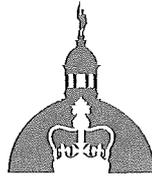


LIB



LEGISLATIVE ASSEMBLY
of BRITISH COLUMBIA

Second Session, 41st Parliament

REPORT OF PROCEEDINGS
(HANSARD)

**LEGISLATIVE ASSEMBLY
MANAGEMENT COMMITTEE**

Victoria
Wednesday, December 13, 2017
Issue No. 2

HON. DARRYL PLECAS, MLA, CHAIR
AND SPEAKER OF THE LEGISLATIVE ASSEMBLY

ISSN 1929-8676



MEMBERSHIP

Legislative Assembly Management Committee

Chair: Hon. Darryl Plecas (Speaker of the Legislative Assembly)

Members: Garry Begg (Surrey-Guildford, NDP)
Michael de Jong, QC (Abbotsford West, BC Liberal)
Hon. Mike Farnworth (Port Coquitlam, NDP)
Sonia Furstenau (Cowichan Valley, BC Green Party)
Leonard Eugene Krog (Nanaimo, NDP)
Janet Routledge (Burnaby North, NDP)
Jackie Tegart (Fraser-Nicola, BC Liberal)

Clerk: Craig James (Clerk of the House)

CONTENTS

Wednesday, December 13, 2017

	Page
Approval of Agenda and Minutes	11
Finance and Audit Committee Report	11
Vote 1 Budget 2018-2019.....	12
Clerk's Update	15



LEGISLATIVE ASSEMBLY
of BRITISH COLUMBIA

MINUTES

Legislative Assembly Management Committee

Wednesday, December 13, 2017

1:30 p.m.

Douglas Fir Committee Room (Room 226)
Parliament Buildings, Victoria, B.C.

Present: Hon. Darryl Plecas (Speaker and Chair); Hon. Mike Farnworth, MLA;
Eric Foster, MLA for Michael de Jong, QC; Sonia Furstenuau, MLA; Leonard Eugene Krog, MLA;
Janet Routledge, MLA; Jackie Tegart, MLA

Unavoidably Absent: Garry Begg, MLA; Michael de Jong, QC, MLA

Legislative Assembly Officials Present: Craig James, Clerk of the House; Kate Ryan-Lloyd, Deputy Clerk and Clerk
of Committees; Gary Lenz, Sergeant-at-Arms; Hilary Woodward, Executive Financial Officer; Brian Urquhart,
Director, Financial Services

Others in Attendance: Paul Nyquist, Office of the Auditor General

1. The Chair called the Committee to order at 1:38 p.m.
2. **Resolved**, that the Committee approve the agenda as circulated. (Leonard Eugene Krog, MLA)
3. **Resolved**, that the Legislative Assembly Management Committee adopt the minutes of its meeting dated November 29, 2017 and that the minutes be posted to the Committee's website.
(Hon. Mike Farnworth, MLA)
4. **Resolved**, that the Legislative Assembly Management Committee accept the minutes of the Finance and Audit Committee dated November 27, November 29, and November 30, 2017.
(Hon. Mike Farnworth, MLA)
5. The Committee considered the December 13, 2017 report of the Finance and Audit Committee.
6. **Resolved**, that, pending an independent review of caucus resources and the caucus funding formula to be completed prior to September 2018, the Legislative Assembly Management Committee approve interim funding for the Office of the Leader of the Third Party equal to fifty percent (50%) of the funding received by the Office of the Leader of the Official Opposition. (Leonard Eugene Krog, MLA)
7. **Resolved**, that The Finance and Audit Committee review the recommendations resulting from the independent review of caucus resources and the caucus funding formula, and provide a recommendation for implementation on April 1, 2019 for consideration by the Legislative Assembly Management Committee. (Jackie Tegart, MLA)

8. **Resolved**, that the Legislative Assembly Management Committee amend the Transitional Assistance Policy to allow former Members in receipt of "Member pension benefits" to receive transitional assistance beyond the initial first four months; and that any transitional assistance payments received beyond the initial first four months be reduced by the amount of Member pension benefits received; and further; and that the amendment be retroactive to May 9, 2017. (Leonard Eugene Krog, MLA)
9. Due to a pending pecuniary interest, it was noted that Eric Foster, MLA was intentionally absent during consideration and the vote on the resolution noted above regarding Member pension benefits.
10. The Committee considered the 2018/19 Vote 1 Legislative Assembly budget submission and discussed key Assembly initiatives.
11. **Resolved**, that the Committee approve the estimates of expenditure for fiscal year 2018/19 for the Legislative Assembly for Vote 1 as presented. (Leonard Eugene Krog, MLA)
12. **Resolved**, that the Speaker transmit the estimates of expenditure for fiscal year 2018/19 for the Legislative Assembly for Vote 1 to the Minister of Finance on behalf of the Committee. (Leonard Eugene Krog, MLA)
13. The Committee received a draft copy of the report on Ministerial Staff in Constituency Offices and the draft *Legislative Assembly Accountability Report 2016-17* for consideration at a future meeting.
14. The Committee adjourned to the call of the Chair at 2:05 p.m.

Hon. Darryl Plecas, MLA
Speaker and Chair

Craig James
Clerk of the House

WEDNESDAY, DECEMBER 13, 2017

The committee met at 1:38 p.m.

[Mr. Speaker in the chair.]

Approval of Agenda and Minutes

Mr. Speaker: Good afternoon, everyone. Let's begin with the approval of the agenda.

L. Krog: So moved.

Motion approved.

Mr. Speaker: Our second item is the review and approval of the previous minutes.

Hon. M. Farnworth: So moved.

Mr. Speaker: Thank you.

Motion approved.

Finance and Audit Committee Report

Mr. Speaker: Finance and audit committee meeting. Perhaps we could have Leonard, since you chaired the last committee.

Interjection.

Mr. Speaker: We're going to do the minutes first. So the previous minutes — November 27, 29 and 30.

Hon. M. Farnworth: So moved.

Motion approved.

Mr. Speaker: Now if we could have Leonard update us on the meeting this morning.

L. Krog: Thank you, Mr. Chair. You have a report dated December 13 in front of most members, I believe, which I think, subject to the comments of my learned friends Ms. Furstenuau and Ms. Tegart, accurately summarizes the results of the last few meetings and what we are suggesting is appropriate for this committee. I don't intend to go through it in any length, unless you wish me to do so.

Mr. Speaker: Would anyone like some details beyond what they've read?

[1:40 p.m.]

L. Krog: Perhaps I'll simply say that in terms of the decision items, we considered a number of things with

respect to, firstly, the B.C. Green caucus and Third Party global funding operating funds. There are motions which are before LAMC.

As well, we considered the issue of transitional assistance policy amendment, to make amendments respecting transition pay for one of the previous members of the assembly. Again, there's a motion that's in draft form.

Finally, the 2018-19 Legislative Assembly Vote 1 budget submission, which we've reviewed. Again, pass it on to LAMC for consideration, with our approval.

We also have a number of information items which were brought up.

Firstly, the Members Remuneration and Pensions Act public service plan rule changes. We have received additional information, including some possible options to address situations involving both the simultaneous collection and contribution to the same pension plan. We'll review those options in more detail at the next committee meeting. It's certainly under consideration and presents some active problems for LAMC and for the finance and audit committee.

The other thing we are considering is a Legislative Assembly long-term capital plan, which we think is something that needs consideration. Staff will continue to work on that, and we will be considering that at our next meeting as well.

Finally, in draft, we have looked at the Legislative Assembly accountability report for 2017, and that will likewise take place at the next meeting. We've had an initial look at the draft today.

Subject to that and the comments of my friends, I have nothing further to report arising out of the finance and audit committee.

Mr. Speaker: Can we have someone move the first motion?

L. Krog: So moved.

Mr. Speaker: Perhaps I'll read it out here. I move:

[That, pending an independent review of caucus resources and the caucus funding formula to be completed prior to September 2018, the Legislative Assembly Management Committee approve interim funding for the Office of the Leader of the Third Party equal to fifty percent (50%) of the funding received by the Office of the Leader of the Official Opposition.]

Motion approved.

Mr. Speaker: We have a second motion here:

[That The Finance and Audit Committee review the recommendations resulting from the independent review of caucus resources and the caucus funding formula, and provide a recommendation for implementation on April 1, 2019 for consideration by the Legislative Assembly Management Committee.]

J. Tegart: I'll move that.

Motion approved.

Mr. Speaker: A third motion:

[That the Legislative Assembly Management Committee amend the Transitional Assistance Policy to allow former Members in receipt of "Member pension benefits" to receive transitional assistance beyond the initial first four months; and that any transitional assistance payments received beyond the initial first four months be reduced by the amount of Member pension benefits received; and further; and that the amendment be retroactive to May 9, 2017.]

L. Krog: So moved.

Hon. M. Farnworth: I'm just going to ask what that would mean. Let's say I was receiving an additional pension of, let's say, \$20,000. I would continue to get a transitional allowance, but it would just be reduced by the \$20,000 that I was receiving.

A Voice: That's correct.

Motion approved.

E. Foster: Could it please be noted in the minutes that I abstained from that vote? I'd like that recorded, please.

C. James (Clerk of the House): It might be better if you left the room during.... It was noted that you were not present during that.

Mr. Speaker: Thank you, Eric.

[1:45 p.m.]

Now we can move on to budget estimates presentation for 2018-19 Vote 1.

Vote 1 Budget 2018-2019

Mr. Speaker: The question before the committee is the motion that the committee approve the estimates of expenditure for fiscal year 2018-19 for the Legislative Assembly for Vote 1, as amended.

L. Krog: I move that "the committee approve the estimates of expenditure for fiscal year 2018-19 for the Legislative Assembly for Vote 1, as amended."

C. James (Clerk of the House): Just for the information of members of the Legislative Assembly Management Committee, the finance and audit committee has considered the estimates for Vote 1 for the following fiscal year on two separate meetings at length and has asked a variety of questions about it. We have been exhaustive, I think, not only in our response but in the compilation of the material that's presently before LAMC but also was present before the finance and audit committee.

Mr. Speaker: Any discussion? If not, then....

E. Foster: We're not going to discuss this 80-some-million-dollar budget? I've got a few questions, if you don't mind.

Mr. Speaker: Okay, Eric, you have the floor.

E. Foster: I look at materials and supplies, which would be 69EA.

Mr. Speaker: Where are we, Eric?

E. Foster: Table 2.

Mr. Speaker: That's table 2, 69EA.

E. Foster: Correct. Materials and supplies. I guess I'm curious as to how you go over a quarter of a million dollars difference. Then you go down a couple more, and there's a half-million-dollar increase year over year. I'm just curious as to what we're doing that we didn't do or not doing that we did do.

Mr. Speaker: Right, okay.

Hilary, can you help us out? Can you speak to that?

H. Woodward: Certainly, Mr. Speaker. I believe, just to clarify, that you're asking about the reduction in materials.

E. Foster: One's a reduction. You go down two or three lines below, and there's a quarter-million-dollar increase.

H. Woodward: Some of that actually is to do with reallocation between different STOBs. Another portion of the reduction there is the deferral of the carpet replacement for the upcoming year, which is about \$200,000.

E. Foster: If it had been deferred, why would it be in the budget, then?

H. Woodward: It has been a reduction to the budget. It was in there last year, so we reduced it. So it's not in there for the upcoming year.

I think you also asked about building occupancy charges, STOB 75.

E. Foster: Correct.

H. Woodward: That's for the opposition leader's office renewal. We're anticipating that renewal will be coming up in the next fiscal year, and we'll expect an increase there. Also, the Leader of the Third Party's space is included in there, and then other minor reallocations.

Mr. Speaker: Do you have any further questions, Eric?

C. James (Clerk of the House): If it's helpful for members, Hilary could quickly provide an overview of the categories on the left-hand side of the column so that there's some better understanding of what they actually involve.

Hilary, are you able to quickly...?

H. Woodward: Just to clarify, on table 2 is what you're asking.

C. James (Clerk of the House): Yes.

H. Woodward: Certainly. These are standard STOB categories on table 2. This is, basically, just a different slice or view of our budget.

[1:50 p.m.]

Table 2 actually looks at the standard object of expenditures. The largest one, of course, for the Legislative Assembly is your STOB 50, 51 and 52, which are your base salaries, supplementary salary costs and employee benefits.

We also have, in STOB 57, employee travel. That's Legislative Assembly staff employee travel.

The next few categories are regarding professional services. That's for consultants that we would retain for services. Information systems is another, more significant item. That's our information systems, operating, so that's for a lot of our contracts, Internet, etc., for information systems.

We have office and business expenses. That's kind of self-explanatory.

Informational advertising and publications. You'll note we don't have anything in that category, as well as the statutory advertising and publication.

We've spoken regarding 69, which is utilities, materials and supplies. We have operating equipment, vehicles and others. We do have a couple of vehicles here. We have a truck and a van, so some services for that.

We have amortization expense. That is the amortization of our capital expenditures over time. So that's set aside.

We've spoken regarding building occupancy charges. We have a small budget for grants. And 82 is where members' salary or compensation is. So Legislative Assembly, and that's specifically for members only. And the constituency office allowance....

Hon. M. Farnworth: Is that the salary for members?

H. Woodward: Yes.

Hon. M. Farnworth: Okay, so the basic MLA salary is about 2.2 percent.

H. Woodward: That's what we're estimating it to be. It's based on year over year, B.C. CPI, as of December, so it will be the actual result, and we'll know that in January. Also in there is constituency office.

Other expenses — that's quite a modest amount again, just the other category.

Recoveries within government. The recoveries are to do with the gift shop, so the parliamentary gift shop and the parliamentary dining room. The recoveries we get.... We also receive a small portion of recoveries regarding leases that we have, for offices that we lease out. And then, yes, the rest are all recoveries-related.

E. Foster: Sorry, the same page — information systems, operating, 63EA, a 37.1 percent increase.

H. Woodward: We have a number of proposed systems, software-related costs in there. The first one is the centralization of constituency office expenses, and that's our document work flow software. So that was in there. That's one of the costs.

We have, just in general, rising software support costs for information technology. We also are proposing to replace our HR payroll system. It's in excess of 15 years old, highly manual, and we're looking to make a change there.

Interjection.

H. Woodward: No, not Phoenix. Yes, we're learning from that.

E. Foster: A question I have on that.... Thank you for the explanation, but we discussed the centralization of office expenses and so on, at length, over the previous year and a half or so. Could you break that out? That wasn't supposed to be a big hit. That was the question that was asked by the people that were in this room at that time.

I mean, all the things we've done with the redacting and same-time reporting and all that sort of thing, of all of our expenses.... We were at \$150,000 and then \$250,000, and then there are some other things in there, but now we're at \$700,000. Some of it, I appreciate, is new software and so on. But the question, I know, was asked in our caucus room several times about how big a hit we are taking on this.

H. Woodward: Regarding the centralization, we are still within the budget we had presented previously to this group. I can certainly provide you with a breakdown of that cost.

[1:55 p.m.]

This increase that you're mentioning, the 37.1 percent — the centralization is a small component of that, and there are a lot of other factors relating to that increase. But if you would like that, I can certainly provide you and show you where we're at with our cost estimates on centralization.

L. Krog: Just for my own confirmation, looking at the budget and actuals for 2015-2016 and 2016-2017, I see that the budget amounts were substantially higher than what was actually spent. I assume there's a.... If you're spending your money over a three- or four-year period of time, if you don't spend it in the first two years, then you may well get what appears to be a hit in the third or fourth year. Is that a fair

comment and part of what this represents?

H. Woodward: Mr. Clerk, did you want to respond to that one first?

C. James (Clerk of the House): No, I'll let you.

H. Woodward: Just to clarify your question, then — our budget versus what our actual spend was for the last several years, that we are coming well under budget.

To start, we typically don't spend what we don't need, but the other aspect of that is we sometimes have situations where we're unable to perform some of the work due to.... For example, facilities work — we work when the House isn't in session. Some of our projects take quite a lead-up to happen, and then the timing can affect that, so there will be a deferral of expenses. We also have situations where we have staffing turnover, and then there's some hiring lag. That results for some of the underspend as well. But we do our best to try and spend our budget.

Our assumptions — and they're in the submission, as well — don't necessarily always come out, but we try to be conservative in terms of what we're assuming, especially on House sittings and times.

Mr. Speaker: Further questions, comments?

C. James (Clerk of the House): As I've mentioned this morning, and I think I've mentioned to this committee previously and to members privately, year over year we always find ourselves in the position of returning money, operating funds, to the consolidated revenue fund. I think last year at this time, we were talking in the region of \$25 million or \$27 million over five years, and I think we're on track to return probably about \$3 million or more this year to the consolidated revenue fund.

We had been hampered somewhat — well, considerably — this year in relation to capital spending and getting approvals, primarily because of the inability for LAMC and finance and audit to get together to meet.

As a consequence, of those identified capital projects that were approved last year, some have slipped, as Hilary was mentioning, but we now believe that with the approval of this budget going forward and the frequency of meetings we've laid out in the schedule, both for finance and audit and LAMC, we'll be able to realize the completion of a number of capital projects — important, critical ones.

Just to let you know, too, in terms of the capital that we have not consumed.... I mentioned this morning, and I'm fond of saying this: capital money is borrowed money. So to the extent that we haven't spent capital funds, it is actually a saving on the treasury, in terms of having to go out and borrow money for some of these projects.

We are, after all these years of paring back on Vote 1, reaching the point where we are going to need to attend to things like the driveway, and so on and so forth.

We have with us this afternoon a draft ten-year capital plan, which we will share with you. We shared it with finance and audit this morning. At a high level, in terms of going forward over the course of the next ten years and some of the categories of issues that need to be addressed, it should be, certainly, reviewed by both the finance and audit committee and LAMC over the course of the next year.

E. Foster: I appreciate some of the challenges you've had in the past few years, that some of these capital projects didn't move forward, as I believe they should have. I've mentioned that on many occasions — and necessary capital projects.

I suggest that we do them this year, just further to your comments. I'm only here on a part-time basis, but it was extremely frustrating, I'm sure, for staff to put this all together, and then people kicking it down the road. I sincerely hope that this committee, once approving these projects, helps the staff move them along.

I just look at the driveway paving, which is a mess. It's an embarrassment. I know that staff have been making an effort to get that done over the last couple of years. So let's move this thing forward.

[2:00 p.m.]

C. James (Clerk of the House): One of the reasons why sometimes there's a lag in the capital project is the issue of when the House is sitting and when it's not sitting. Over the past 12 months, it's been very difficult, because we don't know. In terms of the HVAC system for the chamber, the driveway at the front and other areas where significant capital projects and spending would occur, we've been hampered by the absence. I think we seem to be on the cusp of more normalized sittings, with the parliamentary calendar just being released. Now we know exactly when we can plug these capital projects into our plan and just get on with them.

The driveway is one. The driveway is critical. You talk about it being an embarrassment. I can show you.... I won't reveal the letter, but this is the problem we face from day to day. This is a person who fell and tripped on the driveway — did not sue us — and required some surgery as a result. So the driveway, in our mind, is one huge priority to get fixed as soon as we possibly can.

Mr. Speaker: Eric, I think your comment is well taken.

Any further discussion, comments?

Okay, we have a motion from Leonard, and that motion, which is the question, is "that the committee approve the estimates of expenditure for fiscal year 2018-19 for the Legislative Assembly for Vote 1, as amended."

Interjection.

K. Ryan-Lloyd (Deputy Clerk and Clerk of Committees): Just to clarify, it's "as presented," not "as amended."

Mr. Speaker: Oh, I'm sorry. It's "as presented."

Motion approved.

L. Krog: Hon. Speaker, would you like me to make the second motion?

Mr. Speaker: Yes.

L. Krog: I move "that the Speaker transmit the estimates of expenditures for fiscal year 2018-19 for the Legislative Assembly for Vote 1 to the Minister of Finance on behalf of the committee."

Mr. Speaker: Discussion?

The question is "that the Speaker transmit the estimates of the expenditures for fiscal year 2018-19 for the Legislative Assembly for Vote 1 to the Minister of Finance on behalf of the committee."

Motion approved.

C. James (Clerk of the House): For the information of members, this motion has been in existence for many, many years. It is simply a transmittal to the Minister of Finance in order for the estimates, as this committee has approved, to be included in the estimates documents that will be presented by the Minister of Finance in the spring unchanged.

Clerk's Update

C. James (Clerk of the House): Just a couple of matters. We're very pleased to be able to report that we're busily working on a schedule of meetings both for the finance and audit committee and the Legislative Assembly Management Committee for all of 2018. There are a number of issues that I know both committees need to grapple with, and we will be bringing briefing notes and other material, including business cases for those items which we'd like to see implemented, to both committees.

A schedule will be coming out shortly in terms of the dates, primarily around when the House is sitting, since it will be more convenient to get members together both in the spring and perhaps in the autumn as well.

As well, Kate and I have been working on a request by this committee relating to employees in constituency offices. We have a draft here. It is confidential. It is being deposited with members of the committee for them to consider at a subsequent meeting. Out of courtesy to the official opposition House Leader, perhaps the committee could defer any further consideration until he is available, since he was the one, in fact, that raised the matter. We'll circulate this. It would be helpful if you do not circulate it beyond this committee at this time.

Also, Kate has been working very diligently on the accountability report for the Legislative Assembly, which was deposited with the finance and audit committee this morning. There are few jurisdictions across the country that actually have an accountability report. But there is an emerging trend across the Commonwealth, in fact, to have these types of documents produced on an annual basis so that members, staff and certainly the public can understand more about their Legislature and outputs and outcomes that have been identified as being not only productive but meaningful and cost-effective, and so on.

This will form the basis of a further discussion by the Legislative Assembly Management Committee, once the finance and audit committee considers it early in the new year.

That's it.

Mr. Speaker: Any comments or questions? Okay. If we could move to the last item, and that is other business. Is there any? No.

Well, do we have a motion to adjourn?

Motion approved.

The committee adjourned at 2:05 p.m.

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11
12
13



14
15
16

