



PROVINCE OF NEWFOUNDLAND AND LABRADOR  
HOUSE OF ASSEMBLY

HOUSE OF ASSEMBLY  
MANAGEMENT COMMISSION

---

Sixty-first Meeting

Wednesday, May 17, 2017

---

**HANSARD**

Speaker: Honourable Tom Osborne, MHA

The Management Commission met at 5:15 p.m. in the House of Assembly.

**MR. SPEAKER (Osborne):** I'd like to welcome everybody including those at home that are viewing and anybody who may be in the media gallery. This is a meeting of the Management Commission.

We just had an in-camera meeting. There were no decisions made at that particular meeting, so we will report on that meeting once we have further discussions and have something to report.

For the televised meeting, I'm going to ask Members to introduce themselves. I'll start with Mark Browne at the far left here.

**MR. BROWNE:** I think you just did it, Mr. Speaker.

Mark Browne, Placentia West – Bellevue.

**MS. COADY:** Good evening.

Siobhan Coady, St. John's West.

**MR. A. PARSONS:** Andrew Parsons, Burgeo – La Poile.

**MS. DEMPSTER:** Lisa Dempster, Deputy Speaker.

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

**MR. HUTCHINGS:** Keith Hutchings, Ferryland District.

**MR. P. DAVIS:** Paul Davis, Topsail – Paradise.

**MR. SPEAKER:** I have staff here as well, to my right.

**CLERK (Barnes):** Sandra Barnes, Clerk.

**MS. KEEFE:** Marie Keefe, Clerk's office.

**MR. SPEAKER:** I'm Tom Osborne, Chair of the Management Commission.

We have a couple of items here. Under Tab 2 in your briefing books, this item here requires

approval. There's one other item as well that doesn't require approval.

The minutes of the last meeting, I believe – these are minutes of the March 15 meeting. I will ask if Members have reviewed them. If so, could we have a mover and a seconder?

**MR. BROWNE:** Moved.

**MS. MICHAEL:** Seconded.

**MR. SPEAKER:** Moved by Mark Browne; seconded by Lorraine Michael.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

Approved.

On motion, minutes adopted as circulated.

**MR. SPEAKER:** Item 2 is a report on rulings on allowance use. This is for reporting purposes only. There is no decision required.

*The House of Assembly Accountability, Integrity and Administration Act* gives authority for the Speaker to make rulings when expenditures of Members have been rejected for payment provided the ruling is distributed to and receives concurrence of the Management Commission.

The report provides the details with respect to the rulings for the period ended May 12, 2017. The reported expenditure was rejected for payment because it was not submitted within 60 days of being made; however, it is permitted and complies with all other provisions of the *Members' Resources and Allowances Rules*.

Any questions or comments before we move forward?

Under Tab 3 –

**MS. COADY:** (Inaudible.)

**MR. SPEAKER:** Okay.

**MS. COADY:** I'm just wondering, I think the substance of the discussion would be around Tab 3. I'm wondering if we can move to Tabs 4, 5 and 6, if that would be satisfactory.

**MR. SPEAKER:** Yes, perfect.

**MS. COADY:** Only because I think the substance of the discussion would be on Tab 3, if that's okay with everyone?

**MR. SPEAKER:** Absolutely.

**MS. COADY:** Thank you.

**MR. SPEAKER:** There seems to be concurrence with that so we will move to Tab 4 and come back to Tab 3.

Tab 4 is clarification of rules with respect to meals in restaurants. There is a decision required here.

At the meeting of December 7, 2016, the Management Commission accepted Recommendation 29 of the MCRC report regarding the recovery of meal expenses from restaurants, pubs, delicatessens and the like under the constituency allowance.

Recently, a Member inquired as to whether that particular Member could host a luncheon for veterans which was to be held at a restaurant premises in the Member's district. While this would have been an allowable expense previously, it cannot be claimed given the current interpretation of the rules regarding meals in restaurants under constituency allowance.

The Clerk consulted with the Chair of the MCRC who confirmed that the original intent of Recommendation 29 was to prohibit MHAs from taking a constituent or small number of constituents for a meal. However, to host an event with a larger number of constituents where there is a purpose to the event is acceptable as a means to disseminate information to a larger number of constituents.

Given the confusion and the subsequent clarification as to the original intent of the MCRC recommendation by the Chair, it is suggested the Commission approve the

amendment to section 46 of the rules. The details of the proposed amendment are outlined in Briefing Note 2017-029. In addition to the rule amendment, it was suggested that the Commission issue a directive providing clarification to this rule, details of which are also outlined in the briefing note.

Are there any comments or questions prior to the proposed recommendation?

Mr. Hutchings.

**MR. HUTCHINGS:** Thank you, Mr. Speaker.

Just for clarification purposes, on the first page you read out the consultation with the Chair, 2016 MCRC: "However, to host an event with a large number of constituents where there is a purpose to the event, is acceptable as a means to disseminate information to a large number of constituents."

Just some clarity, in an event with constituents where you're disseminating information on a topic in the district or you're just meeting, it's not sufficient, or you could have discussion. Could we get some more detail on that, please?

**CLERK:** My understanding from what was in the report, and then a subsequent consultation with the Chair, was that the intent of the recommendation was to eliminate the ability to claim expenses when a Member takes a constituent or a number of constituents out and conducts a meeting with them. The thought being that the Members had offices in which to conduct meetings with the constituents. That was their interpretation.

It was never intended to capture something like a recognition event such as the one outlined, or an appreciation event, that sort of thing, where one of the venues might be a restaurant. As pointed out in the note, if such an event was going to be held in a Legion or a community hall or something, it is an eligible expense.

**MR. HUTCHINGS:** Okay.

**CLERK:** It goes back to the whole foundation that the MCRC argues in their report in that you need to look to the purpose; however, the

language is so precise that the staff can't put any interpretation to it.

As I said, when the inquiry was made to our staff, we looked at it and said we don't think this is what was intended. We consulted and we said the only way to clarify this is to bring it to the Commission.

**MR. HUTCHINGS:** Okay.

Thank you.

**MR. SPEAKER:** Any others?

Ms. Michael.

**MS. MICHAEL:** Again, just for clarification or to point out where maybe we need something else. To host an event with a large number of constituents where there is a purpose for the event, I guess that leaves it wide open for interpretation as well, like what is the type of purpose.

I have to say – and open my eyes – well, if this is acceptable, fine, but it would never have come to me that hosting this kind of event that's been used as the example here would have come to me as something I could put money into from my constituency allowance.

I'm holding a district public forum on the 24th and it's on long-term care. We're going to have a panel of experts and explore possibilities with people. It has been advertised all over the district and will continue to be right up until the day. That, to me, is an event with a purpose.

Do we just leave purpose wide open? Because I'll be honest, we do have some problems with us putting in claiming for something and the interpretation maybe from CMS is: No, no, that doesn't apply. This, to me, leaves it wide open that way.

**CLERK:** That's why there's a further recommendation there that we issue a directive that when Members claim such expenditures the Members would identify the event, the purpose of it and the number attending. As I said, this was intended to eliminate the ability to claim for one-on-one or small meetings, having the meeting with constituents. If you get in and you

start defining purpose then that becomes limiting and then our staff are left with trying to interpret it.

The Members are the best ones to interpret whether this is a meeting in that respect or if it is an event such as a recognition event or whatever and they put that in on the claim. Ultimately, it's the Member's responsibility to identify the purpose of it and it will be interpreted based on that.

If the Member says it's an event, it's an event. If the Member says it's a meeting, it's a meeting.

**MS. MICHAEL:** Well, I think the directive is essential. I don't think we can just make this change without directing that we need the directive.

**CLERK:** And that's why we've suggested it because there is just absolutely no way you can word that language in that regulation to be –

**MS. MICHAEL:** That's right.

**CLERK:** If it's that prescriptive, it's going to lead to all kinds of problems with interpretation.

**MR. SPEAKER:** Mr. Davis.

**MR. P. DAVIS:** Thank you.

A similar comment to Ms. Michael's and I won't restate everything that she has said. I have a similar kind of comment on understanding what would be an acceptable purpose of an event versus what is not. In the example given, I don't clearly understand what the purpose of the event was, unless it was just to recognize them or that type of thing which I would fully support.

Maybe for further clarification there's a proposed amendment and maybe you can explain to me the difference in what currently exists versus the proposed amendment? I see meal expenses from restaurants changed to meal expenses in restaurants as not being reimbursed.

Maybe you can explain that because it reads to me that you can take takeout and go down the road and have your event, but you can't actually have it at a restaurant if there might be a private

room in the back of a restaurant or something like that.

**CLERK:** The only wording changes: that the phrase for meetings has been inserted.

**MR. P. DAVIS:** Sorry?

**CLERK:** The wording that's there now and the proposed wording, it just clarifies that the expense would not be eligible to be claimed if it was for a meeting with constituents, their family members and other guests, which was the intent of the MCRC recommendation.

**MR. SPEAKER:** I guess there has to be a certain level of integrity on behalf of the Members as well. I think since Green that level of integrity has been there because of the issues highlighted under Green.

The risk is the further you get away from Green, the fewer people remember why Green was put in place and the rules were put in place. But up to this point, I think the integrity of Members of the Legislature has been there. I don't think that integrity has been swayed or compromised by Members of the Legislature.

The Chair of the MCRC recognizes if you're having a meeting – Members had some concerns because if you're having a meeting, a legitimate meeting, and you can't have it in a delicatessen or a restaurant, but you can order food from a delicatessen and rent a room somewhere, it's kind of silly.

If it's a bona fide legitimate meeting – the intent of the MCRC recommendation was to prevent a particular Member from inviting a constituent to a meal and discussing a concern that the constituent might have over a meal. But if it's a bona fide meeting and it can be shown to be a bona fide meeting, well, then the confusion and the difficulty in saying we'll order some food from a restaurant but rent a room so we can have a meeting.

**MR. P. DAVIS:** Right.

**MR. SPEAKER:** Now you can rent a private room in a restaurant, hold your meeting and it should be legitimate.

Again, I mean it's important that Members carry out the integrity that was pointed out under the Green recommendations in making sure that these are legitimate.

Any further questions or comments?

Making a motion? Okay.

The proposed motion: "Pursuant to Section 64 of the *House of Assembly Accountability, Integrity and Administration Act*, the Commission approves the proposed amendment to paragraph 46(4)" and I believe that's (a) of the *Members' Resources and Allowances* –

**CLERK:** It's (g).

**MR. SPEAKER:** It's (g), is it? Okay.

"... of the Members' Resources and Allowances Rules, subject to final wording by the Office of the Legislative Counsel.

"The Commission further directs that a clarification of the rules be issued pursuant to its authority under subparagraph 20(6)(b)(i) of the *House of Assembly Accountability, Integrity and Administration Act*, stating that should a Member claim meal expenditures in a restaurant under Section 46 for the purpose of an event, the name, purpose and number of attendees at the event must be identified with the supporting documentation for the expenditure."

Do we have a motion to approve? Mr. Browne.

Do we have a seconder? Mr. Hutchings.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

Carried.

In Tab 5 there's a decision required; the legislative amendments. At a meeting held on March 15, 2017, the House of Assembly Management Commission approved a number of recommendations of the 2016 MCRC review which require amendments to the *House of Assembly Accountability, Integrity and*

*Administration Act and the Members' Resources and Allowances Rules*, the rules.

The amendments to the rules will be tabled by the Speaker in the House of Assembly and brought to the next meeting of the Commission for final approval. The Government House Leader will be asked to bring the proposed amendments for the act forward to Cabinet for approval subject to final drafting by the Office of the Legislative Counsel and presentation to the House of Assembly as a bill.

At its meeting on March 15, 2017, the Commission accepted Recommendation 22 that travel expenses incurred by an MHA at the request of the House of Assembly for purposes other than the usual duties of an MHA, shall be paid by the House of Assembly and shall not count as one of the 20 HNIS trips allocated to the Member.

As the details for each request may vary, it is recommended a clause be inserted permitting the Clerk of the House of Assembly to identify details, such as the number of nights and the daily amounts at the time of the request. The Law Clerk has drafted the proposed wording for the required amendments, which require approval of the Commission.

The attachment to Briefing Note 2017-30 contains the proposed wording for the various amendments. I trust Members have read those. Are there any questions or comments?

The proposed motion: "Pursuant to subsections 15(5) and 20(7) of the *House of Assembly Accountability, Integrity and Administration Act*, the Commission approves the proposed amendments, subject to final wording by the Office of the Legislative Counsel."

Do we have a mover and/or seconder?

Moved by Lorraine Michael; seconded by Mr. Browne.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

Approved.

In Tab 6 there is a decision required. It's an amendment to transfer of funds. The *House of Assembly Transfer of Funds Policy* was approved by the Management Commission in April 2008 as CM 2008-77. Amendments to the policy were approved in October 2014, CM 2014-31.

Under section 3.2, the first bullet currently reads: "authorize transfers of funds from an Operating Account in an Activity and subsequently authorize a transfer of funds to any Operating Account within the same Activity."

The House of Assembly is recommending an amendment to the first bullet in section 3.2 as follows: "authorize transfers of funds from/to a Main Object in an Activity and subsequently authorize a transfer of funds to/from any Main Object within the same Activity."

The draft policy including the proposed revision for section 3.2 is attached as Briefing Note 2017-31.

Do we have any questions or comments?

Ms. Michael.

**MS. MICHAEL:** Just to be absolutely clear, the only reason this is a draft is because we're putting the amendment in. Everything else is as it was, right?

**MR. SPEAKER:** Correct.

**MS. MICHAEL:** What confused me was then when I looked at the options in our briefing notes, it said approve the proposed amendments. Then I said but I think I there's only one amendment and that's the 3.2.

**MR. SPEAKER:** Yes, that's correct.

**MS. MICHAEL:** Okay, good enough.

Thank you very much.

**MR. SPEAKER:** Any other comments, any other questions?

The proposed motion, the Commission approves the proposed amendments to the *House of Assembly Transfer of Funds Policy*.

Do I have a moved and/or seconder?

**MS. MICHAEL:** Could we change amendments to amendment?

**MR. SPEAKER:** Yes, absolutely.

**MS. MICHAEL:** Okay.

**MR. SPEAKER:** Subject to the change of amendments to amendment, moved by Mr. Browne; seconded by Mr. Hutchings.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

Approved.

Back to item 3. Item 3 is the proposals respecting MHA pensions for consideration by the Commission. The MCRC recommendations respecting MHA pensions were discussed at several meetings that were held in December, February, March and another pension option was tabled at the March 15 meeting.

On May 10, 2017, the Commission was provided a technical briefing by officials from the Department of Finance on the two pension options which are before the Management Commission for consideration and decision. Option 1, the defined benefit pension plan recommendation made by the 2016 MCRC; Option 2 is the defined contribution plan tabled at the March 15, 2017 meeting.

Details are provided in Briefing Note 2017-028 under Tab 3. A decision of the Commission is now required so that the necessary amendments to the Members of the House of Assembly Act can be drafted by the Office of the Legislative Counsel and presented to the House of Assembly as a bill.

I'll open the floor for discussion, questions, comments.

Mr. Browne, followed by Ms. Coady.

**MR. BROWNE:** Mr. Speaker, of course whenever this subject has arisen at past Management Commissions I have recused myself as I'm in a conflict of interest. So to note on the record, I believe it's very important within the conflict to say so, to note it and to recuse yourself. I am so recusing myself again.

Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you.

I think the law clerk – I'm guessing that Ms. Coady is –

**MS. COADY:** Going to do exactly the same thing, Mr. Speaker. On the advice of the law clerk, as I am in conflict of interest, I will recuse myself from this discussion.

**MR. SPEAKER:** Thank you.

I believe the law clerk at a previous meeting – this is a televised meeting. I don't think it's required that you leave the room as long as you recuse yourself from the discussion and votes.

**AN HON. MEMBER:** They just wanted to.

**MR. SPEAKER:** Any further comments, any further questions?

Are we ready for the vote?

**AN HON. MEMBER:** What are we voting on?

**MR. SPEAKER:** Okay.

The proposed motions: there are two possible proposed motions which may be put forward on this issue open to changes, obviously.

The Commission accepts the recommendation 43 that the Defined Benefit Plan as outlined in Appendix H of the Morneau Shepell Report, otherwise known as Option 2, shall apply to Members of the House of Assembly who were first elected on or after November 30, 2015.

The second possible proposed motion is that the Commission adopts a proposal tabled at the March 15 meeting to change the MHA pension

plan to a defined contribution pension plan for Members elected on or after November 30, 2015.

Mr. Parsons.

**MR. A. PARSONS:** I don't know if I cut in. Mr. Davis, I think, was ready to speak.

**MR. SPEAKER:** Okay. Sorry.

Mr. Davis.

**MR. P. DAVIS:** I was going to move that the Management Commission accept Recommendation 43 as just read by you. Then I thought we could then debate that motion would be the right –

**MR. SPEAKER:** Did you want to make a comment or –?

**MR. A. PARSONS:** I'm just going to make one quick comment before we move to a vote because I don't know how much debate there will be.

I would just note that in the Green report, and I just want to put this on the record. The Green report recommendation 78 states: (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."

I just wanted to put that on the –

**MR. SPEAKER:** Okay. First of all, I missed where that came from. Can you –?

**MR. A. PARSONS:** That's the Green report, recommendation 78. Again, I'm just putting that out there as just a comment prior to if we're going to put these options forward and have a –

**MR. SPEAKER:** Did Members hear that or –?

Okay. Any discussion on –?

**MS. MICHAEL:** I seconded it; the light is on now so I'll second it again.

**MR. SPEAKER:** Okay. Any further discussion?

We've got a motion, it's seconded. A motion put forward by Mr. Davis to accept recommendation 43 of the MCRC, I believe?

**MR. P. DAVIS:** Yes, that's correct, Mr. Speaker.

**MR. SPEAKER:** Okay, seconded by –

**MR. P. DAVIS:** (Inaudible.)

**MR. SPEAKER:** Pardon?

**MR. P. DAVIS:** That's the only commentary I'll make is that we've had considerable discussion on this in the past and Justice Green is very clear in that the Members of the House of Assembly should leave it to an independent body, being the MCRC, to make decisions on compensation and benefits and the MCRC has reviewed the pensions and made recommendation 43 which I'm recommending that we accept.

**MR. SPEAKER:** Did you have a further comment Mr. Parsons?

**MR. A. PARSONS:** I made my comment and I'll stick to that.

**MR. SPEAKER:** Okay.

Ms. Michael.

**MS. MICHAEL:** I'll make one comment. I was actually thinking about making a similar comment to Mr. Davis's so I will say the same thing that though we have heard what Chief Justice Green put in his report, he did ultimately leave everything in the hands of the MCRC, the independent body who did a full analysis in their report and made a recommendation. I've always said we should follow the MCRC recommendations and I continue to do that.

**MR. SPEAKER:** Okay.



Prior to the vote – I know it’s recommendation 78, I think?

**MR. A. PARSONS:** Yes.

**MR. SPEAKER:** Can you table that? Did Members want a copy of that or no?

**AN HON. MEMBER:** (Inaudible.)

**MR. SPEAKER:** Okay. It’s available online as well.

**MR. A. PARSONS:** Yes. Can I get my copy back after.

Thank you.

**MR. SPEAKER:** Okay. Any other comments prior to the vote?

Okay. So the motion is put forward by Mr. Davis for recommendation 43 of the MCRC, seconded by Ms. Michael.

All those in favour of the recommendation?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** All those against, ‘nay.’

**MR. A. PARSONS:** Nay.

**MR. SPEAKER:** Motion carried.

Okay. We will make available the document tabled by Mr. Parsons to anybody who should request it. Other than that, are there any other issues, comments or concerns to be raised prior to calling for a motion to adjourn?

**MR. HUTCHINGS:** Over here.

**MR. SPEAKER:** Okay. Motion to adjourn by Mr. Hutchings.

Do we have a seconder?

Ms. Michael.

All those in favour, ‘aye.’

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** All those against, ‘nay.’

The meeting is adjourned.

On motion, meeting adjourned.