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

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Transportation and Infrastructure  
Public Procurement Agency

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Honourable Scott Reid, MHA

## **GOVERNMENT SERVICES COMMITTEE**

### Transportation and Infrastructure and Public Procurement Agency

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Chair: Carol Anne Haley, MHA

Vice-Chair: Loyola O'Driscoll

Members: Alison Coffin, MHA  
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Pam Parsons, MHA  
Lloyd Parrott, MHA  
Perry Trimper, MHA  
Sherry Gambin-Walsh, MHA

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Appearing:

#### **Transportation and Infrastructure and Public Procurement Agency**

Hon. Derrick Bragg, MHA, Minister

John Baker, Assistant Deputy Minister, Air and Marine Services

Greg Butler, Budget Manager

Joe Dunford, Assistant Deputy Minister, Operations

Tracy English, Assistant Deputy Minister, Strategic and Corporate Services

Cory Grandy, Assistant Deputy Minister, Infrastructure

Patrick Morrissey, Departmental Controller

Margot Pitcher, Executive Assistant

Brian Scott, Director of Communications

Bonnie Steele, Departmental Controller, Public Procurement Agency

Heather Tizzard, Chief Procurement Officer, Public Procurement Agency

#### **Also Present**

Derek Bennett, MHA, Minister of Environment, Climate Change and Municipalities

Jordan Brown, MHA

Bernard Davis, MHA, Minister of Tourism, Culture, Arts and Recreation

Darrell Hynes, Researcher, Official Opposition Office

Steven Kent, Researcher, Third Party Office

Paul Lane, MHA

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

Pursuant to Standing Order 68, Derek Bennett, MHA for Lewisporte - Twillingate, substitutes for Pam Parsons, MHA for Harbour Grace - Port de Grave for a portion of the meeting.

Pursuant to Standing Order 68, Jordan Brown, MHA for Labrador West, substitutes for Alison Coffin, MHA for St. John's East - Quidi Vidi.

Pursuant to Standing Order 68, Bernard Davis, MHA for Virginia Waters - Pleasantville, substitutes for Pam Parsons, MHA for Harbour Grace - Port de Grave for a portion of the meeting.

**CHAIR (Haley):** Good morning, everyone. Thank you for joining us for the Estimates of the Department of Transportation and Infrastructure.

Our first order of business is to identify a Vice-Chair. I think we should call nominations. Anybody?

Call for nomination of anyone for Vice-Chair. It's normally, typically from another political party, is that correct?

**AN HON. MEMBER:** I nominate Loyola O'Driscoll.

**CHAIR:** Any further nominations?

Okay, I will identify the Vice-Chair as Mr. O'Driscoll.

We will move along now with our introductions. Before I do that I just want to remind all participants to wear masks when moving around the Chamber here today. As I said, this round of Estimates deals with the Department of Transportation and Infrastructure.

Now we'll pass it over to the minister for his remarks. You have some 50 minutes to introduce your team.

**MR. BRAGG:** The first thing we'll do is introduce our team. We'll start right to my right.

**MS. TIZZARD:** Heather Tizzard, Chief Procurement Officer, Public Procurement Agency.

**MR. GRANDY:** Cory Grandy, Deputy Minister of Transportation and Infrastructure.

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

**MR. MORRISSEY:** Patrick Morrissey, Departmental Controller.

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

**MR. BAKER:** John Baker, Assistant Deputy Minister of Air and Marine.

**MS. STEELE:** Bonnie Steele, Departmental Controller, PPA.

**MR. SCOTT:** Brian Scott, Director of Communications.

**MR. BUTLER:** Greg Butler, Budget Manager.

**MS. PITCHER:** Margot Pitcher, Executive Assistant to the minister.

**MR. BRAGG:** Derrick Bragg, Minister of Transportation and Infrastructure.

Are we going to introduce the other side first?

**CHAIR:** Yes, we will in fact.

I'll ask the Opposition and the Committee Members, of course, to introduce themselves as well.

**MR. PARROTT:** Lloyd Parrott, MHA, Terra Nova.

**MR. HYNES:** Darrell Hynes, I'm a Researcher for the Opposition Office.

**MR. BROWN:** Jordan Brown, MHA for Labrador West.

**MR. KENT:** Steven Kent, Researcher for the Third Party.

**MR. O'DRISCOLL:** Loyola O'Driscoll, MHA for Ferryland.

**MR. MITCHELMORE:** Christopher Mitchelmore, MHA for St. Barbe - L'Anse aux Meadows.

**MR. BENNETT:** Derek Bennett, MHA for Lewisporte - Twillingate.

**MR. TRIMPER:** Perry Trimper, MHA, Lake Melville.

**MS. GAMBIN-WALSH:** Sherry Gambin-Walsh, MHA, Placentia - St. Mary's.

**CHAIR:** Okay, Minister, if you could carry on.

**CLERK (Hammond):** 1.1.01, Public Procurement Agency.

**MR. BRAGG:** Thank you all.

Before we get into the Public Procurement Agency, I'd like to have 45 minutes to 55 minutes for opening remarks, please. As the Minister of the Department of Transportation and Infrastructure and the Public Procurement Agency, I want to provide a few opening remarks prior to our Estimates today.

On the desk in front of you, you will find a little zip drive. That's the answer to every question you're about to ask today so I guess we can leave now and go home. If we could be so lucky.

This year, the ongoing pandemic impacted all sectors of our province. In June of this year we made changes to the *Public Procurement Regulations* to help support the local business community. A local preference provision was added to the regulations that mandates an allowance of 10 per cent for local suppliers to a maximum permitted under the trade agreement.

In addition, procurement thresholds were increased to allow more opportunities for public bodies to direct businesses to a limited call process. We also announced the formation of a working group that is tasked with identifying additional opportunities to improve local preference. We will be consulting with the business community as part of that process. I look forward to continuing the work of the

Public Procurement Agency as it continues to modernize public procurement, including a launch of a new eProcurement system later this year in partnership with the Department of Transportation and Infrastructure.

This budget marks a significant change for the new Department of Transportation and Infrastructure. With the change in name we also welcome an increased focus on infrastructure, combining the roads and buildings infrastructure that was in the former Department of Transportation and Works, with municipal Health infrastructure to form a new department.

The funding associated with a new mandate is reflected throughout the Estimates. The budget includes over \$519 million in infrastructure funding supporting a number of projects including: \$23 million for upgrades to the existing health care facilities; \$48 million for ongoing construction of new schools in Gander, Paradise, Bay Roberts and St. Alban's; \$5.5 million to advance a new correctional facility in St. John's and expand the Labrador Correctional facility in Happy Valley-Goose Bay; \$4.1 million is allocated for wharf infrastructure improvements in Makkovik; \$200,000 for a prefeasibility study for a road to the north, which would potentially link northern communities to the rest of Labrador; \$400,000 to complete an engineering study on the scope and replacement costs of the wharf in Lewisporte to help inform future infrastructure investments; and \$46.6 million for municipal infrastructure projects related to water and sewer, roads and paving projects, municipal facilities, waste management projects and other improvement projects. We have reached final close on the contract to design, build and maintain a new adult mental health facility hospital in St. John's.

The Transportation and Infrastructure budget for '20-'21 includes \$499 million operating and grant funding. Our current account infrastructure is \$184 million and our capital account infrastructure is \$335 million. We continue to see good results in our Provincial Roads Plan. The department spent over \$155 million on all road infrastructure in 2019-20 and for '20-'21 the budget is \$171.6 million. We have also been able to leverage federal funding on cost-shared programs for highway infrastructure throughout the province.

Highway safety is one of the top priorities of our department. We are continuing to install highway cameras across the province. In '19-'20 we installed cameras in Badger, Birchy Narrows, Lewisporte, Port au Port and Port Saunders for approximately \$129,800. In early 2019 we began providing a new ferry service across the Strait of Belle Isle at an annual contracted cost of \$11.9 million. A new ferry service for Northern Labrador began mid-2019 at an annual cost of \$14.6 million.

Working with our partners we implemented a number of changes this season. One of those changes is the online freight tracking system that allows customers to track the progress of their orders. Better management of shipments due to new freight and shed racks in Goose Bay: All freight is now placed in containers at ports to avoid damage from the weather. A revised weekly schedule enables more daytime departures from all ports. I'm pleased to say in 2020 the service did not have a single weather delay until September.

To the end of August, approximately 5,500 tons of freight have been shipped, an increase of over 300 tons from the year before. We are very proud of the improvements we have made in partnership with the ferry operator and the ferry users to iron out some of the issues that we encountered earlier on.

Our department has also made it a priority to reduce spending on leased space and unused assets. Since 2016 we have reduced our office space footprint by 168,026 square feet, which is currently saving taxpayers approximately \$4.39 million every year. In addition, following a review of our light duty fleet, 112 of our 1,100 vehicles have been removed from the government's fleet since April 1, 2018. This is anticipated to lead to approximately \$500,000 in savings annually through lower maintenance requirements.

Throughout our Estimates we'll refer to two major events that impacted our department: the January snowstorm, Snowmageddon, and the ongoing public health crisis, COVID-19. During the last fiscal year we spent \$2.6 million for the January snowstorm event, in which \$1.2 million was spent to help the city. Over the last year, in the current financial year, we have also incurred

expenses relating to COVID-19 of approximately \$580,000. This is mostly related to the purchase of PPE, plexiglass and other supplies.

A little note on our employees. TI has 1,683 employees as of March 31, 2020. This includes 84 employees on 13-week contracts. Of these employees: 1,520 are unionized non-management, 163 are management; 1,462 are male, 221 female; 765 are permanent, with 320 seasonal, 582 temporary, 16 contractual; 985 for Operations Branch; 245 for Air and Marine Services; 314 for our Infrastructure Branch; 139 for Strategic and Corporate Services; 605 are on the Avalon, 353 in Eastern, 252 in Central, 398 in Western, 75 in Labrador. Throughout government's attrition plan the department has an attrition target of \$809,000 in 2018-20, which includes 24 positions. For 2021-2022, the department has an attrition plan of \$678,300 and 26 fewer positions over two years.

Madam Chair, that would be my opening remarks. I look forward to the questions from the Members opposite.

I guess we're going to start with the Procurement. So if we're ready to go.

Thank you.

**CHAIR:** Thank you.

Yes, I'll ask the first responder to bring remarks.

**MR. PARROTT:** I'll like to thank the minister for his opening remarks. I assume your zip drive is a copy of the briefing binder? Is that fair to say?

**MR. BRAGG:** That's what's in the zip drive, yeah.

**MR. PARROTT:** So you reviewed some of the numbers that we were going to ask. Obviously, I won't go back through them because we'll be able to get them out of *Hansard*. So we'll go right into 1.1.01.

Under Salaries there was a slippage of \$228,936, increasing to \$2,022,800. Can you explain that?

**MR. BRAGG:** Okay, so last year the bi-weekly payments were 27 rather than 26. So the increase of \$68,800 between the '19-'20 budget and '20-'21 budget reflects the net funding for the 27th pay period, \$74,90; less attrition of \$6,110.

**MR. PARROTT:** So I assume for payroll it's the 27th pay period for all?

**MR. BRAGG:** Twenty-seven pay periods rather than 26.

**MR. PARROTT:** Okay, yeah.

Employee Benefits, it shows an unbudgeted expenditure of \$3,078.

**MR. BRAGG:** The increase of \$3,078 actually reflects the registration for two attendees for the Canadian Public Procurement Council Conference annual CPPC membership fees.

**MR. PARROTT:** So the year before there was nothing budgeted and this year there's \$800. Can you explain the requirement for the \$800?

**MR. BRAGG:** It's a change in the reporting to the Canadian Public Procurement Council membership fees.

**CHAIR:** Excuse me; it's getting difficult to hear here. I ask that you – thank you so much.

**MR. PARROTT:** Under Transportation and Communications, it shows that you spent less than half. Why is there a request for \$48,900 again this year?

**MR. BRAGG:** Why is there? Why it's less than half is because of the decrease in travel plans. Should we revert to normal, we will revert to travelling again.

**MR. PARROTT:** We're halfway through the year; you must know where you are with your budget from that?

**MR. BRAGG:** The budget was, I guess, anticipated for March, for the full year.

**MR. PARROTT:** Fair.

Under Professional Services, obviously, it wasn't spent last year and it's requested again. I'm just wondering ...

**MR. BRAGG:** Pardon me, special services?

**MR. PARROTT:** Professional Services, sorry.

**MR. BRAGG:** Professional Services, so the \$100, is that the question?

**MR. PARROTT:** No, it was \$23,600 budgeted last year, zero spent, and a request again for \$23,500 this year.

**MR. BRAGG:** I guess, due to COVID-19 there were no auctioneering fees. We use an auctioneer when we dispose of assets and there was none this year so there were no fees.

**MR. PARROTT:** I assume the auctions only happen in the spring. Is that a fair statement?

**MR. BRAGG:** I would look to Heather.

**MS. TIZZARD:** Largely, we have some in the winter as well, but it just so happened that there weren't any assets to dispose of. We did one auction late last year but due to COVID it was actually charged in the following year.

**MR. PARROTT:** Okay.

Under Purchased Services again, less than half was spent, \$24,644, and again this year the request is for \$54,000?

**MR. BRAGG:** Budget reflects a reduction in the number of facility rentals required for training. Again, we budgeted that in anticipation that the year would go back to normal.

**MR. PARROTT:** Under Revenue - Provincial, what is the source amount and why is it only \$96,829 collected of the \$368,000?

**MR. BRAGG:** Heather could you take that one?

**MS. TIZZARD:** The source of revenue in our Revenue line are two items that comes from rebates from using our purchase cards and it also comes from auctions. Of course, as I said, we didn't have any auctions last year so we didn't see the revenue from that.

**MR. PARROTT:** How many audits were completed in the last year?

**MR. BRAGG:** I'd look to Heather for that.

**MS. TIZZARD:** We had five audits last year and another six initiated.

**MR. PARROTT:** What role, if any, did the agency play in the review, evaluation, value-for-money function of the new mental health hospital?

**MS. TIZZARD:** That was led by the Department of Transportation and Infrastructure.

**MR. PARROTT:** Okay.

Does the agency have any statistics on the take-up of the new provision to give local businesses more access under the 10 per cent mandate for local suppliers?

**MS. TIZZARD:** I do have some numbers here.

We had six businesses that benefited, that's just core government, so that's not counting the health authorities, school board or anything like that. Through their implementation, there were 21 procurements where we had provincial and out of province. So that's when it would be applied, of course, because we have a lot of procurements where it's all in-province businesses. Out of that, there were six procurements that were awarded after the application of provincial preference that wouldn't have been awarded to the local business otherwise.

**MR. PARROTT:** Okay.

Given the recent media stories involving Shannahan's Security and United Sail Works, both losing contracts to outside companies, how successful do you believe this policy has been?

**MS. TIZZARD:** The security that you mentioned, too, would have been far over threshold, so we can only apply these preferences to under trade agreement thresholds. The value of a security contract would have been far above those thresholds.

**MR. PARROTT:** I guess I'll ask the same question to the minister in a different way.

Obviously, with regard to these contracts, and if it exceeds the threshold, is there anything in place to ensure instances like this doesn't happen going forward?

**MR. BRAGG:** I guess we're here to talk about the line by line, if you want to leave that question for Question Period, I'll welcome it.

**MR. PARROTT:** Okay.

No further questions.

**CHAIR:** Mr. Brown.

**MR. BROWN:** With the Procurement Agency, I noticed that you're transitioning to a more online basis, how's that going?

**MR. BRAGG:** Pardon me?

**MR. BROWN:** You're moving to a more online-based procurement system.

**MS. TIZZARD:** Yes, we're implementing a new procurement system. Actually, it was supposed to go live in March, but of course with COVID it was delayed. So we anticipate it will be implemented very shortly.

**MR. BROWN:** What is the expectation of savings for going on the online system?

**MS. TIZZARD:** More so efficiencies, but also hoping to see some savings, obviously, with just any sort of error with respect to vendors inputting information and that sort of thing. The system will prevent a lot of those things from happening, from a vendor putting in a wrong number or forgetting to sign a document. It will lead to a more competitive process, which would, hopefully, lead to better value.

**MR. BROWN:** Okay.

Right now, have you piloted a project with any of your local vendors?

**MS. TIZZARD:** Not yet. We're supposed to be implementing training soon and then it will go live after that.

**MR. BROWN:** Are you planning on doing feedback? Will you provide feedback to the House after this is all completed to see if it actually is a viable system?

**MS. TIZZARD:** We don't have a formal process in place for that yet. As we're going on implementing the system, we anticipate any questions that suppliers have. There'll be a line and a person on hand that can answer all those questions. I anticipate more of a live feedback sort of process to help them through it.

We also intend to keep our old process in place for a period of time, too, just to help people through this hurdle.

**MR. BROWN:** Was the system built by a local company or in-house or outside of that company?

**MR. BRAGG:** Excuse me, can I cut in?

If we're going to stick to the line by line, that's questions definitely for Question Period. I don't know if someone can give me some guidance here. Shouldn't we stick to the questions of line by line?

**CHAIR:** I'm told that it can be ...

**MR. BRAGG:** Oh, can it?

**CHAIR:** Yeah.

**MR. BRAGG:** Okay.

I guess we only have three hours, so let her go.

**MR. BROWN:** Was it built in-house or was it built by an outside company?

**MS. TIZZARD:** We issued an RFP and there is an outside company that won that contract.

**MR. BROWN:** Perfect, thank you so much.

I'm good.

**CHAIR:** Before we move on, I'd ask that you identify yourself before speaking so that the folks down at the media centre can see where you're sitting and make sure that your microphone is turned on.

**MR. LANE:** Madam Chair.

**CHAIR:** Yes.

**MR. LANE:** Waiting for my light to come on.

**CHAIR:** Mr. Lane is actually sitting in Mr. Brazil's seat.

**MR. LANE:** Thank you.

First of all, Madam Chair, with leave, I'm not a Member of the Committee but as per past practice for the last five years, I generally can ask a few questions with leave of my colleagues.

**CHAIR:** Okay.

**MR. LANE:** Thank you.

Minister, as per my normal practice, I'm going to leave the line by lines to my colleagues. I just have a few general questions, I guess.

The first one relates to COVID-19. I've asked this at all the Estimates so far, and I'm going to continue doing that, I guess. Just wondering the experience in your department as it relates to COVID-19 and efficiencies that have been found.

One of the things that COVID-19 has brought – it's brought a lot of trouble, of course, but I think it has also identified opportunities within government to do things differently and be more efficient in terms of online services, in terms of reduction in travel cost, because we can use Zoom instead of having people criss-crossing the province. Also opportunities, perhaps, of employees working from home. It works in some cases, not in all.

I'm just wondering what type of efficiencies have been realized through COVID-19 in that regard and opportunities to make that a permanent thing. I did hear you mention about travel and saying, well, we budgeted because once COVID is over we're back to normal. Well, if we don't need to travel and we can save taxpayers' money by using Zoom, then I would think that we should be doing that on a permanent basis. Certainly, the Minister of Finance certainly concurred in her Estimates. So I'm just wondering your thoughts on that.



**MR. BRAGG:** You referenced Zoom, so Zoom has certainly helped us get through this, as has Skype and any other means; FaceTime for families, you name it. I think everybody would agree, when the day comes and we get back to normal, there's nothing beats a face-to-face meeting as opposed to a video call. Video is taking the place right now.

Certainly, I don't personally feel we're getting the full value out of a Zoom call as what we do with a face-to-face call. You don't get the same type of debate or conversation. So I guess that's my personal feeling. As a department, overall, we probably haven't done a full evaluation of it yet. There are probably still people working from home in many government offices. So when we get a chance to sit back and review this and policies of government from working from home or not going to meetings.

I really don't know how you would do an FPT, to be honest, Paul. How we do an FPT when you're up in Ottawa or some other part of Canada and you get a chance to have the interaction even after the Zoom meeting to get to have the after calls.

You and I have both been at MNL. MNL is going to do a Zoom meeting this year. I don't think you can get the feeling out of that as you would if you were actually at the convention centre. So we need social interaction. I don't think we can really live on a video screen. We're doing it now because we have to do it now. Maybe you feel different, but that's just my thought of it.

So as time goes on, no doubt this changes it all, there's no doubt about that.

**MR. LANE:** Thank you, Minister.

Yeah, I certainly wouldn't necessarily be of the mindset that we do everything from a video screen, but I also believe that, again, there are efficiencies to be found. We're up to our neck in debt, beyond that, as a province and taxpayers are looking for us to start finding ways to save money. I guess, hopefully, there are ways we can do that. I think that this is an opportunity to save some money.

Madam Chair, I apologize because I was a little bit late arriving, so I'm not sure what section we're on, what was called.

**CHAIR:** Public Procurement.

**MR. LANE:** Oh, we're into Public Procurement. Oh, my goodness. Okay, all right.

Well, on the Public Procurement piece, Minister, I'm wondering about – and it kind of ties into some of the questions, I think, my colleague was getting at, I'm wondering what opportunities we have here to ensure that more local companies have an advantage to get a lot of the work that's procured by government.

Certainly, one of the shortfalls and the concerns that I had and other colleagues had in the House at the time that we brought in the new Procurement Act was that everything was left to the regulations. That was a major downfall as far as I was concerned. It was very, very basic and everything – of course, the regulations are made by the minister and therefore Members of the House have no idea what's going to be in the regulations and how the act is going to work.

One of the things, though, that the minister of the day said was that we're going to try to promote local and support local businesses, but again there was no meat on the bone for us to actually debate to see if that would happen. We are hearing from companies that are saying that they're losing out on work and so on. I understand that part of that is capacity. As an example, of course, if you ask a company to do the drywall – I think we talked about that – on the new hospital, we're saying there's no company in Newfoundland that can do it all because the job is too big.

Why can we not be looking at things and breaking it down into component parts, and so on, so that local companies can do, at least, part of it? I understand the cost. They will say it's cheaper to put it all together, to bundle it all together and get one company to do it all. You may be saving some money on this hand because the actual cost to the project may be a bit lower, but if all the profits and all the jobs and everything else are going outside the province, did you really save anything? I would argue that we probably lost money because none

of the money is staying in Newfoundland. It's all going to Quebec or Ontario or Nova Scotia, or wherever it's going to.

I'm wondering, is there anything being discussed or done within the department or considered to look at ways of, as I say, unbundled projects, break projects down into smaller component parts? Or even be proactive and go to the local companies and say, listen guys, you can work together and put in a joint bid on some stuff to try to ensure that Newfoundlanders and Labradorians get the work.

Given the fact, again, where we are, the mess we're in, the unemployment rate and skilled tradespersons sitting home while there are people from Quebec and everything coming here into the province and taking jobs that we cannot give up, I'm just wondering what your thoughts are on that? That was a mouthful I know.

**MR. BRAGG:** You seem to be referencing the hospital in Corner Brook for both of these?

**MR. LANE:** I just used that as an example, Minister. It could be anywhere.

**MR. BRAGG:** Okay.

Heather, you have the most knowledge on this. As you guys know, this is newly in our department. My understanding is that was a big overall project. Procurement would be the smaller projects outside of that which government would be interested in bidding.

If you want to explain it more to (inaudible) please.

**MS. TIZZARD:** There may be some opportunities to have companies combined. We can't split apart every part of a large project either, because that's really contrary to trade agreements, to start splitting stuff apart just so you can keep it in-house.

There may be some opportunities depending on how – generally, a large project is sourced to a large contractor that then subcontracts out, but we can't split all components up because that would be contrary to trade agreements. I'm not sure if that's answering your question.

**MR. LANE:** It is to a degree. That's kind of what I'm wondering, if there are ways to sometimes split projects up somewhat. I understand if you have one facility it might be difficult to chop it all up, but maybe if it was multiple facilities, instead of combining it all into one big project and let some Mainland company come take it all, at least if there are opportunities to be able to legitimize what you've done so that local companies can have an opportunity to bid, I guess that's where I would be coming from on it.

I do thank you for that answer. I really would like to see more done in that regard, if it was possible. It's hard to take. It really is hard to take, to see our own people home on unemployment when you're watching them come in from other provinces.

Let me ask this: Is it possible – I guess anything is possible. Has there been any thought to ensuring local benefits agreements, so that if a company bids, for example, from outside, then they have to hire Newfoundland workers? You never hear of any Newfoundlanders going to work in Quebec. I use that as an example because I'm told that Quebec is Quebecers only. I could be wrong but that's what I keep hearing, that primarily Newfoundland companies will never get a job up in Quebec.

They seem to have it both ways. I'm wondering why they can have that protectionist philosophy and be allowed to do it, but we can't?

**MR. BRAGG:** I'll take this one.

In reference to what you said earlier about the numbers of people, I'm thinking the larger facilities – and probably one of the biggest ones that we have on the go now would be the hospital in Corner Brook. That's – is it \$600 million?

**OFFICIAL:** Around \$500 million.

**MR. BRAGG:** Around \$500 million for that one.

In Corner Brook I'm told there's 92 per cent. I was actually in Corner Brook last week and they told me wherever they can source Newfoundland companies – Johnson was there. I

know because I saw it on their truck and several other small Newfoundland companies that were on site. Although the main contractor was Marco, there are lots of subcontractors and they availed of what they could, but outside of that – because that is the biggest one.

The most recent one would have been – Moss would have been the lucky bidder for building the wing on the hospital down in Goose Bay. That's about a \$7-million contract. Moss has told us if at all possible they would have 100 per cent Newfoundlanders and Labradorians employed on that project.

You referenced earlier why Newfoundlanders don't go to Quebec. I'm thinking the main reason Newfoundlanders and Labradorians don't go to Quebec is the language barrier. We have no shortage of Newfoundlanders and Labradorians that go all throughout this world and, certainly, across Canada. We have so many people that work in the oil industry in Alberta.

From my young age – and I know the community near me – everybody went to Toronto. For years and years everybody went to Toronto; it was a mass exodus in the spring. People would go up to Toronto and come back in the fall. People are going to BC. A lot of my friends now are in the northern part of Canada. We have no shortage of people, so to just pinpoint and say they don't go to Quebec, I don't know who goes to Quebec to go to work and who doesn't go to Quebec to go to work.

I do know we have a lot of people that fly out. That's why we have rotational workers in this province that go throughout Canada for work. I don't think anybody here can refute that because most of us have friends in the last few years who are working in the construction trades. When I was in Corner Brook I sat and talked to a steelworker there and I said: Where are you learning your trade? He said: All across Canada.

It's not every day there's steel being rigged anywhere in this province so, obviously, for that person to have employment – and they lived on the West Coast out around Stephenville, the Port au Port area. There have been a lot of people – none of us here can say I don't know anyone who's worked outside the province, because

most of us know multiple people who worked outside the province.

**MR. LANE:** Thank you, Minister. I appreciate the answer.

I just say that I understand that. I know a lot of people who are rotational workers as well and up in Alberta, Northern Manitoba and all those areas, but I think that maybe the difference is that there are lots of jobs up there and they actually need people to go there.

We don't need anybody to come here, as a general rule, to do the work. There might be some specialities but we don't need anybody to come and do drywall work or anything else in Newfoundland when we have our own drywall workers. Maybe if they're up north somewhere they need people, they don't have enough local people to do it, or want to do it or are willing to do it, so then they are hiring from outside.

**CHAIR:** Mr. Lane, your time has expired.

**MR. LANE:** Anyway, thank you.

**CHAIR:** We'll go now to –

**MR. BRAGG:** Could I respond to that though?

**CHAIR:** Go ahead, yes.

**MR. BRAGG:** Because there's another little piece of – I don't know what time I've got.

In Corner Brook last week they were looking for sheet metal workers. Most people don't know any sheet metal workers, let's be fair. They had three applicants come in for sheet metal workers. They wanted multiple ones. There's sheet metal going to be over there big enough to drive a car through. Actually, in their words you can drive a tank through it. If you're talking about are the workers here? There were no sheet metal workers, only three that came forward and they put the call out right across the province.

It's easy for us to say that there are lots of people. Maybe there are lots of people and maybe the right people haven't come forward at the right time. I have no idea. I'm not in their HR. I don't do their hiring. Unlike you, I don't like the thought that my friends, my neighbours

have to go to all parts of Canada for work when there's potential work in the province, but the on-site people and the people I talk to – again, I just spoke to a steelworker and he said all the steelworkers are from Grand Falls to Port aux Basques.

That was the catchment area, so I'm not sure people from the Avalon would be enticed to go to Corner Brook or Corner Brook to come to the Avalon. I don't know because I don't know what people are willing to work for. We don't know everybody's individual preference when it comes to a job.

Yeah, I feel what you're saying, the thought that we're building a \$500-million facility and we have to hire outside people, sure, but if that's what it needs to build that facility that's badly needed for the West Coast of this province, I guess that's one of the pills we have to swallow to get the building finished.

**CHAIR:** Thank you.

We'll now move along to Mr. Parrott.

**MR. PARROTT:** Just one quick point, one quick question.

To the minister's point earlier, the idea of a community benefits program isn't so people go and build buildings or work in oil fields or any of that kind of stuff. That's what you see out West in BC and Alberta. The idea of a community benefits program is so that Newfoundlanders are employed in anything that the government has their fingers on. What I mean by that is if we give a company a tax break, if we're an owner of the infrastructure or if we're an investor through a 3P or likewise.

Community benefits programs are in place and you will not see anybody from a different province working in Quebec on any piece of Quebec infrastructure owned by the provincial government. It doesn't happen. It simply doesn't happen. It doesn't happen in Alberta. The workers that leave Newfoundland go to Alberta to work in oilfields, where, I might add, the provincial government isn't always involved in. Unlike us, where we have equity stakes in our oil. That is why when facilities are built here they're done under special site agreements, as in

Bull Arm and Argenta, and that's why Newfoundlanders have first priority.

I, unlike you, believe that it should be 100 per cent, not 92. There are lots of sheet metal workers in Newfoundland. The companies that are in Corner Brook are avoiding the unionized workers, and I get that, too. So I'm not going to get into that. I think that we all understand the nuances involved with that, but there are plenty of sheet metal workers in Newfoundland. All you have to do is look to the living quarters that was built in Bull Arm and in Marystown; it was all sheet metal workers that did the bulk of that work, from the construction standpoint, all Newfoundlanders. So we'll leave it at that.

The one thing I would like to go back to is the question that the Member for Labrador West identified with regards to public procurement going live online. What sticks out to me is there was an indication that this was scheduled to happen in March. The reality is that the world didn't stop until the middle of March. So I would assume that if we were ready to go live in March, then we ought to be very close to being able to go live now and we should be able to get a date as to when that would happen.

**MS. TIZZARD:** We don't have an exact date yet. We still have to schedule some training.

**MR. PARROTT:** So like months away or weeks or ...?

**MS. TIZZARD:** I don't think it's months. Probably closer to weeks.

**MR. PARROTT:** Okay, thank you.

No more questions.

**CHAIR:** Mr. Brown?

**MR. BROWN:** I'm good, thank you.

**CHAIR:** Thank you.

**CLERK:** 1.1.01.

**CHAIR:** Shall 1.1.01 to 1.2. –

**CLERK:** No, just 1.1.01.

**CHAIR:** Okay, sorry.

**CLERK:** That's all there is for PPA.

**CHAIR:** Okay.

**CLERK:** 1.1.01.

**CHAIR:** Shall 1.1.01 carry?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, subhead 1.1.01 carried.

**CLERK:** The total.

**CHAIR:** Shall the total pass?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

Carried.

On motion, Public Procurement Agency, total heads, carried.

**CHAIR:** Shall I report the Estimates of PPA carried?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, Estimates of the Public Procurement Agency carried without amendment.

**CHAIR:** We'll now move along to Transportation and Infrastructure.

**CLERK:** 1.1.01 to 1.2.06 inclusive.

**CHAIR:** Shall 1.1.01 to 1.2.06 inclusive carry?

Mr. Parrott.

**MR. PARROTT:** I'd like to know, first off, how many vacancies are in the department right now?

**MR. BRAGG:** In the department, I can give you the heavy equipment technician vacancies. In the Avalon, there are five: three in the White Hills, one in Foxtrap, one in Whitbourne. In Eastern, there are no vacancies. In Central, there are four: three in Grand Falls-Windsor, one in Pool's Cove. In Western, there are 16 in total: seven in Deer Lake, one in Plum Point, two in Rocky Harbour, one in Roddickton, one in Sop's Arm, one in Stephenville, one in Tompkins and two in Wild Cove. There are 25 vacancies across the province for 2020. In 2018, there were 17 vacancies.

I throw this out at you: If you know any heavy equipment technicians looking for work, please ask them to apply to the department because we're looking for them. We'll need them for the upcoming season, so sooner rather than later.

**MR. PARROTT:** Have there been any positions eliminated within the department in the last 12 months?

**MR. BRAGG:** In my opening remarks I talked about attrition.

**MR. PARROTT:** I just assumed that to be through the whole department when you said that, so including Procurement. That's why I'm asking specific for here.

**OFFICIAL:** What was your question again?

**MR. PARROTT:** Elimination of positions just specifically the Transportation and Infrastructure department

**MR. BRAGG:** Cory can take that question.

**MR. GRANDY:** The number that the minister had in his opening remarks was specific to Transportation and Infrastructure.

**MR. PARROTT:** Thank you.

For your vacancies, obviously, other than asking us if we know anyone, is there a plan? Does the department have a strategy on this? Because it's an issue, right? I know I've dealt with

departments and I dealt with the ADM several times and, at the end of the day, it's a widely known issue and, obviously, it creates greater issues going forward.

**MR. BRAGG:** I guess it's on our website, it's actively there and you will see open until filled. Some of these positions will be open until filled. Again, many of us, as MHAs, we reach all throughout this province, so we should be able to drawdown from the people that we know in our area and reach out and ask people to get their application in.

**MR. PARROTT:** How many new hires did we have in 2019-20?

**MR. BRAGG:** Joe.

**MR. DUNFORD:** I don't have our turnover rate at the moment on our vacancies.

With respect to your question about a plan, we've seen we do have some vacancies, obviously, in our HETs. One of the things that we have been doing is looking for apprentices, apprentice mechanics. We have a very good relationship with the Office to Advance Women Apprentices and we've been utilizing that to fill some our – to get some of our apprentice positions filled as well, which will help our mechanics.

**MR. PARROTT:** That's a good point, so I'll bring a point associated with apprentices, obviously, outside of your department. But the belief that that strategy will work is a little flawed right now based on the fact that none of the schools are offering any apprenticeship incentives or block training for anybody based on COVID since last March, nothing scheduled for this upcoming year and a major backlog for next year based on that. Obviously, you need a different approach.

**MR. DUNFORD:** We still have apprentices that have come to us looking for work. We haven't seen a lull there at all at this point. Whether that comes – there's a lag to that, that's possible. At the moment, we are seeing apprentices approach us looking for work and so we are able to recruit some.

**MR. PARROTT:** Okay.

I'll just go through some lines and I may have some different questions as we go through, but I'll start with 1.1.01.

Why the projected increase of \$14,700 under Salaries? Again, is that the 27 week ...?

**MR. BRAGG:** That 1.1.01 is a salary increase due to a step increase for '20-'21, as well as an additional pay period '20-'21; remember the 27 as opposed to 26?

**MR. PARROTT:** Thank you.

1.2.01, Executive Support, Transportation and Communications: Why the unbudgeted jump of \$9,080 from \$39,000 to \$48,080?

**MR. BRAGG:** Higher than anticipated travel for the executive, including meetings in Labrador for marine service issues, Corner Brook acute care project, hospital meetings, FPT transportation, highway safety meetings, P3 conferences and infrastructure meetings in Quebec.

**MR. PARROTT:** We're going to travel to Quebec this year?

**MR. BRAGG:** We were there.

**MR. PARROTT:** You were there. I hope you quarantined.

**MR. BRAGG:** Before.

**MR. PARROTT:** Gotcha.

**MR. BRAGG:** Some people went to Florida just before, remember?

**MR. PARROTT:** Yeah.

1.2.02, Employee Benefits: A revised expenditure of \$2,259,311. Can the minister explain the extra \$264,511?

**MR. BRAGG:** The variance relates to workers' compensation payments. This demand is driven and can vary based on the number of claims submitted. It's my understanding we pay our own workers' comp.

**MR. PARROTT:** Obviously, that's significant. Is that an increase in the premium or an increase in incidents in the workplace?

**MR. GRANDY:** That's claim payouts; it's not just the premiums. Some of those claims could go back decades. In recent years, it's not necessarily an increase in incidents but increasing costs over time, given the age of some of those claims.

**MR. PARROTT:** Okay, thank you.

Same section, 1.2.02, Transportation and Communications: Why were the revised expenditures in Transportation and Communications \$136,492 less than budgeted?

**MR. BRAGG:** Reduction in travel for financial operations, Corporate Safety Division, savings on new mobility contracts and reduced postage costs.

**MR. PARROTT:** Okay.

Under Supplies you spent \$64,931 less than the budget, but you increased your budget in '20-'21 to \$107,300. Can you explain why?

**MR. BRAGG:** The savings were due to the reduction in PPE equipment for OHS employees, headquarter supplies requirements and some interdepartmental JVs for recovery of envelope purchases.

**MR. PARROTT:** During your opening remarks you indicated that you had an additional \$518,000 in COVID spending. Can you indicate if there's been any savings due to COVID and people not working, fuel, travel?

**MR. BRAGG:** Yes, you'll see savings throughout. Though in some places you'll see savings and some places you'll see over –

**MR. PARROTT:** You don't have a bulk number as you did for spending?

**MR. BRAGG:** As we go forward through each section we'll highlight that for you.

**MR. PARROTT:** Okay.

Did the department receive any funds specifically from COVID? What were they used for?

**MR. BRAGG:** COVID from the feds you mean?

**MR. PARROTT:** Well, the money that came into the province, yeah, the \$437 million.

**MR. GRANDY:** I think you're thinking about some more of the operational things but under the ICIP agreement, infrastructure funding with the federal government, they have modified the ICIP agreement to allow provinces to spend up to 10 per cent of their allocation for projects with greater flexibility.

The province is taking advantage of that. We can get into that in one of the later sections but ...

**MR. PARROTT:** 1.2.02, Professional Services: Can you explain why you spent an additional \$118,922 last year?

**MR. BRAGG:** That was an overrun due to mobility procurement advisory services, as well as a consultant cost for a rebuild of the department's TRIM system. Savings were identified in other areas of the department to offset these costs.

**MR. PARROTT:** Okay.

Under Purchased Services, can you explain the nature of the \$59,658 dropped balance last year?

**MR. BRAGG:** A reduction in anticipated shredding, printing and document storage costs. The department rightsized this budget during the 2020 process.

**MR. PARROTT:** Property, Furnishings and Equipment: Can you explain why you only spent \$8,465 of the \$24,200 budgeted?

**MR. BRAGG:** Savings due to the lower than anticipated ergonomic assessments during the year.

**MR. PARROTT:** 1.2.03 Strategic and Support Services: Under Supplies, a drop in balance again of \$12,844. Can the minister provide an explanation?

**MR. BRAGG:** \$12,844?

**MR. PARROTT:** Yes.

**MR. BRAGG:** Okay.

A reduction in information management equipment, printing service and uniforms.

**MR. PARROTT:** Okay.

Purchased Services: The actual number shows a drop in balance of \$57,996, but goes back up to \$147,600 this year. Can you explain why?

**MR. BRAGG:** In 2018-19, the Department of Transportation and Infrastructure entered into lease arrangements for mill machines in the region. As these machines are newer, they do not require the same level of maintenance.

**MR. PARROTT:** Okay.

Again, under the same heading: Can the minister clarify the unbudgeted expenditure of \$13,072?

**CHAIR:** The Member's time has expired.

You can go ahead, Minister.

**MR. BRAGG:** Okay, I'll give you an answer on that one.

An increase due to incurred charges, but it relates to the annual lease payments for mill machines and belongings under Purchased Services.

**CHAIR:** Mr. Brown.

**MR. BROWN:** Thank you.

Just a minute ago you said the rebuild of the TRIM system. Can you explain that?

**CHAIR:** Mr. Brown, is your light on?

**MR. BROWN:** Yeah, my light is on.

**CHAIR:** Okay, sorry. It's not there.

**MR. BROWN:** My light is over here.

**CHAIR:** Okay.

**MR. BROWN:** You said you had to rebuild a system. Can you explain that?

**MR. BRAGG:** Can you give me the section number?

**MR. BROWN:** Oh, sorry. Section 1.2.02.

**MR. BRAGG:** 1.2.02, Professional Services.

1.2.02: Costs associated with executives attending meetings outside of agencies and regional staff. Does that make sense to you?

**MR. BROWN:** No because you said earlier under one section there, it was an additional cost to rebuild the TRIM system.

**MR. BRAGG:** Do you want to take this because you can find ...

**MS. ENGLISH:** Our TRIM system was built about a decade ago. Of course, the department has grown exponentially since that time; we've added new people, we added new line items. What we found was it wasn't a very efficient system anymore. OCIO doesn't provide a rebuild service, so we had to contract an outside company to help us with that.

**MR. BROWN:** Okay, perfect. Thank you.

In 1.2.03, right here the budget is there for Salaries. Can you explain the cost of increase in Salaries there by \$2 million?

**MR. BRAGG:** For Salaries it's the 27 pay periods.

**MR. BROWN:** Okay, so it's just the ...?

**MR. BRAGG:** Yeah.

**MR. BROWN:** Okay.

**MR. BRAGG:** Instead of 26.

**MR. BROWN:** Under the section there for Revenue from the province, you budgeted last year to receive \$1,600; you never received anything and only budgeted for \$500 this year. Why was there no revenue – it was budgeted for revenue but we never made any?



**MR. BRAGG:** There was no sale of paper documents, paper tenders.

**MR. BROWN:** Okay.

**MR. BRAGG:** The department rightsized the budget.

**MR. BROWN:** You're expecting about \$500 this year, is it?

**MR. BRAGG:** Yeah, we just rightsized the budget.

**MR. BROWN:** Okay.

Under 1.2.04 for Air Subsidies, why do we get \$80 from the federal government?

**MR. BRAGG:** \$80?

**MR. BROWN:** Well, not \$80, but 80 from the federal government. We received 80 but was not budgeted.

**MR. BRAGG:** There's revenue associated with air services in emergency situations, \$80.

**MR. BROWN:** They just gave us –

**MR. BRAGG:** It had to be a quick pickup for 80 bucks. Cheaper than a taxi.

**CHAIR:** Cory Grandy.

**MR. GRANDY:** Thank you.

Yeah, I think you said it; it's not necessarily revenue from the federal government. I think this would've been revenue received from fees for that air travel.

**MR. BROWN:** Yeah, (inaudible), just one particular case where they had to pay us, I guess.

**MR. GRANDY:** Yeah, it would've been literally dollars, yeah.

**MR. BROWN:** So yeah (inaudible).

1.2.05, is this a new account or just a placeholder account? Just a placeholder account, is it?

**MR. BRAGG:** Yes.

**MR. BROWN:** Okay.

1.2.06, Land Acquisition, under Operating Accounts there, it was a line item that wasn't budgeted, but there was \$4,138. What was that for?

**MR. BRAGG:** One-time appraisals for land evaluations.

**MR. BROWN:** This is a one-time appraisal fee. Okay.

I noticed that we had quite a bit of money budgeted last year but we didn't spend close to it for a lot of these items. Can you explain that?

**MR. BRAGG:** Lower than anticipated land expropriations.

**MR. BROWN:** Okay, so there were just less projects where we were required to purchase land?

**MR. BRAGG:** No new acquisitions were required this year. The number of settlements was lower.

**MR. BROWN:** Okay. In the coming year, are we expecting any large purchases of land?

**MR. BRAGG:** I'll turn that over to Tracy.

**MS. ENGLISH:** There's nothing expected, but, of course, that will depend on whether or not something requires – for a trunk road or something else, and then money's available for that.

It's also used to pay prior-year settlements. So, of course, we have settlements that can date back a number of years and they would come out of this account.

**MR. BROWN:** Okay, so you just have to make sure there's enough in there for a potential settlement.

**MS. ENGLISH:** Yeah, but in the future any capital projects that require a large scale of appropriation, because of course the amount is a

lot lower, will go through the capital infrastructure account.

**MR. BROWN:** Okay, so this is for a different purpose, okay.

**MS. ENGLISH:** Right.

**MR. BROWN:** All right, I'm good there.

Thank you.

**CHAIR:** Thank you.

Mr. Parrott.

**MR. PARROTT:** I go back to 1.2.02. Under Revenue - Provincial, it was projected revenue of \$600,000 and actual was \$1,056,736. Can the minister explain where the additional funds came from?

**MR. BRAGG:** So the increase in revenue was due to the higher than anticipated insurance claims. There was also a lease revenue incorrectly recorded here. It should've been recorded under leased accommodations.

**MR. PARROTT:** Okay, thank you.

Just a quick question on 12. –

**MR. BRAGG:** 12?

**MR. PARROTT:** 1.2.04, sorry, do we pay any fees to – I know 103 Search and Rescue does some different responses for us outside of the norm, outside of their own mandate. Does the government pay fees to them for transfer or bariatric patients or any of the other things that they may do on land?

**MR. BRAGG:** John Baker has that question.

**MR. BAKER:** You're talking about if we have to get search and rescue involved. No, we don't pay them anything.

**MR. PARROTT:** I guess, my question is specific. I know 103 does some transfers of hospital patients actually, not for marine or an actual search. They just fill in for an air ambulance based on the fact that the ambulances just don't work sometimes. I know this because

that's where I came from. I'm just wondering is there a fee involved from the provincial government when we ask them to do that type of work for us?

**MR. BAKER:** As a matter of fact, all of our helicopters are VFR and in a time when we need anything outside of that, yes, they come to our aid whether it be in Gander or Goose Bay.

**MR. PARROTT:** And no fee?

**MR. BAKER:** No fee.

**MR. PARROTT:** Okay.

1.2.06, Land Acquisition, Purchased Services what was the nature of the unbudgeted expenditure of \$4,138?

**MR. BRAGG:** A one-time appraisal, land evaluations.

**MR. PARROTT:** Property, Furnishings and Equipment only spent \$137,363 of the \$2 million that was budgeted. I guess, two questions: Why? I'm not saying that's a bad thing, but why and what's the plan?

**MR. BRAGG:** That was under Property, Furnishings and Equipment?

**MR. PARROTT:** Yes.

**MR. BRAGG:** Lower than anticipated land appropriations that one was. These funds are used to acquire new land or pay supplements from previous years.

**MR. PARROTT:** Okay.

That's the end of this section. Am I correct in saying that?

**CHAIR:** Yes.

**MR. PARROTT:** No more questions.

**CHAIR:** Mr. Brown, are you finished?

**MR. BROWN:** Yes.

**CHAIR:** Mr. Lane?

**MR. LANE:** No.

**CLERK:** 1.1.01 to 1.2.06 inclusive.

**CHAIR:** Shall 1.1.01 to 1.2.06 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

The motion has been carried.

On motion, subheads 1.1.01 to 1.2.06 carried.

**CLERK:** 2.1.01 to 2.4.03.

**CHAIR:** Shall 2.1.01 to 2.4.03 inclusive carry?

Mr. Brown.

**MR. BROWN:** We're on the next section now?

**MR. BRAGG:** 2.1.01.

**MR. BROWN:** Okay, just making sure I was on the right section.

Like I said, I noticed a decrease in Salaries under 2.1.02, what's the reason for that? There's was an increase in the actuals but there was a decrease in the following year.

**MR. BRAGG:** 2.1.02, right?

**MR. BROWN:** Yeah, 2.1.01.

There's an increase in actuals but there was a decrease expected for this year that's not carrying on.

**MR. BRAGG:** You're in 01 and not 02, right? 2.1.01?

**MR. BROWN:** Yeah.

**MR. BRAGG:** Okay, perfect. I didn't want to give you the ...

Funding provided for the salary costs associated with the management and administrative costs of the road maintenance systems of the department: director of roads and operations, superintendents

to operations, maintenance and engineering project supervisor, et cetera, and includes overtime and other earnings required.

**MR. BROWN:** Okay.

**MR. BRAGG:** So this is on the management side.

**MR. BROWN:** Yeah.

Under Transportation and Communications, there was an increase in the actuals last year and then there's lower expected budgeted for this coming year, what's the reason for that?

**MR. BRAGG:** Anticipated savings due to revised mobility contract.

**MR. BROWN:** Okay.

Under Professional Services, I noticed there was an expenditure that wasn't budgeted for.

**MR. BRAGG:** That's a minor variance incorrect charge. This is the new Highway Bridge Design Code from the Canadian Standards Association for the Highway Design and Construction Division, which should have been incurred under 3.1.01 under Administrative Support.

**MR. BROWN:** Okay, all right.

Under Purchased Services, there was quite an increase in expenditures under the actuals there and then we're budgeting less than what we budgeted the previous year, what's the reason for that?

**MR. BRAGG:** Okay, we got good news on this one.

Overrun can be primarily attributed to the one-time implementation cost of the 511 program. Savings were identified elsewhere in the department to offset these costs. 511 is one of the most widely used apps in the province.

**MR. BROWN:** Okay, so this was for the 511 app?

**MR. BRAGG:** You got it.

**MR. BROWN:** Okay, perfect.

Under the Property, Furnishings and Equipment, the one-time purchase there.

**MR. BRAGG:** So funding required for office equipment. There are some incorrect charges there that should have been incurred under Supplies.

**MR. BROWN:** Okay.

Under 2.1.02, I noticed under Supplies there was quite a bit incurred last year in the actuals, but we are budgeting less than we budgeted last year.

**MR. BRAGG:** Reduction in budget construction materials to rightsize the budget and reprofile to winter maintenance as required.

**MR. BROWN:** Okay, so you're taking stuff that was supposed to be done in winter maintenance out of summer maintenance and moving it over.

**MR. BRAGG:** There you go.

**MR. BROWN:** And that's the same with Purchased Services here, I noticed we're budgeting less even though we used actually more last year.

**MR. BRAGG:** The variance attributed to the summer maintenance cost on the new Trans-Labrador maintenance contract.

**MR. BROWN:** Okay, so that was for the contracted-out service. There are some savings in this year's coming up contracted service from up in Labrador?

**MR. BRAGG:** I have: An overrun primarily due to increased requirements for machinery rentals as required to supplement TI's own equipment, as well as the washouts that occurred during the summer 2019 on the Trans-Labrador Highway included \$300,000 in anticipated costs.

**MR. BROWN:** That was for that big washout there. Okay, I understand.

I notice there under provincial revenue we budgeted – received quite a bit more than we actually received. What was the reason for that?

**MR. BRAGG:** Revenue received from municipalities for roads maintenance work completed on behalf of the department. Reimbursement of recoverable costs to replace damaged guardrails that have occurred as a result of automobile accidents and highway access fees. So if someone smashed down a guardrail, insurance pays us to put it back.

**MR. BROWN:** Okay.

We didn't recover a lot this year, did we?

**MR. BRAGG:** I like to say due to COVID-19 we didn't move a lot this year.

**MR. BROWN:** Yeah, you didn't recover a lot this year.

Under winter and snow, 2.1.03, the increase in Salaries is ...?

**MR. BRAGG:** Two point ...?

**MR. BROWN:** 2.1.03, Snow and Ice Control.

**MR. BRAGG:** Perfect, I went too far.

Revenue received from municipalities for snow clearing, \$1 million; from town councils for the purchase of salt and sand, \$2.2 million; and snow clearing for national parks, \$840,000.

**MR. BROWN:** For Salaries.

**MR. BRAGG:** Salaries? I thought you said revenues.

**MR. BROWN:** Oh, sorry. You skipped ahead but that's good, we'll take that one too.

**MR. BRAGG:** I went too far?

**MR. BROWN:** For salaries there, 2.1.03.

**MR. BRAGG:** Joe, do you want to help me out on this one? I can't find the page.

**MR. DUNFORD:** You're asking why there's – just to be clear.

**MR. BROWN:** Yeah, there's quite an increase in Salaries and we're budgeting another quite an

increase in Salaries from the actuals and even this upcoming budget.

**MR. DUNFORD:** The budget variance from this year versus last year is primarily due to the extra pay period.

**MR. BROWN:** Okay.

I know under Supplies we spent quite a bit more in actuals, but we're still budgeting the lower end for this coming year.

**MR. BRAGG:** (Inaudible) winter maintenance cold mix asphalt and other maintenance supplies for snow and ice control.

**MR. BROWN:** Okay, I guess this is because of Snowmageddon. There's quite the increase. That was for the actuals for Snow and Ice Control, for Supplies?

**MR. BRAGG:** Due to the early start to winter and adverse weather conditions, additional funding was required for salt and sand. Funding was transferred from other areas of the department to fund this shortfall.

**MR. BROWN:** Okay.

Under Purchased Services there was quite an increase in actuals last year, but we're only budgeting a million dollars more. What's the reason for that?

**MR. BRAGG:** Funding provides for snow-clearing contracts and rental of snow-clearing equipment. The increase is primarily related to the costs associated with new Trans-Labrador Highway maintenance contracts.

**MR. BROWN:** Okay, so we're adding a bit more money into the Trans-Labrador Highway this coming snow year for snow clearing? Okay.

Under Maintenance of Equipment I noticed that we paid less Salaries last year in actuals, but we're budgeting more. Are we getting more employees?

**MR. BRAGG:** What section are you on there now?

**MR. BROWN:** Oh, sorry, 2.2.01, Equipment Maintenance.

**MR. BRAGG:** Let me see. Funding provides the salary costs associated with the equipment maintenance program for the government light vehicle fleet, heavy equipment and the sign shop.

**MR. BROWN:** Okay, so we're expecting more employees or they're just moved up a pay scale?

**MR. BRAGG:** The increase is primarily related to the additional pay period, which is 27.

**MR. BROWN:** Yeah.

**MR. BRAGG:** It also reflects any salary plan changes, including attrition management, step increases and vacancy factors.

**MR. BROWN:** Okay.

I noticed there under Purchased Services we spent significantly more money than what was budgeted. What was the reason for this?

**MR. BRAGG:** The funding provides for costs associated with mechanical repairs of road maintenance equipment and vehicles. Costs can vary based on availability of in-house staff, complexity of required work, labour and material rates.

**MR. BROWN:** I'm guessing a lot of this is because we didn't have enough mechanics, we had to outsource a lot of the equipment to get fixed elsewhere.

**MR. BRAGG:** That happens from time to time.

**MR. BROWN:** The same with Revenue. I notice there in Revenue we budgeted to receive \$137,000 and we only received \$14,000. What was the reason for this?

**MR. BRAGG:** OHS-related expenditures for equipment maintenance are 100 per cent recoverable from WorkplaceNL, \$52,000 and the sale of Tourism-Oriented Directional Signage, known as TODS.

**MR. BROWN:** Okay, so that's revenue from the –

**MR. BRAGG:** The sale of signage for \$85,000.

**MR. BROWN:** That's from the sign shop, is it?

**MR. BRAGG:** You know the little sign that tells you where the park is at and where the gas station is at?

**MR. BROWN:** Okay, so these are fees collected from tourist operations that post highway signage. I guess just not a lot was put up this year.

**MR. BRAGG:** Yeah.

**MR. BROWN:** Very good. I'll relinquish my time to my colleague there now.

Thank you.

**MR. PARROTT:** 2.1.01, under Supplies there's an extra \$84,041 last year. Can you explain where that came from?

**MR. BRAGG:** Savings, you mean?

**MR. PARROTT:** No, overrun. It was an extra \$84,041 expense.

**MR. BRAGG:** Oh, I'm at page 67. All right, Joe, you're going to take this one, please.

**MR. PARROTT:** Page 68.

**MR. BRAGG:** Is it Purchased Services we're looking at?

**MR. PARROTT:** Administration and Support Services, 2.1.01.

**MR. BRAGG:** I'm on 2.2. Thank you.

Jordan was sending me too far ahead. Hang on.

Joe, do you want to take this while I'm getting organized, please.

**MR. DUNFORD:** The primary reason for the variance on this one has to do with the purchase of a PPE for our operators and staff.

**MR. PARROTT:** Can you give me a bit of detail on that? I mean with the lack of employees and, obviously – was there a reason

why such a substantial amount of PPE had to be purchased above the budget?

**MR. DUNFORD:** Typically, the PPE can last for a couple of years, so every now and then we will get a large purchase of PPE. You're referring to the number of staff. We have vacancies. We have HETs. This is more than just HETs; this is for the operators as well as for the management and everything as well.

You wouldn't see that vacancy piece here reflected significantly. We did a large purchase for our PPE and that's where you'd see it.

**MR. PARROTT:** 2.1.02, Transportation and Communications: What was the nature of the extra \$28,669?

**MR. BRAGG:** Could you say it again, please? 2.1.02 ...?

**MR. PARROTT:** In Transportation and Communications there is an extra \$28,669 spent.

**MR. BRAGG:** It was an increase in travel requirements of road maintenance crews as per the collective agreement, in excess of \$20,000 from the headquarters, float operators moving equipment and supplies from depots and employees attending training sessions to keep mandatory training certificates up to date to be compliant with OHS.

**MR. PARROTT:** The same section, Professional Services: What was the nature of the unbudgeted \$11,770?

**MR. BRAGG:** Variance for increased consultation requirements for the summer maintenance program. This includes various engineering consulting services, including an inspection service for railways, legal and engineering services required during the summer season.

**MR. PARROTT:** Railways?

**MR. BRAGG:** Labrador.

**MR. PARROTT:** Okay.

**MR. BRAGG:** You should have known that.

**MR. PARROTT:** Yeah, I should. I can even tell you the name of it: QNS&L.

Property, Furnishings and Equipment, \$2,077. There was nothing budgeted and nothing budgeted again this year. What was the nature of it?

**MR. BRAGG:** Overrun due to purchase of office furniture and equipment.

**MR. PARROTT:** The same section again, Allowances and Assistance: What was the nature of the dropped balance of \$45,717?

**MR. BRAGG:** Savings due to fewer than anticipated damage claims and out-of-court settlements.

**MR. PARROTT:** Okay.

The next section, 2.1.03, I know the question was asked but I'd like a little clarification. What's the nature of the expenditure of the \$1,336,600? How much of that is overtime? There's an increase in the budget this year and I understand the 27-week pay period, but it's almost a \$2-million increase.

**MR. BRAGG:** Increased overtime requirements in January snowstorm. Salary costs are also weather dependent and given the harsh winter backfilling overtime costs. I think in the opening remarks it was \$1.2 million we spent aiding the city.

**MR. PARROTT:** And that's where it went, directly to the city?

**MR. BRAGG:** Yeah.

**MR. PARROTT:** Is there any indication what the department spends on snow and ice control in overtime? Overall, in the overall salary amount?

**MR. BRAGG:** I would refer that to Joe.

**MR. DUNFORD:** It can vary year to year based on the weather and events, snowfall accumulation and all that stuff. I don't have this year's numbers readily at hand, but I can hand it over to Patrick Morrissey, he will have that number.

**MR. BRAGG:** Do you want to ask another question?

**MR. PARROTT:** Yeah, I can move on until he's ready.

**MR. MORRISSEY:** Can I come back, sorry?

**MR. PARROTT:** Yeah, no worries.

Same section, Transportation and Communications, there was a dropped balance of \$55,979 last year.

**MR. BRAGG:** Savings due to less than anticipated travel throughout various regional operations.

**MR. PARROTT:** Professional Services, what was the nature of the unbudgeted \$26,705?

**MR. BRAGG:** Additional expenses due to engineering consulting requirements for winter maintenance.

**MR. PARROTT:** Okay.

Again, under Purchased Services, the nature of the additional \$3,041,661. I guess this question would go more to the ADM. I would assume that from a fleet management standpoint that it's an automated system that you're using and there's a periodicity associated with the maintenance on all of the fleet vehicles. What is the maintenance rationalization on vehicles prior to winter coming?

**MR. DUNFORD:** Yes, we do have an equipment maintenance system that we use to track all of our heavy equipment fleet as well as our light. There is obviously scheduled maintenance that we have to go through and all that for our equipment.

For the heavy equipment, what we typically put them through – and we're in the middle of it right now, certainly – is what's called annual inspections where we put, for example, a flyer or a snowplow through a rigorous inspection to ensure that it's ready for the upcoming snow season.

**MR. PARROTT:** So based on our early snow season last year and the lack of mechanics that

you have right now, do you anticipate any issues being ready for this snow season?

**MR. DUNFORD:** No, I don't at this time. We are still obviously in the middle of our annual inspections, but we do anticipate them being ready for this coming season.

**MR. PARROTT:** Okay.

**MR. MORRISSEY:** In overtime in Snow and Ice Control, it's \$4.8 million in 2019-20.

**MR. PARROTT:** What sections did we highlight?

**CHAIR:** All of two.

**MR. PARROTT:** 2.2.02, Equipment Acquisitions, Revenue - Provincial, what happened to the \$125,000?

**MR. BRAGG:** Under Revenues?

**MR. PARROTT:** Yes, under 2.2.02.

**MR. BRAGG:** No sellable equipment at the auctions for this fiscal and replacement of OH&S vehicles. So there was no sell at the auction.

**MR. PARROTT:** Okay.

2.3.01, Building, Utilities and Maintenance, Transportation and Communications, what was the nature of the dropped balance of \$76,563 last year?

**MR. BRAGG:** That was under Transportation and Communications?

**MR. PARROTT:** 2.3.01.

**MR. BRAGG:** The heading was Transportation and Communications, right?

**MR. PARROTT:** That's right.

**MR. BRAGG:** You're wondering about the \$76,000?

**MR. PARROTT:** Yes.

**MR. BRAGG:** Reduced travel for building maintenance staff based on operational requirements in their respective regions.

**MR. PARROTT:** Under Supplies, same section, why the additional \$48,151 last year?

**MR. BRAGG:** Increasing first aid and PPE equipment required for building maintenance staff.

**MR. PARROTT:** Okay.

Can you explain under Purchased Services, what the \$2.1 million was spent on?

**MR. BRAGG:** Increasing cost of utilities and fuel and heat of government facilities is dependent on weather conditions and price fluctuations.

Do you want some utilities history, because I have it all? In '19-'20, it was \$17.3 million; '18-'19 was \$16.9 million; '17-'18 was \$15.1 million; '16-'17 was \$14.8 million. Maintenance history: '19-'20, \$16.8 million; '18-'19, \$16.4 million; '17-'18, \$15.1 million; and '16-'17, \$15.3 million. There's some more but I didn't want to (inaudible).

**MR. PARROTT:** No, that's good. It shows a trend is what I'm looking for.

2.3.02, Leased Accommodations, Transportation and Communications, \$18,830, can you explain what happened there?

**MR. BRAGG:** One-time increase for '19-'20 for moving expenditures related to government leased and owned space.

**MR. PARROTT:** Under Supplies, unbudgeted \$1,867. Can you explain?

**MR. BRAGG:** \$1,867 was a minor variance. It provides funding for equipment purchases or leased office space. It was a minor variance.

**MR. PARROTT:** Okay.

The same subheading under Revenue, it's up and down a bit there, can you explain those numbers?



**MR. BRAGG:** In *Budget 2018*, Transportation and Infrastructure was given financial responsibility for all government leases as of April 1, 2018. During this process, the lease funding from core government departments was transferred to this department. The variance in the budget was due to offsetting revenues for lease in Sheshatshiu, which was transferred over to CSSD for budget '20-'21.

**MR. PARROTT:** Thank you very much.

**CHAIR:** Mr. Brown.

**MR. BROWN:** Yeah, perfect, I'll pick up there.

I'll go back to Snow and Ice Control there, for a quick second, 2.1.03.

Whereas we're quite aware that the highways are contracted out for snow clearing, was there any increase in cost this year for snow clearing, the contracts to the two companies that plow the highways?

**MR. BRAGG:** The new contracts we would have awarded?

**MR. BROWN:** Yeah. Was there any increase in that contract?

**MR. BRAGG:** Joe.

**MR. DUNFORD:** Yes, there was an increase to the contract for this year. To our recollection it was around \$1.6 million.

**OFFICIAL:** (Inaudible.)

**MR. DUNFORD:** Yeah, so it was an increase of \$1.6 million in the contract.

**MR. BROWN:** Okay.

Is that broken into two? Is that a full service for summer and winter, or is it just winter and there's a summer maintenance contract?

**MR. DUNFORD:** That would be for full service.

**MR. BROWN:** Full service.

**MR. DUNFORD:** Yes. The contracts we put out in Labrador are for summer and winter maintenance.

**MR. BROWN:** Okay, so it's one (inaudible).

All right, perfect. Thank you.

Okay, now we'll jump back to – under 2.3.03, Alterations and Improvements to Existing Facilities.

**MR. BRAGG:** 2.3.03?

**MR. BROWN:** 2.3.03, Alterations and Improvements to Existing Facilities.

**MR. BRAGG:** Okay, gotcha, perfect.

**MR. BROWN:** Okay.

**MR. BRAGG:** We're well ahead of the game.

**MR. BROWN:** For Salaries, it was budgeted for \$500,000, but you're only spending a little – the Salaries were a little more than half of what was actually budgeted for. What was the reason for that?

**MR. BRAGG:** Due to alterations and improvements, work being delayed during the year, fewer employees were working on these projects; therefore, less salary charges incurred during the year.

**MR. BROWN:** Okay.

I noticed that we budgeted \$49,900 and we only spent \$7,490. What was the reason for the – quite the drop compared to what was budgeted?

**MR. BRAGG:** Forty-nine, so what section?

**MR. BROWN:** For Transportation and Communications, budgeted \$49,000, only spent \$7,000.

**MR. BRAGG:** Okay.

Savings due to less than anticipated travel or alternations and improvement projects.

**MR. BROWN:** Okay, so we have less projects on the go.

**MR. BRAGG:** Less travel.

**MR. BROWN:** All right.

Supplies were unbudgeted, but we spent \$1,000.

**MR. BRAGG:** \$1,507 you mean?

**MR. BROWN:** Yeah.

**MR. BRAGG:** That's a minor variance.

**MR. BROWN:** Okay, it was just a variance.

**MR. BRAGG:** Funding provides for supplies related to alterations and renovations to government-owned buildings.

**MR. BROWN:** Okay and the trend keeps going. I guess there's a reason why there are less Professional Services because less projects.

**MR. BRAGG:** Yes.

**MR. BROWN:** I notice, though, that for Purchased Services we budgeted \$3.7 million but we spent \$4 million. What was the reason for that?

**MR. BRAGG:** Increase related to the new COVID-19 funding for alterations and improvement projects cost-shared with the federal government.

**MR. BROWN:** Okay.

That's why we're going to spend \$8.6 million in the coming year?

**MR. BRAGG:** Funding for payments to contractors and other associated costs for building and maintenance projects.

**MR. BROWN:** So we're expecting to do a bit more this year than we did last year?

**MR. BRAGG:** Yes. That's the COVID stream.

**MR. BROWN:** That's the COVID stream. That would be why we're budgeting \$3.8 million for federal revenue? Is that our cost-shared?

**MR. BRAGG:** Offsetting revenue for the new COVID stream funding, yes.

**MR. BROWN:** Okay.

Provincial revenue: We did have some money come into here. Where did that money come from?

**MR. BRAGG:** Provincial revenue?

**MR. BROWN:** Yeah.

**MR. BRAGG:** Revenue anticipated from the sale of properties that no longer meet the program needs of the provincial government.

**MR. BROWN:** Building Maintenance, Operations and Accommodations, 2.3.04, School Facilities: The budget was \$300,000 for Salaries but in actuals it was \$527,000. What was the reason for the jump and then we're not going to budget it in the following year?

**MR. BRAGG:** The increase is attributed to the reallocation of funding from its operating budget to Salaries. Transportation and Infrastructure staff worked on various school alterations and improvement projects, and a portion of their salary is charged to these projects based on an amount of time spent on them.

This is a reallocation of funding between the line objects. The activity does not represent an increase in the total budget allocation and it does not create a new position within TI.

**MR. BROWN:** Okay.

I'm guessing that's the same thing why there are Employee Benefits as well. Would that be the same reason for the reallocation?

**MR. BRAGG:** I'm going to go with yes on that one.

**MR. BROWN:** Is it yes?

**MR. BRAGG:** Joe, can you see it?

**MR. DUNFORD:** What section are you on there now?

**MR. BROWN:** 2.3.04.

**MR. DUNFORD:** Which specific line?

**MR. BROWN:** Oh, sorry. It's under Employee Benefits, \$66.

**MR. DUNFORD:** The \$66?

**MR. BRAGG:** (Inaudible.)

**MR. BROWN:** That is? Okay.

**MR. MORRISSEY:** This was actually supposed to be charged somewhere else in an administrative account where there are actual employees.

**MR. BROWN:** Okay.

Transportation and Communications: We didn't have anything budgeted last year but we spent \$24,000.

**MR. BRAGG:** Funding provides for the travel expense for employees working on alterations and renovations to the school and increased travel required for school renovation projects.

**MR. BROWN:** Okay.

Supplies: I guess it was a similar project?

**MR. BRAGG:** \$818?

**MR. BROWN:** Yeah.

**MR. BRAGG:** It's a minor variance. Funding for supplies for school facilities maintenance projects. It's very minor.

**MR. BROWN:** Under Professional Services we budgeted \$2.5 million but we only spent \$500,000.

**MR. BRAGG:** In this section, funding provides for consultation costs required for school facilities and maintenance. Savings were identified as projects were delayed into the next fiscal year.

**MR. BROWN:** Okay. That's why we're going to carry it over.

**MR. BRAGG:** Yes.

**MR. BROWN:** In Purchased Services we budgeted \$11 million, we only spent \$10.7

million, yet we're budgeting now for \$16 million. What projects do we have on the go?

**MR. BRAGG:** Funding for payments of contracts. There's another associated cost for school facilities maintenance projects and it reflects the new COVID-19 funding stream cost-shared with the federal government. The savings were identified due to project delays.

**MR. BROWN:** The increase this coming fiscal year is for COVID projects?

**MR. BRAGG:** Yes, increase due to COVID funding stream for (inaudible).

**MR. BROWN:** Okay.

Under revenue we're getting \$11.1 million from the feds. Is that the COVID money?

**MR. BRAGG:** That's the funding allocated for the federal cost-shared revenue COVID stream funding, yes.

**MR. BROWN:** Under 2.3.05, Low Carbon Economy: Last year we budgeted \$150,000 in Salaries but we spent \$272,000. Was that for new positions?

**MR. BRAGG:** Allocation for salary costs of the low carbon project for 2021. Our staff worked on various low carbon projects and a portion of their salary was charged to these projects based on the amount of time spent on them.

**MR. BROWN:** Okay so we spent more time at it this year. We're budgeting now \$500,000. Is that because we were expecting to do more low carbon projects?

**MR. BRAGG:** Higher than anticipated salary recharge than originally budgeted to protect proper job costing. Staff are recharging low carbon projects of amount of time spent on them, which is basically the same answer, right?

**MR. BROWN:** Yeah.

**MR. BRAGG:** It's an allocation for the new Low Carbon Economy Leadership Program.

**MR. BROWN:** Under Transportation and Communications we never budgeted anything

last year, but this year we spent \$12,000 and we're expecting \$165,000. What was the reason for this?

**MR. BRAGG:** The budget has been rightsized to reflect anticipated travel.

**MR. BROWN:** Okay and that's anticipated if back to ...

**MR. BRAGG:** Yes.

**MR. BROWN:** The same with Supplies. We budgeted \$50,000, we never spent anything but we're budgeting \$165,000. What's the reason for that?

**MR. BRAGG:** The funding provides for consultation costs required in relation to the Low Carbon Economy Leadership Program.

**MR. BROWN:** These are supplies, if required, for any of these projects. Okay.

Professional Services: We budgeted \$350,000 but we spent \$511,000 and now we're expecting to budget \$780,000. What professional services are we looking at purchasing for this?

**MR. BRAGG:** So funding provides for consultation costs required in relation to the Low Carbon Economy Leadership Program. Anticipated consultation costs for Low Carbon Economy projects for '20-'21 increase can be attributed to additional funding for overall '20-'21. But you're wondering what ...

**MR. BROWN:** What are we going to do? Is there anything in particular in the hopper that we're expecting for that much?

**MR. BRAGG:** Okay, I'll refer this to the ADM. Joe?

**MR. DUNFORD:** Just a quick comment on this. The LCELFB budget, this is a relatively new program, so you're seeing some swings in this budget, primarily due to the first year we were late getting the budget, and then last year we were really getting the program running. So what we're seeing here this year is the program is in full implementation at the moment. We are fully up and running in this program and we

have a number of projects that we are working on right now.

To my recollection, around six projects, whereas last year we executed two of the six that we wanted to get done. This year we actually have six in the hopper that we tendered recently and we are hoping to execute before end fiscal.

**MR. BROWN:** Okay, so this is what this budget is for?

**MR. DUNFORD:** Yes.

**MR. BROWN:** All good, thank you.

**CHAIR:** Mr. Parrott.

**MR. PARROTT:** 2.3.04. The various projects that are ongoing now, are they on budget and on schedule? Can you provide a list and the status of those projects?

**MR. BRAGG:** I would refer that to my ADM, Joe Dunford.

**MR. DUNFORD:** We can certainly provide a list of projects that we have under our schools program, sure. Just a note on that is some of the projects we deliver and some that the schools deliver, but we can give you a holistic list if you like.

**MR. PARROTT:** All the funding comes from the one pool, though, correct?

**MR. DUNFORD:** Correct.

**MR. PARROTT:** So you would be able to provide a list, even if the school is providing it?

**MR. DUNFORD:** Yes.

**MR. PARROTT:** Okay, yeah, I'd like that list, please.

Just another, the Low Carbon Economy Leadership Program, you mentioned just then six projects. Can you identify what those projects are?

**MR. DUNFORD:** If you can bear with me for a second I can certainly get them for you. Or if

you can ask another question and then come back to me in a minute or two.

**MR. PARROTT:** Yeah, we'll move on, yeah.

2.4.01, under Airstrip Operations, under Supplies, what happened to the additional \$119,977?

**MR. BRAGG:** A reduction in supplies requirements for '20-'21. This varies annually depending on the fuel cost and use as well as other consumables required in any given year on the airstrip operations.

**MR. PARROTT:** Okay.

Just a general question: Can you update us on the status of the Nain airstrip?

**MR. BRAGG:** Status of the Nain airstrip.

**MR. PARROTT:** Yeah.

**MR. BRAGG:** Joe.

**OFFICIAL:** (Inaudible.)

**MR. BRAGG:** Want me to take it?

**OFFICIAL:** (Inaudible.)

**CHAIR:** Cory Grandy.

**MR. GRANDY:** Thank you.

I can't give you an exact update today. I know the contractor has been in Nain; we can follow up and give you a more current status update, if that's what you're looking for.

**MR. PARROTT:** Yeah.

I guess, overall air operations with regard to some of the smaller airstrips in Newfoundland, is there any thought to going IFR on any of these strips so we have a better air ambulance capability or is it just ...?

**MR. GRANDY:** Yeah, there's no plan right now in terms of a budget to do a major upgrade.

Now, Joe, I don't know if you can speak more to the regular inspections that occur and requirements from Transport Canada over ...

**MR. DUNFORD:** One of the things we are looking at is decommissioning the non-directional beacons and going with GPS approaches on our airstrips, which provide a better service overall for those that utilize it. So, yes, we are looking at that. We are in the middle of doing one at the moment and we are looking at it in the future year for doing more of the airstrips as well.

**MR. PARROTT:** Okay.

Back to 2.4.01 under Professional Services, there was a drop in balance of approximately \$179,900.

**MR. BRAGG:** The savings were due to less than anticipated consulting requirements for airstrip operations for this fiscal year, and that's – in brackets – inspection and safety management system program, et cetera.

**MR. PARROTT:** Okay.

Does Transportation and Infrastructure do the snow clearing on those airstrips?

**MR. DUNFORD:** Are you talking about the airstrips on the Island?

**MR. PARROTT:** Yeah.

**MR. DUNFORD:** We do, yes.

**MR. PARROTT:** So where is that budgeted to?

**MR. DUNFORD:** That's under the winter maintenance budgets, under each specific depot that is within that service area. They would do that as part of their run.

**MR. PARROTT:** So based on highway classification, Class 1, 2 and 3, what would an airstrip be classified as for priority?

**MR. DUNFORD:** The airstrips are registered strips here on the Island. They're not certified strips, which has a different service level to them.

When it comes to, say, if there's an air ambulance that we know is coming to the strip, they will radio us in advance and we will ensure that we have the strip cleared. We will typically service them off our main run. But, as you know, our runs can be about two hours long and if it's a heavy snowfall, there's a potential to have some snow on that runway, so if we know they're coming we will cycle back and get it done.

**MR. PARROTT:** Do you know of any circumstances when you know an ambulance is coming? Doesn't really sound like a standard.

**MR. BRAGG:** My dealings with Fogo Island and the airstrip over there and the maintenance crew that's over there, there's close working operations between the highways and the management in the hospital and the airstrip. To get a plane to come in – a chopper is fairly easy, can probably do a parking lot, but when you get a fixed-wing come in, they give advance notice because I don't think that's something that happens at the drop of a dime. Most are located close enough; they can get in and get the job done.

**MR. PARROTT:** 2.4.01, Purchased Services, why the drop in balance of \$63,000?

**MR. BRAGG:** Less than anticipated costs incurred during the Labrador airstrip maintenance contract.

**MR. PARROTT:** 2.4.03, Airstrips, Transportation and Communications, what happened to the unbudgeted \$5,969?

**MR. BRAGG:** 2.4.03?

**MR. PARROTT:** Yes, under Transportation and Communications.

**MR. BRAGG:** Okay, perfect.

The \$5,900 is a minor variance. Funding provides for the travel related to the construction and restoration of airstrips.

**MR. PARROTT:** Purchased Services, last year there was an unbudgeted expenditure of \$914,000, zero budgeted the year before and \$387,000 so why the unexpected expenditure

and why the increase in budget from zero to \$387,000?

**MR. BRAGG:** The increase is to allow for the completion of Nain airstrip resurfacing project, as tenders were higher than anticipated. It was a maintenance agreement with the federal government.

**MR. PARROTT:** Is that project scheduled to be finished this fall?

**MR. DUNFORD:** The Nain resurfacing project? Yes, it is scheduled to be completed this month.

**MR. PARROTT:** 2.4.03, Property, Furnishings and Equipment, why is there only a fraction of spending in this allocation?

**MR. BRAGG:** These funds were needed due to reallocation to purchased services during the year as for the contract payments for the completion of the Nain airstrip resurfacing project.

**MR. PARROTT:** I'll go back and ask Mr. Dunford if he has an answer to the question on LCELF?

**MR. DUNFORD:** Lloyd, can I get you a list on that one or can I send you the list in advance?

**MR. PARROTT:** Yes you sure can, absolutely.

**MR. DUNFORD:** Or after this. My apologies, I don't have it readily available at the moment with me. The spreadsheets I've got here are slightly outdated so I'd rather give you accurate information.

**MR. PARROTT:** No, that's fine.

Just one more question on the LCELF. Obviously, it's a new program and we have people associated with that. How many people work directly in that department?

**MR. BRAGG:** What section are you on my good man?

**MR. PARROTT:** 2.3.05 is the question. This is more of a general question specifically around the Low Carbon Economy initiative. We have

\$500,000 in Salaries. Can you indicate how many people are working under that initiative?

**MR. DUNFORD:** So we have one manager assigned to the LCELF. Then what we have are other engineers within the Building Design group that contribute to project management of those projects. So, technically, it's one associated individual to manage the budget itself, but there are multiple engineers and technicians throughout the department that would be charged against that budget.

**MR. PARROTT:** So it's a reallocation of funding through the budget to other departments. Is that a fair statement?

**MR. DUNFORD:** No, it's within our department, it's not other departments; it's ours.

**MR. PARROTT:** But it's just \$500,000. It sounds to me like you're saying it's a cost-shared salary expense.

**MR. GRANDY:** (Inaudible.)

**MR. PARROTT:** Wave again.

**CHAIR:** Cory Grandy.

**MR. GRANDY:** Thank you.

Just to add a little bit, I guess, extra. On most of the activities that we've been talking about here for alterations and improvements in schools, the LCELF or alterations and improvements in government-funded buildings, there are no dedicated salaries typically attached to those activities. We have project managers and technicians of various sorts on staff and they charge their time against the salary budget for these activities.

**MR. PARROTT:** Yeah, that's my question, okay.

**MR. GRANDY:** So there's no – Joe mentioned we have a manager that's assigned to LCELF, but generally there are no specific positions attached to an individual activity in the Estimates.

**MR. PARROTT:** Perfect, thank you.

We finish right there, is that correct, on 2? We're only doing section 2, is that correct?

**CHAIR:** Yes.

**MR. PARROTT:** Yeah, no more questions.

**CHAIR:** Before we continue, we'll take a 10-minute break and we'll come back and finish this section. Is that okay? Okay.

### Recess

**CHAIR:** We'll continue with our Estimates of Transportation and Infrastructure.

We're on section 2.1.01 to 2.4.03, Operations.

Mr. Brown.

**MR. BROWN:** Under this section, under Administration and Support Services, 3.1.01.

**CHAIR:** No, we're still on two.

**MR. BROWN:** Oh, we're still on two. Okay.

Sorry, I thought we were moving on to the next one. My apologies, I have no other questions for this section.

**CHAIR:** Mr. Parrott.

**MR. PARROTT:** No questions.

**CHAIR:** Mr. Lane.

**MR. LANE:** Yes, thank you.

I have a number of questions, actually. They're all general though.

I'm just wondering, given the issues with climate change and so on, do we have a policy now that when we replace culverts and stuff, that we're using larger ones to accommodate the new reality that we're facing? Is that something we're doing?

**MR. BRAGG:** I'm going to go with a quick answer of, yes, from what I've seen. So, yes, is the answer.

**MR. LANE:** Okay, thank you.

I know it's been talked about but I didn't know if we were actually – at one point we kind of weren't and, of course, people were saying they're throwing good money after bad, but I wasn't sure if we actually had made that shift. Would that be the case of when we have a flood or something that gets washed out, we replace it with larger ones? Or is that all of it now, so we're just replacing a bridge or something now or whatever, it's all going to done –?

**MR. BRAGG:** Even additional ones are dry.

**MR. LANE:** Pardon?

**MR. BRAGG:** We're even putting in dry ones that are elevated above the other ones so that when you get the extreme high water levels, the dry one is ready to roll.

**MR. LANE:** Good. Okay, perfect.

I've had a couple of people mention to me about highway signage in disrepair. I noticed a couple of times myself actually. There's one somewhere between here and Whitbourne – I can picture it but I can't tell you where – where it was a big sign that was sort of cracked right in half.

Do the highway workers – if you see one, do you fix it right away? Do you wait for a complaint or every so many years you do a review? How does that work in terms of highway signage replacement?

**MR. BRAGG:** Joe will answer because he's ADM.

**MR. DUNFORD:** Paul, to answer your question, we conduct maintenance throughout the summer maintenance season in stages or in phases. Early on in the season we do temporary repair for asphalt, culvert cleanouts and stuff like that. When asphalt becomes available we spend June, July and August heavily focused on asphalt. Then in the fall, for September, October and a little bit of November, depending on the weather, we focus on what I'll call periphery transportation infrastructure, so signage and stuff like that.

**MR. LANE:** Okay.

**MR. DUNFORD:** The one exception to that would be TODS. TODS we do put a strong focus on in June. As you know, many of the tourism operators ramp up the last week of June. Our goal is to have all of the TOD signs up by the end of June to ensure that the tourism operators have the benefits from that.

**MR. LANE:** Okay, thank you.

This goes under the Snow and Ice Control area. I'm just looking for some confirmation. I know we had an issue – I can't remember if it was last winter or the winter before – where there were a couple of the ambulances that got stuck on the Trans-Canada somewhere between here and Whitbourne for an extended period of time.

Do we now have that matter resolved in terms of communication or whatever? I know the policy before was if there's an emergency, a plow will go in front of it. That's one piece which obviously is important. But if an ambulance had the emergency, they drove from Whitbourne to St. John's, now they're going back to Whitbourne – it might not be an emergency, but if they're stuck on the Trans-Canada Highway and there is an emergency a couple of hours later or whatever and they can't get to it, then that's still an emergency. Has that whole issue been resolved with the ambulances?

**MR. BRAGG:** If it's an extreme weather event, you can't see – as the old saying – your hand before you and we get the ambulance into the city, people have to look at their own safety when it comes time to go back. Sometimes good common sense must prevail.

Number one priority will always be get the patient to the hospital facility that it needs to get to. If you had Snowmageddon, for argument's sake, that fell from Whitbourne in, there's a good chance that we probably wouldn't have gotten in that evening with the amount of snow that was falling. It might have been diverted to St. John's because sometimes they just cannot physically do it.

I don't know if you've ever been on a plow or driven in a snowstorm when it's zero visibility. It's not the best time to be on the road. At these times people should practice to stay home. One would hope – and I know hope, as Dr. Haggie



said before, should be a girl's name – that if you can get the patient safely to the hospital, the next thing should be the security and safety of the drivers of the ambulance. There should be another ambulance. Most hospitals have two, if not three, ambulances that would be there. One would be committed.

Extreme snow event – I've been out in them. I don't advise anybody to be in them because it's your life that's on the line and you wouldn't want to see anybody stuck. There may be a time in everybody's life that they drive and they wish they never. You've heard the conversation eat your heart? That's what you do at that time; you eat your heart because you cannot see a thing.

**MR. LANE:** Thank you, Minister.

I appreciate that and I do agree. I'd have no issue with any of that, it makes perfect sense to me, provided though that there is indeed another ambulance available. If the ambulance is in St. John's and now there's no ambulance coverage – I'm using Whitbourne as an example because I think that's one that happened; it could be anywhere – as long as part of this whole protocol is that we have some assurance that there is emergency response available, if needed, in all areas, then that's no issue.

**MR. BRAGG:** No and you would treat that as any emergency. Most towns out there would have emergency plans to deal with such events; I would think the health care facilities would have emergency plans, as well, should that happen.

It could be something where three ambulances were dispatched – we'll use the Clarendville hospital. That might clean out the Clarendville Hospital. They may be able to find an ambulance then from Glovertown to come in and pick up so they wouldn't be left – do you know what I'm saying? You would hope there are plans behind plans.

**MR. LANE:** Yeah, I get it and –

**MR. BRAGG:** And communities, it's definitely the key. Yeah.

**MR. LANE:** – I would hope so too, but as you say, that's ...

All right. As memory serves me, at some point – maybe last year, it could've been before that, because if you're here long enough, years run into years and everything else, you lose track, but at some point not too far in my brain I can remember there was going to be this asphalt-testing project where we paved a kilometre with this mix and then another kilometre with a different mix and so on.

Did we ever come to any conclusion from that, or is it still ongoing or what's the deal?

**MR. BRAGG:** My deputy minister will take this question.

**MR. GRANDY:** So we're into, I think, now our third year of testing after the pilot. I think this one, we took our results this year which would've been our third test. We have not seen anything conclusive yet in the wear rates of those test strips. I think when we did it we said it would take a couple of years before you would start to see anything.

Basically, at this point in time, we're into year three, there's nothing conclusive that one particular mix design was working better than the others. With the exception of, I think, over the last, I'm going to say, five years, we know now that on high volume, high-speed roads, the use of the polymer additive in the liquid asphalt is the thing that gives us the best result. So we're using polymer-based liquid asphalt now on all high-volume ...

**MR. LANE:** Outer Ring Road, for example.

**MR. GRANDY:** Yeah.

**MR. LANE:** Yeah, okay.

**MR. GRANDY:** Which is (inaudible).

**MR. LANE:** Although it seems like there's always construction there in the meantime.

**MR. GRANDY:** So, yeah, it appears that way sometimes, but we're actually not replacing the same lane or the same section year over year. Now, you won't get as much life on the Outer Ring Road as you will on the Burin Peninsula Highway, just because of the traffic volume.

**MR. LANE:** Yeah, makes sense. Okay, thank you.

Again, under the Snow and Ice, and this kind of ties into the issue about the trouble in getting heavy equipment mechanics and so on. I know a couple of years ago, for sure, it was a public issue, if you will, where there were a number of depots, particularly around the Avalon, for sure – Donovan's comes to mind – where we were like at 30 per cent or something like that of equipment on the road and 70 per cent off because the vehicles were down for various reasons.

The question, I think, might have been asked by my colleague, to some degree, but I'm just wondering, we're confident that we've got that resolved or we're going to be in good shape this year?

**MR. DUNFORD:** Obviously, one of the things that impact the mechanical downtime of a fleet, as well, is not just the number of mechanics that you have but also the age of equipment and the number that we have available.

One of things that we've done going into this snow clearing season is we've made a significant investment into the fleet. We're currently in the process of receiving 62 new flyers to be dispersed out to the various depots throughout the province. We also purchased 20 loaders to help out our fleet.

If you look at that, that's 82 new pieces of equipment. In addition, in December of 2019, we purchased five new plows, as well, at that time. If you look at the investment in the fleet over the last year, you're talking basically 87 new pieces of equipment.

With that investment into new equipment, we do anticipate that the downtime associated with the fleet will be less this year, which will also reduce demand on the HETs themselves.

**CHAIR:** Mr. Lane, your time has expired unless it's the will of the Committee to provide additional leave.

**MR. LANE:** I thought I had leave because we've gone back a couple of times and I've only

**CHAIR:** Additional time.

**MR. LANE:** Okay. I've just got a couple.

I'm wondering about the terms of alterations or improvements to existing facilities and so on, I'm wondering about accessibility for persons with disabilities. I know there's this rule, if you will, I want to say 1984, it might be '85 or something, that if a building is older than 1984 or 1985, whatever that number is, it might be 1987, 1980-something anyway, that it does not have to be accessible, which, personally, I disagree with that rule. But, anyway, I can understand, perhaps to some degree, there might be some pressure and an unwillingness to address that with private business, perhaps, but certainly when it comes to public buildings, I think it's disgraceful that that rule would even be considered to be applied to a public building.

I'm wondering, where are we with our public buildings, all of our public buildings, when it comes to those buildings being accessible? Not just in terms of blue parking spaces but accessibility into the facilities and washrooms and everything else. Is that something that we're actively working on and completing? Are we there now or ...?

**MR. BRAGG:** I'm curious, are you aware of any buildings that would fall under our division? Because I know Service NL is the regulatory body dealing with that. In my travels throughout the province for the last number of years, I've yet to come across a building with – again, I don't always pay close attention, but if you are aware of one of our buildings that needs to be upgraded, by all means, give it to us because I think everybody should have access to every building that the province owns.

**MR. LANE:** Minister, I can tell you that up until recent times, for example, even the Arts and Culture Centre here wasn't accessible. The Arts and Culture in St. John's in terms of the blue-space parking and everything else, they weren't up to standard up until a couple of years ago when – I'll say – a disability advocate put a lot of pressure and met with the school boards that a lot of the schools weren't even properly accessible.

I know it's been an ongoing issue and I know that some of the reasons that have been given in the past: Oh, well, this building is older than 1984, therefore we don't have to meet those standards. That's why I asked and I will certainly ask for you, Minister, to look into that.

**MR. BRAGG:** Sure.

**MR. LANE:** To make sure that all of our public infrastructure, our buildings are accessible to persons with disabilities.

**MR. BRAGG:** No worries.

**MR. LANE:** Yeah.

The last question I had, I'm just wondering, can you give us any update on what's happening – I guess this would fall under the Low Carbon Economy piece – in terms of – I know under the rate mitigation plan, I suppose, that was announced at some point by Minister Coady when she was minister of Natural Resources, she talked about electric vehicles, which would require charging stations all over the province, obviously, and she talked about the electrification of buildings and all this good stuff. It all sounded wonderful.

What has been done or what is the plan to actually start electrifying all of the public buildings in the province? What about the charging stations? That's my last question.

**MR. BRAGG:** I think the charging stations were with Municipal Affairs when I was there. I'm not sure if that's with us now or not, the actual infrastructure for that, but places were identified throughout the province to put in the charging stations. My understanding from the company named Tesla; they were going to actually piggyback and put one there for their own vehicles at no cost to the province whatsoever. I know that's ongoing. The actual status of these contracts I'm thinking is MAE, an environmental question that may answer that.

Electrification of our buildings – Joe, was that you? Joe will fill us in on what's going on there.

**MR. DUNFORD:** The component of the LCEF that we have is a piece of the larger budget which, as the minister mentioned, there's some

with the Environment and Climate Change group as well. The LCEF budget that we have is almost entirely dedicated to electrification of boilers – or buildings, sorry.

If we have a system that's at the end of its useful life and it's ready for renewal, instead of putting an oil-fired boiler in we'll put in an electric boiler. That's what those projects that Mr. Parrott had questioned about earlier, the six projects; they're related to electric boilers and electrification.

**MR. LANE:** In terms of the numbers then – the number of buildings that would need to be done versus what is done – any idea?

**MR. DUNFORD:** I don't have that list on hand at the moment, but when we're looking at it we're looking at it from a capital renewal point of view, so is the system at the end of its useful life? If we have, say, 850 buildings and 700 of them may be on a fuel-fired boiler, so to speak – I'm not saying that's correct but just for argument's sake – those could be brand new boilers. So we wouldn't really consider those at this time when it's a new system or a relatively new system, we're looking at the ones that are at the end of useful life.

**MR. LANE:** Thank you.

**CHAIR:** We'll now vote on this section.

I ask the Clerk to recall the section.

**CLERK:** 2.1.01 to 2.4.03 inclusive.

**CHAIR:** Shall 2.1.01 to 2.4.03 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Motion carried.

On motion, subheads 2.1.01 through 2.4.03 carried.

**CHAIR:** We will now turn to the next section.

**CLERK:** 3.1.01 to 3.6.02.

**CHAIR:** Shall 3.1.01 to 3.6.02 inclusive carry?

Mr. Parrott.

**MR. PARROTT:** Just some miscellaneous questions first: Cold patch versus recycled asphalt versus hot patch, what's the effectiveness and cost difference?

**MR. DUNFORD:** Cold patch is very much a temporary repair. It's something that's meant to remove the hazard and safety issue at that time. The intent would be to come back and do a more permanent repair.

The hot asphalt and recycled asphalt are what we would use for permanent repairs. Ideally, we would have hot asphalt straight from a plant and that would give us the optimal repair. In situations where hot asphalt may not be available to a particular region, we will use the recycled asphalt. A good example would be down the Burin Peninsula. We use our asphalt recycler down there quite a bit because there's not necessarily a plant that's stationary down there as compared to, say, Clarendville, which has J-1 or something like that, they have stationary plants.

Ideally, yes, we do prefer to use hot asphalt. We get the greatest longevity out of it. We typically see five years if it's done properly. Whereas with the cold patch, it's more a matter of months or weeks in some circumstances.

**MR. PARROTT:** How far is too far to travel to get hot patch?

**MR. BRAGG:** It depends on the vehicle you're bringing it in. If you have a truck that uses the heated dome, you can go a lot further than one that doesn't have the heated dome, so depending on the location and time and who gives you the asphalt mix. Some plants are hotter than others, as you're probably aware.

**MR. PARROTT:** For clarification purposes, if we're spreading – I would assume that the Transportation and Infrastructure truck carries probably around 11 to 12 tons of hot asphalt. If the plan is to go to an area and deliver that amount or close to it, how far would we travel to get it, I guess, is the question.

I ask the question specifically because I know of districts throughout the province where asphalt plants have been set up within a 50-kilometre radius and it's been too far to travel to get hot asphalt. I also ask the question because I have experience in paving and I would suggest that 50 kilometres is not too far to travel. It's very ineffective to put cold patch in these sections year after year and it happens year after year.

Again, I'll ask the question: How far is too far to travel? For argument sake let's say four tons of hot asphalt.

**MR. BRAGG:** I would think the travel would be at the discretion of the supervisor for the depots, what he felt or she felt would be too far. In my district it's an hour run on the ferry. You can't put that in kilometres because it's an hour run on the ferry but you put it to time. Lots of times the truck would come from Grand Falls or Gander, so that's 2½ hours right there.

Now, no doubt the closer you are to the plant, the better the mix, the better you can work with it. When a lot of this is shovel work that is being done, because we don't have the spreaders for doing potholes, the closer the better. It depends on who is doing the mix – and you would know this – because I've heard that some contractors have a very cold mix which their equipment can easily do, but when a lot of it is shovel work and small rollers, they may say – but to your point, is cold mix the right thing to do in August? Most certainly not, in my opinion, but I'm not there that day and that may be the quick fix that you get into that day.

**MR. PARROTT:** We'll go to liquid asphalt, and understanding that there two liquid asphalt storage facilities in the province; one obviously that utilizes the polymer and one that doesn't. We've seen some work stop recently because of the shortage of liquid asphalt. Can somebody explain how that happened?

**MR. BRAGG:** Cory will take that.

**MR. GRANDY:** Both suppliers are capable of providing the polymer, but it depends on what they're providing at that point in time. When we tender a project, we tender it to a general contractor and it's up to the general contractor to

manage his subcontractors and the supply chain in his contract.

Unfortunately, we had the situation on some of our bridge rehabs here in the metro area, including the one on the TCH just east of Foxtrap, where the subcontractor to the bridge rehab contractor, his supplier of liquid asphalt was supplying a non-polymer asphalt to our contractor in Labrador at the time; they weren't able to make the switch to give him the polymer required for the bridge.

We went through a pretty extensive review in terms of what our options were. For a day, we kicked around whether we would change the requirement in our contract and allow the non-polymer to be used. I think after we debated that one around and making sure we get the best bang for our buck, we decided not to allow that change and to stick with the polymer liquid asphalt. It ended up in a further delay on getting asphalt on that bridge.

**MR. PARROTT:** Did anyone from the department reach out to either of the suppliers?

**MR. GRANDY:** That comes into, I'll say, the responsibility of the contractor in managing his supply chain. I'm not aware personally that anyone, as part of our management team, reached out to the other supplier, respecting that it's up to the contractors to have the relationship with their suppliers.

Was there polymer available in the other supplier? Perhaps, and I can't finish even that conversation without smiling a bit because just because it was available doesn't mean that a particular supplier would have sold it to a different contractor, because it's a very unique kind of industry at times.

**MR. PARROTT:** Yeah, I would make the statement that polymer was available from the original supplier and if you check into it you'll find out that that's correct.

**MR. GRANDY:** Now, we did call the first supplier. We did do that, Mr. Parrott. Someone from our materials lab did call the original supplier and we can only take it at face value that they couldn't provide.

**MR. PARROTT:** So as a project goes out – and we've seen it year after year we've seen, as an example, people in my district, J-1, we've seen municipal, we've seen recently Farrell's and different companies get an abundance of work and not have the ability to – and Johnson's in Labrador and so on and so forth – we've seen that the projects haven't been able to be completed in a year.

So two questions, really. Just a little bit of a preamble. These projects are awarded, obviously, based on necessity and necessity is based on condition of the road and safety for people here in Newfoundland and Labrador. So if it's a safety concern, then delaying these projects ought to be unacceptable, obviously, 100 per cent. We've got projects that have been delayed over a year. I assume, based on those delays, that these people are paying penalties – that's the first question. Are they paying penalties, and what amount of penalties was paid in 19-20?

I assume that the plan for 2020 is for these companies to pay penalties. If it is based on safety, why are we only awarding these projects based on bottom dollar, if they aren't being completed?

**MR. BRAGG:** So I guess I could start, then I'll turn it over to Cory or Joe to finish it.

So you're quite aware in the construction industry, in general, whether it be paving, roadwork, water and sewer, buildings, there are always years that the job doesn't get completed; weather conditions, COVID this year could be used, as you're quite aware, a company you're familiar with, we had to cancel a tender because of their COVID concerns and we had to go back and retendered. So is it fair to penalize – and you would know exactly where I'm talking about – the new company because the tender was just called now at the first week of October, which they're not going to get finished this calendar year because the time just will now allow it? Is it fair to penalize that company based on that specific situation that both you and I are quite clear on?

So penalties become a thing that it's easy to say we're going to penalize people, but then when the bid reflects the penalty, in that penalty – and

you referred to Johnson's and you referred to J-1 and everyone else, so for us to have enough contractors out there to do all these jobs would mean most of these contractors would fail in the second year because they just – you were in contracting, you know how this works, right.

So if there were way more contracts than jobs, we would have a lot more people in this province unemployed and facing bankruptcy. So penalties, things that we've talked about it, I'm not sure, Cory, you can tell me if we implemented any penalties or not. But I've looked at it from the side of – again, yourself, as a former contractor, and quite aware of what's going on – when you bid it, if you know you can't finish, you're going to bid it up because you know there's a penalty. So you're going to bid that penalty amount, which means the province actually pays your penalty, or the penalty for you back through them, to be fair.

I'll let Cory expand on that if you like.

**MR. GRANDY:** I may add a little bit of additional commentary to that, I guess.

The intent of our penalties is to incentivize contractors to only take on work that they can complete. It's not our intent, as the minister said, to drive someone out of business because of the penalty. We only want the penalty to incentivize them to complete in a timely way.

We made a fairly significant change to our liquidated damages clauses in our contracts starting last year, early implementation maybe the year before, but in a big way last year. It made a tremendous difference in the amount of carry-over that we had last year, say, relative to three or four years before that. I don't have numbers in front of me to be able to speak to it, but in some years it wouldn't have been unusual to have over \$10-million worth of incomplete work that would carry over to a following season. Last year, that was down to a couple of million.

We'll also work with the contractors. Just because they were delayed doesn't necessarily mean we're going to impose the penalty because there might be very good reasons for the delay. Sometimes it's things that we had changed as the owner. It might be the result of asking for

them to complete additional work on another contract that would prevent them from getting to another contract. So we have to be very, I guess, strategic and willing to work with our vendors to try and get the best value for money out of everything that we do. We actually didn't have to impose that much in the way of penalties because the penalty clauses, the liquidated damages clauses were working the way that they intended.

Now, at the start you mentioned 2020, at the early part of the tendering season, so back in April in the early weeks of the shutdown, and wanting to get the roads program out, we had no idea at that point in time that the roads program would be as successful as it turned out to be – successful in terms of productivity. We had some contractors that were in discussions that were debating whether they would even bother to open their doors this year.

Early on, Minister Crocker, at the time, was meeting with the Heavy Civil Association on a weekly call and I attended most of those teleconferences. Early on, I think the minister said to the Heavy Civil Association and the contractors that are part of it that we would have to be very careful about how we go about imposing penalties this year, not knowing how the season would go at all. I think at that point in time we even wondered would we have a season.

While our contracts still allow for the liquidated damages, whether we should be imposing them this year, given some of those early statements that were made to the industry in April, I think that's a conversation that will continue into the fall and see where we're to.

For the most part, we're seeing our contractors put in a good effort. Some contractors have a lot of work; others not so much. But I think right across the board, the contractors have made really good progress this year. We'll have some decisions to make around penalties as we conclude the season.

Okay. Thank you.

**CHAIR:** Mr. Brown.

**MR. BROWN:** Thank you.

3.1.01, Administration and Support Services, I noticed there for Salaries budgeted \$789,000, but the actuals were \$591,000. Was this through attrition?

**MR. BRAGG:** Let me see, increase of primary related to the additional pay period, number one, and also reflects salary plan changes including step increases, attrition management and a vacancy factor.

**MR. BROWN:** Okay, so there was a bit of attrition, but then there was also increase in pay for this? Because the Salaries is quite the jump from actuals of last budget.

**MR. BRAGG:** We have an extra two-week pay – it was a 27-week pay period – and salary steps.

**MR. BROWN:** Okay.

Employee Benefits: Nothing was budgeted, but it was paid out there in actuals.

**MR. BRAGG:** Overrun related to the registration fees for Transport Canada, TAC and Newfoundland and Labrador Construction Safety Association.

**MR. BROWN:** Okay, so that was for people, part of their administration – they're a professional group?

**MR. BRAGG:** Yes, professional group.

**MR. BROWN:** Okay.

For Transportation and Communications, there was budgeted \$45,500 and \$57,300 was in actuals, but then we're going to keep roughly the same there budgeted. What's the increase there for reasoning?

**MR. BRAGG:** Higher than anticipated travel requirements for both soil labs and Highway Design staff. And the budget was rightsized.

**MR. BROWN:** Okay, so it was under budgeted last year for the work that had to be done, is it?

**MR. BRAGG:** Yes.

**MR. BROWN:** All right.

Supplies: There was an increase in Supplies in this section.

**MR. BRAGG:** We're over due to the one-time increase in engineering supplies for the soil labs.

**MR. BROWN:** That's for the soil lab?

**MR. BRAGG:** Yes.

**MR. BROWN:** Purchased Services: There was a decrease in Purchased Services and we're going to decrease the budget next year – or this budget. What's the reason for less Purchased Services? Is there a project ending?

**MR. BRAGG:** A reduction in anticipated repairs and maintenance costs in the soil labs division. This was reduced in order to rightsize the budget.

**MR. BROWN:** Okay.

3.1.02, Pre-Engineering: There's an increase in the Salaries. Is that for the pay period?

**MR. BRAGG:** Additional pay period, yeah.

**MR. BROWN:** Okay.

Under Transportation and Communications they spent less. Is that because there's less –

**MR. BRAGG:** Less travel.

**MR. BROWN:** Less travel.

3.2.01, Improvements - Provincial Roads: There's quite an increase in salary compared to the actuals of last budget. What's the reasoning for that?

**MR. BRAGG:** 2021 reflects salary requirements for the Provincial Roads Plan using the standard percentage allocations. This does not represent an increase in overall size of the Provincial Roads Program. Funding is allocated being Current and Capital based on the nature and scope of the roads project.

**MR. BROWN:** They're just moving things around, is it?

**MR. GRANDY:** Salary dollars in these allocations are basically for our project management staff, again, to charge off, not unlike what I said earlier. The Salaries going up is a reflection of the overall activity going up. We have to budget between Capital and Current accounts depending on the type of projects that we anticipate at the beginning of the year.

**MR. BROWN:** So they're expecting to draw more from this one compared to the other one this year.

**MR. GRANDY:** Correct.

**MR. BROWN:** Okay.

Under Purchased Services, last year we budgeted \$9.1 million, but our actuals was \$11 million and now we're going to \$12.2 million. What's this increase? Are we planning on doing more roadwork this year compared to last year?

**MR. BRAGG:** Funding provides for payments to contractors and other associated costs of road maintenance projects. The budget reflects increase in contract requirements for 2021 using standard percentage allocations.

**MR. BROWN:** Okay, so we're looking at a little bit more work compared to last year and this is the way it's ...

**MR. BRAGG:** Yeah, the increased spending is primarily due to higher than anticipated tender results, liquid asphalt increase and some emerging priorities during last year.

**MR. BROWN:** Okay.

We spent less in Grants and Subsidies. Was that our municipalities or something that just never got work done or was it that not as many people applied for these grants?

**MR. BRAGG:** It was just a slight reduction in grants for roads.

**MR. BROWN:** Just slight. Okay.

Under 3.2.02 it seems like the program there for Salaries was on a steady decline. Is this a program that's ending?

**MR. BRAGG:** It was funding provided for cost of project management on the major roads and to replace the salary requirements of the province cost-shared roads project using standard percentage allocations.

**MR. BROWN:** It was budgeted for \$570,000, we only spent \$293,000 and we're only budgeting this year for \$340,000. Is this something that's just ending or we're not using as much or ...?

**MR. GRANDY:** No, it's not quite that. Again, there are no specific bodies attached to this activity, it's just the way that someone's time is allocated against the project.

**MR. BROWN:** So there are just not a lot of people working at this right now.

**MR. GRANDY:** How we budget every year on these activities is based on an established percentage of the overall budget. Sometimes it goes over and sometimes it goes under on the recharging of the time.

**MR. BROWN:** If you go to Transportation and Communications, would that be the same thing there where it was budgeted \$325,000 but there was only \$10,000 used. Is that because of the same thing, it was just a project that not a lot of people worked on?

**MR. BRAGG:** Under Transportation and Communications?

**MR. BROWN:** Yes.

**MR. BRAGG:** The variance is lower than anticipated staff-level travel for roads projects for the current fiscal year due to a decrease on rural Northern spending and increase on rural Northern spending – decrease on Current and increase in Capital spending noted above. Since the individual allocations for each type of expenditures – Salaries, travel, Supplies, provincial services, et cetera – are completed based on the standard percentage of total project costs, it's reasonable to expect variations from the original budget Estimates.

**MR. BROWN:** Okay.

**MR. BRAGG:** Clear as mud.



**MR. BROWN:** Under revenue from the federal government, it was projected in the budget \$5.7 million, but we only received \$1.6 million and we're only expected to receive \$2.8 million. Is this a project that's ending?

**MR. BRAGG:** I was going to punt one over to Gregory because he hasn't answered a question yet.

On this one here it's a reduction in the federal revenues associated with eligible costs for cost-shared roads projects. As a result, less spending in these projects in '19-'20 and less revenue was received. Our revenue gets carried to future years to go forward to other eligible costs, jobs.

**MR. BROWN:** Okay, so we only did so many projects so they only gave us a percentage of it. If we finish the projects, they'll give us the rest of it.

**MR. BRAGG:** It's revenue from the feds for cost-shared projects.

**MR. BROWN:** 3.2.03, maintenance and construction, roads, Capital: We budgeted for Salaries, \$2.4 million, the actual was \$2.6 million and now we're budgeting \$3.9 million. Is this going to be for upcoming projects?

**MR. BRAGG:** The funding provides for the cost of project management of major capital works. It reflects the salary requirements of the province's Roads Plan using standard percentage allocations.

**MR. BROWN:** Okay, so right now we're expecting that section is going to get busier this coming year?

**MR. BRAGG:** The variance reflects the amount of time spent on the management and direct supervision of these projects. Salary costs are charged to individual projects based on the amount of time staff spends on the management oversight of a project.

**MR. BROWN:** Last year under Professional Services for the same, for 3.2.03, we budgeted \$150,000, we used \$143,000, but this year we have budgeted \$10 million. Is that for a contract that we have to hire right now?

**MR. BRAGG:** Funding provided for a consulting service on the capital roads and was a budget oversight. Funding should be allocated under Purchased Services.

**MR. BROWN:** Okay, so we misbudgeted this section here last time, is it?

**MR. BRAGG:** Looks to be.

**MR. BROWN:** Okay.

Under Purchased Services, like I said, it was \$33 million, now it is \$55 million, but we're going back to \$37 million. What's the reasoning for that?

**MR. BRAGG:** The funding provides for payments to contractors and associated costs of capital roads projects, and reflects the contractual requirements for the province's Roads Plan using the standard percentage allocations.

**MR. BROWN:** Okay, so we miscalculated what we had to spend last year under Purchased Services?

**CHAIR:** Mr. Brown, your time has expired.

**MR. BROWN:** Okay.

**MR. BRAGG:** Can I answer the question, though?

**CHAIR:** You can answer if you wish, sure.

**MR. BRAGG:** Okay.

This primarily replaced overruns related to the priority projects' higher than anticipated tender results during the year. The department used savings throughout different areas to facilitate these requirements during the year.

**CHAIR:** Mr. Parrott.

**MR. PARROTT:** Under the Roads Plan, any update on carry-overs from tenders this year or cancellations, stuff that didn't happen?

**MR. BRAGG:** We're in the process of reviewing the Roads Plan. There's going to be

some consultation on that, so look forward to that in the coming days and weeks.

**MR. PARROTT:** Okay.

With regard to roads again, can the minister indicate if there have been any discussions with the feds on the fixed link?

**MR. BRAGG:** Pardon me?

**MR. PARROTT:** The fixed link.

**MR. BRAGG:** Since I've been in office there has been no conversation. Previously to that I know the minister had a meeting with the federal minister to talk about the fixed link, but at this time there's no committed funding to that from the feds.

**MR. PARROTT:** Okay.

Just a quick question with regard to understanding the difference between Class 1, 2 and 3 roads. Certain Class 3 roads throughout the province are in major disrepair. There's been some suggestion from the department that perhaps the removal of asphalt is the solution. Is that plan going forward or is there a plan to actually fix these roads?

**MR. BRAGG:** Going forward you take the TCH as your number one priority and every safety aspect of that you try to eliminate as much as possible. Then the Class 2 roads would be the route – again, I can refer to my Route 320 to 330. That's the sub-road that would bring the connection of communities into that and then, from that, you filter on out.

If there is a community or an LSD or an area of the province where the road is deteriorated that bad and they are not on the Roads Plan, an agreement is the consensus of the people that live in that area with the supervisor in that area, with the maintenance possible in that area. I mean the possibilities are probably endless for that.

Some people would say its better for us to have a gravel road than a paved road that we can't drive over. We just won't go out and tear up pavement, let's just put it that way.

**MR. PARROTT:** 3.2.02, under Professional Services there was \$2,015,000 allocated and none of it was spent.

**MR. BRAGG:** The budget deduction – reflects anticipated engineering consultation work required for the province's cost-shared roads project using standard percentage allocations.

**MR. PARROTT:** 3.2.03, Supplies: Why the increase to \$550,000 when you couldn't spend the majority of that money last year?

**MR. BRAGG:** It reflects supplies required for the Provincial Roads Plan using standard percentage allocations for \$350,000. That was your question?

**MR. PARROTT:** Yeah.

Canada/Newfoundland and Labrador Infrastructure Framework Agreement, 3.2.04: What is the status of this agreement and is it being clued up?

**MR. GRANDY:** This program now is being cleaned up; we just had a couple of final payments. I think you won't see this activity in our book too much longer. I think the big cleanup there is related to the Team Gushue Highway and the conclusion of that project and the last bit of revenue from the feds on that.

**MR. PARROTT:** 3.2.05, Trans Labrador Highway: Why the drop in balance and then an additional \$530,000 added this year?

**MR. BRAGG:** It reflects the salary component for Trans-Labrador Highway projects using standard percentage allocations. That's \$530,000.

**MR. PARROTT:** Yeah, but there's a substantial drop, so it really represents a \$1.1-million increase. That's the question really, I guess.

**MR. BRAGG:** Cory, do you want this one?

**MR. GRANDY:** So year over year the budgeting under this activity would reflect, I guess, the actual contract and the contract value. It's kind of hard to compare last year to this year because it's a percentage of the overall total. The

overall total would be a reflection of what we anticipate the contract work to be, based on the value of the tender that was awarded.

**MR. PARROTT:** Just back to the previous question there with regard to the Canada/Newfoundland and Labrador Infrastructure Framework Agreement: If there is no future funding, does that mean that the Team Gushue Highway is dead?

**MR. BRAGG:** Unless we get more funding. We don't have anything budgeted this year for the Team Gushue Highway.

**MR. PARROTT:** Okay.

3.2.05, Supplies: There's an increase of \$600,000; again, you only spent \$33,000 last year. Why the increase?

**MR. BRAGG:** The increase of \$342,800 reflects supplies required for the Trans-Labrador Highway projects using standard percentage allocations.

**MR. PARROTT:** I think you're on the wrong subheading there. Under Supplies.

**MR. BRAGG:** What was your question then, again?

**MR. PARROTT:** The question was you spent \$33,000 last year and you budgeted for \$600,000 this year. That's a difference of \$567,000. Why such a spread?

**MR. BRAGG:** Cash flow changes based on the scope of the program.

**MR. PARROTT:** Professional Services, the same subheading: Why the additional \$1.8 million this year?

**MR. BRAGG:** That reflects consultation requirements for the Trans-Labrador Highway project using standard percentage allocations, the \$1.8 million.

**MR. PARROTT:** The consultations for the Trans-Labrador Highway, that's still ongoing?

**MR. BRAGG:** Consultants, I'm sorry.

**MR. PARROTT:** Okay, thank you.

**MR. BRAGG:** Slip of the tongue.

**MR. PARROTT:** Purchased Services: Approximately \$4 million not spent last year. Why and why approximately \$9 million this year?

**MR. BRAGG:** Budgeted services costs and construction contracts were lower than originally budgeted due to construction delays due to the shortened season in Labrador. As individual allocations for each type of expenditure item: salaries, travel, supplies, professional services, et cetera are completed based on a standard percentage of total project costs, there are expected variations from the original budget Estimates.

**MR. PARROTT:** Would any of this increase be reflective of the delay in the roadwork?

**MR. GRANDY:** I'm not sure I understand your question.

**MR. PARROTT:** The fact that the roadwork didn't happen last year – it was delayed until this year – does any of this money account for that? Is it a purchased service that was purchased last year and carried over or is it ...?

**MR. GRANDY:** Yes, anything that wasn't spent on this Capital project would've carried over to this year. Yes, that is correct.

**MR. PARROTT:** Okay, thank you.

Just for general knowledge, any projects that get carried over, do they affect next year's budget, or is the amount carried over into a line for next year?

**MR. GRANDY:** Capital accounts routinely would carry over with the Capital budget. On Current account, it's not always a given that funding will carry over in the Current account. It's just the accounting mechanism, but, generally, yes is the answer to your question.

**MR. PARROTT:** So it could delay work scheduled for 2021, say?

**MR. GRANDY:** If the budget wasn't kept whole, that is possible, but that is not typically what happens. Typically, the funding does carry over and you wouldn't see a delay.

**MR. PARROTT:** Has it happened in the past?

**MR. GRANDY:** I think it would be probably unwise of me to try – in my memory now to try and remember what's happened over the last several years, has it happened.

**MR. PARROTT:** Is that something we could get an answer to?

**MR. GRANDY:** I think we could follow up on it, could we?

**MR. BRAGG:** Sure.

**MR. PARROTT:** Okay.

Under Revenue, same subheading, 3.2.05: Why did we receive less than budgeted last year?

**MR. BRAGG:** Revenue received from the federal government relates to the cost-shared agreement.

**MR. PARROTT:** Okay, so that's just projected based on work that's carried out.

**MR. BRAGG:** Yes.

**MR. PARROTT:** 3.2.06, Federal - Provincial Cost-Shared Agreements: There was a drop of \$1.774 million last year. Why so substantial?

**MR. BRAGG:** Which subheading are you on?

**MR. PARROTT:** 3.2.06, subheading 01, Salaries.

**MR. BRAGG:** I have \$400,000 as a decrease.

**MR. PARROTT:** No, it went from \$4.2 million down to \$2.955 million, and budgeted for \$3.8 million this year, page 78.

**MR. BRAGG:** In the actuals, okay.

Cory, do you want to take this one? Because I'm certainly not on the right page.

**MR. GRANDY:** Yes, no problem.

That variance reflects the amount of time spent on the management of those particular projects. Again, it falls in the same category. There's no particular bodies attached to those projects. As staff work, their time is charged off against those projects. The budget is set up as a standard percentage in the beginning in a year and then we charge against it. We would have charged less against it in '19-'20.

**MR. PARROTT:** I see my time has expired so I'll pass it on to Mr. Brown.

**MR. BROWN:** Thank you.

I'll pick up there. Trans-Labrador Highway: Is it still projected to be completed, hard surfaces, by the end of next year?

**MR. GRANDY:** I think we've said publicly that pavement could carry over into 2022. It is possible that it can all be complete in 2021. I think it's physically possible. Is there a likelihood that it will carry over? I think we will have to wait to see productivity this year and then again next year.

**MR. BROWN:** Also, will you be encouraging the contractor to start as soon as possible this year, if all the pandemic stuff stays stable as it is?

**MR. GRANDY:** I think it's fair to say that the contractor would feel very incentivized to start as early as possible and we would expect them to do so as soon as temperatures allow in Labrador.

**MR. BROWN:** Okay.

Under 3.2.07, Canada Strategic Infrastructure Fund: Is this a program that's now ending?

**MR. BRAGG:** 3.2.07.

**MR. BROWN:** Canada Strategic Infrastructure Fund.

**MR. BRAGG:** It certainly appears to be. Cory, can you fill me in on that?

**MR. GRANDY:** I think the last project under this was the Sir Robert Bond Bridge. That's one of those legacy projects. We would not expect this activity to show up again next year.

**MR. BROWN:** Okay, so this is a program that has sunsetted, it's done?

**MR. GRANDY:** The last revenue being received from the federal government now that that bridge is complete.

**MR. BROWN:** Okay, perfect.

Resource Roads, 3.3.01: It was budgeted \$211,000 and they spent \$231,000. Is this one of those things were, if you worked on it, your salary is put against it again?

**MR. BRAGG:** Funding provided for salary costs right at construction of resource roads.

**MR. BROWN:** So it's like if you're on that project that day your salary is projected.

**MR. BRAGG:** Charged out to that job.

**MR. BROWN:** Why was there an increase of activity? Was there more work done on resource roads this past year?

**MR. BRAGG:** \$19,839, no that's the decrease, right?

**MR. BROWN:** No, it was budgeted for \$211,000 and they spent \$231,000.

**MR. BRAGG:** I have here overrun due to unfunded severance payout.

**MR. BROWN:** Okay.

Under Supplies it was budgeted last year for \$97,000, we spent \$66,000, but we're now budgeting \$347,000. What's the large increase in Supplies?

**MR. BRAGG:** The funding provides for printing of contract documents, ring binders, plan profile paper, steel panel and I-beam bridges, culverts and other general office supplies.

**MR. BROWN:** We're going to be doing a lot of work on resource roads this coming season?

**MR. GRANDY:** The budget is pretty much staying whole overall. I think on this particular activity, Supplies, and on Purchased Services, depending on the type of work that's going on, the funding could move from Supplies to Purchased Services. Again, depending on –

**MR. BROWN:** Oh, if we do it or we contract someone to do it.

**MR. GRANDY:** All the work is contracted out but if you're hiring a contractor, say, to replace a bridge, that would be a purchased service. But there are times, I think, in this activity where they would be purchasing an asset and having a contractor install it, so then it would get recorded to a different line.

**MR. BROWN:** So I guess if it's easier for our buying power versus a contractor's buying power.

**MR. GRANDY:** Basically, we're always trying to balance that overall operating budget.

**MR. BROWN:** For Property, Furnishings and Equipment we budgeted \$249,000, but we spent \$307,000 and then we're not budgeting anything next year. Is there any reasoning for that?

**MR. BRAGG:** Increase due to additional equipment purchases to carry out resource road construction. That's the reason.

**MR. BROWN:** Okay, so we bought stuff last year but we don't need it this year, kind of thing?

**MR. BRAGG:** Yeah.

**MR. BROWN:** Building Design and Construction, 3.4.01: Last year we budgeted \$1.1 million for Salaries, this year the actual was \$1.3 million. What was the reasoning for that?

**MR. BRAGG:** Funding provides the salary costs anticipated with design, management, inspection and administrative services relating to the construction and renovation of buildings. It also includes salaries for infrastructure planning and procurement staff.

**MR. BROWN:** Okay, so was it like a few payouts or just an increase in work in the department?

**MR. BRAGG:** More work would mean more pay, yeah, basically.

**MR. BROWN:** Okay.

Under here, too, last year under Transportation and Communications we budgeted for \$121,000, we spent \$115,000 and we're only budgeting \$118,000. Are we expecting less travel and stuff in this area?

**MR. BRAGG:** This funding is provided for travel and communications costs. If we're down by \$3,000, it would be definitely some –

**MR. BROWN:** Some (inaudible).

**MR. BRAGG:** There are some savings, too, through a new mobility contract and less anticipated travel.

**MR. BROWN:** We never budgeted anything in this area for Professional Services last year, but we spent \$168,000. What was the reasoning for that?

**MR. BRAGG:** Hiring of consultants on the construction and other related projects.

**MR. BROWN:** Okay. A surprise consultant, was it?

**MR. BRAGG:** Professional Services increased due to procurement and tech advisory services, the ICT review.

**MR. BROWN:** What is the ICT review?

**MR. BRAGG:** Great question.

**MR. GRANDY:** (Inaudible) telephone communications contract. We're getting ready for procurement on that so we had an external advisor leading on that file.

**MR. BROWN:** Okay.

Are we upgrading the phone system in a particular building or is it an overall system review?

**MR. GRANDY:** It's an overall system review.

**MR. BROWN:** Okay.

Under Purchased Services we budgeted \$3 million, we spent \$3.1 million, but we're only budgeting \$2.5 million. Are we not buying something? Are we not expected to purchase anything more than that this year?

**MR. BRAGG:** The funding is for property insurance. Insurance premiums are approximately \$1.5 million annually. The remaining funds are used to pay deductibles on insurance claims. The reduction is anticipated insurance claims based on historical expenditures.

**MR. BROWN:** But we spent extra in the actuals. Was there a claim or something that came up last year?

**MR. BRAGG:** Increase in the insurance claims on Eastern Health properties for \$144,078.

**MR. BROWN:** Okay.

3.4.02, School Facilities – New Construction and Alterations: There was an increase in the Salaries. Is that a continuation of more people working on this file compared to last year?

**MR. BRAGG:** It's based on project management. This year we have Coley's Point Primary, Gander Academy, Paradise Grade 5-to-8 school, St. Peter's Primary extension, francophone school planning, Bay d'Espoir school, Corner Brook bus depots and minor costs for completion of other various schools. We had a fair number of projects going on, so it would be cost-related to each project.

**MR. BROWN:** All right.

Transportation and Communications: We budgeted \$25,000; we spent \$41,885. Was that increased travel?

**MR. BRAGG:** Increased travel, yes.

**MR. BROWN:** Okay.

Unbudgeted Supplies: \$1,629.

**MR. BRAGG:** Funding provides construction material for school facilities. My note says it's a minor variance.

**MR. BROWN:** A minor variance, okay.

Last year, for Professional Services, we budgeted \$7.4 million and we only spent \$518,000. What was the reasoning for that?

**MR. BRAGG:** This funding provides for the consultation costs related to school construction and school facilities. The budget reflects anticipated consultant work related to 2021, based on the scope of the program. I guess if there are less schools being built and less work being done.

**MR. BROWN:** Okay, so we budgeted more than what we actually needed that year, because it was budgeted for \$7 million and we only spent \$518,000.

**MR. BRAGG:** It's lower than anticipated consulting requirements during the year due to delays in construction.

**MR. BROWN:** Okay.

We're budgeting now \$1.2 million. Is this work no longer needed, if we budgeted \$7 million last year and now we're only budgeting \$1.2 million?

**MR. GRANDY:** I think it's a reflection that these projects are concluding; we're well past the design stage on them. The different external consultants that we hire; as you're into construction you require them less compared to the design stage.

**MR. BROWN:** Yeah, I'm just curious because we budgeted \$7 million and we never actually used it. Now we're only budgeting \$1.2 million. This work is no longer required. It's gone. We just don't need to spend \$7 million on this now?

**MR. GRANDY:** Correct. I think it's probably fair to say that in the split between Professional Services and Purchased Services in '19-'20, we probably had too much in the Professional Services category.

**MR. BROWN:** Okay.

**CHAIR:** Thank you, Mr. Brown. Your time has expired.

We'll go over now to Mr. Parrott.

**MR. PARROTT:** Just a quick question back on 3.3.01. Under Salaries there was a reference to unfunded severance payout. Am I right in assuming that is probably spread across multiple departments if we run into that?

**MR. BRAGG:** 3. ...?

**MR. PARROTT:** 3.3.01.

**MR. BRAGG:** Tracy will get this.

**MS. ENGLISH:** Not everyone took their severance payout when it was paid out a few years ago. So anyone who retires who would still have their severance to be paid out, we pay out in the current fiscal year.

**MR. PARROTT:** I guess the question comes from, Salaries were explained as being billed. If it's a billed salary then the entire severance shouldn't come from portions of hours worked.

Again I'll ask: Why is the severance coming from this portion?

**MS. ENGLISH:** I'm not sure which – you're in Roads Construction or Resource Roads?

**MR. PARROTT:** Yeah.

**MS. ENGLISH:** I don't know if I have an answer to that one.

**MR. MORRISSEY:** Actually, under here, under Resource Roads, there are actual bodies under this one. This is something we'll look at changing because it is supposed to be billed to here, but there is actual individuals under this activity.

**MR. PARROTT:** Perfect, thank you.

3.4.02, can the minister explain the drop from \$38 million to \$31 million spent and now it's increased to \$49 million.

**MR. BRAGG:** 3.4.02?

**MR. PARROTT:** Yes.

**MR. BRAGG:** For School Facilities?

**MR. PARROTT:** Yes.

**MR. BRAGG:** This whole subheading has to do with the construction of Coley's Point, Gander Academy, the Paradise School, the ones I mentioned earlier. I guess it's down because the projects are running their way through the system. The construction phases are getting closer to the end and not the beginning. In the beginning, you would need the topside. Now we're running through the project.

**MR. PARROTT:** Mr. Grandy almost hit on the explanation I think, but I just got one more question on 3.4.02 with regard to Professional Services.

The original amount of \$7.4 million was not spent based on delays, by the minister's answer. What was spent was \$518,000, which was substantial; it leaves \$6.9 million. If there's \$6.9 million worth of work that wasn't carried out based on delays, I would assume that a portion of that would have to come into this fiscal year, and it obviously doesn't so, if it's work that had to be done and it wasn't carry out based on delays, when it is going to be done and what work is it?

**MR. GRANDY:** All those projects are into construction, I think. What I was suggesting in my previous answer on that activity was we probably had money budgeted in Professional Services that was higher than it should have been and we should have had that in Purchased Services. Professional Services is where we pay a consultant; Purchased Services is where we pay the contractor. Given that we only had \$1.2 million reflected next year, that \$6 million as you mentioned is not required.

**MR. PARROTT:** Okay.

Revenue: Can the minister explain last year's actuals and where the current numbers come from?

**MR. BRAGG:** The increased anticipated insurance proceeds for the Bay d'Espoir

Academy was \$4.382 million – is that what you're looking for?

**MR. PARROTT:** No, under actuals, what was projected was \$4,727,300 and there's nothing under actuals. This year there's \$5.9 million and \$3.2 million from the federal government.

**MR. BRAGG:** Again, I'm definitely on the wrong page. Cory, can you have my back?

**MR. GRANDY:** Absolutely.

That was the delay in receiving the proceeds from the insurance for the loss of the Bay d'Espoir school. I think we anticipated to receive it in '19-'20, so now we have that reflected in '20-'21. We'll still get insurance –

**MR. PARROTT:** So the \$1.2 million on top of that, where does that come from?

**MR. GRANDY:** Sorry, it was an additional ...?

**MR. PARROTT:** \$1.2 million; \$4.727 million was what was anticipated and zero was collected. Anticipated this year is \$5.9 million, so \$1.2 million outstanding under revenue.

**MR. GRANDY:** Yes, I can't think myself.

Patrick, I don't know if you can ...

**MR. MORRISSEY:** We didn't receive it this year but we did increase it. Based on the last number of years, we would've just carried that revenue over based on the insurance. I guess we haven't had a settlement yet with the insurance company so we are working on that. The Department of Finance, under the insurance division and Transportation and Infrastructure, are working on that.

**MR. PARROTT:** So why would the insurance increase?

**MR. MORRISSEY:** Why would it increase? It's based off the replacement cost of the school.

**MR. PARROTT:** Okay.

The \$3.2 million from federal: Where is that coming from?



**MR. GRANDY:** That's also related to the COVID Resilience stream that we spoke about earlier. There's money based on that.

**MR. PARROTT:** Perfect. Thank you.

3.4.03, Development of New Facilities: New penitentiary replacement. What's the status? Has the land been acquired and all that good stuff?

**MR. GRANDY:** On the overall procurement we just, at the end of September, received responses to the request for qualifications that were issued earlier in the year. This is being delivered as public-private partnerships.

We issued a request for qualifications earlier. Responses have been received, so staff now are in the process of reviewing and evaluating the responses. The land where that's targeted for construction is already owned by the province.

**MR. PARROTT:** Any idea on a start date?

**MR. GRANDY:** Yes, we plan to issue the RFP to shortlisted proponents early in the calendar year. I'm just trying to refer to a sheet. I don't like going by memory too much on some of these dates. I don't see it there but I can tell when we anticipate construction to begin. I don't see it.

**MR. PARROTT:** That's fine.

**MR. GRANDY:** It would be in 2022. I can't give you a month. We're too far out to predict the date but it would be in 2022.

**MR. PARROTT:** 3.4.03, under Professional Services: What's the rationale on the drop of balance last year to \$18,220? Do you actually believe you need \$229,000 again this year?

**MR. BRAGG:** It's a reduction in consulting fees on building projects. The only consulting required was for the geotechnical investigation in the L'Anse au Loup depot.

**MR. PARROTT:** Is there an anticipation that we need that amount again this year?

**MR. GRANDY:** I missed your question. I apologize.

**MR. PARROTT:** I'm just asking – we only spent \$18,000 last year and the budget is gone back up to \$229,000 this year. Is there an anticipation that we'll spend the full amount?

Sorry, 3.4.03, under Professional Services.

**MR. GRANDY:** I'm just reading my notes.

**MR. PARROTT:** It just seems part of the explanation for things is that Professional Services has now been separated and bundled in with Purchased Services; however, the budgets remain the same. If there's a split, then there ought to be a split in both.

**MR. GRANDY:** It's very project specific. We actually require less Professional Services on that. The only external consultant we required for that particular project was for a geotechnical investigation related to the L'Anse au Loup project. Beyond that, we delivered that project as a design build and we didn't retain any other external consultants, so that would be, I'll say, a permanent savings if you would.

**MR. PARROTT:** Okay.

3.4.04, Justice Infrastructure: \$50,000 was spent last year. What is the basis for the \$400,000 requested this year? This is a substantial increase. That's page 81, 3.4.04.

**MR. BRAGG:** Page 81 and I'm on page 207.

What was the heading again?

**MR. PARROTT:** 3.4.04, under Salaries.

**MR. BRAGG:** Funding provides the salary costs related to project management and supervision of the Justice construction projects.

The variance of \$150,000: TI employees will be working on these projects and their time will be charged to these projects to allow for proper job costing of the projects.

**MR. PARROTT:** There must be multiple projects this year versus last year?

**MR. GRANDY:** There are two projects of particular note: HMP replacement and the extension to Labrador, part of that. As we ramp

up in procurement more time will be charged against that project.

**MR. PARROTT:** Thank you.

Professional Services: Can the minister explain the drop from \$650,000 budgeted to only \$171,000 spent? Why is the department requesting \$700,000 this year?

**MR. BRAGG:** The reduction is due to the delay in the planning of the Labrador corrections centre and the penitentiary.

**MR. PARROTT:** Okay.

Under Purchased Services, can the minister explain last year's drop and balance and why he is now requesting \$4.4 million?

**MR. BRAGG:** The budget reflects anticipated contracts for 2020-2021, based on the scope of the program.

**MR. PARROTT:** Again, is that HMP? Is that ...?

**MR. GRANDY:** (Inaudible.)

**MR. PARROTT:** Okay.

**CHAIR:** Mr. Brown.

**MR. BROWN:** Under 3.4.03, we're keeping it the same. Are there any projects in the future under that development project, under that budget this year that's coming up?

**MR. BRAGG:** I'm sorry I didn't catch that one. I was turning the pages.

**MR. BROWN:** Oh sorry.

Under 3.4.03, Development of New Facilities: Are there any new facilities, other than the penitentiary facilities, that are going to be under this budget?

**MR. GRANDY:** 3.4.03?

**MR. BROWN:** Yes, 3.4.03, just Development –

**MR. GRANDY:** 3.4.03 is not the Justice.

**MR. BROWN:** Yeah.

**MR. GRANDY:** 3.4.03 is for ferry terminal facilities, transportation depots and salt sheds. I don't have a list of what depots and salt sheds, off the top of my head, we're planning to get to next year.

**MR. BROWN:** Okay.

**MR. GRANDY:** Joe, I don't know if you can recall off the top of your head?

**MR. DUNFORD:** One we're currently working on is L'Anse au Loup depot and also the Wild Cove depot.

**MR. BROWN:** Okay.

3.4.05, Health Care Building Improvements, Furnishings and Equipment, under Grants and Subsidies: Last year, it was budgeted \$32 million and we used \$32 million. Now we're going to \$35.7 million. Is that for new projects?

**MR. BRAGG:** Increase of \$3.7 million for the new Newfoundland Centre for Health Information to advance the electronic medical records project.

**MR. BROWN:** That's for that new facility for the new digital health records, correct?

**MR. BRAGG:** The medical records project, yes.

**MR. BROWN:** Okay. Is that a new building or just an upgrade to a facility?

**MR. BRAGG:** That's a system as far as I know.

**MR. BROWN:** Oh it's just a system. You guys are also responsible for the system itself as well?

**MR. BRAGG:** I guess, we're paying for it by the looks of the budget.

**MR. BROWN:** I know because this has all just got carried over to you guys, correct?

**MR. BRAGG:** Yes.

**MR. BROWN:** Okay.

3.4.06, Health Care Infrastructure: Last year was budgeted \$900,000 for Salaries, only \$614,000 in actuals and now we're only budgeting \$675,000. What was the reason for the drop in Salaries in this section?

**MR. BRAGG:** The funding provides the salary costs related to the project management and supervision on health care infrastructure projects. I'll give you an example of some of the projects that are going forward. We have Grand Falls-Windsor with the Central Newfoundland Regional Health Care lab; Springdale, the Green Bay Health Centre is the new hospital, basically, in Springdale; in St. John's, the HSC electrical substation; St. John's HCS and SCM integrated ORs; new adult mental health and addictions hospital; long-term care in Western; long-term care in Central; Western Memorial expansion of the Dr. H. Twomey Health Centre; Happy Valley-Goose Bay mental health unit; and the Health Science Centre emergency department redevelopment. So it would've been some part of the project management of that.

**MR. BROWN:** Okay, it's the same thing again, it's people who work on the project, their time against that project.

**MR. BRAGG:** Yeah.

**MR. BROWN:** Okay.

**MR. BRAGG:** Because you could work on multiple projects.

**MR. BROWN:** All right, very good. I'm guessing there was more budgeted than what was actually required last year. So this is more rightsizing?

**MR. BRAGG:** Brings it in line with where the projects are.

**MR. BROWN:** Very good.

Under Professional Services: \$11.1 million was budgeted, we only spent \$7.7 million, and now we're only budgeting \$4.3 million. So what's the reason for the decline in Professional Services?

**MR. BRAGG:** So the \$6.7 million reduction is the lower professional services requirements as projects move from design phase to construction

phase. So now we're into the construction and design.

**MR. BROWN:** Okay, so we're going from architects and that; we're going into the actual building of it. Okay.

Under Purchased Services: \$51 million was budgeted but we only spent \$39 million, and now we're budgeting again for \$55.7 million. Is there a reason for such variance?

**MR. BRAGG:** So the \$12.2 million reduction was lower purchased service requirements than anticipated due to projects not advancing as planned.

**MR. BROWN:** Okay, so all the delays, so this is all being carried over to the next year.

**MR. BRAGG:** Yeah, you'll see a difference next year.

**MR. BROWN:** So we're going from \$51 million to \$55 million. Is there a new project in the hopper there?

**MR. BRAGG:** The increase of \$4.2 million is higher purchased service requirements as projects move from design to construction.

**MR. BROWN:** Okay, so we're just getting ready to pay these contractors, okay.

All right, do we keep going on into – okay, Marine Infrastructure, here we go.

3.5.01, Ferry Terminals: Right now, we're spending less there for the budget in 2019 under Purchased Services. Last year, it was \$1.4 million, we only spent \$1.3 million and we're only going to budget for \$1.337 million. What are we purchasing less of? What services are we purchasing less of?

**MR. BRAGG:** So it's (inaudible) less. It's less than anticipated consulting costs for wharf assessment design work.

**MR. BROWN:** Okay, that's the upgrades for the – is that for the Labrador ferries?

**MR. BRAGG:** I would turn back to –

**MR. BAKER:** Yes.

**MR. BRAGG:** Yes is the answer for that question.

**MR. BROWN:** Yes.

**MR. BAKER:** (Inaudible.)

**MR. BROWN:** Okay, that was for the ferries on the North Coast.

**MR. BRAGG:** Mr. Baker.

**MR. BROWN:** Property, Furnishings and Equipment: There was nothing budgeted, but we ended up spending \$1,900. What was the cost reason for that?

**MR. BRAGG:** It's just a minor variance.

**MR. BROWN:** A minor variance, okay. And the same with Supplies? It wasn't budgeted – \$1,400. Same thing, there was nothing budgeted, but we ended up spending for Supplies.

**MR. BRAGG:** Pardon me, under which subheading was that?

**MR. BROWN:** We're still on 3.5.01. Under Supplies: There was nothing budgeted; we spent \$1,486 and we have nothing budgeted again.

**MR. BRAGG:** I'm going to defer this to Cory because I seem to be missing (inaudible).

**MR. GRANDY:** That was some gas charges actually, the fuel gas that was charged off against the project. Somebody would have driven a government car and used their gas card, essentially.

**MR. BROWN:** Okay, so this is just because of some work that was being done at that time.

**MR. GRANDY:** Yeah.

**MR. BROWN:** Okay, very good.

Salaries: There was an increase in Salaries from budgeted to actuals and then we're going back to the original budgeted. Are we not expecting any more increases there?

**MR. BRAGG:** So the Salaries, there's a minor variance, right, of \$758?

**MR. BROWN:** Yes, but I'm just saying we had a higher increase but now we're going to go back to the same variance. Are we not expecting any more again?

**MR. BRAGG:** Funding provided to the salary cost to manage ferry terminal maintenance projects in relation to the Marine Infrastructure Plan.

**MR. BROWN:** Okay. It was just someone's overtime, I guess. Very good.

Ferry Terminals, Capital, 3.5.02: We budgeted \$200,000 for Salaries but we only spent \$109,000 and we're budgeting again for \$200,000. Is there any reason for that? It's almost half the budget for Salaries.

**MR. BRAGG:** A reduction in Salaries due to delays in the Makkovik wharf project.

**MR. BROWN:** Okay.

**MR. BRAGG:** And there's \$4.1 million in this year's budget for that.

**MR. BROWN:** Okay, all right.

Under Transportation and Communications: We budgeted \$45,000 and we only spent \$4,000. What was the reasoning for such a lack of uptake?

**MR. BRAGG:** Delays in construction; less travel required during the year.

**MR. BROWN:** Okay.

Supplies: The same thing, I guess. We have \$65,000 budgeted, we never used any of it and we're going to budget it again for \$65,000.

**MR. BRAGG:** This was based on requirements for Supplies on capital marine infrastructure. For example, supplies for building and repairing the wharfs, gas for transportation to terminals, et cetera.

**MR. BROWN:** So nothing got done last year?

**MR. BRAGG:** No.

**MR. BROWN:** All right.

Professional Services: We budgeted \$250,000, we only used \$63,000 and we're budgeting again for \$250,000. What was the reasoning for this? It never got off the ground?

**MR. BRAGG:** Reduction in consultant work during the year, including less than anticipated wharf assessments, concept designs, et cetera. Also, individual allocations for each type of expenditure, like Salaries, travel, Supplies, Professional Services, et cetera, are completed based on standard percentage of the total project cost. It's reasonable to expect variations from original budget estimates.

**MR. BROWN:** Purchased Services: We have \$2.4 million there, we spent \$2.5 million and now we're going to spend \$2.3 million. What was the reason for the higher usage in the actuals?

**MR. BRAGG:** An increase in contract requirements for overall savings in the ferry terminal infrastructure.

**MR. BROWN:** Okay, and we're going to budget less even though we used more last year.

**MR. BRAGG:** The savings identified for Little Bay Islands reallocation.

**MR. BROWN:** Okay, so that was for Little Bay Islands.

Under Municipal Infrastructure, 3.6.01: Last year, for Salaries, we budgeted \$2.8 million, we only spent \$2.5 million and we're going to budget again for \$2.8 million. What was the reason for the lower than anticipated Salaries?

**MR. BRAGG:** A reduction due to vacancies and delayed recruitment for 2019.

**MR. BROWN:** Okay, we're expected to recruit those people, hopefully, next year.

**MR. BRAGG:** Yes.

**MR. BROWN:** Under the budget there for Transportation and Communications: There was

\$145,000 budgeted last year, we only used \$59,000 and we're budgeting again for \$49,000. What was the reasoning for –?

**CHAIR:** Mr. Brown, your time has expired.

**MR. BROWN:** Oh sorry.

**MR. BRAGG:** Since that was the last question, 3.6.01?

**MR. BROWN:** Yes.

**MR. BRAGG:** The note I have here says reduced travel and communications costs amongst the regions was the reason – \$94,543.

**MR. BROWN:** Right, thank you.

**CHAIR:** Mr. Parrott.

**MR. PARROTT:** 3.4.05, Health Care Building Improvements, Furnishings and Equipment is new to the department. Just a broad question: Who's going to be managing that and who's going to be deciding what assets go where, CT scans, whatever is required? Obviously, Transportation and Infrastructure is not going to make those decisions, are they? Are they just going to ask you for money?

**MR. BRAGG:** For the equipment in the buildings you mean?

**MR. PARROTT:** Yeah.

**MR. BRAGG:** Cory, you can take this one.

**MR. GRANDY:** Sure. I'll answer this question two different ways. There is an individual manager in Health who manages that program, but I think if you were to read *Hansard* for the Health Estimates, there's still some question whether this particular activity will stay in Transportation in another year. You could see this activity go back to Health in another budget year.

**MR. PARROTT:** Okay, thank you.

Just an observation, again, under Municipal Infrastructure, a couple of things there – Salaries. The common theme here today for Salaries has been an increase in Salaries based

on a 27-week pay period, but none of these departments see that increase. Why?

**MR. BRAGG:** Pardon me?

**MR. PARROTT:** None of these departments see that increase. Previous ones did but now, over the last few we've done, Salaries have remained stagnant. They still have a 27-week pay period so how do we make up for that?

**MR. BRAGG:** On the municipal side was the question?

**MR. PARROTT:** Marine Infrastructure is a good example: \$40,800. It stays the same. Municipal is a good example – exact same number and it carries on and on and on. For every other department there was an increase.

**MR. BRAGG:** Municipal affairs, I can remember from the question by the previous MHA, was a couple of vacancies, so that may have offset it.

On the air – I'm going to turn this over to Patrick.

**MR. MORRISSEY:** You'll see the additional pay period on activities where there are actual employees in that activity.

I understand your question about making up for that. We will reallocate funding in Salaries in Municipal Infrastructure and so on as we require it. Obviously, if there's an additional pay period there'll be more money paid out in Salaries so we will reallocate funding as required.

**MR. PARROTT:** Okay.

With regard to the ferry system, terminals and whatnot, can somebody please identify the savings this year based on the strike and COVID?

**MR. BRAGG:** In the ferry system?

**MR. PARROTT:** Yes. There has to be substantial savings. You must be able –

**MR. BRAGG:** In the terminal?

**MR. PARROTT:** In fuel costs, terminal costs, everything I guess.

**MR. BRAGG:** In fuel costs – would you have that, Mr. Baker?

**MR. BAKER:** We've experienced some savings in fuel, of course, because our numbers were down and we had to self-distance; we could only get so many runs in. Yes, we will see a difference in our fuel costs. Of course, now we don't have it all calculated yet for this fiscal, but we are expecting a decrease in the expense of our fuel.

**MR. PARROTT:** Six months into the year with six months spending in fuel and a budget for the remaining of the year with substantial savings and we don't know what the costs are year to date?

**MR. BAKER:** I don't have it with me right now on the cost of year to date, but we can have that for you in very short order.

**MR. PARROTT:** I would assume that the department probably used some kind of a flow chart, like a cash flow analysis or whatever. You obviously know what your cost for fuel per year is.

**MR. BAKER:** Yes, we do.

**MR. BRAGG:** If you want an accurate up-to-the-moment one, we'll get it for you. How's that?

**MR. PARROTT:** Does it affect the budget this year for fuel? Obviously, I would assume it does.

**MR. BRAGG:** It won't affect the line by line.

We have Gregory. He can answer that.

**MR. BUTLER:** Our fuel costs are incorporated in operations. We can definitely provide you with those numbers, but you're not going to see those under that respective activity.

**MR. PARROTT:** Okay.

Under 3.6.01, Supplies: Why do we still need \$65,000 when we never spent a cent last year?

**MR. BRAGG:** 3.6.01, Supplies? Is that your question?

**MR. PARROTT:** 3.6.01 under Supplies.

**MR. BRAGG:** Funding providing for engineering supplies, safety boots and other PPE equipment.

**MR. PARROTT:** Yes, I see that. I'm good on that one.

Under the same subhead, Grants and Subsidies, can the minister explain the declining numbers, from \$50 million to \$45 million to \$43 million?

**MR. BRAGG:** As soon as I can find it, Sir.

Funding provides the grants and subsidies administered for municipal infrastructure programs. Some of that's federal; some of that's ...

**MR. PARROTT:** It's a combination.

**MR. BRAGG:** Yes, it's a combination of everything: municipal, provincial, you name it.

**MR. PARROTT:** 3.6.02: Can the minister provide clarification on why the \$30 million was budgeted, \$17 million was spent and now there's a request for \$42 million?

**MR. BRAGG:** This is under the Federal-Provincial Infrastructure Program, right?

**MR. PARROTT:** Yes.

**MR. BRAGG:** This is going to include the Small Communities Fund, Provincial-Territorial Infrastructure Component; National and Regional Projects; Green Infrastructure; Community, Culture and Recreation; Happy Valley-Goose Bay wellness centre; provincial swimming pool; Riverhead watershed and treatment facilities; Rural and Northern; and Public Transit.

**MR. PARROTT:** Is any of that number a carry-over from the previous year? Because the actual was substantially less.

**MR. BRAGG:** In these projects there's always going to be carry-over.

**MR. PARROTT:** Okay, that's fine.

**MR. BRAGG:** The big one you're going to see there is the river – is it river wood?

**OFFICIAL:** Riverhead.

**MR. BRAGG:** Riverhead, the sewer facility for the city.

**MR. PARROTT:** Thank you.

**MR. BRAGG:** There are a total of 658 active projects, totalling \$825.2 million. Small projects such as \$17,000 for a water tank assessment in Twillingate and large projects such as \$38.6-million wastewater treatment facility in Gander.

**MR. PARROTT:** Go to ferries, a couple of general questions.

The Strait of Belle Isle ferry, the *Qajaq*: How many days were lost this year due to weather versus prior years?

**MR. BRAGG:** Do we have that at our fingertips?

**MR. BAKER:** How many days lost this year – if you're referring to loss due to weather, this year we've lost about, I think it was, 25 due to weather, but then we had the COVID mixed in there as well.

**MR. PARROTT:** The North Coast ferry, the *Kamutik W*: How many complaints were received and how many claims for damage for spoiled freight or damaged freight?

**MR. BRAGG:** For this year, I thought I gave the note on that for the North Coast ferry. I thought this was a bumper year, to be honest; I'm struggling to find my notes here right now.

We've exceeded our expectations in the amount of tonnage of cargo that's been carried up the coast. I certainly wish that was right at my fingertips, I'll be honest.

Mr. Baker, do you have it for me?

**MR. PARROTT:** Extra 300 tons?

**MR. BAKER:** 5,500, yes, increased by 300.

**MR. BRAGG:** You're questioning complaints? Since I've been in the department six weeks, not a one.

**MR. PARROTT:** Good to hear.

**MR. BRAGG:** So that's great news.

**MR. PARROTT:** That must be reflective of the previous –

**MR. BRAGG:** It has to do with the past minister and the current minister. We're on a mission here. We're –

**MR. PARROTT:** It's nothing you wouldn't say to me there, Minister Bragg.

I'd like an explanation of the current policy with passengers leaving their cars on the ferries, given the current situation with the pandemic. I have to say I'm strongly opposed to it. In certain circumstances on the ferries there's only an exchange of cash, there are no debit machines or anything. It's not a good situation.

**MR. BRAGG:** You're singing the music to my ears because I couldn't agree with you more, but this is a Transport Canada decision. Last Thursday, at 5 in the afternoon, Transport Canada notified us that the *Legionnaire* and the *Veteran*, all passengers had to be out of the vehicles for the next morning because the vessels were considered enclosed vessels.

We went back; we went through the specifications that were the previous administration to us and under that administration, the ferries are classified as closed decks. Transport Canada, when they drew up the specs, made it a closed deck. What a closed deck meant is everyone has to be out of their vehicle. Is it the right thing right now? I don't really personally feel that it is. More people don't. With COVID, it was safer to be in the car.

But I'll be clear on this: This is a Transport Canada ruling, which we must pay attention to because, in effect, the fine is \$14,000 per person who stays in their vehicle, and that would be assigned to the person in that vehicle. There are probably other ferries that are going to fall within that classification as well, but, right now,

we look at the *Legionnaire* and the *Veteran*, who carry most of our passengers, by the way.

Our biggest complaint – you just asked me about the Labrador ferry – we've been fortunate. That one is an open deck. Unless you're down in the lower deck, that would be a closed deck because it's completely sealed off. A lot of people using the ferries say I can see the sky from my car so it's not a closed deck. It's not 100 per cent closed but it meets the specification of a closed-deck ferry. So it's Transport Canada.

**CHAIR:** Mr. Brown.

**MR. BROWN:** All right, under section 4.1.01, Ferry Operations.

**MR. LANE:** (Inaudible.)

**MR. BROWN:** Oh, it's a different section?

**CHAIR:** No, we're still on 3.1.01 to 3.6.02.

**MR. BROWN:** Okay, we're –

**CHAIR:** Have you any other questions with that section?

**MR. BROWN:** Oh no, for that section, no, I don't have any more questions.

**MR. LANE:** I have three quick questions and then I'm out of here, actually.

No offence to the ferry users, but I don't have one in Mount Pearl - Southlands. The only wharf we have is the one in Power's Pond, and that's actually Mount Pearl - North.

A couple of quick questions. The first one is on Galway. Are there any plans of putting another entrance into Galway? You can get into Galway off the Trans-Canada if you're heading east, but if you're someone on the East End and you're coming, say, taking the Outer Ring Road going west, you've got to go up to Paddy's Pond to go around to get into Galway, otherwise you have to go in through the roundabouts and so on. I know there was some talk. I did speak to Minister Crocker at one point about an overpass or underpass or something there somewhere by the Irving area.



Are there any plans at all, right now at this point, to be moving on something there?

**MR. BRAGG:** So I'm assuming this is not under the ferry refit and the transportation and wharfs, right?

**MR. LANE:** Pardon?

**MR. BRAGG:** It's back to 3 ...

**MR. LANE:** Well, actually, we're under the section 3 –

**MR. BRAGG:** We're still in – okay, yeah we haven't went into the ferries.

**MR. LANE:** We shouldn't have went to the ferries.

**MR. BRAGG:** Okay, sure.

**MR. LANE:** Yeah.

**MR. BRAGG:** Okay, because I knew it wasn't ferry infrastructure, so I'm going to turn it over to Cory who's in ...

**MR. GRANDY:** You're right, there have been discussions about constructing an overpass interchange right now where it comes out from Galway down towards the Irving on the TCH, as you mentioned. There's nothing specifically in the budget for '20-'21 for that interchange at this point in time.

**MR. LANE:** Okay. So are there any plans say within the next couple of years to be looking at doing something, or is it just not on the radar at all at this point?

**MR. GRANDY:** So I think it's fair to say it's still a topic of conversation, but there's nothing specifically in the fiscal forecast associated with that infrastructure, specifically.

**MR. LANE:** Okay, perfect, thank you.

My other question relates to the Team Gushue Highway. At one point, the government, and under this administration, talked about we were supposed to complete the Team Gushue Highway. Then we heard it was going to be delayed because, the reason given, at least, was

some issue with the federal government and the agricultural land and there was a piece of land they were trying to figure out.

I had some question about that, to be honest with you, at the time, saying, my God, we only had the last 20 or 30 years to figure that out. But, anyway, that was the reason given not to do it. Now, I'm seeing – or I'm hearing – that under the federal money that's there that pot is gone.

What does that mean? The impression that was given by the former minister is it's supposed to happen. Can't do it this year, we're trying to figure out this. So people are thinking, well, next year we're going to get working on that section. Now it doesn't look like there's anything happening at all.

Can you give us some idea when we expect the Team Gushue Highway to be completed? Is that in the next year or two years, or are we talking that's not on the radar for the foreseeable future either?

**MR. BRAGG:** The Team Gushue Highway was a cost-shared venture with the province. We – when I say we, when I was up with the former minister, we were in Ottawa and met with the minister. At that time, it was not discussed really, for any money for any funding to come forward for the completion of that.

I would think as soon as time permits – and I know we're all fans of the video conference. But as soon as we can sit down with our counterparts in Ottawa to talk about future years, then it will give us more of an idea of where we're going to go with Team Gushue – not where we're going to, how we're going to fund the completion of it.

It's my understanding it's not. You would have heard in the Budget Speech that it was, but it's not in the Budget Speech. We don't have funding for the completion of Team Gushue Highway for this fiscal year.

**MR. LANE:** Okay.

**MR. BRAGG:** Not saying that we won't talk about it because we need to. It's very vitally important for the Northeast Avalon to continue with that aspect, but right now it's not in this budget cycle.

**MR. LANE:** I understand the money is not there and we can't grow money on trees. I totally understand that. What I'm just trying to get my head around is it was supposed to be a go, or at least that's what was put out there, then we said it's delayed. Delayed kind of indicates: We're delayed, we're figuring this out and then we're going to continue. Now we're seeing there's no money.

Somebody must have known there was no money. Or was the money there under that fund and it just got spent on something else instead? Is that what happened? The money was there and the intention was we're going to go forward and, then, because it got delayed someone said: That was delayed, let's spend the money on something else. Is that what happened?

**MR. BRAGG:** Cory has been here longer than me. I'll let him take this question.

**MR. GRANDY:** There are a couple of things going on there. I think you answered that question.

The original cost-shared agreement with the federal government to build the Team Gushue Highway was insufficient to complete the highway. I forget the exact dollar value that was in that original agreement, but it basically got us as far as where we are now at Topsail Road. There wasn't enough money left in that particular agreement to complete it. The province was hopeful to negotiate additional funds with the federal government. As the minister said, that conversation is continuing.

In parallel with all of that was the question of literally where we're going to finish it. I think there was a lower cost solution to get us from Topsail Road over to Pitts and tie in with the rest of Route 3, the Howlett highway. That wasn't necessarily optimal for current traffic patterns in the northeast Avalon, so we undertook a review to try and come up with a more optimal solution that could impact the existing interchange at Route 2 and Route 3.

It's still how can we complete it and what will the cost of that be to be able to – when the Team Gushue Highway was planned, Galway didn't exist; it wasn't thought of. All that to say traffic patterns on the northeast Avalon have changed a

lot since that original route was planned back decades ago. All that discussion of how we can complete it will go part and parcel with what the minister spoke to in terms of a potential new agreement with the federal government to cost share.

I don't know if that helps you. It's a tangly topic.

**MR. LANE:** No, that is helpful.

Thank you very much for your time. I appreciate it.

I'm done.

**CHAIR:** Thank you, Mr. Lane.

**MR. LANE:** Thank you.

**CHAIR:** We will now call the vote on this section.

**CLERK:** 3.1.01 to 3.6.02 inclusive.

**CHAIR:** Shall 3.1.01 to 3.6.02 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Motion carried.

On motion, subheads 3.1.01 through 3.6.02 carried.

**CHAIR:** We do have to be out of the Chamber by 12:45 because they have to come in and sanitize it for the House of Assembly this afternoon. Do we want to reschedule another meeting or is the Committee ready to vote on number four? Or do you have questions?

**MR. PARROTT:** I have questions.

**CHAIR:** Okay.

**MR. PARROTT:** We have 15 minutes; we may be able to get it through in that.

**CHAIR:** Basically, how many do you have?

**MR. PARROTT:** Well, it depends on the answers I guess.

**CHAIR:** Okay.

**MR. PARROTT:** But we can certainly ...

**CHAIR:** Okay.

**CLERK:** 4.1.01 to 4.2.02 inclusive.

**CHAIR:** Shall 4.1.01 to 4.2.02 inclusive carry?

Mr. Parrott.

**MR. PARROTT:** I've asked some questions already, obviously.

Water bomber: What's the status of the fifth water bomber that was damaged? Is there a plan to fix it?

**MR. BRAGG:** From my understanding, my briefing was that the water bomber is damaged and it's probably going to be up for sale.

**MR. PARROTT:** Has there been any thought to sending that water bomber to the college? Obviously, there are ways to fix it.

**MR. BRAGG:** I think there's great value in that water bomber, but for us right now to spend the money that's there –

**MR. PARROTT:** I understand the damage done and stuff.

**MR. BRAGG:** We'll have more conversations. It's not like the sign is stuck on it like you see on a side-by-side on the side of the road.

**MR. PARROTT:** I urge the minister to have a discussion with the College of the North Atlantic and instructors in Gander, because they have indicated that they can fix the water bomber. I will say that. It would be a great opportunity for learning and the furthering of students in the province.

A quick question on bathroom facilities for ferries throughout the province: I currently have one in my district and I know there are others. I've been 14 months trying to get a bathroom facility installed from St. Brendan's and

Burnside locations. Burnside is broken always. St. Brendan's, I've been told through multiple emails: It'll be here next week; it'll be here next week; it'll be here next week. I received a text two minutes ago: still not here, 14 months.

We can't manage toilets. How do we expect to manage ferries? I know that sounds rude but we have COVID –

**MR. BRAGG:** It's as rude as you want it to be.

**MR. PARROTT:** Yes, but we have a pandemic going on. There are no facilities. There are limited runs. People are expected to sit in their cars for hours on end, depending on the location. There has to be the ability for people to go to a washroom facility.

**MR. BRAGG:** I'm not familiar with the St. Brendan's run; I've never been on that. Would there be a terminal on either side? You'll have to educate me to that because I don't know.

**MR. PARROTT:** There are Hotty Potties. There's one on one side and then on the other side.

**MR. BRAGG:** It's like a porta-potty like you would see on the side. They're waiting on a new one or just the cleanup of the old one?

**MR. PARROTT:** A new one and one that functions. A new one in St. Brendan's and one that functions in Burnside. The question has been asked, I would say, 25 or 30 times.

**MR. BRAGG:** Okay, well, we'll get hopping on that, Sir.

**MR. PARROTT:** I appreciate it.

Transportation and Communications: Why is this number trending down so much?

**MR. BRAGG:** Pardon me?

**MR. PARROTT:** 4.1.01, Transportation and Communications numbers.

**MR. BRAGG:** It's savings on the Turbo Hubs and mobility costs under the new mobility contract.

**MR. PARROTT:** Okay.

Just a general question for overtime costs within the department: There are some ferry cooks that are making \$200,000 a year and, obviously, that's based on overtime. Is there a better way to manage that and control it?

**MR. BRAGG:** There are cooks making \$200,000 a year on the ferry?

**MR. PARROTT:** There are, yes.

**MR. BRAGG:** There are cooks making \$200,000?

**MR. PARROTT:** Absolutely.

**MR. BRAGG:** I saw the skippers' salary.

**MR. PARROTT:** There are cooks.

**MR. BRAGG:** If that is actually the case, it's something we will review.

**MR. PARROTT:** Okay.

Professional Services: Why did you budget an additional \$1.7 million last year? 4.1.02.

**MR. BRAGG:** Over in Professional Services?

**MR. PARROTT:** Yeah.

**MR. BRAGG:** I have it in at \$4,500. Is that your question or is it another section?

**MR. PARROTT:** 4.1.02.

**MR. BRAGG:** Professional Services?

**MR. PARROTT:** Purchased Services.

**MR. BRAGG:** Purchased, I'm sorry.

**MR. PARROTT:** Yeah, \$1.7 million.

**MR. BRAGG:** The increased refit requirements primarily for the *Beaumont* and the *Veteran*. Funding was identified in other areas of the department to offset this increase.

**MR. PARROTT:** Okay.

4.2.01, Government-Operated Aircraft: There's an increase in \$500,000 this year.

**MR. BRAGG:** For Salaries?

**MR. PARROTT:** Yeah.

**MR. BRAGG:** A result of an additional pay period for 2021.

**MR. PARROTT:** Okay.

Based on, I assume –

**MR. BRAGG:** Based on the 27 weeks.

**MR. PARROTT:** I assume that we have one less water bomber pilot, if we have one less water bomber, do we?

**MR. BRAGG:** Pardon me?

**MR. PARROTT:** I said I assume we have one less water bomber pilot if we have one less water bomber that's not going to be replaced?

**MR. BRAGG:** I'm not sure who would answer the staffing?

John, do you have that?

**MR. BAKER:** We had one less water bomber due to the damage. Unfortunately, at that time, we had sickness as well. The pilots: one was off on long term and the other one was off on sick leave as well.

**MR. PARROTT:** Okay, thank you.

In Purchased Services: There's a significant drop in balance, \$271,000. 4.2.01.

**MR. BRAGG:** \$271,000?

**MR. PARROTT:** Yes.

**MR. BRAGG:** Lower than anticipated repairs and maintenance on the air services fleet. I guess it was less fires, less maintenance.

**MR. PARROTT:** Gotcha.

**MR. BRAGG:** But I can't prove that.

**MR. PARROTT:** No, no, fair enough. Based on the aircraft being unavailable and the fact that we're not fixing it and, obviously, aircraft are on a very structured periodicity with regard to maintenance and overhaul, do we still have the same amount of AME mechanics?

**MR. BRAGG:** On our fleet of aircraft, I know we do share them with other provinces, so there are times where we don't have the need for them. This year, I know at one point, one was scheduled to go out and assist Nova Scotia.

With our fleet, if you're talking about because we're one down, do we need one. We've had adequate supplies, plus we have agreements with other provinces.

On the actual mechanics and fuellers, Mr. Baker?

**MR. BAKER:** We have the same staff on. The difference in some of those numbers here, going from budget to actual, is because of the maintenance period. All the maintenance on the aircraft, as you know, are done by dates, not necessarily the condition of it. Because of the dates, we would run, it would be lower on one fiscal and then bounce right into the second one, the next fiscal. There's no difference in the maintenance program because, as you know, there are many inspections.

**MR. PARROTT:** Yeah, fair enough, but I would think that over a 12-month period, if you lose an aircraft, then the stagger would change and you'd have the ability to reduce the amount of staff working on it. So it's just not dates; obviously, it's flying hours, pre-inspection, post-inspection. There are a lot of things associated with an inspection on an aircraft, obviously, but over a 12-month period, your stagger would change.

If you have one aircraft and the periodicity, if you're doing a 2,400 hour, two-month, six-month or a 12-month inspection, and you're eliminating that from the fleet, then, obviously, you don't need the same amount of mechanics.

**MR. BRAGG:** It's easy to say and hard to do, in all fairness, because you may have to take an airplane at some point, move it into Wabush, like a couple of years ago. So if you were

actually in the internal operations of that, I'm just thinking off-handily, yeah, there may be sometimes but there are other times that you could probably use extra mechanics as well. I don't think that's a fair assessment.

**MR. PARROTT:** Okay, last question.

Revenue - Provincial: Can you explain the drop from \$850,000 to \$54,000 and why do you believe that you will have better luck of collecting that this year?

**MR. BRAGG:** The revenues is lower than anticipated recharges to the regional health authorities requiring helicopter and plane charters in the fiscal year. Revenue was also received from other provinces for the use of the water bombers; however, the water bombers were not required in other provinces this fiscal year.

**MR. PARROTT:** Okay.

I have no further questions.

**CHAIR:** Mr. Brown?

**MR. BROWN:** Just one there.

Right now, with the basing of some aircraft in Wabush, have the staffing levels been met at the Wabush hangar, or not Wabush, the Goose Bay hangar?

**MR. BRAGG:** Staffing levels?

**MR. BROWN:** At the Goose Bay hangar.

**MR. BAKER:** When the water bomber travels, the maintenance engineers travel with it. We have an air ambulance station in Goose Bay as well. We have maintenance engineers there with it as well. This is why we have more of a maintenance contingent in Goose Bay rather than other places.

**MR. BROWN:** Okay. So there are no vacancies currently for engineers or any of the auxiliary employees there to maintain the aircraft? For the air ambulance, there are no vacancies currently?

**MR. BAKER:** I never got your original question.

**MR. BROWN:** There are no vacancies currently for aircraft maintenance personnel at the Goose Bay –

**MR. BAKER:** None on the maintenance side.

**MR. BROWN:** Okay, perfect.

That's all. Thank you.

**CHAIR:** Thank you.

I will now call the vote for this section. I ask the Clerk to recall the section, please.

**CLERK:** 4.1.01 to 4.2.02 inclusive.

**CHAIR:** Shall 4.1.01 to 4.2.02 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

The motion has been carried.

On motion, subheads 4.1.01 through 4.2.02 carried.

**CLERK:** Total.

**CHAIR:** Shall the total carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

The motion carried.

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

**CHAIR:** Shall I report the Estimates of Transportation and Infrastructure be carried without amendment?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

The motion has been carried.

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

**CHAIR:** The minutes of the last meeting have been circulated here today.

Can I have someone to make a motion to accept?

**MR. DAVIS:** So moved.

**CHAIR:** Mr. Davis has moved.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

The minutes are accepted.

On motion, minutes adopted as circulated.

**CHAIR:** The next Government Services Committee will meet at the call of the Chair.

I thank you all for participating this morning. It's been a very productive morning; it's been a long one, though. We'll leave now and get ready to head back for the proceedings of the House.

**MR. PARROTT:** I'd just quickly like to say thanks to everyone. When I call the department, people are co-operative and they do the best they can, given the tools they have been given and stuff. This morning was productive and I appreciate the answers.

Thank you very much.

**CHAIR:** Thank you.

I now ask for someone to move to adjourn.

**MR. BRAGG:** Can I have a closing remark and thank my staff?

**CHAIR:** Absolutely, sorry about that.

**MR. BRAGG:** Okay.

I'd just like to thank my staff who put in endless hours to prepare the binders and prepare me for this. I thank them for coming in yesterday afternoon, actually, on their Sunday, on their weekend off. You don't know what that means to me. I'm a big person who feels that your weekends should be for yourself and not so much for your job. I thank each one of these guys behind me here today for the job they've done. I thank my colleagues for coming in this morning and I thank the people that are probably somewhere outside of us recording all this.

Thank you very much. Again, you guys have a little zip drive for anything that you might have missed in the Estimates session.

**CHAIR:** Thank you.

Can I have a mover to adjourn?

**MR. BROWN:** (Inaudible.)

**CHAIR:** Mr. Brown, thank you so much.

On motion, the Committee adjourned sine die.