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**Proceedings of the Standing Committee on
Government Services**

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Department of Transportation and Works

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Honourable Perry Trimper, MHA

GOVERNMENT SERVICES COMMITTEE

Department of Transportation and Works

Chair: Randy Edmunds, MHA

Vice-Chair: John Finn, MHA

Members: Carol Anne Haley, MHA
Keith Hutchings
Neil King, MHA
Lorraine Michael, MHA
Betty Parsley, MHA
Barry Petten, MHA

Clerk of the Committee: Kimberley Hammond

Appearing:

Department of Transportation and Works

Hon. Steve Crocker, MHA, Minister
Eilanda Anderson, Executive Assistant
Joe Dunford, Assistant Deputy Minister, Operations
Tracy English, Assistant Deputy Minister, Strategic and Corporate Services
Cory Grandy, Assistant Deputy Minister, Infrastructure
Tracy King, Deputy Minister
Charlene McCarthy, Comptroller
Patrick Morrissey, Manager of Budgeting
Brian Scott, Director of Communications

Also Present

Paul Lane, MHA
Laurie Bonia, Research Analyst, Official Opposition Office
Ivan Morgan, Researcher, Third Party Office

The Committee met at 9:05 a.m. in the Assembly Chamber.

CLERK (Hammond): Good morning.

My name is Kim Hammond; I'm acting Clerk this morning for this Committee.

This is the Government Services Committee and the first order of business is to elect a Chair.

Are there any nominations from the floor?

MR. KING: I nominate Randy Edmunds.

CLERK: Are there any further nominations from the floor?

Are there any further nominations from the floor?

Hearing no further nominations, the Member is acclaimed Chair.

Mr. Edmunds, would you take the seat?

SOME HON. MEMBERS: Hear, hear!

CHAIR (Edmunds): Good morning, everyone.

Traditionally, our next step is to select a Vice-Chair.

I call for nominations from the floor.

MR. FINN: I nominate the Member for Conception Bay South.

CHAIR: Okay, a nomination for the Member for Conception Bay South.

Are there any more nominations?

Any further nominations?

Okay, I announce that the Member for Conception Bay South is Vice-Chair of the Government Services Committee.

This morning we are reviewing the Estimates of Transportation and Works. I'd first like to start off by the Government Services Committee to introduce themselves, starting with the front row.

MR. PETTEN: Good morning, everyone

Barry Petten, MHA for Conception Bay South; Transportation critic for the Official Opposition.

MS. BONIA: Laurie Bonia, Researcher, Official Opposition.

MS. MICHAEL: Lorraine Michael, St. John's East - Quidi Vidi.

MR. MORGAN: Ivan Morgan, Researcher, NDP caucus.

MR. LANE: Paul Lane, MHA, District of Mount Pearl - Southlands.

MR. FINN: John Finn, MHA Stephenville - Port au Port.

MR. KING: Neil King, MHA for Bonavista.

MS. HALEY: Carol Anne Haley, MHA, Burin - Grand Bank.

MS. PARSLEY: Betty Parsley, MHA, Harbour Main.

CHAIR: Thank you to the Government Services Committee, and now I'd like to ask the Minister of Transportation and Works and his staff to introduce themselves.

MR. CROCKER: Good morning, everybody.

Steve Crocker, Minister of Transportation and Works.

MS. KING: Tracy King, Deputy Minister, Transportation and Works.

MS. ENGLISH: Tracy English, Assistant Deputy Minister, Strategic and Corporate Services.

MS. MCCARTHY: Charlene McCarthy, Departmental Controller.

MR. MORRISSEY: Patrick Morrissey, Budget Manager.

MR. DUNFORD: Joe Dunford, Assistant Deputy Minister of Operations.

MR. GRANDY: Cory Grandy, Assistant Deputy Minister for Infrastructure.

MR. SCOTT: Brian Scott, Director of Communications.

MS. ANDERSON: Eilanda Anderson, Executive Assistant to the minister.

CHAIR: Okay, thank you for all the introductions. The plan is to conclude by 12 p.m. at the latest. We will go in rotation, 10 minutes for the Official Opposition, 10 minutes for the Third Party and, at intervals, we'll open the floor up to the Member for Mount Pearl - Southlands.

CLERK: 1.1.01.

CHAIR: Shall 1.1.01 carry?

Minister.

MR. CROCKER: Thank you, Mr. Chair.

I'll start with some brief comments. Budget 2018-19 marked the fourth consecutive year that Transportation and Works has not requested any new funding. In 2018-19, the department identified pressures totalling \$8.9 million, and again we were able to absorb these pressures and address them from within.

These costs increase are the primary results of tendering and contracting increases, utility price increases and demand-driven material usage pressures from such items as salt and sand and the rental of heavy equipment. To find ways to deal with these pressures, the department has undertaken an in-depth salary review and operational budget review to absorb these costs and review the individual program areas in 2018-19's Estimates books will reveal a significant number of funding increases and decreases.

These changes in funding levels are primarily the result of the re-allocation of existing funding to properly reflect the financial requirements of the department's new organizational structure. The department moved from a regional-based structure to a functional-based structure in 2018 and '19.

The 2018-19 salary budget was reduced by \$1.26 million to reflect government's attrition plan. These savings will be achieved through the elimination of positions as employees retire or leave their positions for other reasons. The 2018-19 salary budget was reduced by a further \$427,000 to reflect the annualized impact of the new departmental management structure. No additional lay-offs will occur in the 2018-19 year to achieve these savings.

A comparison of the Department of Transportation and Works total budget from 2017-18 of \$573 million to the 2018-19 budget of \$549 million shows a funding increase of \$24 million. This apparent increase in the Department of Transportation and Works budget is somewhat misleading. To increase operational efficiencies, responsibility for all government leasing spaces and the majority of government's vehicle fleet have been consolidated into the Department of Transportation and Works. Funding of \$18 million for leases and \$3.1 million for vehicle operations costs have been removed from various other core government departments and re-allocated to Transportation and Works.

The apparent increase in the Department of Transportation and Works budget does not represent an increase in government's overall spending. In 2017-18, the department made a commitment to host the annual Transportation Association of Canada conference. Each year, the province assigned to host this conference agrees to send a higher number of delegates to this conference. As a review of the Employee Benefits expenditures in 2018 in the Estimates book, it will show that the amount spent throughout the department on TAC registration fees is much higher than it would be in a normal year. The department identified one-time savings to fund these additional registrations.

Budget 2018-2019 numbers: budget approved \$274 million for operating, including \$93 million for salaries; budget 2018-19 for current account infrastructure is \$69.7 million, including salaries of \$5.3 million; and budget 2018-19 for capital account infrastructure is \$143 million, including salaries of \$10.2 million.

Mr. Chair, I just wanted to give a brief overview of some of the things that have happened, which

reflect the things that you will see in the Estimates today. I look forward to the questions from the Members opposite and we'll endeavour to answer every question we can. And if there are some questions that need further research, we'll certainly do it.

Just as a side note, as our staff from TW introduce themselves, Charlene said yesterday in a meeting that she's been to many, many of these meetings and this will be her last one, so feel free today to throw some extra hard questions at Charlene because she has no intentions of returning to Estimates next year. I think she has a much better plan next year than spending a Monday morning in Estimates. She'll enjoy her retirement.

Again, thank you to the TW staff for all the work they've put in to preparing for today's Estimates so that we can endeavour to answer your questions to the best of our ability.

Thank you, Mr. Chair.

CHAIR: Okay, thank you.

Before we turn it over to questions, I'd just like to state that when a question is deferred to one of your staff that they introduce themselves just prior to answering. When we ask to carry the heads, we shall wait until we've completed then carry the whole Estimates and accept them.

So with that, I'll turn it over to the Opposition.

MR. PETTEN: Thank you, Mr. Chair.

What sections are we doing there now?

CHAIR: We're going to start off with 1.1.01 and work our way right through.

MR. PETTEN: So we're just starting, there's no end – you just got the one that you're opening, okay.

CHAIR: Yeah.

MR. PETTEN: Minister, section 1.1.01 under Salaries, there's an increase of \$45,000. It's not a huge amount from last year's revised amount, but what's included? How many positions are in this salary \$242,000?

MR. CROCKER: That would be the Minister's Office, so there obviously would be the minister's salary, the executive assistant to the minister. About halfway through last fiscal year, we hired a ministerial liaison in the department and that salary is approximately \$44,000 a year. It reflects the salary somewhere around the political level of a constituency assistant.

This position is to be used, and is being used, to do some work around – primarily working with municipalities because one of the areas that we've identified as an office that we feel there is some work that we can do to help streamline some of the inquiries – because, as you probably would be well aware, there are quite a number of inquiries in Transportation and Works.

I think one of the efficiencies that we're hoping to achieve in the department is not so much a better working relationship, I guess, with municipalities because I think we've always had a good working relationship, but there is a consistent pipeline, I think, is important with municipalities.

MR. PETTEN: Yes, communication is very important; there's no doubt.

Under Employee Benefits, there was an increase in the amount budgeted under Employee Benefits and the revised amount. What was the increase again? It's a small amount but just –

MR. CROCKER: That was the \$100?

MR. PETTEN: No, \$2,100. It went down.

MR. CROCKER: Oh, I am sorry.

MR. PETTEN: It was only a small amount, but it's just –

MR. CROCKER: That's the TAC conference. That's the one we mentioned where we hosted this year, so there was an extra cost.

MR. PETTEN: Memberships.

MR. CROCKER: Pardon?

MR. PETTEN: Memberships or ...

MR. CROCKER: Registration fees.

MR. PETTEN: Okay.

Under 1.2.01, Executive Support, there's \$25,000 more in Salaries than budgeted last year. This year you're estimating to spend almost \$50,000 less. What is this variance?

MR. CROCKER: Yes, that's a reduction due to the change in the pay level of the new communications director. So I guess that would be a step increase – step issues. The new director came in at a lower step than the previous director.

MR. PETTEN: Okay.

So there are no extra positions there, that's just a pay scale –

MR. CROCKER: Yes, and there were some severance costs in that expenditure as well.

MR. PETTEN: Okay.

1.2.02, Administrative Support, there's a significant change in the description of what is included under Administrative Support this year compared to last year. There are huge increases in the numbers from last year's Estimates. For example, last year's Estimates allotted just over \$1 million for Salaries under this section, yet they listed here for *Budget 2017* just over \$4 million. Likewise, the total voted for in Administrative Support last year was just over \$3.4 million, but here it states almost \$6.6 million.

Can you explain what occurred (inaudible) or what changed in these budget numbers?

MR. CROCKER: That was the departmental restructuring. You'll see these fluctuation's throughout the Estimates, like I referred to in my opening remarks where we changed our structure. There were big jumps in some areas and some big decreases in others.

MR. PETTEN: What kind of restructuring happened there?

MR. CROCKER: I'll turn that over to the deputy.

MS. KING: There are a couple of things going on here. This salary now funds financial operations, corporate safety, and planning and accommodations. In last year's budget, the corporate safety manager wasn't in the right place in the structure. So the movement of all of the safety folks from one part of the organization to the other, as well the other piece that's changed in here is the departmental attrition number for this year is in here and then, as the year goes by, it will be moved to where it needs to be.

The other piece that's in here is that there are some clerks and a receptionist that are voted in here this year that wouldn't have been there last year. So it's just a small change but when you add it to the departmental attrition number, it looks a bit larger as an impact in this branch.

MR. PETTEN: Salary numbers are up by over \$400,000. Is that all to do with the extra positions that were –?

MS. KING: From the revised?

MR. PETTEN: Yeah.

MS. KING: Again, the manager of corporate safety's salary is in here but the funding for this position last year was under a different number, so that's been moved here. There were four positions in here that didn't have the funding allocated and we moved, so that's corrected for this year – two clerks and a receptionist that were here, as well as an OHS officer. That's what's going on here –

MR. CROCKER: And there was some severance –

MS. KING: And there was some severance.

MR. PETTEN: – in here as well.

MS. KING: Yes.

Thank you, Minister.

MR. PETTEN: So there were four positions included in this amount?

MS. KING: Uh-huh.

MR. CROCKER: Four positions and severance.

MR. PETTEN: Okay.

Under Employee Benefits, what is included there?

MR. CROCKER: Under Employee Benefits?

MR. PETTEN: Yeah.

MR. CROCKER: Funding for such things as workers' compensation, claim costs only; TW departmental staff; as well as provisions for professional development; and membership fees for the Corporate Services division.

MR. PETTEN: Okay.

Under Supplies, last year you spent \$17,000 less than was budgeted for supplies, yet this year you're budgeting almost \$16,000 more. What's the reason for this fluctuation?

MS. KING: The difference last year was, really, we made a concerted effort to keep our supplies and our paper down. As well, with the reorganization, we've readjusted all of the budgets so that this year, our first full year under our reorganization, I think will give us a better picture as we head into next year if we can make the permanent reduction.

MR. PETTEN: Okay.

And under Purchased Services there's a similar fluctuation. There's \$50,000 less in your revised, yet you're budgeting again \$50,000 more this year. What's the reason for that?

MR. CROCKER: So the \$50,000 in savings were on shredding and advertising costs.

MR. PETTEN: On what?

MR. CROCKER: The savings – shredding and advertising costs.

MR. PETTEN: But it's gone back up again this year.

MR. CROCKER: Yeah, mostly due to advertising costs being down this past year and

the budget stays there for this coming fiscal year.

MR. PETTEN: In anticipation?

MR. CROCKER: Well, in the event it – yeah. We didn't take it out of the budget, I guess. We didn't use it last year but, you know, it's there this year if it needs to be.

MR. PETTEN: Okay.

Under Transportation and Communications, what's the increase of almost \$80,000? What's the reason for this?

MR. CROCKER: What number?

MR. PETTEN: Transportation and Communications under 1.2.02.

MR. CROCKER: Yeah, that's reallocation again. Funding provided for T and C for corporate services employees throughout the province, corporate safety planning and admin, regional administrators and this also is associated costs with postage and envelopes for the department. It's a reallocation issue, taking from another division of the department and brought to this division of the department, again, as a result of restructuring.

MR. PETTEN: Under your Revenue – Provincial, what's included in this? I know last year the numbers have been from 2017 to revised to this year. What is this? What's included here?

MR. CROCKER: Increase in revenues due to the increased number of insurance claims during the year including a Western Memorial insurance claim, a Churchill Falls River bridge insurance claim and an *MV Veteran* insurance claim, and as well another insurance claim for the *Flanders*.

MR. PETTEN: Okay.

Under 1.2.03, Strategic and Support Services, there's a significant change in the description of what's included under this section this year compared to last year, and there's a huge increase in salary numbers and all other categories from last year's Estimates as well; \$3

million in Salaries alone from last year's budget amount, there's an increase.

So what's included here and what are the reasons for this?

MR. CROCKER: So what line was that?

MR. PETTEN: That's under Salaries, 1.2.03.

MR. CROCKER: This funding provides salary costs for employees under policy and planning, mail services, tendering and contracting, building security and overtime and other earning requirements.

MR. PETTEN: So that's an amalgamation of all the divisions that weren't there last year, correct?

MR. CROCKER: Yeah, so the additions in that section would be mail services and security.

MR. PETTEN: Okay.

Under Salaries, too, there seems to be a steady decline in Salaries, almost \$200,000 revised, another \$65,000 for this year. Why is that a downward slope, even though you have more stuff added, why is that?

MR. CROCKER: This variance is due to a number of changes, including the manager of corporate safety being improperly budgeted in the 2017-18 budget. This has been allocated in 1.2.02, Administration Support for 2018-19 and a manager of evaluation and research being replaced who is in a lower scale. Security services overtime requirements have been reduced and various other changes to the salary plan, including step changes, attrition management and vacancy factor for this activity.

MR. PETTEN: Okay.

In last year's Estimates, there was a section there for Mail Services with a budget of \$671,000. So did all of that go over into that, that and the full budget go over into this new section, this Strategic and Support Services?

MR. CROCKER: It would have, as the Mail Services were moved in the Estimates, they would have brought their budget with them.

MR. PETTEN: Okay.

There is also a section for Administrative Support associated with the purchasing of capital assets that the minister said he was keeping on the advice of Finance, just to keep the account open, but that's no longer there. Any idea what happened to that?

MR. CROCKER: Charlene, can you -?

MS. MCCARTHY: Yes, if there are tangible capital asset purchases that we didn't know about when we did the budget, then this account allows us to find one-time savings, move it in to buy those essential items. Without this account, we wouldn't have a place to put that money and we wouldn't be able to address these issues within the department. So that's why the Department of Finance wants this account kept open.

MR. PETTEN: Under your Grants and Subsidies, what is included there in that line?

MR. CROCKER: Funding is provided for FPT contributions, FPT Ministers of Transportation, a TAC membership for the department, TAC scholarship fund, World Road Congress membership for the branch and other grants.

MR. PETTEN: Okay, I'm going to ask just a couple of quick questions there now in the last minute of my block.

How many people are employed in the department today, from this year to last? Last year, it was 1,165, which was 23 less than 2016 according to the minister at the time.

Do you have a number on how many people are employed in the department now?

MR. CROCKER: Well, yeah, I do have a number as was prepared at the snapshot of Estimates. Transportation and Works is a hard department to capture numbers in because of the nature of the business and it's a snapshot in time.

These Estimates are prepared on 1,555, but if you want to go to Thursday, it will probably be somewhere in the half, in that neighbourhood, half of where the department is because,

obviously, on Wednesday of this week we switch from winter to summer maintenance and we'll layoff hundreds of employees as we change that. So it depends, it's a snapshot in time in this department.

MR. PETTEN: Okay. Are contractual positions included in that number?

MR. CROCKER: In that number? Yes.

MR. PETTEN: They are. And what about 13-weekers?

MR. CROCKER: So, currently, there are 67 13-weekers in the department and that number will fall in half or better on Thursday.

MR. PETTEN: Okay.

My time is

MR. EDMUNDS: Okay, thank you.

We can go to the Third Party.

MS. MICHAEL: Thank you very much, Mr. Chair.

Good morning, Minister, and all your staff, and congratulations on the potential retirement.

I will just start with 2.1.01.

Before that, Minister, just so – because it determines how many notes we take – can we expect to get the briefing book again this year?

MR. CROCKER: You will, but it will be in electronic form.

MS. MICHAEL: That's okay.

MR. CROCKER: Anybody over here with a binder this morning had to buy their own paper.

MS. MICHAEL: I was noticing the iPads.

That's great, we don't care what form it's in. The information is the important thing.

MR. CROCKER: And I apologize this morning, I won't take any amount of your time, but if you see me flicking around about I had to

switch from electronic to this on Friday, I think, because I was getting too confused. So my apologies if I'm seen fumbling around the binder this morning.

MS. MICHAEL: If I were in your position, I'd have a binder in front of me.

MR. CROCKER: Yes.

MS. MICHAEL: 2.1.01, obviously, in the Salaries line there's a variation. Could you explain the variations from last year's budget to the revision and then to this year's estimate?

MR. CROCKER: That increase is due to a more realistic salary recharge rate for infrastructure projects. Salary variances reflect the 2018-19 departmental salary plan. This salary plan reflects ongoing attrition management plan, fund requirements for step increases and reallocation of salary resources based on changing departmental priorities.

MS. MICHAEL: Were any positions moved somewhere else? Because it is \$421,400 less, so it's a fair bit of money. Was there a movement of positions?

MS. KING: When we restructured, the department employees reporting to the director of Maintenance and Equipment were moved to that activity. Those salaries were all reallocated as well. So it's not a decrease in funding.

MS. MICHAEL: Okay, thank you very much.

Under Purchased Services, last year the budget was \$645,000 and it was revised upward by quite a bit to \$819,500, and this year it's just \$48,500 under Purchased Services. If we could have an explanation of all of that, please.

MS. KING: Sure. Again, this isn't a budget decrease but it's reallocation of funds for the new structure. The funding for our road weather information system and our new AVL, sorry, our vehicle locators were reallocated to Maintenance of Equipment administration account.

MS. MICHAEL: Okay. So that's why we're down to the \$48,000.

MS. KING: That's right.

MS. MICHAEL: Did you have extra expenditures, though? You did spend more money last year under the revision.

MS. KING: This overrun is mainly due to expenditures with our new GPS tracking system. We implemented it more quickly. We were able to do it quicker than we had anticipated.

MS. MICHAEL: Oh good, great.

Thank you very much.

Coming down to 2.1.02, and it's under Revenue. The Provincial Revenue is estimated at \$150,000 and this year it's maintained at \$150,000; although, last year it was down by \$50,000. Where exactly does that revenue come from?

MR. CROCKER: That would be primarily our TODS, our tourism directional signage. If a tourism operator wants to purchase a sign, and there's an ongoing rental we achieve from that as well.

MS. MICHAEL: Right, okay.

Thank you very much.

2.1.04 under Salaries, we do have a slight drop under Salaries. Can we have an explanation of that, please?

MR. CROCKER: Well, I guess that's our winter maintenance salaries. Is that correct? Yeah.

So there is a salary variance on this. This is one that fluctuates with winter weather conditions. The amount primarily, I guess, it would be overtime. Because in a core situation we pay our staff a core salary or core work hours, but this would be associated with overtime costs when it comes to snow and ice control.

MS. MICHAEL: Right. Thank you very much.

Under Supplies, last year the revision was up by \$4.3 million from the budget. Could we have an explanation of that increase? Because you do expect to come back down this year again.

MR. CROCKER: That was a reallocation of funding to offset the increase in salt and sand

costs. Some of this is due to the new sections of the pavement on the Trans-Labrador Highway.

Again, this is one of those fluctuations you'll see in this department due to usage of salt and sand. Because really we don't get – our salt and sand savings come from the previous year, we don't see it. We would have started this season with no inventory, whereas next season we may have some inventory, and that would be reflected in the – it's how much we got left in stock and what we got to purchase in the next fiscal year.

MS. MICHAEL: Sure, understood.

Thank you.

Just a couple of questions, Minister: Does the department have a way of counting how many times the plow tracker is accessed, and do you have numbers on that?

MR. CROCKER: Yes, we can see that. I don't have those numbers this morning. I'm not sure, Joe, if you could speak. Do you have –

MR. DUNFORD: (Inaudible.)

MR. CROCKER: We can certainly get those numbers. I can tell you, there has been a significant uptake and we were able just a few weeks ago to make this now province-wide. Again, there was a question earlier that referenced an increase in expenditure, and that was because we were able to find a way to get this done province-wide – island-wide, I should say – as quickly as possible.

We're working to make it available in Labrador. There are some different challenges because in Labrador we contract our snow and ice removal, so we have to work with the contractors to make plow tracker available.

MS. MICHAEL: Right.

Is that the only place you have contractors?

MR. CROCKER: Well, yeah, as primary providers.

MS. MICHAEL: As primary.

MR. CROCKER: Yes. We use contractors all over the province –

MS. MICHAEL: Well, that’s what I thought.

MR. CROCKER: – to supplement our crews, but in Labrador we do have two contractors providing the majority of the service.

MS. MICHAEL: Right. Thank you.

There was a review being done of the tow-plow pilot project. Has that been completed? Do you have the results of that?

MR. CROCKER: We haven’t got the final results of the success because I guess some of that review would go down to be as technical as the size of engine required in the truck. We did announce in the budget a couple of weeks ago that we will be adding to the tow-plow fleet this year. So we are confident that it has been successful.

MS. MICHAEL: Okay.

And will that information be in the briefing book, do you know?

MR. CROCKER: I wouldn’t think so.

MS. KING: No, it’s not in here.

MR. CROCKER: Yeah, no, it’s not. No, sorry. It’s not in here, no.

MS. MICHAEL: But if we wanted it we could request it.

MR. CROCKER: Yeah.

MS. MICHAEL: If we needed it.

Thank you very much.

Coming to Building Maintenance, Operations and Accommodations – that’s 2.2.01. Here again it’s a salary issue, and this may be reallocation of positions. I would like an explanation because this year we see an increase of \$791,100 over last year’s estimate. It’s down slightly from what the revision was because the revision went up quite a bit. It was \$1,012,800 over the budget. So if we could have an explanation of that line.

MR. CROCKER: Yeah. I guess the 791 increase is due to more realistic salary re-charge rates to our infrastructure projects. Salary variances reflect the 2018 departmental salary plan. The salary plan reflects ongoing attrition management plan, funding requirements for step increases and the reallocation of salary resources based on changing departmental priorities.

The second question around the revised and the \$1.012 million includes severance payments of approximately \$457,000 and a lower-than-anticipated salary re-charge rates to our infrastructure projects. As a part of the annual salary plan estimates, salary re-charge rates are used to prepare the yearly salary allocations for the department. These recharge rates are estimates only and the level that’s actually recharged varies based on the number and scope of the infrastructure projects we do and complete annually.

MS. MICHAEL: Okay, thank you.

I only have 24 seconds left so I’ll stop, Mr. Chair. I only have 18 seconds left, so I’ll stop.

Thank you.

CHAIR: Okay, we’ll go back to the Member for Conception Bay South.

MR. PETTEN: Thank you, Mr. Chair.

I’d like to go back to 2.1.03. Under Purchased Services, what amounts are included in this? What’s included here?

MR. CROCKER: This funding is provided for machinery rentals to supplement our equipment: sealers, rollers – sorry, spreaders, rollers, tampers, long-reach excavators; equipment that we normally wouldn’t have in each and every one of our depots. Obviously, this is obtained from various suppliers. The road maintenance of the Trans-Labrador Highway – and this would also include our brush-cutting program and our calcium chloride program.

MR. PETTEN: What about the asphalt recycler cost with maintenance – is that included in this section?

MR. CROCKER: It wouldn't be, would it, Joe, because that's a –

OFFICIAL: (Inaudible.)

MR. CROCKER: That's a piece of equipment that was actually purchased previously, so it's actually in our inventory. It's not something that we're going out to rent or –

MR. PETTEN: Under 2.1.04, in Salaries, is overtime included in this? Does this figure include overtime for this past year?

MR. CROCKER: Yes.

MR. PETTEN: Do you have any idea of what your overtime was? How much overtime there actually was? Do you have that broken down?

MR. CROCKER: Sorry, if you could, would you mind asking the question again and I'll get Joe to take the question.

MR. PETTEN: Do you have a breakdown of the overtime cost this year for your winter maintenance, snow and ice control from last year?

MR. DUNFORD: I don't have that here offhand at the moment. That's something we can get, absolutely.

MR. CROCKER: So the deputy can get you that information. The overtime was \$3.8 million. Labrador region was \$150,000; Clarendville region was \$751,000; Avalon region was \$1.1 million; Grand Falls-Windsor was \$800,000; and the West Coast-Deer Lake region was \$1 million.

MR. PETTEN: Has that increased from last year? Is that an increase over last year's amount?

MR. CROCKER: No, we've held our estimates on Salaries steady. So the last year budgeted was \$20 million, revised was \$20 million, was equal, was the same, and our estimates this year are at \$20 million again – \$19.9 million. So the overtime is in that number.

MR. PETTEN: And under your Summer Maintenance, 2.1.03, the cost associated with the

potholes, pothole repairs, would cold patch fall under this? Would that be included in this section?

OFFICIAL: In Purchased Services or just overall, Barry?

MR. PETTEN: In that section, probably under Purchased Services. That's what I'm kind of just basically generally asking. Is that cost included in this section?

MR. CROCKER: That would be practically the same answer I guess as the Summer – no, I'm sorry, 2.1.03 –

MR. PETTEN: Yeah.

MR. CROCKER: So this is the funding for equipment rentals?

MR. PETTEN: Well, I'm asking the general question –

MR. CROCKER: Oh.

MR. PETTEN: – is there in that section? I'm asking you I guess is that cost associated with that in there?

MR. CROCKER: Oh, okay, sorry. Stuff like cold patch and stuff?

MR. PETTEN: Pothole repair, yeah, for all your costs.

MR. CROCKER: Yes, in Purchased Services, because our cold patch would be (inaudible).

MR. PETTEN: So how much did cold patch cost the department last year, this year, do you know?

MR. CROCKER: Typically between \$500,000 and \$600,000.

MR. PETTEN: Five hundred thousand dollars and \$600,000 per season?

MR. CROCKER: Yeah.

MR. PETTEN: Okay.

And what kind of results did you get from the cold patch this year?

MR. CROCKER: I guess any time you're patching potholes there are always challenges with weather and other things. But it's been, I guess, similar to other seasons.

MR. PETTEN: In the 2.2.01 section, under your Salaries, 2017 estimates Salaries at \$3.814 million and this year's budget shows them at \$2.589 million, and it starts off in the budget being \$1.798 million, but last year's Estimates show that it was \$3.8 million. But the heading remains the same under Administration. So what's would the change for this – that's a fairly substantial amount. There is obviously something removed.

MR. CROCKER: Yeah.

So this increase is, again, more realistic salary recharge rates for infrastructure projects; salary variances reflects the 2018-19 departmental plan; and the plan reflects ongoing attrition management, funding requirements for step increases and the reallocation of salary resources based on changing departmental priorities.

Did you ask the revised question on that as well?

MR. PETTEN: No.

Well, I know last year was \$3.8 million and this year we're down to \$2.5 million, and even though in your budget that line is showing \$1.798 million, last year's estimate show \$3.814 million. I'm asking what the drop is for. Like, what's missing?

But the heading doesn't change. Administration is just the same as last year's.

MR. CROCKER: Engineers have been removed.

MR. PETTEN: What?

MR. CROCKER: The engineering staff has been removed.

MR. PETTEN: Removed from this section?

MR. CROCKER: Yeah.

MR. PETTEN: So where are they now?

MR. CROCKER: Charlene.

MS. MCCARTHY: We've consolidated all of our engineering services under the one activity and I think it's 3.1.02.

MR. PETTEN: 3.1.02? Okay.

Minister, I've got a couple of minutes left in this round. I'm going to just ask a couple of general questions I guess.

To go back to the positions, I finished off the last time talking about the attrition plan. Are you still following the attrition plan? Do you still have the attrition plan? Are you still –?

MR. CROCKER: Yes.

MR. PETTEN: As a result of the attrition plan, how many positions have been eliminated?

MR. CROCKER: Do you mean, like, since the previous administration brought in the attrition plan?

MR. PETTEN: Well, or if in the last year – because I think I had the figure from last year.

MR. CROCKER: Charlene, could you speak to that, or (inaudible)?

MS. MCCARTHY: Are you talking about in '18-'19 reductions, upcoming?

MR. PETTEN: Well, yes – or to date, really, from year over year. So I'm talking pretty well since we met last year to this year, what reductions have been found, or have there been any reductions in the last year? And I guess any plan for the coming year.

So just in –

MS. MCCARTHY: Okay.

For the coming year there is no plan to reduce any positions, except for ones where people are retiring and we do not have to fill them. So there will be no bodies going out through the door, as such.

So as positions become vacant, the department will be looking at individual requirements for that position and making judgment calls on whether we should fill that position or leave it vacant.

MR. CROCKER: I guess just to add to that, if you look at how Transportation and Works actually operates as a department, every time you look at attrition plans, and, I guess, that's why attrition has a number, a percentage or a value works better for a department like this one, is the fact that we don't apply any attrition when we look at snow plow operators, for example. That's not something we would see an attrition opportunity. That's frontline services.

We look for attrition opportunities in more of a senior role or a role that doesn't affect our frontline employees because, really, our primary focus, I think, is providing safe highways for our residents. That's not somewhere we would look for attrition savings.

MR. PETTEN: Okay.

One question in my last few seconds. How much have you spent on snow clearing this winter, to date? How much has snow clearing costed?

MR. CROCKER: That would be just a shot in the dark because the reality is we still have snow clearing costs. We still have our snow clearing costs up until Wednesday. We already know that we are extending the West Coast beyond – we had a severe winter event on the West Coast last week. Those costs wouldn't be tallied at this point in time.

CHAIR: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you very much, Mr. Chair.

If we look at 2.2.02, Building Utilities and Maintenance, just a quick question with regard to the Salaries because the Estimates for this year are \$432,200 less than last year's budget.

MR. CROCKER: This variance is mainly due to the reallocation of salaries to reflect again the new departmental structure. Regional engineers, senior engineers and technical service inspectors

were moved to come under director of Building Design and Construction, which we'll see a little bit later in 3.1.02.

MS. MICHAEL: 3.1.02, if I get that one I won't ask you the question then when we get there, except maybe to ask how many engineers there are in that department.

MR. CROCKER: I'll be deferring to Cory.

MS. MICHAEL: Thank you very much.

Under 2.2.03.

MR. CROCKER: Building Rentals?

MS. MICHAEL: Yes, Rentals. We have large numbers here, of course, but we see an increase of \$523,000. Could we have an explanation of that under Purchased Services?

MR. CROCKER: Yes, that's an increase of our rent at Atlantic Place.

MS. MICHAEL: Okay. It's that white elephant.

Thank you.

MR. CROCKER: The gift that keeps on giving.

MS. MICHAEL: Yes, right.

All right, that was 2.2.03; 2.2.04, that's the Salt Storage Sheds. Under Purchased Services the revision was downward by \$200,000 and the budget for this year is down to \$800,000. That's a big jump down. Can we have an explanation?

MR. CROCKER: On the \$200,000, it was saving on expenditures in '17 and '18. Coming down even further is over the last number of years the department has been successful in a lot of new construction of salt sheds and we're really getting to a point where our salt sheds are reaching a good place, I guess. I can't take all the credit for that but we do have some good infrastructure now when it comes to salt sheds.

One of the things we'll be doing this year when it comes to salt sheds is replacements in Lethbridge and construction of a foundation and a new building at White Hills.

One of the successes that new salt sheds bring to the department is savings in salt because, obviously, if our salt is not stored outside, we don't have the erosion caused by precipitation, wind and other factors.

MS. MICHAEL: Right. Thank you.

Some municipalities, my own included, probably needs a look at the salt storage. We have a few –

MR. CROCKER: We're addressing our issue just this year in St. John's at White Hills. So that's one of the ones we'll be constructing this year.

MS. MICHAEL: Okay, but the one down on the Waterfront, is that municipal or provincial?

MR. CROCKER: No, I think that's actually – that's where we buy it. Well, not necessarily we buy it from, but that's Harvey's storage.

MS. MICHAEL: Oh, that's right, it's Harvey's.

Thank you.

Just a couple of general questions, Minister. In your mandate letter you were required to further reduce the government's building footprint, and I know there have been some efforts taken on that. Can we have an update on what's going on?

MR. CROCKER: Yes, as of today, since 2016, we've been able to reduce government's footprint by slightly over 90,000 square feet and we will continue. I believe in *The Way Forward* we – we are ahead of our targets, actually. We are now moving to the over 100,000 square foot reduction number.

MS. MICHAEL: Could we have some examples of how that's being done with buildings?

MR. CROCKER: If you look no further than West Block, AES just came into a new space on the first floor. We're using new standards. We've adopted, I guess, the standard used by the federal government with work space requirements. So that's one here in the building that we've done.

So AES moved, I think, off Kenmount Road to –

OFFICIAL: (Inaudible.)

MR. CROCKER: So, as an example, the AES move has a savings of \$273,000. That was they came off Kenmount Road, and others, we'll have a tender actually that – sorry, an RFP – closes, I think, later today for our leased space in Corner Brook. We're going to reduce the space used primarily by Fisheries and Land Resources in Corner Brook by approximately half.

MS. MICHAEL: And would that AES move in particular, would that have included frontline workers access to the public or more administrative?

MR. CROCKER: The function that's now located over there that came off Kenmount Road was a call centre, so I guess receiving in-bound calls, primarily.

MS. MICHAEL: All calls?

MR. CROCKER: Yeah.

MS. MICHAEL: Okay, thank you very much.

Also, still related to the government-owned buildings, you've been mandated to make sure that they are energy efficient and environmentally sound by pursuing the BOMA BEST certification. So can we have an update on that as well?

MR. CROCKER: So, yeah, obviously any time we're contracting for construction of new buildings, we're looking for LEED certification, any opportunities we find for switching. Government will have a part of the new low carbon fund and that will be to help retrofit some buildings, not only here in the city but throughout the province. Any time government looks for space now or does things to our own properties, energy efficiency is always in mind, no different than it would be for any of us.

MS. MICHAEL: Right.

With regard to new construction, we do have construction coming up, for example, under the Department of Health. Well, of course, you're in charge of the construction.

MR. CROCKER: Mm-hmm.

MS. MICHAEL: So would the calls for proposals include this as an essential part of proposals?

MR. CROCKER: So any of our requests for proposals that we put out, there is scoring, I guess, points for your energy efficiency and we look for LEED Silver now in all of our builds. That's something we're looking for. In everything we build, we look for LEED Silver.

MS. MICHAEL: Okay, and will that be the same as well for any buildings where you're going to be using the P3 model for construction, for example?

MR. CROCKER: Absolutely.

MS. MICHAEL: And government is in control of those RFPs?

MR. CROCKER: Yes, absolutely.

MS. MICHAEL: Okay, thank you very much.

I'll just move on to – that's all the general ones I have at this moment – 2.3.01, Equipment Maintenance.

MR. CROCKER: Okay, yes.

MS. MICHAEL: Okay. Again, it's a salary question because the Salaries have gone up by \$415,500 over the budget of last year.

MR. CROCKER: Yes. This is, again, due to restructuring. Employees reporting to the director of maintenance and equipment were moved to the maintenance and equipment administration activity, which is 2.2.01. This is administrative support for roads and as a result the funding associated with these employees has been reallocated, and this does not reflect in this increase,

MS. MICHAEL: Okay, thank you.

Under Purchased Services in the same head, we have a variation here as well.

Do you have that? That's still 2.3.01.

MR. CROCKER: Yes.

MS. MICHAEL: Okay. So the variance here is \$581,500 more budgeted for this year over last year's budget. Do we have an explanation of why that big jump?

MR. CROCKER: Again, some of this answer will be repetitive, but this is due to the restructuring in the department, and employees reporting to the director of maintenance and equipment were moved to the maintenance and equipment administration activity. As well here, Purchased Services funding associated with these employees was reallocated and this would primarily include the funding that's used for the road weather information system.

MS. MICHAEL: Okay, thank you.

Just out of curiosity, is there a chart showing the restructuring of the department?

MR. CROCKER: Yes, we can certainly get that. Absolutely.

MS. MICHAEL: He'd love it actually.

Thank you very much.

Okay, I'll leave it at that, Mr. Chair.

CHAIR: The hon. the Member for Mount Pearl - Southlands.

MR. LANE: Thank you, Mr. Chair.

Minister, I don't have any on that one (inaudible) on line by lines. My colleagues are doing a good job at getting through those, for sure.

I have some more general questions. The first question goes to 1.1.01 under Minister's Office, and you talked about a ministerial liaison –

MR. CROCKER: Yes.

MR. LANE: – to deal with municipalities. I'm assuming where that's in the Minister's Office, that's a government appointed position as opposed to a public service position that would be through the Public Service Commission?

MR. CROCKER: Yeah. No, that is a political position. It's compensated, like I said, around the constituency assistant level.

MR. LANE: Okay, thank you.

MR. CROCKER: It's not wholly for municipalities but it is one of the, I guess, interest –

MR. LANE: The impetus for doing it, perhaps.

MR. CROCKER: Yeah, and I guess it's a lot more. Our stakeholders – we have a lot of opportunity I think to work with municipalities, not only municipalities but other groups as well. It's sort of to get some more emphasis on co-operation.

MR. LANE: Okay, thank you.

My next question falls under 1.2.02, it's just a very general question. There was one item there that somebody asked about, I think it was Professional Services, where it was \$131,800, it went down to \$81,800 and then still back up to \$132,500. When asked about it, I think you said you saved money on shredding and advertising costs but the explanation for continuing was we just decided to keep it the same as what it was the year before, even though we didn't use it.

Just a very general question on that. Based on that response, I'm just wondering, is government still using the zero-based budgeting or has that been abandoned?

MR. CROCKER: Absolutely not abandoned, and you'll see lots of times when you look through these Estimates you will see minor tweaks of 100, 200, 300, 400.

MR. LANE: Okay.

MR. CROCKER: That's zero based, but when it comes to advertising in this department and why we would want to keep that budget is occupational health and safety is a huge concern of this department. One of the things we're – public awareness, for example, around construction zones and some of the issues we see in construction zones, it's really important that we have the ability to advertise and partner with others when it comes to advertising,

whether it's a construction association or others because awareness of drivers, I guess all the time, but during construction season is a concern of ours. We feel it's necessary to keep our advertising budget. You'll see it this year where we'll have an advertising campaign or some more focus around employee safety and contractor safety.

MR. LANE: Okay, good.

Thank you.

The next one I guess would fall under 2.1.02. Again, it's a general question because it relates to signage and so on. I'm just wondering, there was a sign strategy, TODS I think it's called. I can remember it back in my days of being on the board of Municipalities Newfoundland and Labrador, I think when it was first – five or six years, or probably eight years ago now it was brought forward. I know there was some push back about having this sign strategy, if you will.

I'm just wondering, is that something that's still on the radar or has that concept sort of been abandoned and we're just going to stay as we are?

MR. CROCKER: No, it certainly hasn't been abandoned. Actually, it's part of my mandate to work with the Minister of Tourism to get a strategy that works. One of the things that I think we need to do – maybe a little bit different than it was approached previously – is we need to work with, primarily, Hospitality Newfoundland and Labrador.

There's no doubt about it, we have significant sign challenges in this province but a solid strategy is something we're working towards. I met with the Minister of Tourism just a few weeks ago actually to discuss this very topic, and I know the Minister of Tourism has regular communications with HNL on this.

No, it is certainly something that hasn't been abandoned, but we want to do it in a way that's respectful to business owners. We need to preserve their right to advertise but we need to do it in a standard of a format as possible.

MR. LANE: Okay, thank you.

I'm glad to hear that because I know there was push back at the time. I understand why there perhaps would be, but I'm glad to hear you're not abandoning it because I really do think it's the right thing to do, so good.

2.1.03; again, it's nothing specific but I guess it would fall under there. There's been a significant issue, as you know, as has been raised by one of my colleagues about potholes and so on, and I know it's ongoing. It has nothing to do with who's at the helm or whatever, a pothole is a pothole. It's a challenge, there's no doubt.

I do want to thank, by the way, Mr. Dunford here because a number of times I've had to reach out for him on the ramps going in and out of Mount Pearl. They've been pretty accommodating, and I realize the challenge. So thanks for that.

I'm just wondering, have you looked in to or has the department looked in to any potential new technology or whatever that relates to potholes?

I mention it because I've seen something on social media recently. You may have seen it. I don't know if that's even realistic in our climate. I don't know what the costs are. It might be a pipedream, I don't know, but it looked pretty good on the computer. I know that's totally different from doing it in practice.

MR. CROCKER: Yes.

MR. LANE: I'm just wondering, have you been looking at, whether it's that technology I'm referring to or other technologies to try to deal with and keep up with potholes? Because what we've been doing presently doesn't really work as great as we'd like.

MR. CROCKER: It's a good question, actually.

We're in the process, I guess, of finalizing, updating our pothole patching procedure. That doesn't sound like a very big procedure to update but the last time the pothole patching procedure was updated in this province was 1994. A lot has changed in the way potholes are addressed. You're correct, there is equipment

out there today that does that. I'm not sure it works.

One of the things that we've been successful in this season, I think – and this has a lot to do with weather conditions – is more and more use of our hot asphalt recyclers. We have four hot asphalt recyclers and what we did a few weeks ago – at this point in time the West Coast is not to a point in the season where they can use their hot asphalt recycler so we brought that one in. We have two in the Avalon region right now trying to keep up. I think the hot asphalt recycler is out today.

There is work around procedures and I guess it comes down to two things. I'm sure we're all familiar with the Bruce Street potholes this year in the intersection.

MR. LANE: Absolutely.

MR. CROCKER: We went there on a number – number, number and number – of occasions and actually used cold patch. Then, we found a window, went in there with the recyclers and that was successful. If you look at cold patch versus the ability to use hot asphalt, I personally think it's like chalk and cheese, but anywhere we get the opportunity to use it.

To go back to your point, we're always looking at ways to improve that procedure. If there are technologies out there we'd certainly be interested again. Some of these technologies we see like the Python 5000 are probably not really conducive to our climate and the fact that we're maintaining potholes on 10,000 kilometres of roads.

MR. LANE: Okay, thank you for that.

I'm glad that you're at least continuing to look into it because, as we all know, I'm sure there's not one Member of the House of Assembly that hasn't gotten numerous calls about potholes. It's an ongoing issue for sure, as well as municipalities.

Minister, I'm just wondering, I know under 2.1.03 it talks about brush cutting. How are we doing on brush cutting in terms of keeping up with it to deal with the moose situation? Are we maintaining the amount of brush cutting that

we've normally been doing and we're planning on continuing?

MR. CROCKER: Absolutely, we are maintaining. We budget approximately \$2 million a year for brush cutting. When we're doing larger summer construction projects, we'll also include brush cutting in that.

There's always a need for brush cutting because, obviously, it's just the nature of growing. It's going to be a continuous cycle, so if we're ever fortunate enough to get to a place where we can keep ahead of it – our engineering staff and our regional staff are always asked to compile hotspots, I would call it. So we address it in that way. If we identify a hotspot with moose, for example, we'll put a priority to it.

Yes, we're still working with SOPAC. We do some funding with SOPAC. We were able to continue that coming into this fiscal year for their public awareness campaign and some of the great work they do around awareness and their hotline. Any time we can give motorists a heads-up or some knowledge of where there's a moose incident or a moose opportunity or an incident, it is worthwhile doing.

MR. LANE: Thank you, Minister.

I see my time is up so I'll defer.

CHAIR: The hon. the Member for Conception Bay South.

MR. PETTEN: Minister, we've gone through the road maintenance section but there are a couple of questions, outstanding ones that I'd ask before I move on to another section.

The list of roads, of course, for the province, there's been much conversation over the last year or so since you implemented the five-year Roads Plan. It's meant to be an open and transparent – issuing of all roads, of course, for all of our provincial roads, the 10,000-and-some-odd kilometres we have. I've asked many times for a list of roads but I've never received them. Is there an official list of all the roads and where they score somewhere in the department?

MR. CROCKER: Understanding the process of how we get to where we are with our Roads

Plan, the first level of feedback comes from our local staff. Our local staff would go out and identify in their region this road, this road and this road. Then they bring these roads to our regional engineers and they bring it to our senior engineers. Then, in the late fall we have public input and then we finalize.

We're at a point right now where we're only updating 25 per cent. This year, of a \$64-million roads budget, we had about \$16 million to put – because we'd already committed. You can go online this morning and see that 75 per cent of our road projects for next year are there. They are planned, we see it and that's an input.

There isn't a database that has every single piece of every 10,000 kilometres of roads in this province in it because, obviously, by the time you got to there, it wouldn't be a five-year Roads Plan; it would be a 20-year roads plan. The reality is our engineers go out, we look at traffic counts; we look at local roads versus Route 1, 2, 3, 75, our trunk roads.

We need to leave that flexibility of that 25 per cent, for example, going into next year for emerging priorities because I can tell you, you see things deteriorate fast. Especially around bridges and stuff, you see quick deterioration. This is a snapshot in time and that's why we leave the number of 25 per cent for the next construction season.

MR. PETTEN: My point – and I don't want to belabour it because I've asked this many times as you're well aware and I'm sure officials in the department are well aware. But from my standpoint, and a lot of people's standpoint, that's not what was advertised, that's not the way it was introduced. It was a five-year Roads Program; it was taking the politics out of paving.

I get that. I wasn't opposed to that when it was announced. Actually, I didn't think it was a bad plan. But I've always argued, and you've heard me say it many times – and I say it in all sincerity – where is this list? It was said there's a list but there's no list.

I'll use examples. You've heard me talk about Route 60, and most – Joe, I'm sure, has heard me say it a million times and I'll keep saying it because it's one of the busiest roads in the

province. All the criteria for you rating a road, Route 60 is the poster child for it. It's probably the fifth busiest road in the province – you're looking at use, population, needs, what have you – but it's nowhere to be found. I've never ever been able to find where that road ranks on the list

MR. CROCKER: And that's fair, but I think – and our approach to that is if you look at Route 60, we look at it as a local road. Government's mandate for – we look at ones, twos and threes. That's our priority.

Government built Route 2, Peacekeepers Way, in a way so that we would relieve ourselves of the responsibilities of local roads like Route 60. This is one of those roads that we want to work with the town on and finding a way going forward. There are many advantages and, I guess, if you talk to the town there are many disadvantages of municipalities taking over roads like Route 60. But some of the best sections of Route 60 you'll find in Paradise.

If you look at that section in Paradise, it's the stuff that's maintained by the town. This is a road that when Mount Pearl, for example, took over Topsail Road from – when government starts building Outer Ring Roads and Harbour Arterials, traditionally roads like Route 60 are devolved down to the town.

Our primary focus in that region of the province would be Peacekeepers Way and we have investment again going into Peacekeepers Way this year. I do understand the conversation you and I are having here, your frustration on Route 60. It's something we met with the town as recently as last week to keep the conversation going, but it's important to us that priority is given to our ones, twos and threes, our main trunks in the province.

MR. PETTEN: Okay. We'll continue on with that one. To be continued.

MR. CROCKER: I'm sure.

MR. PETTEN: Under 2.2.02 in the Building Utilities and Maintenance section. Is that where our government assets are located? Is that where –

MR. CROCKER: 2.2.02?

MR. PETTEN: Yeah. It's the revenue, I guess, is probably what I'm asking. Is that to do with – is that any of our government assets? I know it's government-owned buildings. Is that where our government assets are stored, any buildings or used or unoccupied, I guess?

MR. CROCKER: So you're asking about the revenue here?

MR. PETTEN: Yeah, well, I guess. So what's the revenue, basically?

MR. CROCKER: It's revenue from rental of government buildings, sale of steam heat, parking meters and revenue from, I guess, our agreement with even the cafeterias here in Confederation Building. There is revenue that comes back from the operator of the cafeterias.

MR. PETTEN: So what have you received in the sale of government assets to date?

MR. CROCKER: In Transportation and Works?

MR. PETTEN: I guess, yeah, well that usually falls under –

MR. CROCKER: I don't have that list right in front of me. I know, for example, we sold the Holyes-Escasoni Complex.

One of the things for Transportation and Works that we really focus on is our reduction in footprint. As I said earlier, we've reduced our footprint by 90,000, with substantial more footprint being reduced. Again, FLR closes today and we're looking at reducing government footprint by probably another 20,000 or 30,000 square feet on the West Coast. So that's where we see it.

Our number of assets at TW are somewhat limited when you think about it because the sale of, for example, old school properties. That sale is done by the Newfoundland and Labrador English School District. So some of the properties that government would have would be primarily health facilities. I know, for example, right now we're in talks in Lab West with bringing that building off.

One of the things when you talked about the sale of government buildings, it's one thing to look at the dollar figure you receive for a building, the other thing is to look at the liability you're getting off the books because in lots of cases many of these assets don't really have a lot of real estate value but they have a big value to us in savings that you would see in heating costs, security costs, insurance costs and just all liabilities associated with it.

MR. PETTEN: Minister, also the Budget Speech mentioned Asset Management Framework. Can you offer any details on that?

MR. CROCKER: That is actually being lead by the Department of Finance, but, I guess, in a smaller piece, if you want to look at this department, two things that did happen in the budget that are management tools, and not so much on the asset side is – well, they are assets obviously – the entire government fleet, light vehicle fleet resides in Transportation and Works, where previously each government department would have so many cars, for example.

We did a very extensive review of that and found that what happens in lots of cases – and I'll give a couple of examples – is, for example, Tourism wouldn't be using their cars in the winter as much as they would use them in the summer. Other departments use cars more in the winter.

What we're in the process of doing now is setting up a method or a management system where a government employee or a government department requiring a car for tomorrow, you phone up and you book a car. That's how we'll determine how many cars we need in our fleet.

We've already determined that we're going to reduce our light vehicle fleet this year by 10 per cent. What you'll quickly start seeing is when you look at cars and government owned vehicles, you'll no longer see the Government of Newfoundland and Labrador, the department of works, services and transportation, you're going to see Government of Newfoundland and Labrador on the vehicle fleet.

We've done the same thing this year. Previously, departments came to Transportation and Works

and said: We want some space here, we want to keep this space or we want to do that. Really, we were just the key holder, but now Transportation and Works actually has all the leases for government in the department. We'll be able to make the final decisions on where departments are located and how their space is allocated.

MR. PETTEN: Thank you.

CHAIR: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you very much, Mr. Chair.

Coming to 2.3.02, Maintenance of Equipment. Okay?

MR. CROCKER: Yes.

MS. MICHAEL: Under Purchased Services in that head, the Purchased Services went up in the revision by over \$633,000. Could we have an explanation because it's back down again for this year, but there seemed to be a big bump in last year's expenditure?

MR. CROCKER: Yes, that was an overrun primarily due to outsourcing of repairs for winter fleet preparation. Costs can vary on availability of in-house staff, the complexity of the work we're into and, obviously, labour and material costs.

MS. MICHAEL: Okay, thank you.

In the same head under Revenue, 02, provincial revenue, you maintained \$82,000 there although it went down by \$30,000 last year in the revision.

What is the source of that revenue? That's going to be question I'll be asking consistently. What is the source of the revenue there?

MR. CROCKER: The source of that revenue is the sale of old equipment and all OH and S-related expenditures for equipment maintenance are 100 per cent covered by WorkplaceNL. So there's revenue that comes back from WorkplaceNL.

MS. MICHAEL: Okay, thank you.

I'd like to ask a question so that I don't forget it. It goes back to something that was asked by Mr. Petten.

When the school board sells property, does that revenue stay within their revenue coffers?

MR. CROCKER: I asked that same question last week and the answer that I got was – it's best asked to Education, but my understanding was it's quite possible that it stays with the eastern school district, but I wouldn't want to be quoted on that. I think that's more of an Education question, but what they do is that sale is done by Newfoundland and Labrador English School District.

MS. MICHAEL: That's right. Okay, well then we have Education tomorrow morning, I'll make sure I ask that question then.

MR. CROCKER: Yeah.

MS. MICHAEL: Thank you.

Coming back now to the line items here, 2.3.03, Equipment Acquisitions. Again, under Property, Furnishings and Equipment, which is, of course, what the main line is there. There was a big increase last year of over \$490,000. This year there's a big jump downwards, spending \$884,000 less.

So could we have an explanation of that whole area? What the equipment is that's provided there. Well, it's the heavy equipment and light vehicles, I see.

MR. CROCKER: Yeah, so the deficit here can be mainly attributed to cost of two brine tankers that we were trying to secure and two new snowplows because, unfortunately, on January 7, we had a fire at the Bellevue depot and we lost two trucks. So we had to find ways within the department to go out as rapidly as possible to replace those two vehicles. That's why you see the difference here.

MS. MICHAEL: The big difference, right. Okay.

And just out of curiosity, what kind of tankers? What were they?

MR. CROCKER: Brine tankers. So what we do on our larger highways is, in anticipation of a snow event, we actually lay what I'll call a saltwater mix before the storm and it helps with the initial cleanup.

MS. MICHAEL: Okay, so B-R-I-N-E tankers.

MR. CROCKER: Yes.

MS. MICHAEL: Thank you.

Again, under 2.3.03, there's provincial revenue. What is the source of that revenue? Last year we got more than we expected?

MR. CROCKER: There's \$28,000 that relates to one-time revenue from Newfoundland and Labrador Hydro – just imagine, government getting revenue from Hydro – as a reimbursement of costs of a vehicle required for post-transmission line construction monitoring south of Bay du Nord Wilderness Reserve.

MS. MICHAEL: That's the kind of thing that –

MR. CROCKER: That would be if we are able to achieve revenue from someone using our resources, our vehicle, we would charge them.

MS. MICHAEL: Thank you.

Moving on then to Highway Design and Construction, 3.1.01, my only question here has to do with Purchased Services. There was an expense that seemed to be maybe a one-time expense because it's \$45,000 more than what had been budgeted.

MR. CROCKER: This overrun is primarily due to higher electricity costs related to the electrical systems and traffic lighting that TW is responsible for. We need to find efficiencies to offset some of these electrical costs.

We've done some work here; for example, at Confederation Building and other places where we're looking to LED lighting. There are opportunities but getting to more efficient lighting, for example, takes time and, unfortunately, it takes money. These are things that we're going to need to do as we go forward for savings when it comes to electricity costs.

MS. MICHAEL: Right.

Related to that, what happened this week though with regard to taking down light standards in our parking lots here? That was more related to the wind, was it, or ...?

MR. CROCKER: Yeah, that was related to an ongoing issue. Back a few weeks ago we had a pole that actually fell, so we immediately, for safety reasons, called in an outside company to do some non-destructive testing. What they found was deterioration in a number of our light poles here at Confederation Building.

Last week, after we received that independent advice, we immediately removed all the poles that were of immediate threat. That's something we'll work in the next coming little while to get replaced but, again, we'll be looking to – there may even be more come down yet because we're going to make sure that all the poles are safe. If we're doing the job, it's just as well to make sure we do as much of it as possible.

MS. MICHAEL: Right, because right now we have temporary lighting, I think, don't we.

MR. CROCKER: We do have temporary lighting. Our safety staff have reviewed that and made sure there is ample lighting. We're somewhat fortunate to the time of the year, but it's important that we have the lighting. We'll maintain the safety with temporary lighting until such a time that we can get the poles replaced.

MS. MICHAEL: Right. Thank you very much.

Coming down then to 3.1.02, this is where we have the engineers. I'm not going to ask why we have the jump in the salaries because I'm assuming this is it for 3.1.02, Project Management and Design. It has a big variance of \$601,500.

MR. CROCKER: You're correct. That is the reallocation.

MS. MICHAEL: That's the engineers, right; the reallocation. How many engineers are on staff?

MR. CROCKER: Cory doesn't have that number right there with him this morning, but he

can certainly get that number for you. It is a large number of our staff because we have regional engineers, then we have our senior engineers and we have some junior engineers. We have a large engineering staff.

MS. MICHAEL: I would imagine the answer to my question is, yes, but does the government have to really try to keep salaries in that area at industry standards?

MR. CROCKER: We do. To be quite frank and honest, we struggle competing with the private sector lots of times when it comes to engineering staff. There's no doubt about it, it's a struggle keeping those professionals within government. There are lots of opportunities outside of government for engineers. It's an ongoing battle.

MS. MICHAEL: Ongoing battle, right.

Thank you.

Under 01 of that section, Purchased Services; there was a big variance last year downwards, actually. Do you have that there now, the Purchased Services under 3.1.02?

MR. CROCKER: Right, one of the variances was reallocation of funding for rentals to rightsize the budget and resultant increases in the accommodation and leases. That would be something you would see show up in other parts.

There was another. Some of that savings was on building insurance. This is demand driven and can vary depending on the number of claims during the year.

MS. MICHAEL: Right.

MR. CROCKER: That was the variance in the revised. In the '18-'19 budget the \$153,000 is mainly due to reallocation of funds to other areas of the department's budget.

MS. MICHAEL: Thank you very much.

Thank you, Mr. Chair.

CHAIR: Before we carry on, we're going to take a short break and reconvene in seven minutes.

Recess

CHAIR: Okay, we'll get started again.

We shall go to the Member for Conception Bay South.

MR. PETTEN: Under 2.3.03 in Equipment Acquisitions you had said about the vehicle fleet, a reduction of 10 per cent and whatnot. How many vehicles were there to begin with?

MR. CROCKER: 1,121.

MR. PETTEN: Good. How many were purchased this year, or will be?

MR. CROCKER: I don't have that information – how many were purchased?

MR. PETTEN: How many were purchased this year, yes.

MR. CROCKER: I wouldn't have that information; I can certainly get it for you. It might take a little bit of time because last year – or we don't know that?

OFFICIAL: No, we didn't have it.

MR. CROCKER: It will be a little bit easier next year to tell you because it's all going to be TW.

In the previous fiscal year, everybody would have had their own vehicle acquisition. One of the things now is that we have a central acquisition. This hopefully will be a way to achieve some savings also. We can get those numbers of how many vehicles were purchased in the previous year for you.

MR. PETTEN: Okay.

One other thing I skipped to mention, 2.3.01, just above it, you mentioned about outsourcing of repairs. Mechanics; how many vacancies are there now? How many mechanics are in the province?

MR. CROCKER: In heavy equipment technicians?

I was expecting this question so I got the number this morning. The current number is 18.

MR. PETTEN: Eighteen mechanics on staff?

MR. CROCKER: No, vacant positions.

MR. PETTEN: Vacant positions. Wow.

MR. CROCKER: That's province wide.

MR. PETTEN: Okay.

MR. CROCKER: Just to add quickly to that, we constantly have an ad looking for heavy equipment technicians. We have six jobs posted today and if we fill those six, we'd post six more.

MR. PETTEN: So 18 from how many? How many are on staff? What's the normal staff count?

MR. CROCKER: 105.

MR. PETTEN: What?

MR. CROCKER: 105.

MR. PETTEN: 105 mechanic positions in –

MR. CROCKER: In the province, yes.

MR. PETTEN: Okay and we're down – 18 vacancies?

MR. CROCKER: We have 18 vacancies.

MR. PETTEN: Okay.

MR. CROCKER: Unfortunately, that number's been consistent for quite some time.

MR. PETTEN: Okay.

Under Equipment Acquisitions, you've referenced this tow plow. Is there a new tow plow being purchased?

MR. CROCKER: We have plans to purchase at least one, maybe two. We haven't really finalized our acquisitions plan for heavy equipment yet this year, but it is our intention

right now to purchase another, maybe two more tow plows.

MR. PETTEN: Even though the budget has dropped this year from last, do you still plan on purchasing out of that?

MR. CROCKER: We do.

Some of the budget decrease here you would see, too, is we're anticipating savings from – the light fleet is in here as well. We're going to reduce the light fleet this year by 10 per cent. Not only that, we feel there are savings to be found with consolidation of the light vehicle fleet.

MR. PETTEN: Okay, one more question on that.

Recyclers, you say, seem to be somewhat successful. Are there any plans to buy any more?

MR. CROCKER: What was that, sorry?

MR. PETTEN: Asphalt recyclers; are there any plans to buy more?

MR. CROCKER: We haven't set out our equipment infrastructure plan for this year, but it's certainly back to the Member for Mount Pearl - Southlands' question or comment earlier about always looking for technology. That's something that we do. That's in this budget. We'll look for – if there is equipment that helps, for example, with potholes, we're certainly open to looking at that equipment.

MR. PETTEN: Okay.

Next we're going back up now to 3.2.02. We're on Infrastructure under Road Construction. I have a couple of more general questions for that area as opposed to probably line by line.

MR. CROCKER: Okay.

MR. PETTEN: I'm going to go back to your bridge inspections. When are they carried out, yearly?

MR. CROCKER: The mandate on bridge inspections is every two years.

MR. PETTEN: Every two years?

MR. CROCKER: Every two years, yeah.

MR. PETTEN: I know there's been some recent attention paid to one particular bridge.

MR. CROCKER: Yeah.

MR. PETTEN: The Mutton Bay Bridge on Route 10 that was supposedly assessed in 2015.

MR. CROCKER: Yeah.

MR. PETTEN: Was there another inspection done in 2017 on that bridge?

MR. GRANDY: That was likely to be inspected this winter again. So the next time we post bridge inspection results – I would think you would see the updated report for a bridge that was inspected in 2015 posted now after we get our website updated with the new bridge inspections completed over the winter season.

That's usually when the bridge inspections are done, during the engineering downtime over the winter period. Then you can see it updated in the next year.

MR. PETTEN: When would you expect an updated report?

MR. GRANDY: It will be sometime this spring or early summer when we would put that up.

MR. PETTEN: Okay.

Minister, the Team Gushue Highway; there's \$13.7 million announced in the budget. What's the status of the project? Where are we with the project now?

MR. CROCKER: Obviously, the contract was awarded about a year ago. The contractor is still in place. We've had conversations with the contractor as recently, I think, as last week. They anticipate an early mobilization. We've seen some early mobilization throughout the Avalon region; we actually have summer road construction projects happening.

There is activity on Team Gushue right now. The company that's doing the Topsail Road

overpass is on site and the roadbed contractor anticipates to be on site within the next couple of weeks. The next step right now at Team Gushue is the concrete median and the installation of the above-ground lighting. There were some challenges that, I think, we have worked through with the city with regard to stormwater tie-ins on – what’s the road – on Brier Avenue. We’ve addressed a lot of these concerns and it should be full steam ahead once the contractor is able to get back on site in the next couple of weeks.

MR. PETTEN: There’s \$2 million in the budget for brush cutting along provincial highways. Have you decided where that work would be done yet?

MR. CROCKER: No, we wouldn’t have gotten the assessments back yet I wouldn’t think. Wholeheartedly, the reality is our staff right now is focused on the summer maintenance program. We do have the opportunity this year, actually I think, to have the earliest brush-cutting tenders ever out.

But as most people here would be aware, brush clearing is an activity that we can’t do between May and the end of August. The 1st of May until the end of August we can’t do brush clearing due to some environmental concerns. There’s fire safety risk as well. Once we get past our Roads Plan and our construction plan, we’ll get on to brush-cutting.

MR. PETTEN: Under 3.2.04, there are a number of agreements and funds over the next few pages, but could you perhaps give some overview of the status of these agreements?

MR. CROCKER: Tracy, would you like to do that? Could you go through the funding agreements?

MS. KING: So if we look at these, there are a series of federal agreements that are coming to a close. The first one being the Canada Strategic Infrastructure Fund. This year you’ll see the last of that agreement, just some clue up and final receipt of revenue from the federal government and then that program will be over.

The next agreement you’ll see is the Canada-Newfoundland and Labrador Infrastructure Framework Agreement. From here this is largely

where we are paying for Team Gushue, right? Yes. Team Gushue largely comes from this section.

Then we move into the current and the program most active right now, which is the New Building Canada, and this is one of the funds that we use most heavily. The work on the TCH that we did last year would all be from here. We have close to \$20 million from New Building Canada each year that contributes to the Roads Program in current and capital.

So those are the pots of federal funding. As well, the Trans-Labrador Highway you’ll see here separately with federal funding. Then there’s the new Investing in Canada plan, which is the federal government’s newest infrastructure program that’s just starting to come on stream. So you’ll see a small amount of money in the budget this year in anticipation so we can be ready for the new federal program.

So that’s just an overview of how the federal programs kind of fit together.

MR. PETTEN: Okay, thanks.

I slipped in the last few seconds. Back in 3.2.02, under Purchased Services, significantly less was spent than was budgeted from last year, almost \$9.3 million actually and almost \$8.2 million was added again this year. Can you explain why this is?

MR. CROCKER: That line is related to the South Coast rain event, the Thanksgiving storm. So, obviously, when we have these events, we budget an amount, when the snow goes you get down and see it, and then this was just an exercise of being overcautious or budgeting more than, actually.

The reality, when you look at these numbers, it’s not a number that we can actually reallocate because there’s a revenue offset on this. So this one would be – at this point in time when you get into those type of numbers – 90-10 with the feds, but it’s obviously not money we can access for anything else because obviously it’s related to this one, I guess, insurance claim against the disaster fund.

MR. PETTEN: Thank you.

CHAIR: Okay.

The Member for St. John's East - Quidi Vidi.

MS. MICHAEL: (Inaudible) catch up to see where I am.

So that was 3.2.02, let's stay there for a minute then.

MR. CROCKER: 3.2.02?

MS. MICHAEL: Yes, 3.2.02. Looking at the salary line, the salary line is going up by \$237,000 this year over last year's budget.

MR. CROCKER: This just simply reflects the salary requirements for the Provincial Roads Plan. That's a standard percentage allocation, so when we look at each one of our roads projects, we allocate a certain percentage of staffing allowance. This is why there's a fluctuation in this. It may be something that didn't require it, sometimes it may require it.

MS. MICHAEL: Okay, so knowing what you want to do this year, it looks like it's going to (inaudible).

MR. CROCKER: Right, and that fluctuates with any project. If a project, for example, takes longer than anticipated, our staffing costs go up. If a project is shorter than anticipated, our staffing costs will go down.

MS. MICHAEL: Right, thank you.

You've given an answer to another question. So I think all that's been taken care of. Okay, the federal question has been taken care of.

I'm trying not to repeat.

MR. CROCKER: No, that's fine.

MS. MICHAEL: You gave answers to some of my questions so I want to be careful not to repeat.

In 3.2.06, here my question is about the Salaries. I note that the budget last year was \$1.5 million and only \$686,000 was spent and then this year up to \$1.1 million, so an explanation.

MR. CROCKER: This is Project Management again. So it reflects the costs with major roads projects.

MS. MICHAEL: Okay, so it relates back to what you just explained.

MR. CROCKER: Right.

MS. MICHAEL: Thank you very much.

Under 3.2.08, would be the same answer with regard to Salaries? It looks like it might be.

MR. CROCKER: It is the same answer. It's related to the projects in question.

MS. MICHAEL: Okay.

Will the briefing book have a list of the various projects under here?

OFFICIAL: It does.

MR. CROCKER: It does.

MS. MICHAEL: It does. Okay, so I won't ask for that.

MR. CROCKER: If there's a question that you don't – feel free to reach out.

MS. MICHAEL: Okay. Thank you very much.

All right, I'm going to ask a couple of questions related – well, one actually. The Auditor General, as you know, was quite critical of the department's road maintenance and construction efforts and in June last year the department issued a statement recognizing the problems. You noted the department is working on new initiatives and you've talked about that already today somewhat.

I do comment positively on the Five-Year Provincial Roads Plan. That's something I've always said we should be doing and delighted government is doing that.

Has the final report on the night construction pilot project been done because I was really interested in that?

MR. CROCKER: Yes, it's something that, if you don't mind, I'll take a minute to talk about.

MS. MICHAEL: Yes.

MR. CROCKER: We haven't put the final pen to paper, and that being, we wanted to continue the conversation with the Heavy Civil Association. It's their membership that did this work.

As you would have noticed in this year's Roads Plan, we haven't planned for a nighttime project.

MS. MICHAEL: That's right.

MR. CROCKER: The reason we haven't planned for it is to make nighttime construction, I guess, practical and affordable, we need projects of a certain scale. The reality is – and one thing I think that we learned last year – in order to do effective nighttime and safe nighttime paving, I think the idea of using road closures and detours is the safest, most practical way of doing it. So now when we look at our projects coming into the season, we have to find areas where – safety is always first – there's a detour available.

We're finalizing that report. The construction association has had a lot of input in it. To be frank, we found some safety concerns, certainly not from the contractors or from government side last year, we found some concerns from some actions of the general public.

I can tell you I was on site one night, Cory and I and some more department officials, and even with the road closure we had – in the hour or so we were there – three vehicles that actually ignored the road closures and came on through.

There are things that we have to make sure – for safety reasons – that are all in place. We should have that final piece of paper ready really soon, but I think the general public appreciated the nighttime construction. It's something that we totally plan on doing again in the future, but, again, it would be project by project.

MS. MICHAEL: Okay. Thank you.

That makes sense knowing our road system. It's a bit different than the 401 in Toronto.

MR. CROCKER: That's right. Exactly.

Really, there's only a few places in the province where traffic demands would really accommodate nighttime, and it's really here –

AN HON. MEMBER: (Inaudible.)

MR. CROCKER: Yeah, because it's really here on the Northeast Avalon, and it carries a premium price. We pay for it. If you do nighttime construction you're paying for it.

I think one of the things it did give us a pause to look at is even if you look at daytime construction, are there opportunities to be using detours? Because safety of our employees, safety of contractors' employees is of the utmost importance and efficiencies.

I think it did teach us, too, and you'll see some more wording in contracts this year about making sure contractors are off the road in peak hours so that we're not creating traffic problems.

MS. MICHAEL: Right, thank you.

Minister, certainly the Five-Year Provincial Roads Plan was something that, as I've noted, was a great move forward. Can you give us an update on what you're doing with regard to remediating some of the other problems identified by the AG?

MR. CROCKER: I think I'll turn that over to you, Tracy, because you're –

MS. KING: Yeah, and I might actually get Cory to take us through because it's a bit technical and I just as soon let the engineers kind of talk to the response to the AG.

MR. CROCKER: (Inaudible) or just the AG's report as a whole?

MS. MICHAEL: Well the maintenance and construction, I think, were some of the key areas.

MR. CROCKER: Right. So –

MS. KING: I'll do it.

MR. CROCKER: Okay.

MS. KING: In response to the AG, I think one of the big things, of course, was the five-year plan because it really looked at how we do project selection. One of the other pieces that the AG's report highlighted was late tendering and then issuing tenders very late in the season when you knew it was impossible to get the work done.

Again, that's another benefit of the Roads Plan, and we're seeing that. We've been having those discussions internally. Getting your work out in a reasonable time; not setting up the expectation that you're automatically going to carry projects over in to the next year. We've done a lot better on that and we see it both for the benefit of the contractors, of course, and to the department's bottom line in being able to get more work done in a given season if people can start early and doing a better job of our upfront planning to know what we're asking people to do.

The AG's report also highlighted a number of concerns about how we manage our pavement and how we assess, more technically, where some of our weaknesses are. That's one of the issues, frankly, we're still trying to work our way through in how we're going to enhance our pavement management system and what that looks like. So that's an ongoing discussion in the department about how we can use more evidence-base to inform our pavement condition information and analysis going forward.

MR. CROCKER: Yeah, I guess even to that point, one of the pilot projects we did last year was the test stripping on the Trans-Canada.

MS. MICHAEL: I was just going to ask that.

MR. CROCKER: We've laid down some test strips. We'll do an early analysis of that now, actually, in the coming weeks. We don't suspect we'll see very much in that.

One of the other things we've decided to do this year in consultation with the industry – last year we consulted with the industry of different formulas of how to do this. Actually, we're going to add one additional test strip this year, and I can tell you the industry is quite pleased we're laying them, because we hear consistently from an industry that are all competitors – they feel that some of the pavement quality is not

there. So they've actually asked if they could lay a test strip of a mix that they, as a group, have come together to say we think this is the best formula.

We have seen success, I think – and it's hard to gauge it, because we're doing so much mill and fill and so many lane kilometres, but credit where credit is due. In 2014, the department on its high volume highway started using polymer in their mix. We're seeing results with the use of polymer that are positive, without a doubt. The general public wouldn't actually see it, but we're seeing our testing primarily on the Outer Ring Road and Route 2 that polymer is working.

MS. MICHAEL: Would that be related to the rutting that we get, that would be improved with the polymer?

MR. CROCKER: Yes. What we're seeing early – again, the department started putting polymer in their tenders in the summer of 2014, and we're seeing some of that asphalt that was laid back – sorry. It's even like our test strips, we're really not going to see significant results in this probably until next year. We're finding that the pavement that was laid in 2014 with polymer is standing up.

MS. MICHAEL: Oh, good.

Thank you.

CHAIR: Okay.

The Member for Mount Pearl - Southlands.

MR. LANE: Thank you.

Mr. Minister, just a quick follow-up on the question you're already answering there. Is it possible, I wonder, that as opposed to just the mix and what's in it, could it be related to thickness? That's something that's been suggested.

I know sometimes you see areas where there was rutting or whatever, and you can actually see the asphalt that was there and you get like a hole or whatever. It would appear to the naked eye that it's really, really thin. So some people seem to have the impression that it's a case of making it thinner so that it goes a greater

distance, as opposed to doing it right the first time. Is that something that's ...?

MR. CROCKER: I'm going to give you my answer as a non-engineer –

MR. LANE: Yeah.

MR. CROCKER: – and then I may turn it back to the engineers, but an interesting question.

One of the first questions I asked when I came over to TW back in late July was why is this in – we always lay in lifts, regardless of how many lifts there are, so you're going to see that. We'll typically lay in a 40 mil or a 50 mil lift. So you would still see that result no matter how thick it is.

If you look at, for example, the Outer Ring Road, you're probably dealing with nine or 10 inches of pavement on that?

UNIDENTIFIED MALE SPEAKER: I don't know if it's that much, but it's several inches, yes.

MR. CROCKER: It will probably be six inches or greater of pavement now on the Outer Ring Road. So it's a raveling effect. What we have found is if you cut down through and take a cross-section, it's not an impact, it's actually raveling. Many reasons why, I guess contractors will tell you it is air voids, it is different compaction levels and how we mix our pavement.

One of the other things that some people actually – and this usually sparks a good argument – is we have the highest level of studded tire use in Newfoundland and Labrador as you have anywhere in North America, or certainly in Canada and the northern US. We use studded tires more than anybody else. Some would argue it's a factor, some would argue it's not. We'll argue that it is a factor.

That's some of the reasons for it. I don't know if someone wants to add to more of a technical –?

MR. GRANDY: The minister did a pretty good job of describing, actually, in terms of how the pavement deteriorates. It's not as if the pavement is deflecting. I think if you were to

sort of paint that picture you're talking about, if the pavement was thicker people would have an image that it wouldn't deflect as much, but that's not actually the problem as it happens.

The minister used a term pavement unravels, it's a raveling effect. The parts of the asphalt that bind it together seem to be coming undone and it allows the pavement to wear in that fashion as opposed to deflecting. If we were to remove all the asphalt, we see that the roadbed is not deflecting. So it's not a roadbed problem. It's more in that wear layer, that top surface coat of asphalt.

MR. LANE: Okay.

MR. GRANDY: So the test stripping we talked about, or playing with the asphalt mix design, several variables that go into that and experimenting with that mixture to find out what mixture works best in our environment.

MR. LANE: Okay.

Thank you.

I know there was a bunch of questions asked on the Team Gushue Highway. I did miss a little bit because I had a constituency emergency that just sort of came up, but I don't want to be repetitive. I'm glad to see that we're getting back on track but, obviously, that impacts my general area.

Minister, on the Team Gushue Highway I guess I'm wondering – this is not something I would have normally raised when it was the district of Mount Pearl South. Now it's the district of Mount Pearl - Southlands so it becomes more relevant to me in my constituency.

I was a member of the Mount Pearl city council at the time that absolutely, categorically refused to have anything to do with covering any of the costs, capital or operational, on that section of the Team Gushue Highway. I felt then, as I feel now, it's a provincial highway and it's really linking up two sections, Robert E. Howlett and the current section, that are already maintained by the province. All you're doing is connecting the one road. It's the same highway whether it goes through the city or not.

I think the City of St. John's made an ill-advised decision to ever agree to taking on the maintenance of it. I understand they're having second thoughts now, which I knew they would. You talked about secondary roads, Route 60 and so on. This is, without doubt, a major highway. It's no different than Veterans' Memorial, Torbay Bypass. So what, it goes through the city. Big deal, it's still the same highway.

I have to ask this, I suppose, more so as my role as a constituency MHA and people in Southlands having to pay for this. Is there any opportunity to revisit that decision?

MR. CROCKER: It is our anticipation that once Team Gushue is completed it will become the property of the City of St. John's. We realize that, as an example, we have to turn it over in a certain – up to a good standard. That will involve some work on the existing part of Team Gushue. We would not expect the city to take Team Gushue in any form of disrepair. When we turn it over we want to turn it over as a new highway, but we anticipate turning Team Gushue over to the city.

MR. LANE: But, Minister, once this is completed, it's going to be one highway, right? It's going to go from the Outer Ring Road to Bay Bulls Road – or to the Goulds, Middle Pond, whatever. It is one road.

Is what you're anticipating going to happen? Works, services, transportation are going to plow the snow from the Outer Ring Road up to Kenmount Road and then the City of St. John's is going to plow it from Kenmount Road to Heavy Tree Road area and Ruby Line, I guess. Then the provincial government is going to plow it again. Doesn't that seem a bit ludicrous on the same road?

MR. CROCKER: I guess the reality on that we're really talking a conversation that happened a long time ago, and a conversation that will happen a long time ahead, because by the time we get to Robert E. Howlett that's quite a time from now.

We're going to continue to have a conversation with the city and we're having good conversations with the city now. I don't mean at all to deflect, but if you look at – we're having

good traffic and good road construction conversations with the city and this is one we'll continue to have. The road was built on the premise that when Team Gushue was completed, the province would no longer maintain it, it would become a city-maintained road.

I think this opens up an opportunity for a lot of conversations that we need to have with municipalities when it comes to servicing roads. It's not necessarily about the province saying: Here's your road, go away and look after it. We have to find ways. We all have resources and how do we get the best value for all those resources, whether it is snow clearing or pothole patching.

I think we have a lot of work to do with municipalities when it comes to roads throughout the province, whether it's St. John's, CBS, Harbour Grace or somewhere on the West Coast. If there's a conversation around roads, municipalities and us, let's find a way to work together on it.

MR. LANE: Okay, thank you for your response, Minister. For obvious reasons we'll agree to disagree on your decision. I still think it's ludicrous but they signed up for it.

Minister, the other question I had now – this is a specific one because I have only a couple of minutes left. This is very specific. The Outer Ring Road, westbound ramp going in to Mount Pearl, you go down and you have this stop sign and then you can turn left to go towards Donovans or you can turn right to go towards the Paradise roundabout there on Kenmount Road. That stop sign situation and trying to make a left-hand turn there, I'm surprised I haven't seen accidents there. Surprisingly I haven't. I'm sure there must be because it's absolute madness there in peak hours for sure.

Generally, I'll go and make a right turn, take the roundabout and go and come back again basically. I think some people started doing that. But there was talk at one point, I had heard, about maybe some traffic lights or something going there to try to alleviate that situation. I'm just wondering are there any plans to do anything with that particular ramp that you're aware?

MR. CROCKER: I agree. I've done the exact same thing as you've done. I think it's a conversation we'd have to have with the city.

Now that you say it, so that officials are listening, there's the exact same situation ever since we had the new development on Kelsey Drive where Suncor has moved into those two new office buildings and you have 300 new cars on Kelsey Drive every day. When you're coming down off Team Gushue now to make a left-hand turn, say, to go onto Goldstone Street, you're running into the same challenge. We'll certainly take that away as – I've done both and you're right, the traffic volumes on both are concerning.

I'm not sure. It would have to be a conversation we'd have to have with respect to the cities.

MR. LANE: Thank you, Minister.

I just wanted to put it out there for the record and for your attention.

MR. CROCKER: No, it's a good point. Yeah.

MR. LANE: It is, indeed, an issue for a lot of people –

MR. CROCKER: It is.

MR. LANE: – in my district and I'm sure throughout the whole region.

Thank you.

MR. CROCKER: The same thing with Goldstone Street. It's terrible in the afternoon.

CHAIR: The Member for Conception Bay South.

MR. PETTEN: Thank you, Mr. Chair.

Minister, under 3.2.12, Land Acquisition, what's the increase in \$3 million from last year's budget? It's gone back to \$2 million now so, obviously, there was a \$5-million acquisition.

MR. CROCKER: Yeah, this was the result of a legal settlement regarding an old file on expropriation for Team Gushue.

MR. PETTEN: Okay.

Under 3.3.02, Low Carbon Economy, have you done an analysis on the cost of the carbon tax cut and what impact it could have on your department? I'd say Transportation and Works may be the most affected department by this.

MR. CROCKER: Yeah. If the feds do institute the carbon tax on January 1 as they said they will, for the last three months of this fiscal year, January, February and March, it's something that we're confident we can absorb within our existing budgets. But it will certainly be a budgetary consideration as we go into our planning for fiscal '19-'20.

We feel comfortable we can absorb the three months of this year, this fiscal, but after that it will be a conversation we'll have to have going forward. You are correct; TW will be the department, in all likelihood, affected most when it comes to being a landlord and building owner.

MR. PETTEN: Any analysis on that will be done as the year progresses, I'm assuming, will it?

MR. CROCKER: Yes, as the year progresses, as we go into budgetary planning for fiscal '19-'20.

MR. PETTEN: Okay.

Under 3.4.01, School Facilities, it's self-explanatory in some of the adjustments there that you said so I won't go there, but I wanted to ask some questions regarding the school construction.

The Mobile school extension, is that still on target?

MR. CROCKER: Yeah, on time and under budget. That tender is awarded – or whatever, I think it was an RFP. That's been awarded and we expect to see construction activity pretty much as soon as the contractor mobilizes to go on site. I would think that will happen in the coming weeks.

MR. PETTEN: Is it still anticipated to be completed late fall?

MR. CROCKER: That's our plan. I think the anticipation is that – typically, we don't do a whole lot of moving children around in the fall semester, or whatever you want to call it, but typically, yeah, we would anticipate they'll move in there after Christmas of the next school year.

MR. PETTEN: What about the Bay d'Espoir Academy, Minister?

MR. CROCKER: Yeah.

MR. PETTEN: The \$13 million for insurance money, apparently, but what's the plan for that? Is it going to be –?

MR. CROCKER: Obviously, budget '18-'19 announced a full replacement, a full new school. We will start the design – well, we have funding this year to start the design process and that would lead to construction on a timeline that would see it into a heavy construction mode by next construction season.

MR. PETTEN: The \$13 million insurance money where does that go? Does that just go back in general revenue?

MR. CROCKER: That would go back received in general revenue. We would expend it through the life of the project, and this project won't be \$13 million, unfortunately.

MR. PETTEN: It won't be what?

MR. CROCKER: It won't be \$13 million. It will be substantially more than \$13 million.

MR. PETTEN: Right.

MR. CROCKER: The commitment is for a new, full replacement of that school.

MR. PETTEN: Okay.

Minister, on the Low Carbon Economy, I neglected to ask on salaries, there's \$100,000 there. What's this for one position or –?

MR. CROCKER: Like, if you go back through any of our programs, federal contribution programs where we have cost-sharing programs,

it's the cost associated with staff to administer said program.

MR. PETTEN: What about the grants –

MR. CROCKER: One engineer, apparently.

MR. PETTEN: Pardon me?

MR. CROCKER: I'm being told it's practically one engineering position.

MR. PETTEN: Okay.

What about the grant section there, \$1,093,000?

MR. CROCKER: That's the money that Transportation and Works would have to have, and it's anticipated to be an application-based program. For example, if it's a health care facility somewhere in the province that feels they have a good case for an upgrade, you know something energy efficient upgrade –

MR. PETTEN: takeCHARGE?

MR. CROCKER: Pardon?

MR. PETTEN: It's probably takeCHARGE is it? Is that what you mean?

MR. CROCKER: No, no, it will be building renos. For example, a health care clinic can make application for funding through this fund if their renovations are related to energy efficiency.

The grants are to other public institutions. Unfortunately, TW doesn't qualify as a landlord. So it would be other public institutions outside of TW's envelope of buildings.

MR. PETTEN: Has that ever been announced, publicly announced?

MR. CROCKER: Not yet. The parameters are not finalized, the program itself. So this is anticipation, but we're getting down that road that we know what this should look like.

MR. PETTEN: Yeah, and I realize it now. I was curious.

Minister, under 3.6.01, Investing in Canada Plan, the \$10 million, is that federal money? Is it provincial money? What's the make up of that?

MR. CROCKER: That's provincial money. Because this is, again, a new plan that hasn't been, I guess, finalized, signed off on. This is in anticipation of us so that we're able to – once this plan is signed off on –

MR. PETTEN: Right.

MR. CROCKER: – that we have revenue available from our side to take advantage if there are projects in the province this year that qualify for this new federal funding program, infrastructure program, that we'd have revenue on our side of the ledger to make sure we can leverage the federal funding.

MR. PETTEN: Okay.

On to Air and Marine Services, one question I have while that's there. First off, is the Fogo Island airstrip – I know it's been in use recently. I was hearing something was in use. Does the province put any money into that? I know there have been proposals made over the years before.

MR. CROCKER: No. No, we haven't.

MR. PETTEN: Okay.

There's no provincial funding?

MR. CROCKER: No, we have a responsibility for airstrips on the North Coast of Labrador, and one of our priorities – when we talk airstrips, one of our priorities as a province is the airstrip in Nain. That airstrip needs some work. That's our first priority when it comes to airstrips, it would be the airstrip in Nain.

MR. PETTEN: How many airstrips do we presently have in the province? Randy?

CHAIR: Seven.

MR. CROCKER: Yes, the province maintains Nain, Postville, Makkovik, Hopedale, Rigolet, Cartwright, Charlottetown, Black Tickle, Mary's Harbour, St. Lewis and Port Hope Simpson. So the only airstrips that the province maintains are actually on the Labrador portion of the province.

MR. PETTEN: Under 4.1.02, this is Revenue - Federal. It looks like there was more spent last year than was received from the federal government.

MR. CROCKER: Is that William's Harbour? No.

MR. PETTEN: Sorry, 4.1.03.

MS. KING: Oh, 4.1.03.

MR. CROCKER: Yeah, that could be William's Harbour.

MR. PETTEN: Sorry about that.

MR. CROCKER: In revenue, or –?

MS. KING: That's just the current capital split.

MR. PETTEN: Yes, 216 is the –

MR. CROCKER: Okay. It's the current capital split between the projects federal/provincial.

MR. PETTEN: What's that?

MR. CROCKER: It's the current capital split from the projects. Do you want a better –?

MS. KING: So you see more spending in Current account dollars this year than on Capital. Overall it's the same. It's just the way the funding splits between Current funding and Capital funding.

MR. PETTEN: Okay.

What's included in that? What would be included in that amount?

MR. CROCKER: Resurface.

MS. KING: This is maintenance activities really, in Labrador. So this year in Hopedale we'll install a new septic system and the same in Makkovik.

MR. PETTEN: Okay.

4.1.04, why is there nothing budgeted in this year's budget?

MR. CROCKER: Pardon?

MR. PETTEN: In 4.1.04 under Airstrips, why is there nothing budgeted for this year in the Operating Accounts? You're probably looking at a different sheet than I am, but under Transportation and Communications, Property, Furnishing, Operating Accounts?

MR. CROCKER: Yeah, we're finalizing the Current Capital allocations of the LCARP for 2018. As a result, the full allocation of the – yeah, the full allocation for LCARP is in Current this year versus Capital.

MR. PETTEN: Okay.

All right.

CHAIR: Okay.

We'll go to the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you, Mr. Chair.

Minister, I would like to come back to 3.3.03, Development of New Facilities.

Under Salaries, the budget last year was for \$270,000 but only \$54,700 was spent, and this year it's going up to \$320,000. Can we have an explanation of salaries in this context?

MR. CROCKER: Yeah. So the surplus is due to lower-than-expected construction projects, and this is due to unanticipated delays in construction.

MS. MICHAEL: Okay. What construction would that be, do you know?

MR. CROCKER: The number is primarily related to the Portugal Cove terminal facility, but there was a haz-mat issue that delayed the process. It's primarily related to the Bell Island ferry terminal in Portugal Cove.

MS. MICHAEL: Okay, and then these would be jobs that are all connected directly with construction.

MR. CROCKER: With the construction.

MS. MICHAEL: Okay, great. Thank you. That explains that.

Coming down to 3.4.01, School Facilities - Alterations and Improvements to Existing Facilities, there's no money allocated this year under Salaries and yet there are expenditures. Operating Accounts has quite a bit of expenditure going on but no Salaries. What's happening here?

MR. CROCKER: The funding for Salaries related to the project management here is from the Alterations budget. Again, I think, and I could stand to be corrected, but it's a project-by-project management cost. A lot of these projects are very much smaller projects that would be administered by a contractor.

All the engineering staff that would be used for this are consolidated over in the department itself, unless it was a bigger project that we had to hire outside management.

MS. MICHAEL: Okay, so this would be mainly for the engineering work and that will be done where the engineering is located.

MR. CROCKER: Yes, and this work stretches from everything from \$5,000 for a new fence to \$1 million for a major, fairly substantial renovation.

MS. MICHAEL: Okay. So where then in the whole structure – who then monitors these expenditures under School Facilities?

MR. CROCKER: Yes, so we work with the Department of Education and the English School District on the plan. I guess, if it was a major product – the English School District has a maintenance staff that could certainly monitor smaller type projects but if we were to get into a bigger project, we would use our engineering staff.

MS. MICHAEL: Under Professional Services and Purchased Services, who is in charge of the determination around those needs?

MR. CROCKER: Our director of buildings and design.

MS. MICHAEL: Okay. That's what I'm trying to get a handle on, how this is managed.

MR. CROCKER: Yes, right.

MS. MICHAEL: Okay, great.

Thank you very much. That's helpful.

Okay, I think they were asked. As I said, I don't like repeating questions.

Coming to the Airstrip Maintenance, 4.1.02, I'm not sure if this direct question was asked or not. Under Salaries, it's down quite a bit this year from what was budgeted last year. Last year was \$812,600 and this year the estimate is \$678,200.

So why do you think that's realistic, especially since the revised last year was also over \$800,000?

MR. CROCKER: Yeah, so this is mainly the result of changes to the salary plan including a reduction of overtime and vacancy factor for this activity. This will be our first full fiscal year with William's Harbour being removed from the airstrip, our inventory of airstrips.

MS. MICHAEL: Right.

MR. CROCKER: So there will be savings in William's Harbour as well.

MS. MICHAEL: Okay. Great.

And that would show then in some of the other line items, like the Purchased Services, I would imagine.

MR. CROCKER: William's Harbour would show throughout this section.

MS. MICHAEL: Right. Okay. Thank you very much.

4.1.03, you may have answered this already, but it looks like there isn't much expected this year. You do have the money that will come in federally, but you have nothing allocated for Salaries. Last year, there were no Salaries estimated either but there was \$10,900 spent. I'm curious around all of that.

MR. CROCKER: So, yeah, the salary costs you're seeing there, the \$10,900, is a salary cost that was charged off due to some specific projects. That's why we would've spent the – we wouldn't have budgeted it last year, we wouldn't have budgeted it this year because that's related to projects themselves.

MS. MICHAEL: And once again, who manages this whole area, because you do have an operating account and you purchase the services to do the work, I'm assuming.

MR. CROCKER: Yeah, our director responsible for roads would be director responsible for airstrips.

MS. MICHAEL: For that. Okay, thank you.

I think everything is answered on Airstrips.

Coming down then to the Marine Operations, 4.2.02 is what I'm looking at; 4.2.02, Island Ferry Operations.

Under Salaries this year, \$321,900, so almost \$322,000 more has been estimated under Salaries. Can we have an explanation of why?

MR. CROCKER: This was a reallocation to help offset some mandatory backfill costs. The salary plan reflects an ongoing attrition management plan, funding requirements for step increases and the reallocation of salary resources based on changing departmental priorities.

MS. MICHAEL: Okay.

I take it some of that change happened then between last year and this year because last year it was revised up by almost \$2 million.

MR. CROCKER: Yes, we always find to have pressure around the marine services and it's certainly something we're doing our due diligence to try and address.

MS. MICHAEL: Yes, well, I think probably everybody in the province, whether they use the ferries or not, are aware of the problems.

The issue around people with disabilities on ferries, especially Bell Island. Are you dealing

with that? What is being done to try to accommodate?

MR. CROCKER: Right now, I guess, in late fall we reached an agreement with the ferry-users committee on Bell Island to actually have an independent third party come in and do an assessment. We would with inclusionNL and other groups. We expect the results of that independent report at the end of this month, at the end of April, and that will inform our next steps.

We endeavour to make sure that we have services available for peoples with disabilities whether it's using our staff or working with other groups, like I said, we work with inclusionNL.

It's challenging because our primary concern is safety and if you look at some of the concerns we've seen raised, I think where we need to be is to ensure that we're making the accessibility there to get to that deck. I think the idea of staying in vehicles on these boats is not something that we're comfortable with. We'll see what the report says, but the reality is if you're on a lower deck and the lifeboat is on a higher deck, you're accessibility challenges become even greater if we find ourselves in an emergency situation.

MS. MICHAEL: Right.

Okay, thank you.

I do look forward to hearing what that report says.

MR. CROCKER: Absolutely.

MS. MICHAEL: Thank you, Mr. Chair.

CHAIR: The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Mr. Chair.

Under 4.2.02, one of my colleagues just asked the questions while I was – I just want to know under Salaries, there's \$300-and-some-odd thousand, was there any positions removed or added? I know reallocation seems to be the theme, but were there any positions ...?

MR. CROCKER: It's backfilling challenges if somebody is off –

OFFICIAL: And new positions.

MR. CROCKER: And new positions.

OFFICIAL: There aren't any.

MR. CROCKER: Oh, sorry, there are no new positions. When it comes to salaries, we face significant challenges lots of times because of the structure of the collective agreement, and our overtime challenges. If you want to think back to last fall when we lost the *Veteran*, again, we run into significant overtime costs because the arrangement that we have is that the crew of the *Veteran*, which primarily would be a crew that would be typically based in Bell Island, had to move to Fogo Island. The parameters, the start and finish times of the Bell Island schedule, becomes the start and finish times of the Fogo Island schedule.

In some cases, this just doesn't work. So we're put in a situation where we have to start earlier, which creates some overtime cost. So in lots of cases – and this would be year over year – the overruns are caused by these pressures.

MR. PETTEN: Okay.

Professional Services under 4.2.02, there's a one-time cost there, \$80,000. What's that for?

MR. CROCKER: That's the Bell Island risk assessment.

MR. PETTEN: What's that?

MR. CROCKER: That's the Bell Island risk assessment.

MR. PETTEN: Okay.

MR. CROCKER: And I say the Bell Island risk assessment, but this is greater than the Bell Island risk assessment. We'll apply this risk assessment to the entire province, but it came from our discussions around the issues on Bell Island. And other regular training costs are in here as well.

MR. PETTEN: Okay.

Minister, what's the status of the RFP process with South Coast ferries? Where are we with that?

MR. CROCKER: We put that process out late last fall and received it back. There were timeline challenges faced by the proponents. So we've had an opportunity now, I think, and concluding a review of the information we received in a way that – we're reviewing the information blindly of to whom was the bidder. So we've identified a number of different challenges that we want to address and make sure before we go to the next step again, we want to make sure that it's a successful RFP process. So we're evaluating that information pretty much as we speak.

MR. PETTEN: No timeline on when the new RFP would be issued?

MR. CROCKER: Yeah, we're going to get it back out as soon as possible because we want to provide certainty for the users and we know that some of the existing infrastructure needs to be updated. But again, we got to make sure that we get the RFP right and we'll take the time that it needs to actually get that back out.

MR. PETTEN: What about the *Earl Winsor*, Minister? I know it's still in government possession. What's the plan for that?

MR. CROCKER: We went out on two separate occasions looking for somebody to actually purchase or, I guess to some extent, take the *Earl Winsor* out of government's inventory. We are working right now – I guess we feel we may have reached an agreement with somebody for the purchase of that vessel. But we're working towards that and if that's unsuccessful we'll just have to cull the vessel.

MR. PETTEN: Okay.

What about the *Gallipoli*, when do you expect the vessel back in service? Where it's out for a considerable amount of time, what's the plan for backups? As we know, the ferry season is going to be kicking into high gear soon.

MR. CROCKER: So right now we're having conversations with the shipyard, we're also having conversations with the relative – our

insurance company, the shipyard's insurance company on how we go forward. We met with the company, and the insurance I guess, as recently as last week. We do realize the challenges that are facing the people of Ramea. I have a meeting tonight with their ferry users committee.

Right now you are correct, it does put some pressure on our backfill ability this summer, but we still have the *Beaumont Hamel* that's available to us and there are discussions we got to have with the insurer to make sure that the users are affected as little as possible here.

MR. PETTEN: Any thought of moving vessels around? Because we have got somewhere else that got pretty modern, newer vessels. Is there any consideration given to stuff like that?

MR. CROCKER: We're considering all of our options at this point. We're reviewing numbers and we want to make sure that we're – we have a lot of overcapacity in our ferry system. There's no doubt about it. So we're going to make sure that the vessel fits the run.

MR. PETTEN: Okay.

One other question: Do you have an idea of what the costs of the repairs so far to date have been with the *Gallipoli* refit?

MR. CROCKER: There were two parts, I guess, to the *Gallipoli* contract. There was a mechanical part where the work was done outside the contract for the dockyard. Like the engines I think right now are actually here in the city having it rebuilt. There are other parts that have been – I guess for wanting a better work – farmed out for rebuilding.

To date I think somewhere in \$1.5 million has been spent with the yard on the refit. When we actually opened up the vessel as in practically every other case, we found when doing ferry refits, we found some work that wasn't anticipated. When you take a vessel that's 47 years old and start removing decks and inside walls, you're certainly always going to find issues that weren't anticipated.

MR. PETTEN: Okay.

Under 4.2.05, Purchased Services, I know there's nothing budgeted this year, but what's that amount, that \$973,000 – what's included in that amount?

MR. CROCKER: That was the completion of *Sound of Islay* refit.

Does that answer your question?

MR. PETTEN: I guess. You should be able to tell me that.

Purchased Services is \$973,000, so that was for the *Sound of Islay*?

MR. CROCKER: Yeah.

MR. PETTEN: Okay.

Under 4.2.06, Salaries, were there positions changed when it dropped by \$78,000 I guess? Then it was gone back up to, to \$200,000 so –

MR. CROCKER: So that's project management salaries costs were lower than anticipated, resulting in the surplus since the individual allocations for each type of this expenditure – salary, travel, supplies, professional services – are completed on, back to I guess sort of the roads projects, a standard percentage of the total project cost, with the exception of variation, original budget estimates.

So project savings are primarily due to delays in construction projects. Or in this case I guess refit or – no well, construction projects. This would be related to the terminal?

OFFICIAL: It's the terminals.

MR. CROCKER: Yeah, and the terminal delay at Portugal Cove would be one of the factors here for certain.

MR. PETTEN: Under Purchased Services in this section there's a huge variance there, over \$3.2 million less being spent last year than was budgeted and over \$1.1 million extra being allotted this year.

Can you explain why that?

MR. CROCKER: I'm gone too far – no, 206.

OFFICIAL: (Inaudible.)

MR. CROCKER: Okay, so the budget reflects the scope of the capital expenditures for next year.

MR. PETTEN: When you say that, what do you mean by capital expenditures? What has been in these previous figures? Like what was spent last year in this? When you say capital expenditures, what in particular?

MS. KING: Last year we would have identified – the minister mentioned ferry terminal upgrades in Portugal Cove and Bell Island as one of our major projects for last year. As well, we would have looked at doing some capital improvement to some other terminals and introducing, actually, some refurbished buildings into our ferry terminals.

Some we determined – as the Minister mentioned before, the Portugal Cove terminal, the haz-mat considerations and assessment took longer than we anticipated so more of that will roll into this year. As well, some of the improvements that we thought we might have had to do in some of the more rural ferry terminals, we actually found there were other buildings we could do some minor maintenance on to achieve a usable building for a ferry terminal.

MR. PETTEN: Thank you.

CHAIR: The hon. the Member for Signal Hill - Quidi Vidi.

MS. MICHAEL: Thank you, Mr. Chair.

Just to follow up on that, I don't think I've heard recently. Are there any plans with regard to the ferry terminal in Blanc-Sablon?

MR. CROCKER: The ferry terminal in Blanc-Sablon is privately owned and privately operated. It is a concern of ours and rightfully so. There are concerns constantly around that ferry terminal. It's something that, again, we will be making some movement in the very near future on the replacement vessel. That's certainly something that we will endeavour to address at that time.

MS. MICHAEL: Will the replacement vessel impact infrastructure at the terminal?

MR. CROCKER: I guess for physical infrastructure, whether it's wharfing facilities and stuff like that, we wouldn't know that at the time because obviously we don't know what vessel we're going to be getting.

MS. MICHAEL: Right.

MR. CROCKER: That's something we'll have to take into consideration once that process is completed and we're informed of what the new vessel will look like.

MS. MICHAEL: I'm curious then. If, for example, a new vessel means changes to breakwaters or changes to onshore facilities, is that then government's responsibility, not the person who owns the terminal?

MR. CROCKER: It is. We are responsible for wharfing of our vessels.

MS. MICHAEL: Okay.

The actual terminal itself, you actually have to negotiate with the owner of that terminal to have it. It's certainly not up to standard.

MR. CROCKER: No, I could not agree more. That's something we have to work with the – we contract for that. We have to do, from our part, a better job working with the contractor to make sure that is to a standard that is acceptable.

MS. MICHAEL: Right. Thank you very much.

Coming then to 4.2.08, Provincial Ferry Vessel Refits, is this the one you just answered for Barry? No, I don't think so.

You have Purchased Services under Provincial Ferry Vessel Refits. It's gone down. It went down last year in the revision by more than \$1 million and then it's going down again this year. We're making headway, is it, in terms of refits?

MR. CROCKER: Last year was lower than anticipated refit requirements. Obviously, there's a component of refit that's planned well in advance, but there's another component of refit that is sort of more of an immediate

requirement. There's always a little bit of space in case we find things that were not anticipated.

Typically, any time we put a vessel up for refit, we'll always find something once you get a boat out of the water and you see things that you can't see when it's in the water. The change this year has more to do with the current capital split.

MS. MICHAEL: Okay, where money has been allocated elsewhere.

MR. CROCKER: Right, so this would be capital versus current.

MS. MICHAEL: Right.

MR. CROCKER: Some of the original budget of \$13.5 million was split between current at \$10.2 million and capital at \$3.2 million.

MS. MICHAEL: Right. Thank you very much.

At 4.2.09, is the loss of money here due to the ending of federal cost sharing?

MR. CROCKER: That was the Sound. We were successful in obtaining a cost-sharing arrangement on the refit of the *Sound of Islay*.

MS. MICHAEL: Oh, so this has to do with the *Sound of Islay*. Okay.

MR. CROCKER: That refit is complete. That was one-time money for this refit.

MS. MICHAEL: Okay, because that shows up under two places then, the impact of that (inaudible).

MR. CROCKER: It would because it would show up in revenue as well.

MS. MICHAEL: Yeah, because it showed up, up above and now down here.

Okay. Thank you very much.

I guess we move on to Air Services then. We don't have a lot of time left, do we?

4.3.02, under Transportation and Communications, last year the budget was \$1,750,000 approximately. It was underspent by

about \$700,000 almost. This year, it's still down from what was budgeted last year, so if we could have an explanation of that line.

MR. CROCKER: I think it was lower than anticipated usage of aircraft charters and water bombers for the year.

MS. MICHAEL: Okay.

MR. CROCKER: The demand is driven primarily by the use and offset – actually, \$442,000 of the savings is being used to offset some overruns at marine maintenance, or the Labrador marine maintenance contract. The other variance in '18-'19 was mainly due to reallocation of \$300,000 to other parts of the department.

MS. MICHAEL: Okay.

Under Supplies, I know that's basically the same. Supplies are all related to what happens at any given moment, I would imagine, especially –

MR. CROCKER: When you're looking at the water bombers, that can change on a –

MS. MICHAEL: Right. Thank you.

4.3.03, these were appropriations provided for capital investment in the fleet. There is no revision which means nothing was done, nothing was received?

MR. CROCKER: Yes, that was the circumstance last year where we have an access, frame of a water bomber and some water bomber parts that we – it's out of service and has been out of service for quite some time – went out last year to try and sell. We weren't successful.

Actually, we're back out right now again in an attempt to remove that from our inventory. That's the result of a process that didn't end in success with the sale of that piece of equipment and the remaining parts.

MS. MICHAEL: Right.

Minister, overall, the total department is down a fair bit in the bottom line. The budget last year

was \$522,320,000 and this year it's \$487,154,000. That's seems like a lot of money.

MS. KING: The decreases this year, our budget really – because all the infrastructure funding is in here, depending on how much infrastructure funding is coming in any given year, it has an impact on our budget. But you'll see decreases we would have spoken about, decreases on some of our equipment, acquisitions in self-storage sheds. In salaries, of course, we would have seen an attrition change of \$1.8 million. Another reduction in the operating funding of \$300,000, and then our changes in our management structure.

So you're looking at, from our operational impact, I guess, about \$9 million to the minister's point in his opening remarks, that we've seen a decrease there but we've had increases, of course, because of the leased accommodations for government and the consolidation of the fleet and the new federal infrastructure programming.

That's kind of an overview of the change that we've seen.

MS. MICHAEL: Okay, thank you.

Are those figures also in the briefing book? What you've just –

MS. KING: Not the way I just said them but we can get them for you.

MS. MICHAEL: Yeah, because that's a nice, neat package the way you just put it there.

MS. KING: Yeah.

MS. MICHAEL: So that's great.

Okay, I think that's all my questions, Mr. Chair.

CHAIR: Okay.

I'm going to go back to the Member for Conception Bay South to clue up with questioning of Transportation and Works.

MR. PETTEN: Thank you very much.

I just have a few questions left, too, Minister. Just a couple that I actually skipped over. We were talking about the schools, the Bay d'Espoir Academy.

MR. CROCKER: Yes.

MR. PETTEN: When do you expect tenders to be called? When do you expect that school to be open? What's your best estimate?

MR. GRANDY: Barry, if you were to refer to page 11 of our infrastructure plan where we have the schools, you'll see funding for Bay d'Espoir Academy starting this year and going out to fiscal year '21-'22. That's a good indication of how we plan to deliver that project.

We're just starting the design piece of that right now. We still have some details to work out with the school district on that, but I suspect there will be a tender in next year before you see an actual tender being delivered. It could be towards the end of this fiscal year, but '21-'22 is when the funding stops flowing. That's an indication of what our delivery plan will be.

MR. CROCKER: And if you look at many of the schools in our plan next year, or this year/next year, similar timelines for Coley's Point. And not necessarily, but in lots of cases when you see the final year of funding in a school – no different than this year, you see final year of funding for East Point Elementary. Kids have been in that school now since the beginning of the school year but there's still funding this year because, for example, in that case we've got to finish up the landscaping and paving and things.

The last year of funding, when you look at the infrastructure plan, is typically a clue up. There are some holdbacks. So any time you look at the infrastructure plan, the last year is typically clueing up. It's not a big funding year.

The big funding years are the two in the middle. Year one is really building the design, building the tender. Year two and three are really the construction projects, and year four in this type of construction would be primarily just clueing up the loose ends – holdbacks.

MR. PETTEN: Minister, (inaudible) on carbon tax. There's been no analysis to date. Right now, today, there's been no actual analysis done within the department on the effects the carbon tax is going to have. Is there any work or preliminary work started?

MS. KING: The Department of Finance did ask us to have a preliminary look at the impact. We did some high-level calculations based on some rates and things they provided, primarily on fuel. The greater impact on our contracts and stuff is going to be a little harder to do because it's as our contracts come up for renewal that our providers are going to start downloading these costs on to our contracts.

So it's almost a modelling situation where you're trying to figure out what the actual impact will be and I'm thinking that the Department of Finance is probably going to take a bigger lead on it with us in the long term.

MR. PETTEN: Okay.

In the health care infrastructure, what's the status on long-term care facilities for Gander and Grand Falls? It's \$3.7 million in the budget. Where are we with those?

MR. CROCKER: We're actually in final site selection. The RFQ is closed. We will now, I guess in the coming weeks, identify our proponents. Then we will go out with the RFP. This process is on the timelines that we've laid out. So you should see more on the RFP now that the RFQ has closed.

MR. PETTEN: Looking down there now, I just noticed another one, depots. Are there any depots closing this year?

MR. CROCKER: Highway depots –

MR. PETTEN: Any highway depots closing?

MR. CROCKER: Absolutely not.

MR. PETTEN: Okay.

There are a couple of tenders out for work at St. Joseph's depot. Is that an expansion? At the depot itself.

MR. CROCKER: It's work to the office.

MR. PETTEN: What's that?

MR. CROCKER: Work to the office.

MR. PETTEN: Just renovations at –

MR. CROCKER: Yeah, just standard.

MR. PETTEN: Well, on that note, I think that pretty well clues it up for me. I want a copy of your electronic briefing book, I guess –

MR. CROCKER: Absolutely, unless you want to go and buy a pack of paper.

MR. PETTEN: – and the organizational chart.

I just want to say from our end, thank you very much for your time and the answers and listening to our questions and providing your answers. Thank you and all your staff for bearing with us once again this year.

Thank you very much.

CHAIR: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you, Mr. Chair.

I'd also would like to say thank you to the minister and the staff; a very helpful discussion this morning.

Thanks so much.

MR. CROCKER: Thank you.

MR. LANE: Minister, I have one question. I do want to again thank you for your answers and to all the staff. Mr. Dunford, not Durnford, for his help with the potholes. I thank my colleagues for giving me the opportunity to ask some questions. I do really appreciate that.

The only question I have left, and I guess it comes into the Building Maintenance, Operations area, I suppose. It's more of a general question.

What, if anything, is being done in terms of providing accessibility for people in government

facilities? I know we have, I think it's a 1984 rule, maybe 1987, but there is a certain date that buildings don't have to be in compliance with accessibility standards. I know in the past, government itself has used that standard, that rule in the law to say: Well, we don't have to be accessible because of this 1984 rule.

Given the fact that these are public facilities and should be accessible to all members of the public, I know we've seen some blue zones moved around here out by the building, which is great, and we have seen some progress at the Arts and Culture Centre, but, still, the goal should be, regardless of when the building was built, if it's a government-owned facility it should be accessible to everyone. That's not just blue zones, it's also making doors accessible and whatever else we need to do.

Is there any kind of an ongoing plan or whatever, strategy, to get all of our government facilities up to scratch when it comes to accessibility, not just new builds but existing facilities as well?

MR. CROCKER: I guess new facilities –

MR. LANE: Sure, that's a given.

MR. CROCKER: – I won't say easy, but, yes, that's a given.

You're right, every government building should be as accessible as possible. It's challenging, there's a big footprint. We make changes as we can. You did refer to the blue zones and we were proactive. We now have our blue zones up to scratch, what they will be.

Anytime there's an opportunity, if we're doing a contract, if we have somebody here working and there's an opportunity to make something more accessible, it's always a goal. Anytime that we have, I guess, an avenue to make things accessible, we're more than willing to do so.

We work – no different, go back to the Bell Island situation – with inclusionNL and others. We have a continuous back and forth with the office for Persons with Disabilities and Minister Dempster and Minister Gambin-Walsh at Service NL when it comes to standards and things.

It's an ongoing challenge, but one that we all realize is one that we need to face.

CHAIR: Okay. Thank you.

At this time, I'll ask the Clerk to recall 1.1.01.

CLERK: 1.1.01.

CHAIR: Shall 1.1.01 carry?

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, subhead 1.1.01 carried.

CLERK: 1.2.01 to 4.3.03 inclusive?

CHAIR: Shall 1.2.01 to 4.3.03 carry?

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, subheads 1.2.01 through 4.3.03 carried.

CLERK: Total.

CHAIR: Shall the total carry?

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, Department of Transportation and Works, total heads, carried.

CHAIR: Okay, I now call for a motion to adopt the minutes of the last meeting.

CLERK: (Inaudible.)

CHAIR: Shall I report the Estimates of the Department of Transportation and Works carried?

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, Estimates of the Department of Transportation and Works carried without amendment.

CHAIR: Okay, a motion to adopt the minutes of the previous meeting.

Moved by Mr. King?

Carried.

On motion, minutes adopted as circulated.

CHAIR: The next meeting of the Government Services Committee will be Tuesday, tomorrow, April 17 at 6 p.m. at which time we will be discussing the Estimates of Service NL and Public Procurement Agency.

I'd like to thank the Government Services Committee for their questions. I'd like to thank the minister and department heads and staff for coming out today.

With that, I call for a motion to adjourn.

MR. KING: So moved.

CHAIR: Moved by Mr. King.

Carried.

Thank you.

On motion, the Committee adjourned.