman.

**Mrs. Forsyth:** Well, I guess this is more of a clarity question than anything. While we go through this process – and maybe one of the government members can answer this question – the whole of government departments are going through a budget process. We're facing, obviously, a financial situation of \$3 billion. Has anybody across the board, the Provincial Treasurer said, "Okay; we want all departments, offices, et cetera, to hold the line on spending" or "We're looking at a 2 per cent increase"? For me, when we're looking at some of your areas, for example the last one – and I haven't crunched all the numbers – it's a 4.2 per cent increase. It just leaves a bad taste in my mouth and sets a bad example if we're going through your budget right now and then the Provincial Treasurer comes back and says that he wants all departments, all offices of the Legislature, et cetera, to hold the line on spending or only look at a 2 per cent increase.

**The Chair:** I understand where I think you're coming from and where you're going to, but the fact is that we make our own independent decision at this table. We are not dictated to by

anyone. Frankly, I am not familiar with what the government is doing with its budget whatsoever, and I don't know if any of the government members here are yet either. We are our own independent process.

**Mrs. Forsyth:** And you know what? I appreciate that, Mr. Speaker, and I understand that. I've been around long enough. Where I'm struggling is that we're going through an independent budget and looking at some significant increases in some of the spending, where, you know, the priorities of Albertans might be saying, "Well, if they're going to have this budget process, I would rather see the money go into health, seniors, or social services" and may not look at your budget as a priority for conferences and MLAs travelling and all of that stuff. I'm only suggesting I'm struggling.

Danielle may want to add to this or maybe one of the other members. I mean, I know Mr. Dorward is a chartered accountant. This is what I'm struggling with at this particular time.

**Ms Smith:** I'll go on the speakers list, Mr. Chair.

**The Chair:** Okay. It's a fair comment.

I have Dr. Sherman, followed by Ms Smith.

**10:20**

**Dr. Sherman:** Thank you, Mr. Speaker. I recognize what Mrs. Forsyth is saying. During difficult economic times sometimes we have to look at all of our expenditures and say: "Hey, is there somewhere we could actually find savings? Do we really have to do such-and-such a thing?" I can say as leader of the Alberta Liberal caucus that we went from a \$1.45 million budget to \$800,000. We really had to literally zero-baseline budget everything and go through every line of expenditure and say: okay, everything is going to be looked at. And I'll say that, jeez, we did a great job of opposition despite the big cut.

Has there been an opportunity to go through every line of spending to say: where can we identify some savings? I know that if we don't every three or four years take that lens, there may be some programs that were good at some time, that were needed at some time but may actually not be needed three or four years later. If we keep giving 3, 4, 5 per cent increases to those, there's some inefficiency then that creeps up. Have you had that opportunity to put the zero-baseline budgeting lens on LAO expenses?

**The Chair:** Honestly and truly, I can tell you we've done some of that already and we're now here because we have to get the discussion moving. It doesn't mean that we can't come back to visit it, but we have some circumstances that are, so to speak, beyond our control that impact this budget. Some of it deals with having four additional, new MLA seats and a lot of new staff to go with that. We have the 3 per cent issue that we've talked about. We have inflationary issues of 2 per cent that impact other budgets.

I wonder, Scott, if you're in a position just to give us an overarching sort of comment about how you've approached, from your perspective, the overall strategy in arriving at the numbers in the way that you have, bearing in mind what I've just said and something else you might wish to add.

**Mr. Ellis:** Sure. I mean, basically in our operations approximately 70 per cent of our costs evolve around human resources: staff, wages, benefits, et cetera. Typically we will mirror the benefits and the remuneration packages of government. So when there are increases in those areas, our employees are kept on par with those in government. Consequently, there are situations where there are

increases in benefit costs, there are increases in salary, and we mirror those costs. If we weren't to do that, we wouldn't remain competitive in terms of attracting staff to work for us. That's a big part of, you know, what we do here in terms of our human resource services that we provide to members. Those cost increases are something that's beyond our control, really, but we do it to keep competitive. So I think that's a big thing. That's, you know, something we grapple with.

I would also mention that in the past we've had three years where we didn't have a budget increase. There were three years where our budget was frozen. That's something to take into account as well.

**The Chair:** Thank you.

Dr. Sherman, a supplemental.

**Dr. Sherman:** I'd just like to comment that you have fantastic staff here, and we're extraordinarily thankful for the support and services that they provide all of us.

**The Chair:** Thank you.

I have Ms Smith, followed by Mr. Mason. Then if there are no other speakers, I will suggest a short comfort break right around 10:30 or thereabouts, depending on how we finish off House services.

**Ms Smith:** Thank you, Mr. Chair. As a new person to this estimates process I have to say that it feels to me like a step was missed, and I'm going to propose this perhaps for next year. I know we're going to try to whittle away at some of this this year. It does seem to me that the direction of the overall budget increase in this area should come from the elected members, that we should have had a meeting where we gave direction to the staff that we did not want to see an overall budget increase of greater than X per cent, whatever X per cent would mean. I mean, I think the members around the table know what our position is on restraining year-over-year spending increases to the rate of inflation plus population growth. If we had a premeeting where we could at least grapple that out so that the staff knew what our expectation would be on the overall increase and then it's up to staff to decide how that gets divvied up in-between, I think that would be a much healthier process.

I feel like we are now in a position where we've been presented with some significant ask for increases; for instance, an FMAS increase. I've just done a little bit of math on this. The increases being asked for on a department-by-department basis range from a low of about, you know, a .25 per cent increase, or a quarter of a per cent, to a high of a 16.9 per cent increase. By my math overall from year to year if you go from the estimates from last year to the estimates for next year, we're looking at a 9.2 per cent increase. I just don't think that's in alignment with Albertans' priorities. If we had been able to do that first step, I would have suggested that we see an overall increase of no more than 1.5 per cent, taking into account the year-over-year increase in actual inflation last year.

The estimate numbers of what inflation is going to be next year are always wrong. If you go back to last year's estimate of what inflation was going to be this year, the estimate was 2.3 per cent. It turned out to be 1.5 per cent. So I think we needed to look at what the actual year-over-year change was, and then give the administration the direction: don't come back to us with a budget that is greater than a 1.5 per cent increase.

I don't think we need to see a population adjustment increase in this area. I mean, my workload doesn't increase if I get an extra

300 or 400 people moving into my riding. My staff load is already going to be able to accommodate those minor kinds of increases. I don't accept the argument that we have to see increases because we've seen an increase in four MLAs, because that was already worked into the '12-13 estimate. We operated for 11 months-plus out of the fiscal year on the basis of knowing that we were going to have four additional MLAs.

So I just want to express my dissatisfaction with this entire process. I suspect this is replicated across the entire government, where it seems like the staff come forward with a massive wish list, in some cases quite significant increases on a percentage basis, and then we're supposed to be the meanies trying to whittle it down \$10,000 here or \$25,000 there.

I think that a far healthier process would be for us to give that first direction about what we think the overall increase should be, and then the staff comes back to us within those parameters and gives us the option: if we could get an additional amount of allocation, we would do this. But this, to me, is a pretty unhealthy process. I don't think that we get to what it is we need to get to, which is demonstrating some leadership to the rest of government.

If we sit here and vote ourselves a 9.2 per cent overall increase in our budget, I don't think we have any credibility in the rest of government with their departments during estimates to suggest that they should do less than that. So I'm echoing what Mrs. Forsyth has said, that it does seem to me like the overall direction was not sought by this committee. As a result, I'm sort of struggling to agree to some of the increases that I'm seeing here because they are substantially above what the rate of inflation would be.

**The Chair:** Well, to be clear, nobody is asking you to agree with anything. We're here to discuss it and express our disagreement, which you have just done, and that's noted.

**Ms Smith:** May I ask, then: am I able to put forward a motion for the staff to go back to the drawing board and give us a proposal that would be in alignment with a certain year-over-year increase of 1.5 per cent? Is that possible in this committee? This is how it feels. It feels like we're so far down the track now of developing this that going back and saying, "Hey, you kind of built this on the wrong parameters" doesn't feel like it would be in order at this point.

**The Chair:** Well, time is never on your side in the aftermath of an election. The staff have worked as hard as they could to put something forward so that we at least had something we could discuss. You're free to express your opposition to it. Clearly, you have, and thank you for that.

Let me just complete the speakers list. We'll take a comfort break and then come back and try and address your other question, Danielle. Is that okay?

**Ms Smith:** Yes.

**The Chair:** Thank you.

I've got Mr. Mason, Mr. Dorward, and Dr. McNeil.

**Mr. Mason:** Thanks very much, Mr. Chairman. Well, I was going to just raise the question of how we can make the best use of our time. We have a budget that's been prepared by staff. Our role normally is to scrutinize the budget that's put before us. Some members may want to make certain points about the approach in general, but we're in the middle of going through and asking detailed questions about the budget. I would suggest that we

continue to do that and that when we come for the second meeting that you've referred to, members come with the amendments that they want, make the amendments that they want at that time, and make political comments in connection to actual amendments that are being debated rather than doing that during the time that we're asking detailed questions on the budget.

**10:30**

**The Chair:** Thank you.

**Mr. Dorward:** Well, I do agree with Ms Smith that there are definitely options to consider when you do budgeting and that that is one, that you can go to individuals and say: this is the number; find a way. It depends on what level we want to spend as MLAs on these numbers.

I'm quite prepared to accept what we have before us. I like it. I've always felt this is the way to budget, and I'm seeing it here. I'm seeing a group of managerial individuals who are paid to be managers, and they are. I think they've done a good job of bringing forward their arguments for things, and I do see a tone in here of some restraint. Can we find more restraint? I think so, but I as a person that's an MLA would prefer to find that restraint and ask those tough-nosed questions rather than have them frustrated that they have to come back and make decisions that we weren't aware of. I mean, we may want to spend money in another area because it achieves the objectives that Albertans require. So I'm in favour of proceeding, and I hope Ms Smith will consider that. In future years, hey, we can maybe discuss a different way, but for now I'm good.

**The Chair:** The chair is always open to new ways of doing things. It's an election year, and I can tell you after six elections that this is not abnormal, to have all of these new considerations in the tight timelines and the time pressures that we've had. What I did find a little bit abnormal, of course, is the fact that we had to spend, I think, six or seven meetings – I can't remember; I lost count – on Government Motion 11. We did a very thorough job on it, so I don't begrudge it. I'm just saying that that, too, consumed considerable time on all our parts.

However, let's move on to Dr. McNeil.

**Ms Smith:** Mr. Chair, I'll go on the speakers list again.

**The Chair:** Thank you.

**Dr. McNeil:** I just wanted to say that, you know, this is the process that we followed for the last number of years. I guess in presenting the budget parameters we laid out what assumptions we made, based on how we'd done it before, and therefore developed the budget on that basis. It seems to me that if there are issues with the parameters that are being put forward or there should be some guidelines that we should follow, that's the point in the process where those issues should come under discussion.

We put the parameters out, saying: here's what we think the budget should be based on how we've done it before. That's not saying we can't do it in a different way in the future, but that's the basis on which it was done this year anyway and over the past number of years. I just wanted to sort of state that as what the process has been.

**The Chair:** Thank you.

**Ms Smith:** You know, I accept the observations of Mr. Dorward and Mr. Mason. I'm not attempting to derail it. It just does feel like we're very far down the path, and this is the first time we've

really had an opportunity to debate what we think our assumptions ought to be. There is a difference between presenting to the group what the staff will build their budget on and asking for our input on what you think those assumptions ought to be.

Again, this is a new process for me, and I don't want to get caught behind the eight ball again next year. At what point would it be appropriate for a member to make that request to have that debate about what the budget assumptions are? I understand there was a time crunch. We don't want to get behind it. We don't want the staff to be toiling away for six or eight weeks before we have this discussion. At what point next year would it be appropriate for me to ask what those budget assumptions are so that they can be brought forward for debate? What is the time frame when that is normally decided?

**The Chair:** Okay. First of all, let's deal with the budget before us. My suggestion to the committee – and I'm at your whim – is that we complete the binder so that we have a big-picture understanding of it all. Again, just to isolate one or two items – and I don't think that's where you're going anyway, Danielle – without the context of the rest of it would not be fruitful, in my opinion.

Now, with respect to the new discussion that you want to have, I think as soon as we put this one to bed, that's a fair discussion for us to then have. Once the time pressures come off and the budget gets submitted and it goes through to Treasury, who then pass it on and include it in the overall estimates of the process that comes up in the spring, I think it's fair then for us to have the discussion that you're wanting us to have. I don't know how other members feel, but from the chair's perspective I think that would be a logical approach.

To sum up, we'll finish off this process so that we can get something submitted. We're all learning something new about how the process works and about how the numbers hit the page. After we finish that, let's have the discussion on possibly a different way of doing this preliminary meeting for the 2014-15 budget right as soon as we convene again in the new year.

Anyone else on this particular point or on this particular page? We're trying to move through House services.

**Dr. McNeil:** We normally start the discussions of the budget process in September in terms of starting to look at the statistics, you know, CPI and economic forecasts and so on. That might be a logical time to convene a meeting to discuss what those parameters should be.

**The Chair:** But just on that point before I go to Dr. Sherman, I think what Ms Smith, if I hear her correctly, is trying to say is: let's have the discussion about perhaps a different process a little earlier, David, even in May or June, just so that LAO staff can harness some of our thoughts, work on it in the summer, so that when we come back in September, maybe they've got a new or a different way of doing it. Does that recap your feelings, Ms Smith?

**Ms Smith:** It certainly does. I mean, I just don't want staff to feel like they've been thrown a monkey wrench after they've done a bunch of work. It's just far better to have it on the table, what the assumptions should be going into it. So whatever period of time makes sense, whether it's May, whether it's June, or whether it's as late as September, is immaterial to me, but I do think that there does need to be some elected member input into what the parameters are.

**The Chair:** Thank you.

Let's go to Dr. Sherman, and then, I think, we can have a short comfort break if everybody is in agreement. Let's see how it goes.

**Dr. Sherman:** Just a question for Dr. McNeil. The effect of late-night sittings: is that overtime for staff? If it is, would it be helpful for your budget if we actually stretched the sitting of the session and not do the late-night sittings?

**Dr. McNeil:** It's not for the most part overtime for staff; in other words, staff are hired, and the basis on which they're hired is to work a certain number of hours on a contract basis. Most of the sessional staff are hired on a contract, you know, sort of per-hour basis, so in most cases it's not overtime.

**Dr. Sherman:** On those long, long days I've seen many staff, like Mr. Rob Reynolds, here until midnight. Is he putting in a 12-hour day and just getting paid regular hourly wages, or is it overtime? Eighteen-hour days? Twenty-hour days?

**Dr. McNeil:** All the management staff don't get overtime pay. We're on salary.

**Dr. Sherman:** Good job, Rob.

**Dr. McNeil:** The sessional staff that are regular staff, regular employees, would be paid overtime or get time off in lieu of overtime.

**Dr. Sherman:** Okay. Thank you.

**The Chair:** So it doesn't impact the dollars.

Is there anyone else on the House services? If not, I will close this page. We can come back to it later if necessary, and we will move on to item 6, visitor services.

I'd anticipate that a five-minute comfort break would be in order, so let me close off this section. House services: is there any other speaker to this? No? Let me declare a five-minute comfort break. I'll give you a one-minute warning when we approach the five-, six-minute mark. It is now 10:40 a.m. Thank you, all. We are recessed for about five minutes.

[The committee adjourned from 10:40 a.m. to 10:47 a.m.]

**The Chair:** We are reconvened at 10:47 a.m. We are dealing with tab 6, Visitor Services. All right. Let us go. This page is under the direction of Brian Hodgson, our director of visitor services and other items. He's also our Sergeant-at-Arms. Again, the 3 per cent in-range merit adjustment and associated benefits are reflected here, and there's a general application of the inflationary factor of 2 per cent. One of the larger issues here, of course, is the opening of the visitor centre and the gift shop and so on. Let us turn the page, then, to page 2 of 2 under overall visitor services, look at the numbers, and I'll open the floor to any comments or questions that anyone might have. The Sergeant-at-Arms is here to address the details.

**Mr. Dorward:** I would have liked and wish we could still get a breakdown of the costs of running the gift shop. That seems to me to be a natural kind of subset of this area. I take it that this area includes anybody who comes through the front doors of the Legislative Assembly and they get a guide. Are the guides in there, for example? There is kind of that side of it, which is a cost centre, and then you've got this what I hope is a break-even centre, but I don't see anything in here to really tell me what the heck – you know, how we are doing on that. I don't know how I

can decide if we can give any guidance or direction as to that area when we don't know exactly what those numbers are. I don't know if they are readily available or not.

**The Chair:** Thank you.

Brian, do you wish to make an overarching comment?

**Mr. Hodgson:** The gift shop's main effort, main purpose is to serve the Members of the Legislative Assembly. It is not in a break-even position at the moment. It's our intent to grow the business, however, because the footprint of the current gift shop will be expanded by 2.1. In terms of the volume of sales, which is significantly biased towards the interests of the members, we would hope that we would be able to expand and increase our revenue stream to offset some of our programming costs, but at the moment it doesn't. What the gift shop makes does not offset the total cost of its operation.

**The Chair:** Can you tell us how many staff are involved there, Brian, just before David goes to his supplemental?

**Mr. Hodgson:** We have a gift shop co-ordinator, an assistant, and three retail associates, who are part-time.

**The Chair:** Thank you.

Dr. – David Dorward.

**Mr. Dorward:** Thank you. I don't mind the Dr. at any time, Mr. Chair.

I think that this is an area that could be wonderfully expanded and could save Albertans a lot of money in our budgets. I just think that we could do more bulk kind of things, and I hope that's the vision. I would just ask that maybe next year we see a breakdown or a subset of how we're doing in that regard so we can help to provide some managerial guidance in that area.

**The Chair:** Thank you.

I have Mrs. Jablonski.

**Mrs. Jablonski:** Thank you, Mr. Chair. I'm looking at the budget, and although I hate to be critical of the good people that work in our visitor services, I see some of the increases that I can't quite understand. I'd like to ask some questions about them. For example, the travel was estimated at \$52,000; the forecast is \$33,000. It doesn't look like we're going to spend as much as what was budgeted for; however, then we jump to \$83,000 for the next year forecast. I see a jump from \$11,000 to \$23,000 in postage and freight. When we go down to hosting, I see a jump from \$17,000 to \$82,000. I wonder if those increases could be explained, please.

**The Chair:** Okay. Brian, do you want to offer some explanation, please?

**Mr. Hodgson:** Yeah. In looking at the figure of \$83,000, it would appear that we've made an error. The actual figure should be \$68,000.

**The Chair:** I'm sorry. What's it supposed to be?

**Mr. Hodgson:** Sixty-eight thousand.

**The Chair:** Sixty-eight thousand?

**Mr. Hodgson:** Yeah.

**Mrs. Jablonski:** In travel? Can you explain that?



**Mr. Hodgson:** It was a double entry of \$15,000.

**Mrs. Jablonski:** Thank you.

**Mr. Hodgson:** There were some funds that we didn't expend last year as well. The MLA for a Day program was cancelled as a result of the election being on, and that was an expense.

**Mr. Dorward:** So \$83,000 should be \$65,000?

**Mrs. Jablonski:** Sixty-eight thousand in travel.

**Mr. Dorward:** Into the budget.

**Mr. Hodgson:** Yeah.

**Mrs. Jablonski:** Then the postage and freight almost doubling – well, more than doubled.

**Mr. Hodgson:** That has to do with what we anticipate for the costs associated with temporary exhibits. In the new visitor centre there will be a 2,600-square-foot museum-quality temporary exhibit space, and we would anticipate turning those exhibits over four times a year: the movement of exhibits to and from the site and associated costs with that. Now, I should say that it's our intent to seek partners for many of these exhibits. They could come from different outside businesses and entities to work in partnership in the same way that, you know, museum exhibits are often cosponsored. That's not shown in here.

**The Chair:** Thank you.

Mary Anne, any supplemental?

**Mrs. Jablonski:** He hasn't answered all yet.

Moving down to other labour and services, a very interesting turn. We were estimated at \$413,000. We spent \$447,000. Now we're budgeting for the new budget \$342,000. That's quite a decrease. Congratulations.

**Mr. Hodgson:** I wouldn't be too hasty. That relates to the payments to Lord and associates, who are our consultants in the visitor centre project, so decreasing payments, basically.

**The Chair:** Thank you.

**Mrs. Jablonski:** Hosting, Mr. Speaker, from \$17,000 to \$82,000.

**Mr. Hodgson:** That relates in part to the launch of the visitor centre, conducting familiarization tours with our industry partners. We work, obviously, very closely with a pretty diverse group of folks – Edmonton Economic Development, Edmonton Tourism, Travel Alberta, Downtown Business Association, and others – to promote the capital region as a whole. You know, we get better value working together with folks than we do on our own. We would anticipate a number of launch events, four, probably, some of which may be sponsored, if you will, with monies that might come from outside entities – also the launch of the visitor centre, the gift shop, and our exhibits. So we would anticipate four different launches for those four areas. Those are one-time costs, by the way. It wouldn't be the case that they would be ongoing.

10:55

**Mrs. Jablonski:** Well, thanks very much. I really look forward to the events of next year.

**The Chair:** Okay. Are there other questioners regarding overall visitor services estimates?

**Mrs. Forsyth:** Mr. Chair, when are you anticipating this total move into the new building?

**The Chair:** It's occurring in phases, as you heard Mr. Ellis say. We have been on this project for years, and we are at least a year behind in what was originally scheduled. So the building should be completed a year from now, and then there are fit-ups and commissionings and other things that still have to happen. I anticipate, if everything stays on track, that we'll be moving some of the furniture and everything else to do the fit-up either in very late 2013 or very early 2014, give or take, you know, a month, two months on either side. That's my best guess based on piecing together conversations by memory from Infrastructure folks, LAO folks, and others.

Does anybody wish to add to that?

**Mrs. Forsyth:** Well, I would just like to add that if we're not looking at moving into there until late 2013 or '14, are we ahead of ourselves on this budget?

**The Chair:** I don't think so, Heather, because it doesn't all sort of happen just, as you know, on one magical day. There's a lot of work that happens in between and behind the scenes just getting the building ready for us.

**Mrs. Forsyth:** I'm not arguing with you. You're looking at hosting going up by \$75,000. If you're physically not even in that building or doing anything – again, maybe Mr. Dorward would like to tell me what percentage increase we have on this particular budget. There are some significant increases of travel, postage. It seems like we're second-guessing. Hosting is huge. Again, we're at this time when: where is the money going to come from?

**The Chair:** I think Brian Hodgson did indicate an answer to the travel increase. I can get him to restate it if you like. He also commented on the hosting, which is essentially tied up with the launch of the new visitors' centre, which is by far much larger and greater and so on than the one we're in now. However, just to be clear, we will be in the new federal building at some time between April 1, 2013, and March 31, 2014, based on the best information we have. As you know, we're looking at the budget that goes right through to March 31. So whether that move occurs at Christmas-time or in January or February or whenever, it will still be part of the 2013-14 year, best we know it as of today.

Mr. Hodgson, would you like to comment on some of Mrs. Forsyth's issues, please?

**Mr. Hodgson:** Well, yes. You know, if we don't open, then we don't spend the money. It's as simple as that.

**Mrs. Forsyth:** I really, truly appreciate that. I want on the record what a good job – you know, we've talked about the library, and we've talked about visitor services. Whenever I've stepped in there, they have always, always been more than accommodating and friendly. I like the idea of the visitor services because they're bringing artists, especially Alberta artists, to the table.

Again, I'm struggling with the increases that we're seeing right now when, you know, it could very well be being used in one of the other budgets across the government.

**The Chair:** Understood. We've addressed that in part under Danielle Smith's point, but I'll get Brian Hodgson just to comment from his perspective from his visitor service charge.

**Mr. Hodgson:** Well, in the hosting budget we're looking at the amalgamation of some other activities that previously were in other budget areas like the MLA for a Day and the School at the Legislature programs. Also, special events will be integrated into this area like the Seniors' Week. That would explain some of it.

**The Chair:** Anyone else on visitor services? If not, we can come back as needed.

Let us move on, then, to information technology services, which is tab 7. Again you will see here on the first page the 3 per cent in-range merit adjustment and the associated cost benefits. You'll also see inflationary adjustments based on the costs of products and services, contracts for ongoing infrastructure improvements, the integration of the LAO's wireless strategy, additional progress regarding mobile platforms as well as information management strategy, and, of course, services and equipment that's needed for the extension of services and development of a redundant data centre with respect to the Edmonton federal building. There's quite a bit in there, and if we turn the page to go to 2 of 2, we see the numbers.

This area is responded to by Cheryl Scarlett. Are there any questions or comments regarding the numbers under tab 7, Information Technology Services? The floor is open.

**Mr. Dorward:** Two things: why do you need an extra individual in this area, and then, secondly, there's a big number in there. I can understand when there are full-time equivalent salaries, but any time you get into the IT area and there's \$2 million, which is data processing services and equipment, I have some questions regarding equipment as to amortization policy, number one. And then, you know, this is just a big, big number. If I had my druthers, I would rather see some kind of breakdown of that.

Also, I think this is an area that's: what are the results we're trying to achieve? First, lay those out and then find out: are we approaching them in the right way? Are we using the resources that are available out there in the community in a broad way to get to what we're doing? Are there any programming initiatives that were in a prior budget like in the \$1.861 million which don't need to be in there? You know, budgets have a way of growing. If you just look at last year's budget as: "Hey, well, we had that last year, and away we go." This is not right.

Particularly in a case like this, I would love to see what the budget has been over the years and what initiatives have been there. Are we done all the initiatives, and can we drop that budget by 60 per cent or something? I know I'm being extreme here, but I'm just saying. It's just a number, and it doesn't give me anything to really work with as far as meat to know if that's the right number or not.

So there you go. That's a question.

**The Chair:** Okay.

Cheryl, a general comment, please.

**Mrs. Scarlett:** The additional increase in terms of the top half relative to resources represents the 3 per cent, an FTE in terms of a person to help assist us. We're expanding more with our mobile services as well as the incremental benefit costs. The bottom half of the budget: in some of those line items we have not asked for any increase. The others are modest increases with respect to the cost of living.

In the IT area the majority of our expenses, in addition to the human resource expenses listed at the top, are directly related to

equipment, hardware, software. That large ticket item is basically the cost of keeping our operation going. There is not a large amount that's committed to future development. There is some, where we identify each year what the needs are of our different users: the members, the members in their constituency offices, the caucus offices, and some things that – for instance, the library had referred to in terms of expanding their electronic services, their online services.

**11:05**

But most of what you're seeing here in this budget is the actual cost related to all the equipment that is provided to our users, the costs of the hardware to run our infrastructure because, again, we are totally autonomous, and our infrastructure is LAO infrastructure. It's here. It does not piggyback onto anybody else. Then there's a huge cost relative to licensing relative to all the software and the products that go with that.

**The Chair:** Thank you.

Is there a short supplemental?

**Mr. Dorward:** With respect, then, to the \$1.9 million cost forecast here do we own our own equipment? Are those contracts for people processing things for us? I heard you say that there's not a lot of development in these costs. Did I assume that correctly?

**Mrs. Scarlett:** With respect to your first question we own all our equipment. We run it from soup to nuts here with what I would call a very lean staff in terms of setting up our own infrastructure, maintaining it. Yes, that's hardware equipment. There are expenses as that equipment gets older, whether we're talking about servers, whether we're talking about laptops, desktops, printers, and the other peripherals that take and make things run in your constituency offices and within our precincts here. The majority of that is hardware and software, and that is all LAO owned.

With respect to taking and addressing some of the projects that you're talking about, that's where I would put that into the developmental area. Yes, on behalf of our users – and our users are the members and the staff that work for them – we are looking to take our organization forward in terms of providing some wireless strategies for you here and also looking at wireless strategies in your constituency offices, backup in your constituency offices in terms of the support for the computer equipment there just in terms of tying it all back here to our central servers so that you can have access anywhere, any time.

One of the priorities that also has been stated to us here more and more is just everything related to the mobile platforms, that being the support so that you can take it and be out there more in the social networking kind of world. But with that you need different types of software and hardware, and with that our systems themselves in terms of the video streaming and the video editing: those are things that need to move forward so that we can keep up with the needs that are expressed by our members in terms of supports that we can provide them in terms of doing business.

**Mr. Dorward:** All right. Thank you. Good answers there. I appreciate it.

**The Chair:** Thank you.

Let's move on here to Mr. Mason, please.

**Mr. Mason:** That answered my question, Mr. Speaker.

**The Chair:** Okay. Thank you.

Are there any others with respect to information technology services?

**Mrs. Forsyth:** Chair, I would just want to make a comment about this budget. Again, this is one of those budgets where I can't stress enough how much IT has done as far as helping me out, helping the constituency office out. They do an unbelievable job, and when our equipment is down, they're right there helping you as quickly as they can. They've overcome my fear of using some of the technology, so I think they've done a great job.

**The Chair:** Thank you.

I think Mr. Quadri had a couple of items under telecommunications there that he wanted to ask about in respect to your budget.

**Mr. Quadri:** Are there any new telecommunications devices that are coming online?

**The Chair:** Are there any new telecommunications devices that you foresee, and have you accommodated those in this budget?

**Mrs. Scarlett:** Keeping up with IT is very, very challenging. There seems to be something new almost day to day. As it relates to mobile devices and mobile technologies and all of those working together in terms of supporting the business that you're in, as new devices hit the market or new technologies hit the market, we are doing research in terms of those mainstream devices to see which ones we may be able to accommodate into our infrastructure if not immediately, looking down the line.

If your question is related to different new mobile devices, PDAs, there's always a next new one. I know that the questions are always in terms of: is there a provision for me to take and use this, and can it sync to our system? Our questions always are going to be: what impact does it have on the security? We are here first off to protect you and our IT infrastructure, and that's the research we need to do before we can look at supporting additional devices. But, yes, there are new technologies always coming down the line and particularly in the mobile world.

**Mr. Quadri:** You have considered that in this budget?

**Mrs. Scarlett:** In terms of the support relative to the infrastructure and support in terms of running them on our servers, those types of things are there. The infrastructure is built so that in some cases, depending on the technology, they may be accommodated. With respect to costs of equipment there are different parameters in terms of what IT supports in terms of your mainstream IT equipment and additional provisions you have. Some of those costs come out of your constituency allowance.

**The Chair:** Thank you, Mr. Quadri. Are you done?

**Mr. Quadri:** Yes.

**The Chair:** Thank you.

**Mr. Dorward:** Just a supplemental on that amortization: what are we looking at here on the \$1.9 million? Is that an amortization of costs that we have incurred previously, and if so, then what time frame are they written off over? Or are we just expensing everything in the year we buy?

**Mr. Ellis:** Basically, we're expensing them as we buy them and replacing them probably on a two- to three-year cycle. Our capitalization threshold is \$5,000, and a lot of these units don't meet that threshold. We do adjust our financial statements with valuation adjustments to reflect the amortization amounts, but for the purposes of this budget it's on a cash basis.

**Mr. Dorward:** Thank you.

**The Chair:** Cheryl, to augment.

**Mrs. Scarlett:** Just to add to that, in terms of our computer equipment – our computers, laptops, desktops – we have an evergreening cycle, basically, based on a four-year cycle wherein we have it spread out relative to the needs of all of our users throughout the organization. Yes, in every year we are acquiring equipment, but that is going in to replace equipment that is end of life. In some cases when we roll equipment out, we may roll it out to you and then come back in a few years and say that we have a newer model for you, but within our evergreening cycle that second-generation equipment is used elsewhere in the organization, so it's in the system for over four years as it relates to computers.

Some of our other equipment has a longer life. Some of our smaller devices have much shorter lifespans.

**The Chair:** Thank you.

**Mr. Quadri:** You're also considering the new software because, you know, there are also costs attached to the new software and upgrading on an ongoing basis.

**Mrs. Scarlett:** Absolutely. It is always our intention, and we have been successful at staying mainstream in terms of the most recent softwares. We're not bleeding edge, but we very much cannot fall behind because our systems in terms of all the different systems that work together with each other cannot run on old software, so we must stay mainstream.

**Mr. Quadri:** Okay. Thank you.

**The Chair:** Thank you.

Are there any other questions or comments regarding information technology services?

**Mrs. Forsyth:** I have just a brief question, and that is: what do we do with our old computers, Cheryl? There are so many agencies that could use our old computers, say, at some of the women's shelters and, you know, the Mustard Seed or places like that. Do we donate any of that? What happens to this stuff?

**The Chair:** Okay. What do we do with equipment we no longer have any use for, Cheryl?

**11:15**

**Mrs. Scarlett:** At the point in time where our equipment has been declared surplus, then it is disposed of or sent through to surplus sales within the public service, within the GOA. It's my understanding as it relates to computers that those computers then are turned over to a school program for further use if possible, again realizing that there comes a point in time – and the reason that we have not hung onto them – when they do not support the latest software and security software that are important to us. But there are other uses for those that have lesser issues.

**The Chair:** Thank you.

**Mr. Mason:** A similar question, but it has to do with the equipment that's sort of retired from front-line use and still retained within the system, I think you said. Now, does that system comprise the LAO or the entire government of Alberta?

**Mrs. Scarlett:** The system I was referring to is within LAO.

**Mr. Mason:** Okay. So we're not subsidizing other departments by supporting them with our equipment.

**Mrs. Scarlett:** No, we are not. In terms of our evergreen cycle it's used within LAO.

**Mr. Mason:** Thank you.

**The Chair:** Thank you.

Just a quick comment. The meeting will adjourn at 12:30, and staff members will be around to answer any other questions informally. If anyone wishes to stay and take advantage of that opportunity, I invite you to do so.

Are there any other comments or questions regarding item 7, info technology services? Anyone else?

Hearing none, let us move on, then, to item 8, legislative committees. This area is under the charge of Shannon Dean, who is our Senior Parliamentary Counsel and director. Human resource expenses: we underwent a change with respect to MLA remuneration, and there's a decrease in this area, Shannon, the way that I read it. But, overall, there needs to be an increase to this page because on the next page you will see that one new committee will come into existence. That's one factor.

Secondly, we always project on top of that one additional committee that might come into being at the call of the Assembly because we never know. That's reflected on the left-hand side of your page, the next page, page 2 of 3, under select special committees. Bear that in mind as we go through this page.

Let us, then, start with page 2 of 3 and deal with that. Then we'll go to page 3 of 3. Are there any comments or questions with regard to page 2 of 3, legislative committees, summary of budget estimates? Mr. Mason.

**Mr. Mason:** Thanks very much, Mr. Chairman. I have a couple of questions. Starting with the Standing Committee on Members' Services – that's this committee – the forecast is \$97,000. Does that have to do with the review of MLA remuneration?

**Dr. McNeil:** Correct.

**Mr. Mason:** Okay. The Heritage Savings Trust Fund Committee was budgeted at \$86,000, is expected to come in at \$49,000, yet we're budgeting \$92,000.

**Ms Dean:** I think the key difference there is that the committee decided to hold its public meeting in the Edmonton area this past year, so that reduced the cost of the public meeting.

**Mr. Mason:** But it wasn't budgeted.

**Mr. Dorward:** We budgeted to travel. We never travelled.

**Mr. Mason:** Well, no. It was budgeted . . .

**Ms Dean:** At \$86,000.

**Mr. Mason:** Okay. All right.

The last question. The Standing Committee on Privileges and Elections, Standing Orders and Printing has no money budgeted for it. Why is that?

**Ms Dean:** Members may recall that that committee only meets if a matter is referred to it from the Assembly, so we try to find a budget in the overall committee envelope in the event that there are funds needed for that committee.

**Mr. Mason:** Maybe if we budgeted for a meeting, it would meet.

**Ms Dean:** Well, again, through the chair, we have \$12,000 in contingency funds in the event funds are required.

**Mr. Mason:** Okay. The last one was a little facetious, Mr. Chairman. I'm sorry.

**The Chair:** Understood that way, too. Thank you, Mr. Mason. A little levity is always welcome.

Let me deal with page 2 again. Are there any other questions on page 2 of 3?

Let's move to page 3 of 3, then. Any questions on page 3 of 3 on legislative committees?

**Mr. Dorward:** Well, I guess I could ask a general question because it's always a good thing. If the committee decided you would not have \$40,000, if the committee said that the 2013-2014 estimate needs to drop by \$40,000, what would you do?

**Ms Dean:** Well, we could modify that expenditure. Again, you know, we take direction from the committee.

**Mr. Dorward:** Is it pretty fixed, though? Are they pretty fixed costs, or is there some managerial ability to find money in this budget? If we're going to have to go back to each of these sections and find money, is this pretty fixed? It seems to me this is a fairly fixed kind of a tab. I guess you could cut back to crackers instead of having a hot lunch for meetings that go through the lunch hour. Is it fairly fixed?

**Ms Dean:** It depends on the level of committee activity and what activities are being undertaken. For example, advertising can be a big expense in some years, and in some instances it's not. For example, in this past year we didn't spend what we usually spend. So there is some crossover in terms of finding money from other budget categories.

**Mr. Dorward:** Okay. Thank you.

**The Chair:** Is there anyone else on legislative committees, page 3 of 3?

**Mrs. Forsyth:** I'm just looking at the increase in hosting.

**The Chair:** You're on page 3 of 3. Hosting is going from a targeted budget of \$38,000 up to a projected budget of \$43,000.

**Ms Dean:** That increase, I think, is anticipating additional dinner-meeting committee meetings.

**The Chair:** So it's really hosting of committee meetings anticipated.

**Mrs. Forsyth:** The select special committee has an increase of \$11,000. I'm going back to page 2 of 3 now. Maybe someone could fill me in on exactly why you're going from \$69,000 to \$80,000. What select special committees are we talking about?

**The Chair:** That particular one is the projection, I think, for a new one, is it not, Shannon? In case the Legislative Assembly sees fit to create and establish a new one, we have to budget for it.

**Ms Dean:** That's correct, Mr. Chair.

**Mrs. Forsyth:** An example would be maybe the FOIP review or something like that?

**Ms Dean:** That's correct. I mean, typically we have a clear indication about statute reviews because they're outlined in legislation, but there could be a subject matter that the Assembly decides to refer to a committee for review. That's basically all I have to say on that, Mr. Chair.

**The Chair:** In actual fact, to support your point, that just happened now under the line above it. The Conflicts of Interest Act Review Committee has just been established, hasn't it, David?

**Mrs. Forsyth:** But this is a separate line item.

**The Chair:** I know, but last year it would have been in the same category as the second line is this year. It's a contingency.

Okay. Anyone else on legislative committees, either page 2 or 3?

**Mr. Mason:** Well, just to follow up from Mr. Dorward and take it a step further, there is over half a million dollars budgeted for advertising here, which is a significant increase. Would the system collapse if we cut a hundred thousand dollars out of that budget?

**The Chair:** Well, my understanding here – and I'll get Shannon to dig up her information on this – is that the advertising budget is frequently used to advertise the arrival of a committee in a particular community and let the public know that that committee is there and they're interested in hearing from them.

Shannon, do you want to elaborate beyond that?

11:25

**Ms Dean:** That's exactly correct, Mr. Chair. The committees advertise in the daily papers or in the weekly papers if they're conducting a legislative review or what have you. You'll note that the forecast we have for the current fiscal year is advertising expenditures in the neighbourhood of \$435,000. So if you're looking at cutting \$100,000 from \$509,000, we would not have adequate funds.

**The Chair:** Thank you.

Are there others? Anyone else? Okay. We can come back if we wish.

In the meantime I've heard no one else wishing to speak to item 8, so let's move on from item 8 to item 9, MLA administration. Hon. members, this now is the beginning of the second of the four major categories. We have dealt with the first of four major categories, which are the eight LAO branches, and now we're starting with MLA administration. So this is number 2 of the big four, if you will.

A couple of opening comments here. If you just look at the summary of budget variances, please know that this now will deal

with everything from MLA remunerations as this committee itself amended them over the last five, six, seven meetings. It also applies a forecasted 1.5 per cent remuneration adjustment. I think that's the CPI one, Scott, is it not?

**Mr. Ellis:** Yes, it is.

**The Chair:** Yes, it is. Thank you.

It also deals with the increase in the number of MLAs. It deals with the new establishment of the MLA retirement investment option and the matching RRSP contribution, which we amended our members' allowances order to accommodate. It deals with increases in employer contributions. It deals with increases in costs associated with the extended benefits, and that's just the first category.

If you go down to the second white circle, so to speak, we also deal with members' allowances here. We anticipate a decrease in the number of sitting days, and that's why there's a reduction there. It deals with the Fort McMurray allowance. It deals with the transition allowance liability funding. It deals with the constituency office staff benefits and the fact that we have four additional constituency offices, and there are commensurate increases for employer contributions and so on.

Then there are a couple of other categories, very quickly, the operational expenses. These are the monies required for government courier services provided by Service Alberta so that all members can take advantage of those couriers in their areas. There's an inflationary factor of 2 per cent.

The last part is on members' services allowances. This is the formula that includes how many electors you have, what your estimated population is, what your matrix score is, and so on. There's also an accommodation for an increase to the postage rates built in here. Again, the 3 per cent increase to the staffing base is predicated on what may or may not happen with the overall AUPE negotiations.

Finally, there's the 2 per cent operations element.

I think that sort of concludes it. There's a little more information over the page, on page 2 of 3, that talks about some of the stuff I just talked about. We can get into that discussion now.

Let's turn the page over to page 3 of 3 and begin the discussion on MLA administration. We have a number of people who may be asked to speak to this, but primarily I expect it'll be Scott and Cheryl or whomever else may have the answers at the ready. The floor is open.

**Mr. Dorward:** I take it from the notes on page 1 of 3 and the numbers on page 3 of 3 that there was some kind of accrual set up for the transition allowance liability funding, which is why there was an estimate in there of \$3.3 million and then nothing anticipated for expense.

**The Chair:** I'm sorry, David. Which line are you on and which page, just to be clear here?

**Mr. Dorward:** Sure. Page 1 of 3.

**The Chair:** Page 1 of 3.

**Mr. Dorward:** Just in the narrative on the pay and benefits to MLAs the fourth bullet says: "Liability fully funded. No future growth due to changes to the Members' Allowances Order." It's \$3.361 million. If I go to page 3, indeed I see that number in the middle column in the estimates, and then there are no dollars in the forecast. I assume, then, that the way the LAO treated the

transition allowance was to accrue it on some kind of basis, yet we ended that in April. It just seems odd that there would be absolutely nothing in the forecast.

I'm surprised there isn't a pickup. Hopefully, we would have had a pickup there because it was overfunded or overaccrued previously, or we would have had some kind of cost there because we did have January, February, March, and April. It surprises me that it's zero, so I just wondered if my understanding of that particular line was correct. Maybe a comment on why it ended up being zero.

**The Chair:** Sure. Well, as you correctly pointed out, the transition allowance no longer exists for new members. There are some who will still receive a transition allowance, but I expect the budget was done on the basis of not anticipating any of them to be taking it up during 2013-14.

For greater clarity why don't we go to Scott Ellis to inform us.

**Mr. Ellis:** Each and every year we would do an estimate as to what our liability amount is for the transition allowance and budget according to what we thought we would need based on members' pay going forward and the amount they would accrue as a result of their pay being averaged over a number of years. This number reflected what we thought at that time was going to be what we needed to expense going forward for 2012-13.

When we expensed it, we basically did another review subsequent to that and found that the addition of this amount plus, you know, amounts that we have expensed throughout the years leading up to this point was adequate to fund the transition allowance liability that we had at that point in time.

**Mr. Dorward:** Yeah. Okay. I think you've confirmed what I said. You were just very, very good with your estimate, then, to come out to dead-on zero, no pickup or expense. That's very well done. Congratulations.

**Mr. Ellis:** I can't take any credit for that. I think there were some other factors at play.

**Mr. Dorward:** All right. I don't know if you have handy the 2011-2012 expense for the pay and benefits to MLAs. I see somebody shuffling paper down there. Maybe we can come back to that one if they can find the answer.

**The Chair:** Let's leave that one to be researched. Jacquie, are you able to undertake that?

**Mr. Ellis:** I know our standard budget amount going back a number of years was about \$3.25 million per year. At some points in time we had to go a little bit more because of our liability increase, but that's typically what we had. Yeah, it was \$3.225 million.

**The Chair:** Just be clear on what you're talking about here. I thought I heard him say pay and benefits. Maybe I misheard him.

**Mr. Dorward:** Yes. You're right, Mr. Chair. I appreciate the \$3.25 million in the transition allowance.

**The Chair:** You're talking about something else, Scott, I think.

**Mr. Dorward:** No. I think he's okay. He's giving it to us in pieces.

**The Chair:** Oh. Okay.

**Mr. Dorward:** The \$3.25 million is the transition allowance. What would have been the pay and benefits portion for '11-12, for example?

**The Chair:** Yeah. Exactly.

Scott, are you ready there?

I have Quest, followed by Quadri, followed by Sherman.

**Mr. Dorward:** We can take a minute on that, Mr. Chair.

**The Chair:** Let me move on to another question, Jacquie, while you and Scott figure out the background and what you need to answer Mr. Dorward's question.

Mr. Quest.

**Mr. Quest:** Thank you, Mr. Chair. Just a couple of questions on some fairly major variances on these line items. Again, postage and freight: well, at a glance it looks like it'll triple. But office administration/supplies: a very substantial drop. Just maybe talk about those. Is there a connection?

11:35

**The Chair:** We're on operational expenses on page 3 of 3?

**Mr. Quest:** Page 3 of 3, operational expenses. That's right.

**The Chair:** In the middle of the page, office admin/supplies. Is that right, Mr. Quest?

**Mr. Quest:** Well, postage and freight, first of all, from \$81,000 to \$244,000; then office admin, from \$121,000 to \$13,000.

**The Chair:** Okay. I think we've got it.

**Mr. Ellis:** There are a couple of things at play there. First of all, with respect to postage and freight, as we'll find out later when we get into the members' services allowance budget, we're proposing that we transfer an amount that has been administered by FMAS in the past for postage, \$750 per member, into the MSA and allowing members flexibility in terms of how they would expend that particular amount. So that results in a reduction in the postage and freight.

That is offset by a charge that we're going to have to incur in 2013-14 with respect to Service Alberta charging us for our courier service between constituency offices and government departments and the LAO. So there's a net increase there as a result of that larger dollar amount that we're going to have to be paying for that service to be provided by Service Alberta.

**The Chair:** I just want to jump in here quickly for a point of clarity on the first point you mentioned, which is postage and freight. Basically, after having spoken with a number of MLA colleagues either in their constituency offices or as part of the follow-up that I was doing to Mr. Mason's question back in June or whenever our first meeting was, I can tell you that the MLAs so far have overwhelmingly favoured having greater flexibility with the postage and freight aspect of your budgets.

What that means is that at the moment you are restricted in that category. If we leave it in the same part of the budget as we have had it up until now, then you must spend that allocation on postage and freight only. If you do not spend it all on postage and freight, then you must send it back to the LAO. By moving it to a different part of the budget, we're not increasing the budget necessarily. What we're doing is saying that you now have the flexibility to spend as much as you want on postage and freight,

and whatever is left over you can spend elsewhere in your MLA budget.

Do I have that understanding quite clearly? Because that's what we talked about in preparation for this meeting over the last several weeks. Mr. Ellis, to clarify.

**Mr. Ellis:** That's correct.

**The Chair:** Okay. So does that help a little bit?

When we get to the latter part of the budget, which we may or may not get to today, you'll see the counterexplanation to that.

**Mr. Ellis:** That's correct.

In answer to Mr. Quest's second question about the office administration/supplies FMAS has in the past administered the provision of \$1,250 for stationery supplies on behalf of constituency offices. Our proposal is that we would transfer that to the members' services allowance – that would be \$1,250 per member – and allow them greater flexibility to use those dollars within their MSA. Consequently, that's why the amount listed here has decreased from \$121,000 in the budget last year to \$13,000 this year.

**Mr. Quest:** Okay. Thank you.

**The Chair:** Are you okay, Mr. Quest?

**Mr. Quest:** Yes, I am. Thank you.

**The Chair:** Good. Thank you.

**Mr. Quadri:** On page 3 of 3, under operational expenses, office equipment rental/purchase in 2012-13, you know, was \$450,000, and now it's projected at \$688,000.

**The Chair:** Can you explain that one, Mr. Ellis, please?

**Mr. Ellis:** Basically, this line item deals with office equipment supplied by us that is purchased and operating in constituency offices. The forecast for 2012-13: basically there were not a lot of purchases made in that particular year probably because of the election and members just getting into their new constituency offices. There was a period there when there was not a lot of activity in terms of this particular line item. Office equipment wasn't necessarily being purchased in that period.

**Mr. Quadri:** But now, you know, we've already had the election, so the new furniture has been purchased for the new offices, but in 2013-14 you're still asking for \$688,000.

**Mr. Ellis:** We anticipate that that will become a cost item for members going forward as their equipment wears out or needs to be replaced or as they have new needs.

**The Chair:** Okay. So projections based on their knowledge, and we'll leave that one there for the moment.

Let's go to Dr. Sherman, followed by Mr. Dorward and Mr. Mason.

**Dr. Sherman:** Thank you, Mr. Speaker. Looking at the biggest increase in expense in MLA pay and benefits, I recognize that MLAs weren't paid for the one month during the election in 2012-13. But with an increase of only four MLAs, which is about 4.5 per cent, going from 83 to 87, there's about a 30 per cent increase in pay and benefits to MLAs. So two issues. One, why such a large increase? Two, we actually campaigned on having fewer MLAs. Where does Alberta stand in relation to provinces like,

say, British Columbia on the number of voters per MLA? Really, the easiest way to reduce expenses is to reduce the number of MLAs.

**The Chair:** Okay. Just to correct one thing, Dr. Sherman, you indicated that MLAs weren't paid for one month. That's not correct. MLAs get paid right up to and including election day, and if they are re-elected, they will continue to get paid. It's the offices that tend to shut down, but everybody does things a little bit differently.

In any event, on your last point about the comparison, I don't know if anybody would be ready to answer that question here. I doubt it. What you're really asking is: how many MLAs do we have per capita or on whatever criteria as compared with other provinces? That's probably a good question for another time, maybe. I don't know if anyone here is prepared on that last one.

If not, let's deal with the middle part. Who can address that? Mr. Ellis, did you note down where Dr. Sherman was going?

**Mr. Ellis:** There are a number of factors coming into play in the MLA pay and benefits increase, primarily arising out of changes to pay that have been processed by the Members' Services Committee, the establishment of the \$134,000 indemnity and the elimination of a number of things, the tax-free living allowance and the RRSP allowance, replacing those with the individual retirement savings option. So there are a number of competing things going on in that number. At the end of the day when you add all those up, that's what the overall increase or change is. Maybe Cheryl can elaborate a little bit more on that.

**The Chair:** We've also built in four more MLAs in this line, too, have we not?

**Mr. Ellis:** We have.

**The Chair:** Thank you.

Carry on, Cheryl.

Mrs. Forsyth, I have you listed after Mr. Mason.

**Mrs. Scarlett:** As Scott indicated, if you just look at what the remuneration was for members in last year's budget compared to what it is now and, as well, add in the CPI, it is the base budget plus CPI times 87 members in addition to the changes related to the retirement investment option.

**Dr. Sherman:** Just as a follow up, if we factor out the four extra MLAs, are the MLA pay and perks 8 per cent less moving forward, or are they more and by how much?

**The Chair:** Just so we don't get too political here, I understand what you are saying. It's a very good question. If you were to take everything that we were charged with doing from after the election up until we completed our job and handed in the report last week, there would be a reduction overall if you put everything on the table. However, we were not able to deal with everything in one meeting, so it got stretched out over the summer, it got stretched out into the fall, and finally, as of last week we were able to put in our final report. But the final report does not make a comment on your question because there was no editorializing done. I can't recall if the minority reports reflected anything like that or not at all.

**11:45**

Just to be clear, since the election came and went, up until we turned in our report and did the job that this committee was charged with doing, my rendition of it suggests quite strongly that

there was an overall reduction in the amount of take-home pay for MLAs.

Now, is there anyone else commenting on any other parts of this? I have Dorward, followed by Mason, followed by Forsyth.

Are you done? No. Yours is a follow-up back to Breault.

Jacque Breault, do you have a comment on Mr. Dorward's earlier question, 10 minutes ago?

**Ms Breault:** If I brought the right report with me. For employer contributions and MLA pay, the actuals for last fiscal year – I believe that was the question – I have \$13,124,000.

**Mr. Dorward:** That \$13,124,000: does that include the accrued amount of the transition allowance?

**Ms Breault:** Yes, it should. I'll double-check that.

**The Chair:** Do you want to do a little more digging on that?

**Ms Breault:** Yeah.

**The Chair:** Okay. Let me go on to Mr. Mason, followed by Mrs. Forsyth.

**Mr. Mason:** Thanks, Mr. Chairman. You mentioned earlier the matrix. You know, I did raise that issue and asked to look at some more factors. I was hoping that that decision would be in place before the drafting of the budget. It may not surprise anyone that I was actually after a little bit more money for my constituency office. Can you tell us where that's at?

**The Chair:** Yeah, I sure can. I indicated to you in a memo a couple of months ago that I would be visiting 15 to 20 constituencies in their local circumstances. I've done 15. I've got two more at least scheduled for this Friday and two or four more next week. The whole issue of the matrix-based element has the capability of a little bit more flexibility, and we're going to come to that very soon here, where we're adding a little bit this year to it. We're also creating more flexibility earlier for your MLA budget overall. That's the postage and freight discussion that we just had.

I do not yet have a complete picture, Brian, of exactly how a new matrix model or discussion might unfold until I've completed my tours, and I have to hit some of the outlying areas, south of 60 and north of 49, to get a much bigger picture. I've done as much travelling as I could do in the period of time available. I am interested in that discussion because I think there is an appetite, from what I've heard amongst all MLAs so far, to review perhaps a different way of doing that. But I'm not prepared personally to yet bring it forward. I haven't developed any theory or proposal yet.

**Mr. Mason:** You said that we would be coming to something that had a little increase, but it's \$519,000 this year and next year in the budget. Is there some other place that that's going to come up?

**The Chair:** Well, we'll get to this.

Scott, we have on page 3 of 3 reference to the matrix-based element, so we could go to that. I was planning to go to it a little bit later. Did we prepare that for the colleagues here in this binder? This binder is essentially the one that was handed out on November 27. Was it, then, subsequently replaced and updated, Scott?

**Mr. Ellis:** No.

**The Chair:** It's the same budget, right? Good. Should we, in order to address Mr. Mason's question on the matrix budget, jump to that section now?

**Mr. Mason:** If you can just tell me where it is, I'll look at it so that I'm ready when you get there.

**The Chair:** That's just what I'm asking Scott, where they put it.

**Mr. Ellis:** Sorry. I'm not sure I understand that question.

**The Chair:** We have 58 constituencies that are in the minus 18 to zero matrix level. Then we have half a dozen or whatever in the plus 1 to plus 4 level or whatever the exact number is. You know what I'm talking about now?

**Mr. Ellis:** Yeah. I have a document, actually, that wasn't circulated in the binders that I think explains exactly how we've applied our factors, and it would be beneficial to have a look at that.

**The Chair:** Why don't we maybe pass that around now, David or Allison? Who has it? We're ready with it. We wanted to sort of complete the whole thing, but I think this is an appropriate place to inject it now because we do have the matrix-based element here, and there is a suggestion here. It's not a huge amount, but it's a little bit that will help some who are particularly in that minus 18 to zero level.

Let's just recess for two brief minutes while we circulate that document and give people a chance to have a look at it.

Brian, is that okay?

**Mr. Mason:** Yes. Fine.

**The Chair:** Good. Let's just recess for two quick minutes here and pass this around and let people get familiarized with it. Can we get copies to Danielle Smith and Mrs. Forsyth as well? Pearl is on the road, so we'll try.

**Ms Calahasen:** You can send it to me. I can access it. That would be perfect.

**The Chair:** Let's just take a two-minute recess here. I don't expect we'll be making a decision on this handout sheet, but we'll at least have a chance to chat it through.

[The committee adjourned from 11:51 a.m. to 11:55 a.m.]

**The Chair:** Okay. Are we all reconvened here? As I said just before we broke for two minutes or so, it's not intended to make a decision on this today, but I want to just briefly go through it because it picks up on the question that Mr. Mason asked on something I've alluded to more than once. For those of you who have it and are able to read it – let me just confirm, Heather, that you have it and you're able to read it.

**Mrs. Forsyth:** No, I'm not.

**Ms Calahasen:** And neither am I. I can't get it.

**The Chair:** But it's on its way, right?

**Mrs. Forsyth:** No. We can't open it on our iPads.



**The Chair:** Oh, they can't open it, and you're not in a place where you can receive it. Okay. Well, that's fine. This isn't going to take too long to explain in any event.

What members are looking at is a sheet called Members' Services Allowances (Budget 2013-14), Application of Parameters to MSA Elements. Now, the issue here is with respect to the matrix element. In a nutshell, the total amount that had been budgeted for in the 2012-13 estimates for the matrix element, in the middle of the page for those who have it, is \$519,000. That is the 2012-13 estimate. However, once you apply the actual matrix formula, the projected actual for 2012-13 will be approximately \$397,320. Does everybody have that figure in their heads?

Now, the difference between the estimated \$519,000 and the projected actual of \$397,000 is about \$121,000; in other words, about \$121,000. This sheet that people are looking at says how we might use that \$121,000 to help benefit MLAs in their constituencies. One of the fairer methods of doing this, for your consideration, is to look at the constituencies by their matrix score and see where the \$121,000 can be spread out most fairly.

For your information, 58 constituencies are in the matrix score of minus 18 to zero, and they currently get nothing additional because they are in that category. That is primarily our large urban and medium urban areas. There are 58 of them, and they get nothing extra at the moment. The next category has seven constituency offices, and that is a matrix score of plus 1 to plus 4. The one after that has eight constituency offices; that's a matrix score of plus 5 to plus 9. The next one has 12 constituency offices. Those are the ones with a matrix element score of plus 10 to plus 15. Then we have two in the last category, who are in the 16-plus matrix score category.

Let me go back to the first one. We have 58 constituencies that are in the minus 18 to zero. Now, we're dealing with \$121,680 that are still available in the matrix element component. This sheet suggests, for consideration only, that approximately \$2,000 be given to each of the 58 constituencies that are in the minus 18 to zero category. That would take up \$113,390 out of the \$121,000 available. Then for the other four categories this sheet for your consideration says that we'll give 2 per cent of the remaining portion to each of those four categories. That's what this sheet sort of reflects.

I'll just close off here on this point by saying that the 58 constituencies that have indicated pressures due to higher rent costs or lack of availability of space or other factors like that would be favoured by this consideration versus any others, but the chair is not attempting to push people in any particular direction. It was simply a way to immediately look at providing some additional dollars to those people who appear to need it most and who have been frozen out, so to speak, because of the matrix score element for their particular case. This is not a predetermined conclusion. It's built into the budget that we're going through right now. I'm simply explaining how it would work if it were to go through as is.

**Dr. Sherman:** Mr. Speaker, I wonder if you've entertained the thought on the matrix of the socioeconomic needs of the local constituencies. I'd probably like Mr. Mason to weigh in on this as well. I do know that as Edmonton-Meadowlark isn't an affluent constituency, the needs are extraordinarily great. We function like a social worker's office half of the time.

Secondly, as an opposition member we get a lot of constituency concerns from outside of our area. Sometimes people don't feel well served by their government MLAs. That adds to the workload

as well. My question is: would you entertain the socioeconomic aspect as well for opposition parties? I can first-hand tell you that our workload is immense – Laurie Blakeman will tell you the same thing – and our budget actually went down by \$2,000 in this last year.

**The Chair:** It's a valid point, and it's what gave rise to Mr. Mason raising it in the first place. I would love to have that discussion of the socioeconomic factors. I'll just say again that I'm personally as chair not ready to go forward back to you with any kind of a proposal, but I'm open to any proposals you have. I'm simply here at the whim of the committee. We had \$121,000 available, so a suggestion for your consideration has been put forward on how you as committee members here might wish to see it used for the benefit of 87 others. Now, granted, 58 would benefit more than some of the others, but at least it would apply the dollars in what appears to be as fair a sense of play as we could develop under the timeline available.

I'm not immune to the multiple concerns you've expressed. I understand them very well, and we will have that discussion in the broader sense. I don't know if this is the appropriate time to engage in it or not, but I'm at your whim. If we want to get into that discussion on the matrix element, we could do that, or we could finish off the budget so that you have the whole perspective of it, including the caucus budgets and so on. Then we could come back at the next meeting, after people have had more of a chance to prepare on the socioeconomics, and maybe we could receive some proposals from hon. members.

**Dr. Sherman:** Just an additional comment.

**The Chair:** Please.

**Dr. Sherman:** Having been a government member as well, you know, the advantage of the government members is that you've got a lot of support from the ministries and ministers and whatnot. Having been a government MLA, it was easier for the constituency office to deal with constituent concerns than it is being an opposition MLA.

**The Chair:** I don't know if government members would agree with that, but let me move on with my list here. I have Mr. Goudreau, followed by Mr. Quest, and do I hear Mrs. Forsyth wanting on?

**Mrs. Forsyth:** No. Sorry. I'm getting a cold, so I was just clearing my throat.

**The Chair:** Okay. No worries.

We'll go Mr. Goudreau, Mr. Quest, Mr. Mason.

**Mr. Goudreau:** Thank you, Mr. Chair. You know, when I look at that – and I believe I'm one of the constituencies right at the bottom, number 2, with a very high matrix score – when I do the calculations, I see the change is \$474. I know you've talked about the whole issue of matrix and demographics within that and how the matrix has come about. I'd entertain the ability to get into that type of discussion to talk about the challenges that we have in mind. Inasmuch as I admire the fact that we might be able to give \$2,000 to the other one, it doesn't take away the fact that, from my personal side, in my own office I've scrimped and scratched the bottom of the barrel for the last 10 years or 11 years. My salary is probably one of the lowest anywhere to be able to make ends meet. I find it very, very difficult to accept the fact that we might

give a few thousand dollars to one and about \$400 to the other offices.

Inasmuch as Dr. Sherman's comments, as a francophone, for instance, I get a pile of francophone calls because they don't feel they're represented by their members here in the city. You know, because I'm a francophone member, I'm getting a pile of calls. I got another one again this weekend, people wanting me to intervene on their behalf here in the city of Edmonton. So what you're indicating works exactly the opposite in my constituency as well.

12:05

**The Chair:** Exactly. Well said. I think any of the MLAs participating today plus those who aren't would tell you similar stories from their perspective. There is no simple silver bullet that is going to address all the concerns in the most beneficial way to each of us as individuals because of the varieties and the differences of the constituencies that we serve – their sizes, the numbers of population or the lack of population in some areas – and all the other things that factor into the matrix discussion. I'm very sympathetic to where Mr. Mason is coming from and where others are coming from as well. We need to have a bigger discussion about all of these concerns. My question to you is: is this the time you want to do that or not? I'm open to any suggestions.

Let's move on.

**Mr. Quest:** I'll be brief, Mr. Chair. I think it is a discussion for a different day. You know, we all have our challenges, urban or rural. Certainly, the thought of the extra \$2,000 for the 58 of us that are in that zero category – in my part of the world we just did a move that I'm still trying to work into this year's budget. We were extremely fortunate. An empty bay in my constituency with no leasehold improvements is \$4,000 a month plus common costs plus utilities. Although the \$2,000 would be much appreciated, I think that for anybody that's in our circumstance, I'm afraid that's a drop in the bucket of what we really need. I think it is a discussion for another day, if that's the will of the group, because there are so many different issues.

**The Chair:** Understood, David. Thank you. As I say, this is only – I don't want to call it found monies, but they are unspent monies or unallocated monies because of the way the matrix scoring worked out in '12-13. There's \$121,000 that we could employ somehow. One possibility is before you. It's not the only one, I'm sure.

Mr. Mason.

**Mr. Mason:** Thanks very much, Mr. Chairman. Well, it's very complex when you look at the differences in the constituency budgets and so on. I don't think it's particularly productive to get into a discussion of whether opposition or government MLAs have more work to do, but I do think that there are some things. I guess I would separate rents because that can really, I think, put a lot of stress on a budget. It almost makes sense to deal with that as a separate item. People applying, you know, based on the actual rents that they have to pay might make more sense than folding it into the matrix. But the matrix strikes me as something that deals with some of the geographical and demographic factors affecting a constituency office.

I don't think we just need a general increase for some of the urban ridings. I think you have to look at actual needs. We did suggest a number of factors: the number of agencies operating within a constituency, the poverty levels within a constituency, the number of seniors, and so on. That could be one of the factors in

the matrix. I think it is quite possible to make an objective measure that could be used to determine social need as only one of the factors.

Obviously, geography and travel and the need for extra offices and so on is a major thing, and I'm not in any way suggesting that that would be sacrificed, but I do think social need is a factor that can be measured in a relatively objective way and included in the matrix. That's what I'd like to see. It's not that any of these other factors are not important as well. I just want to make that clear. It's complicated, and it's hard to do in a big group, but maybe some of the MLAs, a few of the MLAs, could assist with this work as well.

Thank you.

**The Chair:** Thank you. I think you've summarized quite well, Brian, what the challenges can be in trying to rush to any conclusion prematurely, if you will. I mean, we know that the minute we get into trying to determine another way of going about addressing socioeconomic factors or multiconcern factors, multipresentation issues, French-language issues, for example – I get most of the Ukrainian calls, for example. I happen to speak the language, and I get calls from all over Alberta wanting to talk to me in Ukrainian about their issue. Usually it's a health issue. In any event, I handle them on behalf of all of you, and I just help them as best I can. That would require probably not only a major discussion but a mental preparation that would also include looking at increasing our budget for the reasons that would come out of that discussion, so we'd have to have a pretty serious look at that.

Let me just get back to my list. I have Mr. Dorward, I have Dr. Sherman, and then I have Mr. Goudreau and Mr. Quadri.

**Ms Calahasen:** And myself.

**The Chair:** And Pearl. Thank you.

**Mrs. Forsyth:** And you can add me.

**The Chair:** And Mrs. Forsyth. Okay.

**Mr. Dorward:** Do we have from our staff that are here a split of the office rent expense as a portion of the constituency office element of the members' services allowance? I'm going to stick my neck out and operate under the assumption that it's about \$3 million or so. So the matrix is 10 per cent of that if my \$3 million is close, and we'll find out maybe in a minute. Certainly, our bang for the buck in terms of getting the numbers right is with the office rent. I haven't talked to one MLA, quite frankly, who has said or given a decent argument why we shouldn't review this area now, and I think we're kind of in agreement on that. Maybe the question is: how?

The matrix, though, I still think we should spend a little bit of time on. It's a massive managerial-accounting thing with a lot of subjectiveness, and I think somebody looking at that needs to find out: what are the subjectives that you can't deal with, and what are the subjectives that you can kind of get a little bit of objective on and try to find out something you could hang your hat on and go with? So the rents definitely are a lot bigger, the leases.

My question, Mr. Chair, is: are we able to have a subcommittee? I would propose a subcommittee. I think I've said before that I would be quite willing to work on that. I also don't see a problem myself, and if I could draw an analogy, it would be to the results-based budgeting process that the government of Alberta is

undertaking, which is that they will not have any final results out of this until May-ish, and the minister may or may not adjust budgets as a result of those kinds of things. One option is to kind of proceed on the basis of how we're doing it. Strike a good committee that takes a little bit of time and goes through the matrix and goes through the rents, the leases, and finds out, you know, where we should be. What I'm saying, I guess, is that I don't think we have to be stuck with the date of getting this budget in. If we make amendments, post them as a result of the analysis, and maybe we could still go with that.

Am I close in my \$3 million?

**The Chair:** The only thing I would comment on briefly, David, is that we've always tried to be very careful to not inadvertently or directly expose what a staff member's salary would be by separating the rent feature from that. That's why they're lumped together, because there's a potential invasion of privacy there. But I think we've got the gist of where you're trying to go. You want to see something a little more definitive in that respect, so I'll challenge Scott and his team to try and take that into consideration.

**Mr. Dorward:** Well, before he proceeds, I'm quite willing to just use my \$3 million. If I'm off, it's maybe half a million bucks or something.

12:15

**Mr. Ellis:** On average it's 20 per cent of the total budget for rents.

**The Chair:** On average. Okay. There's a ballpark there.

Let's go quickly here. We have 15 minutes left today.

**Dr. Sherman:** Mr. Speaker, many good points have been raised by members of all caucuses, and I support the idea of Mr. Dorward, having a representative of every caucus working with somebody from your office on seeing how we can address this. I'm fully in favour of every office, regardless of partisan stripe, having the resources and ability to serve their constituents because I feel that's one of the most useful functions an MLA can perform, fulfilling the needs of their constituents.

Thank you.

**The Chair:** Thank you.

Mr. Goudreau.

**Mr. Goudreau:** Thank you, Mr. Chair. It might be appropriate as we move forward, and I, too, would be willing to sit on a committee to look at the matrix. I wouldn't mind being at that table.

The other one is that it might be appropriate for our LAO staff to do a little bit of research. I think they might have that already at their fingertips, exactly what we're paying for rent and maybe the quality of accommodations, those kinds of things, to have a breakdown as we move forward if we're going to keep on discussing that.

The other one. Way back when, I think there were some discussions to ask: is there a role for existing government buildings in individual municipalities, provincial buildings, those kinds of things, where maybe an MLA office could be set up whereby we could save some dollars?

My last question. We're talking about the estimates of the LAO. If we were to approve these estimates, would that preclude us from doing any changes later on to the matrix-based element, or

would we be limited to only the \$120,000 flexibility that we have coming up?

**The Chair:** Okay. Dealing with your last question, our job is to get a number in at the very latest by January 15. Heading into the Christmas period, realistically speaking, would we be able to come up with an answer to the matrix issue, the socioeconomic factors and so on that go into it? I just can't see how that would happen, so we would probably, unfortunately, miss the window, if you will, for changing the global amount going into the '13-14 estimates, which is why I said that it's two things.

First of all, let's deal with this budget, get it in because that's our charge. We'll probably have to finalize something at the next meeting, which in a moment I'm going to canvas you on for next week. Then we'll open up the discussion and a formal process for how we deal with this larger issue. I can assure you that there are a number of MLAs that would like to sit on that committee, and I think we have over 20 volunteers so far that are willing to sit, including you and Mr. Dorward, because I've already talked with a few people about it.

One of the things about having a smaller subcommittee of this committee would be that you could be made privilege to information in any amount of detail you wanted, provided you kept it to yourselves, and then you would make a recommendation back to us, and we would trust you with your observation. I mean, there is another way to go about doing that.

**Mr. Quadri:** Actually, you already answered my question about this rent and the survey. Also, you mentioned that \$750 for the postage can be utilized, or we'll get a credit.

We also have another item on that, the parking allowance. I think it's about \$900. Can that also be treated as postage?

**The Chair:** Scott, is there flexibility on the parking one?

**Mr. Ellis:** The parking amount is eligible for each member. It's not a constituency office budget item at all, and it's not available to use as postage. It's basically for parking purposes.

**The Chair:** Okay.

Ms Calahasen.

**Ms Calahasen:** Yes. I'm concerned about anything to do with the matrix because I think that the dynamics have changed in terms of the numbers and whatever else we have used with the matrix. What we have is situations where I think we have to go back and look at everything that needs to be done, so I am in favour of a subcommittee being formed to be able to look at that matrix to determine what else we need to do if there's anything else that needs to be added or if we even have to make the changes accordingly.

I don't even want to go into my own constituency. When I think about the sheer size of it, the fact that I can't fly into any of these communities, the fact that I have to possibly hire two people, which I can't even do because I don't have enough money, when we look at all those things, all of a sudden things change, and I would suggest that we have to really seriously do something about it, Mr. Chair.

**The Chair:** Noted and well said. Thank you.

**Mrs. Forsyth:** Well, Mr. Chair, considering that both Pearl and I haven't been able to access the info you sent, it's hard for us to

even carry on a conversation because I don't know who's in the 58. I don't know who's in the seven or the eight or the 12 or the two. You've heard around the table what people have said in regard to socioeconomics. I can tell you that as the health critic I get calls continually from across the province.

I would agree that we need to get a subcommittee because I think there are a lot of things that have to be used overall, and I think this is something that's important to all of the MLAs around the table, not only that but in government. I would think that it's better for us to defer this because Pearl and I both haven't even seen the information, so I'm not sure if Pearl even knows where she's ending up in this matrix.

**The Chair:** Understood, Heather. Thank you for your comments.

I think there's rather unanimous agreement so far, from what I've heard, to have a subcommittee look at this picture, recognizing that it will take a lot more than one or two meetings to go through it.

I just want to come back to the issue of the small sheet that we just circulated here about 15, 20 minutes ago. This is not up for decision today. It is simply a way of looking at providing some short-term and very limited dollar help to all constituencies. By and large the ones that benefit the most would be the 58 that are comprised majorly in the two large cities – that's about 40 seats right there – and then the larger urban settings, which include the bigger population bases: Grande Prairie, Red Deer, and so on.

It comes about only because we have \$121,000 in that part of our budget that has not been applied. We have an ability to use it going into the 2013-14 estimates, and an idea for your consideration is reflected on these sheets. That sheet will make its way out to those of you who are not at computers or are not able to be at computers or are not able to be here in person.

So we can leave that there. We have about five more minutes left. Are there any general points, questions, comments, or whatever regarding the MLA administration? I recognize we're not finished with it, but are there any other comments that either I or our staff or other colleagues should know about?

**Mrs. Forsyth:** I have a question, Mr. Chair.

**The Chair:** Please go ahead.

**Mrs. Forsyth:** You or one of the staff made a comment in regard to Service Alberta charging for courier and now putting that on your budget. How much was that charge?

**The Chair:** Does anybody have that number handy? Scott, do you have it off the top of your head? Go ahead.

**Mr. Ellis:** It's \$228,000.

**Mrs. Forsyth:** Can I ask why Service Alberta has done that? You know, I guess what's frustrating to me is all of the charges that are being put on Members' Services. It goes back to some of the comments in our binder in regard to the capital expenditures that Infrastructure has all of a sudden put to you. The Edmonton federal building redevelopment project:

Costs related to the development of and transition to facilities and space to be occupied by Members of the Legislative Assembly, their staff, and the Legislative Assembly Office branches have been included. These costs are additional to project funding under Alberta Infrastructure, which are not included in the ministry budget.

And now we have another one for Service Alberta at \$228,000. We haven't got the whole total costs that you have to pick up for

Infrastructure. How many other departments are taxing you with stuff that they paid for previously and you're paying now?

**The Chair:** Scott, do you want to talk about the federal building again first, and then we'll come to the courier?

12:25

**Mr. Ellis:** Okay. With respect to the federal building we have been working with Alberta Infrastructure over the past four years to design a space that's usable by the LAO for a number of functions that we would have there, from committee rooms to the visitor centre to office space for LAO staff and caucuses. For the most part Alberta Infrastructure has paid for and will continue to pay for office space and the provision of furniture, et cetera, for our office areas.

Where they don't have the budget is in the area of the visitor centre primarily. They initially came forward with a budget. They established a budget in their realm for \$5 million to pay for exhibitry related to the visitor centre. We have gone ahead with the process of designing the visitor centre and are in the process of tendering out a package with respect to the exhibitry right now that will amount to about \$3.2 million, so we have \$1.8 million unused. However, at the same time Alberta Infrastructure has indicated to us that because of the extra structural work and the mechanical and the electrical work that had to go into the base building in order to support the visitor centre on the main floor, they needed another \$2.9 million or \$3 million from us and that they propose to take it out of the allocation that has a balance of \$1.8 million.

So Alberta Infrastructure has offered, obviously, dollars in terms of the work that they're doing on the other floors in the federal building. Unfortunately, it's not adequate to meet the needs of the visitor centre on the main floor, so we're being asked to contribute some dollars towards that.

**Mrs. Forsyth:** What is the total contribution Alberta Infrastructure is asking for? Is it the \$1.8 million?

**Mr. Ellis:** No. The \$1.8 million is basically what's left in the allocation. They established \$5 million. They're going to pay for \$3.2 million in terms of exhibitry, and that leaves \$1.8 million. But they've also invoiced us for \$3 million, so there's a \$1.2 million shortfall, if you will.

**Mrs. Forsyth:** Where are you going to get the money for the shortfall of \$1.2 million?

**Mr. Ellis:** Hopefully, from this budget.

**Mrs. Forsyth:** I'm sorry, Mr. Chair. If you go to the sheet on visitor services, is the \$1.2 million out of there? I don't see that. I'm trying to find out where you're going to find \$1.2 million as we go line by line through all of these different – like visitor services and House services. Where is \$1.2 million going to be found for that infrastructure?

**The Chair:** I indicated at the very beginning in my overview, Heather, that it's in the last three pages of your binder. When we get to the fourth major category, recognizing we're on 2 now – we're heading for the fourth, but the fourth one is the last three pages, and it's called special funding requirements. You'll see the amounts reflected there. Have you got them?

**Mrs. Forsyth:** No, I don't.

**The Chair:** It's the very last tab of your binder, tab 15, Special Funding Requirements.

**Mrs. Forsyth:** Well, we probably won't get to that today, so I'll go through this binder.

**The Chair:** Yeah. It's easy to find. It's just the last three pages, and it's all there, okay?

**Mrs. Forsyth:** Yeah. Thank you.

**The Chair:** Thank you.

Okay. Well, we have just a couple of minutes left here. People have schedules and flights and everything else to catch. I wonder if we could just interrupt our discussion on the numbers and just talk briefly here about creating a subcommittee. We have Dorward having volunteered for the subcommittee. We have Goudreau, who's volunteered for the subcommittee. I think I heard Calahasen say that she wants one. I'm not sure she's got the time to donate over the next few weeks to serving on it. There could be others.

In my view, an effective subcommittee would again have representation from each of the four caucuses in whatever numbers you determine. I mean, it's a subcommittee that's going out to do some work on behalf of this committee and bring it back to this committee with some recommendations.

Let me open the floor to a couple of quick comments if anybody has them about the possibility of creating a subcommittee. If we're not able to create one today – and I could understand why we wouldn't be able to – then I would be more than willing to entertain establishing one sooner than later so that this process can get formally started.

**Ms Calahasen:** This is Pearl. I would also volunteer if you need somebody from an outlying area as well.

**The Chair:** Thank you.

Did I hear Ms Smith?

**Ms Smith:** Just a question. I feel the formula is very fair for Highwood, so I don't have a personal concern with it. Can I nominate someone to sit in as a substitute who is in a position where they feel that they are shortchanged in some way? I think we might be able to get better representation that way. Or does it have to be either me or Heather?

**The Chair:** No. I mean, clearly, there is some advantage to having a member of this committee on the subcommittee because you have the advantage of all the discussion, all the information, all the privileged information that you would be made privy to. But I'm open to suggestions here.

**Mr. Mason:** My suggestion, Mr. Chairman, is a little unorthodox maybe, but, you know, smaller is better in these matters. I'd propose we have a committee of three, two government members and one opposition member, and make it a working group.

**The Chair:** Okay.

**Dr. Sherman:** Mr. Chairman, may I make a suggestion that each caucus have one member on the committee with one person from the Leg. Assembly? In that way, the views of every caucus are represented, and that person need not necessarily be sitting on this committee.

**Mrs. Forsyth:** I have to agree with Raj. I think, yeah, one person from every caucus. Then you'll have four on there.

**The Chair:** Okay. Any other suggestions? It would be my intention to take away the suggestions, read them through, spend a day thinking about it, and get back to you.

**Mr. Dorward:** Well, I think that committee is just gathering information, deciding on whether they are going to survey. I don't think it's a political thing. I don't think there are any decisions being made. This body is going to make the decisions coming out of there. I think we pick the right people, have some representation from, certainly, the rural and rural far away, or rural big, if you wanted to call it that, maybe rural small, and urban, certainly. Maybe I'd just ask everybody to tuck away any notions that there is going to be any partisanship on this committee. It's going to be, quite frankly, managerial accounting applied to a scenario to come up with some kind of a recommendation that can be debated here wholeheartedly both ways. I like what Mr. Mason said. It's simple and easy and get at it.

I will also say that I think there should be a commitment from whomever is going to sit on this, Mr. Chair, to actually physically be at the table grinding away at the numbers, not going through phone calls and all that kind of stuff, which doesn't seem to be very adequate.

**The Chair:** Let me just go to Mr. Goudreau as we try to wrap up here.

**Mr. Goudreau:** I would agree with Mr. Dorward. Certainly, from my observation at least, I sense there are some huge discrepancies between rural and urban and far and close. The reason I volunteered was to represent the really far rural areas and the challenges that brings.

**The Chair:** You know, I'm just going to interject here because I really want to get people going. I promised we would. I can't see how this would become a – well, of course, I can see how it can become political. I think, for example, Heather, if you were to speak on behalf of your area, you would be representing the views that any of us sitting in an urban constituency office would reflect. We would all benefit from whatever comments you would make. In the same way, anything that Pearl or Hector or some other really rural MLA would be making in terms of their constituency – I'm talking about really rural – those comments would be of benefit to everyone, not just to themselves. I'm sure that's how it would be approached.

If it's the will of the committee here to strike a subcommittee that can at least take a crack at this and let us know how it's going, I'm all ears for that.

**Mrs. Forsyth:** Just briefly to Mr. Dorward's comment, I appreciate what you're saying. I'm dealing with a sick mom, and I have to be home. I don't mind logging on on the phone as long as I'm in the city and near her because we're dealing with some major health issues. I cannot be up in Edmonton. I'm an only child. I'm trying to take care of my mom right now. I don't mind participating as long as it's understood that it'll be by phone.

12:35

**The Chair:** Understood and appreciated. All the best to your mom through this difficult time.

**Ms Calahasen:** I think that going with a smaller group that would be able to bring us those options and all the discussions that can happen and a continual monitoring as to what kind of discussions are taking place would be okay. I'd support that.

**The Chair:** Okay. Let's see if we can wrap this up, then, with some volunteers here. The first volunteer that I had was Mr. Dorward. Are you willing to leave your name stand?

**Mr. Dorward:** Yes. If I was able to sit on that committee, say, with three and myself and I can add the accounting-managerial side to that with somebody from rural and then another opposition person, I can assure you that there are no stripes, if you will, on that committee. I will sit with Mrs. Forsyth or anybody else. If I can get to Calgary and sit down with any MLA and gather as much information as we can to be able to make the right decision, that's, I think, the way to go.

**The Chair:** Okay. Mr. Mason, would you have some time to put into the first meeting at least?

**Mr. Mason:** How big is this committee going to be, in your mind?

**The Chair:** Probably four.

**Mr. Mason:** Okay. Yeah.

**The Chair:** Okay. So we'll go Mr. Dorward, Mr. Mason. Heather, would you be willing to sit in by telephone?

**Mrs. Forsyth:** Absolutely.

**The Chair:** Okay. Now it's between Mr. Goudreau and Ms Calahasen. Which one of you is scheduled into Edmonton, so to speak, more over the next couple of weeks? Let's start with Hector.

**Mr. Goudreau:** Well, if I'm made aware ahead of time of meeting dates, I can be here.

**The Chair:** Okay. Pearl, how about you?

**Ms Calahasen:** I am, too, but – you know what? – Hector can represent me very well, and I'll make sure he does.

**The Chair:** Well, let's do that. Let's make Hector the fourth member, and, Pearl, you can be his alternate, okay?

**Ms Calahasen:** Sure. That sounds good.

**The Chair:** We recognize that time and distance and weather are different considerations for you and Hector than they are for Mr. Mason, Mr. Dorward, or Mrs. Forsyth. Mrs. Forsyth has already indicated she's by telephone only, and we respect that.

Let it be that, then. A subcommittee has officially been created here. I don't know that we need a motion for it, but for the record . . .

**Dr. Sherman:** Mr. Speaker, I would ask that you allow either myself or a designate from the Alberta Liberal caucus to be on that committee as well, please.

**The Chair:** My apologies. Yeah. Brian, you had said: keep it small. We're at four. Are you okay if it goes to five? I can't see why not. We would shut it off there.

**Mr. Mason:** I'd rather make it three, but sure.

**The Chair:** You'd prefer three. Well, you know how it goes.

I think I said earlier that it would be nice to have at least one rep from every caucus.

Dr. Sherman, will you sit in to get it started? You have the benefit of the discussion, but any of your members can read all of the committee minutes. It doesn't take long to read, maybe an hour, an hour and a half.

**Dr. Sherman:** Absolutely. I'm happy to participate. The challenge with me as the leader is that sometimes I'm not in town, so I'd like the opportunity for a designate to represent me if I can.

**The Chair:** I understand. Well, you could develop an understudy very quickly.

We'll go officially with Dr. Sherman, knowing that he might have an alternate from time to time.

Do we need a formal motion on this? I don't know that we do, but for the purposes of the record, Mr. Mason, do you want to make a motion?

**Mr. Mason:** Yeah. I'll move that

we strike a subcommittee consisting of five members appointed by the Speaker, on the understanding that we have that list already, in order to review the funding model for constituency offices, including the matrix.

**The Chair:** Okay. Those five members right now would be Mr. Dorward, Mr. Mason, Mrs. Forsyth, Mr. Goudreau, and Dr. Sherman, just to be clear. Those in favour of that motion, please say aye. If anyone is opposed, please say no. That is carried unanimously.

On that note, I think we're going to have to wrap up here. We have to complete this exercise and get on with other information that's still before us.

I'm going to canvass you for a date for this committee to meet again next week, and we'll get that out to you very, very quickly.

**Ms Smith:** Mr. Chair, you'd said that staff would be available to answer some questions. Can I speak to a staff member about the final three sections before I sign off?

**The Chair:** Yeah. Which staff member do you need? Scott Ellis or Jacquie Breault?

**Ms Smith:** Whoever can give me the background so I can understand some of the numbers for the government, Members' Services, Liberal, Official Opposition, and ND.

**The Chair:** You're talking about the caucus budget.

**Ms Smith:** Correct.

**The Chair:** We haven't come to that yet, but there is somebody here who can help you out with that. So you can do it on a private line, are you at a number where Mr. Ellis can call you?

**Ms Smith:** Absolutely.

**The Chair:** Okay. We're going to adjourn the meeting right now on a motion from Mrs. Jablonski.

**Mrs. Jablonski:** Mr. Speaker, I'd just like to make one general comment before I make the motion to adjourn. I just want to say

that in the 12 years that I've been an MLA, I have had what I would call excellent service from our LAO, and I'm very impressed with the way they treat new constituency assistants and help them out. I can't say thank you enough to the three that are sitting at the end of that table, and that's Cheryl Scarlett, Scott Ellis, and Jacquie Breault. I want to say thank you very much for that. Thank you for your service.

Mr. Speaker, the only thing is that I am concerned that we have a growing budget, and hopefully next year we won't see too many increases.

**The Chair:** It's at the whim of the committee. Do you have a motion to follow that?

**Mrs. Jablonski:** I would like to move that we adjourn our meeting.

**The Chair:** Thank you. Mary Anne Jablonski has moved that we adjourn the meeting at 12:42 or thereabouts. Those in favour, please say aye. Those opposed, please say no. That is carried.

[The committee adjourned at 12:41 p.m.]







