



Legislative Assembly of Alberta

The 29th Legislature
Fourth Session

Standing Committee
on
Resource Stewardship

Ministry of Municipal Affairs
Consideration of Main Estimates

Thursday, April 19, 2018
9 a.m.

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Fourth Session**

Standing Committee on Resource Stewardship

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* substitution for Todd Loewen

** substitution for Jamie Kleinsteuber

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Standing Committee on Resource Stewardship

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Stephanie Clarke, Assistant Deputy Minister, Municipal Assessments and Grants

Anthony Lemphers, Assistant Deputy Minister, Corporate Strategic Services

Brad Pickering, Deputy Minister

Alberta Emergency Management Agency

Shane Schreiber, Managing Director

9 a.m. Thursday, April 19, 2018

[Loyola in the chair]

**Ministry of Municipal Affairs
Consideration of Main Estimates**

The Chair: I would like to call the meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Municipal Affairs for the fiscal year ending March 31, 2019.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, please introduce the officials that are joining you at the table when it comes your turn. I'm Rod Loyola, MLA for Edmonton-Ellerslie and chair of this committee. We'll start here to my right.

Mr. Drysdale: Good morning. Wayne Drysdale, MLA, Grande Prairie-Wapiti.

Mr. Yao: Tany Yao, Fort McMurray-Wood Buffalo.

Mr. W. Anderson: Good morning, everyone. Wayne Anderson, MLA for Highwood.

Mr. Stier: Pat Stier, MLA for Livingstone-Macleod and the critic for Municipal Affairs for the United Conservatives.

Mr. S. Anderson: I'm Shaye Anderson, Minister of Municipal Affairs. Over to my left here is Stephanie Clarke, who is the ADM for assessment and grants. We've got Brad Pickering, who is my deputy minister; Anthony Lemphers, who is the ADM for corporate strategic services; and Shane Schreiber, who is the managing director of the Alberta Emergency Management Agency.

Ms Woollard: Denise Woollard, MLA, Edmonton-Mill Creek.

Mr. Rosendahl: Good morning. Eric Rosendahl, MLA, West Yellowhead.

Ms Kazim: Good morning. Anam Kazim, MLA for Calgary-Glenmore.

Ms Babcock: Erin Babcock, Stony Plain.

Mr. Nielsen: Good morning. Chris Nielsen, MLA for Edmonton-Decore.

The Chair: I'd like to note the following substitutions for the record: Mr. Stier for Mr. Loewen and Mr. Yao for Mr. Hanson.

Please note that the microphones are operated by *Hansard* and that the committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates, including the speaking rotation. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or the member of Executive Council acting on the minister's behalf may make opening comments not to exceed 10 minutes. For the hour that follows, members of the Official Opposition and the minister may speak. For the next 20 minutes members of the third party, if any, and the minister may speak. For the next 20 minutes members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus

and the minister may speak. For the remaining time, we will follow the same rotation just outlined to the extent possible; however, the speaking times are reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members wishing to participate must be present during the appropriate portion of the meeting. Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the rotations that follow, with speaking times of up to five minutes, a minister and a member may combine their speaking time for a total of 10 minutes.

Discussion should flow through the chair at all times regardless of whether or not the speaking time is combined. Members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister's time.

A total of three hours has been scheduled to consider the estimates of the Ministry of Municipal Affairs. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having the break? Seeing none, we'll do just so.

Committee members, ministers, and other members who are not committee members may participate; however, only a committee member or an official substitute may introduce an amendment during a committee's review of the estimates.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Ministry officials are reminded to introduce themselves prior to responding to a question. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery should not approach the table. Members' staff may be present and seated along the committee room wall. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to the three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. The scheduled end time of today's meeting is 12 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

Any written material provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

The vote on the estimates and any amendments is deferred until consideration of all ministry estimates has concluded and will occur this afternoon in Committee of Supply.

Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for committee members and staff.

I now invite the Minister of Municipal Affairs to begin his opening remarks. Sir, you have 10 minutes.

Mr. S. Anderson: Thank you, Chair. Good morning. I'm here to present the ministry's 2018-21 business plan and highlights of the Municipal Affairs 2018-19 budget. I've already introduced the folks at the table here, and there will be some folks behind me from my department to help answer questions when we need them to. I do have some prepared remarks, and then we will take questions.

As you would expect, our ministry business plan and budget are very much tied into the broader government goals and direction, so

I'm going to speak to that big picture for a moment. The Municipal Affairs budget does its part to contribute to setting the path to balance. We are ensuring public dollars are invested where they are needed while at the same time controlling spending and finding efficiencies. We've made some strategic funding decisions that extend to our fiscal plan over several years. You'll see that connection when I expand on our capital funding to municipalities.

Our overall plan to support Albertans through the downturn worked, and we prioritized the needs of regular people first. Based on our role at Municipal Affairs, we've been doing that through our support to municipalities. Based on the solid advice of David Dodge, a former governor of the Bank of Canada, we continue to invest in bricks and mortar, roads and rec centres, and put Albertans back to work building our province. We continued to fund the municipal sustainability initiative at a consistent level through those difficult times. Now things are looking up, and Alberta is once again leading the country in economic growth, again, all of it with balance in mind. I'll share capital spending details in a moment.

There's a bit of context to the environment that has helped shape our provincial economy as well as shape our new business plan and budget. Now let's talk ministry budget numbers. Municipal Affairs' 2018-2019 total budget is just over \$1.1 billion. This investment is helping to build strong communities and preserve public safety. These dollars go to things such as investing in capital infrastructure in Alberta's communities, strengthening local governments, supporting the provincial public library network, protecting consumers through better licensing and home warranties, and preparing communities to respond in emergencies and then to recover after a disaster.

I think you'll agree this funding covers a lot of ground, so no surprise. I'm extremely proud of the work my department does day in and day out. I know everyone here is interested in what the budget looks like compared to last year. You will see our operating budget has decreased by \$563.6 million when compared to Budget 2017. Let me just break down what that decrease is a result of.

We have a reduction of \$543 million in capital under the MSI program, and I'll offer a little more on that investment later. There's a decrease of \$14.2 million in the small communities fund. To be clear, that's not a decrease in commitment but about how that program provides the funding. There is a decrease of \$12.7 million under the provincial library network funding, and this reflects that last year included one-time capital grants for regional library systems to address critical maintenance and similar support for the renovation of Edmonton's Stanley Milner Library building. Otherwise, program funding remains the same. There's a decrease of \$2 million for the residential protection programs, and this reflects the increased efficiencies in that cost-recovery program related to new-home buyer warranties. You'll see a decrease of \$1.4 million for the 2016 Wood Buffalo wildfire disaster recovery program due to reduced funding requirements. There are some other smaller reductions in various areas.

Now, let me stress that while the total budget has decreased, we are maintaining strong support in all our business areas.

Now let's talk MSI. I said that I'd explain what's happening with that investment. MSI is also what I was alluding to earlier about strategic funding decisions that extend over several fiscal years. With our plan to support Albertans working and the private sector regaining strength, we are acting again on the advice of David Dodge to bring the level of public-sector capital spending down, and this means adjusting the distribution of dollars in the MSI program. To be clear, we intend to see the original \$11.3 billion commitment for this program through. We know the importance of the MSI program to our communities and to the quality of life for Albertans. The full commitment will be realized in three years'

time, which is the '21-22 budget. That will be an important milestone that presents an opportunity for the province and municipalities to work together to define the future of municipal capital funding.

I hear all the time about the need for a new program, a program that is long term and predictable. Our government is committed to working out a permanent municipal capital infrastructure program based on revenue sharing. This year we're going to work towards what that looks like and how that can be legislated, delivering the predictability we all agree is so valuable. I look forward to those discussions with municipalities and municipal associations in the months ahead.

In the meantime we needed to make some reductions to our capital plan. Looking at this year's budget, we adjusted the funding in a way to protect our smaller communities and rural municipalities. First of all, we reprofiled or, in more simple terms, advanced \$800 million from future program allocations. We did this under a supplementary estimate last month. To make up for this advance, the budget shows \$400 million less in MSI funding in 2018-19 and \$400 million less in '19-20. This funding will go to municipalities in their 2018 calendar year along with the funding you see in Budget 2018. This means municipalities will have access to nearly \$2 billion this calendar year from MSI and other funding envelopes for municipal capital projects. What this does is provide our municipal partners with additional flexibility to plan for the future while adjusting to new fiscal arrangements. It keeps the funding flowing so that priority projects can continue to proceed.

9:10

When you add that support up, the funds being made available in addition to Budget 2018, MSI funding is being held stable and constant, with the exception of Edmonton and Calgary. Those cities will see a slight decrease in MSI; however, we've had some good discussions with them, and they understand that we've taken into account our historic investments in their transit priorities. What we're doing is reasonable given our fiscal position.

Let's move on to some other very foundational support we will be providing over the coming year. The top focus for 2018 is on helping municipalities as they adapt to the updated Municipal Government Act. We've rolled out a lot of needed legislative changes recently to the rules that govern municipalities, and for Albertans to truly benefit from the updated legislation, co-operation has to be a priority. That's why we made it a requirement for every municipality to have an intermunicipal collaboration framework and development plan. We recognize that local councils and administration are a little anxious as the deadline for these documents is April 1, 2020, so we're doing what we can to support that work.

The Alberta community partnership program is aligned with helping neighbours to develop the co-operative plans to improve service delivery and land use across regions. Many municipalities are accessing the grant opportunities available in this program. The overall budget for the Alberta community partnership is the same as last year, \$18.5 million. Workshops for municipal administrators will also be made available through my ministry.

Growth management boards, which is another aspect of the refreshed Municipal Government Act, are also in a strong position to leverage the power of working together, and I'm excited to see how those progress over this next year. While it may seem that we're adopting a fair bit of municipal evolution at once, let me remind everyone that, moving forward, the Modernized Municipal Government Act and the supportive regulations has been a collaborative path. In fact, the Alberta Chambers of Commerce called a review of this legislation "the gold standard for government

consultation.” Municipal Affairs has done an incredible job on the engagement for this wide-reaching legislation, and I’m very proud of my department staff.

Speaking of consultation, the work to develop city charters with Edmonton and Calgary has been a product of many discussions over the years, and we’re proud to move the ball down the field on that front. Just two weeks ago we announced that the city charter regulation was finalized. The regulation provides Edmonton and Calgary with more than 30 enabling provisions that allow the cities flexibility to deal with local matters, to improve administrative efficiencies, and to support community well-being, smarter community planning, and environmental stewardship. City charters have been in the works for a few years now and include collaboration agreements between the three governments on many areas. Over the coming months the three governments plan to focus on a new fiscal framework and a long-term transit investment plan to ensure that each city is sustainable and accessible for decades to come.

The Municipal Affairs budget and business plan also continue to provide effective governance and leadership to improve, preserve public safety. Last year we made huge improvements to harmonize provincial safety codes in a more timely manner by writing into legislation that provincial codes will automatically adopt national changes without needing a separate amendment each time. The construction industry and Albertans will continue to benefit from the overarching change under our oversight.

A more recent change that we continue to support under this business plan is the introduction of builder licensing. The budget for both the capital and operating portions of this program is estimated at \$5.6 million. It’s a cost-recovery design program, and the revenue collected will be applied to the operating costs. Buying and building a home is one of the biggest financial decisions any family will make, and they deserve to be protected.

Albertans deserve to feel safe, too. While we can’t control everything, especially in nature, we can do our best to prepare for emergencies. As always, our business plan includes the vital work of the Alberta Emergency Management Agency, helping Albertans to prepare for, respond to, and recover from emergencies and disasters. One of the impacts of climate change is the possibility of continued increases in extreme weather and disaster events, so this work is more important now than ever. Albertans and municipalities continue to receive essential support from disaster recovery programs. In terms of emergency response I think it has been well established that the ministry does not budget for hypothetical disasters and emergencies. They’re funded as they occur because they are unpredictable.

The Chair: Thank you very much, Minister.

We’ve had a number of members join us at the table, so I’d like to give them an opportunity to introduce themselves, starting over here on my right.

Mr. Fraser: Rick Fraser, Calgary-South East.
Thank you, Chair.

Mr. Malkinson: Brian Malkinson, MLA, Calgary-Currie.

Dr. Turner: Bob Turner, Edmonton-Whitemud.

Mr. Dang: Thomas Dang, Edmonton-South West.

The Chair: I’d like to note that Dr. Turner is substituting for Mr. Kleinsteuber.

For the hour that follows, the members of the Official Opposition and the minister may speak. Would you like me to set 20-minute intervals for you?

Mr. Stier: Not necessary. I think we can go for the full hour, Mr. Chair, if that’s all right with you, and I’d like to go back to back with the minister if possible.

The Chair: Please go ahead.

Mr. Stier: Okay. Thank you. Good morning, Chair and to all the members on the committee. Good morning to all you folks in Municipal Affairs, Minister, and all the great people that I’ve known for several years now. It’s good to see you all again. There is a lot of ground to cover today in what we’ve decided to question you on. It’s kind of nice, Minister, as I noted, that a lot of the things that you mentioned were our highest priority items as well. Hopefully, we don’t get too redundant with some of the questions that we had already put together. But it’s great to think that sometimes great minds think alike with this wonderful ministry, that I thoroughly enjoy myself, and I know you have said the same.

Today we’re going to be referencing a lot of the documents. I almost wish we had an extra three hours to go because this file is so huge and there are so many things that should be discussed that we probably don’t have time for. We’re going to be looking at the budget estimates document, the fiscal plan, and the business plan, of course, and use those as the basis for our questions.

You mentioned MSI at the start. MSI was number one on our target list as well, Minister. It’s noted what you said about the reductions to the capital plan and all the things about some of the history with MSI. You know, the program was due to run out in 2017. It was extended for a couple of years. You alluded to some of the things about a new funding model. How is that progressing? Is that the revenue-sharing idea that you brought up?

Mr. S. Anderson: Good question. Yeah, there will probably be some redundancy, but I think it’s good to get this stuff on the record. When the MSI did come to term – I’ve been minister for just over a year now – it was the most important thing municipalities were talking to me about. When I knew it was expiring, because we were still involved with the MGA and all of that, we didn’t have time to do a proper consultation to see what a new program would look like. So we made the decision to make sure they still had that stable funding for a few more years. My comment to the municipalities was: we are going to sit down with you, and we are going to talk to you – with RMA, with AUMA, and everybody – and get your feedback to understand what you think a good funding formula will look like going forward. You know, you hear the words “stable” and “predictable” a lot, and that’s what we want to do.

So we looked at the revenue sharing. That was something that was brought up in municipalities. What that’s going to look like I’m not yet sure because it’s something that we are going to sit down and talk about.

One of the other things you’ll notice that I’ve said is about putting in the legislation. One of the worries for municipalities all the time was that during budget season they were scared that, you know, MSI was going to disappear overnight, that kind of thing. I said: that’s not going to happen under my watch; we will find a way to make sure that we have stable and predictable funding, and we will put in legislation for you. So they have that stability.

Mr. Stier: Okay. So let me just talk about the revenue-sharing thing for a second. I know you haven’t defined that, but it’s so vague. Can you just, you know, maybe expand on that a little bit in terms of what that could possibly look like? I need a little bit more context on that if possible.

Mr. S. Anderson: Well, you know, to be honest, I don't want to speculate on what might come out. I don't have a crystal ball. But some of the comments from municipalities – I mean, they look at general revenues, right? That's the big one. We sit there and say: okay; well, we need to share the highs and the lows. To be honest with you, we haven't come to any clear detail yet. I'd be telling you something that I don't know, and I don't want to make something up. It's something we are going to consult with them on. But in the first aspects of it a lot of municipalities talked about general revenue.

Mr. Stier: Okay. Let's move on, then, if I could. When we're looking at the two major associations, AUMA and now the RMA, they've been talking to us a lot and, I'm sure, to your department as well about having the funding model enshrined in legislation so that it's predictable, sustainable, et cetera. Is that something you're considering? Can you speak about that for a moment or two, please?

9:20

Mr. S. Anderson: Yeah. As I said before, you know, you hear those words "stable" and "predictable," and one of my commitments to the municipalities is to work out a long-term solution, looking at a legislative way to do that, because then we put something in that is long term so that everybody knows, going forward, that they have predictable funding. What that's going to look like going forward I'm not sure yet. As I said, I don't want to speculate and presuppose what's going to happen, but that is something that I would like to do because I think that for our municipalities it would be something they can count on, and they need that.

I mean, there's a lot of grant funding out there, but they all have to compete for it, right? MSI is one of those ones that's stable, and I think it's important.

Mr. Stier: Yes. I agree with that, Minister, because if it's correct in my memory, these municipalities have to do three- and five-year capital plans. It's very hard to do that without that kind of system in place. So I'm glad to hear that.

When you talked about the money earlier – and through the chair, just for your reference, I'm looking at the estimates on page 219 and the capital line 4.2. There's a significant decrease this year, as you had indicated in your earlier remarks. I understand that we approved \$800 million in supplementary. My question is: moving forward, can municipalities expect to see future capital funding allocated around \$200 million, or how is that going to lay out?

Mr. S. Anderson: I'll just get the details here for you. One of the things to that point of why we reallocated some of that was because we want to work on the system, but we knew there were some massive projects on the go right now. We had the opportunity to reallocate some of that for municipalities. I've just gotten the numbers here for you. Right now in the MSI capital, when you look at 2018-19, it's \$294 million, '19-20 is \$294 million, '20-21 is \$694 million, and '21-22 is \$667 million.

Mr. Stier: How would that have compared had you not done the \$800 million, the change-out with the supplementaries?

Mr. S. Anderson: Then in '19-20, instead of \$294 million, it would have been \$694 million, the same as '19-20 is. That \$294 million would have been \$694 million.

Mr. Stier: Okay. Fair enough. Quite a change. Have you had a lot of feedback from municipalities in general with this?

Mr. S. Anderson: Yes, I have had a lot of feedback. There were a lot of municipalities that thought they were going to be cut by a

massive amount, so 340 municipalities were held whole and also have more money available for these projects. So they're quite happy. Also, knowing that we are going to sit down before the end of the program to make sure we find a long-term solution, the municipalities have been pretty happy because they have this predictable funding for the next couple of years.

Mr. Stier: Okay. You mentioned the \$11.3 billion that was promised, and you indicated in your earlier remarks that that's going to be done and looked after in three years. That's \$11.3 billion in total. How much was actually delivered so far? Do you have that figure around? How much are we looking to make up there?

Mr. S. Anderson: Including the current year, it would be \$9.5 billion.

Mr. Stier: So \$9.5 billion has been paid out to date?

Mr. S. Anderson: Yeah.

Mr. Stier: Okay. Thank you.

All right. Moving on, I'm looking at the business plan on page 117, and in that area there are some remarks that got us curious with respect to performance measures. It's performance measure 1(a) that we're going to be referring to, just halfway down the page in the business plan. It talks about the percentage of municipalities that are deemed not to be at risk based on their financial and governance risk indicators. We're not sure what that means. What does that entail? What do you measure, and how do you go about it? That's what we're wondering. I mean, I know that in my riding there have been some municipalities that have had to go through reviews and so on and so forth. What do you look at there, and how are those numbers calculated, please?

Mr. S. Anderson: Sure. That's a good question. It is a new performance measure, obviously, and the target is set. It's based on analyses of past trends and data. We do have 342 municipalities in this province, and there are some different factors that make them at risk. The measures that we have here are based on financial and governance risk indicators, and they are derived from financial information provided by Alberta municipalities annually: municipal election results, municipal census information, and a count of instances whereby the Minister of Municipal Affairs was required to intervene because a municipality was operating in contravention of the MGA.

Mr. Stier: Okay. Let me just drill down a little, feel it out a bit. Municipalities run their budgets. There must be something that Municipal Affairs thinks that they should keep in the kitty, that kind of thing, you know. A lack-of-risk situation being evident there, you wouldn't be bothered with them. Where do you draw the line? I guess that's what I'm trying to get to here.

Mr. S. Anderson: Sorry. Where do you draw the line for . . .

Mr. Stier: Well, you're mentioning that there are about 90 per cent of them that seem to not be at risk, and you've talked about the criteria. So is it the percentage of the budget operating that you're worried about when you get into the other 10 per cent that seem to fail? Are there any main triggers, or is it all cumulative over many factors?

Mr. S. Anderson: Yeah, it's cumulative over the many factors.

Mr. Stier: Okay. All right. Fair enough. So you've collected past information on that, and you've gone through a lot of data to

compile it. I suppose, therefore, that once that takes place – does that trigger a review? Or what takes place when you get into a certain threshold?

Mr. S. Anderson: Do you want to speak to that, Brad?

Mr. Pickering: Sure. Through the chair to you, it's an early indicator. It provides an opportunity, then, for the ministry to go in and use some of our programs to assist. The other thing is sort of in looking at a backcast of those factors. You know, we've got about 93 per cent of our municipalities that are not at risk.

Mr. Stier: Do they report to you on a regular basis with reports so that you have a way to capture that data and identify these ones that are at risk?

Mr. Pickering: Annually they're required to file with us a municipal statistical return, generally based on their financial statements.

Mr. Stier: All right. Well, that's fair enough. Thank you for that.

Last year there were some figures on this perhaps, but I don't think this was an item. I think this was a new thing that you mentioned. Were there a lot of changes for this year's figures compared to last?

Mr. S. Anderson: I don't have the figures in front of me, but Brad might be able to . . .

Mr. Stier: Have you seen a trend? I guess I'm looking at that.

Mr. Pickering: Sure. In last year's business plan there was a notation that that performance measurement was under development, so last year was really the development. As I previously mentioned, we looked at the factors and then did a backcast on them, and that's where the 93 per cent that were not at risk comes into play.

Mr. Stier: So you developed a new program. Was that because of incidents or events that took place within municipalities that perhaps caused this program to be created?

Mr. Pickering: I think two things come into play with respect to that. The first is the municipalities themselves, in particular the associations wanting the department to be more proactive in the context of providing assistance to those that may not have capacity. Then, obviously, you know, there were increases in the number of municipal inspections that were occurring. So we believed that it was a good way to deal with those issues.

Mr. Stier: Okay. All right. Well, that concludes the line of questioning on that item.

There's just one little thing that came into mind on the business plan and key strategies on page 117 and also in the estimates on page 218, line 3. Strategy 1.5 says to "provide funding to municipalities to help them meet their strategic long-term infrastructure needs," which is quite obvious. But last year there was a performance measure in there that also indicated that there was some reference to reducing greenhouse gas emissions. Is that something that has been removed because of the climate change plan, or is that something that has been omitted for a different reason? Perhaps you can elaborate on that.

Mr. S. Anderson: Yeah. So you're talking about providing funding for the municipalities to help them meet their strategic, long-term infrastructure needs, that that was removed about the GHG. That

was something that I was aware of, too. To be honest, I wouldn't read too much into that change because, obviously, we're committed to helping Albertans, including municipalities, reduce that footprint. You can see that, obviously, with our funding and the way that we've gone with mass transit and a lot of programs. All that this change means, though, is that the government funding to help municipalities reduce emissions appears elsewhere in the government's budget. It's not in the Municipal Affairs budget.

9:30

Mr. Stier: Okay. Thank you for that.

I'd like to move on, ladies and gentlemen, to city charters, and I'm glad that you brought that into your introduction today. It is a big change in Alberta to grant the two major metropolitan centres city charters. It's outlined in the MGA. It says:

governs all matters related to the administration and governance of the charter city, including, without limitation, the powers, duties and functions of the charter city.

That's from the 2018 version of the MGA.

Further to that, on page 117 in the business plan, again, priority 1.4 states that the ministry will

work in partnership with the cities of Calgary and Edmonton to implement city charters that reflect the unique circumstances of these major metropolitan centres and provide the necessary tools to govern efficiently and effectively over the long term

and so on.

For my first question that comes along – and I have got the regulations here and so on and so forth that I was able to take off the site – I'm just wondering: how far along is the implementation of the city charters? I'm not sure what the whole project is comprised of. Are we halfway there? Where do you expect the date to be coming up when they're pulling the trigger on it and it's inactive?

Mr. S. Anderson: That's a good question. I talked about it in my notes, that phase 1 in the charter agreement was a collaboration agreement. That's where we set up working groups to discuss the mutual interests, things like the environment. That finalized regulation has set out more than 30 authorities to provide greater flexibility, and that one is done.

Mr. Stier: Okay. Is that the regulation? Is that phase 1, then?

Mr. S. Anderson: Yeah, that's phase 1. Now we're looking at the long-term transit investment, the fiscal part of it, and that's in conjunction with myself and the Minister of Treasury Board and Finance. That's the phase we're on now.

Mr. Stier: Okay. So you're at phase 1. That's where it is now?

Mr. S. Anderson: We're done phase 1, so we're on phase 2.

Mr. Stier: What's the endgame for these phases? How many phases are there? When are we good to go?

Mr. S. Anderson: Again, I don't want to speculate because we're working on it right now. We are working hard. I believe we want to try to have it done by the fall. I mean, that's our goal because we want to try to get it done. I know the big cities want to get going on it, and our folks are actually working daily together. It's been quite a phenomenal collaboration, to be honest with you. Yeah, the fall is what we're really trying to get to. I don't know of an exact date.

Mr. Stier: If it was the fall for all that to be done, then as of a certain date the city would be taking over a lot of responsibilities as per the regulations. They would have their own internal mechanisms that

they would have to start working on to enact all of that, I suspect. Or are they simultaneously getting ready for that and it'll roll out at the same time?

Mr. S. Anderson: I think that as we're going along, we're making sure that things are in place as they come forward. Like I said, there are still some things that we have to work on fiscally, long-term transit funding and all that, but as far as the regulation that's already out there, the first phase, those things are being set in place.

Mr. Stier: Okay. Chair, I'm still following along here in the business plan. I think you're realizing that. The city charters, then, I understand through media and through what I've read in the regulations, are not going to be granted any additional taxing powers. I see you're nodding your head. I think that's correct. I'm wondering, too, though: will there be changes in the formula for MSI for the two major cities?

Mr. S. Anderson: You're right. Right now there are no new tax powers. That was actually contrary to some of the popular belief. At the beginning of the city charters process it was never actually something that was brought up. So no new tax powers. Then, going forward, there is the revenue-sharing part of it, like when I talked about the long-term transit plan. Edmonton and Calgary are the only two municipalities through this budget that had their MSI come down. We worked with them on that, the reason being because of the funding that they get for transit and other big projects like that. They really get that because of their population, right? They have different needs and different circumstances.

Mr. Stier: Okay. All right. Thank you for those answers.

Moving forward, then, on the website it mentions that one of the items being considered is improving

the administration of the existing voluntary destination marketing fee that is charged by some hotels. The goal is to enhance the transparency and accountability of the revenue generated from the fee, which will continue to be directed towards tourism activities.

Are there guarantees in the regulations or in the new proposed bylaw or in something coming up in the city in response to the charter regulations that would guarantee that money is directed towards tourism from those kinds of fees? Do you at the province control how the city will direct the fees that might be generated out of that?

Mr. S. Anderson: Right now it's actually a voluntary way to do it. What the municipalities have asked for is more of a concrete way of doing this and about the way it should be regulated, you know, going towards tourism, but that part is still under discussion to get the fine details. But, really, it is basically to formalize it, because not all the hotels are involved in it, right? We want to try to make something a little more formal that we can all work towards, something that's going to work for all of us. But it is under discussion still.

Mr. Stier: Okay. Some municipalities and their citizens have communicated to us on some of the changes with charters, as you might imagine. There are certain activities that a current property owner can do in terms of landscaping, changing of colours on houses, and so on and so forth. Does the charter or, perhaps I should say, would the city's new proposed bylaw changes be able to include restricting property owners from doing those things today that they didn't used to be able to do?

Mr. S. Anderson: There's nothing that we've discussed about that.

Mr. Stier: Okay. All right. There have been a lot of concerns from citizens about those kinds of intrusions into private properties and what they will be restricted or not restricted on, just to let you know, and that's the basis of my question.

Mr. S. Anderson: Yeah. I appreciate that.

Mr. Stier: Okay. We're talking about, again, the business plan, page 117, key strategy 1.4, to work in partnership with the cities of Edmonton and Calgary to implement charters, et cetera, et cetera. I wanted to get into increasing the responsibility for debt management as a topic there. On the City Charters website, again, it states that there are going to be three parties: Edmonton, Calgary, and Alberta. They've

agreed to develop options for increasing accountability of the cities for their debt by allowing them to adopt their own stringent debt management policies, including the need to get a credit [facility].

Now, from my experience over the years, municipalities can't go into debt, so I guess this raises a lot of questions and concerns. I think that currently both Calgary and Edmonton sometimes can exceed the minimum standards set out in the MGA for a lot of the things that they're supposed to provide, but the long and the short of it is that we're just wondering about this extension of debt, how that's going to work, and is the department going to be monitoring that stringently, et cetera, et cetera?

Mr. S. Anderson: Well, they still can't go into debt. That's not something that's changing. It's just stretching it out over a longer period, where we're talking about the three- and five-year, you know, those types of things. That's all. They still can't actually go into debt.

Mr. Stier: Oh. Okay. Thanks for clarifying that.

Mr. S. Anderson: Yeah. I know that Mayor Iveson had that question when we were actually doing the press conference about the city charters, and he spoke quite well to that.

Mr. Stier: Okay. I didn't catch that information, so thanks for that.

Mr. S. Anderson: That's why we're here.

Mr. Stier: If that kind of, I guess, flexibility is permitted to cities, will other municipalities – say, mid-cities or other rural municipalities, counties, whatever – be extended the same types of flexibility?

Mr. S. Anderson: Right now we're working on the city charters in general just with the two biggest cities because of their unique circumstances, their abilities, their resources, their capacity. During this process I've talked to a lot of the mid-sized cities – for example, Red Deer, Lethbridge, Grande Prairie, Airdrie – about what it might look like, going forward, for them. What we're doing is getting the city charters done first for the two big cities, and then we'll look at some of those things in there that might work in the future for these other ones, but that's down the road, once we're finished.

Mr. Stier: Okay. And just to be clear, I wasn't saying that there would be city charters created for the mid-cities in that question. I was just asking for flexibility on the finance side and the debt question we had earlier.

9:40

Mr. S. Anderson: Yeah, for sure. That's why, because that's part of this discussion, we want to make sure that it works well for the two big cities first, and then we can look at other options after that.

Mr. Stier: Okay. Fair enough.

Then I'd like to move to some of my home-based, favourite parts of Municipal Affairs: growth boards and regional collaborations and municipalities' operations, et cetera. One of the main programs that facilitates collaboration is the Alberta community partnership. According to the website the objective of the community partnership is to

improve the viability and long-term sustainability of municipalities by providing support for regional collaboration and capacity building initiatives.

That's from the MMGA, 2016.

Further to that, there's key strategy 1.1 in the business plan, that states that the ministry will

work with municipalities to strengthen regional planning and service delivery through implementation of new... growth management boards in metropolitan regions and intermunicipal collaborative frameworks in other areas of the province,

or the ICFs. You made mention of this again, Minister, so we're on the same page again in what we were thinking of as priorities for today.

In the estimates on line 7 there's the figure of \$18.5 million for the community partnership. It supports regional collaboration and capacity initiatives, et cetera, et cetera, with the additional intermunicipal planning that the new MMGA requires. Is there a breakdown of this \$18.5 million available and how that is portioned out? I'm not asking for which municipalities get how much. I'm just looking for: what departments would that be directed to?

Mr. S. Anderson: Sure. You want a breakdown of the \$18.5 million?

Mr. Stier: That would be nice if possible.

Mr. S. Anderson: Okay. Yeah. I've got it in front of me. So \$7.45 million is for intermunicipal collaboration, \$2 million is for the Edmonton Metropolitan Region Board, \$2 million more is for the Calgary Metropolitan Region Board, \$4.5 million is for municipal restructuring, \$1 million is for municipal internship, and then \$1.55 million is for other grants.

Mr. Stier: Okay. You're providing \$2 million each to the two boards. They had downsized in terms of the number of board members at the capital region. They had, probably, hard costs with some offices and staff or something there. I'm not sure.

What does that \$2 million provide – they were operating before – to the new Calgary board? Will we expect to see that \$2 million being spent in terms of staffing, leases of space, equipment, phones, meeting room furniture, et cetera, et cetera? I understand that they would probably be holding hearings or something at some point if they were to be faced with large proposals that they would be reviewing. Is that how that money will be spent, Minister?

Mr. S. Anderson: Yeah. I'll see if somebody can supplement maybe a little bit more. The \$2 million each was to support the core administrative costs and development of some of the regional service initiatives. Then over time, as we originally intended, the funding levels will decline as the resource transitions from the province to the board and its member municipalities. That's kind of the overview, the real general, high-level part.

I don't know if anybody wants to supplement on the little details.

Mr. Pickering: Just to be clear, we provided funding to the growth management board in Edmonton. A similar amount went to the Calgary Regional Partnership historically, so that will go to the new growth management board. As a result of, you know, the wrap-up

of the Calgary Regional Partnership, some of that funding has been also transferred, which included member municipality funding, to the new growth management board.

Mr. Stier: Fair enough, but I guess I'm still wondering. I'm a guy that's been around for quite a while. I remember the regional planning commissions that we had before, when this system was in place prior to 2003, when it was cancelled. They had a facility in Calgary for that one. They had staff, they had meeting rooms and equipment and so on, and as part of some cost-cutting initiatives of the day they shut all those down. In that \$2 million will there be sufficient funds for the operation of the board to include those hard costs of leases and equipment and staff and all that kind of thing, or are they going to continue to meet at the Mount Royal College meeting room, as they are today, for their initial work?

Mr. Pickering: The short answer to that is that, yes, they will lease some space. The scope and scale of that space would have to be determined by, you know, the board itself as to whether it's fiscally prudent to get big meeting rooms or whether you sort of source that out.

Mr. Stier: Okay. I'm familiar with the MGB facility and the Bowlen Building in Calgary and what they've had to do there to hold meetings and hearings. I can remember going to the Calgary regional planning commission meetings myself on an appeal that I was having and what used to be required. If this \$2 million is set aside, if they fall short in what they need for space and equipment and staff and so on and so forth, I'm wondering: will the municipalities be required to make up any differences there?

As an example, I understand through my own base municipality, the MD of Foothills, or Foothills county now, that last year the endeavour cost them about \$350,000 so far in its early stages. I'm just wondering: as it gets operating and functioning, will municipalities have to make up for any shortfalls from that \$2 million that doesn't cover all these new costs?

Mr. Pickering: I think that, as the minister referenced, the \$2 million isn't anticipated to cover all of the costs. An example would be in the capital region. You know, they've got requisitions that go to their municipality to deal with some of the funding over and above the grant that the provincial government provides.

As you're aware, in the Calgary Regional Partnership there were membership contributions that went in that supplemented that funding as well, so really no change other than levels.

Mr. Stier: Yes. I understand about the Calgary Regional Partnership and some of the things that they were doing. They did a lot of great work, but they will now have more business to conduct, and municipalities are concerned about higher costs because they now have become more of a hands-on operation. I just wanted to go down that trail to understand. It sounds like municipalities may be required, therefore, in terms of your answer, Mr. Pickering, that there will be perhaps some request for municipalities to have to fund this beyond the \$2 million that's been set aside. Or do you feel that that \$2 million is more than adequate for their anticipated operations?

Mr. Pickering: Again, not speaking for the initiatives that the board wants to do, I think that the government believes that the \$2 million is sufficient to deal with those things that are of a provincial interest.

Mr. Stier: Fair enough, and thank you for your patience in me drilling down on those answers. I appreciate that.

To the governance and so on and so forth with the boards, I wasn't aware of how the Edmonton capital region board worked in relation to making decisions and so on and so forth precisely because in the Calgary area – will FOIP be something that this newly created board system will be subject to as well?

Mr. Pickering: Through you through the chair. They would be akin to a regional services commission like organization, so FOIP would apply to them.

Mr. Stier: Okay. One of the things that came up when the boards were changed in the manner of the amount of members they had and the areas that they were representing, or controlling, I could say – I don't like that word too much. In the case of the Edmonton capital region board it was downsized a bit in terms of members, and some communities wound up no longer being represented at the table directly themselves. Similarly, with the new creation of the board coming up here in Calgary and the new members there, as compared to what was on the former association called the Calgary Regional Partnership, a bit of that downsized as well. Some communities are no longer members at the table.

A quick example is Black Diamond, Turner Valley, yet they are within the municipal district of Foothills, those two communities, and they are concerned about not having their voices heard at the table. Is it the intent of the department, in this downsizing from what CRP was, to have their interests represented by the municipalities surrounding them, the rural municipality? How do their voices get heard at the board?

Secondly to that, would the board be making decisions on a grander scale? I would imagine. When some of these boards get together, it's my understanding that they would only be dealing with the larger applications that come forward for development. Would they then be subject to decisions of the board for some of their growth?

9:50

Mr. S. Anderson: I've talked to Black Diamond, Turner Valley before about this, and one of the reasons why we did downsize the membership to over 5,000 was for efficiency's sake, to make sure that we have, you know, good, efficient, and quicker decision-making going forward. To talk to your point about Foothills surrounding them, they do not speak for Black Diamond and Turner Valley. What is going to happen is how the ICFs work. So Turner Valley and Black Diamond will still have to have ICFs with Foothills just as any other municipality would.

Going forward, when there are decisions by the board when it's related to, you know, growth management and IDPs and things like that, they will have to work with those municipalities. They can't just say: you're doing this because we're the bigger growth board. They will have to have those discussions to all, talk about their plans and what they're going to look like and set out the parameters. So all the voices are going to be heard still. It's just a different way to do it.

Mr. Stier: I see. I'll have to think about that for a little bit because I know that Turner Valley and Black Diamond are looking to grow. They hope to grow. They have some serious concerns about the – I believe there's a veto power built into the system of these boards because of the heavy representation in the growth board mechanisms that are expected in governance. So they're worried about the city controlling their growth and working through the IDP only versus being on the board. I guess I'm wondering: what was their reaction to your meetings with them in regard to losing that ability to be directly involved?

Mr. S. Anderson: There's no veto. I keep hearing people say those words, and because there have been some things in the past, people feel that way. It's two-thirds. Is it two-third, two-thirds?

Mr. Stier: Two-thirds by the populations.

Mr. S. Anderson: Yeah. Double. So a majority of the people have to be onboard with what's going on. There's no veto power per se, right? People use that term, and I actually wish they wouldn't use that term because it's not technically what's going on here.

When I talked to Turner Valley and Black Diamond, they were concerned. When it first happened, they were unsure if their voices were going to be heard, but our conversations since the initial, you know, standing up of the board or even before the standing up of the board have been really good and positive about what's going on. I think they understand a little more where we were going with the ICFs and the IDPs in understanding how their voices can be heard. Like I said, the conversations since have been pretty positive, and they understand now kind of where they're going.

Mr. Stier: Okay. I choose those two communities, and this would happen in the Edmonton region as well, I'm sure. So I don't try to focus on that area, Mr. Chair. I'm trying to look at the whole systems of this.

Mr. S. Anderson: For sure. But it's a good example.

Mr. Stier: Yeah. Thank you.

I'd just like to delve into how they operate. They may elect a chair, I understand, from among their members, or they might appoint a nonvoting chair. I believe the Edmonton board may have decided to appoint a chair. I'm not sure how that goes. Are they a paid member from these boards if they appoint a chair? Would that be an added cost?

Mr. S. Anderson: Do you want to speak to the details, Brad?

Mr. Pickering: Sure. So in the case of Edmonton they have appointed a nonvoting chair, someone to help facilitate the meetings, which is not a member municipality. That chair would get, I assume, a per diem.

Mr. Stier: Okay. Do we know Calgary's situation in that regard so far?

Mr. Pickering: Calgary's situation so far given that they're in the initial sort of set-up phase, the minister has appointed an interim chair, which is not a voting member.

Mr. Stier: Okay. Just looking here on what the rest of my time is left. There are about five minutes here.

The Chair: Twenty-one minutes.

Mr. Stier: Oh, pardon me. Okay. Thank you.

Then let's move on. We just want to look at some of the new stuff that came up as a result of these changes. There are some smaller communities that were unable to provide their own planning services and so on and so forth, and for years, especially in the south that I'm familiar with – and it probably happens in other regions – there's a local consulting company or service company out there that does planning and the documents for all these MDPs and ICFs and all these other kinds of things and the fact that some of these companies provide services for subdivision appeal hearings and so on and so forth.

I think I asked this last year, and I just wanted to get into it again a little bit if I could. You're providing the funding for these boards and so on and so forth, but at the same time, for those that need to do these ICFs and all these other things that are outside the boards, you are supporting municipalities for those added costs in some regard. You like to use the word "support" in this business. I'm wondering: what does that support consist of?

Mr. S. Anderson: One of the big ones is the Alberta community partnership grants. Those help in a lot of that. There are a fair amount of municipalities that have applied for those and have been accepted, so they can, you know, get the expertise and have the added administrative costs taken over, taken care of, to do this. Some of those small ones don't have the capability right now, obviously.

As well, through our ministry we are supporting them with, you know, templates and things like that, best practices, trying to help them in those ways, too. We're trying to look at the bigger picture and not reinvent the wheel because there are some pretty fantastic agreements out there that we can look at, providing aid in that kind of respect, too. But the ACP grants are a big part of it.

Mr. Stier: Okay. Back in the '90s – and, again, I spoke of the regional planning commissions . . .

Mr. S. Anderson: I was just a little kid.

Mr. Stier: Yeah. Perhaps. I was still out there trying to do planning in my area and faced the board a couple of times. There was a lot of concern about the big bureaucracy. It pitted rural against urban. There was a lot of stuff going on between municipalities, where they in fact had created around Calgary, as an example, what was called the greenbelt, or the primary growth area in future times. There were a lot of situations where it was the case that outlying municipalities felt that they were being controlled by the city, predominantly, and a lot of their growth and development was hindered because of the system that was in place.

Do you see that the changes in the growth board that you're creating now are going to perhaps make this more fair? We talked a little bit about it, and I mentioned a veto. I stand corrected. Thank you. But I still think that when two-thirds of the population are being represented by the city of Calgary, there is quite a heavy weight there. I'm just wondering how this change that comes up will be better in the long run compared to the old system.

Mr. S. Anderson: Well, I think that one of the main differences is that it was voluntary before, right? Regional collaboration: we all know that it's super important. I think our residents expect it. They don't look at boundaries. They expect the services to be there. I think the more that we work together on this, the collaboration together in finding efficiencies, it's going to be better for each municipality, right? I've impressed that upon them – and to be honest with you, in the first metro, or the Calgary regional growth board, meeting we had, there were some old feelings there and some thoughts. You know, I come from a small-town background and I understand. My family is a little old school sometimes. I said: "Listen. We're at a place now where I understand that history has got us to this point. We need to move forward. Our citizens expect it, and it's going to be best for all of us in the long run."

In the subsequent meetings it's been very positive. People have understood that. I mean, sure, there's a lot of history there, but I think that as long as we understand that if we're in this position to do the right thing for the people – and we are as elected officials – then working together is the best thing to do.

It's been really positive going, you know, through the last few months that I've been talking. With the interim board chair things

have been looking really good. Through our administration I've been hearing a lot of positive. I think it's going to be really good because they've got to sit down and talk about this; they've got to talk about the growth. I mean, you talk about a greenbelt and that growth. When I first moved here, I thought: jeez, there's no protection for farmland or things like that. It was kind of frustrating to me. But that's part of what this growth board is: hey, how do we grow? Is it better to grow up or should we grow out? We can't just keep paving over good farmland. You know that.

Mr. Stier: Yeah. Well, in fact, Minister, I have read over some of the preliminary information I've got about the growth board and its set-up, and I look forward to seeing that work out because it certainly was a problem before.

Mr. S. Anderson: For sure. Yeah.

10:00

Mr. Stier: One of the things that comes up, though, in my mind and probably, again, from my background is that if the board operates more or less the same as it did previous to the reduction here in Edmonton and the new board in Calgary, they're likely going to be dealing with the larger applications, I would suspect, rather than the small ones. They'd choose the acreage creations and so on, depending on how the board decides. What would be the appeal mechanism on a decision from the growth board?

Mr. Pickering: Just some points of clarification, tying back to the old regional planning commissions. In those days, in the old days, they dealt with things on an application-by-application basis. The growth management boards: the difference between them and the old regional planning commissions is that the communities themselves co-develop the growth management plan. Then there's a review using kind of a hierarchy of planning. So in an area structure plan or a municipal development plan sort of context those things would be reviewed against the policies that are developed in the growth management plan and evaluated. It's called a regional evaluation framework, or an REF framework. Once things have been acceptable from a planning perspective, have run through the REF process, then the local municipality would deal with those applications in accordance with its hierarchy of planning, which it is bound to under the MGA.

Mr. Stier: Okay. Just to clear it up – and I appreciate that, Mr. Pickering, as always – an applicant would review the municipal development plans and all the normal things that they do when they're looking to do a proposal in an area, and they would apply initially to the local municipality, I would expect. Then if the municipality saw this as being one of the triggers where it might have to go to the growth board for further discussion, I gather it would be the case that it would be referred to the growth board. They would make comment, and if the growth board was okay, it would come back to the municipality for completion. Is that more or less the flow?

Mr. Pickering: A good example would be if a municipality is developing an area structure plan, which is, you know, that they're going to develop a quarter section of land. Those types of applications, because they're a statutory planning document, would be developed and then run through this regional evaluation framework process to make sure that it's compliant.

Mr. Stier: It would go there first, then? It wouldn't go to the municipality first?

Mr. Pickering: The application would always be made to the municipality, right? There would be work that would occur between the municipality and the developer in that context, and then once they get to a point, so before final approval because those documents are done through bylaw process, it would go to the growth management board for a review through that REF process.

Mr. Stier: Okay. That's where I was going earlier when I was asking about finances, \$2 million to do a lot of that work. It's fairly complex. I'm not trying to argue that one back again, but I just wanted to understand the system, and I'm sure that people that may view this are wondering how the system is going to work as well. So thanks for the clarity on that process.

All right. I think we will move on, then. The next topic that we wanted to talk about was AEMA, the Alberta Emergency Management Agency. You know, just last fall we had a significant wildfire event in my area, in southwestern Alberta, that started in B.C. We, of course, had the fires that we've endured in Fort McMurray, the horrendous situation there, and prior to that we had Slave Lake and so on. We've endured a lot. We've learned a lot, I think.

I have been looking at this in the past three years when I've been in this room talking about these things. The agency is to lead the co-ordination, collaboration, and co-operation of all the organizations that are involved. In the business plan, page 118, under outcome 3 it says:

The ministry continues to develop and enhance the capacity of its emergency management partners to plan for, and respond to, emergency and disaster events through policy development, outreach activities, and . . . training.

I'd just like to discuss some of the response events and, in particular, how wildfires are dealt with. I understand that there's a little bit of co-ordination with the Ag and Forestry ministry as well in some respects. I'm just sort of a little fuzzy in terms of the budgeting. We look at the fiscal plan on page 144, disaster/emergency assistance. It doesn't look like Ag and Forestry ever budgets for the full cost of a fire. There's always that \$200 million allocated. I assume that it's not allocated but set aside. Is that still the way it's going to go in the future?

Mr. S. Anderson: Yeah. Basically, we do have that baseline, right? As I said in my notes there, you prepare as much as you can for disaster, but you never know, obviously, what's going to happen. So the \$200 million is there as a baseline, and then we have to adapt as things happen. There is some overlap with Ag and Forestry because of the firefighter part of it, the wildfire guys. But I can't speak for them. I'll just speak for myself.

Mr. Stier: Okay. When you look at that funding and it gets, you know, topped up for various reasons – DRP still stays out of that. It's not part of that kind of funding. That funding we're talking about is strictly for firefighting or for disasters, that \$200 million?

Mr. S. Anderson: If there is a disaster and the government determines a disaster recovery program, that \$200 million would be money that would supplement that. I think you're aware that back in 2015 the threshold for federal funding was raised. In order for the government to obtain any funding from the federal government, the disaster would have to be over \$13.1 million. Some of the smaller ones are really funded by the government of Alberta, and that's the area where we look to provide that funding, and then it's supplemented, depending on the number of disasters and severity of wildfires in the year.

Mr. Stier: Yeah. Okay. Correct me if I'm wrong, but Ag and Forestry sets aside around \$130 million on their own. You know, I wonder here if any costs associated with actual firefighting will come from Municipal Affairs, or are all of the firefighting costs coming from Ag and Forestry?

Mr. S. Anderson: It's Ag and Forestry.

Mr. Stier: Is it? Okay. All right.

Do you have over the past few years a history of what this has cost us in dealing with these tragic events? Your average amount of \$200 million looks like, you know, it's probably a little low. Is it something that we may have to adjust in the future, or is that still a working system that makes sense?

Mr. S. Anderson: Yeah. It's still the system we have right now. Obviously, we monitor, and we look at all the data and the information that we accumulate after every disaster. We do reports after every one.

The \$200 million is there, as I said, as a baseline, but if something happens where we need to go above and beyond that, then we can ask for a supplementary. So that's a baseline. I mean, I don't want to speculate. We do know that disasters are becoming more and more frequent and bigger. So possibly in the future, but I'm not sure. But that's where we are right now, and that's what our plan is.

Mr. Stier: Okay. It seems to me that at the same time as we do a lot of these firefighting events, we learn a little bit from that. I mentioned the fires earlier. There have been some reports brought out. Some of that was completed – the most recent one I was dealing with was Kenow just recently.

Mr. S. Anderson: Kenow, yeah.

Mr. Stier: And that was done by Municipal Affairs, I believe. Does Ag and Forestry do a separate one?

Mr. S. Anderson: Yeah, they do their own for that. Everybody involved basically does their own. I know the municipality did one, too, for that.

Mr. Stier: There are some major reports that have come out, though, Minister, with respect.

Mr. S. Anderson: Yeah.

Mr. Stier: We saw the one for Slave Lake. We saw one just recently. I was reviewing one – and I'm not sure who did it – from Fort McMurray. It's a fairly thick document.

Mr. S. Anderson: Ours was KPMG.

Mr. Stier: Okay. So Kenow may have another report yet to come. Apart from the report that I got from you, Minister, would there be a separate one from Ag and Forestry to come out later?

Mr. S. Anderson: No, I don't think so.

Mr. Stier: It would just be coming from emergency management, then?

Mr. S. Anderson: Just the one that we have right now, as far as I'm aware.

Mr. Stier: Okay. Then I'm wondering: of the reports I've seen on the Internet – we've researched this a little bit – are there any other

reports regarding fires that aren't released, especially about Fort McMurray? It was quite a huge, huge event.

Mr. S. Anderson: No.

Mr. Stier: Okay.

Mr. S. Anderson: We had the KPMG one, and Ag and Forestry had their own that was commissioned. Those are the only ones.

Mr. Stier: Okay. All right. One issue comes up repeatedly following these – and we've talked about this before with your departments, and I've personally talked to Mr. Schreiber as well – the communication thing. What I'm speaking about there is that when we have a lot of different agencies on a site – and in my case in southwestern Alberta we had Parks Canada, we had Environment and Parks, we had AEMA, and we had the local municipality and some of the assisting municipalities – the report that came out indicated that there were some definite improvements that could be perhaps sought to help with communication and co-ordination, particularly to do with authorities and jurisdictions of those various entities that were working there.

I know that there's a new bill coming out that has been introduced in regard to some of the work that AEMA has been doing and so on. Is there something to do with communication itself, though, that you'd like to enter into the record today in improving that? That seems to be a common thread.

10:10

Mr. S. Anderson: You're a hundred per cent right. The communication part is always something that comes out of all of these reports because we can always do better on it, right? That's why AEMA actually does exercises every year. The one we did this year was up around Grande Prairie. It was a wildfire in a rural setting coming into the urban.

With the bill that you alluded to, part of that is that we have in there the incident command system, which is directly dealing with the way we communicate. That's something we already have in emergency management. What that is is a standardized set of terms and words and the way that we go about it so you know that everybody, from the firefighters to the police to the locally elected officials and emergency managers, is using the same language and all understand what that means. There's a term that we use in AEMA called "speed of trust." That means that you understand that everybody beside you knows what's going on, so you can trust them, and it makes you faster and more efficient. That's part of the incident command.

Mr. Stier: Okay. If I could drill down a little bit at that, though, with respect, I guess I'm not looking at the language or whatever. I'm looking for a simple set of terms: who is in charge? That's what I noticed particularly when I was on-site down there, that there didn't seem to be a proper adopted communication command authority in place. It was an observation that we've seen before in the other events. We even saw it in the floods in my own area of High River. Can you speak a little bit about that?

Mr. S. Anderson: Sure. Basically, like, a unified command – right? – to understand. I can let Shane kind of speak to the steps of it, kind of how that works. Sometimes people are unaware that the first step is the municipalities, and then we step in as requested. I'll let Shane give you the specifics of that.

Mr. Stier: I think we only have about three minutes left here for this segment.

Mr. Schreiber: I'll try and make this very quick. What we want to do – it was part of the emergency management legislative framework review – was actually really reinforce and make clear the roles and responsibilities so that we don't have the same kind of confusion that you saw potentially at Kenow. Now, that was a very complex event because we had jurisdictions all the way from the national parks to First Nations. So there were really three levels of government and about six or seven different actors that all had a role to play in that.

The unified command is one of the tools that you can use to reduce the jurisdictional friction and create clarity. Two of the things that we need to do is not just train individually so people understand the roles and responsibilities and how unified command works but also essentially scrimmage or practise it through the use of exercises. I think, specifically in Kenow's case, the confusion rested largely inside of a municipal arrangement. The Pincher Creek Emergency Services Commission, that was working down there: I think there was a disconnect between the fire chief, who was working at the incident command post thinking that he was going to only focus on fighting the fire, and the directors of emergency management, that were waiting for information from him to be able to run things like the evacuation.

Once we identified that there was a bit of a disconnect there, we worked really hard to make sure that we could fill that gap. I think things got much better in terms of communications with the public and also internally. It's one of these things where you're never going to be perfect out of the gate, but if you put in the time beforehand, you'll be an awful lot better.

Mr. Stier: Okay. Thank you for that.

Chair, I'm not sure if I have much time left.

The Chair: Forty-four seconds.

Mr. Stier: Perhaps we can pick this up again at my next opportunity, but thank you for those remarks. Hopefully, this new bill will bring some of these changes into place that will eliminate some of the difficulties we've run into before.

I would like to say that my heart goes out to all the people that worked as first responders, all the commanders and all the people down there that I've seen in all of these events that I've witnessed to date, including the floods. Wonderful, wonderful, dedicated people. We just need to help them do the job they need to do in a better way in all respects.

The Chair: Thank you.

We'll now go on to the member from the Alberta Party. Mr. Fraser, please. The floor is yours.

Mr. Fraser: Thank you, Mr. Chair. Minister, how are you today?

Mr. S. Anderson: Fantastic.

Mr. Fraser: Good. Hey, I just want to again say thank you for all the time that you spend with my office in Calgary and the office here in Edmonton. You've always been open with your time, and I certainly appreciate that. And I certainly appreciate the people around you. I've had an opportunity to work with them, and you have a more than capable staff, that serve this province really well. We're in good hands, in my opinion.

I just kind of want to go down the same lines we just talked about: communication and floods and disasters. Again, of course, our hearts go out to all the people that have been affected by the numerous disasters over a number of years. I think it is a testament to the people within the Alberta Emergency Management Agency

and Municipal Affairs in general how we've been able to deal with that.

One of the things that was outstanding, certainly over the last number of years, was the Provincial Operations Centre. Can you give us an update of where we're at with the new Provincial Operations Centre?

Mr. S. Anderson: Sure. That's a really good point. One of the things that came out of one of the reports was the fact that we needed a new Provincial Operations Centre, so I'm very happy that we're moving along. Mr. Schreiber probably has a couple of details. I mean, I'm sure he's very excited about it.

If you want to maybe give a quick update on that, Shane.

Mr. Schreiber: A new Provincial Operations Centre has been budgeted for under the capital plan, and we are in the design phase right now. The money is in Infrastructure's budget. I believe it's \$75 million to build and another \$25 million to operate over the next 20 years. The current location that we're planning for the new POC will be on the south side of Edmonton, down in the Alberta Innovates park.

Mr. Fraser: Very good. So is there a timeline around that? I know this is your design phase right now.

Mr. Schreiber: Yeah. It's a very aggressive timeline. Essentially, they want to start building by the end of the summer, with move-in by the fall of 2020.

Mr. Fraser: Right. Again, we're entering another season of wildfires, potential floods, and those sorts of things, and we're hearing some of that right now. In terms of, you know, enhancing the capacity of emergency management within our communities, how many municipalities right now are participating in training and support in terms of, again, that unified command system, brushing up on your incident command systems and that sort of thing? Then, I guess, if you could also detail: where is the Alberta Emergency Management Agency using technology to reach out in terms of through mobile devices and that sort of thing to where and when you have people so that they can be updated in real time?

Mr. S. Anderson: Yeah. I'll speak really quickly to some of the technology just a little bit, like the Alberta emergency management app that we've got. The feds are coming out with one that just gives you an update in extreme events whereas ours will tell you, you know, regionally and will give you information about what's happening in your area. You do have to download the app, and it's available on iOS or Android systems. It's really quite good. It's got a lot of information on there. I'm really quite proud. I think we might have been the first province to actually do that. So as far as technology on that part, that's one of the things we're doing. Obviously, we use social media and every type of media that we can to get information out to people.

As far as other technology, Shane, do you know of anything else that we can highlight?

Mr. Schreiber: Right. So there are a couple of things that we've done in AEMA to help improve emergency management throughout the province. Probably the biggest one is going to online learning for a lot of the emergency management courses. Last year we generated almost 11,000 online qualifications using our online courses. That was up from 5,000 the year before, and that is far and away the most accreditations of any province in Canada. That's one of the things we've done. We've tried to leverage new technology in terms of being able to deliver training.

Mr. Fraser: Very good. Where in the budget does it show the cost of this training? Is there a line item?

10:20

Mr. Schreiber: It's under the policy and training program under AEMA.

Mr. Fraser: Okay. Very good.

Now, in terms of communicating, obviously, incident command and the people actually doing the work is one thing. You know, I remember the challenges of being able to communicate to people, especially when there are a large number of people, communicating to them about the DRP, where they're at in that system and being able to update them. Is there any initiative within Municipal Affairs and the Alberta Emergency Management Agency to be able to give people real-time updates using technology so that there's less anxiety, so they're more abreast of what's happening with their property and their file?

Mr. S. Anderson: You mean as to the DRP applications themselves?

Mr. Fraser: Yes.

Mr. S. Anderson: Well, I mean, they still have the ability to reach out to us, and we can give them the updates. That's usually how it works, that if they want an update, they get a hold of us and let us know, and then we can get the information for them. That hasn't changed in that part, but I will say that we brought a lot of that in-house, where we have case managers that can work directly with the applicants. I think that's going to help a lot going forward, to make sure that they have a point person. We've added more staff to handle those types of things because, you know, they're happening more and more. So we have added more staff to that. It's just efficiencies and improving technology in general. But, yeah, I think the point of contact has been a really good thing for us.

Mr. Fraser: Right. I know that the city of Calgary will have their Disaster Alley coming up. Can you speak to other programs, whether that happens in Edmonton and rural areas, where actual citizens can participate? It's what to do in a disaster, that sort of thing. Again, do you have any numbers of communities in general and just citizens in general who are participating in this given the fact that we've had a number of disasters that affected large communities in the last number of years?

Mr. S. Anderson: Yeah. I'll let Shane speak to maybe some of the specific programs, but I know that we do every year have an exercise that AEMA does, as I said before around Grande Prairie this year. It was involving, you know, everybody that we could, obviously local municipalities and first responders. But there are some programs, and I'll let Shane speak to maybe some of the training and things. You know, it's mostly to do with municipalities and making sure that their emergency managers are onboard and trained. Because I find that, you know, some of the folks – you haven't had a disaster for a long time, and then when it happens, you need to know.

Shane said earlier about practising this stuff, so I'll let him give some specifics on that.

Mr. Schreiber: Disaster Alley is Calgary's part in Emergency Preparedness Week. Nationally Emergency Preparedness Week is the first week in May, and we try and support every community having a bit of an event, whether it's Disaster Alley or that we're going to do the same thing here in Edmonton. That's the way we really engage the public.

We are also within AEMA building something called Alberta Ready, which will be a program that we want to take out to schools and to communities, that talks about individual readiness, and do some training around that. We're going to do that in partnership with the Red Cross, the Insurance Bureau of Canada, and other organizations to be able to do that. Then, as always, we have a wide suite of information on our website. After every emergency alert goes out, we see our website get a big spike in hits because people are going there to learn about how to get personally ready.

Mr. Fraser: Right. So in terms of community resiliency – and I think you mention that on page 118 in one of your key strategies, 3.3 – how many communities have you gauged that are actually resilient? Again, can you disaggregate, you know, those communities like First Nations? Like, what are we doing with First Nations groups, maybe remote Alberta, those sorts of things? Are you keeping statistics on communities? Is their resiliency improving? Are they building levels of resiliency, or are we seeing communities fall behind?

Mr. S. Anderson: I mean, Shane has got some numbers on it, but I know that in particular we have field officers all across the province and on First Nations as well. A lot of the First Nations are actually really well prepared, so that's a good thing. Part of this new bill, that we've introduced in the House, is to work with those municipalities to see what their plans are, to get them to have a look at it, to understand that they need to update it. Also, I think that across the province we've had almost 50 per cent turnover in municipal officials and, you know, administrative staff.

I think that those are also some of the things we're doing, trying to work with municipalities to say: okay; where are you at, and how do we help you to plan for, you know, a new plan going forward and to go through exercises? A lot of these training courses and things are in Alberta Emergency Management already. It's just making people aware of them – right? – to let them understand that.

I don't know if you have any numbers, Shane. I think it's hard to speculate.

Mr. Schreiber: Yeah. One of our performance measures is actually how many community emergency management plans we review. We aim to get 90 per cent on an annual basis. That means we go in and take a look and can assess, at least based on their paper plan, how ready they are. What we want to do through the updated Emergency Management Act and some of the supporting regulations is to really support and drive some additional work at every level so that the province as a whole is far more resilient and communities are far more resilient. That goes for everything: public education, individual training, qualified elected and appointed officials.

Mr. Fraser: Right. Another quick thing, just as it comes to mind: when it comes to the DRP, how many outstanding files do we have from 2013 and maybe even beyond? I know that that's not an easy thing to manage. Some of those things are complex. I totally get that, and it's not a point of criticism. It's just, you know: what are we doing to try to speed those along? Obviously, it's working with insurance companies. Are we seeing improvement in moving those along? Just based on understanding the system, are we reducing redundancies, again, to put people's minds at ease, and trying to get these files off the government's books?

Mr. S. Anderson: That's a good question. I think there are about two outstanding.

Mr. Schreiber: There are two left.

Mr. S. Anderson: Two left. Okay.

As far as when you're talking about efficiencies and things like that, that's a good point. I think part of that is educating municipalities and folks out there about what the DRP is and what it's supposed to be used for. I think the default for a lot of folks that might not understand it is to go directly to the province when we have a lot of these smaller disasters that are insurable or, you know, when insurance is readily available, these types of things.

Part of making that process quicker and what we've been trying to do – and it's been working – is to make sure they know what's happening, right? A lot of my discussions, to be honest, over the last year of being minister have been surrounding that and trying to let them know what's available, especially right now in light of the southern Alberta floods that are going on. I've been in contact with a couple of different mayors down there, and our folks have been there daily. So we get onboard with that, and we have people there to assist.

Also, Shane mentioned the Insurance Bureau of Canada earlier. They've been really good, especially at the Fort Mac fire. There were insurance people on the ground, I mean, very, very quickly to help citizens. We've been working really closely with them to try to make sure all these things go a lot quicker, are a lot more efficient because, I mean, in the heat of that – pardon the expression – people are frazzled. They don't know what's going on, and we need to try to be there. Yeah, we are definitely trying to find more collaborations where we can help people.

Mr. Fraser: Very good.

I just want to move on. Library system boards, you know, serve their communities by planning and shaping libraries, library systems, which are critical, especially to rural areas, in terms of bringing people together, information together. Given their use of public funds to perform their mandates, does this budget contemplate bringing library boards and library system boards into the fold of Alberta public agencies?

Mr. S. Anderson: Do you want to expand on that?

Mr. Lemphers: My name is Anthony Lemphers, ADM, corporate services. Library boards or library system boards are made up of member municipalities. At this point in time it's not something where there's been any contemplation to bring them into an Alberta government public agency.

Mr. Fraser: Okay. I'll move on.

On page 121, under Expense, library services, you've cut that line item from \$49.7 million to \$36.9 million. What's the rationale?

Mr. S. Anderson: That's a good question. Thank you for that. The decrease of \$12.7 million – that's what you're speaking of? – under the provincial library network funding reflects the absence of last year's one-time capital grants. It doesn't reflect a decrease in the operating grants or other programs.

Mr. Fraser: Okay. So what was the total demand for library funding last year, and how does that compare to this year?

Mr. S. Anderson: I'll just grab those for you. Just give me a second. Sorry, Member. We're just trying to get the right information for you.

Mr. Fraser: No problem.

10:30

Mr. Lemphers: Hon. member, when you remove the \$12.7 million of one-time grant funding from the last fiscal year, if you don't

count that, then the funding from the last fiscal year is the same as the funding this fiscal year. There hasn't been any change. Total funding would have been in the \$37 million range, the same as this fiscal year, if you don't take into account the \$12.7 million of one-time grant funding.

Mr. Fraser: Right. Which communities, in your opinion, will be most starved of library and information resources this year? Like, are there communities that are outliers that are having challenges with their library services?

Mr. Lemphers: One of the things we've done as a province is that we've created the provincial public library network. In order to receive our operating grant funding, one of the things you do is that you agree to resource share. What that means is that you've got access in your local public library to the information that's available throughout the entire public library network. You might be in a small community with a smaller library, but because of the interlibrary loan resource sharing and because of the electronic resources that are made available across the province, that information is shared across the province. So you're not really starved.

Mr. Fraser: Okay. Very good.

How is your department working with Service Alberta to make sure, you know, that rural Alberta and remote Alberta have access to high-speed Internet?

Mr. S. Anderson: Yeah. A good question, actually. Just a real quick touch on what some of these municipalities are doing. I've actually seen a lot of these libraries out there with little buses bringing books to small hamlets and things like that, too. It's actually quite interesting the way that they're working together.

Now, you're talking about SuperNet and Service Alberta. I mean, everything happens in a municipality, but that is under the jurisdiction of Service Alberta. I don't really want to, you know, speak out of turn on that because it's not really under my ministry. When you look at the SuperNet connectivity for libraries, the breakdown of the funding is \$2.4 million.

Mr. Fraser: Okay. Very good.

On page 116, in the second paragraph under Strategic Context: "the Government of Alberta continues to implement new innovative initiatives... strengthening our communities and making life better for Albertans." How is Municipal Affairs working with municipal housing corporations and others to provide supported housing to address the legalization of recreational cannabis? As that starts to come online, how are you working with municipalities?

Mr. S. Anderson: As far as housing goes?

Mr. Fraser: As far as housing. People using medical cannabis and/or cannabis after the legalization, obviously, within housing boards and the Calgary Housing Company, that sort of thing: how are you working with them to make sure that people are able to do that? What are the administrative practices to approve those sorts of things?

Mr. S. Anderson: I mean, it's an ongoing process right now, to be honest with you, as things adapt and change. But we have the Cannabis Secretariat in Justice, that I would say we're all kind of working with. It's kind of the go-to that links us all. That's who we're going through. As I said, I think we're going to have to adapt as time goes on here. I mean, when you're talking about

municipalities and private facilities, you have some facilities that are nonsmoking, right? There are still those local authorities that may have that ability – landlords and things like that – but we are working through the Cannabis Secretariat.

Mr. Fraser: What are your plans for cannabis revenue sharing with municipalities?

Mr. S. Anderson: Right now, again, we are working with the Cannabis Secretariat. You know, we were handed this by the feds, who basically pushed a sheet of paper at us and said: here you go. We are working hard with municipalities to understand what it's going to look like. I think that people are just projecting numbers and trying to figure that out right now. We don't actually have a number on what this is going to look like. Every time I talk to a municipality, one of the things I say to them is: "Okay. As we go, we're going to have to change. What this is going to look like, I don't think any of us know right now, to be quite frank with you."

We think it's going to be, you know, kind of a wash, as it is right now, with the money. That being said, we still have to work through a fair amount of detail. I believe it's August or some point when they think they're going to legalize it now. Yeah, it's an ongoing process.

Mr. Fraser: Thank you, Minister. Thank you to your staff. Chair, I'm good for now. Thanks.

The Chair: Okay. Thank you very much.

We'll now move on to the private members of the government caucus. Ms Babcock, please go ahead.

Ms Babcock: Thank you, and thank you, Minister, for coming this morning and spending some time with us. I'd like to start our discussion today with intermunicipal and regional collaboration. Outcome 1 on page 117 in the business plan states that "Albertans live in viable municipalities and communities with responsible, collaborative and accountable local governments." The new Municipal Government Act brought in a number of changes to municipal roles and responsibilities. Intermunicipal collaborative frameworks are putting some big tasks on the to-do list for our local governments.

The key strategy on this talks about strengthening regional planning and service delivery. However, that's a pretty broad description. Can you explain what sort of outcomes you expect from these new requirements? Given that your business plan itself identifies municipal capacity to manage change as a risk, what are you doing to help municipalities meet these requirements that have those deadlines?

Mr. S. Anderson: Thank you. That's a good question. There's a lot to unpack in that. You know, you're right: municipal governments are responsible for some pretty important services that we all rely on. One of the ones that I always talk about is water/waste water, and I had a quote in the paper saying that it's not sexy. It's a huge one that a lot of people aren't aware of – right? – and it's a very costly thing. There's also waste disposal, you know, fire services, emergency management, transit, recreation. I mean, there are a lot on that list that is in there. For us, with these ICFs and when we talk about this regional collaboration, what we're talking about is finding the most cost-efficient and efficient ways to do things. Our citizens expect that. They expect us to deliver these services in a quick and efficient way.

I mentioned before that there are actually a lot of partnerships already happening around the province, some really good examples out there: reducing duplication, finding innovative

solutions, and streamlining their delivery. You know, the end result is that they're using tax dollars for the best value and what suits our communities, and that's important for us. I think that making these ICFs a requirement is, let's say, fueling a bit of the momentum that we've already got out there a little bit but really making sure that other people are coming online because they see the success of that and how it actually affects our citizens and our communities.

We're actually working with the municipal associations, whether it's the RMA or the AUMA. We've been working with them through this process the whole time, consulting with them a lot. You know, the MGA was a massive piece of legislation, and our consultation has been second to none. It's important because it affects everything in everybody's lives. Everything happens in a municipality, so it's important for us to work together.

We also have the Alberta community partnership grants, that are helping with these collaboration frameworks, in particular for maybe some of the smaller municipalities that don't have the capacity of the bigger ones. We're going to be there to support them so that we can help make this transition as easy as possible.

Ms Babcock: Thank you.

Staying on the topic of municipal collaboration, outcome 1 and the first key strategy related to that, again on page 117, also refers to growth management boards being mandatory. Now, being in the capital region, we hear a lot about our growth management boards outside of Edmonton and what that means for some of our local municipalities. I understand that most of these boards have existed before, and it may have been a bit of a model for other municipalities developing regional frameworks, but what has changed under the new mandatory designation, and what financial support is in this budget to support the work of both the Edmonton and Calgary metropolitan region boards?

Mr. S. Anderson: Sure. A good question. Regional collaboration, we think, is a basic responsibility of each municipality. Previously the board in the Calgary region was voluntary, so we worked with that board to develop regulations that would govern it into a mandatory group. We limited that board to 10 municipalities as well. So that's a bit different.

On the membership side we did the same change of membership to the Edmonton Metropolitan Region Board. It was 24 municipalities before; it's now down to 13. The intent is to be more efficient, to have quicker decisions made, to be a little more manageable in size, to be honest with you, so that we can have timely decisions and the outcomes are tangible for the residents that rely on them.

As far as the funding for the boards, there will continue to be \$2 million for each board to support their core administrative responsibilities, development of some of the regional initiatives that they have going on. Over time we are planning, as originally intended, for the funding levels to come down as the resource transitions from the province to the municipalities themselves.

10:40

Ms Babcock: Also, in outcome 1 of your business plan it talks about providing funding to meet municipalities' strategic long-term infrastructure needs as a key strategy to ensuring Albertans live in viable municipalities and communities. I know the minister is aware that municipal leaders have been asking for infrastructure funding to be predictable and sustainable to meet their long-term plans as they have to plan on a three- to five-year term and have for some time expressed concerns about the future of MSI. What MSI funding is provided in this budget? I know you did discuss this a

little bit in your opening comments, but what plans are there to meet future infrastructure needs beyond the immediate budget?

Mr. S. Anderson: Sure. MSI is a big one for municipalities – there's no two ways about it – and it's something that I heard from the day I was elected as an MLA, in particular when I was appointed as the minister. That was a very strong message that came across because it's something that they can count on.

With the MSI, there was \$11.3 billion that was allocated. After I was appointed, MSI was actually going to expire, so we extended that a little bit, and we will be meeting that commitment of the \$11.3 billion. It will be realized by about 2021-2022. What we are looking forward to is to try to make something stable and predictable, and that's in sitting down with municipalities to understand their needs, what stable and predictable looks like for them, and understanding. That's the long term a little bit as far as putting it in legislation and trying to make sure that they have something that they can plan on every year. With the budget cycles, you know, it's tough on the provincial government, and it's tough on the municipal governments. They need to have sustainable funding.

In the budget you probably noticed that it shows a reduction of \$543 million to the MSI program this year. What that is: it reflects a reduction of \$552 million of MSI capital offset by an increase of \$9 million of the basic municipal transportation grant component. But it's important to note what amount of funding is actually being made available for municipalities in that year, 2018. A drop in the 2017 deficit and increasing revenues gave us a bit of an opportunity here to address some of the capital needs of these municipalities, because there are a lot of huge projects. You know, I've mentioned water and waste water before. Those are massive projects that cost a lot of money. We were able to make another \$800 million available through the supplementary estimate and make sure that 304 municipalities are whole and have their municipal funding. I think it's a really good thing, and I've heard a lot of good, positive feedback about it.

Ms Babcock: Great. Thank you.

When it comes to funding municipal infrastructure projects, we hear a lot about the MSI, again, and while I understand that the recent decrease to MSI only affects Edmonton and Calgary, I know some of our smaller munis have a long list of priorities that can't be accommodated by just one program. I understand that the federal-provincial support under the small communities fund has been valuable for our smaller and rural municipalities. However, I see that that funding is decreasing in 2018. Could you please explain why the budget for the small communities fund is going down by \$14.2 million?

Mr. S. Anderson: That's a good question. Obviously, as a government we're well aware of Albertans living outside of our two major cities. We continue to contribute – and we will continue – to that small communities fund, which assists communities with populations under 100,000. That is what it is meant for. When we compare the small communities fund 2018 budget to the budget of last year, I can see how people might think that the fund has been reduced, but in reality there's actually been no change between the provincial and federal funding commitments.

The cost match program provides a total of \$188 million to support eligible projects, and from the initial application we received 298 applications and approved 56 grants. With those approvals, all the funding is fully committed. The program budget each year reflects the expected cash requirements of the municipalities to support those approved projects, and the current plan is to fund the program for five years in disbursing that money

as per the project schedules and grant agreements. So we expect the funding to be all accounted for and the program to wrap up in 2019-20. In the absence of additional federal funding, there will be no more calls for applications under that program.

Ms Babcock: Thank you, Minister.

I have a few questions regarding another part of Municipal Affairs' budget that doesn't get as much attention as other programs and grants administered by your ministry, but an area that I think has an essential role to play in the quality of life and family life in our communities is, of course, our public libraries. Can the minister tell me the nature of support we can expect to see in this budget and business plan for the public libraries across our province?

Mr. S. Anderson: Thank you. You know what? When I was appointed minister and when I looked at the organizational chart of what was under Municipal Affairs, I was very happy to see libraries. I love libraries. They're integral to our communities. As we spoke about earlier, there's some really good collaboration around the province of sharing of resources to make sure that everybody has access to that all across and in First Nations as well. It's been really good. I'm really quite proud of the support that we've given to public libraries, which has actually, in fact, remained at the same level as last year.

I know that when I travelled around the province, I went to a bunch of different libraries. Librarians usually are pretty quiet, but there were some librarians that were very happy and voiced how happy they were to me. It was nice. It was nice to see that, you know, they were excited to be able to continue the programs that they had.

We will continue to demonstrate that commitment. That's something that we have committed to before. We want to improve access to public library resources and services. As I say that, that's with more than \$35 million to support operating grants. SuperNet is something that's involved with those as well and a growing number of e-books and resources that are through the provincial network. We're also pleased to continue funding public library access for our indigenous peoples as well. This reflects our sincere commitment to make Alberta better for everyone, you know, for the many and not the few.

Under this budget and business plan we're happy to see that these important community hubs survive and thrive out there. I know that when I travelled around years ago, I heard: oh; with the Internet libraries are going to be no more. They're thriving. They are doing more and more, providing more services and programs, especially in rural areas. I've seen some of them provide ESL programs and things like that. They're incredible, our libraries out there. I'm really quite proud of the system we have, and I'm really quite proud that we continue to fund them. That's going to be something that we want to make sure we do going forward.

Ms Babcock: Just on that topic I have to say that our library is a massive community hub. They do everything from GSAs to ESL programs to seniors and kids and everything in between. It's somewhere where our community spends a lot of time.

Mr. S. Anderson: I've been to your library.

Ms Babcock: I know. It's pretty amazing.

Moving on to the Emergency Management Act. What do you foresee to be the added costs to municipalities or the province of Alberta as a result of reforms to the Emergency Management Act, and are these costs included in Budget 2018?

Mr. S. Anderson: Thank you. The changes to the Emergency Management Act shouldn't result in any additional costs for the municipalities. The consultation we'll be doing over the, I want to say, spring – I'm not sure; it is here now, I think – and the summer will help determine some of the details of what will be in the regulations and what supports are needed for these municipalities.

The Alberta Emergency Management Agency already offers several free programs and tools to help communities fulfill their responsibilities. These tools and programs include a field officer program, which supports municipal emergency management through field officer visits; feedback on emergency management materials upon request; and delivery of training. We also have a suite of free online and in-class emergency management training courses, which have been very well received. Actually, a lot of people have been involved in that, which is really nice to see because, as we know, things are getting more extreme out there. We have a lot of smaller, you know, these little disasters that are happening, and having more and more people trained and understanding that, I think, is really big. We also have the community emergency management program, which is an online application that provides templates and guidance to develop emergency management plans and programs.

So we have a lot of resources that are already in-house that we do. I think it's part of what we need to do. What we have been doing a really good job of, especially of late, is educating people and making sure that they are aware of it so that they can take advantage of them.

Ms Babcock: Thank you.

The government of Alberta assured the people of Wood Buffalo that they would see continued support as the community continues to recover from the Wood Buffalo fire. I see that page 219 of the government's estimates states that the recovery will see continued funding through the 2018-19 year. Could you give us an update on the progress of the recovery efforts and what steps are being taken to ensure our continued support of the affected communities?

10:50

Mr. S. Anderson: Sure. Thank you for the question. I've actually been up to Wood Buffalo a few times since the fire to see the progress, and I will be going up there next week again, actually, to have a look and to speak with the council. You know, we have committed as a government to make sure that we are there for the people of Wood Buffalo to work through this recovery. The community is healing, but it's a long-term thing for them, and it's a long road. So we're not going to forget about this any time soon, and we want to make sure that our supports are there for them.

As far as some numbers go, there were a total of 2,579 residences that were destroyed. As of this month the regional municipality has approved 2,002 building permits and 506 final occupancy permits. Also, local businesses have been supported by the Back to Business Resource Centre, and 629 businesses were provided with a total of \$4.6 million in financial support from our government. As well, the Wood Buffalo community futures program has been created and continues to help the businesses recover. Through the municipality's regional emergency services there has been increased community education and awareness about preparing for an emergency and evacuation and business continuity. In addition, Alberta Agriculture and Forestry has allocated the region with a total of \$10.5 million over three years for their FireSmart work to better protect the community. Overall almost \$420 million has been spent to date on the wildfire response and recovery.

Homes are being rebuilt, we hope quicker, you know, because there are still a lot of people out of their homes, and we want to

make sure that they get in. Schools have opened back up, and the population is returning. A lot of businesses are getting back on their feet, which is nice to see. There's also a lot of psychological support out there that we've provided, too, and people need that, right? We're going to be there to stand with them. We've said that since the beginning, and we will commit to continue doing that.

Ms Babcock: Thank you.

In your business plan on page 119, outcome 4 relates entirely to the ministry's quasi-judicial boards. I'm aware there were plans to amalgamate the Municipal Government Board, the New Home Buyer Protection Board, the Land Compensation Board, and the Surface Rights Board, and I believe that this has been under way. However, I see that one of the key strategies in this outcome is the continuation of administrative amalgamation. Can you share what you've done to date and what the cost savings are of the amalgamation?

Mr. S. Anderson: Thank you for that good question. As the outcome describes, we're committed to providing some fair, timely, and well-reasoned decisions on matters for Albertans and municipalities that they bring before these boards. So we continue to implement efficiencies resulting from this administrative amalgamation. It's hard to see the savings in the budget as the boards are still early in that amalgamation as we speak and the volume of activity has changed.

Last year the boards experienced a significant increase in applications that under normal circumstances would have required an increase in our budget resources. For example, in 2016 and '17 the Surface Rights Board received 2,570 and 1,934 recovery-of-rental applications respectively. This is a significant increase from the prior years, when the board saw between 500 and 700 applications. The cost savings resulting from the amalgamation allows the boards to process and adjudicate these with existing resources.

But to give you an idea of our cost savings, changing from three full-time and 12 part-time board members to 14 part-time saves about \$218,000 per year. Also, combining the chair positions into one consolidated chair for all four boards saves us about \$221,000 a year.

We do acknowledge that there are various changes, and it's going to take time to see the true impact on the service delivery and the measure of the cost savings. However, so far we've seen a lot of positive results. You know, it's getting everybody onboard and making sure that there are no redundancies. It's been really good so far, so I'm looking forward to seeing how our changes are implemented and finding more efficiencies.

Ms Babcock: Thank you, Minister.

Chair, how much time do I have left?

The Chair: One minute.

Ms Babcock: One minute. Okay.

I'll start with my question, then. I'd like to go back to the changes being implemented through the new MGA, which, of course, is one of the largest pieces of legislation that we have. On page 120 of the business plan you state that one of the risks to achieving your desired outcome on this front is the municipality's capacity to manage the new changes to the MGA. Now, I know you stated that you're helping municipalities through the development of templates for the intermunicipal collaboration frameworks, but has the ministry taken into account the possibility that a municipality can't hit ministry targets, and if so, what recourses can the ministry administer to aid in ensuring that all Albertan municipalities are able to achieve the desired outcomes from the MGA?

Mr. S. Anderson: We expect municipalities will be able to implement the legislation given our strong partnership with them and with the municipal associations in building these change management tools. We have tool kits on developing the intermunicipal collaboration frameworks that are out there. We have public participation policy and council codes of conduct.

The Chair: Thank you, Minister.

As previously agreed, we'll now take a five-minute break. We'll reconvene at 11 o'clock.

[The committee adjourned from 10:55 a.m. to 11 a.m.]

The Chair: Ladies and gentlemen, we will reconvene now, so I'll ask everyone to please take their seats.

In the rotation we are now back to the Official Opposition. Mr. Stier, will you be asking questions?

Mr. Stier: Yes, I will, Mr. Chair, but I'm not sure if we're quite ready yet here with the table.

The Chair: Yeah, well, you've got to push the minister along sometimes. You know how it is, right?

Mr. Stier: Okay. Are we ready to begin?

The Chair: I'll also mention that we have now gone to five minutes, so if you combine your time with the minister's time, it will be a 10-minute interval.

Mr. Stier: That would be my preference, Mr. Chair, if it's okay with the minister.

Mr. S. Anderson: Yeah.

The Chair: Please go ahead.

Mr. Stier: Okay. Thank you. Well, the last time I spoke, Mr. Chair and to the table, I was speaking about the AEMA and emergency management, all that kind of good stuff, and I left off just before I had the chance to finish a question I wanted to get out, with respect, regarding the Kenow fire and the response to the Kenow fire.

This may or may not be part of the purview of the department, but when the Kenow fire started, it was my understanding that it was sparked on the other side of the border, in B.C., and then climbed over the mountains and into Waterton and, of course, as we know, into the municipal district of Pincher Creek. My question is: does the government of Alberta – and I'm not sure if it's emergency management – have a working arrangement with B.C. with respect to responding to a fire? I know that there were air units available sitting at the Pincher Creek airport ready to go, but it was my understanding – I was informed – that they waited until it came into Alberta before they responded. Can anyone speak to that, please?

Mr. S. Anderson: Yeah. It would be Ag and Forestry that deals with that one. It's talking about the equipment. I mean, I will tell you that we work very closely with B.C. on a lot. Our exercise last year for disaster was actually if the big quake hit B.C., so we worked with them real close. We do work with them, but that part would be Ag and Forestry.

Mr. Stier: Okay. Just to give you backup, there were comments in the area about: why wasn't it acted upon right away while it was down there? The equipment was right there, but it was not, so that's the reason behind that.

I'd like to move on. The Provincial Operations Centre: I've had a little bit of understanding of how that operation works. It's a

marvellous place, I understand. I do know that it's located here in Edmonton, but there has been some talk of modifying it, rebuilding it, improving it, moving it. Can you elaborate on any of those questions there, please?

Mr. S. Anderson: Yeah, for sure. Mr. Schreiber spoke about this a little bit. The Provincial Operations Centre, that is right there: have you been to it yet?

Mr. Stier: I've not.

Mr. S. Anderson: Honestly, the people that work there are amazing, and what they did through the big fire in Fort Mac is incredible. It's very tight, so when you have every agency in there and everybody, you know, trying to work together, I mean, it's like a beehive. It's amazing to watch what they do, but they really need it updated. What came out of the reports was that we needed a new Provincial Operations Centre – that is under way; it's in the design phase right now – to be in the south end of Edmonton, down by Alberta Innovates, in the park down there. That's through Infrastructure. The build will go through them, but the design phase is under way because it is needed.

Mr. Stier: Okay. To the Chair's concern, I'm sure: is that part of the budget here in any respect, currently, this year?

Mr. S. Anderson: No, not in ours. It's in Infrastructure.

Mr. Stier: Okay. It's in Infrastructure solely. Fair enough.

I'd like to move over to the disaster recovery program a little bit. Previous speakers have brought this up. I myself have been involved with this a little bit in my own area during the disaster in High River and so on. Now, too, I suspect that we may be facing that this year again. I'm not sure how it's going to go in southern Alberta, but we're already faced with a lot of flooding in some municipalities now. I think one of the previous speakers on the opposition side here did ask with regard to insurance, and I think, Minister, you talked about insurance programs. There has been a change in insurance programs – is that your understanding? – so there are more types of insurance out there and programs from them that may cover some flooding, or is that not correct? Do you know?

Mr. S. Anderson: You know, off the top of my head, I can't speak to what insurance programs are out there. I wouldn't want to speak out of turn. I don't know, actually, which ones there are. I mean, I think there is more knowledge and, actually, understanding of what's out there, for sure, because of the amount that we've had over the last couple of years. I will say that. I just don't know what the particular types of those insurances are.

Mr. Stier: Fair enough.

At one time a few years ago – and this has been raised here just recently because of the flooding that we're now experiencing, actually, in the region I live and work in – there was a condition, when the program was first initiated, that there was a one-time-only payout clause and that a caveat would go onto the titles of some properties where those kinds of payouts had occurred from the department. I'm wondering: is there now a clause or is there a ruling or regulation or something somewhere where it now says that previously funded claims do not jeopardize the possibility of applying again should a disaster occur once again in the same location? And I'll tell you why I ask that. There are people that are still vulnerable when these things take place.

Mr. S. Anderson: Yeah.

Mr. Stier: Does anyone know?

Mr. S. Anderson: Do you know about that particular one?

Mr. Schreiber: The Emergency Management Act gives the minister the power to put caveats on a property that's received DRP if they haven't mitigated; in other words, if they haven't reduced the risk of future reoccurrences of, largely, overland flooding. We haven't used that power, so nobody has essentially been told that they're one and done. We have people who have made multiple DRP applications over multiple years.

Mr. Stier: Okay. Just to understand, Mr. Schreiber, are you saying that you still have the power to do it but that it's not necessarily stated anywhere that a person can't submit another claim? You just are in good faith doing it?

Mr. Schreiber: The minister has the power, but he hasn't used it, so people can make multiple applications.

Mr. Stier: Okay. There has been some misdirection, a couple of instances, by municipalities to potential claimants who are now calling the municipality, and the municipality has been saying that they're not sure but that they don't think they can apply again because they received funding before. If nothing else, I'm supplying the information about what we're hearing. There needs to perhaps be some sort of clear direction from the department for the public to understand what their situation is if they're in jeopardy again.

Mr. S. Anderson: Yeah. I appreciate that. I always encourage everybody, if they aren't getting an answer or it's unclear to them, to reach out to our department. We're the folks that do it.

Mr. Stier: Fair enough. I'll be referring them to you.

Now I'd like to move on to assessment a little bit. Something that came up here just last fall, I believe, was the assessment year modifiers issue. As you are, I'm sure, aware, in your department the linear property regulated assessment rates have been reflecting a base cost that was, you know, brought to bear in 2005, and they're normally adjusted each year through an assessment year modifier, they call it, where they apply a multiplier to that cost base to arrive at what they believe are the conditions today or the values today.

I understand that the department made a relative announcement, I believe, in the fall, sometime earlier, of a certain amount, and then it changed in December to something else. A lot of municipalities, of course, had gone through an election in the fall, too, done their budgeting with their new councils and so on and so forth, and then found: oh, we're going to have a change here. I guess the question is: why was that decision made?

Mr. S. Anderson: Yeah. It's a good question. With the assessment year modifiers we found year over year that there's been a lot of fluctuation out there and a lot of differences from municipality to municipality, where the municipalities were doing things differently. It was unclear to them. It was unclear to industry how things were being assessed.

We had made the call earlier about how we were going to do a review of this. This was our promise to industry and to municipalities to try to clear up some of this. You know, there are a lot of industries doing a lot better, but there is a lag time. What our promise was was to freeze this for the wells and for the pipelines right now to make sure that we do a thorough review because it has fluctuated so much from county to county, to be honest with you. That was a promise we made.

It's, you know, tough. We have to make tough decisions sometimes, and this is one of those ones. I've talked to a lot of municipalities about it, talking about their growth and their offsetting of that part. One of the things we were trying to do is to find a balance between the energy sector, that's coming back – it's rebounding – but we wanted to make sure those workers were still there paying those taxes in that area. If we unfairly, I would say, or unduly burdened some of these companies that were coming back from the downturn, it would be pretty hard for them, and we didn't want to see workers laid off. It's us finding a balance between municipalities, keeping taxes and taxpayers, and then helping the industry as well because we know a strong energy industry is good for us, right? It was a tough decision, but honestly it was to try to find a balance and do a review because it needs to be done.

11:10

Mr. Stier: I fully understand, in response to your answer, by the way, and thank you for that.

The Chair: Thank you.

We'll now move on to Mr. Clark.

Mr. Clark: Thank you very much, Mr. Chair. Mr. Minister, if you don't mind, we'll go back and forth on this. Thank you to you and to all your staff for being here. It's good to see you all again.

I'd like to start with a question that came from a constituent of mine. He works as part of his condo board, and one of the questions that he has in response to the tragedy in Airdrie around carbon monoxide poisoning and then, I think, a near miss shortly after that – he has a number of questions: one, whether the building code or the safety code could be amended to require CO detectors hard-wired with a battery backup; also, to examine whether changes are required to ensure that exhausts from appliances are not susceptible to ice damming. He also has a concern about side-by-side buildings, perhaps the exhaust minimum distances, you know, if you've got one neighbour exhausting into someone else's intake or something like that. He's got some concerns around that. I was just wondering if you could address those concerns.

Mr. S. Anderson: Sure. Yeah. Obviously, you know, what happened down in Airdrie was horrible. Obviously, we know that. Right away we had looked at what we could do to stop this from happening again. We provided a grant to the Alberta Fire Chiefs Association – it was one of our first steps – for public awareness and education on carbon monoxide monitors. Also, the Fire Chiefs Association operates, I mean, throughout the province, and it's got a proven track record of doing this, through our Emergency Preparedness Week and things like that, of informing. That was our first thing. That campaign planning is under way.

We also had department officials looking at that, like, what it means for legislation around the different jurisdictions across the country, what other people might have done. As well, another point to that – and I'm not thinking off the top of my head right now – that I wanted to make for you, the understanding that new houses from I think it was 2006 in the building code have to have one of the monitors in it. It's one of those tough things. You know, trying to go house to house to do an inspection is not really feasible, obviously. That's why we put that money into the education campaign through the fire chiefs, because they do a really good job of getting that to people. But we are monitoring and looking at some other things as well. No decision has been made, but it's definitely something that through our public safety division and what we're looking at, building codes, yeah, we're very well aware of.

Mr. Clark: Yeah. His concern is specifically related to multilevel units. If you are doing that work, can he connect with your ministry? Would it be best if I was to write on his behalf and provide that connection?

Mr. S. Anderson: For sure. You betcha.

Mr. Clark: Okay. I will certainly do that.

Now I want to move on to the floodway development regulation and just bring you up to speed on some of the things that your colleague the minister of environment has talked about. I understand that Municipal Affairs is working closely with the ministry of environment in shaping this policy, as it should be. The ministry of environment is working on flood hazard mapping, as I'm sure you know. Specific to my constituency of Calgary-Elbow and also broadly in Calgary, I understand that the flood hazard maps for the Bow and the Elbow will be completed by the end of 2018. That's what the minister of environment had said. I just wanted to talk about how your work in Municipal Affairs developing floodway development regulations plugs into the work that the minister of environment is doing to create those flood hazard maps.

Mr. S. Anderson: Yeah. It's a good question. It is something we are having to work in conjunction with the minister of environment on. Obviously, I know from your background and where you live that there are some issues as well as for some other members, not only in Calgary but across the province. Part of the next steps – I mean, there was consultation done previously, in 2014, but we are going to do some more consultation and speak with more stakeholders on this to develop, you know, something that's going to work for everybody out there as best we can. Once we get these mapped flood zones done, you know, we can consult a little bit further on that to understand better what people think. That's one of the things that Municipal Affairs really prides itself on, making sure we understand what is going to be best for the public out there.

We will work with the environment minister and her ministry on this to find a collaborative solution that's going to work best for everybody. You know, I don't have a timing on it because there will have to be more consultation, but any time that anybody in your area – we have reached out to folks in your area as well before, but if you have anything that you have from them that you want to pass on, I would always appreciate that.

I mean, we talk about the flood mapping. Well, it's also taking into consideration things like Springbank, right? That's coming along. It's definitely something that is important to the government, and we have committed to the project. It's being managed by Alberta Transportation under Minister Mason. I think he did speak about it at his estimates as far as I know. Yeah, it's a collaborative approach, honestly. It really has to be multiministry.

Mr. Clark: Yeah. I appreciate that. I'm glad to hear you say that, because one of the things that I think is really important is that we recognize historical development patterns. I think that if we could jump into our time machine and go back 150 years, we may say: perhaps this is not the place to build downtown Calgary; perhaps the National Music Centre or the Glenbow Museum shouldn't quite be where it is as it relates to future flood risk. We can't do that. The entire city of Calgary, Drumheller, the regional municipality of Wood Buffalo: there are lots of examples like that around the province where in hindsight perhaps that's not where we would put the city or put the development, but we did. So there needs to be a balance there of saying: yes, we need to protect people, and we need to do that in a number of ways.

Upstream flood mitigation: we need to have some intelligent policy. I would say that some of the intelligent policy we've seen through the city of Calgary is that if you're going to do a major renovation, you're going to put your utilities above grade. You're going to do a new build? Utilities: that makes sense. What I think doesn't make sense would be expropriation by policy, where it restricts it so much that you really effectively hollow out the community. That, I think, is not necessarily what I see happening here, which is good, and I think we need to continue down that path.

Specifically as it relates to floodway development regulations going forward, I know that there are some exemptions in place. "Special policy areas," I believe, is what the term is for Wood Buffalo, for Drumheller. I guess I would ask that that be something you'd also consider for the city of Calgary as it relates to future development policy, to accommodate those existing developments and historical patterns that allow for continued development responsibly and intelligently going forward. Is that something you'll consider?

Mr. S. Anderson: Yeah. I think that right now, as we go forward, especially with the consultation, there are a lot of things on the table. That's definitely part of that conversation, understanding – you're right – that we can't go back in time. Of course, people built beside the river because it was a trade route and everything. It's beautiful, too. That being said, I think we have to find that balance between development and continued development and mitigation and common sense, right? I mean, that's a big one, but I think that will work itself out in the consultation.

We're not going to make everybody happy, I don't think. You never can even though I tell my kids that every decision I make is the best one. We have to have everything on the table, I think, and have frank and open conversations about people's priorities and how we make people accountable for themselves, too. You gave a good example, what you just said about putting utilities up and things like that. That's just common sense, right? It does make sense to do that. That's all on the table.

Mr. Clark: Sure. Just to be really clear, my request to you is that we do this in the right order: mitigate first, then map based on mitigated flows, then create policy based on the mitigated flows. That seems to be the right order. The concern would be – it doesn't seem that we're on this path, but I just want to flag – that we'd go the other way, that we create very restrictive development policies ahead of mitigation happening and then maybe come back later and change that. I would urge you not to go that direction.

Mr. S. Anderson: Yeah.

Mr. Clark: Just briefly, then, in my last minute or so here, the Emergency Management Act changes and the bill that's been tabled: I just want to commend you for the approach you've taken on that. As you said earlier, the way that Municipal Affairs goes about things is to do some broad consultation, develop some draft legislation, table that, and allow for input on that over a period of time. Frankly, we wish that other ministries would take that same approach in some legislation that's substantive. I guess the question I have for you is: what supports will you be able to offer to members who may want to engage their constituents, mine specifically? I wouldn't mind holding a town hall, for example, to hear from my constituents on this particular bill.

11:20

Mr. S. Anderson: Yeah. It's a good question. I know that some people have kind of approached me about that. You know, it's a

tough one because we do want to make sure that Municipal Affairs is doing it. We want to make sure that we capture all the information. So if you have something like that and you want to come forward to us, bring that to us, and we can discuss how that might look. We haven't ironed those details out yet about how that's going to look, but obviously my view of it is that Municipal Affairs should be running it because we are the ones doing it and we have to have our officials there.

The Chair: Thank you, Minister.

We'll now continue with the private members of the government caucus, please. Mr. Nielsen, please go ahead.

Mr. Nielsen: Thank you, Mr. Chair. If it's okay with the minister, I'd love to be able to share my time.

Mr. S. Anderson: You betcha.

Mr. Nielsen: Thank you so much, Minister. I appreciate you being here as well as your staff and all the hard work that you do for Albertans on a daily basis. I just wanted to quickly kind of shift gears from sort of where we've been at here throughout our discussions. I just want to maybe draw your attention to outcome 1 in the business plan on page 117, specifically around key strategy 1.2. It talks about aiding municipalities with the implementation of the new Municipal Government Act to strengthen, among other things, accountability and transparency.

The MGA isn't the only major piece of legislation providing a framework and guidelines to municipalities. There's also the Local Authorities Election Act. I think it's safe to say that Albertans and even some municipal leaders – I've heard from a few from time to time – have been suggesting that it's time to update the process used to elect their municipal leaders, especially with, you know, the very first bill that this government brought in, around banning corporate and union donations. Minister, I was just wondering if you could please tell us if there are any steps or if there already have been steps that are being taken to support that very important democratic process.

Mr. S. Anderson: That's a good question. You know, the Local Authorities Election Act is something that's foundational, I think, to our municipal government, for sure. After every municipal election we do a review, and we are aware of things that are happening out there on a regular basis. It's something that's a framework not only for our municipalities but also for our school divisions, our Métis settlements, and irrigation districts, so it's pretty important. Like I say, we have to give proper consideration to the changes we're going to make or things that people are wanting us to implement or to change.

Right now, as noted, in 2015 we had An Act to Renew Democracy in Alberta, which bans corporate and union donations, which you alluded to, at the provincial level. It's our intention to review the Local Authorities Election Act, which we are currently doing, and we will consult with Albertans on different parts of it.

We get a lot of feedback. One of them is about banning corporate and union donations. Another one is regulating third-party advertising, which is a big one that comes up, and also re-examining the contribution limits. Those are usually the three big ones that come up a lot, and we have gotten a lot of feedback. I mean, we do regularly anyway, so we've already gotten some, but we will consult on that. Any amendments to the act will require changes to the regs as well, so it's a pretty involved process, but we're going to make sure that there's a lot of time for implementation before the next municipal election, that everybody knows what's going on and

that it's crystal clear for people because, as I said, it's foundational to our municipal democracy.

Mr. Nielsen: Yeah. I would certainly agree, Minister. You know, with the changes that we've seen both at the federal level and the provincial level, everybody is naturally asking now: when are changes coming sort of at the municipal level as well? So thank you for that feedback. I appreciate you just kind of taking a quick side tour for us here on that.

Bringing things a little bit around to centralized industrial assessment, a number of municipalities have been critical of the move to centralize industrial property assessment. I see in outcome 1 of the business plan that the transition to a centralized model for designated industrial property assessment is a key strategy and very much still on the table. Minister, remind us of the rationale for moving this work from the municipalities to within the Ministry of Municipal Affairs. Have there been any costs involved with making that move?

Mr. S. Anderson: That's a good question. You know, I think some of the concerns and the worry at the beginning, when centralized assessment was brought up, were just from the uncertainty of it. People didn't know what we were going to do. They thought that we were going to, you know, centralize, take all the money into the coffers and that type of thing, which is not what's happening.

You know, it's centralizing. Industrial assessment has a lot of benefits that people are going to see. It's going to lower the administrative cost to the municipalities, which is a big one, and it's also going to provide a lot of certainty and predictability. There were a lot of grey areas, you know, in assessing different industrial parts across county lines that were completely different. So we want to make sure there's certainty not only for industry but the municipalities out there across the province. It will make things more efficient as well. We think that this approach will result in major industrial properties being assessed the same way because it's a single authority, and there's a single complaint mechanism as well, so it makes things more efficient in that respect.

We've also been working very well with municipalities and industry on this to implement and to complete the transition, because it is ongoing. It's a transition to it. It's taken some time. We have hired assessors that are experienced in this work, and we are using assessors that are out in those areas, too. One of the concerns before was: are you going to take everybody and move them into Edmonton and Calgary? No, that's not the case. We have some really good people out there doing really good work, so we wanted to make sure that we were using everybody out there and utilizing those skills and experiences to the best ability that we could for the people.

The provincial cost associated with this option, including staff, will be addressed through a cost-recovery mechanism, which is actually to be paid for by the owners of the designated industrial properties. This is something that they brought forward to us because they see the advantages of it and the clarity that will come from it.

So it's an ongoing process. We're doing really well right now. There are things that we've been working through, and we've seen a lot of positives already. I think that it's going to be really good for municipalities, going forward, and industry and us because it, you know, cuts down red tape and makes things more efficient, to be honest with you.

Mr. Nielsen: I appreciate you adding a little bit of clarity to that. I know there's certainly been some confusion here and there on that.

I guess, still on the same topic of assessment, specifically assessment services, on page 218 of the estimates it states that assessment services funding has increased and last year had expenses that exceeded the forecast. If centralized assessment is being addressed through a cost-recovery system, like you had just mentioned, why has the expense increased by about \$3 million this year?

Mr. S. Anderson: A part of the assessment services budget is set aside for centralized industrial property assessment, and the costs of centralized industrial property assessment are paid for by the owners, as I had said before, of these designated industrial properties on a cost-recovery basis. Last year, because it was a transitional year for the program and staff were hired to be ready to assume responsibility for all the industrial property assessment in January 2018, expenses were less than budgeted as hiring staff and signing contracts with the municipalities took a little bit longer than anticipated. Those costs have been moved to this budget year to reflect those delays. That is what happened there. Basically, we shifted the costs that we expected last year to this year. So the overall expected costs to run the program haven't changed. It's just a shift; that is all.

Mr. Nielsen: Okay. I appreciate that clarity, Minister.

In the Municipal Affairs business plan outcome 2 states: "a comprehensive system of standards ensuring quality infrastructure so that Albertans are safe in their homes and communities." In that section it references the New Home Buyer Protection Act, a building licensing program, and the safety code system. Minister, I wonder if you could expand on what the ministry has been doing in those areas and what may be new developments and what we can expect in the next year.

Mr. S. Anderson: Sure. Obviously, safety is a huge priority for all of us in this government, this ministry. I'll just give you a quick note about where we're at in terms of the safety codes right now. We've amended the Safety Codes Act to ensure we harmonize the provincial codes with national and international codes in a timely and efficient manner. That harmonization is, obviously, a pretty significant evolution. We continue to have the oversight on that and provide strategic direction in that area. It's a big deal. I mean, a lot of people might not know about it, but it's a big deal for us.

11:30

There's also the continued delivery of the province's new-home buyer warranty program, which stems from that legislation that you had mentioned. You know, we know that buying a home is a massive decision. It's probably one of the biggest financial decisions any family is going to make, and they deserve to be protected, and we believe that wholeheartedly. To that point, residential builders will now have to be licensed to build homes and secure warranty in Alberta. There was already that same type, similar programs in B.C. and Ontario and Quebec as well, so we wanted to make sure that our folks here were protected.

You know, builder licensee is combined with mandatory home warranty, and that ensures that homes in Alberta meet the highest standards. It makes builders more accountable. It gives homeowners and prospective homebuyers more confidence that the strong programs are in place to protect them. I think a lot of people probably thought that this was in place before, but it was not. It's something I felt really strongly about as well and very happy that we've gone forward on. The industry, the home builders are really happy about it. There are a lot of good builders out there.

The Chair: Okay. Back to the Official Opposition.

Mr. Stier: Thank you, Chair. As I learned last time, the time we have goes quick.

Mr. S. Anderson: It's quick, yeah. Jeez.

Mr. Stier: Assessment year modifiers was where I was at, gentlemen and lady, too. When it comes down to the remarks with respect to the balance between the pros and cons of making a decision, I guess I'll say, not to paraphrase what you said, that a lot of people, including a representative from the AUMA and another from the Rural Municipalities association, contacted me on this decision, and it seems to the municipalities that there is a bit of an uncomfortable feeling with regard to that. The taxpayer is the one that's going to be hurt in some respects on this. I'm just wondering now. Over the past few years there was an assessed value that was arrived at, qualified by assessors, and a modifier that was applied each year based on accurate data, I suspect, on the assessments made, yet this year you've decided to ignore current values because a modifier was intended and arbitrarily decided: no, we should use not the accurate assessed value. Can you speak to that and the decision-making process that you went with?

Mr. S. Anderson: No decision I make is arbitrary. They're tough decisions we make. This is, as I said before, one of those decisions to try to find a balance. There has been growth in a lot of these municipalities as well that I think we are trying to account for. I can't speak to the numbers off the top of my head. I don't have that. One of the reasons, you know, as I said, why we did this is to try to find the balance. I also try to find offset programs, like the PERC program, to help municipalities going forward. We have to understand that if we have a strong energy industry, we have a strong Alberta. So that's part of the reason, right? But, like I said, I can't talk on the numbers because I don't have them.

Mr. Stier: Okay. Minister, I respect your time, and I hope you respect mine. I may have to be fast here. I do as well, you know, support the energy industry as much as I can and always have. I worked in that industry for over 20 years downtown in Calgary, so I understand the situation.

I'll just move on, lastly, to a topic that is kind of important to one of my colleagues. I'd like to talk about the special areas, very quickly, if I could. Special areas was established many decades ago. It's one of the few places that doesn't have – it's not a regular municipality – an elected council. It has an appointed board, et cetera, et cetera, et cetera. Over the years a lot of things have changed since that was first created. I would like to ask the department – and whoever wishes to answer, please do – why hasn't self-government been restored to the special areas? Why don't we have a regular municipality there in this day and age?

Mr. S. Anderson: You know, one of the things that in 2016 we started looking at – and I appreciate the question about special areas. It's a pretty interesting place. I think it was '39 when it started.

Mr. Stier: In '38, we have.

Mr. S. Anderson: In '38, '39. Okay. In '38, then. I was trying to remember. It was a long time ago.

You know, I understand where the question is coming from, and I know the member that would have liked to have asked it. We had looked into doing a review of it. These people are elected officials. They are elected. The democratic process is being used down there, and that's important to point out. We had looked at doing a review

of how things were operating down there. As we went through the MGA and as that wound down, we did start looking at it. We had an opportunity to kind of look at the board and how it was operating. We found that it was operating very well. I have a good relationship with the folks down there. I understand fairly well, pretty intimately, actually, how they do things, and they're in contact with us a lot. As a result of the looking into doing a review, we found at this time that they are running themselves very well and are very accountable to the citizens in that area. We decided to not proceed any further with that review just because of how well things have been running.

Mr. Stier: Notwithstanding your remarks and your reasoning, there are a lot of people that hold a different view, as you know. I'm wondering: what would it take, what would be the tipping point to decide to go that way and make it like all the other municipalities in Alberta?

Mr. S. Anderson: Well, you know, to your point, when you say that there are a lot of people that feel the other way, I've heard one or two people, and they sit across from me in the Legislature.

Mr. Stier: It depends where you talk.

Mr. S. Anderson: Yeah. I've been down there before. Honestly, depending on different municipalities and viabilities, inspections, and all those, there are different things in Municipal Affairs. But I haven't had anybody come forward with any voices in that respect, to be honest with you. We would have to evaluate that as it goes forward. We haven't had anybody come forward like that. When that happens, we can look at the systems that are in place. To be honest, it's one of those old things that I've looked at and said: if it ain't broke, don't fix it. Everything is working well, quite frankly. But if people come forward, they're more than welcome, and I will evaluate at that time.

Mr. Stier: I'd like to revisit a question that we talked about earlier, and I'm jumping topics now. We'll move away from special areas and go back to the growth board in Calgary. I noted, through the research that we've done, that the growth board makeup would give Calgary 83 per cent of the population in that board makeup; therefore, 16 per cent would be the other – 12, is it? – communities involved. I'm just wondering. When we were talking about – and I don't mean to bring up a bad word – the question of veto power, how can you say that it doesn't give them veto power if they have such a huge percentage? I understand that you have to have two-thirds of a vote of the majority of the population, and you have to have two-thirds of the majority of the members in that vote. Wouldn't it be fair to say that if there was a scenario where Calgary was against something, they could simply use that population-based factor and change the outcome?

Mr. S. Anderson: You have to have both, right?

Mr. Stier: I understand that.

Mr. S. Anderson: You have to have two-thirds population plus two-thirds of the members onboard with you. If you just have the population base, that's fine, but if two-thirds of the members aren't onboard with them, then it doesn't go through. They have to have the other municipalities onboard.

Mr. Stier: I understand that.

Well, that concludes the questions that I had in this segment, Mr. Chair. I don't know how much time is left.

The Chair: You have three minutes.

Mr. Stier: Okay.

The Chair: Would you like to use them?

Mr. Stier: I concluded my questions that I had organized for this pattern. If you want to hand it to somebody else.

The Chair: Okay. Sounds good.

Over to the private members of the government caucus. Ms Babcock, please go ahead.

Ms Babcock: Outcome 2 of the business plan states that a key objective is to “provide the safety codes system with enhanced strategic direction and oversight through a quality assurance framework.” Can you explain to us exactly what is involved in this framework, and how does it help achieve the stated goal of harmonizing with national and international codes and standards?

Mr. S. Anderson: Yeah. Thanks for the question, Member. The quality assurance framework is being developed to ensure that our ministry is strategically representing the province at our national tables. The framework also provides a foundation to inform decisions on future strategic direction, including code development and a means to communicate system priorities and direction to our stakeholders throughout the province. The quality assurance framework helps to identify risks and gaps in the safety system by using provincial data and analysis to inform our national and international code development.

The framework also provides guidance for interconnected codes, regulations, and legislation, which should reflect and support risks and policies and the priorities that are outlined by the government and the national code bodies.

Ms Babcock: Thank you.

On page 120 of the business plan under Risks to Achieving Outcomes you state that growth and technological advances can make training of safety codes officers difficult. What are you doing to ensure that our safety codes officers are fully trained and up to date on the latest code requirements so that they can do their jobs to the fullest of their abilities?

11:40

Mr. S. Anderson: Yeah. It’s a good question. You’re right. I mean, things are changing fast with technology, right? We have delegated the Safety Codes Council with the responsibility for the training and certification of all of our safety codes officers in the province. The council is working with the government, with the municipalities, industry partners, and experts from each code discipline to carry out that work. The safety codes officers are provided with the latest information and training with respect to changes in technology and business practices, inspections, issuing permits, and reporting standards.

The continuing education program focuses on three streams of learning activities, all for credit, and it is mandatory for all safety codes officers. These are formal such as classes, seminars, and credit learning; informal such as attending technical conferences, delivering presentations, and community involvement; and also practice, and this would be skills development through on-the-job training.

Ms Babcock: Thank you.

Although it’s likely a much smaller part of the Municipal Affairs budget, on page 218 I see a reduction in spending on the

administrative side of the ministry. Has this resulted due to a decrease in staff, and if so, has that had any effect on our program delivery?

Mr. S. Anderson: Municipal Affairs is all about efficiency. That’s how we work, and obviously the government and my ministry are very watchful of how we spend taxpayer dollars. We value that, and we value making life better for Albertans. It takes qualified and dedicated staff to carry out these responsibilities and all these tasks in our ministry, and I very much value them. They’re not just numbers of FTEs to me. I really appreciate meeting them and understanding, you know, what drives them and their passion. As you indicated, on page 218 of the budget in estimates it shows a reduction in ministry support services from the 2017-18 budget. That reduction is primarily made up of a reduction in employer contributions to the public service pension plan due to the strong performance of the plan. The contribution rates were lowered across all ministries, and budgets were reduced accordingly.

The government is also in the early stages of consolidating and modernizing corporate services such as communications, information technologies, finance, HR. They’re more effective, and we can deliver high levels of service to ultimately support Albertans. Once complete, our annual savings from corporate service improvements are expected across the government of Alberta.

We will be looking for opportunities to reallocate Alberta public service staff to essential services and priority issues.

Ms Babcock: Thank you.

Can you detail for us, Minister, what the ministry is doing to reduce carbon emissions?

Mr. S. Anderson: In particular for Municipal Affairs?

Ms Babcock: Yes.

Mr. S. Anderson: There are a couple of things. Well, obviously, I would think that you might have heard the announcement I made a little while ago for the Municipal Climate Change Action Centre. I think it was about \$54 million, off the top of my head, that we had increased their funding. This is just one example. But that’s funding for programs that fund solar installations, efficiency audits and retrofits, and climate change workshops. So that’s one thing we’re doing.

The other thing that we just announced, which is incredibly exciting – we’ve just tabled the bill in the House – is the PACE program, which is property assessed clean energy. It’s been asked for by multiple municipalities, by people all over the province, and it’s a way that – upfront costs are always the hardest part of doing energy efficiency and upgrades and things like that, especially when you’re dealing with solar. That’s a tough one. This property assessed clean energy is a program where we can enable municipalities to pass a bylaw where people can sign up for these programs, whether it be for windows, doors, hot water heaters, solar. We’re going to be consulting on that to make sure that we get it right for people. What they can do, then, is have that put on their property tax, so it’s over a long term. It’s going to help private residences. It’s going to help, you know, private landowners, farmers, not-for-profits.

It’s a huge tool that we think is going to really not only save money and be more efficient and bring down GHGs, but it’s going to create a lot of jobs across the province – across the province – not just urban but rural, everywhere. We’re really excited about it. But, as I said, we just tabled that. We will be doing some

consultation on that. I'm really excited about it. I think it's going to be a really good program for Alberta.

Ms Babcock: Great. Thank you, Minister.

Can I also ask about emergency preparedness for families and what your department has planned for Emergency Preparedness Week since it's coming up soon?

Mr. S. Anderson: For Emergency Preparedness Week, I mean, Shane might know some of the finer details. Yeah, that's a big one. We work with the fire chiefs out there. They're a big part of this. Fire departments, actually, across the province as well are a big part of this, where we encourage people to make plans of escape, for example, for fires. We educate their whole families, their kids to understand where to go if there's a fire or a flood. You know, you have to be prepared for whatever you can. It's always interesting to me to go out to these emergency preparedness weeks and help and talk about getting a 72-hour pack for people so that if something happens, you're prepared to get out of your house.

I think, you know, that when you look at places like Fort Mac, the culture of safety up there was a big factor in a lot of that because people there and a lot of industry people understood that they needed to be prepared.

Yeah, Emergency Preparedness Week should be exciting. I can't remember what week it is this year.

Do you remember, Shane?

Mr. Schreiber: It's always the first week in May. Be watching, actually, just outside of here on 99th Street, I think it is. We're going to shut it down and bring in a whole bunch of emergency management equipment and staff, and we're going to highlight and talk about some of the things that we do and that we encourage the public to do to be ready for emergencies.

Ms Babcock: Great. Thank you.

I know that your department and our government have made a commitment to work with our First Nations partners quite extensively and make sure that we're doing every consultation that is needed in a fulsome way. Can you tell us about how your department is working with First Nations on emergency issues given the situation with Siksika and with the Wood Buffalo fire last year and what that really means working with these nations?

Mr. S. Anderson: Yeah. You know what? It's something that I always say to people: these are our friends, our neighbours, our families; we're all Albertans. We have field officers in jurisdictions all across the province, and we have First Nations field officers as well. We have a great relationship with the AUMA and all of our First Nations folks. A lot of these people have been on the land for a long time and understand mitigation and understand how their areas work, so it's something that we try really hard, our communication with people on the ground.

With Siksika, I know, right now with the floods going on down there, we've been in contact, Minister Feehan has been in contact with the chief down there, and we're well aware hourly of what's going on. It's, I think, a point of pride for us to make sure that we communicate extensively and have resources available when they need them and when they ask for them. The local people on the ground know best what's going on, and when they ask for us to be involved, then we will be ready for it.

I know it's unfortunate what's going on, honestly, in all of southern Alberta with the floods right now. We're monitoring that. I've talked to a couple of the mayors down in Taber and the MD of Taber, getting updates from them, too. I think it's kind of a

crossministry thing as well; we've all got to work together on this. It's all about communication.

Ms Babcock: Thank you, Minister.

I'd like to pass some of my time on to MLA Malkinson.

The Chair: Please go ahead, Mr. Malkinson.

Mr. Malkinson: Thank you very much, Chair. What's our timer at?

The Chair: You've got 12 seconds.

Mr. Malkinson: As you know, hon. minister, I have various hockey arenas and proposed convention centres in my riding, so I was going to ask about that. We'll perhaps come back to it.

The Chair: Over to the members of the Official Opposition.

Mr. Drysdale: Yes. Thank you, Minister, for being here today with lots of good information, and thank you to your capable staff as well. I've just got a few things to run through here. Just to get it on record, Minister, I know we had a good meeting about trampoline safety, and I know you're working on some regulations there, and thanks for that work. I don't know if you can update us. I mean, it hasn't been that long, but I know you're taking it seriously and working on developing some regulations there.

Mr. S. Anderson: Yeah. I appreciate you bringing that forward as well. Obviously, safety is a huge priority for all of us, right? We are working with the Safety Codes Council and industry and safety systems experts to try to determine, I guess, the appropriateness of what something might look like as far as regulations would be and looking at other jurisdictions. Obviously, we know that sometimes things don't move quickly enough for people out there, but we have to make sure that we're crossing our t's and dotting our i's. But we are looking into it. I appreciate you for bringing that forward as well.

11:50

Mr. Drysdale: Thank you, Minister. Keep it up; I know you will. I appreciate that.

I just wanted to talk a little bit about municipal collaboration. I know we've talked about it today. In talking to municipalities, I mean, some get along well and some don't. You realize that. You know, some are unclear about what this collaboration is. They're thinking they're going to be forced to do something, and hopefully I've been telling them right. I think it's a good idea to have this municipal collaboration, and they need to work together, but I don't think the intention is to force them to do anything other than to meet and have a discussion and do a report. Hopefully, I'm right – you can correct me if I'm wrong – that you won't be forcing any collaboration, I guess.

Mr. S. Anderson: Well, I mean, the ICF is not about forcing. It's about, you know – you're right in respect of making them sit down together, and relationship building is huge. It's something that I prioritize. The ICFs do have to sit down and come to an agreement, right? Some of these already have agreements, whether it be water and waste water or fire services, for example. Some of them don't share anything, and if it's just a one-pager saying, "You know what; we don't have anything that we do together," that's fine, but they do have to come up with an agreement.

We also have, through our department, mediation, people that can come out and help, you know, and make sure that we can get them together. We have templates and all that, as I mentioned before. If you are having any issues or if there are any

municipalities in particular that you need us to have a chat with or want to have a chat with us, please let us know. This is really important. I think a lot of citizens think we already do a lot of collaboration across our municipalities – and some do phenomenal work – but, I mean, relationships are tough sometimes. They are going to have to make a formal agreement. They will have to do that.

Mr. Drysdale: Thank you for that.

You know, there are always issues, but in my area there are lots of good examples of co-operation but not always. I don't know if you were aware that there's a tri-muni development, so we've got three municipalities. One doesn't even touch the boundaries of the city, and they're going to be sharing the assessment in that area. I think that's a really good example of co-operation.

It brings me to the next question, about assessment and linear assessment. They do share quite a bit of stuff even without that, but the talk has been in the past and for lots of years about sharing linear assessment or pooling it provincially, and I hope we're not going there. You know, I know there are big discrepancies and imbalances, but from what I see, in our area anyway, most of the municipalities that benefit from linear assessment are sharing it very well with their neighbours. So, hopefully, you're not talking about provincial pooling or anything again.

Mr. S. Anderson: Yeah. A good point. You're right that the tri-muni stuff that's going on up there is awesome. It's a really good example of people getting together for the benefit of the whole region.

No, we're not pooling that. It's something that I've heard circulated out there. I don't know where it started, but it's not a thing.

Mr. Drysdale: Well, I think that's been going on for quite a while.

Mr. S. Anderson: Yeah. Well, for sure, right? And that's where, like, with the ICFs it can help, where there are some counties that, you know, have a massive linear assessment, and a lot of the workers come from the urban area that's in there. That's why that ICF is really good. They can talk about it and say: "Hey, you know what? Maybe we need some more help with a rec centre or a road or whatever it is." I mean, it's what they decide. That's where the ICFs, I think, can play a really big role in just getting people to the table, to be honest, and working through that.

Mr. Drysdale: You know, almost in the same vein there, municipalities have talked to me since the province took over assessing the industrial. I'll just ask a few questions about that for some numbers that'll help me. Out of the vast number of linear properties that the province assesses each year, how many of these assessments were appealed by municipalities? Do we have that number?

Mr. S. Anderson: None by municipalities.

Mr. Drysdale: None? That's good. Okay.

How much did you budget to deal with these appeals, I guess, from municipalities appealing their industrial property? I guess it doesn't matter what you budget; obviously, you spent nothing. I don't know if there was money spent there.

Mr. S. Anderson: We budgeted \$1 million for legal services if they're required.

Mr. Drysdale: But you didn't use any, obviously, if there was no appeal?

Mr. S. Anderson: Not last year, no.

Mr. Drysdale: Okay. You know, obviously, it sounds like it's going pretty well. That's not what I'm hearing. But I was going to ask, you know: have the number of appeals increased since the province took over responsibility for assessing these industrial properties?

Mr. S. Anderson: You know, 73 out of 74 municipalities have agreements already on this. I'll let our assessment and grants ADM just speak really quickly to that.

Ms Clarke: This year, because of the transitional year, we did issue the linear assessment separately along the same time frames as we normally do. For the nonlinear designated industrial properties, which are the new properties that we have now transitioned into the province, we issued that assessment on February 28, so the complaint deadline, the appeals deadline, is not until May 7. So it is possible we will get some appeals yet to occur for this year.

As for contracts, we have 76 municipalities, actually, who have agreed to participate in helping deliver the centralized assessment function across the province. All of those contracts are now actually in place. We ended up with 72 contracts with municipalities. We had one situation where a municipality covered off the assessment function for neighbouring municipalities as well. So we're well along the way of being able to implement this for 2018.

Mr. Drysdale: So it must be going a lot better than what municipalities were concerned about. Is there a cost? Obviously, the provincial budget must have gone up or your budget to cover the cost of this assessment. That's a lot of work to cover. How much did taking over the assessment by the province actually cost?

Mr. S. Anderson: The 2018-2019 estimate vote for centralized industrial property assessment is \$15 million. It's an increase of \$3.1 million from the 2017-18, and the capital investment budget remains \$3 million, which was reprofiled. I think I mentioned before about the 2017-18 delay. It was just some IT development.

Mr. Drysdale: I guess, finally: what were the improvements or the benefits from the province taking it over? Is there anything where you can say, "This is why we took it over, it's working, and it's better"? Are there any benefits and improvements, I guess?

Mr. S. Anderson: Yeah. Most definitely. I think that, obviously, there was some uncertainty before, at the start. Some of the benefits that we're talking about: it's actually going to lower administration costs for municipalities. It also provides greater certainty and clarity across the board for not only our municipalities but for the industrial taxpayers out there, because assessments across some municipalities were pretty different. You know, there were some things happening out there where it just wasn't clear. This is going to clarify all that, so then it's fair, it's transparent, and really accessible. But, really, it's going to save municipalities money, to be honest, and be more efficient.

Mr. Drysdale: Have you gotten feedback from industry, specifically the oil and gas industry? Are they happier with this? Do they think it's an improvement?

Mr. S. Anderson: Yes, they very much are.

The Chair: Thank you, gentlemen.

We'll now go back to the private members of the government caucus.

Mr. Malkinson: Thank you very much, Chair. With the minister, I'd like to thank all the staff and such for being here. For the limited time left, I'm just wondering. You know, in my riding CRLs have been proposed for things like hockey arenas or for perhaps expansions of convention centres and such, and I'm just wondering how the minister deals with those sorts of requests.

Mr. S. Anderson: We don't have a lot of those requests coming in. I mean, there are a few here and there across the board, obviously.

Mr. Malkinson: They tend to be for big things.

Mr. S. Anderson: Well, for sure. You know, the CRL is a good program. The community revitalization levy, in case some people don't know what that is, is a financial tool that helps municipalities develop blighted areas where redevelopment might not happen. What that levy does, obviously, is that it allows municipalities to

keep education property tax revenues from assessment growth. There are some examples across the province of CRLs that have been used. Right now we are actually doing a review of it to see how it's working, to understand, you know, if it could be clarified, if there are things that need to be adapted or what have you. We are doing a review of it because it's an important program.

The Chair: Thank you, Minister.

I apologize for the interruption, but I must advise the committee that the time allotted for this item of business has concluded.

This meeting completes the committee's schedule for the consideration of the 2018-2019 main estimates for the ministries within its mandate.

Thank you, everyone. This meeting is adjourned.

[The committee adjourned at 12 p.m.]

