

Legislative Assembly of Alberta

Title: **Thursday, May 14, 1992**

8:00 p.m.

Date: 92/05/14

[Mr. Speaker in the Chair]

MR. SPEAKER: Be seated, please.

head: **Government Bills and Orders**
head: **Third Reading**

Bill 20 **Alberta Local Employment Transfer Act**

MR. FOWLER: Mr. Speaker, as indicated earlier to this Assembly, we as a government want to get the dollars into municipal hands as fast as we possibly can. Bill 20 covers this \$200 million which is being turned over to municipalities unconditionally.

I take pleasure in moving third reading.

MR. SPEAKER: Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. Just a few more comments on this Bill in third reading. The major concern to us throughout the debate of this particular Bill is not the fact that there is \$200 million being directed towards the municipalities in this province; it's the loss of the AMPLE program that is being taken away as a result of this Bill.

The AMPLE program was designated to give the municipalities a fixed amount of funding over a certain period of time. This enabled them to plan how they were going to spend this money, to plan within their municipalities what they required to do with the money that was available to them through the AMPLE program. With the cancellation of this AMPLE program and the injection of this \$200 million – again, I guess municipalities can utilize that money, but it's going to be utilized primarily for the purpose of a catch-up to projects that were started as a result of the AMPLE program in anticipation of receiving additional funding. Now they're going to have to utilize that money to complete those projects. With no AMPLE program in the following three years, what are municipalities going to do? They aren't going to have any money. They may have had to use this money up. There's no AMPLE program. Unless, of course, as some of my colleagues have said, the government has other motives in mind. Are they going to use this \$200 million as an election ploy? Perhaps. Or are they going to inject further money later down the pike for the municipalities?

Nevertheless, Mr. Speaker, the Bill is something that we have a great deal of difficulty accepting. I think the principle is wrong. The money, in the first instance, belonged to the municipalities. The Treasurer had no right to take this money from the Municipal Financing Corporation. This money belonged to the shareholders, the shareholders being the municipalities who participated with the corporation. For the government to now come in and scoop this money and then turn around and say that they're giving it to the municipalities unconditionally I think is wrong. It's almost crass. And municipalities recognize this. Speak to councillors throughout the province. I think there's a recognition that they've been had.

Mr. Speaker, we cannot support this Bill. We have supported it in the previous readings, but we can't support it in third reading.

MR. SPEAKER: Thank you.

The Member for Rocky Mountain House.

MR. LUND: Thank you, Mr. Speaker. I just want to make a few comments about Bill 20, since I didn't have a chance during committee study. I find it very disturbing to think that a former alderman would indicate that municipal councils don't understand financing and therefore would go out and spend all this money this year when in fact really what's happening is that we are just completing the commitment of money that was in the AMPLE grant.

A couple things, having read the *Hansard*, that I find very disturbing. I have never noticed the fact mentioned that since the inception of the Alberta Municipal Financing Corporation, there has been some \$982 million out of general revenue that has gone to subsidize the interest on loans. I really find it disturbing when a city would use that money to subsidize a generation plant, at the same time taking money out of a program known as EEMA that I and a number of my constituents have contributed to. They take money out of that program to pay for the generation plant, at the same time getting interest subsidy from the province to build the plant. I find it incredible that they would argue that this is not a good program.

I certainly urge the members to support this Bill.

MR. SPEAKER: Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. The Minister of Municipal Affairs I believe is very, very aware of my feelings on this particular Bill, Bill 20, and the transferring of \$200 million worth of funds from the Alberta Municipal Financing Corporation to the AMPLE program.

I guess to reinforce some of my earlier statements that I made and possibly to address the previous speaker, I just want to make reference to a special memorandum to mayors and councils. I would suggest that particularly the Member for Rocky Mountain House listen to this very carefully because this is from the Alberta Urban Municipalities Association that does represent the major municipalities. If it's requested that the document be tabled in the House, I'll certainly table it.

The document dated April 4, 1992, is entitled: Not a Municipal Windfall. It goes on to state:

The Provincial Treasurer's budget announcement of a \$200 million payment to municipalities "is a shortfall, not a windfall" . . . Again a shortfall, not a windfall.

. . . to urban municipalities, according to President Councillor Gary Browning. We were looking for a payment to member municipalities of about \$200 million from the Alberta Municipal Financing Corporation as the municipalities' share of the Corporation's \$269 million accumulated retained earnings.

Now, previously in this Assembly the Member for Clover Bar said that his particular councils in his constituency supported Bill 20. Possibly they do, but I would suggest, Mr. Speaker, that the Alberta Urban Municipalities Association, which the Minister of Municipal Affairs is very, very familiar with, having once been president of that organization, does have a great deal of credibility with municipalities and they are not to be taken lightly. When they speak, they are by and large speaking on behalf of a substantial number, the majority of municipalities throughout this province. So I would suggest to members of this House that this transfer of funds certainly does not have the endorsement of municipalities throughout Alberta.

Mr. Speaker, I've said in the past and I'll say again that I think what's happening here is wrong. It's taking \$200 million that rightfully belongs to the municipalities to begin with, giving it back in the form of a commitment that had been made previously. At the same time, the school boards that were participating

shareholders are left high and dry to the tune of approximately \$75 million. It's wrong in principle, it's morally wrong, and it's a slap in the face to those municipalities and school boards who were shareholders in the Alberta Municipal Financing Corporation.

MR. SPEAKER: The Chair takes it that the document that the member was referring to was a voluntary tabling, and perhaps a page would go to pick up the document. Thank you.

Additional speakers, third reading? The minister, summation?

8:10

MR. FOWLER: Yes, thank you, Mr. Speaker. There may be Members of this Legislative Assembly who are as concerned about municipalities as I am. There are none that are more concerned, and there are none here that have more experience than I do in municipal government. Therefore, I do not need any lessons on the financial responsibility of municipal governments.

All 400 municipalities in this province must budget in such a manner and where they are forbidden to run a deficit, so they know full well the value of a dollar. From what I hear this evening, Mr. Speaker, I understand there may be votes against us turning over \$200 million to the municipalities of this province by acceleration of the AMPLE program, by giving them \$200 million this year rather than stretching it over three or four more years. I strongly feel and am convinced that the municipal governments of this province will harbour this money well, and their treasurers and their departments of finance will be studying closely how best to utilize these funds for the current difficulties that this economy is in but also with what is to be done over the next few years in mind with respect to the matter as they know. They know, in any case – even if it is not known on all sides of this House – and the municipal governments of this province know the difficult times that we are facing in the province of Alberta now. They know and don't want to see deficits of \$10 billion. They don't want to see deficits any larger than they absolutely have to be, because in the final analysis it will affect them every bit as much as it affects everybody.

I urge everybody on first consideration and second consideration to vote in favour of placing \$200 million unconditionally into the hands of the municipalities of this province.

MR. SPEAKER: The hon. Minister of Municipal Affairs has moved third reading of Bill 20, Alberta Local Employment Transfer Act. Those in favour of third reading, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

[Several members rose calling for a division. The division bell was rung]

8:20

[Eight minutes having elapsed, the Assembly divided]

For the motion:

Ady	Gesell	Musgrove
Bogle	Hyland	Nelson
Calahasen	Jonson	Paszkowski
Cardinal	Klein	Schumacher
Cherry	Laing, B.	Severtson
Clegg	Lund	Shrake

Day	Main	Stewart
Drobot	McClellan	Tannas
Elliott	McCoy	Thurber
Elzinga	McFarland	West
Fischer	Moore	Zarusky
Fowler		

Against the motion:

Chivers	Hawkesworth	Sigurdson
Ewasiuk	Pashak	Wickman
Fox	Roberts	

Totals: For – 34 Against – 8

[Motion carried; Bill 20 read a third time]

MR. STEWART: Mr. Speaker, I move that the House now assemble itself in Committee of Supply.

head: **Committee of Supply**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: While the committee's coming to order, for the benefit of our guests in the gallery from the Forum for Young Albertans, the Chair would like to advise that the Assembly has now resolved itself into Committee of Supply, which is a committee of all the members. The purpose of supply is to consider the government's budget. The rules of the Assembly provide that 25 days of two hours will be spent studying departmental estimates. Tonight we are dealing with the budget or the estimates of the Department of Municipal Affairs, and the amount of money being considered in that department this year is \$514,177,900.

With that explanation, the Chair would invite the hon. Minister of Municipal Affairs to introduce those estimates.

head: **Main Estimates 1992-93**

Municipal Affairs

MR. FOWLER: Thank you, Mr. Chairman. Five hundred and fourteen million dollars is the number for the Department of Municipal Affairs, and I suspect that if the vote were to reverse itself the next time around, our municipalities would be out \$514 million because that's where most of this money goes.

I welcome the opportunity to briefly review the proposed initiatives and highlights contained in the Alberta Municipal Affairs budget for the '92-93 fiscal year. This covers the operating budgets for both the department and Alberta Mortgage and Housing plus the capital program funded through AMHC. Following my opening comments, I expect that I will receive and be able to respond to any questions that members of the House may have.

This is my first presentation to Committee of Supply in my new capacity as Minister of Municipal Affairs, and it is indeed an honour to serve the people of Alberta in this position, as I have served as both councillor and mayor of one of Alberta's major communities. This experience in municipal government, which included being president of the Alberta Urban Municipalities Association as well as a director of the Federation of Canadian Municipalities, has provided me with a broad insight into the needs and priorities and difficulties of municipalities in Alberta as well as across this land.

Mr. Chairman, municipalities are, by and large, limited to only three sources of income: user fees, property taxes, and provincial

grants. This fact leaves them very often in difficult positions in satisfying the needs of their municipal constituents. While it would be truly my desire and, I know, the desire of every member in this House that the province be in a financial position to meet all of the requests and desires of municipalities that have been made in recent years, we are all aware, even all of those responsible aldermen, councillors, mayors, and reeves, and people sitting on advisory boards in the improvement districts, that the fiscal realities of the '90s demand that we allocate our available resources in the most efficient and effective manner possible.

At this time as well, Mr. Chairman, I would like to acknowledge the retirement of Mr. Archie Grover, Deputy Minister of Alberta Municipal Affairs, who, as recognized by the House, is in the gallery this evening, but retiring after 37 years of dedicated service to the citizens of Alberta. Mr. Grover was born in Alberta and joined the department as an assessor in 1955 and during his immediate past 12 years has been deputy minister of the department and made a highly significant contribution to the province, not only during those 12 years but throughout his career. It goes without saying that the Ministry of Municipal Affairs and my staff and all the staff of Municipal Affairs, while they may be sad to see Archie leaving, are anxious to see and hope and know that he will enjoy a semiretirement with less strain and possibly more time for more green grass and sand and the odd water hazard. I want to hasten to add that a man of this ability and a man with this experience and a man with this dedication and commitment to the people of the province of Alberta cannot be allowed to just leave and have no further contact with the department. The truth of the matter is that Mr. Grover will continue to stay on in a capacity as chairman of the Alberta Planning Board and chairman of the Local Authorities Board. He will also play a very special, significant, and important role as we develop the new Municipal Government Act which will be introduced in this session for first reading.

I would like to take this opportunity to formally thank Mr. Grover for his work with the department and to extend to him our best wishes for a rewarding and partial retirement. Thank you, Mr. Grover.

8:30

Mr. Chairman, 1991-92 was a year of major transition for the department as a result of the changes initiated in programs provided by the Alberta Mortgage and Housing Corporation. Effective January 1 this year responsibility and administration of social housing programs was transferred to staff within my department. Resources for this purpose, including funding and staff, were transferred from the corporation.

Mr. Chairman, it is my intention to maintain a continued high priority in the provision of affordable and appropriate housing to Albertans with particular emphasis on the needs of those least able to solve their housing problems. But let us be clear: we all are facing fiscal realities, and it has become necessary to consider a basic structural realignment of our expenditure programs. For '92-93 a very rigorous approach has been taken in reviewing the costs associated with delivering the programs and services within the department. In total, administrative costs made up of manpower funding and related supplies and services show no increase, notwithstanding increased activity over the previous fiscal year.

For 1992-93 our total budget request is \$514,177,900 which is a reduction of 12.6 percent or approximately \$74 million from the comparable '91-92 estimates. This reduction is attributable to the change in delivery of the Alberta municipal partnership in local employment program, or the AMPLE program, a projected decline in program take-up in the seniors' independent living program, and a dedicated approach to efficient administration. In addition to the

\$514 million, under Bill 20 – third reading given just moments ago – a further \$200 million will be paid to municipalities in '92-93 as part of an accelerated AMPLE payment plan. I will discuss both of these programs further in making comments in respect to each of the individual votes making up Alberta Municipal Affairs' budget

I would bring to the attention of the members that approximately 44 percent of the total budget or \$226 million is directed solely to Alberta senior citizens. There should be no doubt that senior citizens in Alberta continue to be a priority of this government.

Mr. Chairman, I would now like to comment briefly on each vote which makes up the departmental estimates for '92-93.

Vote 1, Departmental Support Services. This provides the necessary support to program divisions in the areas of personnel, finance, information systems, and legal services. It also includes my office and that of the deputy minister. These services would be maintained in '92-93 with only a nominal funding increase.

Vote 2, Financial Support for Municipal Programs contains funding support for municipalities across Alberta. Municipal assistance grants which form part of the Alberta partnership transfer program will increase by 2 and a half percent to \$113 million. The Alberta partnership transfer program has been in effect since January 1988 and consolidates individual payments previously made for law enforcement, public transit, operating costs, and municipal assistance into a single, unconditional grant to all municipalities in Alberta. The municipal assistance portion of the APT program is used to offset municipal operating costs and to keep increases in local property taxes to a minimum.

I would draw your attention to the change in the timing of funding provided under the Alberta municipal partnership in local employment program, otherwise known as AMPLE, as also shown in vote 2. To date the AMPLE program has provided approximately \$276 million in unconditional funding over the last six years to local municipal governments. This year, to provide support for job creation by municipalities throughout the province, we will pay out the full present value of the remaining AMPLE payments originally scheduled to be paid over the next five years. As a result of this accelerated payment plan, \$200 million will be provided to municipalities in '92-93 to support infrastructure improvements and increase employment. Bill 20, as I indicated earlier and which received third reading earlier this evening, will provide the necessary funding for this purpose. It is our desire and aim to have as of June 1 of this year, \$200 million unconditionally in the hands of municipalities in this province as well as those Metis settlements which are also eligible for the grant.

Vote 3, the Alberta property tax reduction program, provides assistance to over 160,000 senior citizens who either live in or rent their own accommodation. The senior citizens' renters assistance program and the property tax reduction program are important in assisting Alberta's senior citizens to maintain an independent and rewarding life-style. Funding for these programs has been increased in '92-93 by over 3 percent to approximately \$126 million. I am very pleased to advise that benefits under both of these major programs have been maintained in the '92-93 fiscal year. Also in vote 3 you will note that the property tax reduction grants, which include the school tax credit and the ethnocultural provincial school levy abatement grant, have been reduced to \$99,600. This reduction has been made to more accurately reflect previous take-up in the program. There has been no change in benefits provided.

Vote 4, support for community planning, provides funding to cover the cost of land planning services to those municipalities in Alberta not serviced by regional planning commissions. As well, this vote includes funding for the purpose of providing a grant to

the Alberta Planning Fund, which in turn extends funding to the 10 regional planning commissions in this province. This grant has been increased by 2 and one-half percent to \$6,292,500 for '92-93. I would note that this percentage increase is being matched at the local level through a similar increase in the property tax requisition.

Vote 5, Administrative and Technical Support to Municipalities, provides operating funding for the municipal administrative services division of my department, the improvement districts administration division, and the assessment services division within my department as well. The municipal administrative services division acts as our key contact with incorporated municipalities across Alberta. This division strives to ensure strong municipal administrative and financial skills through the provision of advisory, information, research, and monetary services. It also administers the municipal grant programs in vote 2.

The improvement districts administration division is responsible for providing administrative and technical services to 19 improvement districts covering fully two-thirds of Alberta's geographic area. The improvement districts are unincorporated municipalities which are actively working in a progressive and systematic way towards greater autonomy and local responsibility and ultimately, Mr. Chairman, as fully incorporated municipalities of this province.

8:40

You will also note in vote 5 that costs associated with the administration of special areas have reduced significantly since '90-91. This is as a result of transferring responsibility for payment of management salary costs from the General Revenue Fund to the special areas trust. These costs continue to be fully recovered from the trust.

The mandate of the assessment services division is to support the advisory and monitoring responsibilities of the provincial assessment commissioner and to provide assessment services to over 300 municipalities. To carry out these responsibilities, the division is organized into nine regions with 14 field offices throughout our province.

Vote 6, Regulatory Boards, provides funding to operate the Assessment Appeal Board, the Local Authorities Board, the Alberta Planning Board, and the Assessment Equalization Board. These boards are an integral part of administering key legislation related to municipalities in this province. Total funding for the boards has been held at slightly less than last year's levels. The decrease in this case is primarily due to reductions in travel budgets.

In 1987, Mr. Chairman, the Municipal Statutes Review Committee began its work to prepare recommendations in respect to a new Municipal Government Act for Alberta. Through a process of extensive consultations and discussion, a recommendation for a new Act was presented by the committee in March of 1991. Based upon those recommendations, I will be presenting for first reading a new Municipal Government Act later in this session. This Bill will remain on the Order Paper to permit all interested to comment on the legislative language proposed. Included in the proposed Act is a recommendation to establish a local governments commission. The primary purpose of the local governments commission would be to facilitate the resolution of any dispute or dispute between municipalities by the municipalities themselves. I do not think that we can continue to ignore the negative consequences of major disputes which have arisen between municipalities in recent years. I refer specifically to major problems that have occurred regarding annexation and related compensation, revenue sharing, and other areas of

municipal dispute. I am and have been distressed that significant costs are being incurred on these issues when in fact they could and should be settled through negotiation.

The commission that is being proposed would have the power to investigate, analyze, and make findings of fact about the probable effect on municipalities of proposals to, firstly, enter into revenue-, cost-, or tax-sharing agreements between municipalities or any combination of them; two, incorporate a new municipality; three, annex land from one municipality to another; four, change the status of a municipality; five, amalgamate two or more municipalities; and finally six, to dissolve a municipality and initiate or pursue the resolution of a dispute between two or more municipalities. It is my expectation that the municipal governments commission will become an important and very effective mechanism for resolving intermunicipal issues.

Vote 7, Administration of Housing Programs, provides funding to support the administration of social housing assets in Alberta and to fund a number of very important grant programs providing benefits to thousands of Albertans. Overall, for 1992-93 grants in vote 7 show a reduction of approximately \$11.2 million primarily as a result of a projected reduction in program take-up in the seniors' independent living program. This program, which started on January 1, 1990, provides grant funding on an income-tested basis to seniors who live in their own homes. It provides financial assistance to low- and moderate-income senior citizen homeowners to repair and improve their homes to assist them to remain living in their own homes for as long as possible. Grants to eligible senior citizen homeowners of up to \$4,000, depending on income and participation in previous programs, are available for repair and improvement purposes. To date under this program 42,295 applications have been approved, and approximately \$43 million has been expended by seniors for home repair purposes.

For 1992-93, \$24,300,000 has been budgeted for the seniors' independent living program. This is a drop from \$34,800,000 budgeted in the last budget year, resulting from a decrease in the number of requests expected to be processed. The seniors' independent living program is the latest in a series of home improvement programs for senior citizen homeowners which began in 1979. Although there have been some changes in these programs over the years, the mandate has remained the same; that is, to assist low- and moderate-income senior citizen homeowners with the costs of repairing and improving their homes with the intent to enable them to maintain a more independent life-style and remain in their own homes longer. These programs have also improved and maintained a part of the housing stock in Alberta and have generated additional economic activity in the home repair and retail sector. To date under the seniors' independent living program and its successor programs, the seniors' home improvement program and the seniors' home improvement program extension, a total of 118,000 applications have been approved, with a total value of \$273 million.

The second largest program in vote 7 is the Alberta family first-home program. This program provided assistance to approximately 44,000 first-time home buyers in either making a down payment or in reducing the interest payments on the first \$4,000 of their first mortgage, done so in order to make it possible for them to purchase a home. The program accepted applications for those first-time home buyers who took possession of their homes between March 1, '89, and February 28, 1991.

Vote 8, Housing and Mortgage Assistance for Albertans. It is through the Alberta Mortgage and Housing Corporation that the province of Alberta provides social housing and mortgage subsidies to low-income Albertans, senior citizens, and those with special needs. Members will know that on January 1, 1991, the

responsibility for administration of the social housing programs funded through AMHC was transferred to staff employed directly by Alberta Municipal Affairs. The funding for salaries and related costs for these staff is provided through vote 7. The new decentralized housing organization is made up of two housing divisions, north and south, responsible for the delivery of all housing programs through a network of three regional and 13 district offices located throughout Alberta.

The Alberta Mortgage and Housing Corporation has provided capital financing and co-ordinated construction and provides an annual subsidy contribution on over 24,000 senior housing units in Alberta. This includes over 14,000 units provided under the senior citizens' self-contained housing program, which are fully self-contained bachelor or one-bedroom suites, some of which have units specifically designed for wheelchair users. Under the senior citizen lodge program in Alberta, AMHC has provided capital financing and annual grants to assist foundations with operating deficits. This program provides housing for Alberta senior citizens at affordable rates in both rural and urban Alberta.

The corporation also has been directly involved in the provision of over 15,000 other rental units directed towards low-income Albertans. Over 10,000 of these have been provided under the community housing program which provides subsidized rental accommodation for low- to moderate-income families, senior citizens, wheelchair users, or individuals who cannot afford private-sector housing. Operating deficits for these projects are funded through agreements with Canada Mortgage and Housing Corporation and local municipalities. Local housing authorities are responsible for tenant selection, property management, and maintenance of the unit.

Affordable housing is a priority of this government. With the resources available it is very important that we do everything we can to help those who need quality housing. In '92-93 AMHC will fund the construction of 126 community housing units to be located at: Medicine Hat, 15 units; Edson, eight units; Calgary, 34 units; Edmonton, 50 units; Sylvan Lake, four units; and Lethbridge, 15 units. Repayment or debentures for capital costs and operating expenses for these projects will be shared 70-30 respectively by the federal government through Canada Mortgage and Housing Corporation. The provincial government's share of funds will be administered by Alberta Municipal Affairs.

8:50

Two special housing projects under the public nonprofit housing program totaling 14 units will be provided in Red Deer and Lethbridge. AMHC provides capital financing under this program and in conjunction with the Canada Mortgage and Housing Corporation subsidizes the annual operating deficits on a 30-70 basis. Projects are managed by registered private nonprofit organizations under a management agreement with AMHC. These projects are designed to provide affordable permanent rental accommodation for individuals with special housing needs which have not traditionally been the focus of other housing programs.

In '92-93 one project involving 30 units in Medicine Hat will be initiated under the senior citizens' self-contained housing program. Nonprofit sponsoring organizations are responsible for property management and maintenance of projects under this program. AMHC provides capital financing and in conjunction with Canada Mortgage and Housing Corporation provides annual required subsidies on a 30-70 cost-sharing basis. Two lodge additions will be provided in '92-93: in Grande Prairie and in Ponoka. Four lodge regenerations will be started in '92-93: in Grande Prairie, Ponoka, Thorhild, and Claresholm.

The rural and native housing program is a federal program which is used to serve clients in rural areas. Such areas are defined as communities with a population under 2,500. Currently approximately 25 percent of Alberta's population live in such rural areas. Funding for an additional 120 units will be provided in '92-93, and the allocation of these units by region and community will be determined on the basis of need.

The rent supplement program enables the province to make use of the private rental market to serve clients in core housing need. This program has a flexibility to serve most client groups with the possible exception of some special housing needs for individuals. One hundred and ninety-six additional units will be provided under this program and will be allocated to the areas of greatest need. Under the private nonprofit housing program projects obtain their capital finance through financial institutions. Projects which are developed under this program either have their operating deficit cost shared in the same fashion as the public nonprofit units or have their interest rates subsidized down to an effective annual rate of 2 percent. In either case costs are shared on a 30-70 ratio between the province and CMHC respectively. Private nonprofit projects are generally targeted at mentally and physically handicapped individuals and also provide transitional housing for client groups involving women's shelters and youth centres. The '92-93 program provides for 196 units under the private nonprofit program. These will be located at: Calgary inner city, 80 units; Edmonton inner city, 80 units; Barrhead, three units; Edmonton, Handicapped Housing Society, 15 units; Edmonton, handicapped for individual living, three units; Red Deer, Handicapped Housing Society, 12 units; and Westlock, three units.

In total in this fiscal year alone, Mr. Chairman, 509 housing units plus 196 rent-supplement units will be added to our existing program of approximately 40,000 dwelling units provided through the various seniors' and other social housing programs. This continues the major ongoing commitment of this government to assist in meeting the basic housing needs of Albertans.

Mortgage Properties Inc. came into existence on January 1, 1991, as a 100 percent owned subsidiary of AMHC and with a clear mandate as to its role and responsibility to sell all housing, mortgage, and land assets previously administered by AMHC that are not required for current social housing programs. MPI took over an inventory with a total net book value of approximately \$800 million. In its first year of operation MPI sold 221 mortgages to the value of \$270 million, 586 units of residential real estate for \$67 million, and 319 properties for \$11 million. These sales, worth a combined \$348 million, reflected a \$35.6 million surplus above the net book value. In addition, the province has benefited by eliminating long-term subsidies on the sold mortgages. All excess funds from these sales are returned.

That is a brief overview of the programs and specific projects which make up the '92-93 Municipal Affairs and AMHC budget. I would welcome any comments and questions that may be placed in respect to this information.

MR. CHAIRMAN: The Member for Edmonton-Beverly, followed by the Member for Edmonton-Whitemud.

MR. EWASIUK: Thank you very much, Mr. Chairman. Let me say right off the top that I want to congratulate the minister on the very extensive and full representation of his department and the estimates within it. I think it's the first time I've heard such a presentation that really dealt very fully with all the information within the department. I thank him for that.

I, too, want to take this opportunity to extend my congratulations to Archie Grover, the retiring deputy minister. I know that

while certainly members of the government have known Archie for a long time, I daresay that many of us who are not in government also had opportunities to have dealings with Archie over the years and certainly more recently as Members of the Legislative Assembly. I think I had the opportunity on many occasions to ask for his assistance, and of course always received it, so I too want to wish him well in his retirement. His 37 years of service to this province I think is noteworthy. Again, we wish him well and, as the minister has stated, that in his retirement or semiretirement he will enjoy all the good things he always wanted to do when he did retire. Congratulations, Archie.

Mr. Chairman, the portfolio of the Minister of Municipal Affairs, in my opinion, is a very important one. The minister is indeed the spokesperson for all the local elected officials in the province of Alberta. He is the minister who brings the concern of locally elected officials to cabinet, to government in an effort to make representation on their behalf for the many things that they need and require. Of course, all ministers argue the importance of their portfolio, but certainly I think amongst most of the cabinet the Minister of Municipal Affairs has a major, major responsibility in government. Let me say, and I do so in all sincerity, that the present minister has indeed the qualifications to do that. He has demonstrated that over the years as a mayor and as the spokesman for the AUMA. I respected him during those years, and I certainly have no reason to change my opinion at the present time. However, we may not always agree on certain issues. That aside, I think there is respect for the knowledge from where he comes.

Mr. Chairman, I want to make some comments relative to some of the votes. I daresay that the minister in his opening comments has really perhaps to some degree responded to some of the questions I may have had. However, I do want to ask a number of questions. I also want, in a final analysis, to perhaps reflect and talk about some of the areas that I hope are taken in the way that I present them: as constructive assistance and as a spokesman from the other side perhaps hearing other thoughts from people from the local areas, local elected officials who have spoken to me. I want to bring this to the minister's attention in the hope that it's taken in the vein that it's presented, not as criticism necessarily but hopefully as a form of some constructive suggestions.

9:00

I want to skip right on through to vote 4, only to say that over the years I have had the experience of having to serve on a municipal Regional Planning Commission. Indeed, I think they provide a good service, a needed service to those whom they represent, and I'm glad to see there is a slight increase. I hope it's going to be reflected in them being able to carry on the responsibilities that they do with that small increase. At the time when I was there, I remember many cuts were being made. In spite of the growth in some areas, particularly in the Edmonton municipal area, cuts were necessary, and there was a major concern. I believe that's stabilized to some degree at the present time and that some increases will help them to continue to carry on the very good job that they do.

I then want to skip right on through to vote 7, which is really primarily the big area, in my opinion, that I have some questions on. I will be dealing with both the estimates book and the supplementary book as well.

Mr. Chairman, I know the minister has spoken to Financial Assistance for Housing, and I thought he attempted to rationalize some of the things that were done. Certainly I agree with that. However, I see in vote 7.4.3 of the supplement book where there is a significant decrease in the spending for the Home Adaptation Program. While I know that to a large degree this is spent for

seniors, it's spent for other populations as well, and I believe that there is a major need in this area. My experience has been that many people who maybe require an adaptation program for a home now or foresee one in the very near future often don't get it. I think it's important that this program be expanded to ensure that those that want to live an independent life in spite of perhaps having a handicap or disability of some form be able to live a normal life-style. I think the Home Adaptation Program should provide that for them. I know there may have been a bit of an overview in the minister's presentation with this information; he may have tried to explain it, but I may have missed it.

In 7.4.5, the Seniors' Independent Living Program, again I think the minister spoke to this one at length and rationalized what is happening here. I'm a little surprised. I realize this is a demand-driven program. I'm a bit surprised to hear that there is a decline in the demand when in fact the population is aging. I was under the impression that there would be an increase in this area rather than a decrease. So perhaps the minister may want to respond why that is, or his assumption why that is, although to simply say it's demand driven might well be the case. I just had some difficulty believing that in fact is the case.

As well, 7.4.10, the Seniors' Home Improvement Program, Mr. Chairman: is that being phased out? That's being phased out, and it's being replaced by the Seniors' Independent Living Program; right. So that's what's happening there. Okay.

Also, Mr. Chairman, I want to speak to vote 8.2.3, Rural and Native Mortgage Program. I see there is no increase there at all, and I believe that again there are needs that are occurring in rural communities, particularly for the senior people in rural communities. Many of the seniors still want to be able to live in their rural settings but because of age and other things are forced to go into institutional situations like lodges and so on. I'm wondering whether this program is applicable to providing the kind of housing for seniors in rural Alberta that would accommodate them. Also in vote 8, on the Social Housing – this, of course, deals with 8.1, providing lodge accommodations for senior citizens. I think this is a very good program and is serving the seniors well, but I believe there are shortages in this area. I understand the minister has stated there is going to be some new facilities built, but I'm not sure they're going to meet the requirements.

I also note that those that qualify to be in a lodge do not require day-to-day medical supervision. Mr. Chairman, I'm not sure that this applies particularly to this vote, but I wanted to make the comment that age levels of many seniors in our lodges are getting greater and higher, and many of the people that are there in fact do require some medical assistance. In some cases they would perhaps be best accommodated in a nursing home. However, again there is a shortage of space and a waiting list for nursing home placements. Therefore, many residents in our lodges are, in fact, at the stage where medication is a requirement on a regular daily basis. The staff in the lodges are not qualified, and if they are administering medication to seniors there, perhaps they should not be doing that. We may have to look at the operations of lodges from when they were initially started to where they advanced to today. I still think we maintain lodges, and perhaps the age category is okay. I think we may have to look at our staffing and see the qualifications of the type of staffing we have in those lodges.

That applies to the nutrition of our seniors who are living in lodges. I believe we need to perhaps have nutritionists on the staff of the foundations that operate these lodges to ensure that the type of food being served to those people, who are, quite often, in their 80s – I think their diets are important. They can't simply be fed what they were fed when they were 65. I think there is a

need to look at the staffing of those lodges to meet the requirements of the aging population in the lodges.

I also note that under Social Housing there's a provision that provides rent supplements for eligible tenants, with rents geared to income, in private sector rental accommodation, government-owned properties or [federally-owned] co-operatives.

Mr. Chairman, the thing that I think I'm noticing happening, and particularly with the implication of MPI into the market, where they're selling off many of their units, some people in those units cannot purchase the unit and are required to relocate. There is more and more difficulty for people on a low income to in fact rent adequate and proper accommodations. To some degree I think the private market is excluding numbers of people who should continue to be accommodated in the units that the Alberta mortgage corporation had and now where the MPI are operating.

9:10

Particularly, I believe, they have a time frame they've set for themselves. They want to get rid of all the units in a particular time frame. I think they've escalated that time frame to the extent where we're creating difficulties for the individuals who are in those units now. They can't find new accommodations, and they're forced – again unfortunately, I believe – to some degree into being accommodated by landlords who are running substandard housing, I think people we generally have referred to as the slum landlords. We're forcing many of the people from those facilities to be accommodated in substandard housing. I think that I would like to see the MPI program perhaps even put on hold for the time being until a catch-up occurs in availability. The vacancy rate is such that there is enough flexibility for tenants to acquire a facility for renting rather than being forced to move from one of the Alberta Mortgage and Housing Corporation housing complexes and into the free market, which they can't afford.

Mr. Chairman, those are some of the comments I wanted to make on the estimates for the department. As I said earlier, I wanted to speak about some of the kinds of things that have been brought to my attention that I felt I should bring to the attention of the minister and use this occasion to do that. I'm sure that the minister might well be aware of many of the things that I'm going to say. Obviously, he has his ear to the ground, has traveled throughout the province and has talked to municipal and town councillors and so on, so I'm sure he's aware of some of these things.

Probably the major concern that municipalities have, it seems to me, is that they feel there is a downloading occurring as a result of action taken by the provincial government. Just to perhaps cite some of the things that they are suggesting has occurred to them and that they are identifying as downloading.

The imposition of the safety code inspections, the cost that has been created for municipalities: at one time the provincial government was able to provide those; now municipalities are required to do that.

The ambulance service: they're certainly concerned about the standards that are being suggested that ambulance operators should have. The number of people on a vehicle is a major, major concern to municipalities and towns. They think that is a cost they cannot bear and feel that they've been able to in many cases operate jointly with other towns, with the countermunicipality and have been able to provide adequate ambulance service. The imposition of the plan the government has: they're frightened of it, and I think they're concerned about it.

In fact, the department of transportation has downloaded on the municipalities little things like the requirement for a lighted intersection. The transportation department is prepared to install

the light, but they would charge it to the town, when in fact it's a highway light and really should not be the responsibility of that particular town.

The FCSS in social services is also, they believe, a degree of downloading on the municipalities.

Conditional grants are a problem. I know this has been on for a long time, and I know that the government has been moving towards more and more unconditional grants, but there are still municipalities that feel that it's a problem for them. They have to do with the dollars what they're provided to do rather than doing what they feel is more necessary.

Small-town councillors can't afford specialists and help. In fact, in almost anything that they do, they don't have the proper specialists in their towns and on their staff, so they have to always get specialists like fire and safety inspectors and even psychologists. All those things that are required in the communities normally should have been provided by the province, but now the municipalities are expected to get those.

Strangely enough, there's a feeling that a village council's issues are treated with less importance because of their size. There was an expression that they felt that somehow, because they're not a large municipality or a larger town but a small village, importance wasn't placed on their issues as if they were perhaps larger.

There's a concern about shortage of provincial services such as health unit nurses and social workers.

A major concern to them was the decline in the PEP and STEP grants. Those are very important to the smaller municipalities because they in fact were able to create some recreation jobs and use STEP and PEP during holiday relief and so on. So it was a major concern to them.

Basically, they are saying that they just cannot raise taxes. Citizens in the rural areas and small municipalities simply cannot pay more taxes, and on a number of occasions they talked about a tax revolt. I'm not sure what that meant, but this is how they feel about it. In fact, the town of Boyle mentioned to us that they have people between 50 and 65 years of age who cannot afford to pay local taxes. These are considered as rural Alberta working poor. These are the sort of rural poor in Alberta. These are the folks that are in that age category.

Another major concern is particularly because of the inspection costs that municipalities are concerned with because of downloading. This may eventually cause a liability lawsuit against a municipality because they may not be able to carry out the proper inspections.

They are concerned about the depopulation in their communities. Young people are leaving communities for good. In fact, they leave, and if they get a facility like a hospital built in their community, they can't be recruited to come back to their community. They generally lose them forever.

In the Rycroft area of northern Alberta they felt there's only one young farmer that was in the position to take up farming. Of eight or nine families all the young people have in fact left. They've given up on farming and have moved away, so there are only a few people around to farm. The MD of Smoky River had a 70 percent loss in population, a major concern that they are in fact losing and they are declining in growth. In the last 10 years there has been a zero percent growth in the town of Westlock.

It's those kinds of things, Mr. Chairman, those concerns that our rural municipalities have, our rural councillors have. I thought it would be fair to bring these before the minister today and advise him that there are those concerns. As I say, he may well have heard all of these before. I think it's important; I wanted to bring them here again tonight.

Somehow there's an impression that there is not equity in dealing with councillors. I believe that a former minister, Mr. Speaker, when he was here, in his presentation to one of the conferences, said something to the effect that those who know how to play the game will get the funds. I'm not sure what he said. So the small communities are saying to us: we really don't have the opportunity and the ability to travel to Edmonton to lobby the minister, the government, and so we have an equitable disadvantage when it comes to larger municipalities. It's those kinds of things, Mr. Chairman, that I thought I wanted to bring to the minister. I know there is one other one.

9:20

Probably the highlight and probably the most significant thing that they said to me that I thought was important was that governments don't need to take fancy trips. "Just come out and visit us, listen to us, and see what our problems are." That, I'm sure, in a capsule is really what needs to be done.

I want to close with those remarks, Mr. Chairman. I thank the minister again for his very structured presentation to us this evening, going through the votes one by one. I appreciate that he took the time to do that. It was informative, and it certainly helped me in looking at the estimates and understanding what was in them. As I say, many of the questions that I had were in fact answered in his initial presentation to me.

Thank you.

MR. CHAIRMAN: The Member for Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Chairman. I'd like to add my comments on the budget for Municipal Affairs. Let me begin by first passing on my congratulations to Archie Grover. I can't see if he's still up there because he's at a particular angle that I can't see from here. Assuming he is, I congratulate him for his many, many years of dedicated service to the department. I think Archie Grover illustrates that within any bureaucracy – and at times the bureaucracy does tend to get blasted, particularly by the public. I've seen it at city hall over my nine years there. In the public service, in the civic work force, there are many, many individuals that are dedicated to doing their jobs, dedicated to ensuring that the services delivered to the public are done as efficiently, effectively as possible. Archie Grover, in my opinion, is one of those individuals that fall within that category.

Mr. Chairman, I'm going through the positives first here, and another positive aspect is that the minister has in his administrative portion in the budget illustrated a hard-line approach. He's illustrated an approach that he's got his costs down. He's recognized that it is difficult economic times within his own office, and he's demonstrated restraint. As an individual I do find this particular minister very, very responsive not only in his present portfolio but in his previous portfolio of Solicitor General. Whenever I had any constituency problems that I had to bring to his attention or to the staff in his office, I was always welcomed in there and every attempt was made to resolve those problems. For an opposition member that type of approach is very, very much appreciated.

Now that we've gotten the positives out of the way, let me kind of tackle the budget, because as much as I may praise the minister as an individual, there is that expression, "You run with the dogs; you get the fleas." I think that collectively demonstrates a point that I'm trying to make: that this government is off in terms of priorities and directions.

Now, getting onto the budget specifically, I had made reference earlier, in third reading of Bill 20, to the document from the

AUMA which addressed specifically that \$200 million transfer. There are other portions to that document that I want to make reference to and I'll table as well. The Alberta Urban Municipalities Association have done a good job of documenting their information, and they've listed the budget highlights in the minister's department from their point of view. They show the positives, and they show the negatives. They show the positives being like the library grant, the grants in lieu. Now, some of these do not fall directly under the minister's responsibility, but because they affect municipalities they are classified in here. Then there are the negatives like the cutback in the CRC, the community facility enhancement program has come to an end, the transportation cuts, and so on. In any case, in your calculations they see the positives as being \$8 million, and they see the negatives as being \$52 million. In other words, they see a decrease, with the impact to municipalities in terms of grants for this one year alone being in the neighbourhood of \$43 million. That's \$43 million. Now, if you exclude the CFEP – and possibly there is some ground to exclude that because that was announced as a three-year program – it is still a decrease of over \$10 million, and that is substantial.

Then they go on in their document and they highlight the point that I've always tried to make about the downloading onto the municipal governments, who are in the most difficult spot when it comes to delivering the services and getting revenue because, let's face it, they are dependent to the largest degree on those revenues that come from the property tax base. They've listed – and this comes from the Alberta Urban Municipalities Association; it's not something that we in the Liberal caucus have made up – what they call the top 12 programs: for example, the municipal debenture, the grants in lieu, the family and community support services, CRC, so on and so forth. They show how in 1989-1990 the amounts of dollars involved were a total of \$638 million. In 1990-91 it went down to \$616 million; the next year, down to \$578 million; this year, down to \$508 million – a constant pattern of decline over four years: less, less, less, less going to the municipalities. The municipalities of course then have to bear that burden, and it is a tremendous burden to them because their sources of revenue are so limited. So I will table this document for the benefit of all members of this House that may want to look at it a bit more carefully.

Now, getting into some of my own notes, some of my own research on the budget, there are some points that I want to make. I've made reference to the Minister's Office showing restraint. I've done that before. We see in vote 7 a decrease of 13.5 percent. In vote 2, Financial Support for Municipal Programs: down 27.4 percent. Those two things by our calculations mean a reduction in employment opportunities of 160 jobs.

We see in vote 5, which to me again is kind of startling, because I asked these questions of a previous minister when I was responding to the Minister of Culture and Multiculturalism, these little footnotes on the budgets that say, "Payments to MLAs." Here in vote 5 it shows \$20,000 in Payments to MLAs. I'd like to have a better understanding of who this \$20,000 is going to. What type of government committee is there under Municipal Affairs where an MLA – some MLAs, whatever – is paid \$20,000? I don't believe that would represent a portion of the dollars that the minister would receive in that I would assume that those dollars are in his particular budget.

We go down the list and take a look at vote 2. In the Alberta municipal partnership program we see a cut. We see that program zapped. Certainly there is the transfer of the \$200 million, but by and large the program is zapped.

9:30

We see – not referred to directly in this budget, but there is an impact from the minister's point of view because of the tremendous impact on municipalities – the CRC program: gone. Now, there is indication by the document that was leaked to us that the minister of culture is coming up with some type of program that is going to be a public relations exercise for the provincial government. I would hope there is going to be some benefit to the municipalities and not just tons of dollars spent to build big signs and cheque presentations and all that stuff that has been learned so well by some of the minister's colleagues.

I have a number of questions that I would like the minister to address. First of all, when we look at the AMPLE, look at the commitment that was made, and look at the rejoicing when the AMPLE was introduced in, I believe, 1986, with the benefits to municipalities in terms of infrastructure, the benefits in terms of providing jobs at the local level, it was tremendous. There was a tremendous reception to it. Why the government would announce that the program has come to an end and they're going to take dollars from some other area . . .

Point of Order

Factual Accuracy

MR. MAIN: A point of order, Mr. Chairman.

MR. CHAIRMAN: The hon. Minister of Culture and Multiculturalism is rising on a point of order.

MR. MAIN: I don't have the citation . . . [interjection] Thank you; 23(i). I'm referring back to this afternoon's admonition to the House by the Speaker with regard to a conflict between the Member for Westlock-Sturgeon and the Minister of Public Works, Supply and Services. During the Speaker's discourse to the House, the Speaker mentioned that each member must be certain of the veracity of the statements which he's making to this House.

The Member for Edmonton-Whitemud is referring to a draft document as if it were a government decision. He continues to do that in his interviews, and he's doing it again in debate in the House. The piece of paper to which he refers has been completely discredited. It is not a government decision nor is it the framework for a government program. It has nothing to do with decisions made by the government. It is merely a proposal written by someone, and the member continues to refer to it as a document with some level of credibility. I refer him to the Speaker's admonition about the veracity of statements made in the House, and I wish, Mr. Chairman, that you would admonish him likewise.

MR. WICKMAN: I thought the minister who just rose on that supposed citation was in the House this afternoon when I demonstrated that a so-called draft proposal was incorporated in the budget. Doesn't the minister listen? An effective role of opposition, Mr. Chairman, is to discover these foolish proposals, focus some attention on them so that the minister responsible will do away with that. The minister has made a statement now that he's going to do away with that foolish draft proposal that was there. So I feel that from our point of view we've done our job very effectively in exposing this foolishness, with the minister getting up and saying he wants no part of that, and that's good. That shows that the parliamentary system occasionally does work.

Debate Continued

MR. WICKMAN: Back to AMPLE, Mr. Chairman. I would hope that somewhere down the road there would be some indication –

and possibly the minister could respond tonight – that there is some intention to bring the AMPLE program back, to at least take a look at it.

I want to take a look, Mr. Chairman, at the question of vote 7 again, Administration of Housing Programs. Vote 7.4, Financial Assistance For Housing: down 18.9 percent. During a period of time when affordable housing is so difficult, during a period of time when there is such a shortage of available housing for people that are having extreme difficulties, why is it down 18.9 percent?

Then I look at vote 8, Housing and Mortgage Assistance. Now, we know that the program that provided – what was it called? The Alberta family home purchase program, which was eliminated, and it was good that that was eliminated, because that again was one of these programs that did not necessarily provide assistance to people that needed assistance; it provided some to them and some to people that didn't. Nevertheless, Mortgage Subsidies are up 13.8 percent, and I don't understand why that would be up 13.8 percent.

Okay; some other questions. I had raised in this House during question period – and the minister responded that he would do something about it – the rental subsidy program. It was brought to our attention the number of people on the waiting list and that there are vacant units. People are caught up in a bureaucratic process, and it's not the minister's fault. It's here, it's the way the program is being delivered, but the minister has to give some direction. He has to assume responsibility for the direction it's going. In that bureaucratic process I talk about is the situation that one can go out and they can find a unit which qualifies under the program. They themselves qualify. They go to the department, and they're told, "Sorry, you've got to go at the bottom of the list." Of course, going to the bottom of the list eliminates any possibility of them ever getting that unit, so I would like to see some balancing of the program recognizing that. Let's not have any of these units sitting empty if there are people that we know are there, people that will take the initiative to find them.

I had one, Mr. Chairman, phone me today that really, really hurt. He's going to send me a letter which I'm going to get over to the minister, and I hope the minister would take a look. I'm not sure there's a solution, but this involves what's known as coach homes. There are two wheelchair units there; they are ramped. The person that manages it is prepared to allow them to be part of this subsidized program to provide housing for a couple of individuals or families where a member may have to use a wheelchair. But because there is no agreement there between the property owner or the property management company and the department of housing, of course it's ruled out. I realize it's a touchy one, but if there's some way that we can accommodate individuals to put them in the type of housing they need – we know that housing is there, but again the program doesn't allow for that flexibility. The program is meant for people, and we've got to recognize that these programs are always paid for with peoples' money, so they're Albertan programs; they're not like our programs. We've got to make them as flexible as possible. We have to address them in such a way that they're responsive, they're flexible to meeting people's needs.

Now, when we talk in terms of program delivery, I would hope that the minister, being fairly new to the portfolio and following the footsteps of a minister that there was a great deal of respect for – in that particular portfolio for Municipal Affairs that he was responsible for, I know there was some attempt, some initiation to co-ordinate programs at the municipal level. I can recall, Mr. Chairman, that in the first year that minister sent out an extensive questionnaire to all the alderman, all the reeves, all the elected municipal representatives throughout Alberta, and it was very well

received. I had a lot of phone calls from elected representatives saying, "Look, you're in opposition, but you've got to pass on to that minister that he did a good job doing that, because we like to provide that input." That, however, was the last questionnaire that I got wind of, and I'm not sure what happened to it or if it helped in streamlining the department to co-ordinate the services a bit better.

Also, the question of monitoring these subsidized programs to ensure that there is no abuse. We can recall that a year or a year and a half ago the Member for Medicine Hat, by no fault of his own, somehow got caught up in this bureaucratic jungle when the monitoring wasn't there. He innocently found himself in a unit that was subsidized. That a cabinet minister could find himself in a unit that was subsidized would indicate that there is something in the program that wasn't monitored properly.

9:40

I also want to ask a few questions – I've talked in terms about the off-loading to the municipalities. I want to know: what does the minister intend to do about it? What does the minister intend to do with the soon to expire CHIP and MAP rent control agreements? What impact are they going to have on rental units and subsidized housing being evaluated? Are studies done in that area, and if so, are they public? The minister would certainly be aware that there was a great uproar when the electoral boundaries draft was brought down and the question of the urban/rural ridings being combined. I know the minister of culture, for example, held five town hall meetings in the southwest. I believe four of them were in Edmonton-Whitemud, and I thank him for paying such good attention to the people I represent. We always appreciate that little bit of help there, because occasionally we all need it. In any case, the point that . . . [interjection] I might even come to your town hall meeting on May 20 in Edmonton-Duggan, right in the heart of Whitemud. Mr. Chairman, I would certainly like to know if the minister had the opportunity to make a presentation on behalf of the municipalities to the commission, expressing his concern.

The five-year funding framework. That's something that is very, very dear to our hearts, that municipalities as well as school boards and hospitals should have some idea of what's expected in the next five years so they can do their budgeting in such a way that it's got some sense to it, rather than programs chopped midstream or reduced in midstream like we saw with the transportation grants.

The partnership thing. We've all talked about it. The minister recalls when he was president of the AUMA how we cried out for a partnership with the provincial government, and that cry is still there. They want to be a partner. We should be a partner with them.

The question of grants. Some grants are unconditional; some have strings on them; some are very specific. I would think, Mr. Chairman, a really, really bold step would be to calculate all the grants that municipalities get on a per capita basis and just say: "Look, we're going to give you people X number of dollars per capita. You decide if it should be spent on this, this, this, or this." Nobody knows better than local elected representatives as to what their community needs. They can best determine should it go to policing, should it go to libraries, should it go to roadways, should it go to employment, should it go to day care. Nobody knows better than those people, and the minister himself, I'm sure, will verify it.

Now we've got this member standing. Every time somebody stands, I get paranoid whether it's a point of order. Point of order? No point of order.

I also want to make reference to the central assessment and the concerns that are expressed in some municipalities about possibly tax sharing, sharing some of the tax revenue to offset the impact on that municipality that has a number of social programs, public facilities, and so on.

The annexation process. We saw what happened in Strathcona, Fort Saskatchewan. The annexation process has to be reviewed, and we have our candidate out in the county of Strathcona who is assessing that. He's going to come out with a new proposal, but I would like the minister to also look at that too, because there's got to be a way to eliminate the bitterness it causes. The former mayor will remember what happened out in St. Albert when the city of Edmonton tried that massive land grab. I was one of those individuals that didn't support that because I respect the right of those municipalities to govern their own destinies.

Family and social services, in terms of inflation, has gone down. In terms of the CRC, what is the future of it? The minister of culture may somewhere down the road respond to this one. What is the future of the CRC? Is it going to be replaced by this other program? What about the Municipal Government Act, the new one? Is that coming forward? Has the minister committed to set up annual meetings with the AUMA and the AAMD and C?

Subsidized housing. I talked about that. There is a need for some type of local or centralized registration so citizens that need housing know one place to go where they can get information rather than having to run around to various departments.

The last point I'm going to make, Mr. Chairman, because I'm going to be running out of time here and I know the minister of culture is anxious to get up and give a little spiel here as well, is going to dwell on the question of constitutional rights for municipalities. Here again is an area that the minister would be very, very familiar with: the fight by the FCM, the Federation of Canadian Municipalities, to be included, to have a right constitutionally to be recognized as a level of government. What has the minister done to convince his colleagues, in particular the Minister of FIGA, to propose that to the federal government, to convince the federal government that the municipalities have the right to be included, to be recognized as part of the Constitution so that they are recognized as a level of government equal to other levels of government?

There is no such thing as a senior level of government. Those people are elected like we're elected. They do a job. We do a job. We all attempt to represent constituents that we feel want responsive people. They have a particular role, we have a particular role, but it still boils down to us being equal. I used to resent, when I was a member of a municipal government, when members of the staff would come forward and talk about the senior government. We eliminated any reference from all documents at city hall to senior government because there is no such thing as senior government.

Mr. Chairman, on that point, before somebody goes to sleep over here – hi, Gordon – and to give other members the opportunity to speak and the minister a chance to reply, I'm going to conclude. Anything the minister can't answer tonight, I would certainly appreciate a response from him further down the road, and I'm sure he will provide it.

Thank you.

MR. CHAIRMAN: The hon. Member for Cypress-Redcliff.

MR. HYLAND: Thank you, Mr. Chairman. A few comments tonight on Municipal Affairs. I should, firstly, add my congratulations and thanks to the retiring deputy minister, Archie Grover, whom I've known for a number of years, and wish him the best

in his partial retirement. The big thing would be to see Archie really retire, and I'm glad to see that he's still sticking around partially to give us his experience in the department, working from the bottom up. I'm not sure if there are many jobs in that department that Archie hasn't done himself, except maybe now try to run his new computer that sits beside his desk. I don't know if he's mastered that or not. Other than that, perhaps everything else.

Mr. Chairman, we talk about partnership; we talk about communication. All I can do is speak for the municipalities in my area. I have worked together with them, and one of the things that we did together was the community facility enhancement program. We worked together with the community to deliver that program. I know that isn't under this department, but that's one example of working together. I know what my municipalities have done because they're conscious of the dollars. They're very conscious of the taxes that they have to put out to their constituents, because they're all elected people and they take that seriously. They have had to make some tough decisions themselves. The rural municipalities have to make some decisions on the delaying of road projects, which projects would see priority, and how they could go ahead, but they said: "If we're going to be realistic and get this problem of deficits under control, you guys as provincial government can't do it alone. We have to assist. We have to help too. We can't just say to you guys, 'Hey, get your deficit under control, guys, but we still need more money'." Now, other parts maybe. Maybe other places haven't. I don't know, but I'm talking about my constituency.

They've tried to co-operate. They've tried to do things on their own, to set up their own way of trying to control costs, their own way of delivering service to the best of their abilities, their own way of giving assistance in getting the deficit under control. It's pretty easy to say to just do it; don't touch my project, don't touch my grant, don't touch my housing thing, but do it.

I think out there in small-town Alberta, in rural Alberta, they are trying. They're trying hard, because they know they're not rinky-dink towns. They know their place is with the future, and they're trying hard to provide that future for themselves, along with co-operation. Look at the local incentive program that went around. Many of these smaller places work very hard in that program to put ideas into it, and they're looking forward to the stage where we can come out with some form of bond, where we can get some local involvement in whatever form, whether it's personal money or whether it's joint between the peoples' investment and the municipalities investment and support.

9:50

These kinds of things, Mr. Chairman, they're looking forward to doing. They're looking forward to doing it themselves to set their future, because they have set their future in the past. Years ago, when some of these towns in my area were formed – and some of them have been there a long time – they did it themselves. They dug their sewer lines themselves, they financed everything themselves, and they're prepared to try and do a lot of that again. They're prepared to share with that. That's why I think that the step towards putting the AMPLE moneys out in a lump sum will allow people to do things in their town that they've been waiting for. Because the money comes at once, they can do a bigger project. They can get it done, and they can go on to something else.

Mr. Chairman, I'd also like to make a few comments about the Alberta Home Mortgage Corporation and the methods and ways by which it has sold off its property or moved its mortgage property out of its portfolio. The minister can answer: how much of that

property, percentagewise and dollarwise, is left that we're holding? I know one of the things they did that concerned me was the way sometimes the property was put out and the letters would come – and I think this happened on rental units – saying that it's time to renew your mortgage and you will now have to put X percent down. It scared a lot of people. I know one in particular, when I got him back in contact with the Home Mortgage Corporation – or what's left of it or whatever the title is now – they found out that because these people had prepaid, made payments ahead and stuff like that, they didn't have to put additional down. They were in good financial shape that way. Especially in a small town it was a big concern to a lot of people when these notices came out for renewal that banks wouldn't touch that mortgage property without a great deal more down or a higher rate of interest. I think as we do this, and I don't know how much is left to do, we should watch a little more carefully the wording on the letters and renewal notices when they go out.

Secondly, a problem that I had a few days ago was that the corporation or what replaced the corporation needs to work more closely with the local real estate boards, not with individuals but with the local multilisting real estate boards. If you're trying to move property, there's nothing better out there than to have 20 people trying to sell your property, rather than to have one person trying to sell your property on an exclusive listing. If you work with the board and not try to cut corners and get around the board, you'll get a lot more co-operation, Mr. Minister, in areas. I would hope that what happened last week doesn't happen again and that the group continues to co-operate with the boards so that they can get the best service towards moving the property.

Another subject, Mr. Minister, is that of lodge upgrading. The lodge, for example, in Bow Island was built in about 1963. That lodge, because of the board they've had, has done a lot of upgrading on it on their own and kept it well painted, carpeted, and a lot of things that don't cost a lot of money, but if you do them all along, they mount up. What I fear has happened in some cases, when I look at the list of regenerations that happen now – some of the lodges are newer – it's because groups maybe didn't do such a good job of upgrading. Are we now assisting those? They are more deteriorated; they didn't do a good job of upgrading. So those guys that looked after their plant, kept their plant nice, did some things on it, are now being penalized towards having theirs upgraded. I would hope that wouldn't be happening, but I would just like the minister to comment on that.

Another is the regeneration in the Cypress View Foundation in Medicine Hat, a unique lodge where a number of lodges were built on one site and they now have been joined together and changed, and a lot of new construction has been done to do this. I would hope that we can go ahead with that project, that we announce that it goes ahead and we get completion within a year, a year and a half time period, so we can really see how you can put old and new together and make it look like it's really something and serve the senior citizens well.

Lastly, Mr. Chairman, three years ago in Redcliff the Cypress View Foundation put a proposal together and submitted it to the department – or when it was the Home Mortgage Corporation – for a 45-bed lodge in Redcliff with some unique characteristics. That was for a minimum level of medical service, following what has become known as a Mirosh report, looking at some of the recommendations of the Mirosh report and putting some of those recommendations into place. I should say that I have yet to meet with the minister to discuss this with him, but I've met a couple of times with his predecessor to discuss this subject. But interestingly enough, in my mind anyway, the people in the corporation were against it, and it got lost somehow. Three hundred and

twenty-five applications got lost somehow, but my secretary in the constituency office was astute enough to keep track of all the names. So we knew who did it, who filled out the forms, and lo and behold, when we submitted the names to them, they found 315 of them. They only lost 10 somewhere. I hope now that this is in the department, this kind of thing doesn't happen again, that when somebody applies, records are kept, and no matter whether they're against it or not, that people who are applying for it are treated with enough courtesy to say, "Look, this is an idea we can look at." Tell them up front that if we can't do it this year, maybe we'll look at it next year, but don't try and lose the darn thing so that the people don't get a chance to come forward with it. And then they wonder in a few years why nobody's talking to them.

Thank you.

MR. CHAIRMAN: The hon. Member for Calgary-Forest Lawn.

MR. PASHAK: Thank you very much, Mr. Chairman. As the minister is undoubtedly aware, the city of Calgary is somewhat unique among large Canadian cities, maybe North American cities, in that it has a unicentric concept. That is, its corporate boundaries contain most of the population. In a way this gives it a lot of advantage when it comes to planning matters. Now, we note in Edmonton that there's some problems with the city of Edmonton's ability to find a site for its garbage because it doesn't have control over surrounding counties like the county of Strathcona or the municipal district of Sturgeon. They can't get the co-ordination that's necessary to solve that particular critical urban issue.

10:00

With the previous Minister of Municipal Affairs and with the Minister of the Environment I raised a situation that's quite critical to this, involving a development that was proposed on the bank of the Elbow River just west of the city of Calgary, upstream from where Calgary gets the major percentage of its drinking water. This development included an equestrian centre, a golf course, and a large residential development, and there were some real fears that the sewage treatment facilities weren't adequate or couldn't be planned in a sufficiently adequate way to protect the city of Calgary against possible accidents that could occur. In any event, I do know that the city of Calgary has expressed these concerns to the Minister of Municipal Affairs. They brought these concerns to the attention, certainly, of the Calgary caucus members of the government party. They're concerned, among other things, about the removal of the Bow River corridor around Canmore from the jurisdiction of the Calgary Regional Planning Commission. Their concern is obvious; they know that major developments in the corridor have implications that go far beyond tourism. They impact on regional settlement patterns, servicing, water quality, environmental matters, and from their point of view perhaps even the structure of municipal government in the region itself.

They also expressed a further concern, Mr. Chairman, with tourism initiatives that are being planned by the government and what they might do with respect to the regional urbanization strategy that Calgary had supported. They agree that the establishment of these resorts is laudable, but there's concern about the so-called family vacation destination resorts, whether they should be located in existing urban centres or be self-contained in an area well removed from urban centres and clearly not in the fringes, such as the example that I just gave the minister.

Mr. Chairman, they're also concerned about the implication of possible policy changes affecting recreation settlements as they're contained in the regional plan. Present recreational settlement policy in the Calgary regional plan allows many kinds of develop-

ments, including country residential clusters of all types. However, there's a major loophole in the regional plan through which major recreation settlements could obtain approval from the Calgary Regional Planning Commission even within urban fringe areas. So there's this jurisdictional issue, and it does put city of Calgary planning at serious risk.

The fourth issue that they've raised is the degree to which other government strategies involving rural initiatives might again impact or create increased intermunicipal conflict between Calgary and surrounding jurisdictions. They've actually suggested and made the request that rural business development programs undertaken by the government not be implemented in a manner that would undermine the principles and policies contained in the regional plans. I note from what the minister said earlier that in one of the votes he did set aside some money to provide, I think, a greater co-ordination of different municipalities when it comes to planning matters. So my basic question to the minister is to provide an update in terms of the concerns that were expressed to his department by the city of Calgary. Maybe some of their concerns have been addressed. I would be very interested in what the minister has to say on this particular matter.

MR. CHAIRMAN: Any further contributions?

The hon. minister.

MR. FOWLER: Thank you very much, Mr. Chairman. Thank you to hon. members opposite and on this side who have raised certain matters, some of which I will respond to now, others which I will take into serious consideration after this evening. Thank you to the members who were personally kind to me in respect to my newness in the portfolio. I, too, respect the jobs that they have done in the past in municipal government, but also as members of this House, because all of us have a duty to all Albertans generally, and to a very large degree all of us try our very best from our respective positions to comply with that duty for which we have in fact been elected.

There was some indication of cuts in the home adaptation program and the seniors' independent living program, which brought about an overall decrease in that portion of the budget in vote 7. Now, the biggest reason, of course, for the decrease in total vote 7 is, very simply, that there were major cuts in the home adaptation program and the seniors' independent living program. Those reductions were the sole result of: from the time the programs were initially implemented up to the time of preparing this budget, a very great number of seniors had taken up the program. As expected, each time a senior took up a program or each time 10 seniors took up a program, there may well have been only three or four come up to that particular age range. So the rate of take up, as expected, decreased very considerably. In vote 8 the rural and native housing program has stayed much the same.

I was interested in the comments of the hon. Member for Edmonton-Beverly in respect to the senior citizens' self-contained as well as the lodges. We have recognized for some time those people that live in the self-contained and the lodges - in fact, as they age the possibility exists that there is an increasing amount of care needed for these people, a higher level than the care they received and needed when they first came into a lodge. This is in fact being constantly looked into.

The hon. Member for Edmonton-Beverly referred to down-loading from the provincial government to the municipalities, and I guess this is the latest catchword. It indicates less money on the part of the provincial government to share with our partners in municipal government. Any time that we are committed to an expenditure increase over the last five or six years of around 2.5

percent per year, while at the same time increasing health, education, and the uncontrolled cost in social services by 4 and 5 percent or 10 percent in social services, I acknowledge it does leave less for the other 22 departments of this government. We do, in fact, ask our partners in government and the municipalities to share with us the hardship of less funds, as is the case since oil took its dive in about 1986, I believe.

I'm very much aware of the difficulties in municipalities. I'm also very much aware, but thank the hon. Member for Edmonton-Beverly for reminding me and members on this side again, that municipalities by and large appreciate being recognized that they're there. They don't need big trips of big groups and whatnot going out to municipalities. It's just a matter of even picking up the phone or dropping by as anyone is passing through so that they know that we know in this House that they are there and in existence. I imagine that appreciation extends right across to all sides of the House, to any of the 83 members that could in fact do that. I do it myself, and I know that many others do here and maintain a good relationship with the people in municipal Alberta.

I sort of regret – and I guess I would have some doubt in my mind, at least – that my predecessor, the hon. Mr. Ray Speaker, would make such a comment that those who know how to play the game will get the funds. Mr. Speaker was the longest sitting member of this House, and I'm not too sure he maintained his seat for that length of time by making that type of comment. However, I don't believe that it is necessarily true at all, and it would behoove all of us, as we try in Municipal Affairs and other departments working with municipalities, rather than playing any games, at least assisting them in knowing what the rules are, what the programs are. That is very often necessary, too, because we have so many programs in the government that it is entirely possible that they may not be fully aware of them.

10:10

Now, the hon. Member for Edmonton-Whitemud spoke of our past relationships with the Alberta Urban Municipalities Association, and I want to thank him for tabling the document that he did this evening. I will look forward to receiving that while at the same time expressing at least minor disappointment that an association of which I was at one time a president didn't see fit to forward the document to myself so that I could look after it.

A specific question by the hon. Member for Edmonton-Whitemud was: where does the \$20,000 in Payments to MLAs go? That's a good question, deserving of an answer, particularly at this specific time where everybody wants to know where MLAs are getting their money from, what account it's coming out of, and more specifically what it's for. The hon. member will recall that likely when both of us were still in municipal government, the Municipal Statutes Review Committee was set up. That committee was set up by government and had a number of MLAs on that committee, and that was the total budgeted amount for the ongoing committee to complete the study on municipal statutes review, which is resulting in the new Municipal Government Act, the assessment corporation Act – if it proceeds but even to the point that it is here and will require further study – and also the assessment Act generally. So that's what that payment is in fact budgeted for.

Of course, as requested by the hon. Member for Edmonton-Whitemud – and I'm sure he's fully aware of this and in all probability won't take full credit for it when it comes about – I'm more than willing to meet with the executive of AUMA, AAMD and C, Rural & Improvement Districts of this province, and also the summer villages. In fact, I've already done so. I've met the presidents of the three organizations at least twice since my

appointment, as well as sat down with their full board and just last night sat down with the full membership, I believe, of the Rural & Improvement Districts Association of Alberta, from all over this province, to discuss a very pressing concern of theirs in respect to ongoing desire for development into full-fledged municipalities. Of course, I will continue to do that.

To the hon. Member for Cypress-Redcliff, it would appear from the figures that I related this evening in the budget address that there would be something in the order of \$500 million-plus in book value, at least that much. I think the figure may be more remaining for MPI to dispose of, but I will review that figure and get back to you directly.

There were other matters raised, Mr. Chairman, and I will take serious consideration of those matters upon review of *Hansard*. Thank you.

MR. CHAIRMAN: Are you ready for the vote?

Agreed to:

1.0.1 – Minister's Office	\$280,300
1.0.2 – Deputy Minister's Office	\$567,800
1.0.3 – Finance and Administrative Services	\$14,320,100
Total Vote 1 – Departmental Support Services	\$15,168,200
2.1 – Alberta Partnership Transfer Program	\$113,049,700
2.2 – Municipal Debenture Interest Rebate Program	\$44,281,800
2.3 – Alberta Municipal Partnership in Local Employment Program	–
2.4 – Senior Citizen Accommodation Municipal Tax Grant	\$1,200,000
2.5 – Transitional Financial Assistance	\$1,000,000
Total Vote 2 – Financial Support for Municipal Programs	\$159,531,500
3.1 – Program Support	\$720,600
3.2 – Senior Citizen Renters Assistance	\$51,799,600
3.3 – Property Owner Tax Rebate	\$73,884,200
Total Vote 3 – Alberta Property Tax Reduction Plan, Rebates to Individuals	\$126,404,400
4.1 – Grant to Alberta Planning Fund	\$6,292,500
4.2 – Co-ordination and Administration of Community Planning	\$3,735,200
Total Vote 4 – Support to Community Planning Services	\$10,027,700
5.1 – Program Support	\$478,000
5.2 – Administrative Assistance to Local Authorities	\$3,160,100
5.3 – Administration of Improvement Districts	\$2,570,600
5.4 – Administration of Special Areas	\$72,000
5.5 – Assessment Services	\$13,137,100
Total Vote 5 – Administrative and Technical Support to Municipalities	\$19,417,800
Total Vote 6 – Regulatory Boards	\$1,970,400
7.1 – Program Support	\$2,839,700
7.2 – Program Delivery, Southern Alberta	\$11,080,700
7.3 – Program Delivery, Northern Alberta	\$14,981,500

7.4 – Financial Assistance for Housing	\$48,356,000
Total Vote 7 – Administration of Housing Programs	\$77,257,900
8.1 – Social Housing	\$95,760,800
8.2 – Mortgage Subsidies	\$7,439,200
8.3 – Disposition of Assets	\$1,200,000
Total Vote 8 – Housing and Mortgage Assistance for Albertans	\$104,400,000
Department Total	\$514,177,900

MR. MAIN: Mr. Chairman, in view of the fact that most members have been at it for more than 14 hours today, I move that the committee rise and report progress and beg leave to sit again.

MR. CHAIRMAN: Just report.

MR. MAIN: Oh, just report. Yeah, we just want to report.

[Motion carried]

10:20

[Mr. Speaker in the Chair]

MR. SPEAKER: The Member for Drumheller.

MR. SCHUMACHER: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Municipal Affairs: \$15,168,200 for Departmental Support Services; \$159,531,500 for Financial Support for Municipal Programs; \$126,404,400 for Alberta Property Tax Reduction Plan, Rebates to Individuals; \$10,027,700 for Support to Community Planning Services; \$19,417,800 for Administrative and Technical Support to Municipalities; \$1,970,400 for Regulatory Boards; \$77,257,900, Administration of Housing Programs; \$104,400,000, Housing and Mortgage Assistance for Albertans.

MR. SPEAKER: Having heard the report, does the Assembly concur?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

[At 10:22 p.m. the Assembly adjourned to Friday at 10 a.m.]