



Legislative Assembly of Alberta

The 27th Legislature
Third Session

Standing Committee
on
Community Services

Department of Municipal Affairs
Consideration of Main Estimates

Monday, March 8, 2010
6:30 p.m.

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Third Session**

Standing Committee on Community Services

Doerksen, Arno, Strathmore-Brooks (PC), Chair
Hehr, Kent, Calgary-Buffalo (AL), Deputy Chair
Chase, Harry B., Calgary-Varsity (AL), Acting Deputy Chair, March 8, 2010

Anderson, Rob, Airdrie-Chestermere (WA)
Benito, Carl, Edmonton-Mill Woods (PC)
Bhullar, Manmeet Singh, Calgary-Montrose (PC)
Chase, Harry B., Calgary-Varsity (AL)
Johnson, Jeff, Athabasca-Redwater (PC)
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Notley, Rachel, Edmonton-Strathcona (ND)
Rodney, Dave, Calgary-Lougheed (PC)
Sarich, Janice, Edmonton-Decore (PC)
Vacant

Also in Attendance

Mason, Brian, Edmonton-Highlands-Norwood (ND)
Pastoor, Bridget, Lethbridge-East (AL)
Taylor, Dave, Calgary-Currie (AL)

Department of Municipal Affairs Participant

Hon. Hector G. Goudreau Minister

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Monday, March 8, 2010

[Mr. Doerksen in the chair]

**Department of Municipal Affairs
Consideration of Main Estimates**

The Chair: Good evening, ladies and gentlemen. I would like to call this meeting of the Standing Committee on Community Services to order, and I'd like to note that the committee has under consideration this evening the estimates of the Department of Municipal Affairs for the fiscal year ending March 31, 2011. I do expect that we'll have a few more committee members coming in over the next few minutes, but I would like us to go around the room and have introductions. My name is Arno Doerksen. I'm the MLA for Strathmore-Brooks and the chair of the committee.

Mr. Chase: Good evening. My name is Harry Chase. I represent Calgary-Varsity, and I've been uplifted to vice-chair for this evening's events.

Mr. Johnston: Good evening. Art Johnston, Calgary-Hays.

Mrs. Sarich: Good evening. Janice Sarich, Edmonton-Decore.

Mr. Mason: Hi. Brian Mason, Edmonton-Highlands-Norwood.

Mr. Taylor: Good evening. Dave Taylor, Calgary-Currie.

Mr. Goudreau: Good evening. Hector Goudreau, Minister of Municipal Affairs, MLA for Dunvegan-Central Peace.

The Chair: Would you introduce the people accompanying you at the table as well, please.

Mr. Goudreau: It would be my pleasure, Mr. Chairman. With me to my right here are Ray Gilmour, our deputy minister; Anthony Lemphers, ADM for corporate strategic services. Behind are Ivan Moore, our ADM for the public safety division; Trent West, our fire commissioner and executive director of operational support for the Alberta Emergency Management Agency; Gary Sandberg, our executive director of the municipal services branch, local government services; Dan Balderston, executive director and senior financial officer for financial services; just new as chair of the MGB, Ken Lesniak; and finally but not least, Wendy Rodgers, my executive assistant, and Donna Babchishin, our communications director.

Thank you.

The Chair: Thank you, Minister.

Mr. Bhullar: Good evening. Manmeet Bhullar, MLA, Calgary-Montrose.

Mr. Benito: Good evening. Carl Benito, Edmonton-Mill Woods.

The Chair: Thank you. We will note the entry of a number of other members as they come in.

We do need to make official the uplifting of our deputy chair, so I would ask for a motion that

Mr. Chase become the deputy chair for this evening.

Mr. Johnston: I'll move that.

The Chair: Mr. Johnston will make that motion. All in favour, committee members, please indicate. That's carried. Thank you. We're well covered this evening.

A few process review items that we should cover this evening. First of all, Standing Order 59.01(4) prescribes the sequence as follows. The minister may make opening comments not to exceed 10 minutes. Then for the hour that follows, the members of the Official Opposition and the minister may use up that hour either in 20-minute intervals or else, by their mutual agreement to exchange, going back and forth, and I will leave that to the members at that time. For the next 20 minutes after the first hour the members of the third party, Wildrose Alliance, if they're in attendance, may speak, and then following that, any member may speak.

Mr. Mason: Excuse me, Mr. Chair.

The Chair: Yes.

Mr. Mason: The practice has been that the following 20 minutes is allocated to the NDP opposition as the fourth party.

The Chair: That's not the routine that we've been following in this committee, actually.

Mr. Mason: But it has been in every other committee, so could I request that we do it that way, please?

The Chair: You could. I'll review the procedure. We have some time to get there.

Mr. Mason: Thank you.

The Chair: With the concurrence of the committee the chair will recognize the members of the fourth party, if any, following the members of the third party, so there will be opportunity to speak this evening.

I'm going to call for a five-minute break following the Official Opposition's time, so that will be at approximately 7:45.

As we know, committee members, ministers, and other members who are not committee members may participate. Department officials and members' staff may be present but may not address the committee.

Members may speak more than once. However, speaking time is limited to 10 minutes at a time.

Three hours have been scheduled to consider the estimates of the Department of Municipal Affairs. If the debate is exhausted prior to that time, the meeting will adjourn, but we do have three hours allotted to us.

Also, I remind you that voting on the estimates is deferred until Committee of Supply on March 18, 2010.

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

The other thing I would like to speak to is with regard to amendments. An amendment to the estimates cannot seek to increase the amount of the estimates being considered, cannot change the designation of a grant, or change the designation or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. Voting on amendments is also deferred until Committee of Supply on March 18, 2010.

As I'm sure committee members are aware, written amendments must be reviewed by Parliamentary Counsel no later than 6 p.m. on the day they are to be moved, and the appropriate number of copies,

17 copies, of the amendments must be provided at the meeting for committee members and staff.

As well, a written response by the office of the Minister of Municipal Affairs to questions deferred during the course of this meeting can be tabled in the Assembly by the minister or through the Clerk of the Legislative Assembly for the benefit of all MLAs. A copy to the committee clerk would also be appreciated.

With that, unless there are any questions or further comments, I will invite the Minister of Municipal Affairs to begin his remarks. Please, Minister.

Mr. Goudreau: Well, thank you very much, Mr. Chairman, and good evening to each and every one of you. I'm here to present Municipal Affairs' 2010-2013 business plan. As the Premier has said, we plan to see Alberta emerge from the global recession with the strongest financial position of any province, and strong Alberta municipalities are vital to that outcome. In this budget you will see that we are taking a long-term view while ensuring that Albertans receive the services they expect, need, and deserve. It has been a challenging year for municipalities and for the government of Alberta. This budget recognizes that and meets our commitment to predictable municipal funding as best we can.

Thanks to our Premier's leadership we have planned for and prepared for times like we are facing now. Our business plan is tied to Premier Stelmach's goals by helping, one, to return the province to a surplus in three years; two, to deliver on core public services; three, to continue to invest in infrastructure; and four, to support a globally competitive Alberta. You can see the government's priorities reflected in our four core businesses: supporting the long-term sustainability of municipalities and their communities, enhancing municipal accountability, co-ordinating and encouraging the safety system to support the development and maintenance of safe communities, and leading a high-level provincial fire and emergency management system.

My department has seven strategic priorities. The first one is to support municipal viability and sustainability. Public expectations of local governments continue to evolve. It is my job to enable the sustainability of Alberta's municipalities. To support and manage Alberta's growth, we've developed the municipal sustainability initiative. This secure, direct funding is helping municipal leaders make strategic decisions for the people living in their communities. We are continuing to provide this support for municipalities despite the current economic climate.

The municipal sustainability initiative has provided municipalities with \$400 million in 2007-08, \$500 million in '08-09, and \$400 million in 2009-10. In 2010-11 MSI increases significantly to \$876 million, which is a \$476 million increase. The full MSI commitment, Mr. Chairman, will be upheld. This demonstrates the Premier's commitment to Alberta's municipalities.

My department has eliminated the municipal sponsorship program and the unconditional municipal grant program. These programs duplicate what is already offered by the MSI program.

Municipal Affairs also has the mandate to come up with a strategy for municipal sustainability, and we are working with the municipal associations to develop this strategy. This strategy is aimed at providing municipalities with more tools to assist them in delivering core services to their residents. I know this will benefit all Albertans.

6:40

Our strategic priority 2 is the support that we give for library services. Libraries are not something we take for granted. They are one of the critical cornerstones to strong communities and to

Alberta's drive to become a knowledge-based economy. That is why this government enhanced its support for Alberta's public libraries last year by creating a framework for the future. Our vision is for all Albertans to have seamless access to publicly funded library resources and services. We are moving forward on all aspects of this vision by building on basic services, promoting collaboration and innovation within government and with stakeholders, and capitalizing on technology.

The provincial operating grant per capita will be maintained. The population on which the grant is based is being adjusted to the 2009 population levels. This results in the province investing an additional \$600,000 in operating funding support directly to public libraries.

Our third strategic priority is to ensure provincial funds provided to municipalities are used to meet government-wide objectives. A particular focus for me is to ensure that we support measures that increase accountability. The government of Alberta is striving for efficiencies. We know that having 77 community grant programs available across 13 ministries is unnecessarily complicated and not an efficient use of municipalities' time. That is why we are undertaking a cross-ministry review of all of our municipal grants. We're doing this in an effort to increase the efficiencies in how programs and services are delivered to improve access, reduce administration, and eliminate duplication for both the province and for municipalities.

We are also taking action to build on accountability practices by introducing transparent and effective actions that promote municipal accountability. Therefore, we are looking at initiatives such as adopting cyclical municipal corporate reviews, requiring that mandate letters be made accessible on the Municipal Affairs website, and making municipal information and independent management audit letters available on the Municipal Affairs website.

Our fourth strategic priority is to provide a safety system that is responsive to the evolving safety needs of Albertans. Alberta has one of the strongest and best managed safety systems in the country. We are committed to supporting safe communities for all Albertans. Recently we updated our fire and building codes. We are also undertaking a review of the Safety Codes Act. This will ensure that the safety system is current and addresses the evolving needs of Albertans. We don't just want to keep up with change; we want a dynamic and evolving system for the future. We are working, then, with the Safety Codes Council, industry, and municipalities to review the act and improve the community risk management approaches, the Safety Codes Council's governance model, service delivery, and code compliance. We are also focusing on energy efficiency to ensure Alberta's environmental sustainability. We want a system that works well for everyone.

Our fifth strategic priority, Mr. Chairman, is the co-ordination of fire and emergency management systems. My ministry is responsible for the Alberta Emergency Management Agency. Through this agency we partner with municipalities to enhance the province's fire and emergency management system. We recognize the importance of volunteer firefighters to our communities. Eighty per cent of our province's 15,000 firefighters are volunteers, and they are the backbone of our emergency management system. We are working with Alberta's fire chiefs and municipalities to help improve recruitment and retention of volunteers. We are also taking action by helping to make training more accessible. By supporting fundamental safety services to Albertans, we are building safe and strong communities.

Our sixth priority is to promote and strengthen regionalized co-operation and planning. We know that regional planning is essential. It's a priority for our government. Having a clear context for

land-use decision-making benefits all Albertans. These plans allow us to manage development, to work collaboratively to position Alberta for the 21st century, to help attract investments, and to reduce our environmental footprint. This is why my ministry will continue to be actively involved in the implementation of the land-use framework. The plans being created by the Capital Region Board and the Calgary Regional Partnership will support the land-use framework. Both groups have shown great focus in regional planning, and we will continue to provide funding to support their efforts. We will continue to work with Alberta's municipalities to promote and encourage this type of co-operation.

Our seventh strategy priority is to collaborate with the francophone community. Through the Francophone Secretariat my ministry supports francophone organizations, communities, and individuals. Alberta embraces diversity and promotes itself as being inclusive and welcoming. For example, Alberta's francophone community helped promote our international profile at the 2010 Olympics.

Mr. Chairman, in conclusion, ensuring the sustainability, safety, and accountability of our communities is extremely important for Municipal Affairs and for all of Alberta. I believe our strategic priorities go a long ways to accomplishing this. It's being done, again, for all Albertans.

Mr. Chairman, I'll take any questions that may arise from the floor.

The Chair: Thank you, Mr. Minister. I would like to note the arrival of Mr. Jeff Johnson, MLA for Athabasca-Redwater. Welcome.

This first hour is available to you, Mr. Taylor, either in segments or in exchange with the minister. What's your preference?

Mr. Taylor: Thank you, Mr. Chairman. The minister and I spoke briefly before the meeting began, and our preference is that we do the back-and-forth over the course of the next hour, with your permission.

The Chair: The time is yours. Please.

Mr. Taylor: Thank you very much.

Welcome, Minister. This should be an interesting discussion. Much to cover, yet this doesn't have a whole lot to do with everything that we're going to talk about tonight. When you talk about la Francophonie being part of your ministry, it just struck me that I've been in this job now for five and a half years, and almost on a weekly basis something new surprises me about where something lives under the umbrella of this government. I thought to myself: why Municipal Affairs and not Culture and Community Spirit for la Francophonie? I mean, it's part of diversity. You'd think that that would fit under culture.

Then as you were outlining your strategic priorities, I scribbled down a couple of notes here about fire and emergency management issues. I'm wondering where the crossover is between your ministry and, say, Sustainable Resource Development because it seems to me that when questions about forest firefighting capabilities, for instance, come up, the questions usually go to the Minister of SRD. With the strengthening of regional co-operation and planning, the land-use strategy was developed under the auspices of the Minister of SRD, I'm sure with co-operation or – perhaps not; I don't know – collaboration from many ministries. But now who's driving that bus? Is it SRD, or is it Municipal Affairs?

So, I guess, as a start, if I can, even though this does not have a specific connection to some of the budget questions we want to talk

about, can you sort that out for me a little bit on what goes where – put the jigsaw puzzle together for me – and why it is that way?

Mr. Goudreau: Well, thank you very much for your questions. First, I want to just say a few comments on la Francophonie in the province of Alberta. As you are aware, the Francophone Secretariat is a very, very small part of the province. Its mandate is to help promote the francophone community across the province and basically to help them enhance their capacity to participate and contribute in Alberta's society and economy. We work with organizations, communities, and various individuals to have that happen. I guess it's a linkage between the francophone community and the government of Alberta.

Now, why did it come to Municipal Affairs? Probably because I, as Minister of Municipal Affairs, am francophone. I'm probably the only francophone Albertan that's in the Legislature now. There are a number of individuals that can speak French very, very well in the Assembly, but there is only one true francophone Albertan that I can identify and pinpoint. So when the Premier appointed me to Municipal Affairs, he also asked whether I would not bring the Francophone Secretariat with me.

Mr. Taylor: So this is a new addition to the ministry?

Mr. Goudreau: To Municipal Affairs. If you follow the trend of the Francophone Secretariat, it followed me when I was the minister of tourism, parks, recreation, and culture. Then as I became Minister of Employment and Immigration, it followed there, and now under Municipal Affairs.

6:50

Mr. Taylor: Well, granted, I mean, 60,000 francophones. If you could get them together in one place, that would make a fair-sized city.

Mr. Goudreau: It is. It's huge, and they have a great impact.

Further to that, you know, we talk about 60,000 to 75,000 francophones in the province of Alberta, but more than that, there are a couple of other statistics that I need to bring out. There's about a quarter of a million Albertans that can speak French or are learning how to speak French or being involved. As well, Alberta is the province where we're seeing the most rapid increase in individuals learning a second language, French being a language of choice that they're learning. We're seeing some improvements there, so the support structures are important to that francophone community. Just recognizing that this week is francophone week, you'll see more celebrations tomorrow in the rotunda as we move forward with that.

So the support structure followed me that way.

Mr. Taylor: Okay. Can you speak a little bit about the land-use framework?

Mr. Goudreau: Under the land-use framework – or was your question on fire and emergency management issues?

Mr. Taylor: Well, you can take it in that order if you wish, but I do want to spend a little bit of time on strengthening regional co-operation and planning, and I think the land-use strategy comes in there. I kind of want to find out who's driving the land-use bus these days.

Mr. Goudreau: Okay. The first one, then, when we talk about fire and emergency management issues and the crossover that might

occur between SRD and Municipal Affairs, we've got a very, very close working relationship with SRD. The Alberta Emergency Management Agency works very closely with municipalities both inside the forest protected area as well as outside. Now, generally speaking, I want to indicate that SRD tends to be involved in fire protection on public lands whereas our agency tends to work more on the private sector. SRD tends to focus more on forest fires, and we tend to work closer with the structural part of it.

Mr. Taylor: And that works well, does it?

Mr. Goudreau: It has been working well. Like I say, our relationship with SRD is very, very positive.

The other thing, the Alberta Emergency Management Agency. When it comes to disaster services and disaster recovery, we talk about disasters in terms of winds, floods, fires. We work with our volunteer firefighters to enhance and increase their capacity on a community basis, the ground search and rescue, and operate the emergency public warning system. So there is an overlap in that sense when it comes to fire and fire protection.

You had a comment on land use.

Mr. Taylor: Yes. Well, in terms of talking about strengthening regional co-operation and planning, here we're continuing to sort of take the 4,000-foot view, I guess, of what your ministry does and why. Clearly, the land-use strategy has to come into play whenever we're talking about regional planning. That was something that, again, was developed by Sustainable Resource Development primarily, as I understand it. Certainly, the minister brought the legislation forward. Now, are you administering it in whole, in part, in co-operation with SRD, in co-operation with other ministries? Who's responsible for what? A great deal of work went into that piece of legislation, and I'd hate to see it get bogged down in some kind of cross-ministerial stew.

Mr. Goudreau: Well, thank you for the question. Mr. Chairman, there are a couple of messages that I want to leave tonight. One is that certainly as Municipal Affairs we're very, very actively involved in the implementation of the land-use framework. We're an active participant in that. Generally SRD is probably the lead there, but we recognize within Municipal Affairs that having a very clear context for land-use decision-making will benefit all Albertans. That's the overarching goal.

We also recognize that our local governments and local authorities have a history and a role to play when it comes to land use and recognizing the importance of long-term planning. With that we encourage the land-use plans around the capital city here as well as the Calgary regional plan. Those two plans become very, very important components that should fit hand in hand or hand in glove with the land-use framework.

All of our consultation that we've done on the land-use framework has included our municipalities. They are represented on the regional advisory boards now for the two plans, or the two areas in the province where we're moving ahead. Just to say that Municipal Affairs will continue to be actively involved in the implementation of the whole land-use part.

Mr. Taylor: So it's not just Calgary and the capital region.

Mr. Goudreau: It's broad across the province. That's right.

Mr. Taylor: Because each sort of planning region, as I recall, from the land-use framework is based around a watershed. Am I correct?

Mr. Goudreau: That's right.

Mr. Taylor: So as you move out of the metropolitan areas to some of the rural areas, your ministry will still be involved?

Mr. Goudreau: That's right.

Mr. Taylor: Are you involved in kind of shepherding the plans forward, making sure that everybody at the table comes full of goodwill and, if not cheer, at least the desire to make some progress?

Mr. Goudreau: As I indicated, we're active participants on the land-use framework. The main lead, I believe, is still SRD on that particular overall plan. We're involved in the sense of efficient use of land. We're looking at the whole aspect of agricultural land use and their policies as our cities grow or as our municipalities grow and the impact that they may have. We offer our insight as Municipal Affairs, and we provide a perspective on that from a Municipal Affairs point of view.

Mr. Taylor: Okay. As it says here on page 213 of the business plan, and this would be strategic priority 6, which we're talking about, of course, promoting and strengthening regional co-operation and planning:

Work with municipalities, municipal associations and other stakeholders to develop guidelines and initiatives as required, to promote cooperation, collaboration, encourage efficiencies, and help resolve regional planning issues between neighboring municipalities.

How is that going?

Mr. Goudreau: For the most part – and I'm just trying to reacquaint myself with that one on page 213 – I want to say that most of my municipalities want to work with their individual neighbours. Most of my municipalities are very conscious of the challenges that their neighbours are faced with, and we have in many instances co-operative agreements amongst municipalities and within municipalities. We see that there is in most parts of the province a willingness to work together.

Having said that, there are some municipalities that have issues. There are some municipalities that are probably not as financially strong as they'd like to be. We've got groups within individual municipalities that from time to time will sign a petition and ask for a dissolution or a dissolution study. We provide that particular service to them. We will look at the individual municipalities and look at sort of the pros and cons of dissolution and whether or not a particular group would be better off or worse off by doing those kinds of things.

Mr. Taylor: Does your ministry make that decision? Is your ministry's word final?

Mr. Goudreau: That's right. The final decision is made by myself as Minister of Municipal Affairs with recommendations from our staff after having gone through a very formalized process of having a series of public meetings and making sure that the general population within those municipalities is aware of their particular request, that they're aware of what they're asking for. We consult especially with municipalities requiring dissolution but, by the same token, talk to the potentially receiving community as well. For every time somebody dissolves, there's a receiving community.

7:00

Mr. Taylor: Usually it's summer villages and hamlets that dissolve, right? It's not usually cities like Cold Lake.

Mr. Goudreau: That's right. For the most part it tends to be the smaller municipalities. Just to give you an idea of what's happened over the last seven, eight years: the village of Burdett, the village of Plamondon, the summer village of White Gull, the village of Mirror, the village of Sangudo, the village of Thorhild, and the village of Kinuso. Those are the last ones that were dissolved, and that's over a period of about eight years, in that sense.

Mr. Taylor: Okay. When you as a minister talk about dissolution and we look at examples like Cold Lake requesting dissolution into the surrounding municipal district, I'm not sure how much support there is, but there has certainly been some talk in both St. Albert and Morinville that they'd like to join Sturgeon county. I gather that Sturgeon county and a number of other municipalities are not that keen on the idea. Explain to me if you can – maybe there is no difference – the difference between dissolution and amalgamation or the creation of a regional municipality like Wood Buffalo.

Mr. Goudreau: Well, to speak specifically on the particular Cold Lake issue, I really felt that the request from council for dissolution was quite unusual. It probably brought to light the fact that there's some hurt there in that particular community. So we are looking at Cold Lake, and we are reviewing the state of Cold Lake, and I can't do that without a lot of information, so we've asked for more information on the city's finances and operations. We're certainly concerned about larger municipalities, for instance, dissolving into smaller ones.

Mr. Taylor: You're measuring that by population, correct?

Mr. Goudreau: That's right, by population. We need to look at trying to find what challenges they're facing. You know, we'll certainly move forward from that. I think part of it is to make sure that our municipalities are strong and sustainable, and we need to look at Cold Lake's financial position and see what got them to that particular point.

Mr. Taylor: Okay. I'm probably going to gloss over things massively here and present a huge oversimplification, but my understanding is that, essentially, Cold Lake is the population centre in the middle of the MD of Bonnyville, correct?

Mr. Goudreau: That's right.

Mr. Taylor: Bonnyville has the oil, the heavy oil.

Mr. Goudreau: You mean the MD of Bonnyville.

Mr. Taylor: Yeah, the MD of Bonnyville. So the MD has a reliable, reasonably sustainable, although perhaps somewhat unpredictable – after all, it's based on the price of oil or the price of bitumen – source of a great deal of ongoing revenue, and Cold Lake, as the population centre, as the service centre for the area, has all the expenses and not much of a tax base.

We've heard this, and there's been some success in resolving some of these issues and maybe not so much in others. We've heard iterations of this same argument between Red Deer city and Red Deer county; Grande Prairie city and Grande Prairie county; I think, again, with St. Albert and Sturgeon county; you know, various examples like that. It's usually that the population centre provides all the services to the surrounding hinterland, if I can call it that, and the hinterland has the tax base. What in your view is the ultimate solution to all of that?

Mr. Goudreau: It's certainly a good question. You know, to reiterate, typically that is right. We do encourage regional co-operation. MSI funding, for instance, tends to follow population base, and it's based on assessment, it's based on population, and it's based on some roads. The higher your population, generally speaking, the larger the MSI grant. In the Cold Lake situation, for instance, compared to the MD of Bonnyville, that tends to balance some of those. I guess I reiterate that the challenge is to make sure that those municipalities are strong; they're sustainable. At times it has to go beyond just strictly a funding issue. We look at the various services that individual municipalities are expected to support.

I think there's a distinction, often, in our smaller urban centres or even the Cold Lakes of the world and the St. Alberts of the world. They will tend to provide some of the recreational facilities and some of the support structures and network that individual rural municipalities have access to. But the flip side is that the rural municipalities often will provide the majority of the transportation hub that brings in products and those kinds of things. The rural municipalities in the province of Alberta probably have 85 or 90 per cent of our roads, the majority of the bridges, and all of those kinds of things. Those are municipal costs that they must support. To just compare one to the other becomes a little difficult. It's sort of comparing apples to oranges.

Having said that, we are continuously working with the Alberta Urban Municipalities Association, the Alberta Association of Municipal Districts and Counties to see how we can move forward with that, always some discussions, you know. Are there more areas where they can cost share? Yes, Mr. Chairman, I think there are areas where municipalities can . . .

The Chair: That's the first 20 minutes. We'll continue at your discretion.

Mr. Taylor: Just keep rolling.

Mr. Goudreau: Okay. I just lost my train of thought there.

Mr. Taylor: Well, you were mentioning, Minister, some areas where cost sharing can be effective, I guess. Does that get you back on track?

Mr. Goudreau: That's right. Thank you. Thank you for that.

We do encourage municipalities to look at the various services that each one provides. You know, I'm very, very pleased and proud to say that some municipalities have reached excellent working relationships with each other in cost sharing. To go back to the Cold Lake situation, I think the MD of Bonnyville is prepared to entertain that particular discussion with their neighbours, or the city of Cold Lake, to see how best they can do that.

Mr. Taylor: Cost sharing or revenue sharing?

Mr. Goudreau: Cost sharing.

Mr. Taylor: What about revenue sharing?

Mr. Goudreau: There has been very, very little appetite from the rural perspective to look at revenue sharing at this stage. You know, it's ongoing. I guess we need to keep on talking with individual municipalities to understand fully their challenges, to look at what possible solutions there might be there.

Mr. Taylor: Well, how does it work in Wood Buffalo? Is that model transferable, transportable?

Mr. Goudreau: In the Wood Buffalo situation, you know, inasmuch as the revenues come into the greater municipality of Wood Buffalo, we find that in Fort McMurray itself, the community provides a lot of the funding, but there are still some issues in the outlying, smaller communities in terms of the money that they're given back to be able to even offer their particular services there. So inasmuch as that funding model is more regionalized, there are still some issues with the tinier communities that are not that far away from Fort McMurray itself.

Mr. Taylor: Okay. We are talking funding issues. We are talking sources of revenue. We are talking costs that have to be paid in some fashion, and maybe cost sharing works in some instances, and maybe it doesn't. Maybe this is a good time to talk about MSI funding. As you pointed out, the funding started out at \$400 million in '07-08, \$500 million in '08-09, \$400 million in '09-10. It bumps up to \$876 million in this fiscal year, should this budget be approved, and I imagine it will squeak through by the tiniest plurality when we vote on it on the 18th. That sounds very good on the surface, but really if you do the math for 2009 funding, there was \$400 million in MSI funding and an additional \$498 million in Alberta municipal infrastructure, or AMIP, program funding. Now that's gone. That program has ended. We're actually looking at a drop of about \$21 million this year. So the funding level for municipal infrastructure is lower this year than it was last, not more.

7:10

Mr. Goudreau: If you compare only those two particular programs.

Mr. Taylor: Well, find me some more money because I can't find it in the budget.

Mr. Goudreau: AMIP was a five-year program, and it was, I believe, about \$500 million or \$600 million per year over a period of five years. The municipalities were aware that that particular program came to an end. That program is administered by the Minister of Transportation. As we knew that that particular program was coming to an end, the province agreed to ramp up the MSI funding. We are moving forward, and if we look at the out-years, the MSI is yet to increase. We were committed to, I believe, \$11.3 billion over a period of 10 to 11 years in MSI. So those commitment dollars, or the MSI funding, will be increasing.

Mr. Taylor: But what's the commitment now? It's no longer over 10 years. I mean, you and the Premier and other members of government, the finance minister have said that MSI now, in order to reach its target, if, in fact, it's going to reach its target, is going to have to take place over a longer time frame. So how much longer a time frame?

Mr. Goudreau: There are two options. One is to ramp it up over the same time frame, ramp it up a little quicker and pay it out over the same time frame. The other one is to ramp it up a little slower over a period of 11 to 12 years and to have the full commitment of \$11.3 billion.

Just to add to that, if you look at the estimates themselves, the MSI funding this year, we're looking at \$826 million that we're talking about, \$324 million under municipal transportation grants. If you add things like the Green TRIP program of \$70 million, you get a total for '10 and '11 of \$1,776,000,000 going to municipalities. And I may, Mr. Chairman, say that that includes things like the work that we're doing in Fort McMurray on Saline Creek Drive and Parsons Creek Road. So if you put all of those dollars together as

support to municipalities, the total is \$1,776,000,000. If you look at last year's amount, including MSI, municipal transportation, the Alberta municipal infrastructure program, that total was \$1,491,000,000. So there's a positive difference this year of \$285 million more going to our municipalities.

Mr. Taylor: Which municipalities have they gone to? Calgary is getting \$153 million less than they expected.

Mr. Goudreau: That's right.

Mr. Taylor: And Edmonton is getting a little bit less than they expected, too.

Mr. Goudreau: Everybody under MSI is getting a little less than what they expected. When we announced the program in 2007, we had established a ramping up of the MSI.

Mr. Taylor: Okay, but where's the rest of this money going, the money that's not MSI funding, the other, well, essentially \$900 million to get us to \$1.776 billion?

Mr. Goudreau: It's going to all the other activities that the province is doing.

Mr. Taylor: I'm asking for some specifics. What are we spending it on?

Mr. Goudreau: Well, the \$826 million, for instance, on the municipal sustainability initiative.

Mr. Taylor: No. Other than the municipal sustainability initiative.

Mr. Goudreau: The municipal transportation grants, \$324 million.

Mr. Taylor: Okay. Where is that going and for what?

Mr. Goudreau: You would have to ask the Transportation minister for some of those particular details. You know, like, I can give you the details on the MSI program.

Mr. Taylor: But didn't he just say in question period today that he just turns that money over to the cities and then basically forgets about it because it's their responsibility to spend as they want? Didn't he say something like that? Didn't I hear the Transportation minister say something like that?

Mr. Goudreau: You'd have to ask him.

Mr. Taylor: Well, maybe I will tomorrow. I might have to ask him that.

I don't know if it's fair to say that you as the Minister of Municipal Affairs have ultimate responsibility for all this money – no, you don't – but you kind of have some at least theoretical, spiritual buck stopping at your desk on municipal funding.

Mr. Goudreau: That's right.

Mr. Taylor: If you're telling me that there's a positive \$265 million increase in funding to municipalities this year and my mayor is telling me that he's getting \$153 million less than he expected in infrastructure funds, I'm left wondering where the money is going. Not that Calgary should get all of it. I thought I should jump in

before somebody accuses me of saying that Calgary should get all of it. Edmonton-Highlands-Norwood should get a buck or two.

Mr. Goudreau: Had we followed the program and how things were outlined in 2007, we would have been about \$1 billion this year towards MSI funding. We're at \$876 million on MSI.

Mr. Taylor: I don't want to sound like I'm completely unsympathetic. I mean, you know, conditions change. A lot of people, well, most of us, didn't see the recession coming. There were a few Cassandras who did, who weren't listened to then and probably won't be listened to the next time. Obviously, economic conditions change. But I'm wondering about the value of announcing 10-year sustainable funding programs like MSI. After all, one of your strategic priorities is to support municipal viability and long-term sustainability. That's priority 1.

When you lay it out and you tell municipalities, who, after all, are the children in this relationship, dependent upon the province for their well-being, for their allowance – I mean, the province of Alberta would never put up with a situation where we had to go cap in hand to Ottawa for all the money that we need to run our show. But when you lay it out to the municipalities and you say, "Okay; over the next 10 years year by year here's what you can expect," and then, you know, really, after year 1 you're moving the goalposts, and you're moving them farther away, you're saying that it's going to take longer and you're going to get less.

Municipalities have to plan. Notwithstanding the decrease in construction costs – and I know that it's been substantial over the course of the bust here, but I also know that there are predictions that in as few as six months we may be facing another skilled labour shortage because of the activity in the oil sands. If we get back into that situation, if there's a labour shortage, it follows that pretty soon there's going to be a materials shortage and a concrete shortage and a steel shortage and everything else. That cost advantage that we may not be taking full advantage of if we're underfunding MSI is soon going to disappear.

You know, an interchange costs what an interchange costs to build. An LRT line costs what it costs to build. The municipality, as the level of government responsible for making the call on whether to go ahead with those things or not, has to make the call based on what you or your predecessors have promised them. This may not be a broken promise, but it sure as heck is a deferred promise.

Mr. Goudreau: Well, thank you. If I may, Mr. Chairman, the commitment is there for the full \$11.3 billion.

Mr. Taylor: Over how many years?

Mr. Goudreau: We had initially said over 10 years.

Mr. Taylor: What are you saying now?

Mr. Goudreau: We've stretched it out. We haven't committed to a formal number of years at this stage.

Mr. Taylor: So the commitment is not there.

Mr. Goudreau: Well, there are a couple of things that we've always said, and we've been very, very open and very frank in our discussions with our municipalities. Our past dialogue with individual municipalities would show that as well. The contract that we've signed with municipalities was always subject to dollars being

available to us, subject to the volatility of our own provincial revenues. So although the commitment of \$11.3 billion is there, there was always a subject-to clause in the contracts that we signed with individual municipalities.

We've always talked to our municipalities about the fiscal situation of the province of Alberta. We feel that with past discussions, the contracts that we've had with individual municipalities, no one really should be surprised. We recognize that 10 years is a very long-term commitment. Municipalities can plan. They can work through some of their projects.

7:20

As a promise we have had to reprofile some of our own projects. We've had to turn to our surplus funds to move forward with our particular budget. We've always identified that as a challenge to individual municipalities as well. They should be prepared to reprofile some of their particular projects.

We've got municipalities, Mr. Chair, that have huge surpluses in the bank. You know, certainly, even with the MSI support we're sort of suggesting that as we do access our surpluses, municipalities should be looking at that as part of their management plan. We recognize that construction costs are probably some of the lowest that we've seen in a number of years, so municipalities, at least presently, can do as much work today with even the lower support dollars as they would have been able to do a couple of years ago with much higher support dollars.

Mr. Taylor: But do you acknowledge that that situation may change, may go back to something more approximating what we knew two years ago, a year or two hence?

Mr. Goudreau: Sure. Again, I guess we shouldn't be surprised to see the economic conditions change and be volatile. We anticipate those things to happen. Some of the things that we've done as to all municipalities, if they wanted to look at our commitment and if they had some very long-term plans in place, they could commit to the things like an LRT line and actually borrow those funds, a portion of their borrowing costs or eligible expenses, under the MSI. They can move forward with some long-term activities, recognizing that the installers are there. We'll preapprove up to 75 per cent of their full commitment dollars at this particular stage.

Mr. Chairman, I think we recognize that all of our dollars are very subject to economic conditions, but the flip side is that there's no other government in Canada that gives the type of support to municipalities that Alberta does. I challenge anybody to come up with more money that's provided to municipalities. I think we're committed to municipalities. We recognize the important roles that the municipalities have in growing and developing this particular province. We've agreed that we would support them, and we've indicated to them right from the beginning that those dollars could be subject to changes, subject to the economic conditions of the province of Alberta. This year we've exercised that subject to, and we've brought down those dollars and MSI ever so slightly.

Mr. Taylor: Were there any financial liabilities accruing to the province in those contracts that you signed with the cities around MSI?

Mr. Goudreau: I'm not aware that there are. Like, financial liabilities accruing to the province of Alberta?

Mr. Taylor: Your deputy is shaking his head. I think I got the answer. Okay. Thank you.

You know, two of those municipalities – well, I shouldn't say two of those municipalities; I guess it's actually 25 or 26 of those municipalities – the city of Calgary and the municipalities that make up the capital regional partnership, if they were provinces, would be bigger than about, I think, six of our provinces in terms of population.

Mr. Goudreau: Sure.

Mr. Taylor: Right. I make note of that because we've been talking about funding from the province to the municipalities. I'm not going to quibble with your assertion that this is the most generous province when it comes to funding municipalities, yet the way in which we fund municipalities, by and large, is still that of a benevolent parent giving a generous allowance to his or her children, perhaps more generous than the next-door neighbour gives their children.

It seems to me that at least in the case of Calgary and greater Edmonton it's about time we acknowledge that they're big boys and girls. They're adults. So I'm taking this opportunity where we're discussing this fiscal year's budget and the business plan for the next three years – and I know that this isn't in here. Well, it is, I suppose, in a sense in your strategy for municipal sustainability. But talk to me in concrete terms about what vision the Ministry of Municipal Affairs has for vacating, perhaps, some of the revenue room, the revenue that currently goes to the province, and letting that go to the cities and towns of Alberta and the people who live therein directly.

Mr. Goudreau: Mr. Chairman, I think that's exactly what we've done, and we're continuing to do that. If I use MSI as the example and as the funding source for individual municipalities . . .

Mr. Taylor: I'm sorry. I'm actually talking about giving cities and towns the authority to be responsible for raising more of their own revenue and having the opportunity to do it in other ways other than just essentially property taxes. I mean, there are parking fees, yes, but there's not much else on the books.

Mr. Goudreau: Let me go back and just finish my MSI one. It's a particular program whereby we've given the municipalities basically the authority through a funding transfer to do what they feel is important for their particular citizens and their particular municipality. If they feel that certain infrastructure is critically important, if they feel that, you know, they've got particular projects that are more important than their neighbouring municipality, they've got the right to pick and choose whatever project is important for them. The sky is basically the limit in terms of the various things that they can do.

Mr. Taylor: But that's still like me reaching into my wallet right now and handing you a \$20 bill, which I think is all that's in my wallet right now if I remember correctly from earlier today, and saying: "Here. Here's \$20. Do with it what you will." But it's my \$20 that I gave you, and you didn't go out and earn the \$20 yourself. In fact, I in many respects specifically prohibited you from going out and earning the \$20. That's essentially the relationship between provinces and municipalities.

So I'm asking: what are your plans in terms of changing that master-servant relationship, that parent-child relationship, that the province – and every province in Canada has this to a greater or lesser extent – has with its municipalities and starting to treat them as a legitimate third level of government that's a full partner with provinces and with Ottawa, with the dreaded feds?

Mr. Goudreau: Well, thank you. Our municipalities have different ways of raising funds. One is certainly through property taxes, and they set their assessment and their mill rates. They also set various fees for the various services that they provide. But let's keep in mind, Mr. Chairman, that there's really only one taxpayer, and that's the citizen of the province of Alberta. Whether they're collecting one way or the other way, you know, there's basically one.

Mr. Taylor: Okay. There's the one taxpayer . . .

Mr. Goudreau: Let me finish.

Mr. Taylor: Okay. I'll come back to that.

Mr. Goudreau: There were a lot of discussions in terms of looking at various strategies to vacate some tax room. For instance, there was a minister's council that was put together some time ago, and at that particular time they recommended six new revenue tools. You remember that discussion about a year and a half ago.

Mr. Taylor: Which was, as I recall, an absolute disaster.

Mr. Goudreau: At that particular time there were strong reactions from the public and business groups that we don't go there. There was a pile of municipalities that also showed their opposition to those things.

As a response to all of this, as a province we said that we needed to supply more funding to individual municipalities. That's how we responded by introducing the MSI program, and we did that. On that basis we brought it to the MSI. There were about 400 municipal representatives in the room there to help us evolve and develop the MSI formula, for instance, and, you know, we were getting mixed messages. So basically as a government we took the position that there would be no plans for new taxes. Basically we are sort of saying that we're going to use the MSI, then, as a tool to transfer money to municipalities and to try to transfer money to municipalities with the least amount of strings attached so they can make their own individual decisions.

7:30

Mr. Taylor: There is only one taxpayer. You're absolutely right. But what that taxpayer pays can be divided two ways, as it is today, part to the feds and part to the province, or it could be potentially divided three ways: part to the province, part to the feds, part to the local municipality. It's still the same amount of money that you're taking from the taxpayer, but the province, which has, you know, over the last 15 or more years downloaded quite a number of services and responsibility for services onto municipalities, would then be downloading some of the revenue as well and forgoing a portion of the revenue that it's collecting today.

Now, I mean, I would expect that you're going to come back to me and say: hoot mon; you know, we don't have enough to go around as it is, and you want us to take less and give some to somebody else. But especially if you are successful in your bid to get us out of deficit in three years, we're not going to be in this situation for very, very long.

Somewhere it seems to me – and I would be surprised if it doesn't seem so to you as the Minister of Municipal Affairs – that there's an imbalance here. There are several imbalances. There are imbalances between individual urban municipalities and their surrounding rural municipalities, where the rural municipality has the revenue of the tax base and the urban municipality has the bulk of the responsibility for providing the services. There are inequities or there are

issues – maybe inequity is the wrong word to use – around MSI funding and the fact that the municipalities will eventually get the money but they won't get it as fast as they thought they would. There are the – how many grants did you say there were? – 77 municipal grant programs across 13 ministries.

Mr. Goudreau: Seventy-seven. That's right.

Mr. Taylor: You know, I'm sure that must keep some people around the city halls of this province and the town halls of this province employed full-time just trying to figure out who to apply to for what when they want a swimming pool.

Mr. Mason: It's job creation.

Mr. Taylor: Yeah. Maybe it is job creation, hon. member. I don't know.

It seems to me that there are inequities in the system that could be better addressed if we actually started to treat municipalities not like children who we really love and we really want to give them a good allowance and we'll pay for their college education and we'll buy them a car – okay? – but as adults who can go out and earn the money to get their own damn car.

The Chair: Mr. Taylor, I'd remind you that we're discussing the 2010-11 estimates, not policies.

Mr. Taylor: Well, I'm just trying to say – because remember, Mr. Chairman, that one of the priorities is a strategy around municipal sustainability, is it not?

Mr. Goudreau: Mr. Chairman, if I may add some comments to that. That is the mandate that the Premier has given me as the Minister of Municipal Affairs, and that's to look at improving the long-term viability of municipalities across the province. We're working on that particular strategy. When we say "we," that's in conjunction with the Alberta Urban Municipalities Association; the Alberta Association of Municipal Districts and Counties, the AAMD and C; the Association of Summer Villages of Alberta; the Alberta Rural Municipal Administrators Association, and the Local Government Administration Association, participants on a working group to look at a strategy to improve the long-term viability of municipalities.

I guess that particular group is attempting to answer four questions. One is: what actually constitutes a viable and sustainable municipality? How can we measure that? Everybody's got a different feeling about that. The other one is on what basic services a municipality should in fact be providing and the services a municipality should be providing versus services that the province should be providing versus services that the federal government should be providing. For individual municipalities what can their residents expect? Following that, we're looking at the capacity. What capacity-building tools are required by those municipalities to achieve sustainability? Once those are answered, then what restructuring should in fact occur at that particular level?

Now, we know that we've got some municipalities, on one side, where their mill rates are extremely high and are poor, and we've got some municipalities where the mill rates are quite high and are very rich. We've got some municipalities that are crying "poor" and in fact have many, many dollars in the bank as well, you know. Some of those dollars are no doubt earmarked for long-term projects, but for others it's dollars sitting there. Those municipalities will not tell you that they've got a few hundred million dollars in the bank, yet they're going to approach us, saying: "We need more. We need

more." As I indicated earlier, there's only one taxpayer that brings all of those things together.

When we look at sustainability and the ability for municipalities, maybe we'll find out that municipalities need more money transferred from the province, but they might also be saying: we're prepared to accept more responsibilities as well in terms of various services that we provide to our residents.

If we go back a number of years ago, I was involved in the study of policing in the province of Alberta. We heard from municipalities that they did not want to pay fully for their policing charges, so for the poorer municipalities or more so the smaller municipalities we eliminated policing costs to them. We took that upon ourselves as a province. Indirectly that's a way of taking away some of their responsibilities in a sense but also the financial obligations that they had. Ambulance and ambulance services and the support that we've done. Those are all areas where we've directly or indirectly helped our individual municipalities.

Mr. Taylor: Thank you.

Mr. Chairman, how much time do I have left?

The Chair: In excess of nine minutes.

Mr. Taylor: In excess? Oh, my. Not that it seems like time is going slowly. Time goes quite quickly. In fact, I've completely lost track of time.

Minister, how much funding for municipalities is federal money in this budget?

Mr. Goudreau: I don't have those exact numbers. The building Canada and stimulus program is in the government budgets. I don't believe that through Municipal Affairs there's any significant amount of transfers of federal dollars to our particular budget. There might be bits and pieces. I'm thinking of the Francophone Secretariat, where there's a little bit of money that flows through the secretariat to various agencies in the province.

When we go to, say, disasters, for any money that's beyond a dollar per capita on a single incident, we can qualify for some federal support at that particular level. So if a particular incident will cost us, say, more than \$3.7 million, then the federal government will come in and trigger some support at that particular level. But I'm not aware that we've got a lot of direct federal dollars into this particular budget.

Mr. Taylor: Okay. But that answer actually led into another area that I'd like to spend a couple of minutes on, anyway. Maybe this will eat up our time; I'm not sure. Public safety, emergency management issues, those sorts of things. If you would go in the estimates to page 305, section 6, funding for the Alberta Emergency Management Agency, leaving the funding for disaster recovery aside, it looks to me like almost 10 per cent of the funding has been cut. If that's the case, that the funding for the AEMA has decreased, what programs have been cut or reduced as a result of that?

Mr. Goudreau: Well, there are a couple things right off. The estimates reflect a reduction in manpower and in supplies and services as a result of some internal restructuring that was done at that particular time.

I believe the budget also reflects disaster recovery dollars, and those tend to be supplementary estimates. We do not do any long-term budgeting for emergencies in the province of Alberta, for instance, and those can vary anywhere from a few million dollars per incident and per year to a few hundred million dollars depending on the type of summers that we might have when it comes to storms.

7:40

Mr. Taylor: Or fires.

Mr. Goudreau: Floods or fires, all those kinds of things. If I look at page 305, for instance, the '09-10 forecast was \$19.8 million. Those were some of the dollars that we expended. Then the '10-11 estimate is, I believe, \$200,000. In that sense we tend to go back for supplementary estimates to offset.

Mr. Taylor: I see what you mean because you budgeted \$250,000 in '09-10 and actually spent \$19.8 million. Okay. Understood.

Regional emergency management agencies. Legislation has recently been tabled that will allow municipalities to band together to form regional emergency management agencies. What resources are you committing to help co-ordinate regional emergency management agencies, and are they reflected in this budget?

Mr. Goudreau: I believe the dollars there are dollars for training. I'm just going to check here. You know, for the most part we are looking at the agency working with individual municipalities and co-operating together. There's a pilot project that we're doing with the city of Grande Prairie in Grande Prairie and surrounding areas. Basically, the whole idea is to try to encourage individual municipalities to share resources and work with their neighbours to have more of a co-ordinated approach to that. You know, we provide the support structures to have that happen in terms of, I guess, training and encouragement more than financial support as such.

Mr. Taylor: Okay. Strategy 7.7 on page 219 of the business plan refers to the co-ordination and collaboration of emergency system partners "to develop research, best practices, training, certification and national and international standards in fire, emergency management and other related disciplines." Are search and rescue operations part of this strategy, or are they going to be part of this strategy under the legislation that is forthcoming?

Mr. Goudreau: Under Bill 6?

Mr. Taylor: I believe it's Bill 6, yeah, 6 or 7. You've caught me now without my Order Paper.

Mr. Goudreau: Search and rescue teams are very much a part of our emergency management system.

Mr. Taylor: So they are part of this strategy?

Mr. Goudreau: Yeah. They are part of the strategy.

Mr. Taylor: Will there be more funding provided to these organizations given that the new legislation is going to limit their exposure to negligence lawsuits?

Mr. Goudreau: We've got some funding identified in the budget to support training programs. You know, we recognize that having very responsive search and rescue teams is part of our overall commitment to providing safe communities and strong communities. Part of it is to support the volunteers out there. Bill 6 was to try to remove some of the impediments that individuals have been faced with, to provide them with protection against lawsuits, against liability, the liabilities that might come and accrue to them and so on.

Mr. Taylor: It makes it harder to sue them if they were acting in good faith. I understand that.

Mr. Goudreau: That's right. That's the whole idea.

Mr. Taylor: Yeah. Does that require more funding or less funding from your ministry? There's some funding that goes into training, obviously.

Mr. Goudreau: Well, we have identified some dollars in the particular budget. You know, there is a board that was put together. There was some funding provided for the development of that. As I indicated, I believe we're providing about \$150,000 in terms of training to them. We're working with the RCMP. We're working with fire and emergency service training initiatives. All of those things are to develop and help them achieve certain standards and achieve certain proficiencies in search and rescue in the province of Alberta.

Mr. Taylor: Okay. Strategy 7.8: "Collaborate with and support industrial partners in the development of a provincial industrial mutual-aid organization for emergency response." Can you talk a little bit about exactly what that is, what that means?

Mr. Goudreau: Part of it is exactly what it says: to look at the whole industrial safety or the areas of required safety in the industrial areas.

Mr. Taylor: Is this done on a regional geographic basis or industry by industry?

Mr. Goudreau: Amongst provinces. We're working at it on a national strategy as well as individual provinces and, then, on a local basis. So, certainly, regional collaboration. It's done in conjunction with industry as well, and a lot of it is that industry has certain capacities and certain abilities to do certain things. We do as an agency as well, and the other provinces have. It's a matter of trying to build on each other's strengths to provide the security that's required.

Mr. Taylor: Okay. My time must be just about at an end, is it not, Mr. Chairman?

The Chair: A second at a time, and there are 30 left.

Mr. Taylor: I will cede those 30 seconds either to someone else who wants to pick up the questioning or to the coffee break time that you mentioned.

Thank you, Mr. Minister. I appreciate the answers to my questions.

Mr. Goudreau: Thank you.

The Chair: Thank you, Mr. Taylor.

I failed earlier to acknowledge the presence of the Member for Lethbridge-East, Ms Bridget Pastoor, as well as more recently the Member for Airdrie-Chestermere, Mr. Rob Anderson.

At this point, committee members, I'll suggest that we take a five-minute break and be back to offer 20 minutes to the member of the third party, Mr. Anderson.

[The committee adjourned from 7:47 p.m. to 7:53 p.m.]

The Chair: I would like to ask us to reconvene the meeting if we could. The next 20 minutes I'll offer to Mr. Anderson as a member of the third party either in an exchange or 10 minutes and 10 minutes, whatever you prefer.

Mr. Anderson: Just an exchange would be fine if that's agreeable.

The Chair: Go ahead. Thanks.

Mr. Anderson: Man, it got a lot thinner in here. Did somebody say something?

Minister, thanks for giving us this time. I wanted to talk a little bit about MSI funding to start. You know, I'm sure this was probably addressed by the hon. Member for Calgary-Currie, but if you could help me understand a little bit. We hear conflicting things that MSI funding has been cut, but of course it doesn't look like it has been cut in the budget. It looks like it has actually increased. I guess my question is: MSI funding is obviously increasing, so when the cities are complaining of cuts, is it because they're cutting other granting programs in the budget, and if so, where are those on the balance sheet?

Mr. Goudreau: That's a good question, Rob. I think we need to go back a number of years ago, when we had AMIP, which was the Alberta municipal infrastructure program, that was available to municipalities. That particular program was always meant and it was always identified to be a five-year program. That particular program was administered not by this ministry but by the Ministry of Transportation. I believe it was a \$3 billion program over five years, so \$600 million per year. Well, that program ended this past year. This is the last year of the program. So where you get some concerns from individual municipalities is that they look at that program, they look at us ramping up the MSI program – and we're now at \$876 million in total for MSI. We've gone from \$400 million to \$876 million, which is a huge increase in MSI funding. But, overall, when they just compare those two programs, the municipalities will say that they did get a reduction.

Rob, I want to reiterate a few things. One is that in this year's budget – and it's not necessarily reflected in my budget – the MSI support is there certainly, but there are also municipal transportation grants. If you look at, I believe, the Minister of Transportation's budget, there is a Green TRIP allocation of \$70 million under his particular program. If you total all of that, the support to individual municipalities, you're going to find that we're reaching \$1,776 million in total support. If you compare that to last year's numbers and you total the MSI support that we gave there – the transportation grants, the fact that there was hardly any Green TRIP funding; I believe there was virtually no Green TRIP in '09-10 – you'll come to \$1,491 million. So this year's overall budget in terms of support to municipalities has in fact gone up by \$285 million, which is a significant increase.

Now, mayors and reeves will tell you that they had a decrease in funding, but they only compare one or two programs. They don't compare the full amount. If they look at AMIP and MSI, or the combination of those two, when you total those two, they did get a reduction. But if you add all of the other programs, they are in fact getting an increase.

Mr. Anderson: Okay. Very good explanation, but they are probably worried about some of the strings that are attached to some of this. Some of these other programs like Green TRIP, for example, could be private industry. That doesn't all necessarily have to go to cities. That could go to other organizations, right?

Mr. Goudreau: Sure.

Mr. Anderson: I guess my question is that these granting programs – I just think it's kind of funny that we have so many different

granting programs for the cities. Wouldn't it make more sense, just in the name of simplification, you know, kind of decentralizing, allowing the money to flow directly to the municipalities a little bit more clearly and consistently so that they could do some long-term planning? Instead of having all these different granting programs, maybe have, let's say, a set percentage of revenues generated for the province that go to municipalities or, say, a percentage share of the royalties or something, some kind of agreement in place where it would go up and down with the revenues that the province sees, so it's fair for everyone so that they can do a little bit more long-term planning rather than having this kind of labyrinth of granting programs.

Mr. Goudreau: Again a good question. We know that there are 77 different grants that municipalities can access through different government organizations or different government ministries. Presently we are leading a review of those grants. We're looking at, sort of, a cross-ministry initiative to see how we can streamline that, and we're heading in that particular direction.

This year we basically eliminated a number of programs, and we've broadened the categories within MSI. Through our own ministry we've taken away the unconditional municipal grant program, the municipal sponsorship program, and actually the qualifications for those dollars they can get and access through the MSI program.

8:00

We know that there are a lot of municipal grant programs that have not been reviewed for many, many years. Working with municipalities, AAMD and C, and AUMA, they've basically been telling us that there are some changes that were needed. You know, administratively it's very tough on them, and it takes a lot out of our own staff to process and administer that.

Basically, in light of becoming more effective and more efficient and at the same time to protect the programs and the services that Albertans rely on, we're trying to consolidate, and we're going to be doing that. We've started the process. We're going to do more and more of that over a period of a few years here. I guess part of it is to try to give the best possible value for the dollars that are being spent and the best value going back to Albertans.

With MSI I guess we look at a very broad-ranging program where individual municipalities can basically apply for just about anything and everything there. You know, there's a broad frame that we provide to them, and then within that frame they can basically apply for whatever they feel is important to them, to their community, to their particular residents.

We have committed \$1.3 billion to MSI over a period of 10 to 12 years, I guess. I want to say it that way because we've always committed the money subject to the economic conditions of the province of Alberta. I think we've been very open with our municipalities. We've been very frank and up front with them to indicate to them that subject to the volatility of our revenues in the province of Alberta we would provide them that particular support. The full amount is committed, and the only thing that we'll change is the amount per year to meet that full commitment.

Now, again, municipalities are the ones that are deciding what's right for their local residents; we don't as a province. There are large criteria. If we look at municipal safety kinds of initiatives, municipal infrastructure, capacity building, for instance, and overall sustainability of municipalities, that's what we're looking at as a particular province.

Mr. Anderson: Absolutely. You know, obviously, the MSI initiative is very important in getting the funding that our cities need.

I just wonder if we could really concentrate on getting rid of a layer of, I would say, just totally unnecessary bureaucracy. Obviously, in putting out these grant programs, these applications, all these things, it takes a lot of people to go through them, filter them, get it done. In a lot of cases you have the municipalities collecting the money, you know, sending it to the province, and then, essentially, the province granting the money back.

I just wonder if there's anything on the table that we could be thinking about that would allow us to really, you know, let the local municipalities, hopefully, just even collect the revenues that they're going to use, keep the province out of it, and just say, "Look, here's a formula that's in place, it's going to go up and down with the economy, you can plan for it, it's going to be relatively stable, it's yours, you deal with it, and your local electorate can keep you accountable for it" rather than the system we see now, which is, you know, that we add a whole level of bureaucracy in order to make sure that the municipalities are using the money well. Well, I understand the reasons for that, but at the same time, if we're going to have autonomous cities – and we do – I think it would be much more efficient. We could have a lot of savings in here if we would just allow them to raise the money themselves and just keep it. That also goes back to that contract that was signed on the MSI.

I agree that in frugal times we've got to be frugal – there's no doubt about it – but the problem is that this government just seems to sign contracts and then has to renege on them when the economy isn't as good as we had all hoped for. If you have it tied directly to a funding model that goes up and down with the economy, I just think that, you know, you wouldn't have to sign these contracts and then renege on them or then sign them and they say: oh, it's not good enough. I mean, if the economy kept steaming on, inevitably the cities would have come back and said: oh, it's not enough. If you tie it to the formula that goes along with the economy, I think we'd have a lot more success. Is there any thought to going towards that kind of model?

Mr. Goudreau: I think that at one time we looked at the MSI criteria, and we had loosened things up quite dramatically for municipalities to basically do what they chose was best. Some of the decisions were at times maybe a little counter to the direction that the province wanted to head as a broad province. You know, not necessarily all municipalities were heading in the same direction, for instance. Rob, that's important when it comes to even trading with international partners and those kinds of things. They want to know for sure what they can anticipate out of a particular municipality or a particular province or jurisdiction. The municipalities don't collect money for the province except for the education tax. That's the only place where they're actually collecting money there.

The other thing that we hear often. I still get letters, not necessarily on a daily basis but on a fairly regular basis, about the residents of individual municipalities asking for more accountability of their locally elected officials. In a sense, by putting a few guidelines out there, broad guidelines I may add, provides a certain level of accountability back to Albertans as taxpayers. We had, you know, individual municipalities, for instance, who would use MSI funding for their administrative costs. Well, to me, that's part of their responsibilities as individual municipalities through local taxation and those kinds of things.

When we look at, you know, the whole area of MSI funding, on one side we're trying to provide municipalities with as much flexibility as possible and as much autonomy yet having a certain amount of – control is not the right word – direction, I guess, to individual municipalities.

Now, as I indicated, we're fully committed to the \$11.3 billion. Individual municipalities can plan short term for immediate needs, or they can plan very long term, and we will approve up to 75 per cent of their qualifying amount of the \$11.3 billion, their portion of that \$11.3 billion, again allowing more flexibility to municipalities. It allows them very long-term planning. I guess they can take advantage of cycles in construction costs. You know, if they feel that their costs are low now, they can do a lot more work today in anticipation of maybe costs going up in the future.

Mr. Anderson: Well, I think you're moving in the right general direction by giving more autonomy to the municipalities, but I still think we need to take that kind of next leap, where we really, you know, let the local electorate, the local people living in the local communities hold their politicians accountable in municipal elections. I think the province should essentially, I would hope, let them do what they need to do to raise the money. Maybe put in some guidelines so that it doesn't get out of control, so you have that certainty you talked about earlier. Anyway, we can agree to not see completely eye to eye on that, but I think generally we're moving in the right direction.

With regard to the Calgary Regional Partnership how much funding is being allocated out of Municipal Affairs for that? I've only got about four minutes left. I just need to ask you a question after that.

Mr. Goudreau: Okay. I think it's important when we look at the Calgary regional plan or even the capital plan here that we look at the long-term vision for development and those kinds of things. We do support both of them financially. The Calgary metropolitan plan this year will be getting \$1.6 million, specific to that particular plan, to allow them to evolve and move forward with that.

Mr. Anderson: Okay. Perfect. Now, I completely agree and am very supportive of regional municipalities co-operating. There's a little bit of an issue that has come back. How much time do I have, by the way? Four minutes?

The Chair: Four minutes.

Mr. Anderson: A lot of the municipalities, the MDs in and around Calgary are very worried about autonomy issues. Specifically, there are these compact urban nodes or, you know, blue blobs, as they're called. There's a lot of worry that by signing on to this agreement, in effect the MDs will be giving away their autonomy over local decision-making within those compact urban nodes. Because of that, it hasn't really worked, so the three MDs around Calgary haven't signed on, and they're worried now that they're going to be forced to sign on.

My experience has been, you know, just in life – obviously, you've been here longer than me, Minister – that forced co-operation just never seems to work out in the long term. Is there any way we can allow those areas to just – I mean, if they can work together, if they can come to an agreement, great, but if not, why don't we just leave them alone?

8:10

Mr. Goudreau: Well, there's no doubt that the three rural municipalities control the land, you know, the vast majority of the land around that. I think, Rob, that the majority of the people want to work together. It's a matter of trying to determine how and what responsibilities each may have and those kinds of things. When it comes to the Calgary regional plan, we're certainly committed to

helping them and supporting them, and we want to continue working on that particular plan. We recognize that there are some issues when it comes to density, when it comes to governance. I think those are some of the issues there. As well, I think it's important that individual municipalities feel that they've got a certain level of autonomy in local decision-making. I think some of those are some of the issues.

We know that around the city of Calgary, for instance, or even the Edmonton corridor, if I want to talk about that, over the next 15 years we anticipate addition of another maybe 1 million to 1 and a half million people there, you know, so it's going to be extremely important to work together when it comes to infrastructure, when it comes to roads, when it comes to utilities. If we can encourage people to work together rather than to work separately, I think we're going to be better able to manage growth. There's going to be maybe in the short term a sense of conflict and a sense of frustration, but I think that in the long run there's going to be a greater sense of accomplishment if they know where they're heading. I'm going to continue to work with the rural municipalities, trying to encourage them to be part of that decision-making process.

Mr. Anderson: Well, even if they could just have, Minister, an opportunity to have, say, a veto over development and parameters within the Calgary Regional Partnership that affect their particular municipal district, when determining the blue blobs, for example, or determining the density requirements or water servicing issues or whatever. If it affects them directly, if it's just, "Okay; we're going to put this blue blob in your area," if they have a veto over that, I think that would go a long way to giving them kind of the calmness where, you know, they'd be able to go back to their people and say: look, at the end of the day we've got a veto on what happens in our land. Is that something that you're going to look at?

Mr. Goudreau: Rob, we're going to continue working on that. We're not there yet. As I indicated, we're certainly looking at the governance and the governance structure. We're going to continue working with them and continue to encourage them to come to a solution they can live with.

Mr. Anderson: Thanks.

The Chair: Thank you, Mr. Minister.

At this point, with the concurrence of the committee, the chair is prepared to recognize Mr. Mason, as the representative of the fourth party, for 20 minutes or a 10-and-10 exchange with the minister. Go ahead, Mr. Mason.

Mr. Mason: Thanks very much, Mr. Chairman. I'm prepared to go back and forth with the minister if that's what he'd prefer.

Mr. Goudreau: Sure.

Mr. Mason: Let me pick up where my friend Mr. Anderson left off, and that has to do with municipal financing. He has a hard time saying the word, but I'll say it for him because I'm more comfortable with the concept. Why don't you just give the municipalities more capacity to tax instead of grants? He couldn't quite bring himself to say it. I'll be specific, Mr. Minister. Why doesn't the province just vacate the property tax?

Mr. Goudreau: Part of it is a commitment that we would replace those dollars with programs like the MSI, you know, and provide those dollars back. Suffice it to say that the educational property

taxes at one time covered about 50 per cent of the cost of education. We've basically frozen it. You know, in terms of increases to individuals we're capturing growth. We're changing those particular dollars. So the overall dollars are going up ever so slightly, but on a percentage basis in terms of overall support to education that percentage has dropped dramatically.

Now, you know, when we look at allowing individual municipalities to collect more through other tax means, the minister's council a couple of years ago, I think, made six different recommendations in terms of various revenue tools. As you'll recall, Brian – and I think I indicated this to the previous member – there was a very, very strong reaction from the public and various business groups.

Mr. Mason: I opposed that grab bag of taxes that the mayors of Edmonton and Calgary wanted as well.

What I'm talking about is something a lot simpler, which is just to allow the property tax to be the sole purview of municipalities and replace grant funding. We're not talking about more money necessarily. We're talking about doing it differently.

Mr. Goudreau: Part of it is equity amongst municipalities, I think. That's the other one. You know, we have to recognize that we've got some very, very rich municipalities out there, whose revenues would be considerably higher, and other municipalities that are extremely poor.

Mr. Mason: So it's sort of equalization payments.

Mr. Goudreau: MSI in a sense is an equalization type of program where we go back to a formula. It's based on assessment in part, about 48 per cent population based, and about 4 per cent roads and kilometres of roads that are out there. So for the most part, then, municipalities get back a somewhat similar per capita level of support, whereas they would not get that, you know, if the other ones . . .

Mr. Mason: Yeah. There's some merit to that.

I want to go to the MSI now. I have the release of September 14, 2007, when this was announced. It says that there would be a 10-year predictable funding, and it says that the funding would be ramped up by this year to \$1.4 billion, but the actual is \$826 million, which is substantially less. So I wonder if you could comment on that.

Mr. Goudreau: Thank you for the question. You're right. In 2007 when MSI was released, we indicated the level of increases over a period of 10 years. As I indicated earlier, we had been very, very open with our municipalities. The particular contract that was signed with each and every municipality indicated that it was always subject to the fiscal realities, basically, of the province of Alberta. I think the wording was: subject to my ability to be able to access dollars from the Treasury Board.

You are right. We were supposed to be at \$1.4 billion. We are at \$826 million in terms of capital and then another few million dollars in operational for a total of \$876 million.

The important thing here is to indicate that we are still committed to the full \$11.3 billion.

Mr. Mason: But you'll just spread it over more years.

Mr. Goudreau: We're going to spread it over one or two more years.

Mr. Mason: You know, even if you finished spending it, you wouldn't just eliminate the program. You'd have to replace it with something. So it's really the amount that you give each year that's significant.

Mr. Goudreau: We're committed to \$11.3 billion at this particular stage.

Mr. Mason: The release also says that "the MSI program fulfills the Premier's commitment to provide municipalities with new funding" of so much in each year, but it's quite clear that the MSI is including money from the expired Alberta municipal infrastructure program. That has dropped by – how much has it dropped?

8:20

Mr. Goudreau: It's down to zero now.

Mr. Mason: Yeah. It's basically that the municipal sustainability capital grants have increased from \$354 million to \$826 million, which is a net increase there of \$472 million, but Transportation has decreased funding for the Alberta municipal infrastructure program from 498 and a half million dollars to \$30.2 million, which is a net decrease of \$468.3 million. So there is no new money in MSI. This is just the same money that municipalities were receiving under different programs repackaged. Is that not correct?

Mr. Goudreau: Well, AMIP puts the transportation program – that's right – through the Ministry of Transportation. We've always indicated that AMIP was going to be a \$3 billion program over five years, and the fifth year, basically, ends this particular year. There was always an understanding with municipalities that AMIP would be eliminated. In recognizing that, one of the biggest reasons why we're ramping up the MSI was to offset in part what they've lost with AMIP.

I've said it a couple of times already tonight, and I'll repeat it again. When we look at the MSI initiatives this year as well as the municipal transportation grants that are there – the Minister of Transportation added another \$70 million, for instance, with Green TRIP in their particular budget – if you total all of the supports to individual municipalities, we get to \$1,776,000,000, Brian, when we put all of those together. Now, not all of them are within my ministry.

Mr. Mason: I appreciate that, but I'm asking about your ministry.

Mr. Goudreau: Let me finish. If we compare all of those dollars, that's right, with what we were giving last year – the total was \$1,491,000,000 – an overall increase this year of \$285 million. Now, if you compare AMIP, that's not my ministry.

Mr. Mason: No. I know. But this is not new money. My point is that this is not new money. The government continuously repackages and reannounces money that's already been committed, and you'd think that they were doing wonders all over the place.

Mr. Goudreau: Mr. Chairman, what I'm trying to make Mr. Mason understand is the fact that if he starts comparing MSI and AMIP together, I'm suggesting that he should compare all of the programs together as a full package.

Mr. Mason: Well, I don't know what all those programs are, Mr. Minister, or who gets them.

Mr. Goudreau: When we look at all of the programs together, if we look at all of them, we are in fact getting a \$285 million increase of support to municipalities, not a decrease.

Mr. Mason: If you can lay it all out, including all the programs that have been cut for municipalities, it would be helpful.

Mr. Goudreau: It's on page 112 of the capital plan 2010-13, Treasury Board capital plan. Those numbers are all identified there.

Mr. Mason: I just want to for the record read some comments that came from the Alberta Urban Municipalities Association. It says:

Although municipalities can still expect the total amount of MSI funds, it will be over a longer time. That means MSI's key element of predictable and stable funding is now compromised, and along with it many long-term projects, including plans to address the infrastructure deficit . . .

Secondly, there is no new money. MSI now includes money from the expired Alberta Municipal Infrastructure Program (AMIP) and this means that this funding is based on the more complicated MSI formula. Now, under the MSI formula, urban municipalities will see substantial losses while rural municipalities will see increases.

Finally, the \$69 Million increase in the education portion of property tax – the main revenue source for all municipalities – diminishes the predictability and stability that were supposed to be the hallmarks of MSI funding. Municipalities wonder why the Government of Alberta requires a portion of the property tax . . . when their exclusive revenue sources (e.g. personal and corporate income tax) are so lucrative and increase year after year.

That is the AUMA position, and I'd like you to perhaps comment on the second point made here, which is that "urban municipalities will see substantial losses while rural municipalities will see increases."

Mr. Goudreau: Well, that's a good question. In 2007, when the MSI formula evolved and was developed, I believe there were about 450 municipal representatives in the room that participated in the development of the particular MSI formula. At that particular time the group agreed, I believe, to look at a per capita. The MSI dollars would be allocated on the basis of 48 per cent of the funding on a per capita count, 48 per cent on the basis of assessment, and then 4 per cent on the kilometres of roads that were within that particular municipality.

Mr. Mason: So the formula favours rural municipalities.

Mr. Goudreau: Well, it does in a sense, but it also recognizes the fact that rural municipalities take care of a huge transportation network, that urban municipalities do not have to take care of.

Mr. Mason: Are you saying that a county has more roads than a city?

Mr. Goudreau: Generally speaking. You have to look at the total number of miles in urban versus the total number of miles in rural Alberta. There are some small rural municipalities that might have less miles than the city of Edmonton, but to be fair, you have to compare all municipalities with each other. About 85 per cent of the miles are in rural Alberta, not in urban Alberta. A great number of bridges, for instance, are in rural Alberta, not in urban Alberta.

Now, when we look at assessment growth, we're seeing that the assessment growth – and that's a big part of the formula, 48 per cent of that particular formula – and the per capita growth, which is the

other 48 per cent, occurs in urban Alberta. It's not really occurring in rural Alberta. In my constituency, Mr. Chair, my population base is dropping. The only things staying constant are our roads. As the population increases and MSI responds to population increases and assessment increases, the differences should become less and less. In fact, it may very well flip over a number over the next few years, depending on the type of growth in both population assessments that individual municipalities could get.

Mr. Mason: Okay. I'm running short of time, so I'm going to switch topics a little bit to libraries. First, I'd like to acknowledge that the province of Alberta is generally quite generous when it comes to funding libraries and seems to recognize their importance.

Mr. Goudreau: Thank you.

Mr. Mason: My hon. colleague, here, said I had to be nice tonight or she'd kick me, so that's my little bit of niceness.

Mr. Goudreau: You're safe for now.

Mr. Mason: That should cover me.

You're cutting a hundred thousand dollars from it. Just wondering: why that is?

Mr. Goudreau: From libraries?

Mr. Mason: From libraries.

Mr. Goudreau: I'm not sure where you're getting that particular number, Mr. Mason. The reduction of \$100,000 is not support directly to libraries; it's within my own ministry, the staff and the efficiencies that we've gained within the ministry.

The per capita grant is maintained, and then on top of that we've added the increases in the population, so my overall library budget and support to individual libraries is going up by about \$600,000, which is still another significant increase compared to last year and a huge increase compared to what it was a couple of years ago.

Mr. Mason: Yes. I know there was a big one last year as well.

Mr. Goudreau: The other one, maybe just in passing, Mr. Chair, if I may, is that we've agreed that we would give financial support to CNIB as well for their library services. So when we look at library services to service the blind of the province of Alberta, we're embarking on some pretty substantial support for them.

Mr. Mason: Good. I'm glad to hear it.

I know that you talked about volunteer firefighters in your opening comments. I have had a conversation with some volunteer firefighters, actually up in your part of the province, Mr. Minister. One of their concerns is that in some cases their employers have told them that if they leave work as a result of a fire, they will be fired. So my question is, you know: how can we make that work? How can we make volunteer fire departments work if employers are not compelled, much as employers are compelled with military reservists for example, to allow the people to have that time? Why not bring in some protection for people who do put their lives on the line for the community in a volunteer fire force?

8:30

Mr. Goudreau: The reservists bill was a very, very popular bill, and it was well accepted by the province of Alberta.

When it comes to small municipalities, we find a tendency for certain groups of people to really want to volunteer to become firefighters. I know that in my local Ford dealership, for instance, everybody in the shop and the front desk was a volunteer firefighter. Every time there was a fire, the poor dealership literally had to close down either for a couple hours or for a good part of the day or those kinds of things. So there is a fair amount of pressure from businesses to say, you know, "We can allow 10 per cent or 20 per cent of our staff to leave at any one time to be a volunteer," but they're somewhat reluctant to let all of their staff go to become volunteers.

We recognize that those volunteers are the backbone of our communities, and somehow we need to evolve a system, and we need to work with our volunteer firefighters. Our volunteer numbers are dropping. It's tougher and tougher to entice and encourage young men and women to become firefighters. The more firefighters we have, the less impact it would have on businesses.

Mr. Mason: But the question really is that, you know, I think aside from trying to encourage more people from the Chev dealership to get involved, you need to have some kind of legislation, and the legislation can take that into account. So I would just leave that with you, Mr. Minister.

The last question I have has to do with the Francophone Secretariat. It's page 305 in the budget. There's \$3,680,000 for the Canada-Alberta co-operation agreement. Is that money that comes to us from the federal government, or what proportion does?

Mr. Goudreau: I believe that would be. I'm just going to try to find that page here. Are you looking at \$3,680,000 for '08-09 as an actual?

Mr. Mason: Yeah. I think so.

Mr. Goudreau: The rest is provincial funding. Our Francophone Secretariat for '10-11, this year, is \$1.1 million. Then, \$3.6 million: there was an agreement with that to transfer money for the Cité francophone here in Edmonton, when they were constructing that facility. They're still in the process of constructing, and they qualified for some funding. That funding got transferred via the Francophone Secretariat to that organization.

Mr. Mason: I'm sorry. I shouldn't do my own research. I was just looking at the document. It's actually the 2008-09 actual.

Mr. Goudreau: That's right.

Mr. Mason: Okay. So what happened to that money?

Mr. Goudreau: Well, that's the money that came via the federal government, and they transferred it through the ministry to go to the Cité francophone by Bonnie Doon, where they doubled their facility. There was some federal funding that was allocated to them, and it came through the province back to them.

Mr. Mason: Okay. Thank you very much. Those are my questions.

The Chair: Thank you, Mr. Mason, and thank you, Minister.

At this point, Mr. Johnston, the time is yours: up to 20 minutes in exchange with the minister or 10 and 10 at your preference.

Mr. Johnston: I think 10 and 10.

The Chair: Okay.

Mr. Johnston: Thank you for being here, Minister. Goal 4 in the business plan is to enhance financial and operational accountability of municipalities. I think it's a very important goal, and as you know I introduced Bill 202, the Municipal Government (Municipal Auditor General) Amendment Act, which actually aimed to improve the accountability and transparency of municipalities.

You've laid out three strategies, and I'd like to commend the minister for taking an interest in municipal accountability. Strategy 4.1 is implementing an accountability framework. When is this framework and legislation planned?

Mr. Goudreau: Well, that's a good question, Mr. Johnston. I guess the ministry began the development of an accountability framework in 2008, and consulting occurred with our stakeholders throughout 2008 and the beginning of 2009. As a result of this there was a series of government-wide objectives for provincial grants to municipalities that was established.

This work is feeding and has fed directly into the municipal grants re-engineering review that Municipal Affairs has been leading this past year. This coming year we intend to move forward with the next phase of the accountability framework initiative. That includes the implementation of more consistent application forms and reporting requirements across ministries, the development of performance measures and benchmarks to assist in the ongoing evaluation, and the improvement of municipal government programs that we have, the various grant programs that we deal with with individual municipalities.

I might add, Mr. Chairman, at this time that we're really not contemplating any immediate legislative changes.

Mr. Johnston: Okay. What specific measures will be taken to ensure accountability?

Mr. Goudreau: Well, Mr. Chairman, there are four initiatives that we're looking at that will be undertaken to improve municipal accountability and transparency. Accountability and transparency is what we're hearing from Albertans. That's what they want to see of us as a provincial government, but that's what they also want to see of their local municipally elected officials.

There are a number of things that we're looking at, and one is to look at the development of a corporate review program that sets out the framework for an ongoing process. We want to make sure that municipalities will make their auditors' management letter public. We're looking at the development of a web portal where municipal financial information can be easily accessed by the public. Finally, we're looking at the review of the current measures for ensuring that municipal auditors are very independent from the municipalities.

I guess that when we look at all of that, you know, we often get – I was at a meeting just recently with municipal officials, and they're saying: we don't know what our counsellors are getting paid; we don't know what our elected mayor is getting paid. Some municipalities will not share it beyond their individual ratepayers. They won't make it formally public, those kinds of things. I think that's all information that should be on a website somewhere where anybody can access that type of information.

Mr. Johnston: Okay. Will there be an increased cost to your department when you implement these changes?

Mr. Goudreau: I think we've got enough dollars allocated within our ministry that we don't anticipate any increased funding requirements. We can do it all internally, within our own ministry, as it stands now.

Mr. Johnston: Okay. I'll shift a bit here to MSI funding. Municipalities have a large amount of funding available to them with the MSI program. This year sees the amount available for capital support almost double. That being said, there have been some municipalities that are not happy even though they are getting an increase.

Mr. Rodney: What? Really?

Mr. Goudreau: Have you heard of one?

Mr. Johnston: What can be done to ensure that the funding they received this year meets their funding commitments?

Mr. Goudreau: I indicated a little earlier tonight as well that, you know, Alberta's commitment is there for the full MSI funding. We've identified that municipalities can expect long-term, sustainable funding, and that in itself will make municipalities sustainable in themselves. Hopefully, it will allow municipalities to meet their demands of growth. As they identify individual projects, as they move forward with their plans, they can depend on the MSI funding there.

We've already provided over \$1.3 billion of funding to MSI or to individual municipalities over the last three years, and as you've identified and I've said, this year they'll receive another \$876 million. They'll receive over a period of a number of years – and we're targeting between 10 and 12 years – the full \$11.3 billion. You know, the years may vary a little bit, but basically municipalities can preapply for 75 per cent of their funding and get approval for that. So if they've got some large projects that they want to build over a number of years, they can basically apply for 75 per cent of their anticipated funding and move forward with those particular projects.

Mr. Johnston: Okay. What sort of projects can municipalities use their MSI funding for?

Mr. Goudreau: The individual municipalities have really a broad choice of projects that they can use the money for. We give them certain criteria. They're wide-ranging criteria. You know, they can go from building tunnels under airports to supporting purchases of ambulances to basically building fire halls or developing parks or supporting nonprofit agencies and organizations, recreation centres, bridges, libraries. If it's a need that they've identified as important to them and to their ratepayers, they can apply for funding, and probably 99 per cent of the time they will have those funding dollars approved.

8:40

Mr. Johnston: Okay. And somewhat similar: how are the municipalities accountable for the MSI funding they receive, and how can we ensure that it's being used effectively?

Mr. Goudreau: Well, municipalities have signed, you know, a contract with the province. They will apply for specific projects or a list of projects, and we do approve those particular projects. Upon completion of those projects they have to report to us to assure that those dollars have been spent where they had indicated they would be spent.

Now, at times there are small variations to what they've applied for. They've got a right to come back to us as the ministry, to myself, and get permission to deviate or change their dollars for different projects or even to extend. For instance, if they're finding

that it's taking them a few months longer to finalize their particular project, they can get permission to extend their project. We try to give them as much flexibility as we can, and we work very, very closely with them, recognizing that they know best what's important for themselves and for their individual ratepayers.

Mr. Johnston: Okay. Thank you. That's my time.

The Chair: Thank you, Mr. Johnston and Minister.
At this point, Ms Pastoor, you've got the floor.

Ms Pastoor: Thank you very much, Mr. Chair. Mr. Minister, I've had an issue brought to my attention, and I really would like some comments on it. It's pertaining to the 10-minute response time that firefighters have to respond to a fire. My understanding is that now there has been a change within that 10-minutes: 90 seconds is for the telephone message, 90 seconds to get to the truck and get it up and running, which is now three minutes. It has now narrowed the circle that they would be within down to seven minutes. Anything that is beyond that seven minutes is now into the larger circle.

The change has had unintended consequences for developers and house builders. Now the houses that are outside of the smaller circle will have to be more expensive. They have to have sprinklers, larger side yards, and special siding as well. The consequence of that is, of course, increased expense, increased urban sprawl, because the yards have to have the eight-foot side to them, and it will decrease the number of reasonably priced homes due to the fact that they are the smaller lots. What will happen is that probably in the very short future a new fire hall would be required. The new fire hall would be built, which would then make all of what had happened previous to that, the expensive houses, sort of redundant.

I've read the 2007 report, and I certainly understand the fire chief's concerns. Also, having read that report, it would appear that a good portion of fires are started as a result of carelessness and smoking, barbecues on patios. I believe that the last big fire in Calgary was actually started as the result of a grow operation.

The other thing on the construction sites: I would suspect that if construction companies have big operations, then they should supply 24-hour security for their buildings until they're up and running.

One of the things that I hear in the House is that the opposition may well ask for helmets for children on quads and Ski-Doo's, protection for farmers, and what we get back often is education, education, education. I guess my comment on that would be that this probably is one of those really good situations where education for the prevention of fires would be probably an answer I might expect to get back from that side of the table. I guess the question is: is this particular issue going to be under review? Would it be reviewed under the Municipal Government Act? Most importantly, if it is being reviewed, would the Urban Development Institute and the Home Builders' Association actually be sitting at that table?

One of the reasons I suggest that is because when I looked at the 2007 report, it really did appear to be quite heavily influenced with fire representation. I didn't actually see the other side represented, and they're the ones that are paying the price for the unintended consequences. If you could just make comments on that, I would most appreciate it.

Mr. Goudreau: There is no doubt that when it comes to the safety of Albertans, it has to be one of our top priorities as a ministry when we look at that. There have been, as you have identified, some pretty serious fires in the province of Alberta that stimulated this discussion. On the flip side is trying to maintain a balance between affordability and technically sound practices that are out there. I

guess there were some exemptions given to the 10-minute fire department response line, and that exemption would give municipalities and developers time to prepare for updated codes. Again, it's based on the fact that there are window areas and, you know, how fires move and using different construction materials, having some very, very hot fires, and having more than one home burned.

The 10-minute rule has been in existence for a long time, you know, basically since 1991. I guess amendments are required, or supposedly there were further amendments that clarified what the 10-minute rule means. The various construction materials that can be used in buildings come into play. Again, I believe the previous minister in July of last year issued an exemption to the 10-minute rule to allow the lots that had been developed already; to allow some of the plans that had been preapproved, the subdivisions; to allow the developers to proceed and to move, you know, with their past plans. But going into the future, we recognize that any new development and any type of construction would have to meet the criteria of the 10-minute rule.

Ms Pastoor: But, in fact, if I'm understanding the problem, it isn't the 10-minute rule; it's now seven because they've taken three off, the 90 seconds and the 90 seconds, so in fact the area has now become smaller.

Mr. Goudreau: Yeah. I'm not sure that that's totally right. I think that has been clarified since. Working with the developers, I believe that that has been sorted out.

You know, part of the whole thing is to try to establish ways and means to prevent fires from spreading and to provide that type of protection. You're right. There is a role for all of us. There is a role for government in establishing rules and regulations. There's a role for firefighters. There's a role for the developers. Part of that role is education and understanding what people can do in and around their homes and the various risks that they take there. We need to work with municipalities to make sure that there are proper escape plans, for instance. We're trying in all of this to protect as much property as possible, to protect people and still maintain affordability in construction and building design. I guess we're trying to strike that balance somewhere along the line to make sure of that.

8:50

Ms Pastoor: Right. I understand that. Certainly, I think that if you do look at fires, it's property that is being protected. I'm still not convinced that it's balanced in terms of actual affordable housing, and something that we need really badly in this province is affordable housing. I'm just not sure that that really is balanced. I guess my question is: would this ever be reviewed, or is it a fait accompli?

Mr. Goudreau: You know, I wouldn't do my job properly if I wouldn't constantly review those things.

Ms Pastoor: Okay. Could I ask for a time frame?

Mr. Goudreau: Part of it is working with our individual municipalities and working with construction associations as well as those individuals providing protection and co-ordination of security. You know, the provincial codes are always being looked at to see what may or may not be changed, and we co-ordinate that with the national code as well.

Ms Pastoor: Yeah. I know.

Mr. Goudreau: There's a broader aspect than just a provincial responsibility, here. It would come under the Safety Codes Act. You asked me which act it would come under.

Ms Pastoor: Right.

Mr. Goudreau: Generally working, again, hand in hand with industry, with municipalities, with our firefighters to see how we best can improve that code.

Ms Pastoor: Okay. Thank you. I would suspect that at some point in time we'll be asking for a review. Thank you.

Mr. Goudreau: Thank you.

The Chair: Thank you, Ms Pastoor and Mr. Minister.

At this point we'll go to Mrs. Sarich for some questions, please.

Mrs. Sarich: Thank you very much, Mr. Chair. Also, thanks to the minister for presenting the Municipal Affairs estimates. It's always a pleasure to go through the business plan and have a look at the estimates for the line-by-line budget considerations.

A couple of observations. This falls in the business plan. It would be under goal 2, which says: "a well-managed, fair and efficient assessment and property tax system in which stakeholders have confidence." Under this section strategy 2.2 speaks about: "contribute to an effective and efficient system for assessment and taxation by providing timely, accurate, and consistent assessments for all linear property." I was wondering, just to have a sense, what falls under linear property for the assessment and taxation and if there are any future considerations about expanding that. In particular, what I'm hearing at the ground level is: is there any talk or discussion of inclusion of the not-for-profit buildings that really wouldn't fall under the current classifications such as churches and others that normally are exempt from that? I'm just wondering if you could explain what a linear property is and where we're going in the near future.

Mr. Goudreau: The linear properties tend to be things that are, you know, horizontal in nature. A lot of them are buried underground. They tend to be pipelines or buried power lines, telephone lines, cable lines, those kinds of things. You'll see some above ground as well in terms of power lines and those things. That's the whole linear. They do get assessed, and there's a value that's placed on that. A mill rate is established, and the local municipality will collect from the owner of that particular line, whether it's ATCO or whoever, on that basis. A portion of the municipality's revenue comes from linear taxation in that way.

When you move into nonprofit organizations and their buildings and the properties they own, that's totally separate. That would be assessed under buildings, for instance, and property or land and buildings. It would take on a different assessment and would be dealt with separately from the linear part. For instance, municipalities will not tax provincial buildings in their municipalities. In return, we provide a grant back to the municipality for the typical value of taxes that we would pay for them. Over the years, I believe, there have been some times when individual municipalities in the province would not collect taxes on nonprofit buildings such as . . .

Mrs. Sarich: Churches, schools.

Mr. Goudreau: That's right. On that basis. I believe that ends this year, you know, and we still haven't made a decision as to how we're going to deal with future years and ongoing years. So there have been some exemptions granted to nonprofit sectors, for instance.

Mrs. Sarich: Okay. I gather from that response that . . .

Mr. Goudreau: That's right. Now, I want to make it clear, to make a difference between nonprofit buildings and schools and hospitals, universities, for instance, colleges. Those do not pay taxes as we speak. A school property, for instance, has a particular value, but there are no taxes transferred to the local municipality or to the province. Nonprofits have.

Mrs. Sarich: Okay. Well, thank you for that.

Mr. Goudreau: Nonprofit in terms of agencies and organizations. You know, there might be a community hall out there.

Mrs. Sarich: Right. Thank you very much for that clarification because I think that's helpful for the communities all across the province. I'm just gathering by your comment that something expires this year for those properties that would be for the churches, education institutions: K to 12, postsecondary, and whatnot. We would say that there is a bit of a review and possibly other interactions and conversations that may occur some time on that timeline for those to respond or be engaged.

Mr. Goudreau: That's right. I might add that, as I indicated in my comments, we will often provide a grant back to municipalities in return for the lost tax revenues. There are probably about 6,000 properties in the province of Alberta that we pay the taxes on through my municipal budgets back to individual municipalities. Just maybe a quick example: the one in Edmonton here, the Northern Alberta Jubilee Auditorium, for instance. We would pay the taxes to the city of Edmonton on behalf of the Jubilee Auditorium. The Calgary courthouse, the Southern Alberta Jubilee Auditorium. For the Calgary courthouse it's \$5,700,000 in taxes that we transfer to Calgary from the province.

Mrs. Sarich: Right. Another observation on the business plan on that page 215. I was quite surprised, actually, at the performance measure for libraries. There was a lot of discussion this evening highlighting the strong commitment by the government for libraries across the province. I did notice that in this particular performance measure on the usage of public library services by adult Albertans the last actual was 48 per cent, and you're targeting as you go forward into the very near future here for improvements 54, 55 per cent. I was wondering if you could shed a little bit of light on how that data is collected and maybe what steps and measures you'll be looking at to give support in this particular area because the number seems to be so low. How are you going to make these sizable gains as you move forward?

Mr. Goudreau: Thank you for that question. The library usage data is collected through a survey of a thousand adults that's done. That particular survey is done by Culture and Community Spirit, and that's one of their questions that they ask there. The data includes annual online utilization of library services.

There is an interesting thing that's happening out there, and we're very disappointed in a sense. Our adult usage was 48 per cent, as you've referred to, in '08-09, and we're targeting a much higher increase. Household usage is different from adult usage. That one has increased to 63 per cent, and that's up a few percentage points from where it was before. So if we start looking at who uses it and include our children, include the youth of the community and those kinds of things, then the utilization is considerably higher.

9:00

The MLA committee that reviewed libraries made quite a number of recommendations to us. As we implement those particular recommendations, I really expect library utilization to increase. It's certainly our goal to have that happen. We're working very closely with all of our public libraries to position them as a place that Albertans can trust, can feel comfortable using, and it becomes part of their day-to-day activities, you know, that they can walk into a library to get information. All of it is for them to enhance their skills. It's to participate in lifelong learning, to enhance their literacy, I think.

We've got some pretty lofty goals, but I think we can do better than that initial 48 per cent that you mentioned.

Mrs. Sarich: Thank you. One last question. I just would like to go back. Again, there was some discussion this evening about the education requisitions, and this is always a bit of a complex issue. I know your deputy minister is smiling there. You know, having served as a former school board trustee, I think it's really important to spend a bit of time to provide some clarity in this particular area. I'd like to give you that opportunity to talk about the education requisitions. How does it work, where are we today, and what are we looking at as we move forward? I think that would help our public understand this particular issue.

I was wondering also, Mr. Minister, if you could maybe shine a little bit of a spotlight. Municipalities, especially here in the city of Edmonton, city council, would say: you know, we have to collect those dollars. Their angst is that they have to collect it. They don't get a bit of compensation back for that. They're providing a service for the government of Alberta. I was wondering if you could just comment on that. I think that would give us a 360-degree look at this particular complex issue.

Mr. Goudreau: It is a complex issue. This year, for instance, we're looking at a \$69 million increase. That's on the basis of real growth in the province, so as there's growth. We've basically frozen the education property taxes. As I tried to explain a little earlier this evening, we indicated that the education property taxes would remain stable except that as new businesses evolve and as values of businesses increase, we're capturing that portion. So if your assessment stays the same, in fact, your requisition for education on your personal tax might stay very flat or even decrease a little bit.

You know, municipalities tend to think that because they collect it, it should be their revenue. You're right: they're collecting it on our behalf, and they're in a sense providing us a service. It's on the basis of assessment out there. So rather than individual homeowners or business owners receiving two pieces of paper and two bills, one from the province and one from the municipality using the same numbers, we're suggesting that it's just a line item added to the property tax bill, and that portion then is transferred over to us.

You know, the whole idea is to try to provide some stable funding to our education system. At one time it would probably cover about 50 per cent of the education budget if not more. As the education budget has increased and the education property taxes have basically been frozen, the percentage that we collect to offset the education budget is getting smaller and smaller and smaller every year. I guess over the last little while here as a province we're slowly reducing our education property tax. This year I believe it's dropping by about 13.5 per cent.

Now, when there's dramatic growth and dramatic change, we build in a formula to protect municipalities – well, not so much municipalities but the individuals paying those taxes so that they

don't get dramatic increases. We're using basically, you know, real growth for a four-year average. We're going to try to use that four-year average, recognizing that the average can slowly grow, or a maximum 12 per cent increase. Over a number of years at times, and especially in those areas, Calgary in particular, for instance, where they've seen some dramatic growth, that 12 per cent in fact triggered for those residences there.

The formula is a little complicated in a sense, but part of it is to try to maintain and eliminate the dramatic fluctuations in requisitions that we might have to the municipalities.

Mrs. Sarich: Thank you very much for your responses this evening. I'll turn it back to the chair. Thank you.

The Chair: Thank you.

At this point we'll go to Mr. Chase, please.

Mr. Chase: Thank you very much for the opportunity. It'll be a back-and-forth thing I'm looking forward to tonight, an unusual style for myself.

Emergency response. I'm very interested in two parts of the emergency response, the wilderness and the municipal response. My experience working in Cataract Creek, along the forestry road and in the boonies of Kananaskis country, made me extremely dependent on emergency services. I found a great variation. For example, I had a CB radio that had limited range. I was dependent on a series of radio towers. The conservation officers, sustainable resources, had a sufficiently larger range if I could reach them. Then the absolute elite type of communication: the RCMP had satellite phones. I'm just wondering if there has been any improvement in terms of larger radio towers or greater capacity in what I'm referring to as the wilderness if you could comment on that.

Mr. Goudreau: Just very, very quickly. Again, the safety of Albertans is extremely important to us. We work with the Sol Gen, but mostly it's their responsibility when it comes to, you know, some of the disasters and responses out there. Even as Minister of Tourism, Parks and Recreation, for instance, we had emergency personnel that were on standby if somebody got stranded on a mountain, those kinds of things, or wherever in the backcountry, where we could go in very rapidly to help individuals.

We do have a lot more sophisticated types of systems that individuals can carry with them now that will have a much better ability to communicate directly with satellites, for instance, and back to the ground. There are a number of systems out there where – and it started actually with sports enthusiasm in the backcountry where they brought along transmitters, for instance, initially but now a radio system whereby your loved one, your spouse at home, or somebody in an office can basically track you on a regular basis. There are a series of buttons on that particular unit that you can hit. So every 10 minutes you can hit that button, and it sort of sends a message to indicate that you're safe or not safe, and there's another button there that says you're in trouble. Those messages move about much, much more rapidly.

My ministry is not very much involved in those areas, but the technology is out there for backcountry adventurers. Even when we say backcountry, I as a minister when I travel in my constituency, there are a lot of areas where I am basically miles away from some help. I own one of those little units, and if I choose to use it, then even my office staff and my wife can track me and follow me.

The communication is just incredible, Mr. Chase, in terms of not missing out – you know, there are virtually very few dead spots, let's put it that way, left in the province of Alberta.

9:10

Mr. Chase: I'm pleased to hear there are improvements because what was happening in the three years that I was involved – 2002, 2003, 2004 – was that frequently the campground attendant was the first responder, and then they had to go through sort of a chain of communications. For example, I faced a fellow with a military assault shotgun, a short-handled version, a clip on the side. He had brought this along because he was afraid of grizzlies. In another situation a person went off the road, a number of people were injured, and I ferried them as best I could in the truck to where the ambulance waited.

Another circumstance in terms of communication. When the Lost Creek fire was raging in 2005, for an entire week the fire bombers, the air water bombers were on the same frequency as our emergency frequency in the backcountry, which made for some absolutely limited conversations.

Now, switching to municipalities. There was quite a bit of confusion with regard to whether the health regions were going to take over the ambulances or not, and now that has happened. But as you mentioned, there are a lot of fire departments, particularly in rural areas, where you've got fire and paramedics working out of the same building. In the city of Calgary the dispatch was operated by the police, but it worked with the paramedics, and it worked with the fire. Have these sort of jurisdictional issues been ironed out? Is everybody, in other words, on the same frequency?

Mr. Goudreau: Well, thank you for that. Just initially, ambulances are not under my jurisdiction. It falls under health's jurisdiction. We continue to work with municipalities.

Just to go back, you know, we're looking at enhancing our early public warning systems and co-ordinating all of that over a larger base within the province. We're always reviewing our 911 system and how effective that is and how it works. The Solicitor General is looking at the co-ordination of frequencies and radios, and I know with the Alberta Emergency Management Agency we're moving in that particular direction as well.

Is it fully operational? I don't think we're quite there yet. I think the vision is there. The interest is there. The intent is there, you know, to have everybody be able to talk to each other at any one time. I know there were some issues in Brooks a few years ago where the local police could not talk to another police force for instance, or a fire department couldn't talk to the police force, and those kinds of things. That's being sorted out, but I don't believe that we're fully there. There have been some dollars expended through other ministries to have that happen.

Mr. Chase: So through cross-ministerial co-operation our paramedics, our firefighters, our first responders, our police can all talk to each other? Have we got a province-wide system that allows that communication to take place?

Mr. Goudreau: We're heading there, but I want to indicate that we're not there yet. I think there have been some resources placed through other ministries to have that happen. We're, you know, working as a cross-ministry group to make sure that the 911 system, for instance, operates well. That cross-ministry group is led by the Alberta Emergency Management Agency, which we're responsible for, but it includes Aboriginal Relations as well as our ministry, International and Intergovernmental Relations, the Solicitor General, Public Security, Treasury Board, Finance and Enterprise, Health and Wellness, Service Alberta, and Employment and Immigration. So you can imagine that it touches all of those agencies and all of those individuals. When we look at fire protection, when we look at

ambulance, policing, search and rescue, all of those, it's quite a job to co-ordinate and make sure that everybody is working together.

The Chair: Minister, could I ask you to move that mike just a little closer to you? That's good. Thank you.

Mr. Goudreau: Sorry about that.

I guess, you know, there has been a working group, and the intent is to have a much broader co-ordinated approach.

Mr. Chase: Another question I have has to do with rural areas surrounding municipalities. Now, we've all been to presentations by Mayor Melissa Blake and officials from the Fort McMurray-Wood Buffalo area talking about needs for municipal infrastructure support. I'm just wondering: to what extent in the very special case of Fort McMurray are the surrounding camps taken into account? Their emergency services or their health services, social services, and so on would be operating out of the city of Fort McMurray. Do they have a special dispensation or compensation for the fact that when you take into account the outlying camps, it almost doubles their population?

Mr. Goudreau: Well, thank you for that particular question. Following some of the concerns that were identified by the residents there, including the mayor, we had what we called the Radke report. There was a lot of review in terms of the impact that, you know, the intense activity around Fort McMurray would have on the municipality of Fort McMurray itself. You know, the camps are out there; there's no doubt about that.

That led to the creation of the oil sands secretariat to review what was happening there. In fact, it probably led to the ramping up of, you know, the need to divide the highway, for instance, the need to provide more infrastructure support within Fort McMurray. You'll see in the budget that Saline Creek, for instance, is moving forward. There are some developments that are occurring.

Part of it is that there were quite a number of objectives that were laid out in terms of meeting the pressures that that particular community had to face. We're looking at implementing some of those objectives over a number of years. We're going to ramp that up.

We're learning from Fort McMurray's situation. The oil sands go beyond just Fort McMurray and Wood Buffalo itself. We're into Cold Lake and Bonnyville and those kinds of things. They flow right across, north of Slave Lake into Peace River and just slightly beyond, so we know that what we're doing in Fort McMurray will be useful for us across northern Alberta.

Mr. Chase: Thank you. My final question has to do with the fair tax assessment. Being back in the constituency this past week, a constituent of Calgary-Varsity talked about the discrepancies between tax assessments. When she phoned the local city of Calgary tax assessor, he said: well, basically, the formula comes out of the province. I'm wondering if the formula takes into account to any large extent the age and the state of the structure versus the property. There are a lot of seniors who are living on fixed incomes who bought their home in close proximity to the city. Could you explain a little bit about the formula, the value of the land versus the quality of the structure on it and how it's balanced off in terms of fairness?

Mr. Goudreau: Sure. I think we need to understand that the assessment and the taxes identified or allocated or charged against that particular property are all based on market value. As market

value changes, you'll see changes in taxation. Assessments will change according to market value changes, and the individual municipalities then set their mill rates accordingly. So an older home, for instance, in an area that's very, very attractive in part of a city, may have a market value considerably higher than a much, much better home in a municipality like McLennan in our part of the world, where it's not a growth municipality or it's a municipality that does not necessarily offer a lot of services to its residents. The whole thing is based on market value.

You know, as part of our process and as Minister of Municipal Affairs we want to make sure that the assessment is carried out properly, that the skills of those assessors are equal across the province, that the assessment is done very similarly using the same criteria no matter where we are in the province of Alberta. That, in one way, reflects, you know, an equal taxation system for everybody according to market value, so if your home is worth so many dollars in one particular municipality and it's worth the same amount in another municipality, the mill rates being equal, you should be paying the same level of taxes.

9:20

I guess we're always looking at even providing appeals systems and improving the appeals mechanism and training, appeals boards, to make sure that if they hear the same arguments, they render the same types of decisions.

When it comes to seniors themselves, there are programs available through the ministry of seniors, not through my particular ministry. There is some support there that will offset at times and provide some help for seniors facing some tax changes.

Mr. Chase: Thank you.

The Chair: Thank you.

Mr. Benito, you have some questions this evening?

Mr. Benito: Yes, Mr. Chair. Thank you very much for the opportunity. I just want to congratulate, first, the minister for his new appointment in this ministry. I think your experience and good leadership will fit you perfectly for Municipal Affairs. Congratulations.

Mr. Goudreau: Thank you.

Mr. Benito: I know for a fact that you are the one in charge also for the francophone community. The budget of library services of \$32 million: does this budget for library services include library services for the francophone community as well, or is there a separate budget for that?

Mr. Goudreau: The budget is made available to all public libraries in the province of Alberta. I'm thinking specifically of the library in Falher, my home community, for instance, where a lot of the resources are offered in both languages. They would qualify for the

same grant dollars that any other library would have access to. There's not a separate budget, for instance, for the francophones.

Generally, Mr. Chairman, there are no francophone libraries per se aside from that library at the French faculty of the University of Alberta. I'm not aware that there's a particular library that offers only francophone books. We've got a number of libraries that have resources in French as well as resources in English or other languages. We've just opened, actually, a new resource library in downtown Calgary, where they've added a fair amount – and that's in co-operation with the government of France, as a matter of fact – of resources that are available to the francophone community there.

The same thing happens in a lot of municipalities where there's a francophone presence within their municipality. We talked about Calgary, but we did similar things in Grande Prairie, where francophones have added francophone resources there. The library per se qualifies for the same funding that any other library would qualify for.

Mr. Benito: Those are all my questions, Minister. Thank you very much.

Mr. Goudreau: Thank you.

The Chair: Thank you.

Are there any other questions this evening?

Seeing none, I will deem that the allotted time to review the estimates of the Department of Municipal Affairs has elapsed, and we are prepared to adjourn this meeting this evening.

I would like to thank the minister very much for your excellent responses this evening. Realizing that, I guess, you have a little less than two months in your harness at this point, an excellent job of providing information to the public and to everyone who questioned this evening. Thank you very much.

Mr. Goudreau: Thank you, Mr. Chairman. If I may add that if somebody else has additional questions or feels that they need more information on the questions that they've asked, I'd be prepared to work with individual members to provide that information.

The Chair: Okay. Thank you, Minister.

Thank you to all of the committee members for your participation here this evening.

To all of the support staff who have made this meeting go well, thank you very much.

I would remind committee members that we are scheduled to consider the estimates for the Department of Education on Wednesday, March 10, so we'll see you all back on Wednesday. Thank you very much.

With that, we'll adjourn this meeting this evening. Thank you, everyone.

[The committee adjourned at 9:26 p.m.]

