

Legislative Assembly of Alberta

Title: **Tuesday, April 27, 2004** **8:00 p.m.**
 Date: 2004/04/27
 head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: Good evening. I'd like to call the Committee of Supply to order.

head: **Main Estimates 2004-05**

Municipal Affairs

The Chair: We'll do the usual of the opposition and the minister for the first hour, and after that it's open to whomever, of course including the opposition. So without further ado I'll call upon the hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you, Mr. Chairman. I want to say that at this point I present the Committee of Supply estimates for Alberta Municipal Affairs for the 2004-2005 operating expense and inventory purchases to be voted on of \$124,304,000. This is a reduction of about \$9.3 million, or about 7 per cent, from the '03-04 budget of \$133.6 million. I would also like to say that my ministry is committed to working toward safe, sustainable, and enhanced communities, serving 356 – you ask again: 356 – municipal governments across Alberta from every corner, and to working with our municipal stakeholders that make up these municipalities.

You may ask how many are elected. Of the 356 municipalities we have 356 mayors or Reeves, but in addition we have 1,575 – that's 1,575 – either councillors, town councillors, rural councillors, or aldermen that make up these councils. This is not including the administrative side of each municipality, which is literally in the thousands.

You may also ask: of the 356 municipalities here in the province of Alberta how many are cities? Does anyone know? I have posed the question: how many are cities?

Mr. Mason: Fifteen.

Mr. Boutilier: The answer, as the hon. Member for Edmonton-Highlands has indicated, is of course 15. He is correct: 15 cities. I appreciate his information on that.

Now, the next question I ask is: how many towns are there? How many towns are there in the province of Alberta of those 356? Do you know how many towns there are? Anyone? I see that the hon. Member for Edmonton-Glengarry is indicating with his fingers, and I see that he has got the right numbers: 110 towns are in the province of Alberta. I appreciate his knowledge.

You may ask also how many villages there are. How many villages do you know that there are in the province of Alberta? I see that the hon. Member for Wainwright is one hundred per cent correct when he is indicating to me that we have 102 villages in the province of Alberta.

How many summer villages are there? I know that the hon. Member for Whitecourt-Ste. Anne is absolutely correct when he says 51 summer villages. Many of them are in his municipality. How many improvement districts are there? There are seven. How many specialized municipalities are there? There are four. How many special areas are there? There are three.

Now, each one of these municipalities serves their citizens proudly through an open, effective, and accountable government, governed

in accordance with the Municipal Government Act or, as it's referred to, the MGA.

I'd like to say, Mr. Chairman, that many of the very members of this Assembly here tonight started their political and public service in an elected capacity at the local municipal order of government. I'd ask that if you, in fact, served at a local municipal elected council level, could you put up your hand tonight? It looks almost like it is in fact unanimous. Almost everyone served at a local order of government, so it is very clear to me that this Legislature understands local municipal government.

Now, each one of our municipalities in fact serves our citizens in an effective, accountable way in accordance with the MGA. I'd like, Mr. Chairman, also at this time to say that municipal governments play a key role in terms of the Alberta advantage.

Before I continue on my estimates, I would like to acknowledge my deputy minister, Brad Pickering, and my executive assistant, Laurent Auger, who are in the members' gallery tonight. They are making up my contingent here in the gallery. I appreciate their continued support and the support of each and every staff member of the Municipal Affairs ministry. You have played a key role in the preparation of my ministry's budget estimates tonight.

Finally, in the coming year our budget will support six key goals. Number 1 is a well-managed local government sector that strives for municipal partnerships in excellence. I might also say that municipal partnerships are something I would love to hear examples of in questions tonight. I will attempt to use examples from every single municipality. Maybe it could be a give and take in terms of examples of best practices and municipal partnerships. I think I can pick out partnerships from every single geographical area in this province where partnerships are working well.

Number 2, I would like to be able to say that the goal of financially sustainable and accountable municipalities is a key goal that we continue to work towards enhancing.

An efficient assessment and property tax system obviously is key.

The fourth is an excellent safety system that protects Albertans and their families.

Number 5 is an emergency management program that helps Albertans prepare for, respond to, and recover from any major emergency and disaster.

Finally, there's 6. Last but not least is an independent appeal system that issues timely and impartial decisions of the highest quality.

All of these goals will be achieved through the excellent work of many people both internally through our public safety divisions and local government services divisions but also through the municipal government board and external stakeholders from every corner of our province.

I want also to thank the numerous members of the Assembly who sit on the minister's council on roles, responsibilities, and resources including the Member for Whitecourt-Ste. Anne, who's the co-chair; the Member for Edmonton-Rutherford, who is of course a member; and the Member for Calgary-Mountain View, who sits on the committee with me.

I might also say that we've made excellent work on numerous fronts through the council on roles, responsibilities, and resources. Just one example is the members for Calgary-Buffalo and Innisfail-Sylvan Lake, who headed up the ambulance committee that my learned colleague the Minister of Health has worked so diligently on in terms of helping and assisting municipalities in conjunction with regional health authorities. That, I think, has been a key factor in terms of roles, responsibilities, and resources.

All of this work and more will continue to strengthen our municipalities now and into the future.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Chairman. Again, it is a pleasure to have the opportunity to speak to the estimates of the Department of Municipal Affairs. I would like to thank the minister for his opening remarks and his staff who are present tonight and ready to certainly answer any questions or assist in these all-important estimates.

The Ministry of Municipal Affairs is one of those ministries that impacts the lives of Albertans on a daily basis. It is one of those areas in government where people look to leadership from the ministry and from their local leaders. They look forward to a good working relationship, and certainly over the years that working relationship has been very good.

As well, Mr. Chairman, as the minister was making his opening remarks and informed us about the number of municipalities and mayors and reeves and cities and towns and improvement districts, it outlines how important it is that municipal governments have autonomy and have the resources required to develop the strengths of their communities. That is certainly one of the goals of the department, and one that all Albertans wish for is that we have safe, healthy, and sustainable communities.

In recent times we've certainly had an increased emphasis placed on the role and significance of our major cities in the country and the increased importance that these cities remain strong and the increased importance of these cities having the financial resources to fulfill their mandates to their citizens and to the province and the country. I think what we are seeing particularly from announcements made by the federal government earlier this year is that they are certainly more prepared than ever before to assist cities with the financial strains that all of them find themselves under at this time.

8:10

As well, municipalities do require the resources to chart their own course. The minister did refer to his three R's committee, and in speaking with a number of municipal leaders across the province, they continue to have faith in that committee. But the one area that gives them the greatest concern is the whole aspect of resources. I'll speak more to that later.

Again, in our province, because of our economic success in the last decade, we've had tremendous growth. That growth has taken place in a number of different areas in the province, and with that growth municipalities have been placed under stress. They not only have the stress of rapid growth; they also have the stress placed on them of aging infrastructure and the cost of maintenance of existing infrastructure. So certainly our municipalities are under a financial strain.

As well, they have a growing demand for social needs and especially low-cost housing. I know that this particular minister certainly has felt very strongly about developing partnerships with other government departments, local authorities, various organizations that focus on local issues, and the private sector to ensure that Albertans live in safe, healthy, sustainable communities. I think that if there is a department here that we could call grassroots, it would be Municipal Affairs.

Now, then, in looking at the estimates and the highlights of the estimates, as the minister mentioned, program spending in 2004-2005 is \$123 million. This budget includes a reduction of \$16.5 million that is being reallocated from the existing unconditional municipal grant program to the Solicitor General's department for policing and a continuation of the ME First program to provide \$100 million in interest-free loans to Alberta municipalities for energy efficient improvements. It's certainly a good program. I've heard

many good comments, particularly from our communities that are experiencing the pressure put on them to keep facilities open when energy costs are high. ME First is a program that will assist them in that particular area.

I also had the opportunity today, Mr. Chairman, to read through Sustaining Prosperity Together. This is a 10-point plan for getting on the provincial radar screen. It's put out by the AUMA. In here it certainly points out quite clearly that improvement is required. Improvement is desired in the relationship between municipal governments and the department.

I quote from page 1 in their introduction. It goes on to say that AUMA members agree new revenues are urgently required in order to meet the demands put on municipalities around the province. They go further to say in *The Challenge*:

Every municipality in Alberta is currently facing the same challenge – how to achieve a truly sustainable prosperity using the limited financial resources within their means. To meet that challenge we need a fairer share of provincial tax dollar.

Regarding this particular statement, they had asked the Premier about the possibility of having 20 per cent of the surplus revenue that the province has enjoyed over the last few years. One of the questions the Premier asked was: "Well, where were these people when times were bad? They weren't here." But that is incorrect. When I was, again, speaking with a number of municipal leaders, they said that they were here in tough times. They were the people that were downloaded on. Certainly, with the cutback funding for municipalities hasn't been restored to the levels that it was at before the hard times. They are feeling the crunch here as well, and they felt that those comments by the Premier were certainly not well thought out given the fact that they had been there during the tough times and they have been experiencing these tough financial times from that time.

As well, you know, it was pointed out to me today that in the city of Edmonton they are now offering transit passes to people on AISH to help them get around the city. They've reduced the rate to \$29 instead of \$59, and that certainly is a great assistance from a municipal standpoint in assisting those people that are receiving assistance from the province.

In talking to them, other concerns that these people have were with the WCB facility at the city airport. Certainly, there seem to be differing views on the amount of property and business tax that is owed on that facility. The city of Edmonton is saying that it is not a hospital. This is also not part of a government department. It is a facility that first of all operates at arm's length from the government. It is also a facility that is funded totally by private business in this province. So, again, the city of Edmonton would like some clarification on this particular issue. As well, some of the people I talked to were saying that they still feel that there might be the question that taxes on the Belgravia site, where the Millard facility used to sit, are still owed. So we look at those issues.

In reading through the book put out by the AUMA, *Sustaining Prosperity Together*, they certainly have indicated that support from the provincial government to municipalities is lacking. On page 19, under Step VII, *Engage Your Community*, paragraph 2: "The current government has all but taken the support of smaller communities for granted. If it begins to perceive that support is either slipping away or at least is at risk it will have no choice but to act appropriately." Again, this points to the fact that communities in Alberta are certainly under some financial stress.

This is further highlighted by moving on to Step VIII, *Sustaining Prosperity Resolutions*. Some sample resolutions have been put forward from those municipal leaders. One, "Whereas, during the last 10 years municipal governments have been given increasingly

greater responsibilities but not the resources to meet them.” Again, it points to the fact that municipalities in this province require more funding.

8:20

Their second sample resolution, “Whereas, provincial transfer payments to municipal governments were cut by more than \$392 million between 1992 and 2002.” Again, to get back to the comments I heard on the radio this morning that were attributed to the Premier, certainly if this particular statement is correct – and I have no reason to believe it isn’t – then this is a clear indicator that the municipalities in this province did more than pull their weight during the tough times.

Their third sample resolution, “Whereas, municipal governments receive just eight cents out of every tax dollar collected in Canada and are forced to rely on property taxes.” Certainly, I want to say some more about property taxes later on, particularly in the case of Jasper and Banff, where because of their unique situation the value of their homes is quite in excess of any homes in many other locations here in the province.

The best example for me is the fellow who was best man at my wedding and I was best man for him. We built our homes at roughly the same time for comparable prices back in 1972. My house is now worth just under \$200,000. His house is probably in excess of \$400,000 and primarily because he lives in a national park, where further development is limited. Increasing values on homes like that certainly drives out young families, and I think the impact of this has been seen more so in Banff and Jasper, where the high school enrolment in Banff has dropped drastically, again just because young families cannot afford to live in these national parks.

As well, for the average person who has owned a home there for 30, 40 years, as the value of their home continues to rise and they continue to struggle with increasing property taxes because of the value of those homes, then certainly that puts them under a financial burden. You know, at some point these people, and particularly those that are retired, are looking at retirement outside of their own community, where they’ve lived and worked all their lives, just because they can no longer afford to stay there with, again, not only the high cost of living in a national park but the high cost of taxes on these homes.

We look at their fourth sample resolution. “Whereas, this shortfall has produced a municipal infrastructure deficit in Alberta of some \$7-9 billion and forced municipalities to curtail services affecting the quality of life in their communities.” I know from conversations with this minister and, as well, from his track record that he is very concerned about these issues. He has a long history of involvement in his community, a very outstanding record of commitment in his community, and quality of life issues are certainly something that he is very concerned with.

Getting to the estimates themselves, I have a few questions that I’d like to ask the minister at this time. If the minister would like to answer those that he is able to tonight, any that he wishes to put in writing would be fine as well.

When we look at the government and lottery fund estimates for 2004-2005, the operating expense and equipment/inventory purchases on page 290, the Municipal Government Board operating expense rose by \$69,000 over the 2003-2004 forecast. What was the reason for this increase? If the minister could also indicate why the equipment/inventory purchases for the ministry support services have risen by \$77,000. Also, why have the equipment/inventory purchases for public safety decreased by almost \$350,000 from the 2003-2004 forecast? Again, when we start talking about public safety, I will have some more comments, as we move through the estimates, on this particular issue.

Under program 1, ministry support services, and program 2, local government services, I will focus on program 2, on page 292. The operating expenses for division support have increased by over \$1 million. If the minister could please indicate some of the reasons why we had this increase. As well, the operating expenses for assessment services have also increased by over \$616,000 from the 2003-2004 budget. This seems to be again another large increase. If the minister could please point out why we had this increase.

Now, as well, one of the changes in this year’s budget was that \$16.5 million is being reallocated from the existing unconditional municipal grant program to the Solicitor General’s department for policing and the continuation of the ME First program. Could the minister please outline which programs have lost funding due to this reallocation?

One of the issues that continues to plague smaller communities is specialized transport, and it was a question that I asked the Minister of Transportation when we had the estimates on Transportation. It was something that the municipalities were given control of when the unconditional municipal grant program was changed. For the allocated portion that at one time had been designated for specialized transportation services, that designation was removed. Certainly, we have, particularly in rural Alberta, an aging fleet of vehicles that are providing specialized transportation services.

I look forward to more comments. Thank you.

The Chair: The hon. minister.

Mr. Boutilier: Thank you very much, Mr. Chairman. I want to first of all thank the hon. member for his recognition of Alberta municipalities and the grassroots that municipalities clearly are in this province. I know that he, clearly, by his example in the many grassroots organizations – and I speak of hockey arenas and others, which are truly grassroots here in Alberta and, for that matter, all across Canada. I appreciate his acknowledgment of how important it is for each of us as provincial representatives to be connected to the grassroots, to the people who get us to where we are today.

The hon. member has asked some very important questions. I would like to say that, clearly, the province of Alberta through our three R council – the hon. Member for Edmonton-Rutherford actively participates on our committee – is doing some excellent work relative to that. I would also like to say to the hon. member that the president of the AUMA also participates. When we talk about sustainable communities, clearly we are all in agreement in terms of the importance of sustainable communities now and into the future. I want to also say that the mayor of the city of Edmonton also sits on this very important ministerial committee, and relative to the issue of his participation I really want to acknowledge the excellent work that he has provided.

Now, I would like to say that on a variety of the questions that the hon. member has brought up, I think it’s important to acknowledge as well the hon. Member for Banff-Cochrane and the hon. Member for West Yellowhead, who have been working very closely with us relative to the uniqueness of the municipalities that are within our national parks, specifically Banff and Jasper. I want to say that the hon. Member for West Yellowhead, in fact, has provided some excellent advice in terms of how we bring this to a successful resolution. We want these communities to be successful. The hon. member indicated that from a perspective of education property tax we haven’t found, simply, a better system yet towards that end, but clearly we are all committed in this Assembly to look at better ways of serving Albertans. The role that education property tax plays in this province is a very important one.

8:30

I might add that in the Learning budget, which makes up over \$5

billion, the education property tax collected is about \$1.4 billion, so it makes up just over 35 per cent of the actual total funding for young people that are going to school. I think everyone in this Assembly and all the moms and dads that are here tonight watching this budget estimate can agree on the importance of educating our children. I also want to say clearly that the Learning Commission reflected that in some of their findings.

I would like to say, though, in terms of the AUMA that the president and the members that sit on our roles, responsibilities, and key resource committee play a very key role that I value significantly. I would like to say to the hon. member on his questions that in the 2004 business plan there is a commitment to completing the work with the AUMA that we have undertaken regarding the new relationship, specifically on the third R, that being resources. In terms of roles and responsibilities I think we have made significant progress on that.

If I could give an example on the resource side of things, I'm very proud this year that the recommendations of the roles, responsibilities, and resources committee – in fact, the hon. Member for Calgary-Buffalo headed up the ambulance review – that we put forth were accepted by the government. I might say that the additional \$13 million for ambulance as well as the additional \$55 million next year is a fine example of the resources that are going to allow municipalities to have greater breathing room. I think that's so important.

In addition, on the policing side, as the hon. member acknowledged, the \$16.5 million is of course being transferred over from unconditional to the Solicitor General's ministry. I can say that the additional almost \$60 million that is going to be assisting the city of Edmonton, the city of Calgary, and all of our municipalities I think is without question welcome news. I think it's something that was very active.

If you were to ask me the three key components of roles, responsibilities, and resources: the ambulance recommendation, the policing recommendation, and I also say ME First, which the hon. member acknowledged, municipal excellence, \$100 million, again, providing and retrofitting aging infrastructure issues within municipalities. I'm proud to say that \$25 million a year over the next four years is a program that is unmatched anywhere within the province of Alberta. So I appreciate the strategic priorities that the AUMA working with my ministry is achieving relative to and in conjunction with the roles, responsibilities, and resources.

Regarding education property tax, though, I would like to also acknowledge that one thing we want to avoid is any jolt in our system or any surprises. In one small way of assisting in that, ensuring that there are no jolts to our system, I am very proud to say that the province has reduced or frozen the education tax rate for 11 straight years. Not only that, but we are also capping an average formula to ensure that there are no jolts to homeowners, and that's either seniors or suburbanites. What's very important is that we want to ensure that there continues to be no jolt in that regard. So that's important to acknowledge.

Now, the hon. member also talked about the issue of aging infrastructure, which is so important. I want to say that I agree with the opportunities and challenges that all municipalities are facing relative to the challenges of growth, which he mentioned as well. As the hon. member is aware, not only in my community in the regional municipality of Wood Buffalo but in many other communities we are facing challenges of growth. As municipalities continue to face that pressure, of course we want to continue to look at ways to be able to provide, in rapidly shifting demographics, reliance on technology – and also the fact of the vulnerability of a resource-based economy impacts local governments. Industry clustering and potential threats

to security are also very complex in terms of the challenges that are facing our ministries.

So I would like to acknowledge the fact that from an infrastructure perspective we want to ensure that these challenges of growth are something that we will continue to sustain in terms of people coming into Alberta. As the hon. member acknowledges many times, when people move to Alberta, when they move to the city of Edmonton, or if they move to any municipality in Alberta, they don't bring their school or the hospital or the road or any of the infrastructure that we all know as former aldermen or councillors or a mayor or reeve that we have to provide to them.

I would like to say, though, that the new legislation, Bill 46, is enabling legislation for municipalities allowing municipalities to be able to have partners contribute to that infrastructure. I'm very proud to say that it was another product of roles, responsibilities, and resources, where the enabling legislation now is at the very least validating a code of practice regarding road levies where municipalities are allowed in fact to ensure that everyone contributes, not just someone who has been in the community for the last 50 years, but that new members that come to the community pay their share in terms of new infrastructure that is required in a growing community, that the hon. member has mentioned.

Now, also, the hon. member in his question regarding the MGB, I believe – and I'm trying to keep notes on what he was asking. Under the MGB, the Municipal Government Board, I would like to say that there was an increase of about \$69,000, which is 2.6 per cent. The Municipal Government Board, as the member is aware, is a quasi-judicial body and tribunal set to adjudicate appeals and disputes as provided for under the Municipal Government Act, of course the hearing of appeals of decisions of municipal assessment, review these types of situations.

Did you know that in this past year we had 16,000 hearings and we had about 700 appeals of those 16,000 hearings? I want to acknowledge tonight – and I'm sure that members of this Assembly would agree – the excellent work of Albertans who sit on the Municipal Government Board. Those stakeholders play an important role relative to the decisions they make in a fair and equitable and high-quality way in terms of providing a mechanism for reviewing all of the facts and making a decision that is fair and proper.

I would like to say to the hon. member that these expenses – the \$69,000 essentially is for the budget for this upcoming year – include the cost of a new salary settlement increase. Amortization costs are also included in the new database currently being developed to offset somewhat the reduced spending by the board. So I'm very pleased with that initiative as well.

Now, under Local Government Services I would like to deal with that question relative to divisional support. Under the issue of local government services we have an increase of about \$601,000; it's about 13.5 per cent. I want to say that a portion of that is due to our increased workforce costs, but also I would like to recognize the increased amortization costs pertaining to the estimates due to projected equipment/inventory purchases of about \$512,000, which are amortization costs related to development.

I'm very proud of this system, which is ASSET. We are very familiar of ASSET, assessment shared service environment, which is a system, you know, unparalleled in this country. So that has played a key role, which makes up about \$512,000 of that 13.5 per cent increase. I wanted to be able to say that that is attributed under the local government services question that the hon. member asked.

Relative to the issue of assessment services, another very good question, I would like to say that the increase of \$616,000 is allowed, again, for workforce costs that have been negotiated, but

also an increase in the contract services to accommodate anticipated increases in linear assessment appeals, which is a normal course of action in any province. We've also allowed for the increase in contracted services to accommodate these linear assessment appeals. It's difficult to predict what they are, but we are giving our best estimate relative to that, which is very important as well.

8:40

Now, also there was a question on the unconditional grants. There's a decrease of about 16.6, but actually – the hon. member is very astute and aware of our situation – the majority of our unconditional grant money has been transferred over to our Solicitor General and of course is being directed to policing.

Relative to that, I would like to give him just a bit more detail. The grant allocation of about \$15.1 million is for the ongoing unconditional grants to municipalities to assist in providing for municipal services. The remaining \$4.4 million is for restructuring grants. These grants are for actual restructuring costs. Grants may be provided to address critical infrastructure deficiencies in communities. This component also includes funding for regional partnerships, which the hon. member acknowledged and I appreciate, in terms of our partnership initiatives, which contribute to establishing or expanding intermunicipal partnerships that involve shared services.

Now, I want to say something that's really quite controversial, so it may get attention. If we were creating the province of Alberta again, would we have 356 municipalities? Probably not. But the purpose of this intermunicipal co-operation is to eventually work like there are six or seven regional centres across the province including the two major centres of Edmonton and Calgary. So those regional centres are those intermunicipal kinds of partnerships that we're continuing to explore to promote and enhance the service that Albertans receive through their municipal leaders. So that's something that I'm very proud of.

In fact, usually when a municipality applies for a grant, they are penalized if they haven't talked to their neighbour relative to the monies that they're applying for, because we believe that good neighbours work with each other. It comes to the words that I think are so important, these three words: and then some. You want to be a good neighbour and then some. You want to help each other and then some. You want to work with your neighbour and then some. Those three words "and then some" are something that I think separates Alberta municipalities from other average municipalities in other provinces across this country. So I want to acknowledge their good work relative to municipal partnerships.

The hon. member also asked a question, I believe, relative to equipment. Again, very astute relative to the equipment regarding inventory purchases. As you know, we have an increase in one area of \$122,000, but we also have a decrease pertaining to another area regarding the EMA branch management programs. What I'd like to say on the \$122,000 increase is that this reflects the purchase of equipment for the predictive monitoring system to warn residents of an imminent landslide and allow them ample time to respond. That was one of our initiatives.

The hon. Member for Livingstone-Macleod, who I had the opportunity of visiting in fact just this past week – and I met His Worship Dr. John Irwin, the mayor of Crowsnest Pass, where they suffered a disaster last summer – took me there. In fact, I might add that the Premier made an announcement regarding the monitoring of Turtle Mountain. That was welcome news, I might say, from much of the feedback from the same municipal leaders that the hon. Member for Edmonton-Glenarry has been talking with. That's another example of "and then some." It's again not just average but excellent work by our municipal leaders.

I would like also to say that the reduction in the EMA branch management programs reflects the one-time costs associated with the improvements of our EMA operations centre and the media room and the web-based event management system. This has been decreased significantly, and I might say that I'm very proud of the fact that in this past year under disaster recovery in my ministry, Emergency Management Alberta, the Deputy Prime Minister of Canada indicated that every single province in Canada should be following what Alberta is doing. I might also say that the Auditor General echoed those words in terms of the quick action that we've taken relative to our new emergency operations. In fact, I invite the hon. member some day to go for a tour through that.

In that centre we have satellite dishes, where we actually could go to his residence. I went to my own residence to see what actually was taking place. It was close to the holiday season, and I thought I might be able to determine what, in fact, my wife was buying me for the holidays, but I wasn't able to determine that because that would have been a breach of privacy. So I could not do that. But relative to the incredible technology we have, I might say that it is quite significant.

Finally, Mr. Chairman, before I take my seat, regarding specialized transportation, I would like to just ever so briefly – and I thank the hon. member as he acknowledged the Ministry of Transportation, where a large portion of that is covered off. Under the issue of specialized transportation, which is under local government services, we continue to work on finding ways to assist our communities. I can say that we are working closely with the Minister of Transportation, and this is again a joint effort in terms of how we can assist in providing the greatest support for those in need relative to specialized transportation, and we will continue relative to that commitment in conjoint with the Minister of Transportation.

With that, I think I've covered the questions that the hon. member has asked, and I'll take my seat.

Mr. Bonner: I was very interested in the minister's comments on, certainly, the satellites and what can be seen, and that raises a number of questions. How is the ministry guaranteeing the personal privacy of people who are being monitored in that particular process, and which people have the authority to review those tapes to see what types of actions are taking place? As well, how long are those tapes kept on file? How long is that record of people's behaviour kept?

I think the general population certainly wants the added security. Events have certainly changed in this world since the beginning of the year 2000, so we do want a more secure world. We do have threats on facilities in this province, in this nation, around the globe that even five years ago we had a totally different view on. So those are some of the questions I have in regard to that.

Now, then, when I was speaking before, I was talking about specialized transportation services and how critical it is to the quality of life for people in rural areas. It is a question that I did ask the Minister of Transportation. I did not get an answer. I am now asking the Minister of Municipal Affairs the same question in that, certainly, it seems to be one of those issues that crosses ministries. Who is going to take responsibility to make certain that the people that require specialized transportation, particularly in rural areas, get that type of transportation? Also, who's going to ensure that their needs for such services are met?

Municipal debenture interest rebates have been cut by over \$1.6 million. Along with the \$16 million transfer from the unconditional municipal grants this presents a significant reduction in financial assistance programs for municipalities. Altogether there is a decrease of \$12 million in financial assistance programs since the

2003-2004 budget. What strategies are municipalities supposed to use in order to address cutbacks of this amount?

Earlier on I had said that I wished to make some comments and ask questions regarding program 3, public safety. Branch management and programs for Emergency Management Alberta went over budget by almost \$700,000 in 2003 and have risen by almost \$250,000 in 2004-2005. Does the minister anticipate that these numbers will likely increase again this year?

8:50

The same applies to disaster recovery. Will the cost of this expense again increase by almost \$6.5 million? Particularly given that we seem to be in a part of a cycle right now where we have increasing drought and certainly a greater incidence of forest fires in the province, does the minister anticipate that equipment and inventory purchases for Emergency Management Alberta's branch management and programs will rise due to last year's expenses?

Under the ministry statement of operations by program on page 296 my question would be: why is there a decrease of \$40,000 in premiums, fees, and licences from last year's revenues?

I now have a few comments and questions regarding the Municipal Affairs business plan for the period 2004-2007. This ministry's vision is outlined in the business plan as "viable, responsive, and well-managed local governments and a public safety system that results in safe buildings, equipment and facilities, and effective emergency management." This comes from page 351.

With regard to safe buildings, has the minister had a chance to investigate further the stucco wall systems issue? Certainly, when we look at the stucco and home building industries, they have long been ignoring the minimum stucco wall thickness of 19 millimetres laid out in the Alberta building code. If the minister would please indicate how this issue is going to be addressed so that we don't end up with the situation that Vancouver and Victoria ended up with whereby the walls on their buildings had damages in the billion dollar range because of inadequate exterior coating. As well, would the minister please indicate what his department is doing to enforce compliance with the Alberta building code?

The business plan also refers to "the vulnerability of a resource-based economy" and "potential threats to security" as two among a number of challenges for the Department of Municipal Affairs on page 352. What work does this ministry plan to undertake to deal more specifically with the issue of sour gas and emergency preparedness in order to prevent any security risk to sour gas facilities and the populations around them? As well, what other departments will the minister be working with in order to address what issues arise out of the placement of sour gas facilities in and around populated areas? What possible responses are there to each of these issues?

Related to this issue, there is another issue on which we would like a more clarified response. On March 3 the Member for Edmonton-Riverview asked a set of questions on a recent report entitled Impact of Oil and Gas Activity on Rural Residential Property Values. He went on to ask:

Given that a recent report entitled Impact of Oil and Gas Activity on Rural Residential Property Values says that property values in this area could depreciate by 10 per cent if they're located in the emergency planning zone of sour gas wells, what is this minister doing to ensure that [those people in those particular situations] . . .

And we are referring more specifically to Calgarians.

. . . will not suffer a hit to their property values?

As well, when we look at core business 1, local government services, pages 354 to 356, why has the target level of satisfaction with the local government services division's activities, services, and programs decreased in 2004-2005 and 2005-2006? Again, another question regarding core business 1: why has the target for the

percentage of municipalities meeting the ministry's criteria of financial accountability decreased from 2004 through to 2007? My final question under core business 1: why has the target for the percentage of municipal assessment rolls meeting standards decreased from 2004 through to 2007?

Under core business 2, safety services and fire protection, why has the target for the percentage of accredited municipal entities, corporations, agencies, and delegated administrative organizations administering the Safety Codes Act that achieve a satisfactory rating decreased from 2004 to 2007?

Under core business 3, Emergency Management Alberta, why does the damage assessment team have such a large window of time, 30 days, to arrive on site after receiving a claim? Certainly, I think that in the interests of all Albertans, particularly when we're dealing with emergency management, we would like to see that 30-day window reduced. My second question: why does the target for the cumulative percentage of the municipalities confirmed to have exercised their emergency plans decreased by 60 per cent in 2006-2007.

Under core business 4 shouldn't the government be targeting an increase in all of its performance targets each year, including for the percentage of parties satisfied or neutral regarding the board's services and processes?

As well, referring to the financial statement audits on page 254 of the Auditor General's report, section 2.1, reservations of opinion, the Auditor General goes on to say:

We audited the financial statements of the Ministry for the year ended March 31, 2003. The financial statements are prepared in accordance with the corporate government accounting policies established by the Department of Finance. We had the following two reservations of opinion on the financial statements:

1. The Ministry understates capital assets. Since this problem applies to 17 ministries, we discuss it in the Government of Alberta Annual Report . . .
2. Ministry financial statements contain only the results of operations and net assets of the Ministry of Municipal Affairs. The financial statements of the delegated administrative organizations . . . and the Safety Codes Council should be included in these financial statements. These organizations require the Minister's approval for revenue-raising, expenditure and resource allocation policies related to their functions.

So I would like the minister to comment on these reservations as put forward by the Auditor General.

I notice on the same page, 254, recommendation 37 provided by the Auditor General.

We recommend that the Ministry of Municipal Affairs not record the acquisition of its assets as grant expense. We further recommend that the Ministry not disburse funds for the development of its systems before any development occurs.

If the minister could please update us on these observations and recommendations by the Auditor General.

In past years the ministry has allocated millions of dollars to the underground petroleum storage tank site remediation program. If the minister could please inform us whether the underground petroleum storage tank site remediation program has been completed. If so, how many sites were remediated? If it has not been completed, how many more sites are there to be remediated? If indeed the program has wrapped up and the final report on the remediation program has been prepared, would he please indicate that to us. If it has not been completed, has additional funding been allocated for this program in 2004 and beyond? If there has, could he indicate how much.

9:00

Under national emergencies, Canada front lines update report 2004. This report talks about a lack of support from the provincial

government for regional emergency preparedness. What is the ministry doing or planning to do to address this issue? Of course, this report, I believe, was just released in March of 2004. The report also talks about a lack of co-ordination between the federal and provincial governments over emergency preparedness jurisdictions and their lack of willingness to respond to regional initiatives. What is this ministry doing to ensure that senior levels of government respond to initiatives that the regions and municipalities propose with regard to emergency preparedness plans?

As well, referring to national emergencies, when referring to funding mechanisms for reforming the joint emergency preparedness program, or JEPP, the report outlines stakeholder concerns that they are neither transparent nor user friendly. Will the minister comment regarding this observation in the report, and will he commit to ensuring that emergency preparedness funding is accessible for our communities? If indeed these issues have been addressed, if he could please update us with any information.

The report outlines how smaller municipalities felt that the preparedness of their communications structures represented a problem for two main reasons. These were that different services – police, fire, ambulance – had incompatible equipment, and a second reason was that they lacked up-to-date communication devices. Overall, these problems were largely due to a lack of funding. If the minister could please indicate what his department is doing to address issues of funding for preparedness communications for smaller municipalities.

The following is a quote from the report:

The regional emergency response structure is basically non-existent, with the exception of a steering committee that is attempting to rationalize emergency preparedness within the region. Success has been elusive due to non-funding at the municipal, provincial and federal levels.

If the minister could please comment on what is happening to counter concerns over regional command of communications.

So with those questions, Mr. Chairman, I will take my seat and look for the answers provided by the minister. Thank you.

The Chair: The hon. minister.

Mr. Boutilier: Thank you. I am certainly prepared to answer the questions that the member has raised, some very good questions, I might add.

I guess I would start off with the issue relative to the emergency operations centre. Obviously, the member asked a question about tapes. There are no tapes. What they are, actually, are maps of the province of Alberta, and consequently they're an important level of inventory that we use in terms of helping to access where a hospital is, where an emergency centre is, where disaster services are, where pipelines are. All of this information we have on our critical infrastructure through what is an Alberta-made system called the Smart program, which is an incredible, quite sophisticated technology made right here in Alberta. So I want to say to the hon. member that there are no tapes.

I would also like to say regarding privacy, which we in this government take very seriously, that ultimately through our system, which is the Telus geomatics system, which is in the public domain today – that is the system that we are utilizing. It's a very important one that I believe helps our first responders, and those are the people – every single municipality in Alberta has an emergency management plan that they have to follow. It used to be called the disaster services plan. First responders are there, and we want to arm every municipality with the technology through this geomatics system to assist them in making decisions relative to helping and protecting

their citizens and families. So I appreciate the question now by the hon. member relative to that.

Now, if I kept track of all these questions, you talked about municipal interest. It was on the issue of the municipal debenture interest rebate, and I think it's a decrease of about \$1.62 million, which is substantial. But this is really quite a good-news story because this grant subsidizes the interest on certain debenture borrowing from the Alberta Capital Finance Authority made prior to 1985. The reduction in the 2004-05 estimate is due to the high interest rate debentures being repaid by municipalities as their terms end. So, essentially, fewer higher interest debentures requiring a subsidy remain.

This is really a tribute to the good work of our municipal leaders, and despite this budget reduction the municipalities are receiving everything that they are entitled to under the program. The reduction is solely the result of certain debentures that are expiring or being paid off, which ultimately corresponds with the \$1.6 million decrease. So that is actually a real positive in terms of sustainability for our municipalities that the debt is being paid back. I appreciate the hon. member's highlighting that, and I'm sure all the municipal leaders do as well.

The next question is relative to the issue of – if I remember correctly, I was writing on the issue of EMA, Emergency Management Alberta. Now, what's really important is that under these programs we have an increase in the program which is managing provincial emergency programs and supporting municipalities with preparedness for major emergencies and disasters through four key activities regarding mitigation, preparedness, response, and recovery. The increase in the estimate reflects the operating costs associated with the new EMA operating centre and the expansion of the crisis management program, the Turtle Mountain predictive monitoring system, as I mentioned earlier, and the cost of the negotiated salary settlement. So I want to say that this is, I believe, taxpayers' money being very well used to meet the needs and priorities of Alberta municipalities, and I appreciate the fact that it's being highlighted here as well.

I would also like to say that relative to the issue of the federal government, which the hon. member also talked about, under disaster recovery we have a decrease of about \$6.45 million, which is quite substantial. Essentially, the reason is that the forecast includes one-time expenses for Grimshaw, the Crownsnest Pass fire, and also the '03 northwest Alberta disaster recovery program. You may recall that. Our first responders, Alberta forestry – many people were involved. Of course, the hon. Member for Athabasca-Wabasca's ministry played a key role in terms of fire protection and the water bombing that went on. We did on-site visits, in fact, with the Premier as well. But it's interesting that the funding for these disaster recoveries was approved through supplementary estimates in the '03-04 year, so obviously I'm quite certain that will satisfy the hon. member and the question that he raised.

Regarding the issue of revenue which the hon. member raised, I would like to say that essentially from an internal government transfer perspective, the estimate of \$24 million represents a transfer of funds from the Alberta lottery fund to support the municipal sponsorship program. I thank the hon. Minister of Gaming for that. But I would like to say that that made up about \$12 million with an unconditional municipal grant program also of about \$12 million, which makes up the \$24 million. The funding received for unconditional municipal grants was about \$40 million, and the decrease is primarily due, hon. member, to the transfer of the police assistance component, \$16.5 million, to the Solicitor General. I might also say under disaster services that the revenues reported under the line referring to the disaster recovery program represent cost recoveries only received from the federal government.

Now, there is no budgeted amount as disasters are not projected in an estimate. When you do your budget, you can't say: is there going to be a tornado or is there going to be a fire? We try to use averages in what we do to be able to meet what we refer to as an average year in terms of what is taking place. The forecast for disaster assistance in '03-04 was \$240,000 and in '02-03 it was \$8.44 million that actually took place. So it's important.

9:10

Now, the hon. member did ask about premiums, fees, and licences. I would like to say that the safety services program collects fees for a number of safety services. These include labels sold to agencies under contract with the ministry to provide permit inspection services in nonaccredited municipalities. Of course, automated labelling is through the electronic permitting system. EPS will replace paper labels, and this fee is currently under review. Also, certificates for construction and operation of elevating devices and certificates to private sewage disposal system installers issued upon payment of the annual fee, and costs for inspections are charged on a hourly basis for the inspector, professional services for staff to participate as expert witnesses and code interpreters. Also, labels for manufactured homes, relocatable industrial accommodations, and labels that verify that the trailer complies with the Alberta building code. So these are some of the important points the hon. Member for Edmonton-Glengarry has asked that I touch base with him on.

Regarding the business plan on the stucco – and the hon. member asked about stucco in the House just the other day – and addressing this. I just wanted to assure the member that my wife did verify that I am not a carpenter. She did do that, and I was actually quite disappointed to hear that she actually verified and validated your comments. I would like to say that there is no change regarding the question. There's no change in the code relative to this issue of stucco that the hon. member did bring up.

Now, regarding sour gas the Minister of Energy, the Member for Calgary-Varsity, did indicate that, of course, the Ministry of Energy pertains to deal with sour gas through the EUB. What I am very proud about in our emergency management system is that relative to that, we have a very, very exact protocol that is being used in terms of protecting the Albertans that may be affected. We hope that is never required, but there is a plan again in place relative to the issue of sour gas.

On the level of satisfaction, the hon. member did mention that within his questions, and I can say that I'd just like to take a brief moment to talk about the sustainability and accountability of ministries. Really, the ministry monitors and assists.

Now, I had the pleasure of visiting with the hon. Member for Lac La Biche-St. Paul, and I certainly appreciate his former experience as a reeve in that area. I might say that he's indicated to me that I am speaking too slowly. I'm unfortunately not able to move at the lightning speed of his Harley-Davidson motorcycle. I am very pleased to say that the hon. member is wearing a helmet, but then again sometimes in wearing that helmet you can't hurt steel. Of course, I'm referring to the steel in the motorcycle, not what is taking place there. I would like to say that indeed I appreciate his good counsel relative to a variety of municipal issues in his particular area of Lac La Biche-St. Paul and always appreciate his wisdom that he shares with us.

I would like also to talk about our targets and the terms of our targets that are taking place. I want to say that in terms of level of satisfaction within the local government services division – you know, what I'm very pleased to say is that the level of satisfaction that we're shooting for is over 85 per cent. Of course, in our last actual we were at 100 per cent.

But it's important to say that with the level of satisfaction with the local government services division in enabling and promoting a co-operative and well-managed sector, we calculate the percentage of the units within the local government services that achieved their individual performance targets. I like to break them down from a unit performance perspective, and that unit performance perspective is determined through a satisfaction survey that goes out to our municipal stakeholders. You know, I do believe that if it's not measured, it's not done. I'm very proud to say that that satisfaction clearly indicates those three words which are the theme of my estimates tonight and then some.

I would like to go on regarding the issue of performance that is taking place within our three-year business cycle. It's important to recognize that from a core business perspective relative to an effective and responsive appeal system that is seen as being fair and impartial to all parties, we have strategies regarding key result areas: one, the "timely processing of appeals filed with the Board" to get that high level of satisfaction; two, "high quality, independent processes, decisions and solutions." Of course, that's managing the recruiting program to ensure that the board maintains the required range of professional skills.

I might say that I appreciate all of the recommendations I've received from members of this Assembly who have recommended members for the Municipal Government Board. We just recently had appointments to the board. Many of those members, in fact, are former municipally elected members themselves, which brings, I believe, important competency when it comes to making fair and just decisions in terms of disputes that may in fact take place.

Now, relative to the annual report on capital assets I want to say that this is consistent with our finance policy, but more importantly I want to say that we are following the points that the Auditor General has made. We have complied with and are complying with the Auditor General's recommendations, and I'm very proud to say that we have worked very closely.

Some Hon. Members: Question.

Mr. Boutilier: Now, I see that some hon. members, the hon. member from Strathmore, are asking perhaps to go to the question, but I would like to take this opportunity since I very seldom speak in this Assembly.

Again, I look for quality not quantity, and in doing so, on that quality tonight I want to say that without question our EMA system that we have in place today, working with the federal government, is something that's been recognized across the country. It goes without saying that it's such an important issue.

Regarding new initiatives, Amber Alert is a wonderful example that has taken place. In fact, just recently we had what I believe was a good-news story in terms of the key role that the RCMP and family members played in recovering a girl in the St. Paul area, and what a relief to the family. I want to thank the members of the Royal Canadian Mounted Police and everyone that was involved: people, Mounties that came in off duty to assist. It says that the system works and works well regarding our early public warning system and the Amber Alert that we use. I know the hon. Member for Lac La Biche-St. Paul appreciates their work and has acknowledged it here in the House.

Regarding the issue of underground petroleum tanks, as you know, we have covered over 700 of the most severe sites in the entire province. There is no budget implication in this upcoming year, but I want to say that I'm very proud that this is a system that is unmatched, again, anywhere in Canada. I do know that over 700 sites, in fact, were remediated. In terms of the work, the remediation

that took place, the maximum amount that was allowed to an application was \$120,000: \$10,000 for the review, and then the bulk was for the actual work of remediating. We've had some excellent work there, and of course, as I said earlier, I'm very proud of that.

Let me just conclude. I hope I have addressed most of the questions, as I was trying to write as quickly as I could.

Under disaster recovery the budget is \$340,000. This amount seems to be far from adequate when one compares it to the forecasted expenditure of \$6.8 million that took place in '03-04. That covers ongoing programs such as emergency preparedness as well as cost sharing with the federal government. I would like to say that the work that took place in Grimshaw, in Crowsnest Pass, in northwestern Alberta are disaster recovery programs that have worked very well.

Ultimately, at the end of the day we're here to assist our municipalities as the first responders. I want to also compliment them on their excellent disaster services plans that they have put in place.

With that, Mr. Chair, I'll take my seat.

The Chair: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Chairman. I appreciate this opportunity to ask some questions in connection with the Municipal Affairs estimates for the upcoming budget year. I want to talk just about two things. I think the hon. Member for Edmonton-Glenarry has been very comprehensive in his questioning with respect to the department's budget.

The first issue I want to deal with is the issue that has been raised by the mayor of Calgary with respect to revenue sharing. The mayor of Calgary has been quite vocal, and he's indicated that infrastructure money in Calgary is a critical priority. That city, according to its mayor, has accumulated a \$1 billion, 10-year backlog in road and transportation projects and is vigorously lobbying both the provincial and the federal governments.

[Ms Graham in the chair]

Now, the mayor has indicated that he would like to see a greater proportion of the provincial surplus allocated for capital projects including roads, the C-Train, and other needed infrastructure. He's also critical of the government with respect to the take on education property tax, which he indicates is poised to take \$30 million out of the city of Calgary.

9:20

Now, I know that to a degree the city of Edmonton has been supportive of Calgary's approach, and I know as well that the Premier has fired a couple of shots back at the priorities of the city of Calgary in suggesting that all the capital money or the vast majority of it ought to go into solving that city's difficult transportation problems.

So I'm wondering what the minister's view of this is. I think that all of the individual programs are well and good, and whether or not they go up or down or they get transferred from this department's budget to another department's budget are important questions. But the fundamental question is whether or not municipalities, particularly the largest municipalities or the largest regions, including a number of municipalities, have the ongoing financial capacity to do the job that's expected of them both by the provincial government and by their own citizens.

Some sort of revenue sharing has been touted. Different schemes have been put forward at different times. The mayor of Calgary is suggesting a proportion of the provincial surplus. The Premier has

responded by saying that the province doesn't always have surpluses, so that's not a stable source. That's a reasonable point, but it begs the question whether or not the Premier has another alternative in mind. So I'm curious about that.

Then there's the operating side. It's interesting to know that there was at one time in this province revenue sharing. A proportion of tax revenue under the Social Credit government was allocated to municipal purposes, and that has been ended. It's gone back and forth, Madam Chairman, between more targeted programs – specific grants for policing, specific grants for roads, specific grants for transit, and so on – and a more general approach. The municipalities have generally said that they would like to see uncommitted amounts that they can use for any purpose, but of course whenever the government offers them some very specific grant, they're ready to grab that too.

I'm interested in whether there's a long-term solution. Municipalities, particularly in large urban areas, have very strong demands on them for housing, for low-income programs, preventative social programs, transportation, and particularly I think a priority is the extension of the LRT system as well as roadways in Edmonton and Calgary. So I'd like to know if the minister has anything specifically in mind with respect to this.

At one point – and I think it's still the position of the AUMA – they had urged the government to vacate the property tax altogether. Dr. West, when he was at the end of his time as the minister of – wasn't it Finance? What was his last position here?

Mr. Bonner: I believe you're right.

Mr. Mason: Yes.

I attended a speech that he gave to the AUMA where he indicated that the province was making a commitment to vacate the education property tax over a period of time and leave that for municipalities. Now, the current Minister of Finance has modified that position very considerably. She is saying that no longer will the province limit its total take, but it will freeze the rate, and then of course as assessment rises, the province's take rises with it.

I know and other members know and the hon. minister knows – he's been a mayor – that when property values rise dramatically in a municipality, the municipality normally will offset that by changing the mill rate so that the amount of revenue and people's taxes don't skyrocket as a result of a sudden jump in property tax. I'm not sure that the province quite gets that, you know. Does the province still have a long-term strategy of exiting the property tax altogether and leaving that room for municipalities? I guess, Mr. Minister, that what I'm looking for is in fact some indication as to whether or not the government has a long-term strategy in mind that will give a substantial degree of independence to municipalities to solve both their operating and their infrastructure requirements.

The second point that I want to raise has to do with the ME First program. When this was announced – and I was present when the minister announced it at AUMA – he indicated that a hundred million dollars was going to be allocated over I believe three years, four years to assist municipalities in energy savings and to find cost savings and so on. And that's a good approach.

There are just a couple of problems. The first is that this was money that was a surplus in the Municipal Financing Corporation books that was seized by the Provincial Treasurer, and it was given back, in a way, after intensive lobbying by municipalities in the province. It was given back in a way but not completely. This was money that they, of course, contributed by repaying loans that they had drawn upon from that Municipal Financing Corporation or municipal finance fund.

It's a great idea, you know, the idea that you invest money in energy savings. You reduce your energy and you reduce your energy bill and you use those savings to repay the fund. Except it's not being used to repay the fund, Madam Chairperson. It is going back into general revenues. So over the four-year period the fund of a hundred million dollars will be liquidated and will no longer be available to help municipalities with energy savings.

The suggestion I made – I had the advantage of speaking after the minister at the AUMA – was that we turn it from a ME First fund into a we-first fund and have the payments of municipalities go back into the fund so that it became a permanent revolving fund that would finance on an ongoing basis energy savings on behalf of Alberta municipalities, and it would be there in perpetuity in order to achieve that goal. Energy savings, of course, are not all going to be completely resolved in a three- or four-year time period. There will always be energy savings that are required, that will be beneficial for the citizens and will save an awful lot of money.

I know that this is not entirely within the minister's control. Perhaps if he had his druthers, he'd like to do what I'm suggesting, but then there's always the problem of Treasury Board, and there's always the problem of the Minister of Finance. I don't expect him to be able to just make this policy on his own, but I would like to get his comments on that. I think that in five or six years there are still going to be financial pressures on municipalities, there are still going to be opportunities to reduce spending on energy, and there's still going to be a requirement on the part of the province as a whole to reduce its energy use as climate change heats up and international pressure on Canada and other countries intensifies.

So those, Madam Chairperson, are my two major issues. First of all a comprehensive, systematic, long-term plan for financial independence for municipalities in this province and, secondly, an energy fund that is a revolving and permanent fund in order to allow municipalities to realize cost savings and energy savings over the long haul.

Thank you.

9:30

The Acting Chair: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Yeah. Madam Chair, indeed it's my privilege to respond to some very good questions that the hon. Member for Edmonton-Highlands is very aware of as a former alderman himself with the city of Edmonton.

First of all relative to many mayors, not just the mayor of Calgary but most municipal leaders, talking about how they get more money from the province. In fact, at one point I recall the Premier saying that when he was the mayor of Calgary, one of his favourite things was that what you do is that you beat up the province in terms of looking for greater resources. So I think that it's something we all understand.

But one thing that I think citizens have an expectation of in terms of their municipal council no matter where it is in the province of Alberta is that with the resources they have, the question is: what decisions do they make based on the priorities? It's kind of like how I run my home. In fact, right now I'm fixing the roof in my home. Actually, I had to crawl through the attic a couple of months ago because it was leaking. I didn't like doing that, and I have a new roof going on; it's a 25-year roof. So we're fixing it.

Now, that means that we're not going to be able to go ahead and fix some of the other stuff that I had, because the fact is that we try to plan our priorities in the best way we know how with the resources we have. I know that the hon. member would be very familiar with that, that quite simply you can't please everyone as an

elected mayor or alderman when you come in front of council in terms of where the money goes, the resources we have.

So I don't have a short answer to the question other than that we have to strike the right balance. But I think a key for any mayor or elected official in this province is that they have to strike a right balance that reflects what they believe the majority of citizens in the city or the municipality are looking for and that they have to be allocated in a wise decision.

If you're talking about something that you believe that you would do if you had extra money, then, naturally, when the extra money comes, you usually do that with the extra money. Of course, some of the discussion is that you have so many competing priorities that council and mayors and elected officials always struggle with how you try to keep everyone as happy, you know, as possible. That's the challenge, be it the mayor of Calgary or the mayor of any municipality. I know that the hon. member is very familiar with that as a former alderman. Quite simply, I do believe that if you keep everyone happy, the chances are that you're probably not doing your job. I think it's a good reflection. But what we try to do as we run our homes is allocate those resources in the best way possible.

In terms of a long-term plan I feel very comfortable with our minister's committee on roles, responsibilities, and resources. Again, there is no other committee like it in the entire country. So we are trying to be not only looking out over the horizon, but we're looking around the corner past the horizon. We want to be out in front.

I was speaking in Quebec about a year ago in Gatineau, where the president of the FCM, Yves Ducharme – it's his municipality. In fact, they are going to be here in Edmonton. The city of Edmonton is celebrating its 100th anniversary, and the Federation of Canadian Municipalities from all across Canada is being hosted right here in Edmonton as they celebrate their 100th anniversary, and of course I'm going to be inviting all members of this Assembly to attend an Alberta night at Fort Edmonton that's coming up at the end of May.

But in speaking there, what I'm very proud of is the recognition by the province of Quebec of the fact that Alberta still has the most permissive Municipal Government Act of any province in Canada, the most permissive. I can say that there is much other work being done to model what the province of Alberta has done. The province of British Columbia is just one example of that.

I want to say that my attitude as minister is that we can always do better no matter what it is. In health or education and certainly within Municipal Affairs, no matter what it is we're doing and even though we're leading, I do believe we can do better and be out in front of everyone else. My commitment to this hon. member and this House is that we will continue to lead and have other provinces and municipalities follow our work.

Now, I want to just say on the very good question on education property tax that in this Assembly Motion 501 by the hon. Member for Wainwright indicated that it is urging the government over the next 10 years to vacate education property tax. In fact, the hon. member mentioned Dr. West, when he froze it at \$1.2 billion. I want to say, as we all know from the Learning Commission on education, that of the \$5 billion that goes into the Minister of Learning's budget for educating our young people, it's important to recognize that education property tax makes up about \$1.4 billion of that.

The issue will be: what will be the alternative to that \$1.4 billion? I don't think that any of us in this room are recognizing that in a growing community like the city of Edmonton, where the hon. member is from, as we have more people moving to the province, we require, in fact, facilities and resources to educate our young people. How we strike that balance is ultimately a challenge that we'll continue to struggle with, but I can say this: I believe we are making progress.

I also believe that there are other alternatives that we can examine. I think that the hon. member can acknowledge that there's not an easy fix to this issue because if we vacate it from one area, then the question is that it still has to come from somewhere else. I'm sure the hon. member will acknowledge that we still want to ensure that the \$1.4 billion is going into educating our youth in the province. The question is where that resource, in fact, comes from.

So there is a motion that's been accepted here. I believe it was unanimous, in fact, so a compliment to every member of this Assembly for working towards eliminating it over the next 10 years. It is something that, obviously, I believe is very important, and I'm influenced by that.

Now, I'm working closely with AUMA and AAMD and C, but it has to be a staged process of moving off the education property tax system. In fact, if you don't take care of your home, if you let your home get rundown and the assessed value ultimately goes down, your reward is that your taxes actually will go down because your assessed value is down.

If we want to think differently, one would think that those who are improving the value of their home and the assessment is going up because they're caring for their home as opposed to someone who is not – should they really be penalized because of the value going up versus the fact that if you have a wooden door versus an aluminum door, you may pay more based on the assessed value of your home? You know, in the hon. member's time in municipal council, these are questions that we always face in municipal and in provincial government, relative to: is education property tax the best way to go?

What I'm hearing from corners of Alberta and in this Assembly and from the hon. members is that there's got to be a better way. So I'm committed to find that better way. I think I have some examples that we continue to work on. It is about striking that right balance based on the challenges we all face. That's what every mayor and councillor has to deal with as well.

Now, just before I take my seat, I can say relative to the mill rate this past year, as you know, hon. member, that it has gone down. It was minimal. I appreciate the Minister of Finance in recognizing that it is still moving in the right direction. I want to just say on the Alberta finance corporation – we talked about ME First, which is important, and I'm very proud of his acknowledgment of that program – that for ME First the \$25 million a year that we're using will be repaid, and it's coming out of the Alberta finance corporation board and its new name, that municipalities fund, that they use. But I want to say this: did you know that just a couple of years ago we were able to return \$137 million to Alberta municipalities from that same fund? Some municipalities, in fact, refunded it to their taxpayers. Other municipalities used it for some of the infrastructure and some of the points that have been made by both the Member for Edmonton-Highlands and the Member for Edmonton-Glengarry.

The deal is that the revolving fund idea, I believe, is worthy of further examination, and I want to acknowledge that because retrofitting hockey arenas, retrofitting swimming pools is what that money, \$25 million a year, is going to be used for. What I have heard from our municipal leaders in the conference that we both attend and members of this Assembly attend is that they say that they like the idea. But even more important than that is the money being used with new technology, because new technology will play a key role in terms of how we manage our own homes as well as our province and all of our municipal infrastructure.

9:40

Now, if I could give the example, the mayor of Canmore, Mayor Glen Craig, in fact had some students recently that I was reading about whom he was showing energy efficiency. Their town hall is

more energy efficient. It's a wonderful example because the payback in the saving is that they save their money by their operational reduction in costs during the course of the year, so at the end of the five-year or seven-year period they're able to pay back the loan that we give interest-free, and their operating saving is in perpetuity and sustainable.

[Mr. Tannas in the chair]

So I think these initiatives are very important and have been certainly acknowledged as welcome news relative to the ME First municipal energy program. But five years from now, I want to say, after the \$25 million over the next four years is utilized, I'd like to think that we'll continue to use the resource through the Alberta finance corporation. I thank the Minister of Finance for acknowledging that and getting \$100 million to assist municipalities.

The Chair: Before going any further, Calgary has triumphed in the game 3-2.

After considering the business plan and proposed estimates for the Department of Municipal Affairs for the fiscal year ending March 31, 2005, are you ready for the vote?

Agreed to:

Operating Expense and Equipment/Inventory Purchases	\$124,304,000
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The Chair: Shall the vote be reported?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Stevens: Yes, Mr. Chairman. I move that we rise and report the estimates of Municipal Affairs and seek leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Yes, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2005, for the following department.

Municipal Affairs: operating expense and equipment/inventory purchases, \$124,304,000.
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The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

head: **Government Bills and Orders
Committee of the Whole**

[Mr. Tannas in the chair]

The Chair: I now call the Committee of the Whole to order.

Bill 30
Metis Settlements Amendment Act, 2004

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Bonnyville-Cold Lake.

Mr. Ducharme: Thank you, Mr. Chairman. I have two minor amendments to propose to Bill 30. I'd like at this time if the amendment could be distributed and if it could be considered as amendment A1.

As the amendment is being distributed, I'd like to take a few minutes to address the comments and questions that were raised during second reading of Bill 30. The amendments to the Métis Settlements Act contained in Bill 30 are intended to adjust the existing structures and systems for settlement governance to allow for more effective decision-making, provide for greater political stability, and improve the mechanisms in place for accountability to the settlement members.

Mr. Chairman, the hon. Leader of the Opposition, in agreeing with the need to adjust the requirement that Métis Settlements General Council policies be unanimously approved so that six of eight settlements can approve them, asked what the original thinking was in establishing the unanimity requirement. Originally, in the late 1980s the proposal discussed by the settlements and the government was that policies would require approval by only six of the eight settlements. As discussions continued on the finalization of the Métis Settlements Act, settlement representatives expressed concerns about what the future would bring as they moved into a new system of governance with significantly increased powers. As a result, the unanimity requirement was included in the act. Since 1990 the crippling effects of the unanimity requirement have become clear and can no longer be allowed to continue.

Mr. Chairman, the hon. Member for Edmonton-Highlands also raised a few questions regarding the process for developing the bill and the responsibilities and authorities of the minister responsible for the administration of the Métis Settlements Act. I would like to address first the process for developing Bill 30.

The first thing that needs to be understood is that many of the areas that are being amended by Bill 30 have been under discussion for a number of years. The problems associated with the unanimity requirement and the election system at the local level along with the need for adjustments to the Métis Settlements Appeal Tribunal and the concerns about effective accountability mechanisms, which gave rise to the establishment of the Métis settlements ombudsman, are not new issues. Discussions were held in 1999 regarding most of these matters in an attempt to arrive at a consensus on change. The amendments regarding the Métis Settlements Appeal Tribunal are largely the result of the report of a joint settlements/Alberta task force.

The idea of a Métis settlements ombudsman was the subject of a report in 2000 by another joint settlements/Alberta committee that talked to members on every settlement who endorsed the need for a mechanism to address concerns about accountability.

When the Minister of Aboriginal Affairs and Northern Development informed the settlements that she intended to propose amendments to the Métis Settlements Act, they were invited to participate. A working group of officials was established, but the settlements withdrew. The minister and I met with settlement leaders more than half a dozen times. The minister ensured that funds were available for the Métis Settlements General Council to consult with the members.

The Métis Settlements General Council arranged meetings on

every settlement, and government officials were present at all the meetings to explain the proposals for amendments and answer questions. I was able to attend five of these meetings. Information regarding the proposed amendments was included in the Métis Settlements General Council's newsletter, that is sent to every household on the settlements. As recently as the end of February the Métis Settlements General Council proposed changes to the amendments, and they were largely accommodated. In short, every reasonable effort was made to seek the views of the settlements.

The hon. Member for Edmonton-Highlands also raised a concern regarding the amendments that would give the minister the ability to pass a regulation in areas where the Métis Settlements General Council can make policies. This amendment has been included to ensure that should the Métis Settlements General Council be unable or unwilling to do so, the minister can by regulation put in place policies necessary for effective and accountable governance. Regulations made by the minister are intended to be temporary. They would be enforced for a two-year time frame and would be repealed if the Métis Settlements General Council passed a policy dealing with the subject matter.

A question was raised regarding the process to appoint the chair of the Métis Settlements Appeal Tribunal, with the suggestion that the minister have more authority over this appointment. Currently the chair of the tribunal is appointed by the minister from a list of nominees submitted by the Métis Settlements General Council. The amendments would establish an independent committee composed of the Métis Settlements General Council and settlement appointees to interview prospective candidates. In effect, the intent of the amendment is to depoliticize the process.

Finally, Mr. Chairman, I'd like to speak to the minor amendments to Bill 30. I'd like to move these amendments. First, section 47 identified section 13 as one of those to be proclaimed later and left section 7 off the list. Consequently, it is proposed to amend section 47 by striking out "13" and substituting "7".

The second minor amendment is to strike the proposed section 175.2(2). This section deals with the Métis settlements ombudsman and would have provided that the ombudsman and staff could not be compelled to give evidence before a court or in proceedings of a judicial nature. Upon further consideration, it is proposed to strike out section 175.2(2) as its effect would be to prevent the Métis settlements ombudsman and staff from presenting evidence to the Métis Settlements Appeal Tribunal, which would hinder the tribunal in fulfilling its jurisdiction under section 176 once it is proclaimed.

In conclusion, Bill 30 will provide both the settlements and the government with improved tools to enhance the governance of the settlements. Thank you.

9:50

The Chair: The hon. Member for Lethbridge-East on amendment A1.

Dr. Nicol: Thank you, Mr. Chairman. I just want to basically stand and say that these are the kinds of amendments that show that the process of consultation did provide for further input by the Métis communities and the general council and that this is a process that's ongoing, you know, leading up to the eventual self-determination or self-government by the Métis councils in 2006 and that if they are going to make this work, the whole set of amendments have to be put in place. These two amendments to the act will allow for a more operational and a better understanding of what the intent was and fit it with what the council was asking the government to do.

I hope everybody supports these. Thank you.

[Motion on amendment A1 carried]

[The clauses of Bill 30 as amended agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Stevens: Thank you, Mr. Chairman. I move that we rise and report Bill 30, Metis Settlements Amendment Act, 2004, as amended.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Calgary-Lougheed.

Ms Graham: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration a certain bill and reports the following with some amendments: Bill 30. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Concur.

The Deputy Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Stevens: Thanks, Mr. Speaker. I move that we adjourn until 1:30 tomorrow afternoon.

[Motion carried; at 9:54 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

