



Legislative Assembly of Alberta

The 30th Legislature
First Session

Special Standing Committee
on
Members' Services

Wednesday, November 27, 2019
6:15 p.m.

Transcript No. 30-1-3

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Special Standing Committee on Members' Services

Cooper, Hon. Nathan M., Olds-Didsbury-Three Hills (UCP), Chair
Ellis, Mike, Calgary-West (UCP), Deputy Chair

Dang, Thomas, Edmonton-South (NDP)
Deol, Jasvir, Edmonton-Meadows (NDP)
Goehring, Nicole, Edmonton-Castle Downs (NDP)
Goodridge, Laila, Fort McMurray-Lac La Biche (UCP)
Gotfried, Richard, Calgary-Fish Creek (UCP)
Long, Martin M., West Yellowhead (UCP)
Neudorf, Nathan T., Lethbridge-East (UCP)
Nielsen, Christian E., Edmonton-Decore (NDP)*
Reid, Roger W., Livingstone-Macleod (UCP)**
Schow, Joseph R., Cardston-Siksika (UCP)***
Sweet, Heather, Edmonton-Manning (NDP)
Williams, Dan D.A., Peace River (UCP)

* substitution for Jasvir Deol

** substitution for Richard Gotfried

*** substitution for Mike Ellis

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[Mr. Cooper in the chair]

The Chair: Hon. members, good evening. I'd like to call the meeting to order.

I'd ask members and those joining us at the committee table to introduce themselves for the record. I don't believe that we have any members joining us by phone, so we won't call upon them. My name is Nathan Cooper. I'm the MLA for the outstanding constituency of Olds-Didsbury-Three Hills.

Mrs. Sawchuk: Karen Sawchuk, committee clerk.

Mr. Schow: Joseph Schow, Cardston-Siksika.

Mr. Neudorf: Nathan Neudorf, Lethbridge-East.

Mr. Reid: Roger Reid, MLA for Livingstone-Macleod, substituting for Richard Gotfried tonight.

Ms Goodridge: Laila Goodridge, MLA for Fort McMurray-Lac La Biche.

Mr. Long: Martin Long, MLA for West Yellowhead.

Ms Bell: Lianne Bell, chief of staff to the Speaker.

Ms Sweet: Heather Sweet, MLA for Edmonton-Manning.

Ms Goehring: Nicole Goehring. Good evening. MLA for Edmonton-Castle Downs.

Mr. Nielsen: Good evening, everyone. Chris Nielsen, MLA for Edmonton-Decore.

Mr. Dang: Good evening. Thomas Dang, Edmonton-South.

Mr. Joy: Darren Joy, senior financial officer, financial management.

Ms McHugh: Ruth McHugh, executive director, corporate services, LAO.

Ms Dean: Shannon Dean, Clerk of the Assembly.

The Chair: Mr. Williams.

Mr. Williams: Daniel Williams, MLA for Peace River.

The Chair: Let the record show that Mr. Williams did arrive at 6:15, which is perfectly on time, and I appreciate you for your promptness.

I'd also like to note for the record the following substitutions the Clerk has received: Mr. Schow for Mr. Ellis, acting as the deputy chair; Mr. Nielsen for Mr. Deol, and Mr. Reid for Mr. Gotfried.

The meeting agenda and other documents were posted to the committee's internal website for members' information. If anyone requires a copy of these documents, please let the committee clerk know. She will be happy to provide you with hard copies.

Before we turn to the business at hand, a few operational items. The microphones are operated by *Hansard* staff. Please keep your mobile devices on silent for the duration of the meeting. Audio and video of the committee proceedings are streamed live on the Internet, broadcast on Alberta Assembly TV, and recorded by *Alberta Hansard*. Audio and video access to the meeting transcripts are obtained via the Legislative Assembly website.

Hon. members, we are at the approval of the agenda. Are there any additions or revisions for today's meeting? Seeing none, would someone be willing to move a motion to accept the agenda as presented? Thank you, Mr. Neudorf. All in favour, please say aye. Any opposed, please say no. In my opinion the ayes have it. That motion is carried and so ordered.

Item 3, the approval of the minutes. The minutes were posted on the internal committee website. Are there any amendments to the minutes from our last committee meeting? Seeing none, would someone be willing to move a motion to accept that? Ms Goodridge, thank you. All in favour of the motion to accept the minutes as presented, please say aye. Any opposed, please say no. In my opinion the ayes have it. That motion is carried and so ordered.

Item 4 of our agenda, parameters for the Legislative Assembly Office budget estimates 2020-2021. Before I open up the floor for discussion on the proposed budget parameters, I'd like to provide the committee with a brief overview of the Legislative Assembly, LAO, budget. For many of you this will be a new process. The estimates for the Legislative Assembly Office are, obviously, directed by this committee. The estimates for the current fiscal year that we are in were approved by a previous Legislature, so this is the first time that we are engaging in this process together.

The purpose of today's meeting is to approve the budget parameters document should that be the will of the committee, and of course the committee has some and all of the opportunity to provide some feedback for the LAO to then go and prepare the estimates that we will then review and approve at a future meeting. I would never want to presuppose the decision of the committee, but perhaps somewhere on or around the 20th of January.

As noted, I'm certain that all of you have taken the opportunity to review the budget parameters document, but this meeting will allow the Members' Services Committee to provide the clarity and direction to the LAO for them to prepare us the draft budget for the committee's consideration.

By way of background and using the current fiscal year's numbers, the LAO budget is approximately \$67 million and comprised of three main components: the LAO branch budget, approximately \$24.5 million or 37 per cent of the overall budget, the LAO branch budget includes the office of the Speaker, the office of the Clerk, corporate services, parliamentary services, visitor services, library services, human resource services, and committees; MLA administration, approximately \$33.7 million or about 50 per cent of the entire LAO budget, the key components of this budget are MLA administration and MLA remuneration, approximately 13 per cent of that \$33 million, and the members' services allowance, which of course is the constituency office payments, which is \$13.4 million; and caucus budgets which account for the balance of the remaining LAO budget, approximately \$8 million or 12 per cent of the overall budget.

I've given the LAO administration some preliminary direction to plan for a reduction of 5 per cent to the overall total of the LAO branch budgets. These are the budgets that the Speaker is primarily responsible for with respect to HR, IT, FMAS, parliamentary services, visitor services, the Speaker's office, and the office of the Clerk. Of course, the committee has the opportunity to provide feedback on any of that direction. The 5 per cent reduction overall total of the LAO branch budget – this is the 37 per cent number or the \$24.5 million, including the office of the Speaker – this translates to a bottom-line reduction of approximately \$1.225 million for the current year's budget. The proposed budget parameters do not include any direction regarding the other two elements of the LAO budget, namely MLA administration or the caucus budgets, and I will look for feedback from the committee with respect to what their decision would be there.

As far as the LAO branch budgets go, generally speaking, I have not provided direction to the LAO where the 5 per cent reduction should be made, with two exceptions, which I'll touch on shortly. I have asked the LAO to assess core services and determine whether some operational and programming changes can be made to accommodate the 5 per cent reduction without significantly impacting services for members, and I would also point out that I have asked them to look at the 5 per cent reduction in the bottom-line LAO budget number without proposing a reduction in staff salaries. There are, however, two areas I am recommending changes to the LAO, and they involve the Alberta Branded store and the elimination of one constituency employee seminar.

The constituency employee seminars cost the LAO approximately \$120,000. They include all of the costs for constituency employees to come to Edmonton and one event in Calgary. The LAO covers the cost of hotels, accommodation – I guess that is hotel – food, transportation: the entire costs, the LAO covers. I believe that at a time such as this, reducing the two constituency seminars to one is a very good opportunity for us to show some fiscal restraint while still meeting the needs of our constituency staff.

The other is in regard to the Alberta Branded store. That is the gift shop, for anyone who is unclear as to what the Alberta Branded store is. For those who are not aware, the Alberta Branded store opened in 2015 in its current location. Its predecessor was in keeping with the traditional form of the gift shop that was housed in the pedway. Although the fiscal goal of the current store was always to try to achieve a profit or, at a minimum, operate on a cost-recovery basis, this certainly has not been achieved over the past five years. The financial results for the store have not improved markedly over the last four years. On average the store is costing the LAO, or it is being subsidized to the tune of, approximately \$300,000 a year to operate. This is not sustainable given the current fiscal climate or any fiscal climate for that matter, so it's my recommendation to the committee that the store be closed at the end of the fiscal year.

I will, however, ensure that there is some form of retail services available to members and eventually the public that may involve an online service to members, where the top products that have been purchased over the last number of years would still be available for members to purchase, as well as the possibility of having some form of mall-like kiosk on the main floor of the Edmonton Federal Building. My inclination for this kiosk: that the products would be suitable for members to be given as gifts or for the public to purchase souvenirs that have more of a focus on Alberta-branded merchandise or Assembly-branded merchandise such as cups, pins, pens, things that people might like to purchase as a reminder of their visit here to the Legislative Assembly.

6:25

This is the summary of my recommendations. These two biggest pieces of the overall puzzle will result in approximately \$360,000 in savings for the LAO branch budgets. These are my comments with respect to the budget parameters document. I'm happy to open the floor for some discussion. Is there any discussion on the budget parameters or the information you have just received? Mr. Williams.

Mr. Williams: Yeah. Just for clarity, Chair, I was wondering if the \$360,000 approximately in savings between those two items is going to be counted into the 5 per cent that you're recommending for the LAO branch, or would it be a separate item?

The Chair: No. That's correct. It will be counted into the 5 per cent, the \$1.2 million. Essentially, the LAO needs to go and find about \$900,000 in savings. The 5 per cent cut to the Speaker's office budget is approximately \$30,000, and that will be included in the overall number. Then they'll have to go out and find ways and recommend back to the committee at the estimates process.

Sorry. Before I do that, I don't know if Ms Dean had any additional comments that she wanted to make with respect to the actual parameters document around days of the Legislature. There are some considerations that the committee may wish to make, but I think that we've done a pretty good job on it.

Ms Dean: I'll just simply point out that we're budgeting on the basis of 75 sessional days, and that's a parameter that we've used for a number of years. This past year we've had an exceptional number of sitting days, and we're projected to go up to 81 sitting days, just so you know. But I'll leave it there.

The Chair: Any other questions? Mr. Nielsen.

Mr. Nielsen: Thank you. I guess my question is: would the employees in the store be folded into another area, or would they unfortunately lose their positions?

The Chair: It certainly is a consideration for us to make. The employees in the store were provided notice prior to the meeting today that they would have four months' working notice, so we intend to have them here until the end of March. Of course, if there are other opportunities that arise inside the LAO, they'll be more than welcome to apply for those positions, but unfortunately at this point in time there's not a spot for them to naturally go.

Ms Goodridge: What about the art and artifacts that are currently within the Alberta Branded store, notably some of those carvings and bigger art pieces? How does that work?

The Chair: Sure. The vast majority of products in the Alberta Branded store are in some form of shared agreement with Alberta Branded and the artist. While Alberta Branded certainly owns some current product, much of the actual art and the more significant pieces that make up the store are on consignment or some form of agreement, so most of them will be returned to their owners.

Ms Goehring: Has this been expressed to the artists? Are they aware that the store is closing?

The Chair: No, it hasn't been because we needed to communicate to our staff prior to, and then it would have been inappropriate of us to communicate a change of such a significant nature to anyone other than the committee after the employees that are impacted.

Ms Goehring: So I'm guessing that if there hasn't been a conversation, we don't know what the impact on the artists is going to be by closing this facility to consign their work.

The Chair: I guess we wouldn't know exactly. I would suggest that, depending on the artist, the impacts are not that great in that one of the reasons why the Alberta Branded store needs to close is that we actually weren't selling that many pieces of art. In fact, I have the top 10 list of products, and last year we sold fewer than 90 pieces of art all year. The number 10 product is textiles, and that includes scarves, ties, and hats. Now, there was certainly some jewellery and pottery that was sold in the eighth and ninth positions. Some of that pottery and some of that jewellery is definitely art or has been handcrafted by an Alberta artist. The larger pieces, that

sort of thing; it was rare that people said, like, "Hey, let's go to the Legislature; they also have an art gallery/gift shop available."

Ms Goehring: Thank you.

The Chair: Mr. Dang.

Mr. Dang: Thank you, Mr. Speaker. I think the only thing I'd say is that I know you had mentioned that you're open to looking into some sort of kiosk or mall-type thing. I know that at other Legislatures across the country and indeed in Ottawa as well they have a significantly smaller, sort of memento-type shop. I think we should have something like that. I think it's important that when constituents and Albertans and other people not from Alberta visit, it is nice that they can have something to take home, right?

The Chair: I completely agree, and we are certainly open to some of those opportunities. We've talked about the possibility. I don't know if you've seen it or not, the vending machine that the U of A has at the airport. They have a ton of great products available all the time. So there are some opportunities that I think we can explore to provide that service to Albertans who visit. You know, we did sell 15,000 pins last year and 289 packages of tea.

Mr. Long: You're welcome.

Mr. Dang: Martin bought, like, 500.

The Chair: Yeah, that's right. Martin bought them all.

I think you're right. I think that it's important that we continue with some form of service. It's important to me that we continue to meet the needs of members as well. Some of the big users of the store were also the members.

Mr. Long: To that last point about meeting the needs of members, will there be more online training available for constituency staff to take? I know my own personal staff has indicated how helpful it has been, especially with this being an election year and them being new to the position.

The Chair: I think we can certainly take that feedback. I know that our team is looking at ways that we can provide training in a more cost-effective manner, whether that would be live training sessions that people could log on to in the form of webinars or in the form of training videos. I don't know if you know anyone that's a big fan of online sort of educational videos or not.

Mr. Long: No, I don't.

The Chair: Perhaps the LAO will also be able to provide some of those things in a longer version for our teams who are spread out across the province.

Any other questions?

Ms Goodridge: We've found \$360,000 worth of potential savings. There's still \$900,000 worth of savings. Will that come to this committee before being decided upon?

The Chair: It comes in the form of the estimates. That will be quite likely in late January. The budget estimates will be posted a week prior to our meeting. Then we will have the meeting, and we will be able to discuss. We will see very clearly: okay; they've moved, you know, certain percentages out of this line item. Then we'll be able to have a discussion around whether or not the committee approves the direction that the LAO has presented to us, and if we

need to, we can ask them to make changes to the draft estimates at that time. That's a long answer to say: yes, we will have our opportunity to provide feedback on the line-by-line sort of framework.

Ms Goehring: When it comes to the space where Alberta Branded is, has there been any consideration about other revenue opportunities such as food services or something else that's going to take place in there?

6:35

The Chair: That's a very, very good question. As many of you will know, the relationship between the LAO and Infrastructure is multifaceted.

Some space on the main floor is actually Infrastructure's, and some space on the main floor is the LAO's. I know that we will be having some discussion around how we might utilize that space where the gift shop was. There has been a wide range of ideas which have already been passed around. If you have recommendations or suggestions, feel free to reach out to me or Lianne or the committee clerk. I'd be happy to hear from you on those.

I hesitate to speak on behalf of Infrastructure, but I believe that sometime in the last 12 months they have put out an RFP for food services on that main floor of the Federal Building. I don't know the nuances around it – what happened, if there was interest, if there wasn't – but I think this will be another good opportunity to revisit that discussion as well. I will reach out to find out what the status of that RFP is. I think that we can all agree that it would be nice to have something there, but I'm not sure that it's feasible as well.

Ms Goehring: Thank you.

The Chair: Any other questions, comments, feedback, or guidance with respect to the budget parameters document before I entertain a motion to accept it as presented? Are there other changes that individuals or caucuses would like to see?

Seeing none, would someone be prepared to move a motion that the Special Standing Committee on Members' Services approve the 2020-21 budget parameters as distributed for the Legislative Assembly of Alberta, presented to the committee at its November 27, 2019, meeting, and direct the Legislative Assembly Office to prepare the 2020-21 budget estimates according to these parameters.

Mr. Schow: So moved.

The Chair: Thank you, Mr. Schow.

All those in favour of the motion as proposed by the Member for Cardston-Siksika, please say aye. Any opposed, please say no.

The motion is carried and so ordered.

Are there any other items for discussion?

Seeing none, the next meeting shall be at the call of the chair. I'll be happy to circulate. I have had some preliminary discussions with respect to ensuring that our estimates can be into Treasury Board at a timeline that is acceptable for the next budget. I would anticipate that the call of the chair will be on or around January 20, and we'll look to circulate the draft estimates on or around January 13.

Do we have anything else from the Clerk?

Excellent. I will entertain a motion to adjourn.

Mr. Schow: So moved.

The Chair: We are adjourned.

[The committee adjourned at 6:39 p.m.]

