

Meeting: BOM 01-19-2019

**A G E N D A**  
TUESDAY, NOVEMBER 5, 2019  
COMMITTEE ROOM 'A'  
7:30 AM

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1. Prayer
2. Review and Adoption of Agenda:
  - Notification of Absences
  - Declaration of Conflict of Interest (Section 77. (1) of the *Legislative Assembly and Executive Council Act*)
  - Decision on *In Camera* (\* denotes recommended *in camera* items)
3. Members' Orientation
  - a) Board of Management Orientation Presentation
4. New Business:
  - a) Constituency Offices Leases (**Attachment 1**)
  - b) Supplementary Healthcare Plan for Non-returning MLAs
  - c) Legislative Assembly Fitness Room – Purchasing of Equipment
5. In Camera Items\*:
  - a) Personnel Matter\*
6. Date and Time of Next Meeting: Wednesday, November 27, 2019
7. Adjournment

## DECISION PAPER

### CONSTITUENCY OFFICE RENTAL

#### PROBLEM

Constituency office space is required by Members to provide access and service to their constituents. Members must locate constituency office space in their communities that will serve their needs and negotiate a market rental rate with the landlord. Members must then submit a request to the Board of Management for approval to lease the space. The Lease agreement is ultimately between the landlord and the Legislative Assembly.

#### RECOMMENDED DECISION

That the Board of Management authorise the Speaker to enter into leasehold tenant agreements with lessors in each respective constituency community on behalf of members': MLA Inuvik Twin Lakes, Lesa Semmler; MLA Nunakput, Jackie Jacobson; MLA Thebacha: Frieda Martselos.

Riding	Lessor	Per Month	Per Annum	47 month term total
<b>Lesa Semmler Inuvik Twin Lakes</b>	Capital Suites	\$ 3, 000.00	\$ 36, 000.00	\$ 141, 000.00
<b>Jackie Jacobson Nunakput</b>	EGrubens Transport	\$ 2,500.00	\$ 30, 000.00	\$ 117, 500.00
<b>Frieda Martselos Thebacha</b>	Fort Smith Construction Services	\$ 1, 275.00	\$ 15, 300.00	\$ 59, 925.00

#### BACKGROUND

The policy for leasing constituency office space has been in place since 1987. It was updated and formalized as Board of Management Policy #1.06 on December 2, 1999. With the changes to the Members' Allowances, Indemnities and Expenses effective for the 19<sup>th</sup> Legislative Assembly, the policy was formalized in the Members' Handbook under Clause 114 – Constituency Office Space.

With the approval of the Board of Management, a Member may choose to have office space in more than one community within their constituency where the need can be justified. A Member must not make any commitment towards a rental or lease agreement without prior approval of the Board. The procedure to obtain Board of Management approval requires that the Member:

- Locate at least two office spaces in the community or communities that will serve the Member's needs. Following a competitive process, evaluate the office spaces based on cost, size and the Member's needs.
- Identify a preferred office space and negotiate with the landlord for a monthly rental rate;
- Submit a request to the Board of Management for approval to lease for the office space. The request must include information regarding the size of each office space in square meters; and
  - Provide supporting documentation from the landlord, which details the total monthly cost of the preferred office space. For comparative purposes, provide the costs of the other office spaces that were considered.

The monthly charges must include all expenses related to the lease, including any of the following expenses that may apply:

- parking;
- alarm systems;
- janitorial services;
- utilities;
- security; and
- telephone lines.

Following Board approval, a contract will be prepared between the Legislative Assembly and the landlord. The lease agreement will be between the Legislative Assembly and the landlord, and payments will be made directly to the landlord. No payments will be made directly to the Member.

Members must not make any commitment towards a rental or lease agreement without prior approval of the Board of Management.

## **AUTHORITIES**

- Members' Handbook – Section: Constituency Office Space; Clause 114, Constituency Offices
- Section 42(1)(b) of the *Legislative Assembly and Executive Council Act*

## **PRINCIPLES**

The constituency office is provided to enable Members to provide access and service to their constituents. The cost of renting/leasing a constituency office is paid by the Legislative Assembly. Members must not make any commitment towards a rental or lease agreement without prior approval of the Board of Management.

The Board of Management will not approve a request to lease office space where any Member or the spouse or relative of any Member has a financial interest in the contract or other arrangement, or in a corporation that has a financial interest in the contract or other arrangement, unless the Member wishing to lease the space supplies detailed rationale and substantiation for the lease and the Board is satisfied that no alternate space is reasonably available.

## PROPOSAL SUMMARY

The Member requesting to lease constituency office space followed the procedures set out in the Members' Manual, Clause 114.

It is proposed the Board authorize that contracts between the lessor and the Legislative Assembly be prepared on behalf of the Members.

## FACTORS

### Financial:

The cost of the proposed leases' per annum per square foot of office space is represented. Annual office rental costs for other constituencies are as follows:

Riding	Lessor	Annual Cost	Square Footage	Cost/Sq Ft
<b>Lesa Semmler Inuvik Twin Lakes</b>	Capital Suites	\$ 36, 000.00	594 sq ft.	\$60.61/sq ft
<b>Jackie Jacobson Nunakput</b>	EGrubens Transport	\$ 30, 000.00	n/a	n/a
<b>Freida Martselos Thebacha</b>	Fort Smith	\$ 15,300.00	n/a	n/a

## CONSULTATION

The lease price was negotiated between the Member and the Landlord.

### Inuvik Twin Lakes

The Member has provided a second quote for office space availability in Inuvik. This was received from The Mackenzie Hotel Group. The proposed secondary lease costs were \$51, 000 per annum. The total cost of this lease over the same time frame would be \$199,750.00.

### Nunakput

The Member has provided a second quote for office space availability in Tuktoyaktuk. The proposed secondary lease costs were \$42, 000 per annum. The total cost of this lease over the same time frame would be \$164,500.00.

**Thebacha**

The Member has not provided a second quote. This location/property was approved in a previous assembly. The member will continue the lease with lessor in the same building, in a new office. The new office will increase the rent from \$ 875.00 to \$ 1,275.00.

**CONCLUSION**

**Inuvik Twin Lakes/Nunakput/Thebacha**

The Members' have followed the process set out in the Members' Handbook, Clause 114. It is therefore recommended that the Board authorize a lease to be entered into between the above-noted Landlords and the Legislative Assembly.

**COMMUNICATIONS**

A service contract between the Legislative Assembly and the Landlord will be prepared following Board approval. It will be forwarded to the Landlord for signing and returned to the Assembly for signature by the Clerk to consummate the service contract.

**ALTERNATIVES TO RECOMMENDATIONS**

The Board may wish to ask the Member to seek quotes for other locations.