

**House of Assembly Management Commission
Agenda**

**Location: House of Assembly Chamber
Date: February, 27, 2013
Time: 6:30 – 9:30 p.m.**

Tab 1 Minutes
Approval of Minutes for December 4, 2012 meeting

Reports

- Speaker's Report on Authorizations under Section 18(4)
- Clerk's Report on Authorizations for Furniture and Equipment
- Audit Committee Report

New Business

Tab 2 Financial Statements 2011-2012

Tab 3 Budget Transfer Ratification – Independent Member

Tab 4 Letters of Appeal

- Member for Burgeo-LaPoile
- Member for Burin-Placentia West
- Member for Cartwright L'Anse au Clair
- Member for Humber East
- Member for Mt. Pearl South
- Member for St. Georges - Stephenville East

Tab 5 Request for Position Conversion – OCYA (*In-camera*)

Tab 6 Members' Compensation Review Committee

- Salary Recommendations

Tab 7 Members' Compensation Review Committee

- Pensions Recommendations

Tab 8 Members' Compensation Review Committee

- Select Allowances Recommendations



**House of Assembly
Newfoundland and Labrador**

**Minutes of the House of Assembly
Management Commission**

Date: December 4 & 5, 2012

Location: House of Assembly Chamber

Time: 6:00 p.m.

Members Present:

Hon. Ross Wiseman, Speaker
Ms. Sandra Barnes, Clerk of the House of Assembly
Hon. Jerome Kennedy, Government House Leader
Ms. Lorraine Michael, MHA (NDP) Signal Hill - Quidi Vidi
Mr. Vaughn Granter, MHA (PC) Humber West
Ms. Yvonne Jones, MHA (L) Cartwright - L'Anse Au Clair
Hon. Joan Shea, MHA (PC) St. Georges – Stephenville
Mr. Dwight Ball, MHA (L) Humber Valley

Other

Mr. Wade Verge, MHA (PC) Lewisporte, Deputy Speaker
Ms. Marie Keefe, Policy & Communications Officer, Clerk's Office

CM 2012-035 The Minutes of the House of Assembly Management Commission meeting held on September 18, 2012 were approved as read.

Reports

The Speaker gave an update on authorizations made under subsection 18(4) of the *Members Resources and Allowances Rules* for the period ending November 28, 2012. The Speaker Reported the following approvals:

- \$12,000, (HST excluded) for office accommodations for the Member for Terra Nova, Mr. Sandy Collins. This was the lowest proposal submitted.

- \$14,400 (HST excluded) for office accommodations for the Member for Labrador West, Mr. Nick McGrath. This was the lowest proposal submitted.
- \$18,594.65 (HST excluded) for office accommodations for the Member for Bay of Islands, Mr. Eddie Joyce. This was the lowest proposal submitted.
- \$200 for the cost of a sign adjacent to the office accommodations for the Member for Bonavista South, Mr. Glen Little.

The Clerk reported on authorization given for furniture and equipment expenditures for the period ending November 28, 2012. The approvals are as follows:

- \$199.99 was approved for a 48” round table for the constituency office of Mr. Nick McGrath, District of Labrador West; and,
- \$655.68 was approved for a lateral filing cabinet for the constituency office of Mr. Ms. Joan Shea, District of St. George’s – Stephenville East.

The Commission acknowledged receipt of the Report from the 2012 Members’ Compensation Review Committee and considered a process for dealing with the recommendations of the Report. The Commission decided to meet in January, 2013 to deal with issues that had budgetary implications for the 2013-2014 fiscal year.

The audited financial information for the Office of the Auditor General was presented to the Commission for review. No decision was required.

CM 2012-036 Pursuant to subsection 25(1) of the *Members’ Resources and Allowances Rules*, the Commission directed that the standard office allocation be amended to provide a television (including accessories) which is not greater than 32 inches.

As the House of Assembly was resuming sitting at 7:00 p.m., the Commission adjourned the meeting at 6:50 p.m. until the following day, December 5, 2012, at which time the remaining agenda item would be considered.

The meeting resumed at 5:25 p.m. on December 5, 2012 with all members present.

CM 2012-037 The Commission considered a motion from the Leader of the Third Party to approve a transfer of funds to the salary main object from other main objects within the Third Party Caucus activity. The motion was defeated.

Adjournment: 5:40 p.m.
Hon. Ross Wiseman, MHA
Speaker and Chair

Sandra Barnes
Clerk and Secretary to the Commission

To: House of Assembly Management Commission
From: Speaker of the House of Assembly
Date: February 20, 2013
Subject: Report on Section 18(4) – *Members’ Resources and Allowances Rules*

Section 18 of the *Members’ Resources and Allowances Rules* provides a maximum allowance of \$7000 (\$6,140, plus HST) for constituency office accommodations. Under the Rules, a Member may make application in writing to the Speaker requesting permission to exceed the maximum when accommodations can not be obtained within the maximum guidelines. The Speaker must report, in writing, to the Commission any authorizations made under this section of the rules.

Report on Section 18(4) – **Period Ending: February 20, 2013**

DISTRICT	MEMBER	AMOUNT APPROVED	REASON
Port de Grave	Mr. Glen Littlejohn	\$11,313.50 per annum (HST excluded)	Only proposal submitted.
Baie Verte-Springdale	Mr. Kevin Pollard	\$12,000.00 per annum (HST excluded)	Only proposal submitted.

To: House of Assembly Management Commission
From: Clerk of the House of Assembly
Date: February 20, 2013
Subject: Report on Authorizations for Furniture and Equipment Expenditures

The Commission approved a Standard Office Allocation Package for Members and Constituency Assistants pursuant to Section 25(1) of the *Members' Resources and Allowances Rules*. At its May 2, 2008 meeting, the Commission delegated authority to the Clerk to pre-approve expenditures for other furniture and equipment to a maximum of \$500.00, with the Clerk to report all such approvals to the Commission (**CM 2008-044** refers).

Report for Period Ending: February 20, 2013

DISTRICT	MEMBER	TYPE OF EXPENDITURE	COST	DETAILS
Humber East	Mr. Tom Marshall	Office equipment	\$323.50	Wireless headset



SIXTH REPORT

OF

THE AUDIT COMMITTEE

TO

THE HOUSE OF ASSEMBLY MANAGEMENT COMMISSION

PURSUANT TO

PARAGRAPH 23 (8) (c)

OF THE

HOUSE OF ASSEMBLY ACCOUNTABILITY, INTEGRITY AND

ADMINISTRATION ACT

January 22nd, 2013

The Audit Committee of the House of Assembly was established under the authority of Section 23 of the *House of Assembly Accountability, Integrity and Administration Act* (the *Act*) which was enacted on June 14, 2007. Section 23 outlines the responsibilities of the Committee. Included in these responsibilities is the requirement, under Paragraph 23(8)(c), that the Committee report regularly to the House of Assembly Management Commission (the Commission) with respect to its activities.

The Audit Committee has submitted five Reports and a Memo to the Commission regarding its activities. This Report, the sixth, covers the period April 8, 2011 to January 22, 2013 inclusive.

At Dissolution, October 11, 2011, the Committee comprised Bob Ridgley, MHA, St. John's North, Chair, Kelvin Parsons, MHA, Burgeo – LaPoile, Janet Gardiner, FCA and Gail Hamilton, FCA.

There have been some changes in the membership of the Committee since their last Report:

Gail Hamilton, FCA, was appointed a member of the Committee on September 1, 2011, succeeding Donald Warr, FCA; Janet Gardiner, FCA, accepted reappointment for a year when her term expired on August 31, 2011 and was succeeded on December 3, 2012 by Dr. Alex Faseruk; Kevin Parsons, MHA, Cape St. Francis, was appointed a member and Chair of the Committee on December 13, 2011, succeeding Bob Ridgley, MHA; Yvonne Jones, MHA, Cartwright – l'Anse au Clair was appointed a member of the Committee on December 13, 2012, succeeding Kelvin Parsons, MHA, and Vaughn Granter, MHA, Humber West, was appointed a member of the Committee, on June 12, 2012 and Chair on September 18, 2012, succeeding Kevin Parsons, MHA.

On behalf of the Audit Committee may I take this opportunity to acknowledge with thanks the valuable contribution of the former members to the Committee's work.

Since the last report the Committee has met four times: on September 14, 2011, September 9, 2012, December 11, 2012 and January 22, 2013.

The Committee has held meetings with

- the Auditor General and/or his staff (September 14, 2011);
- the Comptroller General and his staff (January 22, 2013);
- the Clerk of the House (September 14, 2011, September 25, 2012, December 11, 2012 and January 22, 2013);
- the Chief Financial Officer or designate (December 11, 2012 and January 22, 2013) and
- Grant Thornton representatives (January 22, 2013).

The Committee has reviewed the financial information of the House of Assembly and Statutory Offices, the Clerk's Management Certification and the audit report and recommendations of the auditor, and has recommended to the House of Assembly Management Commission that they approve and sign the financial information for the financial year ended 31 March, 2012. The Committee notes that the auditor issued an unqualified opinion of the financial information and reported that in his opinion the Clerk's assessment of internal controls over financial reporting was fairly stated and that internal controls over financial reporting were operating effectively.

The Committee has discussed with the Comptroller General, the Clerk and officials of the the Corporate and Members' Services Division the controls which have been established to ensure that the financial operations of the House of Assembly system are functioning effectively. In the course of this discussion the Committee was informed that the overtime policy which they had questioned had been changed such that overtime is now paid out at the rate at which it was earned and in a timely fashion.

The Committee has discussed with representatives of Grant Thornton their findings as reported upon completion of the Management Certification Project for the fiscal year ended 31 March, 2012.

The Committee expects to have a meeting with the Auditor General before the end of the fiscal year.



Vaughn Granter
Chair

Committee Members

Dr. Alex Faseruk
Gail Hamilton, FCA
Yvonne Jones, MHA

January 22nd, 2013



HOUSE OF ASSEMBLY
Newfoundland and Labrador

December 11th, 2012

Honourable Ross Wiseman, MHA
Chair
House of Assembly Management Commission

Dear Mr. Wiseman:

At their meeting of December 11th, the Audit Committee reviewed the financial information of the House of Assembly and Statutory Offices, the Clerk's Management Certification and the audit report and recommendations of the auditor and recommend pursuant to paragraph 23(7)(d) of the *House of Assembly Accountability, Integrity and Administration Act* that the Commission approve and sign the financial information for the financial year ended 31 March, 2012.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Vaughn Granter', written over a horizontal line.

Vaughn Granter
Chair, Audit Committee

**HOUSE OF ASSEMBLY
AND ITS STATUTORY OFFICES**

**FINANCIAL INFORMATION
AND
MANAGEMENT CERTIFICATION**

31 MARCH 2012

**HOUSE OF ASSEMBLY
AND ITS STATUTORY OFFICES**

FINANCIAL INFORMATION

31 MARCH 2012



OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

AUDITOR'S REPORT

To the Members of the House of Assembly Management Commission
Province of Newfoundland and Labrador

I have audited the financial information of the House of Assembly and its statutory offices (the Assembly), which comprises the schedule of assets and liabilities as at 31 March 2012, and the schedule of expenditure and related revenue, and schedule of gross expenditure and unexpended balances for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial information has been prepared by management of the Assembly to comply with the requirements of the *House of Assembly Accountability, Integrity and Administration Act* (the *Act*).

I have also audited, in accordance with section 43(6)(b) of the *Act*, the expenses incurred by the Assembly to determine whether they were in accordance with the policies of the House of Assembly Management Commission and, where applicable, the policies of the Executive Branch of Government.

As well, I have audited, in accordance with section 43(6)(c) of the *Act*, the Clerk of the House of Assembly's assessment of the effectiveness of the Assembly's internal controls as at 31 March 2012.

Management's Responsibility for the Financial Information

The Assembly's management is responsible for the preparation of this financial information in accordance with the accounting policies disclosed in Note 1 and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on this financial information based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

AUDITOR'S REPORT (cont.)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not typically for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

I believe that the audit evidence I have obtained in all areas of responsibility is sufficient and appropriate to provide a basis for my audit opinion.

The Assembly's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial information. The Assembly's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Assembly; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial information in accordance with the accounting policies disclosed in the financial information, and that receipts and expenditures of the Assembly are being made only in accordance with proper authorizations; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Assembly's assets that could have a material effect on the financial information.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, the financial information of the Assembly for the year ended 31 March 2012 is prepared, in all material respects, in accordance with the accounting policies disclosed in Note 1.

Also, in my opinion, the expenses incurred by the Assembly were in accordance with the policies of the House of Assembly Management Commission which were in place during the year and, where applicable, the policies of the Executive Branch of Government.

AUDITOR'S REPORT (cont.)

As well, in my opinion, the Clerk's assessment of internal controls over financial reporting at the Assembly as at 31 March 2012, was fairly stated and the internal controls over financial reporting at the Assembly were operating effectively, in all material respects, as at that date.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial information, which describes the basis of accounting. The financial information is prepared to assist the House of Assembly Management Commission to comply with the requirements of the *House of Assembly Accountability, Integrity and Administration Act*. As a result, the financial information may not be suitable for another purpose.



TERRY PADDON, CA
Auditor General

27 August 2012
St. John's, Newfoundland and Labrador

**HOUSE OF ASSEMBLY AND ITS STATUTORY OFFICES
 PROVINCE OF NEWFOUNDLAND AND LABRADOR
 SCHEDULE OF ASSETS AND LIABILITIES**

31 March

2012

2011

(Note 9)

ASSETS

Cash held in trust (Note 2)	\$ 8,307	\$ 1,047
Accounts receivable (Note 3)	517,101	641,588
Prepaid expenses (Note 4)	58,997	56,675
Tangible capital assets (Note 5)	612,385	449,173
Total assets	\$ 1,196,790	\$ 1,148,483

LIABILITIES

Accounts payable	\$ 44,839	\$ 73,064
Accrued payroll	200,788	125,711
Accrued paid and annual leave	1,596,740	1,530,103
Accrued overtime	327,972	281,773
Accrued severance pay (Note 6)	3,958,264	4,160,169
Trust liability (Note 2)	8,307	1,047
Total liabilities	\$ 6,136,910	\$ 6,171,867

Pensions and Group Health and Life Insurance Benefits (Note 7)

Commitments (Note 8)

See accompanying notes

Signed on behalf of the House of Assembly
 Management Commission:

 Chair of the House of Assembly
 Management Commission

 Member of the House of Assembly
 Management Commission

HOUSE OF ASSEMBLY AND ITS STATUTORY OFFICES
PROVINCE OF NEWFOUNDLAND AND LABRADOR
SCHEDULE OF EXPENDITURE AND RELATED REVENUE
For the Year Ended 31 March 2012

	<u>Actual</u>	<u>Estimates</u>	
		<u>Amended</u>	<u>Original</u>
HOUSE OF ASSEMBLY			
Administrative Support			
Salaries	\$ 1,840,556	\$ 1,840,800	\$ 1,921,400
Employee benefits	6,444	6,900	7,000
Transportation and communications	48,756	63,500	69,800
Supplies	44,868	46,200	46,200
Professional services	186,119	186,200	220,000
Purchased services	72,927	73,500	112,000
<u>Property, furnishings and equipment</u>	<u>161,848</u>	<u>164,700</u>	<u>180,000</u>
	2,361,518	2,381,800	2,556,400
<u>Revenue - Provincial</u>	<u>(1,169)</u>	<u>-</u>	<u>-</u>
Total: Administrative Support	2,360,349	2,381,800	2,556,400
Legislative Library and Records Management			
Salaries	729,505	730,700	731,000
Employee benefits	3,190	3,700	3,700
Transportation and communications	8,455	9,700	16,700
Supplies	47,824	59,400	59,400
Professional services	-	200	7,200
<u>Purchased services</u>	<u>22,160</u>	<u>23,900</u>	<u>17,900</u>
Total: Legislative Library and Records Management	811,134	827,600	835,900
Hansard and the Broadcast Centre			
Salaries	638,820	640,100	654,100
Employee benefits	1,100	1,100	1,500
Transportation and communications	7,916	9,000	14,000
Supplies	5,590	9,000	9,000
Professional services	18,200	18,200	25,000
Purchased services	159,961	184,600	301,700
<u>Property, furnishings and equipment</u>	<u>226,659</u>	<u>236,300</u>	<u>25,000</u>
Total: Hansard and the Broadcast Centre	1,058,246	1,098,300	1,030,300

HOUSE OF ASSEMBLY AND ITS STATUTORY OFFICES
PROVINCE OF NEWFOUNDLAND AND LABRADOR
SCHEDULE OF EXPENDITURE AND RELATED REVENUE
For the Year Ended 31 March 2012

	<u>Actual</u>	<u>Estimates</u>	
		<u>Amended</u>	<u>Original</u>
HOUSE OF ASSEMBLY (cont.)			
Members' Resources			
Salaries	7,045,840	7,051,200	6,174,400
Transportation and communications	14,565	14,800	5,000
Purchased services	15,969	17,100	10,000
Allowances and assistance	1,584,229	2,729,000	2,829,000
	8,660,603	9,812,100	9,018,400
Revenue - Provincial	(158,279)	-	-
Total: Members' Resources	8,502,324	9,812,100	9,018,400
House Operations			
Salaries	297,717	297,800	311,700
Employee benefits	2,750	3,500	9,900
Transportation and communications	47,062	51,600	145,600
Supplies	15,364	18,000	20,500
Professional services	240	900	3,900
Purchased services	35,772	39,000	47,000
Property, furnishings and equipment	780	1,700	1,700
Grants and subsidies	13,267	13,300	13,300
Total: House Operations	412,952	425,800	553,600
Government Members Caucus			
Salaries	715,581	717,200	718,300
Employee benefits	1,004	1,900	2,000
Transportation and communications	22,783	33,200	33,600
Supplies	6,459	13,700	14,100
Purchased services	10,845	11,300	11,500
Property, furnishings and equipment	2,172	4,200	4,400
Grants and subsidies	49,616	49,700	53,300
Total: Government Members Caucus	808,460	831,200	837,200

**HOUSE OF ASSEMBLY AND ITS STATUTORY OFFICES
 PROVINCE OF NEWFOUNDLAND AND LABRADOR
 SCHEDULE OF EXPENDITURE AND RELATED REVENUE
 For the Year Ended 31 March 2012**

	<u>Actual</u>	<u>Estimates</u>	
		<u>Amended</u>	<u>Original</u>
HOUSE OF ASSEMBLY (cont.)			
Official Opposition Caucus			
Salaries	782,260	802,900	718,300
Employee benefits	4,857	4,900	1,600
Transportation and communications	64,433	66,200	67,000
Supplies	10,439	10,700	16,600
Purchased services	35,351	35,700	16,600
Property, furnishings and equipment	4,591	4,800	3,700
Grants and subsidies	10,136	10,200	10,200
Total: Official Opposition Caucus	912,067	935,400	834,000
Third Party Caucus			
Salaries	400,630	401,600	349,500
Employee benefits	849	900	800
Transportation and communications	19,613	22,600	22,200
Supplies	7,129	8,000	7,800
Purchased services	3,621	5,100	5,000
Property, furnishings and equipment	1,775	2,000	1,800
Grants and subsidies	10,136	10,200	10,200
Total: Third Party Caucus	443,753	450,400	397,300
TOTAL: HOUSE OF ASSEMBLY	15,309,285	16,762,600	16,063,100
OFFICE OF THE CHIEF ELECTORAL OFFICER			
Salaries	3,029,594	3,029,600	3,319,500
Employee benefits	3,652	5,000	5,000
Transportation and communications	635,842	643,200	720,200
Supplies	66,735	69,600	69,600
Professional services	55,658	62,000	65,000
Purchased services	903,821	911,800	992,800
Property, furnishings and equipment	48,826	49,000	69,500
Grants and subsidies	539,819	540,000	450,000
	5,283,947	5,310,200	5,691,600
Revenue - Provincial	(1,115)	-	-
Total: Office of the Chief Electoral Officer	5,282,832	5,310,200	5,691,600

HOUSE OF ASSEMBLY AND ITS STATUTORY OFFICES
PROVINCE OF NEWFOUNDLAND AND LABRADOR
SCHEDULE OF EXPENDITURE AND RELATED REVENUE
For the Year Ended 31 March 2012

	<u>Actual</u>	<u>Estimates</u>	
		<u>Amended</u>	<u>Original</u>
OFFICE OF THE CITIZENS' REPRESENTATIVE			
Salaries	629,666	629,800	617,800
Employee benefits	2,922	4,000	4,000
Transportation and communications	28,595	34,200	64,200
Supplies	3,618	7,000	10,000
Professional services	18,665	39,000	50,000
Purchased services	100,010	103,500	92,500
Property, furnishings and equipment	2,753	5,000	5,000
Total: Office of the Citizens' Representative	786,229	822,500	843,500
OFFICE OF THE CHILD AND YOUTH ADVOCATE			
Salaries	1,000,089	1,000,100	993,900
Employee benefits	3,299	5,000	5,000
Transportation and communications	34,760	48,200	85,000
Supplies	15,040	15,100	10,000
Professional services	20,088	30,000	30,000
Purchased services	169,804	183,300	203,300
Property, furnishings and equipment	6,794	7,200	5,000
Total: Office of the Child and Youth Advocate	1,249,874	1,288,900	1,332,200
OFFICE OF THE INFORMATION AND PRIVACY COMMISSIONER			
Salaries	954,618	955,200	887,200
Employee benefits	8,215	8,800	18,800
Transportation and communications	39,842	44,700	79,700
Supplies	13,042	16,300	16,300
Professional services	75,373	95,000	95,000
Purchased services	89,286	92,400	102,400
Property, furnishings and equipment	14,960	15,000	5,000
Total: Office of the Information and Privacy Commissioner	1,195,336	1,227,400	1,204,400
TOTAL: HOUSE OF ASSEMBLY AND ITS STATUTORY OFFICES	\$ 23,823,556	\$ 25,411,600	\$ 25,134,800

See accompanying notes

**HOUSE OF ASSEMBLY AND ITS STATUTORY OFFICES
PROVINCE OF NEWFOUNDLAND AND LABRADOR
SCHEDULE OF GROSS EXPENDITURE AND UNEXPENDED BALANCES
For the Year Ended 31 March 2012**

Original estimates (net)	\$ 25,134,800
<u>Add back revenue estimates net of transfers and statutory payments</u>	<u>276,800</u>
Original estimates of expenditure	25,411,600
<u>Supplementary supply</u>	<u>-</u>
<u>Total appropriation</u>	<u>25,411,600</u>
Total net expenditure	23,823,556
<u>Add revenues</u>	<u>160,563</u>
<u>Total gross expenditure</u>	<u>23,984,119</u>
<u>Unexpended balance of appropriation</u>	<u>\$ 1,427,481</u>

See accompanying notes

HOUSE OF ASSEMBLY AND ITS STATUTORY OFFICES
PROVINCE OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL INFORMATION
31 March 2012

Authority, nature of operations and basis of consolidation

The House of Assembly of Newfoundland and Labrador consists of 48 Members each of whom has been elected by the voters in the Provincial district which they represent. The House of Assembly in conjunction with the Lieutenant-Governor is known as the Legislature and its main role is to be the official law maker for all Provincial legislation. The Assembly debates draft legislation, estimates etc. and approves legislation or amendments for signature by the Lieutenant-Governor (Royal Assent).

This financial information reflects the financial operations of the House of Assembly and its Statutory Offices, as defined by the *House of Assembly Accountability, Integrity and Administration Act*. This financial information does not include the financial information of the Office of the Auditor General, which is another Statutory Office of the House of Assembly. The financial information of the Office of the Auditor General is audited by an independent firm of public accountants and presented under separate cover.

1. Summary of significant accounting policies

The Schedule of Assets and Liabilities has been prepared on the accrual basis of accounting, consistent with the basis of accounting used in the preparation of the Consolidated Revenue Fund financial statements of the Province of Newfoundland and Labrador.

The Schedule of Expenditure and Related Revenue and the Schedule of Gross Expenditure and Unexpended Balances have been prepared on the modified cash basis of accounting, consistent with the basis of accounting used in the preparation of the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund. In addition to the actual expenditure and related revenue for the year, for information purposes, the Schedule of Expenditure and Related Revenue includes the original and amended estimates for the House of Assembly and its Statutory Offices.

The accounting policies are also consistent with those used in the preparation of the Consolidated Revenue Fund financial statements except that this financial information does not include a provision for accumulating non-vesting sick leave benefits and non-vesting severance benefits.

2. Cash held in trust

The \$8,307 (2011 - \$1,047) in cash held in trust is held by the Office of the Chief Electoral Officer. There is a corresponding liability for this amount. These monies were deposited by candidates in General Elections and in by-elections from funds provided to the candidates in support of their respective election campaigns. Excess funds that exceed the campaign limits per the *Elections Act, 1991* are held in trust until the next Provincial general election.

Candidates' nomination fees of \$200 per candidate are held until candidates file papers to have these fees reimbursed.

HOUSE OF ASSEMBLY AND ITS STATUTORY OFFICES
 PROVINCE OF NEWFOUNDLAND AND LABRADOR
 NOTES TO FINANCIAL INFORMATION
 31 March 2012

3. Accounts receivable

	<u>2012</u>	<u>2011</u>
Due from Judgment Enforcements		
- former Members of the House of Assembly	\$ 503,611	\$ 608,392
Other amounts due from Judgment Enforcements	2,602,795	2,443,973
Double billings - former Members of the House of Assembly	-	7,661
Miscellaneous amounts	13,490	25,535
	<u>3,119,896</u>	<u>3,085,561</u>
<u>Less: allowance for doubtful accounts</u>	<u>2,602,795</u>	<u>2,443,973</u>
<u>Total accounts receivable</u>	<u>\$ 517,101</u>	<u>\$ 641,588</u>

The accounts receivable and the related allowance for doubtful accounts for amounts due from Judgment Enforcements - former Members of the House of Assembly and Other amounts due from Judgment Enforcements were provided by the Office of the Comptroller General.

4. Prepaid expenses

	<u>2012</u>	<u>2011</u>
Prepaid expenses consists of:		
Memberships and subscriptions	\$ 44,284	\$ 44,838
Training and development	7,142	6,267
Travel and other	7,571	5,570
<u>Total prepaid expenses</u>	<u>\$ 58,997</u>	<u>\$ 56,675</u>

5. Tangible capital assets

	<u>2012</u>			<u>2011</u>
	<u>Original Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and equipment	\$ 682,581	\$ 320,226	\$ 362,355	\$ 449,173
Work in progress	250,030	-	250,030	-
<u>Total tangible capital assets</u>	<u>\$ 932,611</u>	<u>\$ 320,226</u>	<u>\$ 612,385</u>	<u>\$ 449,173</u>

Furniture and equipment are amortized over a 10 year period. Work in progress is considered to be a tangible capital asset; however, it is not amortized as it is not yet available for use. Upon installation, these assets will be recorded in the appropriate category.

HOUSE OF ASSEMBLY AND ITS STATUTORY OFFICES
PROVINCE OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL INFORMATION
31 March 2012

6. Accrued severance pay

The liability for severance pay in the amount of \$3,958,264 (2011 - \$4,160,169) is reported on the accrual basis of accounting on the Schedule of Assets and Liabilities and is calculated based on years of service and current salary levels.

Members of the House of Assembly are eligible for severance pay when they cease to be Members. Severance pay for Members is based on one month's basic indemnity for each year of service and is prorated for part of the year's service. Minimum severance for Members is three months pay, while maximum is twelve months pay.

Severance pay for political support staff is based on the nature of the termination of employment. Entitlement to severance pay vests with one year or more of uninterrupted service. No provision has been made in this financial information for severance pay for political support staff with less than one year of uninterrupted service. Political support staff who have their employment terminated, are entitled to severance pay equal to one month's salary for each year of service. Minimum severance is three months pay, while maximum is twelve months pay. Political support staff who voluntarily resign their positions are entitled to one week's pay for each year of service up to a maximum of twenty weeks.

Severance pay vests with other employees after nine years of uninterrupted service, and accordingly, no provision has been made in this financial information for employees who have less than nine years of uninterrupted service with the Province. Severance pay, at the rate of one week's pay for each year of service up to a maximum of twenty weeks pay, is payable when the employee ceases employment with the Province.

7. Pensions and Group Health and Life Insurance Benefits

Members participate in the Members of the House of Assembly Pension Plan (MHA Pension Plan), as defined by the *Members of the House of Assembly Retiring Allowances Act*. Members who were contributing to another private or employer related pension plan may opt out of the MHA Pension Plan for their first General Assembly provided the decision is made prior to the first payment of salary. The Members are required to participate in the MHA Pension Plan upon subsequent re-election.

The staff of the House of Assembly and Statutory Offices participate in the Public Service Pension Plan (PSPP), as defined by the *Public Service Pension Act, 1991*, or the Government Money Purchase Pension Plan (GMPP).

Amounts are paid out of the Consolidated Revenue Fund (CRF) to match the pension contributions of Members and staff who participate in the PSPP or the MHA Pension Plan. Amounts are also paid out of the CRF to generally match the pension contributions of staff who participate in the GMPP. These amounts are costs of the Province of Newfoundland and Labrador, and are not reflected in this financial information as costs of the House of Assembly and its Statutory Offices.

HOUSE OF ASSEMBLY AND ITS STATUTORY OFFICES
PROVINCE OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL INFORMATION
31 March 2012

7. Pensions and Group Health and Life Insurance Benefits (cont.)

Under the *Pensions Funding Act*, the Province is responsible for liabilities for the cost of future pensions in excess of the contributions made by employees, other plan participants and employers. Any unfunded pension liabilities relating to the Members or staff of the House of Assembly and Statutory Offices are liabilities of the Province and are not reflected in this financial information.

All retired employees and Members of the Legislature who participate in the MHA Pension Plan or the PSPP are eligible to participate in the Province's Group Health and Life Insurance Program. Amounts are paid out of the CRF to match the amounts deducted from those who participate in this program. These amounts are costs of the Province of Newfoundland and Labrador and are not reflected in this financial information.

The Province is responsible for any liability relating to the group health and life insurance program. Any unfunded liabilities relating to the Members or staff of the House of Assembly and Statutory Offices are liabilities of the Province and are not reflected in this financial information.

Details regarding the MHA Pension Plan, the PSPP, the GMPP and the Group, Health and Life Insurance Program are outlined in the Public Accounts of the Province of Newfoundland and Labrador, Volumes I and II.

8. Commitments

The House of Assembly and its Statutory Offices have outstanding commitments in the amount of \$1,609,783 relating to the lease of office accommodations. The schedule of payments related to these leases for the next five years is as follows:

2013	\$ 434,014
2014	388,825
2015	281,364
2016	225,506
2017	130,112

9. Prior period adjustment

The tangible capital assets net book value as at 31 March 2011 has been increased from \$406,710 to \$449,173 to include a portable camera system not previously reflected in the financial information. This adjustment has been applied retroactively with restatement. The comparative figures for 31 March 2011 have been revised to reflect the impact of this prior period adjustment.

10. Income taxes

The House of Assembly and its Statutory Offices are not subject to Provincial or Federal income taxes.

**HOUSE OF ASSEMBLY
AND ITS STATUTORY OFFICES
MANAGEMENT CERTIFICATION**

31 MARCH 2012

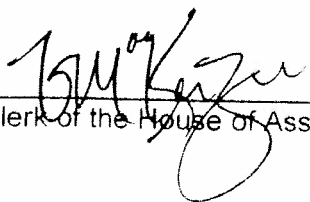


**MANAGEMENT CERTIFICATION
HOUSE OF ASSEMBLY – MARCH 31, 2012**

Pursuant to Paragraph 28(3)(l) of the *House of Assembly Accountability, Integrity and Administration Act*,

I, **William MacKenzie**, Clerk of the House of Assembly of Newfoundland and Labrador, certify that:

1. I have reviewed the financial information of the House of Assembly and Statutory Offices, as defined in the *House of Assembly Accountability, Integrity and Administration Act*, for the period ending March 31, 2012;
2. Based on my knowledge, the financial information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the financial information;
3. Based on my knowledge, the annual financial information presents in all material respects the results of transactions at the House of Assembly and Statutory Offices as defined in the *House of Assembly Accountability, Integrity and Administration Act*, as of the date and for the periods presented;
4. I am responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the House of Assembly and Statutory Offices as defined in the *House of Assembly Accountability, Integrity and Administration Act*, and I have:
 - (a) designed such disclosure controls and procedures, or caused them to be designed under my supervision, to provide reasonable assurance that material information relating to the House of Assembly and Statutory Offices, as defined in the *House of Assembly Accountability, Integrity and Administration Act*, is made known to me by others, particularly during the period in which the financial information is being prepared;
 - (b) designed such internal control over financial reporting, or caused it to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial information in accordance with the required policies;
 - (c) evaluated the effectiveness of the disclosure controls and procedures as of March 31, 2012 and am satisfied with the effectiveness based on such evaluation; and
 - (d) evaluated the effectiveness of the internal control over financial reporting as of March 31, 2012 and am satisfied with the effectiveness based on such evaluation.


Clerk of the House of Assembly

2012. 06. 11.
Date

**House of Assembly Management Commission
Briefing Note**

Title: Budget Transfers

Issue: Ratification of Approval of Transfer of Funds

Background:

- Section 5 of the Transfer of Funds Policy, April 2008, states:

“Where a Commission meeting can be scheduled in sufficient time before the transfer of funds is required, the transfer of funds will be approved at a meeting of the Commission. If this is not practicable, Authority is delegated by the Commission to a quorum of four members (must include one member representing Government and one member representing a party in opposition to the Government) to approve the transfer of funds prior to processing of the transaction. The transfer of funds approval will be ratified at the next Commission meeting.”

- In accordance with Section 5 of the Transfer of Funds Policy, one transfer was approved by a quorum of at least four members of the House of Assembly Management Commission in October 2012. The attached budget transfer adjustment form provides further details regarding this transfer.
- Budget Transfer No. HOABT2013-0004 was required to transfer funds to Members’ Resources – Grants and Subsidies to provide operational funding for the Independent Member for the period September 13, 2012 to March 31, 2013. **CM2008-093** states that: “Independent Members not affiliated with a registered political party shall be entitled to the Variable (per Private member) funding of \$18,000 per fiscal year, subject to the approved salary adjustment formula, for the purpose of research and administration, and Operational Funding of \$100 per month for miscellaneous operational purposes, subject to the approved adjustment formula.”

Analysis:

Legal Consultation:

Not applicable

Internal Consultation(s):

Not applicable

External Consultation(s):

Not applicable

Comparison to Government Policy:

Not applicable

Financial Impact:

Not applicable

Legislative Impact:

Not applicable

Options:

Not applicable

Status:

Not applicable

Action Required:

The Commission ratifies the approval of the following transfer of funds:

Budget Transfer No. HOABT2013-0004 to transfer funds to Members' Resources – Grants and Subsidies to provide operational funding for the Independent Member for the period September 13, 2012 to March 31, 2013.

Prepared by: Wanda Lee Mercer

Approved by: Sandra Barnes

Approved by:

Date: February 18, 2013

Attachments:

1. Budget Transfer No. HOABT2013-0004

LEGISLATURE

Budget Adjustment No.: HOABT2013-0004

TRANSFER TO:

Accounting Distribution					Description	Amount
RC	ACAT	ACEL	LOBJ	DTC		
0206	130	0410	1061	000000	1.1.04.10 Members' Resources – Grants and Subsidies	\$800

FUNDS REQUIRED FOR:

Additional funds are required to provide operational funding for Independent Member (CM2008-093 refers) for the period September 13, 2012 to March 31, 2013.

TRANSFER FROM:

Accounting Distribution					Description	Amount
RC	ACAT	ACEL	LOBJ	DTC		
0201	110	0400	0611	000000	1.1.01.06 Administrative Support – Purchased Services	\$800

REASON FUNDS ARE AVAILABLE:

Expenditures for printing are less than anticipated.

<p>VERIFIED BY:</p> <p><u>Maylene Lamb</u> Chief Financial Officer</p> <p>Date: <u>2012-10-11</u></p>	<p>APPROVED BY:</p> <p><u>Dwight Ball, Vaughn Grant, Yvonne Jones & Lorraine Michael</u> House of Assembly Management Commission</p> <p>Date: <u>October 19, 2012</u></p>
--	--

Approved pursuant to Transfer of Funds Policy - April 2008.

House of Assembly Management Commission

Briefing Note

Title: Letter of Appeal – Expense Ruled Ineligible

Issue: Appeal of Claim Ruling - Member for Burgeo-LaPoile

Background:

- The Member for Burgeo-LaPoile is appealing the denial of payment by Corporate and Members' Services Division of certain expenses incurred by the Member as the expenditures were deemed ineligible. The Member rented temporary meeting facilities outside his district to attend to constituency business.
- Subsection 20(7) of the *Members Resources and Allowances Rules* states that
 - (7) *A member may rent short-term accommodation in one or more locations in the member's constituency from time to time, up to a maximum of \$750 annually to facilitate the travel of the member throughout the district to meet with residents on constituency issues.*
- Part VII of the Rules provides for annual Constituency Allowances of \$3000. Subsection 46(1) and paragraph 46(3)(f) of the *Members Resources and Allowances Rules* state:
 - 46. (1) *A member is entitled to be reimbursed for his or her constituency expenses necessarily incurred by that member to carry out his or her constituency business.*
 - 46. (3) *The following expenses necessarily incurred by a member to carry out his or her constituency business may be reimbursed:*
 - (f) *expenses associated with attending at meetings and hearings involving advocacy on behalf of a constituent; and*
- Subsections 24(1), 24(8) and 24(9) of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) state:
 - 24(1) *Where a member incurs an expense and a claim for reimbursement, or payment has been rejected by an officer or staff member of the House of Assembly service, or the member is unsure*

as to whether an expense, if incurred, will qualify for reimbursement or payment, he or she may request a ruling from the speaker.

(8) *Where the ruling of the speaker is that the expenditure does not comply with the rules and directives of the commission, the member may appeal that ruling to the commission and, after giving the member an opportunity to make a submission in writing in support of the appeal, the commission may decide to reverse, uphold or modify the ruling of the speaker, and the decision of the commission is final.*

(9) *Notwithstanding that an expense claim has been denied by an officer, staff member or the speaker, in accordance with the rules, where there is an appeal to the commission under this section and the commission determines that that claimed expense amount*

(a) *has been incurred by the member; and*

(b) *is a permitted expense under the Act and rules; and*

(c) *does not exceed an expense amount or allowance allocation permitted under the rules,*

and a denial of payment of the expense amount would, in the opinion of the commission, be unjust, the commission may approve the expenditure for the claimed expense to the extent that the commission considers to be just and the decision of the commission is final.

- The expenses submitted, totaling \$62.15, are not deemed by Corporate & Members' Services to be permitted expenses under subsection 20(7) of the *Members' Resources and Allowances Rules*. The Law Clerk has reviewed the above legislation and has interpreted the expenses to be eligible expenses under paragraph 46(3)(f) of these Rules.
- The attached letter from the Member for Burgeo-LaPoile provides further details.

Analysis:

Legal Consultation:

Not applicable.

Internal Consultation(s):

Corporate and Members' Services; Law Clerk of the House of Assembly.

External Consultation(s):

Not applicable.

Comparison to Government Policy:

Not applicable.

Financial Impact:

Not applicable.

Legislative Impact:

Not applicable.

Options:

1. Approve the payment of expenses totaling \$62.15 for the Member for Burgeo-LaPoile.
2. Deny the payment of expenses totaling \$62.15 for the Member for Burgeo-LaPoile.

Status:

- Not applicable.

Action Required:

- The decision of the Commission is requested.

Prepared by: Marie Keefe

Approved by: Sandra Barnes

Approved by:



Date: February 14, 2013

Attachments:

1. Letter dated November 15, 2012 from the Member for Burgeo-LaPoile to the Speaker.



OFFICE OF THE SPEAKER

NOV 16 2012

HOUSE OF ASSEMBLY
Newfoundland and Labrador

ANDREW PARSONS, M.H.A.
District of Burgeo-LaPoile

November 15, 2012

Hand Delivered

Management Commission
House of Assembly
P.O. Box 8700
St. John's, NL... A1B 4J6

Att: Honourable Ross Wiseman
Chair of Management Commission

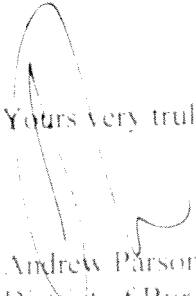
Dear Sir:

On October 23, 2012, I travelled to Corner Brook from St. John's to meet with an official from the Department of Fisheries and Oceans, which was also attended by 3 constituents. As Corner Brook is not in my District, I had to rent temporary accommodations which I did at the Glynmill Inn, at a cost of \$62.15. I submitted a claim (MECMS245467) for this on November 5, 2012, but was advised today by officials from Corporate Members that as this room was not in my actual District, I could not be reimbursed for the cost.

Having been advised by the DFO official that the meeting had to take place in Corner Brook, and having no office or other space to have this meeting (which included a power point presentation therefore space especially necessary), I was left with no choice but to rent a meeting room. Given that this clearly falls within my duties as an MHA, I strongly disagree with this ruling and ask that you please present this to your committee and approve this claim.

Thank you.

Yours very truly,


Andrew Parsons, MHA
District of Burgeo - La Poile

House of Assembly Management Commission

Briefing Note

Title: Letter of Appeal - 60 Days Submission Deadline

Issue: Appeal of Claim Ruling - Member for Burin-Placentia West

Background:

- The Member for Burin-Placentia West is appealing the denial of payment by Corporate and Members' Services Division of certain allowable expenses incurred by the Member as the expenditures were incurred more than 60 days prior to the claim being made.

- Subsection 7(6) of the *Members Resources and Allowances Rules* states that

(6) *A claim against an allowance for payment or reimbursement shall not be made more than 60 days after the date on which the expenditure was made.*

- Subsections 24(1), 24(8) and 24(9) of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) state:

24(1) *Where a member incurs an expense and a claim for reimbursement, or payment has been rejected by an officer or staff member of the House of Assembly service, or the member is unsure as to whether an expense, if incurred, will qualify for reimbursement or payment, he or she may request a ruling from the speaker.*

(8) *Where the ruling of the speaker is that the expenditure does not comply with the rules and directives of the commission, the member may appeal that ruling to the commission and, after giving the member an opportunity to make a submission in writing in support of the appeal, the commission may decide to reverse, uphold or modify the ruling of the speaker, and the decision of the commission is final.*

(9) *Notwithstanding that an expense claim has been denied by an officer, staff member or the speaker, in accordance with the rules,*

where there is an appeal to the commission under this section and the commission determines that that claimed expense amount

- (a) has been incurred by the member; and
- (b) is a permitted expense under the Act and rules; and
- (c) does not exceed an expense amount or allowance allocation permitted under the rules,

and a denial of payment of the expense amount would, in the opinion of the commission, be unjust, the commission may approve the expenditure for the claimed expense to the extent that the commission considers to be just and the decision of the commission is final.

- The expenses submitted, totaling \$153.79, are permitted expenses under the *Members' Resources and Allowances Rules*.
- The attached letter from the Member for Burin-Placentia West provides further details.

Analysis:

Legal Consultation:

Not applicable.

Internal Consultation(s):

Not applicable.

External Consultation(s):

Not applicable.

Comparison to Government Policy:

Not applicable.

Financial Impact:

Not applicable.

Legislative Impact:

Not applicable.

Options:

1. Approve the payment of expenses totaling \$153.79 for the Member for Burin-Placentia West.
2. Deny the payment of expenses totaling \$153.79 for the Member for Burin-Placentia West.

Status:

- Not applicable.

Action Required:

- The decision of the Commission is requested.

Prepared by: Bobbi Russell

Approved by: Sandra Barnes

Approved by:



Date: February 18, 2013

Attachments:

1. Letter dated January 2, 2013 from the Member for Burin-Placentia West to the Speaker.
2. Letter dated January 14, 2013 from the Speaker to the Member for Burin-Placentia West.



Government of Newfoundland and Labrador
Department of Education
Office of the Minister

OFFICE OF THE SPEAKER

JAN 08 2012

January 2, 2013

Hon. Ross Wiseman, MHA
Speaker of the House of Assembly
Chair of the House of Assembly Management Commission
Main Floor, East Block

Dear Mr. Chair:

Please accept this correspondence as an official appeal to the House of Assembly Management Commission of MECMS252058 in the amount of \$153.79. This claim was rejected by the Corporate and Members' Services Division because it was submitted past the 60-day submission deadline for expenditures as required under Subsection 7(6) of the Members' Resources and Allowances Rules.

I am requesting the approval of the Commission to be reimbursed for these expenses which includes meals with constituents. The expenses were submitted past the 60 Day deadline date due to delays in setting up my Executive Assistant in the Oracle Expense Claims Management System.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Clyde Jackman".

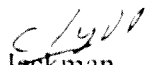
CLYDE JACKMAN, MHA
Burin-Placentia West



HOUSE OF ASSEMBLY
Newfoundland and Labrador
OFFICE OF THE SPEAKER

January 14, 2013

Mr. Clyde Jackman
District of Burin-Placentia West
P.O. Box 8700, St. John's, NL
3rd Floor, West Block
Dept. of Education
A1B 4J6

Dear Mr.  Jackman,

I am writing in response to your letter of January 2nd, 2013 regarding an expense claim for the amount of \$153.79 that was submitted past the required 60-day deadline.

The process for Members to follow respecting allowance use is outlined in Section 24 of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) and involves the Speaker, in the first instance, with the Commission having the final authority. Subsection 24(4) of the Act states that the Speaker's approval confirms that an expenditure complies with the Rules of the Commission.

Given the provisions of Subsection 7(6) of the Rules it is not possible for me to state that the expenditures are in compliance with the Rule. The next step, therefore, is for you to request that the issue be brought to the House of Assembly Management Commission for a final decision.

Please note I will accept your correspondence as an official appeal to the Commission and will arrange that it be included on the agenda of an upcoming meeting.

Regards,



ROSS WISEMAN, MHA
Speaker of the House of Assembly

c.c. Ms. Marlene Lambe, Chief Financial Officer

House of Assembly Management Commission

Briefing Note

Title: Letter of Appeal - 60 Days Submission Deadline

Issue: Appeal of Claim Ruling - Member for Cartwright-L'Anse au Clair

Background:

- The Member for Cartwright-L'Anse au Clair is appealing the denial of payment by Corporate and Members' Services Division of certain allowable expenses incurred by the Member as the expenditures were incurred more than 60 days prior to the claim being made.
- Subsection 7(6) of the *Members Resources and Allowances Rules* states that
 - (6) *A claim against an allowance for payment or reimbursement shall not be made more than 60 days after the date on which the expenditure was made.*
- Subsections 24(1), 24(8) and 24(9) of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) state:
 - 24(1) *Where a member incurs an expense and a claim for reimbursement, or payment has been rejected by an officer or staff member of the House of Assembly service, or the member is unsure as to whether an expense, if incurred, will qualify for reimbursement or payment, he or she may request a ruling from the speaker.*
 - (8) *Where the ruling of the speaker is that the expenditure does not comply with the rules and directives of the commission, the member may appeal that ruling to the commission and, after giving the member an opportunity to make a submission in writing in support of the appeal, the commission may decide to reverse, uphold or modify the ruling of the speaker, and the decision of the commission is final.*
 - (9) *Notwithstanding that an expense claim has been denied by an officer, staff member or the speaker, in accordance with the rules, where there is an appeal to the commission under this section and the commission determines that that claimed expense amount*

- (a) *has been incurred by the member; and*
- (b) *is a permitted expense under the Act and rules; and*
- (c) *does not exceed an expense amount or allowance allocation permitted under the rules,*

and a denial of payment of the expense amount would, in the opinion of the commission, be unjust, the commission may approve the expenditure for the claimed expense to the extent that the commission considers to be just and the decision of the commission is final.

- The expenses submitted, totaling \$1051.44, are permitted expenses under the *Members' Resources and Allowances Rules*.
- The attached letter from the Member for Cartwright-L'Anse au Clair provides further details.

Analysis:

Legal Consultation:

Not applicable.

Internal Consultation(s):

Not applicable.

External Consultation(s):

Not applicable.

Comparison to Government Policy:

Not applicable.

Financial Impact:

Not applicable.

Legislative Impact:

Not applicable.

Options:

1. Approve the payment of expenses totaling \$1051.44 for the Member for Cartwright-L'Anse au Clair.
2. Deny the payment of expenses totaling \$1051.44 for the Member for Cartwright-L'Anse au Clair.

Status:

- Not applicable.

Action Required:

- The decision of the Commission is requested.

Prepared by: Bobbi Russell

Approved by: Sandra Barnes

Approved by:



Date: February 18, 2013

Attachments:

1. Letter dated January 14, 2013 from the Member for Cartwright-L'Anse au Clair to the Speaker.
2. Letter dated January 14, 2013 from the Speaker to the Member for Cartwright-L'Anse au Clair.



HOUSE OF ASSEMBLY
NEWFOUNDLAND AND LABRADOR

Official Opposition Members' Office

January 14, 2013

Hon. Ross Wiseman, Speaker
House of Assembly
Main Floor, East Block
Confederations Building
St. John's, NL

Dear Mr. Speaker:

I am requesting that travel claim MECMS 242152 in the amount \$1051.44 and was over the sixty day submission timeline be processed. There was a delay in submitting because I was in the district for an extended period of time and then my CA was on leave and travelling in the district with me after she returned from leave.

I appreciate you attention to this request.

Sincerely yours,

YVONNE JONES, MHA
Cartwright – L'Anse au Clair



HOUSE OF ASSEMBLY
Newfoundland and Labrador
OFFICE OF THE SPEAKER

January 14, 2013

Ms. Yvonne Jones
District of Cartwright-L'Anse au Clair
Official Opposition Office
3rd Floor, East Block
Confederation Building

Dear Ms. Jones,

I am writing in response to your letter of January 14th, 2013 regarding an expense claim for the amount of \$1051.44 that was submitted past the required 60-day deadline.

The process for Members to follow respecting allowance use is outlined in Section 24 of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) and involves the Speaker, in the first instance, with the Commission having the final authority. Subsection 24(4) of the Act states that the Speaker's approval confirms that an expenditure complies with the Rules of the Commission.

Given the provisions of Subsection 7(6) of the Rules it is not possible for me to state that the expenditures are in compliance with the Rule. The next step, therefore, is for you to request that the issue be brought to the House of Assembly Management Commission for a final decision.

Please note I will accept your correspondence as an official appeal to the Commission and will arrange that it be included on the agenda of an upcoming meeting.

Regards,

ROSS WISEMAN, MHA
Speaker of the House of Assembly

c.c. Ms. Marlene Lambe, Chief Financial Officer

House of Assembly Management Commission

Briefing Note

Title: Letter of Appeal - 60 Days Submission Deadline

Issue: Appeal of Claim Ruling - Member for Humber East

Background:

- The Member for Humber East is appealing the denial of payment by Corporate and Members' Services Division of certain allowable expenses incurred by the Member as the expenditures were incurred more than 60 days prior to the claim being made.
- Subsection 7(6) of the *Members Resources and Allowances Rules* states that

(6) *A claim against an allowance for payment or reimbursement shall not be made more than 60 days after the date on which the expenditure was made.*

- Subsections 24(1), 24(8) and 24(9) of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) state:

24(1) *Where a member incurs an expense and a claim for reimbursement, or payment has been rejected by an officer or staff member of the House of Assembly service, or the member is unsure as to whether an expense, if incurred, will qualify for reimbursement or payment, he or she may request a ruling from the speaker.*

(8) *Where the ruling of the speaker is that the expenditure does not comply with the rules and directives of the commission, the member may appeal that ruling to the commission and, after giving the member an opportunity to make a submission in writing in support of the appeal, the commission may decide to reverse, uphold or modify the ruling of the speaker, and the decision of the commission is final.*

(9) *Notwithstanding that an expense claim has been denied by an officer, staff member or the speaker, in accordance with the rules, where there is an appeal to the commission under this section and the commission determines that that claimed expense amount*

- (a) *has been incurred by the member; and*
- (b) *is a permitted expense under the Act and rules; and*
- (c) *does not exceed an expense amount or allowance allocation permitted under the rules,*

and a denial of payment of the expense amount would, in the opinion of the commission, be unjust, the commission may approve the expenditure for the claimed expense to the extent that the commission considers to be just and the decision of the commission is final.

- The expenses submitted, totaling \$1,558.96, are permitted expenses under the *Members' Resources and Allowances Rules*.
- The attached letter from the Member for Humber East provides further details.

Analysis:

Legal Consultation:

Not applicable.

Internal Consultation(s):

Not applicable.

External Consultation(s):

Not applicable.

Comparison to Government Policy:

Not applicable.

Financial Impact:

Not applicable.

Legislative Impact:

Not applicable.

Options:

1. Approve the payment of expenses totaling \$1,558.96 for the Member for Humber East.
2. Deny the payment of expenses totaling \$1,558.96 for the Member for Humber East.

Status:

- Not applicable.

Action Required:

- The decision of the Commission is requested.

Prepared by: Bobbi Russell

Approved by: Sandra Barnes

Approved by:



Date: February 18, 2013

Attachments:

1. Letter dated December 19, 2012 from the Member for Humber East to the Speaker.
2. Letter dated January 14, 2013 from the Speaker to the Member for Humber East.

December 19, 2012

Honourable Ross Wiseman
Speaker's Office
1st Floor, East Block, Confederation Building
P.O. Box 8700
St. John's, NL
A1B 4J6

Dear Speaker Wiseman;

Please accept this letter as a formal appeal for expenses on claim MECMS 227847 that I submitted to Corporate and Members' Services. The expense that I ask for your consideration of approval is for expense incurred during the period of April 1st – April 7th, 2012 in the amount of \$1558.96 submitted June 29th, 2012. It was rejected because it was not submitted within the 60 day time frame that is allotted. The reason for the late submission is because when the claim was being prepared a receipt for rental car was misplaced and we were awaiting a replacement receipt to be sent from the rental car company.

Please consider reimbursement of these expenses to the Management Commission. I look forward to your response. Thank you.

Sincerely,



Tom Marshall
MHA, District of Humber East



HOUSE OF ASSEMBLY
Newfoundland and Labrador
OFFICE OF THE SPEAKER

January 14, 2013

Mr. Tom Marshall
District of Humber East
P.O. Box 2006
Corner Brook, NL A2H 6J8

Dear Mr. Marshall,

I am writing in response to your letter of December 19, 2012 regarding an expense claim for the amount of \$1558.96 that was submitted past the required 60-day deadline.

The process for Members to follow respecting allowance use is outlined in Section 24 of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) and involves the Speaker, in the first instance, with the Commission having the final authority. Subsection 24(4) of the Act states that the Speaker's approval confirms that an expenditure complies with the Rules of the Commission.

Given the provisions of Subsection 7(6) of the Rules it is not possible for me to state that the expenditures are in compliance with the Rule. The next step, therefore, is for you to request that the issue be brought to the House of Assembly Management Commission for a final decision.

Please note I will accept your correspondence as an official appeal to the Commission and will arrange that it be included on the agenda of an upcoming meeting.

Regards,


ROSS WISEMAN, MHA
Speaker of the House of Assembly

c.c. Ms. Marlene Lambe, Chief Financial Officer

House of Assembly Management Commission

Briefing Note

Title: Letter of Appeal - 60 Days Submission Deadline

Issue: Appeal of Claim Ruling - Member for Mount Pearl South

Background:

- The Member for Mount Pearl South is appealing the denial of payment by Corporate and Members' Services Division of certain allowable expenses incurred by the Member as the expenditures were incurred more than 60 days prior to the claim being made.
- Subsection 7(6) of the *Members Resources and Allowances Rules* states that
 - (6) *A claim against an allowance for payment or reimbursement shall not be made more than 60 days after the date on which the expenditure was made.*
- Subsections 24(1), 24(8) and 24(9) of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) state:
 - 24(1) *Where a member incurs an expense and a claim for reimbursement, or payment has been rejected by an officer or staff member of the House of Assembly service, or the member is unsure as to whether an expense, if incurred, will qualify for reimbursement or payment, he or she may request a ruling from the speaker.*
 - (8) *Where the ruling of the speaker is that the expenditure does not comply with the rules and directives of the commission, the member may appeal that ruling to the commission and, after giving the member an opportunity to make a submission in writing in support of the appeal, the commission may decide to reverse, uphold or modify the ruling of the speaker, and the decision of the commission is final.*
- Section 24 of the Act was amended in December 2008 to include subsection 24(9) which states

(9) *Notwithstanding that an expense claim has been denied by an officer, staff member or the speaker, in accordance with the rules, where there is an appeal to the commission under this section and the commission determines that that claimed expense amount*

(a) *has been incurred by the member; and*

(b) *is a permitted expense under the Act and rules; and*

(c) *does not exceed an expense amount or allowance allocation permitted under the rules,*

and a denial of payment of the expense amount would, in the opinion of the commission, be unjust, the commission may approve the expenditure for the claimed expense to the extent that the commission considers to be just and the decision of the commission is final.

- The expenses submitted, totaling \$1,236.75, are permitted expenses under the *Members' Resources and Allowances Rules*.
- The attached letter from the Member for Mount Pearl South provides further details.

Analysis:

Legal Consultation:

Not applicable.

Internal Consultation(s):

Not applicable.

External Consultation(s):

Not applicable.

Comparison to Government Policy:

Not applicable.

Financial Impact:

Not applicable.

Legislative Impact:

Not applicable.

Options:

1. Approve the payment of expenses totaling \$1,236.75 for the Member for Mount Pearl South.
2. Deny the payment of expenses totaling \$1,236.75 for the Member for Mount Pearl South.

Status:

- Not applicable.

Action Required:

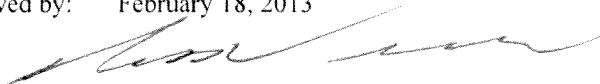
- The decision of the Commission is requested.

Prepared by: Bobbi Russell

Approved by: Sandra Barnes

Approved by: February 18, 2013

Date:



Attachments:

1. Letter dated January 14, 2013 from the Member for Mount Pearl South to the Speaker.
2. Letter dated January 14, 2013 from the Speaker to the Member for Mount Pearl South.



HOUSE OF ASSEMBLY
Newfoundland and Labrador

PAUL LANE, M.H.A.
District of Mount Pearl South

January 14, 2013

Honourable Ross Wiseman
Speaker of the House of Assembly
1st Floor, East Block
Confederation Bldg.
St. John's, NL A1B 4J6

Dear Mr. Speaker:

Please accept this letter as a formal appeal for approval on claim ECMS 256465 that I submitted to Corporate Members' Services. The expenses that I ask for your consideration are in the amount of 1236.75. It was rejected because it was not submitted within the 60 day time frame that is allotted. The reason for the late submission is due to staff oversight.

Please consider reimbursement of these legitimate expenses to the Management Commission. I look forward to your response. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to be 'Paul Lane', written over a large, stylized flourish.

Paul Lane,
M.H.A., Mount Pearl South



HOUSE OF ASSEMBLY
Newfoundland and Labrador
OFFICE OF THE SPEAKER

January 14, 2013

Mr. Paul Lane
District of Mount Pearl South
5th Floor, East Block
Government Members Office
Confederation Building

Dear Mr. Lane, *Paul*

I am writing in response to your letter of January 14th, 2013 regarding an expense claim for the amount of \$1236.75 that was submitted past the required 60-day deadline.

The process for Members to follow respecting allowance use is outlined in Section 24 of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) and involves the Speaker, in the first instance, with the Commission having the final authority. Subsection 24(4) of the Act states that the Speaker's approval confirms that an expenditure complies with the Rules of the Commission.

Given the provisions of Subsection 7(6) of the Rules it is not possible for me to state that the expenditures are in compliance with the Rule. The next step, therefore, is for you to request that the issue be brought to the House of Assembly Management Commission for a final decision.

Please note I will accept your correspondence as an official appeal to the Commission and will arrange that it be included on the agenda of an upcoming meeting.

Regards,


ROSS WISEMAN, MHA
Speaker of the House of Assembly

c.c. Ms. Marlene Lambe, Chief Financial Officer

House of Assembly Management Commission

Briefing Note

Title: Letter of Appeal - 60 Days Submission Deadline

Issue: Appeal of Claim Ruling - Member for St. George's-Stephenville East

Background:

- The Member for St. George's-Stephenville East is appealing the denial of payment by Corporate and Members' Services Division of certain allowable expenses incurred by the Member as the expenditures were incurred more than 60 days prior to the claim being made.
- Subsection 7(6) of the *Members Resources and Allowances Rules* states that
 - (6) *A claim against an allowance for payment or reimbursement shall not be made more than 60 days after the date on which the expenditure was made.*
- Subsections 24(1), 24(8) and 24(9) of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) state:
 - 24(1) *Where a member incurs an expense and a claim for reimbursement, or payment has been rejected by an officer or staff member of the House of Assembly service, or the member is unsure as to whether an expense, if incurred, will qualify for reimbursement or payment, he or she may request a ruling from the speaker.*
 - (8) *Where the ruling of the speaker is that the expenditure does not comply with the rules and directives of the commission, the member may appeal that ruling to the commission and, after giving the member an opportunity to make a submission in writing in support of the appeal, the commission may decide to reverse, uphold or modify the ruling of the speaker, and the decision of the commission is final.*
 - (9) *Notwithstanding that an expense claim has been denied by an officer, staff member or the speaker, in accordance with the rules, where there is an appeal to the commission under this section and the commission determines that that claimed expense amount*

- (a) *has been incurred by the member; and*
- (b) *is a permitted expense under the Act and rules; and*
- (c) *does not exceed an expense amount or allowance allocation permitted under the rules,*

and a denial of payment of the expense amount would, in the opinion of the commission, be unjust, the commission may approve the expenditure for the claimed expense to the extent that the commission considers to be just and the decision of the commission is final.

- The expenses submitted, totaling \$283.57, are permitted expenses under the *Members' Resources and Allowances Rules*.
- The attached letter from the Member for St. George's-Stephenville East provides further details.

Analysis:

Legal Consultation:

Not applicable.

Internal Consultation(s):

Not applicable.

External Consultation(s):

Not applicable.

Comparison to Government Policy:

Not applicable.

Financial Impact:

Not applicable.

Legislative Impact:

Not applicable.

Options:

1. Approve the payment of expenses totaling \$283.57 for the Member for St. George's-Stephenville East.
2. Deny the payment of expenses totaling \$283.57 for the Member for St. George's-Stephenville East.

Status:

- Not applicable.

Action Required:

- The decision of the Commission is requested.

Prepared by: Bobbi Russell

Approved by: Sandra Barnes

Approved by:



Date: February 18, 2013

Attachments:

1. Letter dated January, 24, 2013 from the Member for St. George's-Stephenville East to the Speaker.
2. Letter dated February 11, 2013 from the Speaker to the Member for St. George's-Stephenville East.



OFFICE OF THE SPEAKER

FEB 08 2012

HOUSE OF ASSEMBLY
Newfoundland and Labrador

JOAN SHEA, M.H.A.
District of St. George's- Stephenville East

COPY

January 24, 2013

Hon. Ross Wiseman, MHA
Speaker of the House of Assembly
Chair of the House of Assembly Management Commission
Main Floor, East Block

Dear Mr. Chair,

Please accept this correspondence as an official appeal to the House of Assembly Management Commission of MECMS255036 in the amount of \$283.57. This claim was rejected by the Corporate and member's Services Division because it was submitted past the 60-day submission deadline for expenditures as required under Subsection 7(6) of the Members' Resources and Allowances Rules.

I am requesting the approval of the Commission to be reimbursed for these expenses which include temporary accommodations and meals. The expenses were submitted past the 60-day deadline due to the fact that these expenses incurred in July 2012 were overlooked and therefore, never submitted for reimbursement.

Thank you for your consideration.

Yours truly,

JOAN SHEA, MHA
St. George's - Stephenville East
Minister



HOUSE OF ASSEMBLY
Newfoundland and Labrador
OFFICE OF THE SPEAKER

February 11, 2013

Ms. Joan Shea, MHA
District of St. George's- Stephenville
2nd Floor, Harmon Building
58 Oregon Drive, Stephenville
A2N 2Y1

Dear Ms. ~~Shea~~ *Joan*


I am writing in response to your letter of January 24th, 2013 regarding an expense claim for the amount of \$283.57 that was submitted past the required 60-day deadline.

The process for Members to follow respecting allowance use is outlined in Section 24 of the *House of Assembly Accountability, Integrity and Administration Act* (the Act) and involves the Speaker, in the first instance, with the Commission having the final authority. Subsection 24(4) of the Act states that the Speaker's approval confirms that an expenditure complies with the Rules of the Commission.

Given the provisions of Subsection 7(6) of the Rules it is not possible for me to state that the expenditures are in compliance with the Rule. The next step, therefore, is for you to request that the issue be brought to the House of Assembly Management Commission for a final decision.

Please note I will accept your correspondence as an official appeal to the Commission and will arrange that it be included on the agenda of an upcoming meeting.

Regards,


ROSS WISEMAN, MHA
Speaker of the House of Assembly

c.c. Ms. Marlene Lambe, Chief Financial Officer

**House of Assembly Management Commission
Briefing Note**

Title: 2012 Members' Compensation Review Committee (MCRC) Report:
Salary Recommendations

Issue: To provide background and analysis of the 2012 MCRC Recommendations relating to salaries for MHAs and House of Assembly office-holder positions.

Background:

- Recommendations 1 through 4 of the 2012 MCRC Report relate to the salaries of MHAs and House of Assembly Office Holders, as follows:
 1. MHAs salaries shall be frozen until December 2013.
 2. Starting in December 2013, MHAs shall receive a pay raise linked to the Consumer Price Index for this Province to a maximum of 1.5% for that year as of December 2013. A further increase, based on the same formula, shall be implemented in December 2014 and December 2015.
 3. This raise will also apply to the positions outlined in Section 12 of *the Act*.
 4. Beyond the 2015 raise, no further adjustments shall be made to MHA salaries until such time as salaries have been reviewed by the next Members' Compensation Review Committee.

MHA Salaries

- MHA salaries are specified under section 11 of the *House of Assembly Accountability, Integrity and Administration Act* (the Act). Currently the base MHA salary is \$95,357.
- The Consumer Price Index is calculated by Statistics Canada and varies on a monthly basis. It includes seasonally and non-seasonally adjusted data. Statistics Canada advises data users employing the CPI for indexation purposes to use the non-seasonally adjusted data.
- Typically, the Consumer Price Index for the previous month is released by the third week of the subsequent month, which means that the CPI information for December of any given year will not be released until January. Consequently, any changes to salaries based on CPI changes may need to be applied retroactively.
- The following table, using the maximum allowable of 1.5% CPI increase, illustrates the impact of the recommendation on MHA annual salaries. The impact on budgetary requirements in the affected fiscal year is also estimated.

Date of Increase	MHA Base Salary	Annualized Costs	Impact on Budget
Current	\$95,357	\$4,577,136	Current base MHA salary budget.
Dec 2013	\$96,787	\$4,600,902	\$23,766 increase in Budget 2013-2014
Dec 2014	\$98,239	\$4,669,915	\$69,014 additional increase in Budget 2014-2015 (Cumulative \$92,780 over 2012/13 base)
Dec 2015	\$99,713	\$4,739,964	\$70,049 additional increase in Budget 2015-2016 (Cumulative \$162,829 over 2012/13 base)

- Subsection 16(6) of the Act states:

16. (6) *A modification of the recommendations of a members' compensation review committee which may be made by the commission with respect to salaries, non-taxable allowances or other amounts for which a member may be entitled to claim reimbursement or payment on his or her behalf for reasonable and legitimate expenses, shall not exceed the maximums recommended by the committee in that regard.*

As a result, the Management Commission may decide to:

- (i) accept recommendation 2;
 - (ii) vary recommendation 2 to lower the percentage change; reduce the frequency of increases, or do both; or
 - (iii) reject recommendation 2.
- Should recommendation 2 be accepted or varied, amendments will be required to section 11 of the Act. Currently in the Act the amount of salary is specified. Given the formula approach recommended in the 2012 MCRC Report, exact amounts would no longer be specified in the legislation. To ensure transparency, the Publication Scheme of the House of Assembly currently requires that an annual report of actual compensation paid to Members by the House of Assembly in a fiscal year is posted on the website no later than 90 days after the end of the fiscal year or following any amendments to the compensation amounts.

Office-holder salaries

- The salaries for House of Assembly Office Holders are prescribed under subsection 12(1) of the Act as follows:
 - Speaker: \$54,072
 - Leader of the Official Opposition (LOO): \$54,072
 - Deputy Speaker: \$27,033
 - Opposition House Leader: \$27,033
 - Leader of the Third Party: \$18,918
 - Deputy Opposition House Leader: \$18,457
 - Deputy Chair of Committees: \$13,517
 - Party Whip: \$13,517
 - Caucus Chair: \$13,517
 - Chair of the Public Accounts Committee: \$13,517

- Deputy Chair of the Public Accounts Committee: \$10,333

- Should recommendation #3 be accepted, the impact on office holders annual salaries will be as follows (based on using the maximum allowable CPI increase of 1.5% in each year):

Position Title	Current Salary	# of Positions	Annual Salary as of December 2013	Annual Salary as of December 2014	Annual Salary as of December 2015
Speaker	\$54,072	1	\$54,883	\$55,706	\$56,542
Leader - Official Opposition	\$54,072	1	\$54,883	\$55,706	\$56,542
Opposition House Leader	\$27,033	1	\$27,438	\$27,850	\$28,268
Deputy Speaker	\$27,033	1	\$27,438	\$27,850	\$28,268
Leader - Third Party	\$18,918	1	\$19,202	\$19,490	\$19,782
Deputy Opposition House Leader	\$18,457	1	\$18,734	\$19,015	\$19,300
Deputy Chair of Committees	\$13,517	1	\$13,720	\$13,926	\$14,134
Party Whips	\$13,517	3	\$41,159	\$41,777	\$41,994
Caucus Chairs	\$13,517	3	\$41,159	\$41,777	\$41,994
Chair, PAC	\$13,517	1	\$13,720	\$13,926	\$14,134
Vice-Chair, PAC	\$10,333	1	\$10,488	\$10,645	\$10,805
Totals	\$318,054	15	\$322,825	\$327,667	\$329,369

- The budgetary impact to give effect to these salary increases is as follows:
 - Budget 2013-2014: \$1,651
 - Budget 2014-2015: \$4,796
 - Budget 2015-2016: \$4,868
- Subsection 16(6) of the Act would again apply. As a result, the Management Commission may decide to:
 - (i) accept recommendation 3;
 - (ii) vary recommendation 3 to lower the percentage change; reduce the frequency of increases, or do both; or
 - (iii) reject recommendation 3.
- Should recommendation 3 be accepted or varied, changes will be required to section 12 of the Act. Currently in the Act the exact salary amounts are specified. Given the formula approach recommended in the 2012 MCRC Report, exact amounts would no longer be specified in the legislation. To ensure transparency, the Publication Scheme of the House of Assembly currently requires that an annual report of actual compensation paid to office holders by the House of Assembly in a fiscal year is posted on the website no later than 90 days after the end of the fiscal year or following any amendments to the compensation amounts.
- Currently, the salaries of the Speaker and the LOO are the same as for Cabinet Ministers. The salaries of the Deputy Speaker and the Opposition House Leader are consistent with those of the Parliamentary Secretaries and the Parliamentary Assistant. (The remaining office holder salaries are a proportion of the compensation level for the Speaker and the LOO. There are no equivalent positions in the Executive Branch.) This practice is reflected in Cabinet directives dating back to the 1970s and in the Morgan Commission Report of 1989.

It is also consistent with practices followed by many other Canadian provinces and other Commonwealth entities (refer Annex A).

- The 2009 MCRC Report recommended the removal of the 8% increase to both the MHA and office holder salaries and that the salaries remain frozen until the next MCRC Review. These recommendations were accepted by the Management Commission. In concert with the adoption of the MCRC recommendations, Cabinet directed that the same adjustments be applied to ministerial salaries, thereby keeping ministerial salaries consistent with those of the Speaker and the Leader of the Official Opposition.

Analysis:

While the Green Report referenced the salaries of the office holders and included the ministerial salaries, it did not discuss the long standing relationship between the two.

Chapter 9 of the Green Report emphasizes the requirement for an independent review process for setting MHA compensation. Currently, the only legislated independent review process for compensation is the MCRC process established in the Act.

Legal Consultation:

Not applicable.

Internal Consultation(s):

Corporate & Members' Services Division, Law Clerk

External Consultation(s):

Not applicable.

Comparison to Government Policy:

Not Applicable

Financial Impact:

Should recommendation #2 be accepted, budgetary increases will be required to accommodate increases in MHA salaries as follows:

Fiscal 2013-2014: \$23,766

Fiscal 2014-2015: \$69,014

Fiscal 2015-2016: \$70,049

Should the CPI change be less than 1.5%, the budgetary requirement in the applicable year will be lower.

Budgetary increases will be required to accommodate increases in office holder salaries as follows:

Fiscal 2013-2014: \$1,651

Fiscal 2014-2015: \$4,796

Fiscal 2015-2016: \$4,868

Should the CPI change be less than 1.5%, the budgetary requirement in the applicable year will be lower.

Legislative Impact:

The acceptance and/or variation of recommendations 2 and 3 will require amendments to sections 11 and 12 of the Act to amend the MHA and office-holder salaries.

Options:**Recommendation 1:**

1. The Commission adopts recommendation 1 and freezes MHA and office-holder compensation until December 2013.
2. The Commission does not adopt recommendation 1.

Recommendation 2:

1. The Commission adopts recommendation 2 that starting in December 2013, MHAs shall receive a pay raise linked to the Consumer Price Index (using the non-seasonally adjusted rate) for this Province to a maximum of 1.5% for that year as of December 2013. A further increase, based on the same formula, shall be implemented in December 2014 and December 2015. The Commission further directs that the budget for MHA salaries be increased as appropriate to give effect to these increases.
2. The Commission does not adopt recommendation 2 and the compensation for MHAs is maintained at the existing level.
3. The Commission modifies recommendation 2 and directs that increases lesser than the allowable maximum be applied to MHA compensation and directs that the budget allocation for MHA salaries be adjusted correspondingly.

Recommendation 3:

1. The Commission adopts recommendation 3 that starting in December 2013, office holders shall receive a pay raise linked to the Consumer Price Index (using the non-seasonally adjusted rate) for this Province to a maximum of 1.5% for that year as of December 2013. A further increase, based on the same formula, shall be implemented in December 2014 and December 2015. The Commission further directs that the budget for office holder salaries be increased as appropriate to give effect to these increases.
2. The Commission does not adopt recommendation 3 and the compensation for office-holders is maintained at the existing level.
3. The Commission modifies recommendation 3 and directs that increases lesser than the allowable maximum be applied to office-holder compensation and directs that the budget allocation for office-holder salaries be adjusted correspondingly.

Recommendation 4:

1. The Commission adopts recommendation 4 that beyond the 2015 raise, no further adjustments shall be made to MHA salaries until such time as salaries have been reviewed by the next Members' Compensation Review Committee.

Action Required:

- The direction of the Commission is requested with respect to MCRC recommendations 1-4.
- The Commission directs the Law Clerk to draft proposed amendments to the *House of Assembly Accountability, Integrity and Administration Act* necessary to give effect to decisions of the Commission.

Prepared by: Sandra Barnes

Approved by:



Date: February 18, 2013

**House of Assembly Management Commission
Briefing Note**

Title: 2012 Members' Compensation Review Committee (MCRC) Report

Issue: Analysis of Recommendations 5, 6, 7 & 8 Respecting MHA Pensions

Background:

- The 2012 Members' Compensation Review Committee (MCRC) issued the following 4 recommendations relating to MHA pensions:

5. The current MHA pension scheme remains unchanged.
6. Immediately upon receipt of this report, the Management Commission should adopt recommendation 78 of the Green Report and develop a proposal that **either** converts the MHA pension plan to a defined contribution plan **or** significantly modifies the existing defined benefit plan. This proposal should be submitted to the next Members' Compensation Review Committee and that Committee should be given the necessary time and resources to conduct a thorough review of the proposal and of the existing MHA pension plan.
7. The next Members' Compensation Review Committee is provided with actuarial and other resources to conduct a thorough review of the MHA pension plan.
8. The House of Assembly includes an actuary as one of the members of the next Members' Compensation Review Committee.

- The Green Report was released in May, 2007, and included recommendations with respect to the MHA Pension Plan. Recommendation 78 stated:

- 78 (1) The House of Assembly Management Commission, assisted by the Department of Finance, should proceed to develop a proposed new pension structure for MHAs:
- (a) eliminating the existing defined benefit plan and implementing a defined contribution, RRSP type of arrangement that takes account of cost and level of benefits relative to other public service plans; or
 - (b) significantly modifying the terms of the existing defined benefit plan to make it conform more closely, in terms of levels of benefits, with other public service plans.

- The *House of Assembly Accountability, Integrity and Administration Act* (the Act) was passed in June, 2007, and included a provision for the appointment of a committee to review and make recommendations respecting salaries, pensions, severance and allowances.

- In 2009 the first Members' Compensation Review Committee (MCRC) was appointed in accordance with section 16 of the Act.
- In October 2009, MCRC submitted its report, including recommendations, to the Commission for consideration.
- At its December 2, 2009, meeting, the Commission adopted all recommendations of the MCRC with respect to Pensions (CM 2009-071 refers). The *Members of the House of Assembly Retiring Allowances Act* was substantially amended in December, 2009, to reflect the changes recommended by the MCRC and approved by the Commission.
- In 2012, a new MCRC was appointed as required by statute to review salaries, pensions, severance and allowances. The Committee submitted its report, with recommendations, to the Commission in November, 2012.
- MCRC 2012 has highlighted Recommendation 78 of the Green Report and is recommending the Commission develop a proposed pension structure for review by the MCRC to be appointed following the next General Election.
- Recommendations 7 & 8 of MCRC 2012 are recommendations with respect to the composition of, and the resources to be provided to, the MCRC appointed in the next General Assembly.

Analysis:

Legal Consultation:

Not applicable.

Internal Consultation(s):

Not applicable.

External Consultation(s):

Pensions Division, Dept. of Finance

Comparison to Government Policy:

Not Applicable

Financial Impact:

The overall financial impact of Recommendations 5-8 will depend on the recommendations of the next Members' Compensation Review Committee with respect to pensions and whether the Commission approves any such recommendations.

Legislative Impact:

If recommendation 5-8 are accepted, amendments to the *House of Assembly Accountability, Integrity and Administration Act* may be required.

Options:

Recommendation 1

1. The Commission adopts recommendation 1 and directs that the current MHA pension scheme remains unchanged.
2. The Commission does not adopt recommendation 1.

Recommendation 2

1. The Commission adopts recommendation 2 of MCRC 2012 and recommendation 78 of the Green Report and directs that a proposal be developed that either converts the MHA pension plan to a defined contribution plan or significantly modifies the existing defined benefit plan. This proposal will be submitted to the next Members' Compensation Review Committee which will be given the necessary time and resources to conduct a thorough review of the proposal and of the existing MHA pension plan.
2. The Commission does not adopt recommendation 2 and recommendation 78 of the Green Report.

Recommendation 3

1. The Commission adopts recommendation 3 and directs that the next Members' Compensation Review Committee be provided with actuarial and other resources to conduct a thorough review of the MHA pension plan.
2. The Commission does not adopt recommendation 3 and defers the decision respecting the resources to be provided to the next Members' Compensation Review Committee to the Commission in place at the time of the appointment of the next MCRC.

Recommendation 4

1. The Commission adopts recommendation 4 that the House of Assembly includes an actuary as one of the members of the next Members' Compensation Review Committee.
2. The Commission does not adopt recommendation 4 and defers the decision that the House of Assembly includes an actuary as one of the members of the next Members' Compensation Review Committee to the Commission in place at the time of the appointment of the next MCRC.

Status:

- The existing provisions of the *House of Assembly Accountability, Integrity and Administration Act* and the *Members of the House of Assembly Retiring Allowances Act* apply.

Action Required:

- The direction of the Commission is requested.
- The Commission directs the Law Clerk to draft proposed amendments to the *House of Assembly Accountability, Integrity and Administration Act* necessary to give effect to decisions of the Commission.

Prepared by: Marie Keefe

Approved by: Sandra Barnes

Approved by:

A handwritten signature in black ink, appearing to read "Marie Keefe", written over a horizontal line.

Date: February 18, 2013

**House of Assembly Management Commission
Briefing Note**

Title: 2012 Members' Compensation Review Committee (MCRC) Report

Issue: Analysis of Recommendations 15 and 17 Respecting Helicopter Travel

Background:

- The 2012 Members' Compensation Review Committee (MCRC) issued the following 7 recommendations relating to intra-constituency helicopter travel:
 15. The MHA for Burgeo-La Poile be granted reasonable access to helicopter travel.
 16. Helicopter travel should only be availed of if less expensive travel is not available.
 17. Helicopter travel should not be included in intra-constituency cost estimates and should only be availed of with the specific permission of the Speaker upon representation by the MHA to justify such travel. It should be budgeted for separately.
 18. If possible, an MHA should visit several isolated communities per trip in an effort to reduce costs.
 19. If possible, helicopter travel should be shared with other professionals visiting these remote areas.
 21. If the intra-constituency cost estimate for the district of Fortune Bay-Cape La Hune is reduced by \$48,000, as set out in recommendation 17, the mileage estimate included in the intra-constituency cost estimate for this district should be increased from 4,500 to 20,000 kilometers and the dollar amount of the total be adjusted accordingly.
 23. If recommendation 17 is followed, the amount of \$1,500 should be added to the intra-constituency allowance estimate for the district of Fortune Bay-Cape La Hune for increased ferry travel.
- Recommendations 15 and 17 are the subject of this briefing note. The other recommendations with respect to helicopter travel will be addressed in separate notes.

RECOMMENDATION 17

- **Recommendation 17** provides the overarching principle with respect to helicopter travel and directs that allocations for this travel be removed from the intra-constituency cost estimates and a new Line Object created specifically for Helicopter Travel.
- The Green Report included the Intra-constituency Costs Estimates (Appendix 10-3) for each of the 48 Electoral Districts. It used the electoral district boundary information which existed prior to the amendment to the *House of Assembly Act* in 2007. The following three districts were the only districts provided a budget allocation for helicopter travel: Fortune Bay-Cape La Hune, Cartwright-L'Anse au Clair and Torngat Mountains.
- The following table reflects the intra-constituency allocations (including helicopter travel) provided for in Appendix 10.3 of the Green Report for each of the 3 districts.

Green Report (Calculations and Assumptions for Intra-constituency Allowance)

District	Meals	Accom.	# of nights in District	Travel	Km	Other travel requirements	Total	Rounded Amount	District Specific Assumptions
Cartwright-L'Anse au Clair	\$3,750	\$6,250	50	\$39,116	8,800	\$36,000	\$49,116	\$49,200	Snowmobile & guide, boat, 4 scheduled aircraft (\$2500/day), 2 helicopter (\$1500/hr); \$1000 for other.
Fortune Bay-Cape La Hune	\$3,750	\$6,250	50	\$49,593	4,500	\$48,000	\$59,593	\$59,600	4 trips/yr to remote part of district, using helicopter.
Torngat Mountains	\$3,750	\$7,500	60	\$34,600	0	\$34,600	\$45,850	\$45,900	Normally would not live in district; no roads connecting communities; represents members on # matters outside district, 4 trips * \$400* 6 communities (scheduled flights), \$2000 for small boats/snowmobile, \$2000 for chartered flights, \$20,000 for 1 round trip helicopter; \$1000 for other.

Intra-Constituency Travel Allocation Amounts Separating Helicopter Travel

District	Meals	Accom.	# of nights in District	Travel	Km	Other travel requirements	Total	Rounded Amount	Amount Removed (Helicopter Allocations)
Cartwright-L'Anse au Clair	\$3,750	\$6,250	50	\$15,116	8,800	\$12,000	\$25,116	\$25,200	\$24,000 (Two, 8 hour trips at \$1,500 per hour cost for flight time)
Fortune Bay-Cape La Hune	\$3,750	\$6,250	50	\$1,593	4,500	\$0	\$11,593	\$11,600	\$48,000 (Four, 8 hour trips at \$1,500 per hour cost for flight time)
Torngat Mountains	\$3,750	\$7,500	60	\$14,600	0	\$14,600	\$25,850	\$25,900	\$20,000 (One return helicopter trip at \$20,000)
Total Helicopter Allocations Removed from Intra-Constituency Travel =									\$92,000

- Should the Commission adopt Recommendation 17, it will need to determine the helicopter allocation for the 3 districts that currently have an allocation.
- Currently, a Member does not require the prior approval of the Speaker when using the modes of travel listed above when traveling within his/her district only. In 2010, the Commission approved an amendment to the Rules following a recommendation by the 2009 MCRC to remove the requirement of the prior approval of the Speaker for all intra-constituency travel (**CM 2010-026 refers**).
- If recommendation 17 is accepted, an amendment will be required to subsection 38(2) of the Rules which states:

38. (2) The allowance provided for in this section may include

(a) the cost of transportation by motor vehicle, all-terrain vehicle, boat, snowmobile, fixed wing aircraft or helicopter;

(b) within his or her constituency

RECOMMENDATION 15

- **Recommendation 15** of the 2012 MCRC Report recommends that the District of Burgeo-LaPoile be granted reasonable access to helicopter travel. The previous Member for Burgeo-La Poile wrote the House of Assembly Management Commission (the Commission) requesting amendments to the intra-constituency allocation for the District as a result of the boundary change from the 2006 Electoral Boundaries Commission.

- Under the previous electoral district boundaries, the District of Fortune Bay-Cape La Hune had a total of 6 isolated communities, while the District of Burgeo-LaPoile had one. Following the boundary changes in 2007, the number of isolated communities in the District of Fortune Bay-Cape La Hune was reduced to 4, while the District of Burgeo-LaPoile increased to 3.
- The matter was referred by the Commission to an external consultant in 2010 resulting in the *District Intra-Constituency Allowances*, or Kennedy Report, being completed in February, 2011. The Commission referred the Kennedy Report to the 2012 MCRC.
- The following table reflects the intra-constituency allocations (no helicopter travel) provided for in Appendix 10.3 of the Green Report for the District of Burgeo - LaPoile.

District	Meals	Accom.	# of nights in District	Travel	Km	Other travel requirements	Total	Rounded Amount	District Specific Assumptions
Burgeo-LaPoile	\$3,750	\$2,500	20	\$7,812	15,000	\$2,500	\$14,062	\$14,100	interdepartmental coordination suggested, uses ferry (500*3); \$1000 for other.

- Should the Commission adopt Recommendations 15, it will need to determine the helicopter allocation for the district of Burgeo-LaPoile.

DETERMINING THE HELICOPTER ALLOCATION

- If Recommendations 15 and 17 are adopted, the Commission will need to determine the helicopter allocation for each of the 4 districts affected. Table 1 reflects the calculations used in the Green Report to determine helicopter allocations. Table 2 reflects historic usage data for the 5-year period, 2007-2012.

Table 1: Green Report Calculations

<i>District</i>	<i>Annual Allocation</i>	<i>Description</i>
Fortune Bay-Cape La Hune	\$48,000	Four, 8 hour trips at \$1,500 per hour cost for flight time.
Cartwright-L'Anse au Clair	\$24,000	Two, 8 hour trips at \$1,500 per hour cost for flight time.
Torngat Mountains	\$20,000	One return helicopter trip for \$20,000.
Burgeo-LaPoile	0	No allocation for helicopter travel

Table 2: Historic Usage

<i>District</i>	<i>Helicopter Expenditures 2007-2012</i>	<i>Average Hours per Trip</i>	<i># of Trips 2007-2012</i>
Fortune Bay-Cape La Hune	\$46,508.26	2	16
Cartwright-L'Anse au Clair	\$26,368.01	8.2	2
Torngat Mountains	\$0	0	0
Burgeo-LaPoile	No historical data as the District currently has no helicopter allocation		

- The current standing offer agreements with helicopter service providers have an average hourly rate of \$1,310. This hourly rate **does not** include repositioning costs, fuel, and incidentals (e.g. meals for pilot). The current cost for fuel is \$1.60 per liter which is usually around \$208 per hour.
- Attachment 1 outlines various options to assist the Commission in determining the helicopter allocation for each of the 4 districts.

Analysis:

Legal Consultation:

Not applicable.

Internal Consultation(s):

Corporate and Members' Services; Law Clerk

External Consultation(s):

Not applicable.

Comparison to Government Policy:

Not Applicable

Financial Impact:

The overall financial impact of Recommendations 15 and 17 will depend on: (1) the Commission's decisions with respect to whether the districts identified are provided with a helicopter allocation separate from the Intra-Constituency Allowance allocation and (2) the method used to calculate the amount provided to each district.

Legislative Impact:

If recommendations 15 and 17 are accepted, the following amendments are required to the *Members' Resources and Allowances Rules*:

- Part VI of the Rules – to include a new specific helicopter allowance.
- A change in section 38 of the Rules with respect to the references to Speaker approval and to helicopter travel.
- Schedule to the Rules – to reflect the new allocations for the affected Districts.

Options:

Recommendation 17

1. The Commission adopts recommendation 17 and directs that Helicopter travel not be included in intra-constituency cost estimates and will only be availed of with the specific permission of the Speaker upon representation by the MHA to justify such travel. It further directs that helicopter travel will be budgeted for separately.

The Commission directs that the following \$\$\$\$\$ be allocated for helicopter travel:

Fortune Bay – Cape La Hune	=	\$\$\$\$\$
Cartwright – L’Anse Au Clair	=	\$\$\$\$\$
Tornгат Mountains	=	\$\$\$\$\$

The Commission further directs that amendments be made to section 38 of the Rules requiring Members to seek the prior approval of the Speaker for all helicopter travel.

2. The Commission does not adopt recommendation 17 and the provisions for helicopter travel remain those provided for in the existing Schedule to the Rules.

Recommendation 15

1. The Commission adopts recommendation 15 that the MHA for Burgeo-La Poile be granted reasonable access to helicopter travel and directs that an amount of \$\$\$\$\$ be allocated for helicopter travel.
2. The Commission does not adopt recommendation 15 that the MHA for Burgeo-La Poile be granted reasonable access to helicopter travel. The Allowance for the District of Burgeo-LaPoile remains as provided for in the existing Schedule to the Rules.

Status:

- The existing provisions of the *Members’ Resources and Allowances Rules* apply.

Action Required:

- The direction of the Commission is requested.
- The Commission directs the Law Clerk to draft proposed amendments to the *Members’ Resources and Allowances Rules* necessary to give effect to decisions of the Commission.

Prepared by: Marie Keefe

Approved by: Sandra Barnes

Approved by:



Date: February 18, 2013

Options for Calculating Helicopter Allocations

Given the varying circumstances that exist (geography, transportation infrastructure, etc.), the Green Report made the following comment with respect to estimating intra-constituency travel allocations:

"With respect to travel within a district, on the other hand, I believe the needs of the district and the disparities in transportation infrastructure, especially in rural areas, will continue to require an estimate, based on the peculiarities of each district, of a maximum amount that can be spent."

The Commission may wish to consider the following options in determining helicopter travel allocations:

District	Options
Burgeo-LaPoile	<p><i>The communities in this District are accessible by road and/or ferry.</i></p> <ol style="list-style-type: none"> 1. Status quo - helicopter allocation as estimated in Green Report calculations and assumptions = <u>\$0</u> 2. Divide the \$48,000 estimated for helicopter travel in the Green Report among the 7 isolated communities in the Districts of Fortune Bay-Cape La Hune and Burgeo-LaPoile. This could be done in one of the following ways: <ol style="list-style-type: none"> a. Burgeo-LaPoile has 3 of the 7 isolated communities $3/7 = .43 * \\$48,000 = \mathbf{\\$20,640}$ b. Divide the \$48,000 by 7 = \$6,857/isolated comm. $3 \text{ isolated comm.} * \\$6,857 = \mathbf{\\$20,571}$ 3. Green Report provided the District of Fortune Bay-Cape La Hune with 4 trips per year, and at that time the District had 6 isolated communities, for a ratio of 0.67. Using that ratio and the assumptions from Green Report (8 hrs./trip at cost of \$1500/hour), the following calculation can be made for Burgeo-LaPoile: <ul style="list-style-type: none"> 3 isolated comm. * 0.67 = 2.01 (round down to 2 trips/yr) 2 trips * 8 hrs/trip * \$1,500/hr = <u>\$24,000</u> 4. Determine an allocation using the calculation from option 3 (above) for number of trips; hours per trip based on the Green Report assumptions; and cost/hr based on the average of current standing offer agreements: <ul style="list-style-type: none"> 2 trips * 8 hrs/trip * \$1,310/hr = <u>\$20,960</u> <p><i>Historic Usage Information is not available as there was no helicopter allocation for this District during the 2007-2012 period.</i></p>

District

Fortune Bay-Cape La Hune

Options

The communities in this District are accessible by road and/or ferry.

1. Status quo - keep the allocation for helicopter travel based on the Green Report calculations and assumptions (4 trips * 8hrs/trip * \$1,500/hr) = \$48,000
2. Divide the \$48,000 estimated for helicopter travel in the Green Report among the 7 isolated communities in the Districts of Fortune Bay-Cape La Hune and Burgeo-LaPoile. This could be done in one of the following ways:
 - a. District has 4 of the 7 isolated communities
 $4/7 = .57 * \$48,000 = \underline{\$27,360}$
 - b. Divide \$48,000 by 7 = \$6,857/isolated comm.
4 isolated comm. * \$6,857 = \$27,428
3. Green Report provided the District of Fortune Bay-Cape La Hune with 4 trips per year, and at that time the District had 6 isolated communities, for a ratio of 0.67. Using that ratio and the assumptions from the Green Report (8 hrs./trip at cost of \$1500/hour), the following calculation can be made for Fortune Bay-Cape La Hune:
4 isolated comm. * 0.67 = 2.67 (round up to 3 trips/yr)
3 trips/yr * 8 hrs/trip * \$1,500/hr = \$36,000
4. Determine an allocation using the calculation from option 3 (above) for number of trips; hours/trip based on the Green Report assumptions; and cost/hr based on the average of current standing offer agreements:
3 trips * 8 hrs/trip * \$1,310/hr = \$31,440

Historic Usage Information:

Total helicopter expenditures (2007-2012) = \$46,508.26

Number of trips (2007-2012) = 16

Average hours per trip = 2

The communities in this District are accessible by road, fixed-wing aircraft or ferry. However, it appears the Green Report recognized there may be extenuating circumstances requiring travel by helicopter at certain times.

Cartwright-L'Anse au Clair

1. Status quo - keep the allocation for helicopter travel based on the Green Report calculations and assumptions (2 trips * 8 hrs/trip * \$1,500/hr) = \$24,000
2. Determine a new allocation based on a combination of information available using Green Report assumption for # of trips and hours per trip; and the cost/hr based on average of current standing offer agreements:

2 trips * 8 hrs/trip * \$1,310/hr = \$20,960

Historic Usage Information:

Total helicopter expenditures (2007-2012) = \$26,368.01
Number of trips (2007-2012) = 2
Average hours per trip = 8.2

The communities in this District are accessible by fixed-wing aircraft or ferry. However, it appears the Green Report recognized there may be extenuating circumstances requiring travel by helicopter at certain times.

Tongat Mountains

1. Status Quo - keep the current allocation for helicopter travel based on the Green Report calculations and assumptions
1 trip/year at \$20,000
2. Determine a new allocation based on a combination of information using Green Report assumptions for number of trips and hours/trip; and the cost/hr based on the average of current standing offer agreements:

1 trip * 8 hrs/trip * \$1,310/hr = \$10,480

Historic Usage Information:

Total helicopter expenditures (2007-2012) = \$0
Number of trips (2007-2012) = 0
Average hours per trip = 0

**House of Assembly Management Commission
Briefing Note**

Title: 2012 Members' Compensation Review Committee (MCRC) Report

Issue: Analysis of Recommendations 21 & 23 - Increased Funding for the District of Fortune Bay-Cape La Hune

Background:

- The 2012 Members' Compensation Review Committee (MCRC) issued the following 2 recommendations relating to intra-constituency travel in the district of Fortune Bay-Cape La Hune:

21. If the intra-constituency cost estimate for the district of Fortune Bay-Cape La Hune is reduced by \$48,000, as set out in recommendation 17, the mileage estimate included in the intra-constituency cost estimate for this district should be increased from 4,500 to 20,000 kilometers and the dollar amount of the total be adjusted accordingly.

23. If recommendation 17 is followed, the amount of \$1,500 should be added to the intra-constituency allowance estimate for the district of Fortune Bay-Cape La Hune for increased ferry travel.

- In its Estimates, the Green Report recommended that the district of Fortune Bay-Cape La Hune be provided with \$48,000 in the intra-constituency allowance to be used only for helicopter travel to the remote communities in the District. The following table shows the information from Appendix 10.3 of the Green Report respecting the calculations and assumptions for Intra-constituency allowance for the district of Fortune Bay-Cape La Hune:

Meals	Accom.	# of nights in District	Travel	Km	Other travel requirements	Total	Rounded Amount	District Specific Assumptions
\$3,750	\$6,250	50	\$49,593	4,500	\$48,000	\$59,593	\$59,600	4 trips/yr to remote part of district, using helicopter.

- Recommendation 17 of the MCRC report recommends that the \$48,000 be removed from the intra-constituency allowance and that helicopter travel be budgeted for separately. Refer to BN 2013-011.
- If recommendation 17 is adopted, recommendation 21 recommends that the number of kilometers allocated for travel in that district be increased from 4,500 to 20,000. MCRC recognized that additional funds might be required for travel by road given the size of the district.

- If recommendation 17 is adopted, recommendation 23 also recommends that the amount of \$1,500 should be added to the intra-constituency allowance estimate for the District of Fortune Bay-Cape La Hune for increased ferry travel. MCRC recognized that additional funds might need to be allocated to allow the Member to travel by ferry to the most remote community, Francois.
- The following table represents the revised intra-constituency allocation for Fortune Bay-Cape La Hune if recommendations 17 (to remove helicopter travel), 21 and 23 are accepted:

Meals	Accom.	# of nights in District	Travel	Km	Other travel requirements	Total	Rounded Amount	District Specific Assumptions
\$3,750	\$6,250	50	\$8,593	20,000	\$1,500	\$18,593	\$18,600	ferry travel

Analysis:

Legal Consultation:

Not applicable.

Internal Consultation(s):

Corporate & Members' Services; Law Clerk

External Consultation(s):

Not applicable.

Comparison to Government Policy:

Not applicable.

Financial Impact:

If recommendation 21 is adopted by the Commission, an additional \$5500 must be added to the intra-constituency allowance allocation to cover the reimbursement cost of the increased kilometers.

If recommendation 23 is adopted by the Commission, an additional \$1,500 must be added to the intra-constituency allowance allocation for ferry travel in that district.

If both recommendations are adopted, the total increased cost for that district is \$7,000.

Legislative Impact:

If recommendations 21 and 23 are adopted, an amendment will be required to the Schedule to the Rules to reflect the revised intra-constituency allowance allocation for the District of Fortune Bay-Cape La Hune.

Options:

Recommendation 21

1. The Commission adopts recommendation 21 which increases the kilometers from 4,500 to 20,000 and adds an additional \$5,500 to the intra-constituency allowance allocation for the District of Fortune Bay-Cape La Hune.
2. The Commission does not adopt recommendation 21 and maintains the 4,500 kilometers currently provided for, with no increase required to the current intra-constituency allowance allocation for the District of Fortune Bay-Cape La Hune.

Recommendation 23

1. The Commission adopts recommendation 23 and adds \$1,500 to the intra-constituency allowance allocation for the district of Fortune Bay-Cape La Hune for increased ferry travel.
2. The Commission does not adopt recommendation 23 to add the amount of \$1,500 to the intra-constituency allowance estimate for the district of Fortune Bay-Cape La Hune for increased ferry travel.

Status:

- The current Schedule remains in effect.

Action Required:

- The direction of the Commission is required.

Prepared by: Marie Keefe

Approved by: Sandra Barnes

Approved by:



Date: February 18, 2013

**House of Assembly Management Commission
Briefing Note**

Title: 2012 Members' Compensation Review Committee (MCRC) Report

Issue: Analysis of Recommendation 22 Respecting Increased Mileage for the District of St. Barbe

Background:

- The 2012 Members' Compensation Review Committee (MCRC) issued the following recommendation relating to the intra-constituency travel allowance allocation for the District of St. Barbe:

22. The mileage estimate included in the intra-constituency cost estimate for the district of St. Barbe should be increased from 15,000 to 20,000 kilometres and the dollar amount of the total be adjusted accordingly.

- Subsection 38(3) of *Members' Resources and Allowances Rules* (the Rules) states that:

38. (3) *The maximum amount in respect of an electoral district for which a member who represents that district may claim in a fiscal year for intra-constituency travel is the amount set out in the Schedule.*

- The previous Member for St. Barbe wrote the House of Assembly Management Commission requesting amendments to the intra-constituency allocation for the District as a result of the boundary change from the 2006 Electoral Boundaries Commission. The matter was referred by the Commission to an external consultant in 2010 resulting in the *District Intra-constituency Allowances*, or Kennedy Report, being completed in February, 2011. The Commission referred the Kennedy Report to the 2012 MCRC.
- The following table outlines the changes to the current Intra-constituency allowance allocation for the District of St. Barbe if recommendation 22 is accepted:

Current Allocation	Revised Allocation (with Recommendation 22)	Incremental Difference
\$12,600	\$14,371*	\$1,771

**calculation based on rate of \$.3541 per km*

Analysis:

Legal Consultation:
Not Applicable

Internal Consultation(s):

Not Applicable

External Consultation(s):

Not Applicable

Comparison to Government Policy:

Not Applicable

Financial Impact:

The increased allotment of kilometres would result in an increased Intra-constituency budget for the District of St. Barbe of \$1,771.

Legislative Impact:

If recommendation 22 is accepted, an amendment would be required to the Schedule to the Rules to reflect the new allocation for the District of St. Barbe.

Options:

1. The Commission adopts recommendation 22 and directs that the mileage estimate included in the intra-constituency cost estimate for the district of St. Barbe be increased from 15,000 to 20,000 kilometres, increasing the intra-constituency allowance allocation to \$14,371.
2. The Commission does not adopt recommendation 22 and the current intra-constituency allowance allocation for the District of St. Barbe, as provided for in the Schedule to the Rules, remains in effect.

Status:

- The current Schedule remains in effect.

Action Required:

- The direction of the Commission is requested.

Prepared by: Craig Drover

Approved by: Sandra Barnes

Approved by:



Date: February 18, 2013

**House of Assembly Management Commission
Briefing Note**

Title: 2012 Members' Compensation Review Committee (MCRC) Report

Issue: Analysis of Recommendation 25 - Procurement of Short-term Apartment-type Rental Facilities in the Capital Region

Background:

- The 2012 MCRC was instructed to review secondary accommodations under Part VI of the *Members' Resources and Allowances Rules* (the Rules), including secondary residence and temporary accommodation costs when traveling to the Capital Region. The Committee made the following recommendation:
 - 25. House of Assembly staff attempt to procure cost-effective short-term apartment type rental facilities for MHAs who are traveling to St. John's to attend at the House or to attend to constituency business. An MHA can still avail of the existing accommodation allowance arrangement if this is his or her preference.
- The provisions of the Rules, currently allows accommodation costs when traveling to the Capital Region for Members who: (1) represent Districts outside the Capital Region and; (2) live outside the Capital Region.
- These Members are entitled to claim costs of one return trip per week from the District to the Capital Region when the House is in Session (HIS). Paragraph 31(b) of the Rules outlines the allowable accommodation costs as follows:
 - b) for each day that the House of Assembly is in session,*
 - (i) with receipts, the actual cost of temporary standard room accommodations for each night the member actually occupies the accommodations, or*
 - (ii) without receipts,*
 - (A) a daily amount, of \$53 on the island portion of the province and \$71 in Labrador when staying in private accommodations, or*
 - (B) \$53 for each night the member actually occupies his or her secondary residence; and*
- In addition, these Members are also entitled to claim the cost of 20 return trips per year to the Capital Region when the House is not in Session (HNIS). The allowable accommodation provisions for HNIS travel are outlined in paragraph 35(b) of the Rules, which states:

b) *for not more than 50 nights*

(i) *with receipts, the actual cost of temporary standard room accommodations for each night the member actually occupies the accommodations, or*

(ii) *without receipts,*

(A) *a daily amount, of \$53 on the island portion of the province and \$71 in Labrador when staying in private accommodations, or*

(B) *\$53 for each night the member actually occupies his or her secondary residence; and*

- In addition to ensuring compliance with the *Public Tender Act*, there are numerous other factors that need to be considered in procuring and managing apartment-type rental facilities as recommended in Recommendation 25. An analysis of these considerations is included as Attachment 1.
- It is also important to consider the current rental market in the St. John's area. The *CMHC Rental Market Report for St. John's Census Metropolitan Area for Fall 2012* indicates that the overall vacancy rate in October 2012 was 2.8%, while the total average rent for all bedroom types increased by 4.2% from the previous year.

Analysis:

Legal Consultation:

Not applicable.

Internal Consultation(s):

Corporate & Members' Services Division; Law Clerk

External Consultation(s):

Not applicable.

Comparison to Government Policy:

Not applicable. Government of NL does not procure short-term apartment type rental facilities for employees.

Financial Impact:

It is difficult to determine the overall financial impact as costs for renting apartment-type rental facilities will vary depending on various factors including the type of unit; length of time the unit is required; amenities included (utilities, furniture, etc.); and whether the units are occupied as Members may still choose to avail of other accommodation options such as hotels.

The total financial impact may be offset by the fact Members choosing to stay in apartment-type rental facilities will not be incurring costs associated with the current accommodation provisions for the Capital Region.

Increased resources will also be required to manage the process of procuring and maintaining apartment-type rental facilities.

Legislative Impact:

Paragraphs 31(b) and 35(b) of the *Members' Resources and Allowances Rules* would require amendment to include provisions for leased accommodations when traveling to the Capital Region.

Options:

1. Accept recommendation 25 as outlined in the MCRC Report and amend paragraphs 31(b) and 35(b) of the *Members' Resources and Allowances Rules* to include provisions for leased accommodations when traveling to the Capital Region.
2. Do not accept recommendation 25 as outlined in the MCRC Report. Current accommodation provisions for travel to the Capital Region under paragraphs 31(b) and 35(b) of the *Members' Resources and Allowances Rules* will remain unchanged.

Status:


- Current provisions under Subsections 31(b) and 35(b) of the *Members' Resources and Allowances Rules* for accommodations when traveling to the Capital Region remain in effect.

Action Required:

- The direction of the Commission is requested.

Prepared by: Bobbi Russell

Approved by: Sandra Barnes

Approved by: 

Date: February 18, 2013

Attachments:

1. Analysis of Recommendation 25 – Considerations for Procuring and Managing Rental Units

**Members' Compensation Review Committee Report
Analysis of Recommendation 25 (Accommodations)**

*Considerations for Procuring and Managing Apartment -type
Rental Facilities in the Capital Region*

Consideration	Notes
Current rental market in the Capital Region	<ul style="list-style-type: none"> - CMHC Rental Market Report for St. John's CMA, Fall 2012, indicates the following: <ul style="list-style-type: none"> o Total average rent for all bedroom types increased by 4.2% in 2012. o Average rent for a 2-bedroom unit in 2012 was \$798 per month and is expected to increase to \$825 per month in 2013. o Overall availability rate was 3.3 % in 2012. o Overall vacancy rate in St. John's CMA was 2.8 % in October 2012. o Lowest vacancy rate in the St. John's CMA was posted in St. John's East (2.2 %). - Low vacancy rates in current rental market could increase amount of time it takes to find suitable apartment-type rental facilities.
Definition of suitable apartment-type rental facilities	<ul style="list-style-type: none"> - Specification guidelines may be needed to address such aspects as: <ul style="list-style-type: none"> o Types of suitable units (one, two or three-bedroom) o What will be included with units: <ul style="list-style-type: none"> ▪ appliances ▪ number of parking spaces ▪ furniture ▪ living essentials (pots, pans, dishes, utensils, sheets, towels, etc.) ▪ utilities (heat/light/hydro) and the cost connections/disconnections ▪ other (TV, phone, internet, etc.)
Compliance with <i>Public Tender Act</i>	<ul style="list-style-type: none"> - Need to ensure that any procurement of apartment-type rental facilities is carried out in compliance with this Act.
Cost of apartment-type rental facilities	<ul style="list-style-type: none"> - Total costs will vary depending on such factors as: <ul style="list-style-type: none"> o type of unit o length of time unit is required o number of units required o what is included with each unit (utilities, furniture, etc.) - Costs for procuring accommodations of this nature

Consideration	Notes
	<p>could be high based on analysis of current rental market statistics.</p> <ul style="list-style-type: none"> - Need to determine whether maximum costs for leased apartment-type accommodations will be established (as is the case for leased constituency office space). - Need to consider the fact that costs for apartment-type rental facilities may be incurred whether or not the units are actually occupied as Members may still use temporary accommodations such as hotels, leaving the units vacant. - The overall financial impact may be offset by the fact that Members will not be incurring costs associated with the current accommodation provisions for the Capital Region.
<p>Resources for procuring and managing apartment-type rental facilities</p>	<ul style="list-style-type: none"> - Resources will be required for: <ul style="list-style-type: none"> o managing the process of looking for suitable accommodations according to specification guidelines o preparing, negotiating and monitoring of tenders and lease contracts o property management (maintenance and cleaning of facilities) o managing occupancy of facilities: <ul style="list-style-type: none"> ▪ scheduling (e.g. who is occupying unit and when) ▪ sharing of multi-room units (how will this be decided)

**House of Assembly Management Commission
Briefing Note**

Title: 2012 Members' Compensation Review Committee (MCRC) Report

Issue: Analysis of Recommendation 26 Respecting House In Session Travel

Background:

- Recommendation 26 of the 2012 Members' Compensation Review Committee report states that:
 26. When the House of Assembly is in session, MHAs should have the option of either availing of the provisions of Section 31 or 33 of the Rules, with respect to travel and living allowances or claiming daily mileage costs for travel to and from their permanent accommodations in the capital region, if the facts of that particular MHA's circumstances warrant such an amendment. This expense should be claimed from the House-in-session allocation and should apply only to MHAs who are within reasonable driving distance of the capital region."

- Section 31 of the Rules states:
 31. *(1) A member who travels from his or her permanent residence outside the capital region to temporary accommodation or a secondary residence in the capital region to attend a sitting of the House of Assembly may claim reimbursement for the following costs:
 - (a) for each week or part of the week that the House of Assembly is in session the actual transportation cost of one return trip;
 - (b) for each day that the House of Assembly is in session, either,
 - (i) the actual cost of temporary accommodation, with receipts, up to a maximum of \$125 a night for every night the accommodations are actually occupied by the member, or
 - (ii) daily amount, without receipts, of \$25 when staying in private accommodation; and
 - (c) for each day that the House of Assembly is in session, a daily amount of \$50, without receipts, as a contribution to the cost of meals.*
 - (2) Where a member makes a claim for travel under paragraph (1)(a) or under paragraph 35(a) to return to his or her permanent residence or to his or her constituency, the member is not entitled to claim under paragraph (1)(b) or (c) for the days associated with that travel.*

- Section 33 of the Rules states:

33. *A member who maintains a permanent residence outside the capital region in a location that is not in his or her constituency and the constituency is outside the capital region may, in addition to claiming reimbursement under subsection 31(1), claim reimbursement for the following additional costs while the House of Assembly is in session:*

- (a) *for each week or part of a week that the House of Assembly is in session, the actual transportation cost of one return trip to his or her constituency from either the capital region or from his or her permanent residence, whichever is the shorter distance, to attend to constituency business;*
- (b) *for a maximum of 3 nights during a trip, either*
 - (i) *the actual cost of temporary accommodation, with receipts, in the constituency up to a maximum of \$125 a night actually spent in the constituency, or*
 - (ii) *a daily amount, without receipts, of \$25 when staying in private accommodation; and*
- (c) *without receipts, a daily amount of \$50, as a contribution to the cost of meals."*

- Section 28 of the Rules states that:

28. (a) *"commuting distance" means 60 kilometers or less;*

- Section 29 of the Rules advises that a Member who travels to and from the Capital Region when the House of Assembly is in session may claim for travel and living allowance only where the Member is outside commuting distance of the Member's permanent residence.

- Seven electoral districts have towns that are outside the "commuting distance" of 60 kilometers, but still within reasonable driving distance to the capital region. (Attachment 1 refers.) The districts are as follows:

1. Placentia-St. Mary's
2. Bellevue
3. Trinity-Bay de Verde
4. Ferryland
5. Harbour Main
6. Port de Grave
7. Carbonear-Harbour Grace

- This recommendation would not apply to a Member representing one of the Districts identified above if his/her permanent residence is located in a part of the District that is within commuting distance from the Capital Region (Confederation Building).

Analysis:

Legal Consultation:

Not Applicable

Internal Consultation(s):

Corporate and Members' Services.

External Consultation(s):

Not Applicable

Comparison to Government Policy:

Not Applicable

Financial Impact:

The financial impact would be negligible because Members would otherwise have to stay in temporary accommodations if they did not drive to their permanent residence in the district.

Legislative Impact:

A rule amendment to Part VI would be required to add the option for Members to either stay in the city when the House is in Session or to drive to their permanent residence in the district.

Options:

1. Accept Recommendation 26 of the 2012 MCRC and amend Part VI of the Rules to allow for Members within reasonable driving distance of the Capital Region to be reimbursed for commuting to their district when the House is in Session instead of staying in temporary accommodations. The amendments would include a restriction that the provision would not apply to Members whose permanent residence is located within commuting distance of the Capital Region.
2. Status Quo

Status:

- The current Schedule remains in effect.

Action Required:

- The direction of the Commission is requested.

Prepared by: Craig Drover

Approved by: Sandra Barnes

Approved by: 

Date: February 18, 2013

Attachments:

1. MCRC Recommendation Impact Analysis

MCRC Recommendation Impact Analysis Based On Current MHA Allowance Allocations

Attachment 1

Recommendation 26 Travel Cost To District Using Personal Automobile

District	Town	Distance (1)	One Way Cost (2)	Trip Cost
Placentia - St. Mary's	Brigus Junction (3)	66	\$33.22	\$66.44
	Cape St. Mary's (4)	173	\$87.07	\$174.14
Bellevue	Dildo	99	\$49.83	\$99.65
	St. Bernard's	268	\$134.88	\$269.77
Trinity - Bay de Verde	Hopsall	114	\$57.38	\$114.75
	Bay de Verde	171	\$86.06	\$172.13
Ferryland	Perry Harbour - Maddox Cove	16	\$8.05	\$16.11
	St. Shott's	163	\$82.04	\$164.08
Harbour Main	Upper Gullies	32	\$16.11	\$32.21
	Cupids	83	\$41.77	\$83.55
Port de Grave	Roaches Line	69	\$34.73	\$69.46
	Upper Island Cove	100	\$50.33	\$100.66
Carbonear - Harbour Grace	Tilton	100	\$50.33	\$100.66
	Victoria	113	\$56.87	\$113.75

Note

1. Distance in kilometers from St. John's (Confederation Building)
2. Per km rate of \$.5033 used as per Human Resources Secretariat guidelines
3. The first town represents the closest town in the District to Confederation Building
4. The second town represents the furthest town away from Confederation Building in the District