

## Standing Committee on Private Bills

8:33 a.m.

[Chairman: Mr. Renner]

THE CHAIRMAN: Good morning, everyone. I'd like to call this meeting to order. This is the regular meeting of the Standing Committee on Private Bills. We have an agenda that has been circulated. Everyone should have a copy of it. Can I have a motion to approve the agenda as circulated?

MRS. ABDURAHMAN: So moved.

THE CHAIRMAN: Mrs. Abdurahman. All in favour? Opposed? Carried.

We also have a set of minutes from the last committee meeting that were circulated. I hope everyone has had a chance to go through them. Are there any errors or omissions to those minutes? If not, then a motion to approve the minutes would be appropriate.

MR. HERARD: So moved.

THE CHAIRMAN: Mr. Herard. All in favour? Opposed? Carried.

You'll see from your agenda that we have two petitions to deal with this morning, the first one Pr. 5, the First Canadian Casualty Insurance Corporation Amendment Act, 1995. We will be calling the petitioners in order. With that, Mr. Reynolds, would you like to invite our guests?

[Mr. Peterson, Mr. Luckwell, and Mr. Rodrigues were sworn in]

THE CHAIRMAN: Thank you, Mr. Reynolds.

Good morning, everyone. I want to welcome you to our committee this morning. We had a chance to visit just briefly before the meeting started. I'd like to reiterate again that we'd like to keep this as informal as possible. We'll have ample opportunity for you to explain to the committee the reason for your petition. I've also asked Mr. Rodrigues, the superintendent of insurance, to join us today so that he can give the committee perhaps some technical advice. I invite committee members to direct their questions both to the petitioners and to Mr. Rodrigues.

I think with that I'll turn it over to Mr. Peterson or Mr. Luckwell. I don't know who wants to give the presentation.

MR. PETERSON: I've prepared a summary of what I want to say. I understand it might have been circulated, but perhaps if I could run over that, it sort of sets the facts out that we wanted to put before the committee.

THE CHAIRMAN: Thanks very much. Go right ahead.

MR. PETERSON: Mr. Chairman and members, the facts that give rise to this petition I sort of summarized in a statement. The First Canadian Casualty Insurance Corporation Act, which I refer to as the Act, was assented to on June 26, 1992. In the Act Donald Wheaton and the others, if I could just refer to them as the Wheaton group, were named as the provisional directors. Section 4.2 of the Act stated that

unless the corporation applies for a licence under the Insurance Act within 2 years after the commencement of this Act . . .

That would be June 26, 1994.

. . . or within such extended period not exceeding 1 year as the Lieutenant Governor in Council may allow,

the corporation would cease to be in force. By Order in Council 337/94, dated June 15, 1994, the time period referred to above was extended by one year; that is, until June 26, 1995. By Order in Council 436/94, dated August 18, 1994, the name of the corporation was changed to Innovative Insurance Corporation. The petitioners, our clients, acquired from Donald Wheaton all their interests in the corporation by an assignment dated September 26, 1994.

A little bit about the petitioners. Howard Burke, who is the principal of H.L. Burke Enterprises Ltd., has been engaged in the insurance industry since 1953 until his recent retirement, mainly as the owner and operator of a general insurance agency. H.L. Burke Enterprises Ltd. is the holding corporation owned by Howard Burke which owns a number of his private investments. David Luckwell, who is the client with me today, has also been engaged in the insurance industry, for about 14 years, firstly as an employee and then as a part owner in the same agency as Howard Burke. David Luckwell then worked with Crystal Glass for about five years. David Luckwell developed an idea for a new type of auto glass insurance, and this new business, under the name of Autoglas Maintenance Inc., is just in the process of coming on the market.

Howard Burke and David Luckwell have been working on another new idea for insurance and would request an extension of the time limit in section 4(2) of the Act to allow them some further time to develop this new idea for Innovative Insurance Corporation.

I think that summarizes our reason for simply requesting that there be an extension of two years to the existing Act.

THE CHAIRMAN: Thank you.

Mr. Luckwell, do you have anything you'd like to add?

MR. LUCKWELL: No. I think that pretty well sums up what we're looking for.

THE CHAIRMAN: Mr. Rodrigues, would you have any comments with respect to the Insurance Act?

MR. RODRIGUES: Mr. Chairman, we have no objection to the request that the Act be amended to grant an extension of time, but there is a provision of the amendment Act that we would like to address if the petitioners wish to pursue that amendment, and that's the request to have the directors changed from the provisional directors to some new directors. Our comment with respect to that provision is that the Insurance Act already provides an approval process for a change in the directors of an insurance company from the date of its incorporation to the time it makes an application for a licence. If there's any change in the directors, the superintendent has to review the new directors, report to the minister, and the minister then reports to the Lieutenant Governor in Council to determine whether the new directors are suitable. We would suggest that that process be followed and that the directors in the Act -- that's the private Act -- not be changed at this time.

THE CHAIRMAN: Thank you. That application or that investigation has not taken place then?

MR. RODRIGUES: Not taken place. It does not take place until an application for a licence is submitted to the superintendent of insurance.

THE CHAIRMAN: Thank you.

Committee members. Mr. Herard.

MR. HERARD: Thank you, Mr. Chairman. Just so I'm clear, the First Canadian Casualty Insurance Corporation Act was done in

1992, but am I to understand that that insurance company has really never gotten off the ground? Is that really the case?

MR. LUCKWELL: Correct.

MR. HERARD: And this application is to establish a new insurance company, a new concept in insurance and so on. Is that correct?

MR. LUCKWELL: I guess so. Basically, since the Wheatons were not going to proceed with First Canadian Casualty Insurance Corporation, Howard Burke and myself thought of the chance to take that corporation and activate it as an insurer in the province. The name change came because the Wheatons actually have a life insurance company, first Canadian life insurance company, I believe it's called, which they did activate. That's why the name change: they didn't want us to use the same name they had. The time period extension is so we have time to put together all the pertinent data to apply for a licence, all the financial information to meet all the regulations and everything else.

8:43

MR. HERARD: I don't pretend to understand the ins and outs of the advantages of taking an existing Act and changing the name and also the selection of directors and so on. What advantage is there in doing this rather than just starting from scratch and going through to the Insurance Act and then just applying for a new corporation? What benefit is there in coming to this Assembly and asking for changes to Pr. 5?

MR. LUCKWELL: From what I understand, the benefit is a year to maybe longer in preparing the Act. It just seemed expedient at the time. This one was already enacted or proclaimed. Why create a new one?

MR. HERARD: I guess my concern would be if there are any provisions within the Insurance Act that could be circumvented by doing this. I would like to have a comfortable feeling that that's not the case. Could we have a comment on that?

MR. PETERSON: Perhaps I can respond somewhat to that and also to Mr. Rodrigues. We were aware of that section of the Insurance Act that did say that any change of the provisional directors requires investigation by them. Our putting first directors in the Act wasn't in any way an attempt to get around that. As a matter of fact, our clients are long-standing insurance people and, if I could suggest, probably just as experienced or more so in the insurance industry as the ones that were the provisional directors. It just appeared that as new petitioners, somewhere the new petitioners' names should appear. They are quite prepared and anticipate that there will be that investigation that has to take place under section 39 of the Insurance Act. So there is no attempt to avoid any provision of the Insurance Act; we simply are taking over an existing company. They gained some months. We thought it was a year. As it turned out, it wasn't quite a year; they acquired it in September. But they did have some months to get started on their idea as opposed to starting all over again.

MR. HERARD: Thank you very much. That does provide some level of comfort with respect to that question.

Those are all my questions, thank you.

THE CHAIRMAN: I have Mr. Yankowsky, Mrs. Laing, and Mrs. Abdurahman.

MR. YANKOWSKY: Thank you, Mr. Chairman. Good morning. Just to help us understand a little more about what this new company will be all about -- and I see you have some innovative ideas for an Innovative Insurance Corporation -- could you give us a little more background on this new type of auto glass insurance that you are proposing?

MR. LUCKWELL: The Autoglas Maintenance Inc. was just information as to what I've been doing in the past year. That isn't part of Innovative Insurance Corporation. It's a separate policy which we developed to insure automobile glass for the private passenger vehicle owner in the province.

MR. YANKOWSKY: But how will this glass insurance be different from the glass insurance we now have?

MR. LUCKWELL: The glass insurance you now have is subject to the standard automobile policy, whereas ours is a new policy with some different regulations and conditions to make glass insurance more cost-effective to purchase for the consumer. With the standard insurance, you can only buy it with \$100 deductible or \$250 deductible, and the premiums are rather high. Ours was designed to come in underneath that and provide a service and a product to the consumer that we think they need or wish to buy.

MR. YANKOWSKY: Okay. Thank you.

THE CHAIRMAN: Thank you, Mr. Yankowsky.  
Mrs. Laing, then Mrs. Abdurahman.

MRS. LAING: Thank you, Mr. Chairman. One question for the gentleman: how did you acquire the Wheaton interest in the insurance company? Did you buy them out?

MR. LUCKWELL: Yes.

MRS. LAING: You bought them out.

This one is for the insurance superintendent. What are the routes for opening an insurance company like this? Is it only private Bills, or is there business incorporation?

MR. RODRIGUES: No. The only way you can incorporate an insurance company in the province now is through a special Act with the Legislature. You cannot incorporate an insurance company under the Business Corporations Act.

MRS. LAING: Would you not have been better off to have done your own private Bill and started from scratch? I'm just wondering why you're sort of taking over one and then basically rechanging everything, the directors, the name, that type of thing. Would it have cost you time if you had done that? I mean, you're here now.

MR. PETERSON: As I mentioned a little earlier, our clients acquired it in September. As with most of these ideas, you come up with a new idea and hope to get it on the market before someone else finds out about the idea. Time is usually of the essence. As soon as you come up with the idea, the question is: how quickly can we develop this and get it on the market? So when they found out they could acquire this, they went ahead and started working on the new idea, which gave them six months' jump on the new Act. It wasn't that much but it was certainly some, and they've had that benefit. We were told when we looked into it that there was a simple little requirement to ask for a two-year amendment to the existing Act.

MRS. ABDURAHMAN: Following up on Mrs. Laing's questions, and they touched on some of the questions I had. Would it be correct to say, then, that the private Bill in essence has a monetary value, that it gives you an advantage in the marketplace from a time line? I suppose the question I'm asking -- and I don't know who would answer this -- is: was the intent of a private Bill to have some value in the marketplace? I see legal counsel looking at me, but what I'm hearing is that the distinct advantage in the marketplace by amending this Bill is giving you a time-line advantage. I'm trying to wrestle with: is that the intent of private Bills? The other question, following up on Mrs. Laing: wouldn't it have been better to start with your own private Bill because of the substantial amendments to this one, and is the only reason because of that time line?

MR. LUCKWELL: I don't know that it's a substantial amendment. All we're really asking for is an extension of time, a two-year extension to enable us to apply for a licence in the province. We did put in here to change the directors, but we are aware that we have to go through the investigation process of the Act. Other than that, the name change really is just to accommodate the original people. Is that . . .

8:53

MRS. ABDURAHMAN: Supplementary. It was more tied to the fact that it was a name change in directorship, which in essence would appear to be a new company. That's where I'm coming from, so that you can understand. To be quite honest with you, through the chair, I'm learning as well. This is the first time I've been on Private Bills.

THE CHAIRMAN: Well, I can't answer your first question exactly, but if it gives you any comfort, my understanding is that it is not unusual for an insurance company to come back and ask for a name change in a Bill. All Alberta incorporated insurance companies -- now, keep in mind this is an insurance company, not an agency; this is like the wholesaler, so to speak -- must be incorporated by private Bill, which is what this committee is here for. They're incorporated and then they have a time span available to them to get their financial house in order, to get all the appropriate capital in order and set up a networking system however they want, and then they apply to the superintendent of insurance for a licence.

This company was set up a few years ago, and for whatever reason they did not activate the corporation. In this case, my understanding is that this new group has come along, has acquired that company. First of all, they're asking for a change in name of the company. That is not unusual, and the superintendent of insurance has indicated that he has no objection to that. They're also asking for an extension of the two-year time frame, which also is not unreasonable. The only area there is some concern with, and Mr. Rodrigues has pointed that out, is the change of directors. Now, I was going to ask the petitioners a question regarding that. If I did that now, that might clear that situation up.

MRS. ABDURAHMAN: Thank you, Mr. Chairman.

THE CHAIRMAN: Mr. Luckwell and Mr. Peterson, would you object to an amendment to your Bill that would very clearly indicate that you do not expect to be exempted from this investigation procedure? I'm suggesting that it could be done two ways: either you just delete the reference to the change in directors, or you would insert a notwithstanding clause in the Bill that says, "notwithstanding, the directors will still be subject to investigation."

MR. PETERSON: Mr. Chairman, if I could respond to that. We've already investigated that with our clients, and they have absolutely no objection to that. I think we would prefer, if we could, to leave the names in and simply say, "subject to them complying with section 39," if that would be an acceptable amendment.

THE CHAIRMAN: Well, I don't think we can work out the wording today. The normal procedure for this committee is not to make the final decision the day of the hearing anyway. So if it's okay with you, I would suggest that in the next few days you get together with Parliamentary Counsel and Mr. Rodrigues and work out wording that would work and be agreeable to all three groups. Then it could come back to this committee at some point.

MR. PETERSON: That would be perfectly acceptable, Mr. Chairman.

THE CHAIRMAN: Thank you.

Mrs. Abdurahman, do you have any other questions?

MRS. ABDURAHMAN: Not at this time, thank you.

THE CHAIRMAN: Thanks.

Mr. Vasseur?

MR. VASSEUR: Thank you, Mr. Chairman. I just want to follow up on the issue of the time frame. Obviously the applicants have to proceed with your department for approval, and it goes to the minister and subsequently goes through an order in council. What's the time advantage in doing this through an existing company rather than the applicants starting fresh, as was asked a while ago? Obviously, there must be quite an advantage in time. Certainly there was no advantage in purchasing a company for the name's sake, because they're prepared to change the name.

MR. RODRIGUES: The advantage at this point in time -- I'm not sure it actually exists. Had they made the application in December 1994, there would have been an advantage, because they had a company incorporated already. All they had to do was get the approval of the Lieutenant Governor in Council. Now that they have not yet applied for a licence, they are in the timing of the session in place. If they had applied in December 1994, they could have obtained a licence had they obtained the Lieutenant Governor's approval. So that was the advantage, but I think the advantage is essentially lost. That's my perspective. Perhaps the petitioners have a different perspective on that, but I think they have lost the advantage of amending the existing Act as opposed to applying for a new charter.

THE CHAIRMAN: Are there any other questions?

Mr. Reynolds.

MR. REYNOLDS: If I could just review some of the points that have been made here by the chair. Please let me know if I'm correct in my assumptions. Essentially there are three points to this Bill. You indicate that the name of the company will be changed, the directors will be changed, and there will be an extension granted for the time you can raise the capital necessary to get the licence. Is that correct?

MR. PETERSON: If I could just add, the name change has already been done by an order in council. That's already an accomplished fact. Essentially all we're looking for is the two-year extension. We put in this change of the provisional directors. It just seemed that

when we were looking at an Act, completely different people applying, there should be some reference to the people who were applying in the Act. We have no intention of trying to avoid any section of the Insurance Act. So it boils down to really a two-year extension to give them some time. There are some fairly onerous provisions to try and get that licence, and it's a fairly time-consuming process. They simply weren't able to get it all put together in the short time since they acquired it. So the Bill essentially boils down to one little request, and that is the two-year extension.

MR. REYNOLDS: Just to reiterate the need for that -- and perhaps Mr. Rodrigues could correct me if I'm wrong -- the way the Insurance Act is set up, you incorporate the company as has been done in this case by a private Act, then you have to capitalize the company before you can actually obtain a licence, or at least that's one of the prerequisites of obtaining the licence. So right now there is the company on the books, but it can't do anything until you raise the capital. That's correct?

MR. RODRIGUES: That's correct.

MR. REYNOLDS: Thank you. So as you said, the two-year extension would be the vital part of the Bill that you would need to continue. Of course, one of the differences between you applying for a separate private Act for the Innovative Insurance Corporation and amending this Act would be the fact that you've bought -- have you not? -- the First Canadian Casualty Insurance, or the assets of it or the goodwill. You have bought something, have you not? You bought the shares presumably?

MR. PETERSON: Essentially we bought all of the rights they had as they created the Act.

MR. REYNOLDS: So am I correct in assuming, then, that if you went for a separate private Bill, the company you have bought would be worthless?

MR. PETERSON: That's right.

MR. REYNOLDS: Okay. Thank you.

With respect to the possible amendment the chairman discussed, I noticed Mr. Rodrigues didn't give his view on that. It's my understanding from what the chairman has said that the amendment would read "notwithstanding section 2, section 39 of the Insurance Act applies to the operations of the company" or something to that effect. I realize we don't have the exact wording here, but perhaps for the committee's benefit you could indicate, Mr. Rodrigues, if that wording in general would be acceptable.

MR. RODRIGUES: Generally, yes. I think this process addresses one of the concerns raised by one of the members; that is, the selling of charters where one group comes to the Legislature and gets permission to start an insurance company, that group is screened by the Legislature, and then that group sells it to undesirables, so to speak -- not suggesting for one moment that the petitioners are. So the process in the Insurance Act ensures that that trafficking, so to speak, does not take place. I would like to be absolutely clear in my mind that any amendment does not circumvent the section 39 process, because that's the process that preserves the integrity of the entire private Act process here.

9:03

MR. REYNOLDS: Presumably, then, a specific amendment indicating that section 39 of the Insurance Act would apply notwithstanding anything else in this Bill would meet your concerns. With that, when they had capitalized, you could undertake your investigation and make your report to the minister and the Lieutenant Governor in Council.

MR. RODRIGUES: That's correct.

Another point that is not an issue here now but could become an issue later on is if these petitioners want to sell this charter before the company gets a licence. That's a possibility. So we need to think about these possibilities when we draft the amendment to make sure that the approval process is preserved even if these petitioners want to sell the charter to someone else, to another group.

MR. REYNOLDS: But just to be clear, that's hypothetical.

MR. RODRIGUES: It's hypothetical.

MR. REYNOLDS: It's no indication that that would actually be the case in this.

MR. RODRIGUES: No. That's correct.

MR. REYNOLDS: Thank you.

Those are my questions, Mr. Chairman.

THE CHAIRMAN: Thank you, Mr. Reynolds.

Are there any further questions from any of the committee members? Well, seeing none, I will ask that Parliamentary Counsel, Mr. Rodrigues, and Mr. Peterson get together in the next few days, work out appropriate wording for the amendment, and then when this Bill next comes before the committee, that wording will be introduced to the committee. I don't think it's necessary that you return at that time, as long as we have an indication from you that you are in concurrence with the wording that is brought back to the committee.

MR. TANNAS: Mr. Chairman.

THE CHAIRMAN: Yes, Mr. Tannas.

MR. TANNAS: The next few days is a very indeterminate amount of time. Why don't you say on or before two weeks or, you know, whatever. Give them something specific to go for so there's some urgency for all concerned to get together with each other.

THE CHAIRMAN: I think that's a good point. It's the intention of the chair to deal with decisions on private Bills early in April, so we could put a time frame of before the end of March. Is that reasonable?

MR. PETERSON: As long as we can do it in the next two or three days. I have a trip planned later on for a couple of weeks. It's fairly simple, I think. We can agree on it in the next two or three days.

THE CHAIRMAN: Mr. Rodrigues?

MR. RODRIGUES: That's fine with me.

THE CHAIRMAN: Any other comments? Seeing none then, thank you very much, gentlemen. Thank you for your time this morning. As I said, we will look forward to that amendment, and we will also

be making our final decisions early in April so that we have an opportunity to get these Bills introduced in the House this spring.

Committee members, the next petitioner is the Milk River and District Foundation Act. Mr. Reynolds will invite them to join us.

Good morning. Welcome to our committee. Mr. Reynolds will swear you in, and then we can get started with the proceedings.

[Lavinia Henderson and Glen Scott were sworn in]

THE CHAIRMAN: Well, thank you. I welcome you to the meeting this morning. We try and keep the decorum as informal as possible. It's not necessary for you to stand when you're addressing the committee. There is a mike in your desk in front of you, for two reasons: it makes it a little easier for you to be heard in here, and *Hansard* has access to your presentation as well.

I will give you an opportunity to address the committee, explain the reason why you're asking for this Act to be brought forward on your behalf, and then we'll give committee members an opportunity to ask questions.

Just a little bit of explanation on the process. This is a private Bill, initiated by your petition. The petition is read in the Legislature, and then it is referred to this committee, the Private Bills Committee. It's the responsibility of this committee to make a recommendation to the Legislature on what should happen with respect to that Bill. At this point it's had first reading in the Legislature. If it becomes law, it requires second reading, committee, and third reading. We have the obligation to report back to the Legislature and recommend to them that the Bill proceed to second reading or that it proceed with amendment, if there are appropriate amendments that the committee feels need to be made, or that it not proceed. That's the purpose of this meeting this morning, so that committee members can gather sufficient information in their own minds so they feel comfortable in making that recommendation to the Legislature. We won't be having debate and discussion on our recommendation this morning; we will do that at a later time. The purpose of today's meeting is just to gather information for the committee so that they feel comfortable in making that decision.

With that, I'll turn it over. I don't know who wants to be the spokesman, but I'll turn it over to you. Basically what we probably would like you to do is explain a little bit of the background, how the concept of the Bill arose, and why you petitioned the Legislature to pass this Bill on your behalf.

MR. SCOTT: Right about this time I don't think either of us wants to be the spokesman, but I will start because I'm being paid for this process. My name is Glen Scott. I'm with the law firm of Brownlee Fryett, and we're legal counsel for the petitioner, Mrs. Lavinia Henderson. I will give a short summary of the technical background as to why we're here, and Mrs. Henderson will provide some additional comments about some of the practical aspects that arise from her community that she's best suited to comment on.

We were retained approximately a year and a half ago to examine the mechanisms by which our client could receive and administer donations and funds entrusted to her for charitable purposes. At that time -- and frankly I had some degree of skepticism, because Milk River wasn't the city of Calgary or the city of Edmonton and the like -- I diplomatically asked my client, as best I could, as to the type of funding that would be required. The responses almost persuaded me to move to Milk River immediately, and Mrs. Henderson will comment on that a little bit later. In any event, we looked at a number of options including a benevolent society, a not-for-profit company under part 9 of the Companies Act, and a charitable

foundation. For a number of reasons we're here today because we felt that was best suited for our client's needs.

9:13

In looking at a society under section 3(1) of the Societies Act, the concern we had principally with it, and indeed part 9 of the Companies Act, is that this thing wouldn't fly from a practical perspective in the community. That is, the degree of permanence associated with a society and indeed a part 9 company is nowhere near, perceptionally at least, that which we get from an enactment such as we are seeking today. Secondly, there is discretion from the registrar to not even allow us to incorporate a society or a part 9 Companies Act company; and thirdly, there are provisions under both those statutes, under which they're governed, by which the registrar unilaterally under certain conditions can dissolve the society or the corporation. That does not exist per se with respect to an enactment such as we're seeking today.

The community foundation, on the other hand, although certainly the most complex and in some degree the most expensive process to pursue, was very attractive in the sense of the liberalness in terms of what you could obtain within the Charter, so to speak; yet the degree of inflexibility in altering what could be done was also very attractive, from being able to attract capital and administer capital in the region. Those were the two main attractions, if you will, for which the client made the decision after our advice to pursue this particular enactment that we're here for today.

We at that time looked at other community foundations -- and indeed we had some discussions with other community foundations -- to find out if there are any practical difficulties in operations and the like, and we advised our client of some of those difficulties. Some of the ones in question are Edmonton, Calgary, Medicine Hat. Red Deer has a community foundation. We felt that over the long term the options provided under this enactment would give us a great deal of flexibility in administering the funds and yet be rigid in the objects, and that was its main attractiveness.

In closing, I can advise the committee that we haven't received any opposition that we are aware of with respect to the proposed enactment. Mrs. Henderson would like to add some additional comments, I believe.

Thank you.

THE CHAIRMAN: Sure. Go ahead, Mrs. Henderson.

MRS. HENDERSON: The council of the town of Milk River was first approached back in 1989 by a member of the community who had been out canvassing for funds for a particular project. Mr. Swanson is mentioned in our Bill as a member of the board. He approached the council, presented his proposal for the project, and then mentioned that during his discussions there was a great deal of support from people he had spoken to about having some sort of vehicle within the community to be able to donate towards for community betterment, and he made a recommendation to the council to look into the situation. Now, it took quite a few years for the process to go through the council; there was some reluctance with some members and excitement with others. Back in 1991-92 council directed the administrator at the time to proceed with investigations on community foundations. He investigated the Lethbridge Community Foundation and made a report back to the council. I came back to the town of Milk River as administrator in July of '92. They directed me to seek legal counsel to investigate which alternative would best suit the needs of the community, and Mr. Scott has explained all that.

A committee was formed by the council, made up of the members who are listed in the proposed Bill, to investigate and proceed with

a vehicle for donations. There's strong community support. We have had no objections whatsoever, at least to the office or to any member of the committee, that I am aware of. Recently two individuals passed away in the town, and I think had there been a foundation, we would have seen a donation made. Their estate donated in excess of \$250,000 to various community groups and churches in the area. We feel that the financial support is there.

That's about all I have to say.

THE CHAIRMAN: Thank you.

Mr. Kowalski, then Mr. Herard.

MR. KOWALSKI: Thank you very much. I appreciate the opportunity you've taken to come to Edmonton today. Just a number of comments that I would like to make with respect this foundation. First of all, understanding and knowing that Milk River is a wonderful community in the southern part of the province of Alberta, Milk River became the kind of community it is, as did all the other 350 communities in the province of Alberta, primarily because people, before government became as sophisticated as it is today, banded together and came together in volunteerism for the benefit of the community. Those volunteers at various points in the history of Alberta came together to build the first school or build the first church. But today we've taken a quantum leap into the 1990s and become very sophisticated. We're hearing in many places throughout Alberta that it's more difficult to get people to join service clubs, to become participants and fund-raisers on behalf of whatever the various groups are. What you've done by way of this Bill is basically taken it now to a very sophisticated level. Other foundations have done this as well, I guess, maybe because a lot of people in their communities have basically said they no longer want to work as hard. So they come up with a Bill.

I want to take you to section 11 in the Bill. The purpose of this, as best I can understand it, is to basically have a place where people can come together. In section 3 you talk about the objectives. It basically gives you carte blanche to do any possible thing you want to do if you get your hands on money, anything "in the sole discretion of the Board." Then in section 11(d) and 11(b), in a small community like Milk River that's based on community spirit and volunteerism, why would we possibly need the provision to hire paid people to gather donations? Aren't we just going the next step to basically saying that the Elks Club and the Rotary Club and the Kiwanis Club and the Rotarians and everybody else no longer are going to do this, but now we need to hire somebody and we have to pay them? Then the person who's donating money doesn't know it at first that they're donating money -- they're donating money to a foundation, but lo and behold, they find out later that somebody's being paid a salary. Then they've got assistants and secretaries. What's the purpose really of raising the money in the first place? I say that in a very generic way, not picking on Milk River. It's happening in all communities throughout the province of Alberta. Every hospital board, every school board somehow thinks that this is the carte blanche way of doing it, and what in essence we're doing in the end is destroying volunteerism in this province. My basic question is: why do you need to pay somebody? Why do you need to have it in a Bill?

THE CHAIRMAN: Mr. Scott, do you want to address that?

MR. SCOTT: I'll try my best, Mr. Chairman. Firstly, it's discretionary in respect to the remuneration of officers and employees. Section 11 deals with "the Board may," so because of the permanence of this particular enactment it was thought that flexibility at the outset would be the best thing for our client.

Secondly, in terms of public accountability, in respect to this particular matter there's a requirement that financial statements have to be published in the local newspaper. I know this particular member is quite cognizant of that. I can tell you that our law firm, by virtue of acting for a substantial number of municipalities, is very cognizant of the degree of scrutiny local municipalities come under, and their elected officials and, indeed, any member serving in some capacity such as would happen here with respect to remuneration and the like. That's not a legal answer, but from a practical perspective, I think a lot of the concerns raised by the member frankly will be dealt with from that level.

I can't imagine circumstances where there would be some sort of general administrative cost that would be substantial in respect to administering this particular matter that would not get intense scrutiny within the community. Because of the degree of sophistication that may be required for investment purposes, that frankly may be a practical reality in any event for some things. Whether it's paid under those auspices, if they're administering a substantial amount of capital, someone has to administer that. Depending on the degree of expertise in the local community, that may have to be sought elsewhere in any event.

Those are all my comments.

9:23

THE CHAIRMAN: Mr. Herard.

MR. HERARD: Thank you. My comments are similar, except I am looking at section 20.

Subject to any conditions imposed by a donor, reasonable administrative expenses incurred by the Board may be charged against all trusts.

Now, I don't see anything in the Act that says that has to be by a majority decision of the board. In other words, the word "reasonable" could be put in question, I suppose, if an unreasonable expense did occur. So I'm wondering how you propose to administer the term "reasonable" if the board itself does not have the purview to approve such things.

MR. SCOTT: If I might respond, Mr. Chairman, the word "reasonable" is one that certainly is not capable of precise definition, and it deliberately has some ambiguity in it so there is again this element of flexibility. If the administrative expenses are out of line -- and clearly they will be subject to the scrutiny I indicated to the other member by virtue of the publication of financial statements and the like -- then if they're brought to attention and the board is not doing their job in determining what the community thinks is a reasonable expense, I would think they're not going to be members of that board for very long. Certainly there's an element of trust here. In fact, that's what we are seeking to achieve here, a form of trust that has to exist. By virtue of the requirements of the board members, it was felt that there would be sufficient pluralism in representation that there would never be a difficulty in respect to an issue arising over the reasonableness of the fees. Certainly if the member is proposing some sort of language change which would give more precision to it, we would not be opposed to that.

MR. HERARD: Well, thank you for that opportunity.

In terms of the language change, I think that after the phrase "Subject to any conditions imposed by a donor" add "as approved by the board." In other words, I just see a sort of additional check there, that it has to be a motion on the books and it's all duly approved and so on.

Thank you. Those are my questions.

THE CHAIRMAN: Would you like to address that comment?

MR. SCOTT: Speaking for my client, from a legal perspective, we do not have any difficulties with the proposed change. That would be more than acceptable for our client.

MR. HERARD: Thank you.

THE CHAIRMAN: Thank you.

I have Mrs. Abdurahman, Mr. Zwozdesky, and Mr. Trynchy.

MRS. ABDURAHMAN: Thank you, Mr. Chairman. Following up two colleagues' questions, likewise I have some concerns. I just want to relate back to a foundation that is involved; in fact, it's the Alberta Hospital Edmonton Foundation. We started off with all the greatest of intentions on how that money would be utilized, and what resulted was in essence the foundation having to be subsidized to get this fund-raising off the ground so that we could improve the quality of care in Alberta Hospital Edmonton. So I've had a sort of negative experience that started off very positively, and what resulted was that you ended up going out and bringing in people who for profit assist you in fund-raising. I was looking at this and the ability to pay, and it certainly opens an avenue for that to happen. I suppose the bottom line is what the public would want to know: what percentage of every dollar that was raised actually finds where it goes to. That's one concern that I have.

The other is in following up on Mr. Kowalski's question and comments about volunteerism. You're all volunteers, but the one thing that struck me in definitions is that there's no definition for a volunteer in this Bill. I wondered why that wasn't there.

To legal counsel: has this Bill been looked at from the perspective of Bill 15 that's presently before the Legislature, the fund-raising Act, in light of the Public Contributions Act being found to violate the Charter? Has it actually from a legal perspective been compared with or looked at from Bill 15, and does it conform to Bill 15?

THE CHAIRMAN: Do you want to address your part of the question first, and then I'll ask Mr. Reynolds to address the part of the question that was to him?

MRS. HENDERSON: To the volunteerism aspect? Okay. The current intention of the committee has been to capitalize as much as possible on the local volunteerism end of things. As far as my recollection is, there's never been any mention of having paid employees on staff; rather use municipal forces wherever possible. Then trying to have the administration of these funds through businesses in Lethbridge -- that has come up, but it has not been addressed because they wanted to see what happens here in Edmonton before they start any of the policy-making. We would have no problem with adding a definition of "volunteer" to the Bill.

MR. SCOTT: If I might comment, Mr. Chairman. I'm not certain, at least from a legal perspective, what the overall value is per se of adding a definition for the term "volunteer." I don't know where we would get if we had a section in there that said, as an example: volunteers can contribute services to the foundation. I mean, certainly there's nothing prohibiting them, so implicitly they would be -- we sure hope they're going to be in there front and centre.

The final matter in respect to -- and I'll let Mr. Reynolds comment on the statute or the proposed enactment raised by the member. In terms of fund-raising this is a relatively small community. The town itself has somewhere in the order of less than a thousand residents in it, and the surrounding region has somewhere in the range of 2,000 to 3,000 residents, where we expect to draw upon capital and the

like. The sophisticated fund-raising one would ordinarily see in the cities of Calgary, Edmonton, and perhaps larger communities is just not anticipated to happen. My client doesn't feel it will be a necessity frankly.

Subject to any other comments, that's all I have to say.

THE CHAIRMAN: Mr. Reynolds, do you want to address Mrs. Abdurahman's question with respect to the Public Contributions Act?

MR. REYNOLDS: Well, briefly, Mr. Chairman. I have looked at Bill 15, but I don't think I'm in a position to provide searching analysis or opinion just based on my review of the legislation so far. Perhaps in general comment, it appears to me, subject to reviewing the Bill in more detail, that basically it sets up a monitoring and regulatory function for charitable organizations. It's my reading of that Bill that it doesn't incorporate societies or charitable organizations, that that has to be done in another form. However, once they are established, it would appear that if they meet certain thresholds such as hiring professional fund raisers, I believe, or if they collect, I believe, over \$10,000 a year, then they fall under the purview of that Act and are subject to the regulations and the whole scheme of the Act. So having said that, it would appear and my very preliminary view certainly would be that if this foundation met the threshold tests, then it would be subject to the Act. It would be subject to what is now Bill 15. But as I said, that's my very preliminary view, and perhaps I could advise the committee later on that point.

9:33

MRS. ABDURAHMAN: Could I have a supplementary, Mr. Chairman?

THE CHAIRMAN: Sure.

MRS. ABDURAHMAN: One of the reasons, going to legal counsel about the volunteers, is that when you look at the composition that's in this private Bill, it clearly identifies the mayor, the president of the Milk River and district business, and the administrator. Now, Milk River possibly doesn't get the form of remuneration for the mayor or president that, say, a city or a hospital in the past has. My concern is: is this an extension of the responsibilities of the mayor? If the mayor had an honorarium per meeting, would this be an assumption that he or she was there as the mayor and would fall in the category of honorarium in that capacity?

MR. SCOTT: I have to be frank. That issue has certainly not been canvassed, at least by myself, with the mayor. As a result, I'm not able to answer your question. I don't know if Mrs. Henderson can comment on it. The requirement under the Act is that there would be a certain number of meetings held per year, which obviously the mayor, one would assume, would be in attendance at. It's not a great deal of meetings. Certainly we never expected that the mayor would be charging any substantial administrative expenses or honoraria. I don't know that it's even been contemplated that we would be paying an honorarium per se to any of the members.

MRS. ABDURAHMAN: Just following up on that, when you look at hospital foundations or any foundation where there's a public element, up front you have to set the parameters to ensure that they don't see it as an extension of their chairmanship or mayor or . . . So I'm sort of putting it to you: it's better to be up front to make sure that cases like that don't happen.

MR. SCOTT: I really appreciate your comments, and I will canvass the mayor there. The difficulty of course, as you know, is that this fall there will be elections again and it may well change. I don't know. Again, I do not believe we'd be opposed to any sort of amendment which would restrict that ability to pay an honorarium and the like. Really that's not the intention of my client in being here before this committee today. We're trying to do everything on as low cost a basis as possible under this thing; that's certainly the intention. I appreciate your experience with some more sophisticated foundations, and we certainly hope we don't have those experiences.

THE CHAIRMAN: Thank you, Mrs. Abdurahman.

Just before I go to the next speaker, I would like to welcome our guests in the gallery who've joined us this morning and are just leaving. You've been watching the proceedings of the Standing Committee on Private Bills.

AN HON. MEMBER: You scared them away.

THE CHAIRMAN: Yeah, that's right.

I will move on to Mr. Zwozdesky, followed by Mr. Trynchy and Mr. Jacques.

MR. ZWOZDESKY: Thank you, Mr. Chairman. I want to extend my sincerest welcome and thanks to Mr. Scott and Mrs. Henderson for attending today as well. I applaud your efforts to continue with some good work that obviously you've been involved with in the community before.

I want to come to a very clear understanding for myself with regard to the special status we're seeking through this Bill, and that is to become a charitable foundation as opposed to some of the other routes you've talked about such as a normal, not-for-profit society. As I understand it -- and perhaps you can clarify this for me, Mr. Scott -- this Bill would not only empower the foundation to receive large grants or large bequests of land or property or whatever it might be, trust funds and so on; it would also allow the foundation to issue tax receipts. Is that correct? Would that be one of the primary motivations for going this particular route, this particular status?

MR. SCOTT: That was not the primary motivation for going this way. The primary motivation, as I indicated earlier, was the attractiveness, if you will, from a donor's perspective, at least as we perceived it, for this vehicle because of the sense of permanence it has and the flexibility we saw within its objects. Certainly to the extent we're able through the minister of taxation in Ottawa to issue charitable receipts, that would be done of course, but it's certainly not intended to be a tax planning vehicle of any type. Frankly, that was not a motivating factor.

MR. ZWOZDESKY: Let's put it another way. It can be used as a tremendous incentive to encourage people to donate, which could be good for the community and, I would argue, would be very good for the community.

A quick supplementary, if I might, Mr. Chairman. Does this particular foundation then replace something that is already in the community, or does it expand on something that's already in the community? If so, what would that organization be called at the present time?

MR. SCOTT: I'll just comment briefly, and perhaps Mrs. Henderson would have to supplement it. My knowledge is that there is not a vehicle in the community, and that's what created the impetus to be

before this committee today. Because there have been substantial donations, for lack of a better term, made in the past to various civic-type projects, a mechanism whereby they could be more uniformly administered and left to the community at large was sought, hence this route we've followed today. So no, there has not been a formal vehicle in the past by which funds have been donated, so to speak. It's been on a project basis. As Mrs. Henderson relayed earlier to the committee, there have been some donations that frankly have been lost as a result of not having a formalized vehicle in place to receive them.

THE CHAIRMAN: Just before you go on, if I could just address your comment regarding tax receipts. Just some clarification. This Bill in and of itself would not entitle the organization to issue tax receipts, just as any other incorporation would not entitle them to do so. They would have to have permission or that negotiation would have to take place with Revenue Canada, which is outside the purview of this committee. This is part of the process. In and of itself, this Bill does not create a situation where they can issue tax receipts. They will have to go to Revenue Canada, present their business plan, so to speak, present the way they operate, and then Revenue Canada will either issue or not issue tax deductible status.

MR. ZWOZDESKY: Yes, I understand that. I've chased that particular issue before on behalf of other organizations, and it is difficult to get that charitable status, that recognition which allows you to issue tax receipts. Nonetheless this is a preliminary step, if you will, in that regard.

My final quick question is to reinforce the point of volunteerism made by the hon. Member for Barrhead-Westlock, and that is that volunteerism certainly is the backbone of our community and all communities across the province. I would hope that's very much the thrust or part of the essence of what you're after here. In that regard, I was looking at article 6 where it talks about the nominating committee. I see here the mayor and the president of a business group and the administrator, all three of whom presumably are paid professional people to whatever extent. I just wonder: is there any opportunity for a normal, average citizen, a volunteer as it were, to sort of come in and participate in a process as important as nominating of board members?

9:43

MRS. HENDERSON: There certainly could be. Right now the mayor of the town of Milk River receives an honorarium of \$1,300 from the town, and the current mayor was most willing to sit in as a volunteer for his community on a not-for-fee basis or remuneration or honorarium basis. The president of the Milk River and district Businessmen's Association is just an elected member of the association, and that's on a volunteer basis as well. The administrator: yeah, I'm most definitely paid, but usually these meetings are held at night. I volunteer my time totally to it as part of my being part of the community. So right now we're all volunteers.

MR. ZWOZDESKY: Thank you.

MR. TRYNCHY: My question is in regard to tax receipts, income tax deductions. Has your foundation inquired whether it would be feasible for you people to issue receipts if donations of funds, dollars were made to you?

MRS. HENDERSON: We've had no communication with Revenue Canada as of yet.

MR. TRYNCHY: You've had none?



MRS. HENDERSON: No.

MR. TRYNCHY: Okay. Will you be doing it?

MRS. HENDERSON: It is something we are going to look into, but the committee felt we should hold back until the Legislature can deal with the matter.

MR. TRYNCHY: A question to Mr. Scott. What is your answer to other foundations? Have they been successful in having Revenue Canada accept? Is that something that's common, or is it a tough situation to get around?

MR. SCOTT: I can't comment on that particular issue in respect to other foundations. I can comment for other not-for-profit companies that I've established, that we haven't had any difficulty in that respect whatsoever. There are certain requirements that have to be met and forwarded to Revenue Canada for their examination, and in the past it's been more that you meet the hurdle or the threshold and you're entitled to do it. We would have to examine that had we proceeded under the Societies Act or indeed under part 9 of the Companies Act. So it's a hurdle that comes down the road, so to speak. We do not anticipate any problems in that respect, but of course that's subject to what another body might do.

MR. TRYNCHY: Okay. My last supplementary. In section 10(5) you have again used the term "reasonable expenses" where four members can vote in . . . Let's assume there are four members who wish to destroy the foundation. I'm just using that. "Reasonable expenses" could be anything. Could you tighten that up? I don't know. I'm just . . .

MR. SCOTT: If I can respond, Mr. Chairman, perhaps we could add a proviso. I'm not a draftsman on my feet per se, but "so long as such expenses are incurred in promoting the objects of the foundation" as a hypothetical amendment -- because then it has to meet the requirements of another section of the enactment. Then expenses incurred in respect to destruction as a worst-case scenario, so to speak, would not be payable.

MR. TRYNCHY: Well, I'm not suggesting it will happen, but it leaves it open.

MR. SCOTT: Yes. Certainly my client would be open to an amendment of that type.

THE CHAIRMAN: Mr. Jacques, followed by Mr. Tannas.

MR. JACQUES: Thank you, Mr. Chairman. Mr. Scott and Mrs. Henderson, thank you for joining us today. I have absolutely no concerns with regard to the intention of the Bill. I in no way at all want to question the motivations of the citizens of Milk River. When we sit under this dome people seem to think they have a better position here than the positions of citizens of Milk River to run and conduct their own affairs. So I support you in principle, et cetera.

I just have two questions. One is related to the fact that I am led to believe there are other foundation Acts -- I think you alluded to some of them in your introduction, Mr. Scott -- such as the Medicine Hat foundation Act, the Lethbridge Foundation Act, and the Edmonton Community Foundation Act. My question in general terms is on some of the issues raised by some members here such as remuneration, reasonable expenses, those types of things. Does this Bill basically parallel those other Bills? If not, where are there any distinctive variances in this Bill compared to the others?

MR. SCOTT: It's modeled, Mr. Jacques, after the Medicine Hat Bill in some respects. There are no substantive differences that I could point to and say, "You know, this is a real big change between what has occurred in Medicine Hat per se and this proposed enactment." There's nothing that I could advise you that -- what I would use as an example is that this one would give liability protection to its board members. You know, that's a weakness from my client's perspective in pursuing this type of enactment, and what gives it some degree of accountability to the public is that there's no protection from liability in this enactment anywhere. If you look at the Societies Act and a part 9 Companies Act company, all the board members would have no personal liability, and here they've got unlimited liability.

MR. JACQUES: One of the provisions in here is with regard to audited financial statements and disclosure and publication et cetera, which also goes beyond some of the requirements of the so-called Societies Act and Companies Act. Again, using another foundation as an example, is the Medicine Hat foundation looked upon as a poor organization in the community of Medicine Hat? Do people pick on it? Is it laden with fraudulent actions -- you know, people are very upset over the Medicine Hat foundation Act -- or does it serve as a reasonable role model in the community which people have a certain amount of respect for in terms of its objectives and, more particularly, how the citizens conduct themselves in carrying out those objectives?

MR. SCOTT: The information I have on that -- it's all third-party information -- is that people are perfectly happy with the Medicine Hat foundation. I have not heard anything, a scintilla of information direct or indirect, which indicates any of the aforementioned heinous Acts that may or may not have been committed by the Medicine Hat foundation. All the foundations, from my information, are viewed to be extremely valuable components of the community in which they operate.

MR. JACQUES: A final question then. If Medicine Hat is A-okay, we know that Lethbridge, in the eyes of Medicine Hat people, doesn't serve their community well. Again, they could be fraught with fraudulent actions, running away, doing all these types of things. Is it fair to say that the Lethbridge foundation also seems to have a degree of credibility in its community and is well perceived and doing good things for the community?

MRS. HENDERSON: From anything I have ever seen in the newspaper, it does seem to have a high degree of respectability and support.

MR. JACQUES: Her answer is exactly what I assumed it would be. Thank you very much.

9:53

MR. TANNAS: Good morning, Mrs. Henderson and Mr. Scott. I've got four questions or four points that I'd like to explore. First of all, the nominating committee. I'm intrigued as much by who is not on there as who is on there. When you go back to your objects and then reflect on the nominating committee, it seems the town has a lock on this with the mayor and the administrator, both of course individuals that may change from time to time. Then the president of the businessmen's association -- you don't have a chamber of commerce? Is this a male-dominated, exclusive organization, or does there just happen to be a historical anomaly in the name?

MRS. HENDERSON: No, Milk River did have a chamber of commerce. Unfortunately, it has practically dissolved. The

businessmen's association started back in 1986-87 and has rapidly moved forward and actually overtaken the chamber of commerce.

MR. TANNAS: In case it too runs out, do you have some other organization in mind that may either arise -- which would make you clairvoyant -- or that's currently busy? Why I said I was amazed by the people who are not on here, whether they be the Kiwanis Club, as referred to by Mr. Kowalski, or some other kind of organization -- do you have a ministerial association, a school board, a school council, a hospital board, or a hospital, any of those kinds of things that presumably might become a focus for a foundation, that might have representation? Why wouldn't you maybe have some provision in here that would allow you to expand that? It just seems that it's the town, and I wondered why.

MRS. HENDERSON: Well, we certainly could look at expanding that, most definitely. We do have a hospital. We're not sure how things are going to be going under the regionalization in the area. Our school system has been regionalized, and things seems to be moving fairly well along that line. Perhaps we could approach our new school board and find out what they would have to say.

Two organizations within the community leap to mind. The Kinsmen/Kinette Club is very active. Most definitely they would probably have somebody come forward to sit on the nominations committee. The other one would be the Milk River & District Agricultural Society.

MR. TANNAS: The second one -- again, referring to your objects -- is that presumably some of the money you would disburse would be for individuals, typically youth, whether they be handicapped or not handicapped, and if they're not handicapped, you might be giving them something in terms of music and hockey, figure skating, scout jamborees, or whatever assistance. In a small community it's hard to avoid either a nominating committee or any other committee having a son or daughter that may come -- have you worked out any conflict of interest, maybe more apparent than real, where you have that kind of thing happening?

MRS. HENDERSON: No, we haven't addressed that.

MR. TANNAS: Okay. It may be worth considering, because sometimes the conflict is resolved by people's sons and daughters just being eliminated from consideration even though they might be the most worthy candidate, which is one way to solve it but certainly penalizes the volunteer's family.

The third one is that I certainly would concur with Mr. Kowalski and others who worry about the employees. I know of a foundation that has worthy goals, and one of the criticisms of it is that it appears to have a rather high administrative cost. Again, that's appearance rather than anything, and it may preclude it from the kind of bequests and so forth that might otherwise come. Now, the question is that the giver of money or property can tie that up. Do you have a set amount beneath which it would administratively cost too much time and effort to -- you know, if I gave \$10 and said it has to go to some particular kind of thing, that might be too much. Have you got some figure in mind that would preclude you being tied up with all kinds of small donations or bequests with strings attached to them? You know, anything below a thousand or whatever. Have you given any thought to that?

MRS. HENDERSON: No, unfortunately the committee hasn't addressed that. As mentioned previously, a lot of the policy end of things hasn't been addressed because they really want to see what

happens here in the Legislature. But it will be something that will be brought up.

MR. TANNAS: Okay.

Could a citizen bequeath, let's say, money for a scholarship and buy immortality by having their name attached to that scholarship? Okay, thank you.

Thank you, Mr. Chairman.

THE CHAIRMAN: I have a couple of quick questions for Mr. Reynolds, and then I'm going to ask Mr. Reynolds if he has any comments or questions of a technical nature.

First of all, Mr. Reynolds, have any objections to this Bill been received by your office?

MR. REYNOLDS: No, Mr. Chairman. We have not received any correspondence or notification that I'm aware of with respect to this Bill.

THE CHAIRMAN: This was one of the Bills that received a waiver by our committee with respect to advertising. I guess I would like to get your comment and possibly the petitioners' comments as well. I'm not sure if you're aware of it, but you had one ad that ran two days late, and the committee granted a waiver that would allow the petition to proceed. I guess I want to assure myself and the members of the committee that we have allowed sufficient time for anyone who might object to the passage of this Bill to inform Parliamentary Counsel, and I'll ask him to address that. I also wonder if you have had any response to the advertising on the local scene.

MRS. HENDERSON: On the local scene we did have three people come to the office and ask what I was up to. They saw my name and thought hmmm. We told them and they said: this is great, wonderful. So they had no objections.

THE CHAIRMAN: I don't know that there's anything you can comment on, Mr. Reynolds. I thought it was important that we indicate to committee members that this is one of the Bills we had waived.

MR. REYNOLDS: Yes.

THE CHAIRMAN: Just to reiterate: you have not received any objections?

MR. REYNOLDS: No, there's nothing in the file, no notification that there has been. I've not talked to anyone. We have a statutory declaration from the *Lethbridge Herald* that the ads ran on Thursday, February 23, and Thursday, March 2, which as you indicated, Mr. Chairman, would be two days past the limit, which was why the waiver was required from the committee.

THE CHAIRMAN: My final question is: you indicate in your briefing notes to the committee that this Bill is modeled on the Medicine Hat foundation. Mr. Jacques actually touched on this issue in his comments, but I wonder if you could highlight to the committee any areas you would see as significant in changes in drafting between this Bill and the Medicine Hat foundation Bill.

MR. REYNOLDS: Well, obviously there are the necessary contextual changes. Medicine Hat obviously isn't referred to; Milk River is. For instance, the nominating committee that was referred to that's found in section 6 has three members; the Medicine Hat Bill has four members, and one of the members on the Medicine Hat

committee is the senior judge of the Provincial Court sitting in Medicine Hat, I believe. I'm not sure that there is a permanent Provincial Court judge in Milk River, which perhaps is one of the reasons for the change. Obviously the names are different with respect to the first members of the foundation. There are some little drafting changes with respect to section 13 on the custodian. There's nothing substantive. What was done in one subsection of the Medicine Hat Act is done in two subsections here, and we've incorporated things that the board can do by bylaw and resolution in section 13 so the foundation does it. It's really just a stylistic drafting technique -- perhaps just pride of authorship -- so that it seems to make, to me at least, a little more sense in 13 than perhaps in 14. But essentially it mirrors very closely the Medicine Hat Community Foundation Act.

THE CHAIRMAN: Finally, do you have any questions or comments of a technical nature that you would like to address to the petitioners?

MR. REYNOLDS: No, Mr. Chairman. I don't have anything to add beyond what the committee has asked.

THE CHAIRMAN: I don't see any other questions from the committee. I'll give you an opportunity to summarize or make any final comments to the committee, if you like.

**10:03**

MR. SCOTT: Firstly, I just want to thank the committee for the time they've spent in hearing myself and Mrs. Henderson today. We appreciate it, and I know the residents of Milk River and the surrounding district appreciate it as well. I do appreciate the comments from the committee members. It would have been helpful to have received some of those comments several months ago, but such is the process, the cards we have to play, so to speak. I can advise the committee that any of the amendments the members have canvassed today -- if they want amendments to reflect the concerns raised, we certainly would be more than willing to accede or at least look at those. I don't anticipate any problems from our end in accommodating those. I mean, the idea is not to create a bureaucracy or a structure here in this community that sucks the lifeblood out of it. It does have a high degree of volunteerism, and this is supposed to be the focal point to which the people can give moneys and contribute their services.

THE CHAIRMAN: With respect to the amendments that were discussed this morning, many of them are, I guess, of an editorial nature. I'm not sure -- and I may need some assistance from the committee -- how we wish to deal with them in light of the fact that normally the petitioner would be consulted on these amendments. Perhaps we can leave those for today. I'll have some discussion with Parliamentary Counsel, and perhaps I'll talk personally to some of the people who suggested the amendments over the next week and have some resolution or recommendation for the committee as to how we might want to deal with these amendments at our next meeting. I don't think it would be productive for us to start to deal with them today.

With that, then, I want to thank you for coming. I'll advise you on the process. The committee is now in the process of hearing petitioners. We have meetings such as this scheduled every Tuesday for the next several weeks, and it's the intention of the committee not to make decisions regarding the petitions until we have heard from all the petitioners. Once we have made that decision, you'll be contacted by Parliamentary Counsel. Should the committee wish to pursue some of these amendments that were discussed, then

obviously I'll have Parliamentary Counsel contact you prior so that you know what the committee is discussing. As I indicated to the previous group, it may or may not be necessary for you to reappear. I suspect it will not be necessary for you to reappear before the committee should there be amendments contemplated. With that, I will again thank you for coming.

I don't have any further business under the other business items, unless any members have something they wish to bring at this time.

MR. JACQUES: I move adjournment.

THE CHAIRMAN: Well, that probably would be in order.

[The committee adjourned at 10:07 a.m.]

