

Briefing Note

To: CHAA Executive Committee

CC: Jon Hall, Quandary Solutions

From: Doug Finlayson,
Issues Analyst

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Legislature Issues Monitor, April 2, 2003

Context

Private Bill Pr. 1, *Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act*,

The April 2 edition of **Legislature Issues Monitor** is reminder of the distinct status of voluntary-religious health institutions. Their ownership groups, which in the case of those under the Catholic tradition were religious orders, are from a legislative perspective "private entities". Most health-related legislation and corresponding policy has general application to all health facilities whether under RHA, faith-based, or private/shareholder administration. In this instance, ownership issues come to the fore relating to particular religious order, and to resolve it requires a "private bill". This is not to be confused with a "private member's bill", i.e. a legislative proposal of an individual MLA. It is "private" in the sense the bill applies to a particular entity.

CHAA interest

The progress of Bill Pr. 1, *Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act* is an interesting case study of the private bill process, in a situation involving the ownership status of voluntary-religious health facilities. The discussion of the bill sheds light on the role of the Private Bills Committee, and the information and its presentation that they consider.

Legislature Issues Monitor outlines the reason for bill is to repeal historical private bills, now made redundant because of the transfer to the founding

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order in Ontario. The newsletter also highlights:

- some misconceptions about the bill
- the screening process by affected government departments
- presentation procedures when appearing before the Private Bills Committee
- the transfer to a different corporate entity
- the sale of convent land for an assisted living facility in Edmonton
- the history of the Sisters ownership of Catholic hospitals
- the transfer of Killam General hospital to the Minister of Health & Wellness and the Alberta Catholic Health Corporation.

Your comments and any requests for further information or research are welcome. You can reach me at 780-430-9494 x214, or e-mail doug@quandarysolutions.ab.ca.

Doug Finlayson

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April 2, 2003

In this issue

Private Bill Pr. 1, *Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act*,

Private Bills Committee, March 11 and March 25

Definition of a "private bill"

Ms Graham Q.C. (PC-MLA Calgary Lougheed), chair, A private bill is different than a public bill, which consists of our government legislation and our private members' bills. These are bills that affect the community at large, the entire society, as compared to our private bills, which affect either an individual, a select group, or an organization. They do not have broad, general application to the general public. So that is a major differentiating factor between the two.

The purpose and content of a private bill is to seek some sort of relief or rights that are not available through any other means: through existing legislation, through the courts, or through some administrative body that might exist. When there is no other way and all other means have been exhausted of seeking the relief that is needed or an exemption from the existing law is sought, then one would petition the Legislature and the Lieutenant Governor for the relief being sought.

Purpose of Bill Pr.1

The first is sponsored by Mr. Griffiths (PC-MLA Wainwright), and it is Bill Pr. 1, *Sisters of St. Joseph of the Province of Alberta Statutes Repeal Act*. The petitioner in this instance is Sister Theresa Carmel Slavik, who is submitting the petition on behalf of the Sisters of St. Joseph of the Diocese of London, Ontario, and is requesting the repeal of two previous private acts that were passed in this Legislature that relate to the Sisters of St. Joseph of the Province of Alberta. Those acts that are going to be repealed if we pass this bill are, firstly, *an act to incorporate the Sisters of St. Joseph of the Province of Alberta, Statutes of Alberta 1927, chapter 82*, and, secondly, *an act to provide for the exemption of certain land which is the property of the Sisters of St. Joseph, Edmonton, Alberta, from assessment and taxation*, and that's Statutes of Alberta 1964, chapter 147.

Rationale for Bill Pr.1

The reason that this repeal act is being sought is that The Sisters of St. Joseph of the Province of Alberta is no longer active, and that [all of] its assets and liabilities have been transferred to The Sisters of St. Joseph of the Diocese of London, which is registered in Alberta as an extra-provincial non-profit corporation.

Intent of Bill Pr.1 - Exemption from property tax?

Mr. VanderBurg (PC-MLA Whitecourt Ste. Anne): On Pr. 1 is the whole intent to move the Sisters of St. Joseph to the Sisters of St. Joseph of the Diocese of London just to get away from paying property taxes? Is that the whole intent of this?

The Chair: Well, you know, again, that's probably a good question when we conduct the hearing. I'm not in a position to comment one way or the other. I think this transfer of assets and liabilities, though, took place a number of years ago and this is sort of a housekeeping type of thing, but that's certainly something to remember to question when we have the hearing.

Mr. McClelland (PC-MLA Edmonton Rutherford): Madam Chair, I think the documents will show that this is merely a winding up, that all of their assets have been transferred to the province of Alberta or to the Catholic hospitals, and it's just a winding up of all the loose ends of the assets. All their liabilities have been paid, and all their assets have been transferred to either the province or to the Catholic hospitals.

Ms. Dean, Parliamentary Counsel: I just wanted to let the committee know that I am working with the petitioner's counsel to confirm that the committee will have some form of substantive evidence before it showing that these assets and liabilities have actually been transferred, and of

course a representative of the petitioner and the petitioner's counsel will be here to provide evidence under oath for you.

Committee members should have received my report summarizing some of the key issues regarding this bill. I would like to draw your attention just to one minor correction that should be made on page 3 of my report. In the first bulleted item three-quarters of the way down the page there is mention of a hospital being transferred to the ministry of health in 1985. In fact, that date should read 1978.

No objections from Health & Wellness, Dept. of Infrastructure

I would just like to add two points. I have consulted with the department of health with respect to this bill simply because they were referred to in the background material by the petitioner, and as you may know by copy of the letter from the deputy minister, that department has no objections or comments with respect to this bill. However, an official in Health recommended that I in turn consult with the Department of Infrastructure because there was another asset transfer involving the sisters last fall, the fall of 2002, and it's the Department of Infrastructure that's responsible for that type of thing. So I have a letter out to the deputy with respect to that matter

Mr. Goudreau (PC-MLA Dunvegan): If the transfer was done in the fall of 2002, would it be complete by now?

Ms Dean: The submission presented by the petitioners indicates that it has been completed. Again, I've got a letter out to the Department of Infrastructure to confirm that fact.

[the petitioners. Sister Slavik and Ms Mrazek were sworn in]

Procedures for presentations from private bill "petitioners"

The Chair: Before we invite you to make your presentation to the committee, I'll just briefly describe the procedure that is followed in Private Bills. Typically, aside from swearing in all of the participants and having all evidence given under oath, our procedure is quite informal. We ask you to give us a presentation outlining the reasons for the bill and any other features that you feel we should know about. Then we allow an opportunity for any other interested parties to present, and to the best of my knowledge no one has come forward indicating a desire to be heard today. After that, we have an opportunity for committee members to ask questions. At the conclusion of the hearing - well, we will not deliberate on the matter today, but in fact we will be meeting on April 15 to make our decision.

Ms Mrazek: I am Margaret Mrazek, and I am legal counsel for the sisters' Alberta corporation - and I'll talk a little more about it - and an agent for the Ontario corporation, which I'll also discuss this morning. With me this morning is Sister Theresa Carmel Slavik, and she's a member of the congregation of The Sisters of St. Joseph, London. Actually, we were just talking before we came in. She's been a member for 57 years. She is an Albertan, born in the Strome-Killam area. I think that, actually, most of her ministry with the sisters has been in Alberta. She's a member of the Sisters of St. Joseph Alberta corporation, and also a member of The Sisters of St. Joseph of the Diocese of London, in Ontario, which is an Ontario corporation. So she has had her foot, if you will, in both of them. Like I said, I'll talk about both these corporations as I go on because it can be a little confusing.

She's currently carrying out her ministry here in Edmonton, although she's 74 years old. The sisters have a home here in Edmonton where they look after street kids. They really come to them through the Boyle Street centre. So just as a little background of what Sister is currently doing.

Repeal of two now redundant historical private bills

Now, the purpose of our appearance before the Private Bills Committee is that the Sisters of St. Joseph have asked that two private bills be repealed. The first is a 1927 private act, an act to incorporate the Sisters of St. Joseph of the Province of Alberta. This actually established the corporate entity known as the Sisters of St. Joseph. I'm going to refer to this as the Alberta corporation. So when I say Sisters of St. Joseph Alberta corporation, I'm referring to this corporation that was established under the 1927 act.

There's also a private act that was passed subsequent to the 1927 act. It's a 1964 private act called *An Act to Provide for Exemption of Certain Land which is the Property of the Sisters of St. Joseph, Edmonton, Alberta, from Assessment and Taxation*. We've asked that this act also be repealed as it relates to the initial act.

The sisters have requested that these two private acts be repealed because with the declining number of sisters and their increasing age the members of the congregation of Sisters of St. Joseph have transferred all ownership and operation of their assets and their works basically to a corporation in Ontario. Actually, the sisters really maintained their Alberta corporation until we could get the Killam General hospital transferred, which we did in 2002. That was the last remaining

asset and operation, and now they would like that corporation and the act creating it repealed.

Corporate entity registered in Alberta as an extraprovincial, nonprofit corporation

The purpose and objectives of the Sisters of St. Joseph Alberta corporation are now carried out under the corporate entity, The Sisters of St. Joseph of the Diocese of London, in Ontario. It's actually registered in Alberta as an extraprovincial, nonprofit corporation. So basically they can carry out all their works under that, and they've really put all of their works across Canada now under the one corporation rather than the separate one in Alberta and then having two separate corporations.

So I see the private bill as basically a housekeeping matter. The sisters could have left these private acts sitting on the books of the Alberta Legislature. We're asking that that not be so and that you actually repeal these acts. This is really required as the sisters no longer need those private acts as they will do everything through their Ontario corporation.

Convent land sold in NE Edmonton, assisted living facility being built

I think I'd also like to give the committee just a brief background of the types of activities or works that the Sisters of St. Joseph conducted during the time they operated under the Sisters of St. Joseph, the Alberta corporation. The Sisters of St. Joseph Alberta corporation owned a facility called the Sacred Heart convent, and anybody who was in Edmonton a number of years ago would have known that convent. It's near Sacred Heart Church, in sort of the Boyle Street area. They were there from approximately 1927 to 1962, at which time they built a new convent, which was called St. Joseph's convent, and it's

actually in the northeast part of Edmonton. It was recently sold, and actually - I was talking to a sister - an assisted living facility is being expanded on that land, so it's no longer part of the sisters' assets.

The members of the congregation of the Sisters of St. Joseph have served residents as teachers, hospital administrators, nurses, pastoral care workers, and also in the social work area. In regard to the sisters, they taught in Catholic schools owned and operated by the Archdiocese of Edmonton and by local school authorities. The sisters never owned any schools. They worked, if you will, for local authorities.

The Sisters ownership of Catholic hospitals

The sisters did own and operate small Catholic hospitals in four locations in Alberta. In Stettler they were there from 1926 to 1927, in Rimbey from 1932 to 1949, in Galahad from 1927 to 1978, and in Killam from 1930 to 2002. I think you have to remember that for the hospitals in 1926, '27, and the 1930s, for the ones I've mentioned, there was no public funding. These sisters actually did own and operate them because the funding did not come in until we had our health care system funding in 1959. At these hospitals the sisters provided administrative, nursing, and as I stated, pastoral care services.

The hospitals in Stettler and Rimbey were actually owned by the Roman Catholic Archdiocese of Edmonton, and the sisters really just provided personnel to provide care for the people in those communities. The sisters owned and operated the hospital in Galahad, but in 1978, with the declining number of sisters, they decided this was no longer the ministry that they were going to be involved with, and they transferred their operation and

ownership of the hospital to the minister of health.

Transfer of ownership of Killam General hospital in 2002 to Minister of Health & Wellness, Alberta Catholic Health Corporation

In 2002 the Killam General hospital was transferred to the Minister of Health and Wellness, with the operation of the hospital transferred to the Alberta Catholic health corporation, and that corporation, which actually held a transfer ceremony which MLA Doug Griffiths was at, is going to continue operation under the mission and values that the sisters had in that hospital for all those years. So at least there will be that hospital, and that community is very pleased to have the continuing mission and values of the sisters carried out in the care provided in that hospital.

Summary from *Hansard*, March 11,
March 25