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The 27th Legislature
Fifth Session

Standing Committee
on
Public Accounts

Municipal Affairs

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Standing Committee on Public Accounts

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Anthony Lemphers	Assistant Deputy Minister, Corporate Strategic Services
Colin Lloyd	Managing Director, Alberta Emergency Management Agency
Ivan Moore	Assistant Deputy Minister, Public Safety
Gary Sandberg	Executive Director, Municipal Services
Paul Whittaker	Deputy Minister

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Brad Ireland	Assistant Auditor General
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8:30 a.m. Wednesday, February 22, 2012

[Mr. MacDonald in the chair]

The Chair: Good morning. I'll call the Standing Committee on Public Accounts to order, please. My name is Hugh MacDonald from Edmonton-Gold Bar. On behalf of all committee members I would like to welcome our visitors this morning.

Please note that the meeting is recorded by *Hansard*, and the audio is streamed live on the Internet.

We'll quickly go around the table and introduce ourselves, starting with the hon. Mr. Goudreau.

Mr. Goudreau: Good morning. Hector Goudreau, MLA, Dunvegan-Central Peace.

Dr. Massolin: Good morning. Philip Massolin, committee research co-ordinator, Legislative Assembly Office.

Mr. Groeneveld: George Groeneveld, Highwood.

Mr. Rodney: Dave Rodney, Calgary-Lougheed.

Mr. Kang: Good morning, everyone. Darshan Kang, Calgary-McCall.

Mr. Chase: Good morning. Harry Chase, Calgary-Varsity.

Mr. Moore: Ivan Moore, ADM of Municipal Affairs.

Mr. Lloyd: Colin Lloyd, managing director, Alberta Emergency Management Agency, Municipal Affairs.

Mr. Sandberg: Gary Sandberg with the local government services area in Municipal Affairs.

Mr. Whittaker: Paul Whittaker, Deputy Minister of Municipal Affairs. Good morning.

Mr. Lemphers: Good morning. Anthony Lemphers, ADM, corporate strategic services, Municipal Affairs.

Mr. Balderston: Good morning. Dan Balderston, senior financial officer, Municipal Affairs.

Mr. Ireland: Brad Ireland, Assistant Auditor General.

Mr. Lamb: Good morning. Tim Lamb, office of the Auditor General.

Ms Calahasen: Pearl Calahasen, Lesser Slave Lake.

Mr. Allred: Ken Allred, St. Albert.

Mrs. Forsyth: Hi. I'm Heather Forsyth, Calgary-Fish Creek.

Ms Bianchi: Good morning. I'm Giovana Bianchi, committee clerk.

The Chair: Thank you.

The agenda that was circulated: may I have approval of that agenda, please? Moved by Mr. Chase that the agenda for the February 22, 2012, meeting be approved as distributed. All in favour? None opposed? Thank you.

On the minutes of the February 15, 2012, meeting that were circulated, any questions? May I have approval of those minutes? Moved by Mrs. Forsyth that the minutes for the February 15, 2012, Standing Committee on Public Accounts meeting be

approved as distributed. All in favour? Seeing none opposed, thank you very much.

I would like to say good morning and welcome to Mr. Benito.

Mr. Benito: Good morning, Mr. Chair.

The Chair: Now, of course, this comes to item 4 on the agenda, our meeting with the officials from Alberta Municipal Affairs. We will be dealing this morning with the annual report, of course, from Alberta Municipal Affairs 2010-11; reports of the Auditor General of Alberta, both April and November 2011, if there's anything of any interest to the members there; the annual report of the government of Alberta 2010-11, including the consolidated financial statements and the Measuring Up document.

Again, thank you to the LAO research staff for providing briefing materials in advance to the meeting. We always appreciate your diligence. Thank you.

Now I would invite Mr. Whittaker, the deputy minister, please, to make a brief opening statement on behalf of Alberta Municipal Affairs. Thank you.

Mr. Whittaker: Thank you, Mr. Chair, and good morning. I'll very quickly run through the four core businesses for Municipal Affairs as identified in the 2010-11 annual report and business plan and touch briefly on the Auditor General recommendations. I imagine they may touch on them in more detail.

Four core businesses. Core business 1. We are mandated to support the viability and long-term sustainability of municipalities and their communities. We've achieved this through several initiatives and programs, the highest priority one of which would be the municipal sustainability initiative, or MSI. In 2010-11 the ministry provided \$876 million to municipalities through the MSI, of which \$829 million was for capital projects and \$47 million for operating projects. Six hundred and three capital projects were approved that year and 941 operating projects. This included projects such as roads, recreational facilities, fire and emergency facilities, and infrastructure such as water and sewer lines.

The ministry also worked towards a municipal sustainability strategy, and we continue to work towards finalizing the strategy with our municipal associations. The proposed strategy will include enhanced tools that will help municipalities deliver essential services, develop planning strategies, and manage risk. We also continue to provide support and assistance to strategic planning initiatives in both the Edmonton and Calgary regions.

In spring 2010 the Capital Region Board's growth plan was accepted by the province. It's the product of an incredible amount of collaboration between the 24 mayors and reeves from the capital area. The ministry provided \$3 million to the Capital Region Board to assist them with their endeavours and to help pay for their ongoing operating costs.

The Calgary Regional Partnership continues to finalize its plans for regional land use, and in 2010-11 the ministry provided \$2.5 million for operational support for that organization.

Another way that the ministry supports vibrant communities is through public libraries. Last year the ministry provided \$30 million to the library service, including \$25.4 million for operating grants to the 224 municipal and community boards and seven regional libraries; 2 and a half million dollars to the Alberta Library and the Alberta public library electronic network; and \$2 million to provide access to the Alberta SuperNet for 300 public libraries.

In 2010-11 the Francophone Secretariat was also part of the ministry, but it no longer is. It's part of the Ministry of IAR. The

secretariat provided funding to more than 25 initiatives to develop or enhance programs and services in French.

Core business goal 2 is to enhance municipal accountability. In 2010-11 our work to achieve this goal included continued work on the consolidation and streamlining of a number of municipal grant programs. There were 77 programs. We've been able to winnow that down to 18 provincial and four federal programs, and I don't think we're done yet in terms of consolidation of those programs.

We've also worked towards amending the Local Authorities Election Act to improve transparency. We've moved to new financial statement standards for municipalities as recommended by the Public Sector Accounting Board, and we've begun review of the Municipal Government Act, which will probably take us over four years as it's one of the larger pieces of legislation in the province of Alberta.

Core business 3 is to co-ordinate and encourage the safety system and to support the development and maintenance of safe communities. Some highlights of the work done in this area include tank site remediation. We remediated 26 sites in that fiscal year, bringing the total under the program to 880 over the years. We've provided seminars to safety code inspectors on building code changes, and we updated regulations around pressure welding, gas codes, and storage tank systems.

Core business goal 4 is to lead a high-performance emergency management system. Over the course of 2010-11 there were several major emergency events in Alberta ranging from flooding in southern Alberta to train derailments and wind events. The Alberta Emergency Management Agency provided important co-ordination and support during those emergencies. In addition to responding to those emergencies, the ministry also continued to work towards modernizing the province's emergency public warning system and held a symposium bringing together 180 representatives from all the municipalities across the province and all the Alberta ministries to share expertise about recent emergencies.

Turning to the Auditor General's recommendations from the November 2011 report, the first recommendation is for the ministry to "clarify its method for initially estimating disaster recovery expenses." We agree with this recommendation. Individual estimates will be used, where possible, instead of averages. We will also ensure that estimated inflation costs are based on more reasonable estimates of how long it will take to complete recovery work, and we expect these changes to be implemented by the end of March 2012.

The second recommendation was to improve management of the disaster recovery program by

- setting timelines for key steps [that must be performed] before federal government funding can be received
- periodically assessing and adjusting costs and recovery estimates based on current information.

We agree with this recommendation and will implement changes by the end of March 2012.

Recommendation 3. The Auditor General recommends that we continue monitoring outstanding projects under the ME First program. All reports submitted have now been reviewed. Seven municipalities were granted extensions to complete their projects, and we will review those reports when received. It is our view that this recommendation is implemented.

Recommendation 4. The Auditor General recommended that the department improve its procedures for granting and removing user access to IT systems. This recommendation has been implemented in the ministry.

There were a couple of recommendations that touched on the work of housing and urban affairs. The one recommendation was

that "the Alberta Social Housing Corporation develop a contracting policy for capital additions to its social housing portfolio and strengthen related contract management processes." The ministry has reviewed the government's capital contract policy and guidelines. An analysis of potential procedures and guidelines will be performed against ministry policies, and we expect the recommendation to be fully implemented by March 31, 2012.

I'll wrap up there. I know time is limited, so I will conclude my remarks at that point.

8:40

The Chair: Thank you very much.

Mr. Ireland, do you have anything at this time?

Mr. Ireland: Maybe just briefly. That was a fairly good summary of the outstanding recommendations we have. In our November 2011 report – I'll just refer the committee to page 123 in our report – we've recommended that "the Department of Municipal Affairs clarify its method for initially estimating disaster recovery expenses." This was a new recommendation in fiscal 2011. I'll also refer the committee to page 119, where we've made the recommendation to the Alberta Social Housing Corp. related to its contracting policies. The corporation was part of the former ministry of housing and urban affairs and is now part of Municipal Affairs.

With that, we'd be happy to answer any questions on those.

The Chair: Thank you very much.

We'll immediately go to questions now with Mr. Chase, please, followed by Ms Calahasen.

Mr. Chase: In the last couple of years there has been a fair amount of discussion with regard to city charters for the city of Calgary, the city of Edmonton. Calgary's population is now over 1.2 million, and I believe the population of Edmonton and the surrounding area is close to exceeding a million. Did Municipal Affairs have any consultations or studies about the idea of creating greater autonomy for Alberta's major cities?

Mr. Whittaker: In fiscal year 2010-11, no, but in more recent days, yes. The city charter concept would see, potentially, additional powers and responsibilities accorded large cities. We've done some internal research associated with models used in places like Vancouver, Winnipeg, and Toronto, which have similar kinds of structures. We have a commitment, as I mentioned in my remarks, to review the Municipal Government Act from stem to stern. Our minister has said publicly that the concept of a city charter is one which could conceivably be captured within the MGA itself, and we'll certainly capture it in the review that we're going to be undertaking.

Mr. Chase: Also in 2010-2011 the province vacated I think it was in the area of 2 per cent, possibly up to 4 per cent of the education property taxes, and I know that in the case of the city of Calgary they very quickly stepped in and took over that revenue. Was there any discussion or, again, studies done with regard to further backing off in terms of the education property tax, allowing greater room for the municipalities to have a greater degree of control of their taxation?

Mr. Whittaker: That specific detail around the 2010 property tax issue, I apologize, came before my time in this chair. I wonder if Mr. Sandberg has information around that.

Mr. Sandberg: Well, I would clarify, I guess, that we don't view that the ministry or the government has vacated tax room. All that has happened is that the province sets a tax rate to collect the appropriate amount of revenue to support education. The tax room exists for municipalities to levy their tax rate regardless of what the rate of the education property tax may be. In 2010-11 the province set the tax rate to capture real growth, and that tax rate, as I understand it, was then somewhat less than what the city of Calgary anticipated that it would be, and the city of Calgary adjusted their tax rate so that the overall tax rate would be what they had anticipated it would be. The province doesn't vacate tax room or take extra tax room from the municipality. The municipality has the right at all times to set its municipal mill rate.

Mr. Chase: Thank you.

The Chair: Thank you.

Ms Calahasen, please, followed by Mr. Kang.

Ms Calahasen: Thank you very much. Good morning. On page 18 I was looking at your core business 4: "lead a high performance provincial fire and emergency management system." I notice that all the performance measures from 2007 all the way to 2009-2010 were really not met except maybe one. I'm just wondering. Can you tell me why these targets were not met and what you're going to do to make sure that these targets will be met?

Mr. Whittaker: Thank you. The targets start on page 18. The target was 94 per cent; we achieved 80.8 per cent. The target was not met for a couple of reasons. First of all, it's not linked to a legislative requirement for municipalities to conduct exercises. Municipalities are required only to have an emergency plan in place, not to actually conduct the exercises in that given year. In 2010 there were a large number of emergency events, so we had field officers deployed to liaise with local authorities during that year and to assist with co-ordinating the responses. That took significant staff time away from actively working with municipalities and encouraging those communities to conduct exercises themselves.

As well, the field officer position: we had staffing issues that year, so the field officer position for one of the seven regions – it was actually the northeast region – was vacant for the entire fiscal year and had to be covered off by field officers from other regions, so we were doing a bit of a patchwork that year. That decreased the time each officer had to work with municipalities on conducting those exercises.

Ms Calahasen: Knowing that and knowing what happened to us last year, I just want to go to page 38. I know you have goal 7: "A province-wide fire and emergency management system that protects the people of Alberta, their property, the environment and the economy from the effects of emergency events." At this point, though, I would like to say that the POC, in my view, has been one of the greatest things that I've ever seen in motion. I know how much work they do, and I know how fast they come together.

However, the emergency public warning system modernization project: does it include CKUA as part of the warning system? In our event the warning system did not work. I'm just wondering how that kind of warning system can be better given at least some profile. What can we do to make sure that we continue to see the public warning system get better?

Mr. Whittaker: Thank you, and thank you for your comments about the POC, the Provincial Operations Centre, which Mr.

Lloyd runs. It's sort of the key response centre for the government of Alberta on disasters and was in absolute 24-hour mode during the Slave Lake fires of last summer. So thank you for that.

CKUA Radio since early days has been part of the emergency warning network, but to a certain extent time has passed it by with all the various and sundry means of communication that exist out there, the Twitter world and so on and so forth. We set about to modernize the emergency warning system in the last couple of years. It still utilizes CKUA in part but uses other streams as well.

I'd just ask Mr. Lloyd to augment.

Mr. Lloyd: Thank you. Yes. We've seen a significant improvement in public alerting over the last year. We have invested in digital technology. As the deputy minister has mentioned, CKUA has been a tremendous partner to the government of Alberta over a period of 15 years, and they'll still be a partner. They are an important partner along with all other broadcasters, but we've broadened the reach of public alerting out to take account of the younger dynamic, you know, people who live and breathe on their BlackBerry – well, I suppose we all do – access to social media like Facebook, like Twitter, take account of satellite technology and our ability to create a dedicated website that is now streaming alerts out to subscribers. It's really broadened that reach tremendously.

I think the concern that you've raised in terms of public alerting in Slave Lake does have a unique dynamic related mainly to the action of the fire on that particular day. What I think the new system will do, because it reaches so many different groups within the public, is that it will actually work much more effectively than the old system.

8:50

Ms Calahasen: Thank you.

Thank you, Mr. Chair.

The Chair: Thank you.

Mr. Kang, please, followed by Mr. Rodney.

Mr. Kang: Thank you, Mr. Chair. You talked about the Calgary regional plan, sir. There was, I believe, \$2.7 million you said?

Mr. Whittaker: Two point five million.

Mr. Kang: Okay, \$2.5 million. Is there a deadline, you know, when the Calgary regional plan will be finalized? So much hinges on the final document.

Mr. Whittaker: We don't like to set specific deadlines for those sorts of things because we're trying to work in collaboration, but they're closing in. Assistant Deputy Minister Ivan Moore actually participates in those meetings with the Calgary regional board.

Mr. Moore: The CRP is a voluntary organization. The expectation right now is that they will be providing their revised plan to the minister in June of this year. That is extended somewhat from the original goals because they were working on negotiations to make sure that rurals were a participating part of that partnership. So that's where it continues to be ongoing. As I say, the minister is expecting the next submission on their plan to be in June.

Mr. Kang: Thank you. You provided \$2.5 million. Is there an expectation for more money from the province in that Calgary regional plan?

Mr. Whittaker: We have an expectation of continued investment of that sort of magnitude, \$2.5 million; \$3 million to Edmonton. There's an ongoing need that's not going away. Would they like more money? Yes. Would I love to be able to provide them more money? Yes. Do I have it at the moment? No.

Mr. Kang: So there's no budget, really.

Mr. Whittaker: We do have a target set aside . . .

Mr. Kang: It's a moving target.

Mr. Whittaker: This is under the regional collaboration program, which is one of the line items in the budget. Those are the two largest chunks out of the regional collaboration budget that we expend in a given year. This is a program budget to support, just as it says, regional collaboration. The two biggest mechanisms that exist are the Calgary and the capital boards. So that's 5 and a half million dollars of the ongoing \$11 million.

Mr. Kang: Okay. Thank you.

The Chair: Thank you.

Mr. Rodney, please, followed by Mrs. Forsyth.

Mr. Rodney: Well, thank you very much. That was quick. Actually, two of the previous questions were hinting a little bit at where I would be coming from with my question. As you heard in the opening, I represent Calgary-Lougheed, so it's related to a Calgary situation.

On page 27 in the 2010-2011 Municipal Affairs annual report it indicates the Capital Region Board was allocated \$3 million and the Calgary regional board received a different amount. It was 2 and a half million dollars. I'm guessing there's a good reason for this, but I don't know why. Perhaps you can share with us why the same amount was not provided to the Calgary Regional Partnership, especially when you look at the fact that the region down south has a slightly larger population.

Mr. Whittaker: A very good point. The core reason for the differential is not so much the population base. In actual fact, it should be flipped if it's just based on population. The difference between the capital board and the Calgary Regional Partnership is that the capital board membership is mandated by the province. There's the compulsion to participate, whether you're the county of Strathcona, the city of Edmonton, county of Leduc, and so on. There's a compulsion, whereas the Calgary Regional Partnership remains voluntary. It's of a different magnitude and order. I wouldn't say that Calgary is behind the capital board per se, but the capital board is a more elaborate structure, partially because of that mandated responsibility.

Mr. Rodney: As a follow-up to that, then, it does mention that the minister at the time encouraged the CRP, or the Calgary Regional Partnership, to resubmit a revised Calgary metro plan in December of 2011. I'm just wondering what the status of that is. Was it received? How was it received? What steps have been taken since then?

Mr. Whittaker: It hasn't been received yet. I just spoke with staff from the Calgary Regional Partnership recently. They had requested an extension initially to the end of the fiscal year. Assistant Deputy Minister Moore was just at their planning session a couple of weeks ago. They are now looking for an extension to June of this year. There are a couple of municipalities, a couple of communities that have withdrawn. It's

a voluntary organization. They weren't happy with the proceedings; they withdrew. It is our hope and their hope that an extension to June will allow them to potentially re-engage those communities, pull them back in or at least connect with them.

Is that correct?

Mr. Moore: Yeah. That's correct. The extension was to give them time to work with their rural partners to try to make the plan fully engaged with the rurals because the regional plan really is somewhat incomplete without the rural municipalities engaged in contributing to the plan.

Mr. Rodney: Thanks very much. I think we can actually interpret that as good news.

Thanks, Chair. Thanks, gentlemen.

The Chair: Thank you.

Mrs. Forsyth, please.

Mrs. Forsyth: Good morning, and thanks for coming before us. I'd like to follow up on a question that Ms Calahasen asked in regard to the CKUA warning system. I'm wondering if you could provide the chair with the RFP when you changed. I'm hearing that there were some discrepancies in the request for proposal. Could you please provide the RFP for the chair?

Mr. Whittaker: This was for the creation of the emergency alert system?

Mrs. Forsyth: Yes. The new one.

Mr. Whittaker: I'll ask the managing director, Mr. Lloyd.

Mr. Lloyd: We can certainly supply the RFP. I'm not sure if you're asking me to comment upon the RFP.

Mrs. Forsyth: No. As a member of the opposition we get lots of questions and obviously people calling us. I'm not really aware of what's going on, so all I'm asking is if we can have the request for proposal that was tendered out when you were changing the system. I know Mr. Whittaker talked about the dedicated website, and I don't think that was part of the RFP. Was it?

Mr. Lloyd: The RFP was awarded to a company . . .

Mrs. Forsyth: Down east, right?

Mr. Lloyd: I beg your pardon?

Mrs. Forsyth: Was it down east?

Mr. Lloyd: Yes.

The requirements of the RFP were fully fulfilled in the award of that contract. That contract was subsequently terminated, and we have developed the system within Municipal Affairs as a result.

Mrs. Forsyth: Okay. I'm sorry to hurry on to another question, but I've got to attend a meeting. We've got a big day today with the Health Quality Council. I'm sorry.

I wanted to just ask if you could elaborate. The minister or the former minister that's sitting here talked in his message from the minister with regard to continuing to build our safety system, working to harmonize our safety code. Where are you in that process on developing or enhancing or harmonizing the safety code?

Mr. Whittaker: I'll ask Assistant Deputy Minister Moore.

Mr. Moore: The harmonization of our safety code system is actually an ongoing effort. What we do is we participate on national committees with national organizations, National Research Council as well as Canadian Standards Association, in the development of national model codes, which are then adapted by the individual provinces within their jurisdiction to suit their local needs. So what we are doing, and over the past several years what we have done, is reduce the differences between the Alberta unique things that we add to tweak those national models to get towards standardized, just adopting the national models as they come out of the code committees.

The Chair: Thank you.

Mr. Allred, please, followed by Mr. Chase.

Mr. Allred: Yes. Thank you, Mr. Chair. Mr. Whittaker, I'd like to go back to the involvement with the Capital Region Board and the Calgary Regional Partnership. I notice on page 27 that you talk about the long-term growth plan, et cetera, regional planning, and geographic information systems. Are you working with those two boards, if I might call them that, to co-ordinate and standardize the data framework for the geographic information systems? What I'm getting at is that through government in the last 30 years, everybody's sort of been going their own way, and the systems are not compatible. There seems to be a real move to try and make them compatible, which is a great idea. Are you working with them to help do that?

9:00

Mr. Whittaker: Thank you. You raise a really good point. There are a phenomenal number of data points that government holds, that municipalities hold, that private sector holds, energy companies, and so on. We're working within the GOA, the government of Alberta, in several ministries to see if we can align the various sets of data that we have.

On the specific question of the GIS, Mr. Moore?

Mr. Moore: Yeah. I can speak to what both of those groups are doing. The Capital Region Board, the municipalities in the Edmonton region, in fact, have decided to go to open architecture and leverage the government of Alberta's GeoDiscover system as being the framework that they're going to build their system within. So they're looking at data sharing across the region in that fashion.

The Calgary Regional Partnership from the outset took a slightly different path. They are attempting at this point in time to leverage Calgary's GIS system and deploy it more broadly throughout their member municipalities, and they're fairly far along in terms of the planning to be able to deploy that. They have of late started to look at also integrating into the GeoDiscover platform as a way to go. That is basically something that we've been promoting, the broader use of the GOA's GeoDiscover framework.

Mr. Allred: Just to follow up on that, it seems to me that the GeoDiscover program is the common element. It would be an awful shame if Calgary went one way and Edmonton went another way and the two systems were not compatible. I guess to follow up on that, when you refer to the GeoDiscover program, I think that answers my questions, probably. The land-use framework, again, is working to try and bring all this material together so that it's compatible across the province. I presume you're working with the land-use framework people and GeoDiscover to what that happen.

Mr. Moore: Yeah. In fact, we just had a meeting last week with SRD and others involved in exactly that program, and the intention is in fact to make the land-use framework connect with those subregional plans exactly in that fashion.

Mr. Allred: Perhaps just a follow-up if I can. The GeoDiscover program, I believe, is only looking at three different departments at present. Is it nearing completion on that phase of it, and will it move on to other departments?

Mr. Moore: Unfortunately, that's something I can't comment on because I'm not in the department that's running it, so I can't give you an answer to that degree of completion.

Mr. Allred: Okay. Thank you.

Mr. Whittaker: Just a supplementary. As Mr. Moore alluded, several of the ministries that have connection points to various data sets are beginning to have a conversation about how we've built up these massive data sets, how we start to interconnect them, because if you're, for instance, a land developer or just a homebuyer that wants to buy a piece of land, the various pieces of information that we have literally all over the place at some point need to align. It's a massive project, though, because we've each individually built up from the original paper records to where we are today. The interoperability of the systems is going to be a significant challenge. Service Alberta is going to be a key lead, but so is Sustainable Resource Development.

The Chair: Thank you.

Mr. Chase, please, followed by Mr. Benito.

Mr. Chase: Thank you. This set of questions has to do with the re-engineering initiative on municipal grants. On page 33 of the Municipal Affairs annual report it is stated that "the Alberta government consolidated and streamlined 77 municipal grant programs into 18 provincial programs and four federal grant programs that are administered by the province." How many of these municipal grant programs are application based versus allocation based, and roughly what percentage of all municipal grant funding is subject to at least some form of ministerial discretion?

Mr. Whittaker: Thank you. The 77 programs, similar to the data sets that I talked about earlier, are programs that have popped up literally over the decades. We were tasked two years ago with winnowing that down. We're still winnowing it, and we will probably do that more so in the next year. There is roughly a total of about \$2.1 billion between these 18 provincial and four federal programs. One of the key federal ones, for instance – I'm just going from memory – is about \$200 million. It's the fuel tax flow through. Of the \$2.1 billion the key piece is the MSI, at almost \$900 million, and it's, as you know, very formulaic.

I don't think I have the numbers with me, unfortunately. I apologize. The next largest will be things like Transportation grants. GreenTRIP is another \$120 million, going from memory again. I'm sorry; I'll get the actual numbers.

So your question was – sorry – how many are allocation based versus . . .

Mr. Chase: That's right. Versus application based, and to what extent is ministerial discretion involved in the funding choices?

Mr. Whittaker: I can speak to the core one that we deliver, which is MSI, and it's formulaic. There is a set of guidelines around which types of programs are allowed and which aren't. At the end

of the day the minister signs off on those. Typically the way the applications come forward from, say, the city of Calgary is: we want to do these projects with our money. As long as they meet the guidelines, they are essentially approved.

The other granting programs that are around are in other ministries, and I can't speak to them.

Gary, do you have any additional information?

Mr. Sandberg: I do know that Alberta does not provide any programs that are, strictly speaking, unconditional. So whether it's MSI or any other ministry's program, they will all require some level of ministerial approval.

The question about whether they're allocation based or not: we don't have the information on what other ministries are doing with their programs. Our program, our MSI, is allocation based, and that's the vast majority of the funding under Municipal Affairs.

The regional collaboration program is the only other grant program we have. It's about \$11 million, and it is an application-based program.

Mr. Chase: Thank you.

Just a comment and then my supplemental. Hopefully, we never get to the point in Municipal Affairs that we got to with Alberta Health Services, where there is one supersolution or a superboard. Local autonomy: a summer village versus the city of Calgary. The different needs hopefully will be recognized.

My supplemental: is the municipal sustainability initiative considered a purely allocation-based grant program, or is there any part of it beyond the MSI funding formula that is subject to ministerial discretion? I know that you approached that answer, and if you could just sort of complete the circle.

Mr. Whittaker: Sure. As I say, it's essentially that the municipalities know precisely what sorts of initiatives they can apply for and which ones they can't. Occasionally you'll have a municipality step up and want to do project X or purchase something Y that doesn't really fit into the guidelines. So Gary's staff works with the municipalities to ensure that the sort of guidelines match up with the request, and at the end of the day the minister signs off. I haven't seen a situation where the minister second-guessed a decision of staff on any of this.

Mr. Chase: Thank you.

The Chair: Thank you.

Mr. Benito, please, followed by Mr. Kang.

Mr. Benito: Thank you very much, Mr. Chair. I would like to refer you to pages 26 and 27 of the 2010-11 Municipal Affairs annual report. Now, your ministry has developed a strategy, the municipal sustainability strategy, with the objective of strengthening the long-term success and sustainability of municipalities. You had the participation of five different major organizations – the AUMA, the AAMD and C, the LGAA, the ARMAA, and the ASVA – to develop your made-in-Alberta municipal sustainability strategy. What progress has been made on this strategy?

Mr. Whittaker: Thank you. As you said, this is an acronym-heavy ministry, and yes, we worked with all of those acronyms over the course of a year. The working group developed a report and presented it to the former minister in June of 2010. The report was released in draft form for public consultation, and that consultation period ended towards the end of the fiscal year, in February of 2011. The input from those public consultations has

been worked though the ministry right now. Actually, the report and the recommendations that were garnered from that working group are literally currently before the decision processes of government at the moment.

Mr. Benito: Okay. Just a follow-up question on that. Can you please outline some of the key features of the strategy and comment on whether or not the strategy will actually have a positive impact on our municipalities?

9:10

Mr. Whittaker: The sort of core rationale behind the municipal sustainability strategy is to ensure that the municipalities and the citizens as well are better informed about the viability of those communities. Some smaller communities, as we know, are in difficulty in terms of dropping population, in terms of dropping tax bases, and so on. This is a challenge which isn't going to go away and not just in Alberta but in other provinces as well. So the strategy will provide sort of new information tools for municipalities and citizens and access to what we're referring to as capacity-building tools.

Finally, it'll address and promote what we've talked about earlier with Mr. Chase and others, the regional collaboration model, that municipalities, especially smaller communities, need to work together more closely to ensure that they can continue to deliver the kinds of services they have in the past. One of the key pieces is a self-assessment tool kit that will be put in place so that communities can essentially work themselves through the tool kit that will assist them in sort of monitoring and building their own viability into the future.

Is there anything, Mr. Sandberg, to add to that?

Mr. Sandberg: Probably the one critical piece, in addition, is the proposal for some legislative changes. Our current dissolution process is that the act requires that if a council or if a sufficient number of citizens petition the minister to conduct a dissolution study, the minister must conduct a dissolution study. What we have found in recent years is that on occasion citizens who may have a disagreement with members of council may use that tool as opposed to a situation where there's an actual question about the viability of the community. So we are required to do a dissolution study, and that can create a lot of emotion and a lot of challenges within the community. Typically what happens at the end of the process is that citizens rally around the concept of community identity and don't really focus on the issue of whether the community is viable. They vote to remain as a municipality, and they never address any of the issues that may have brought them forward in the first place.

The proposal is to amend the legislation so that we would initiate a new process where the municipality would engage with its citizens and with the surrounding communities much earlier in the process, after they have completed the self-assessment tool kit that the deputy referred to. If the tool kit identified that they had some challenges, then they would get together with their citizens and with the surrounding communities and talk about ways that they could address those challenges. Rather than then having to go through what could be a very divisive dissolution study within the community, they would work together to identify what the challenges are and what the potential solutions are. That, hopefully, is a much more proactive and much more inclusive process for the community.

The Chair: Thank you.

Mr. Kang, please, followed by Mr. Groeneveld.

Mr. Kang: Thank you, sir. My questions are about the safety codes services. On page 9 of the Municipal Affairs annual report it is stated that the public safety division is the third-largest provider of safety codes services in Alberta. Similarly, on page 35 of the annual report it is stated that Municipal Affairs delivers safety codes compliance services in unaccredited municipalities through agencies under contract with the department. How many agencies does the department contract with to provide safety codes services in unaccredited municipalities?

Mr. Whittaker: Thank you for that question. I'd ask Assistant Deputy Minister Moore to address the delegated authorities.

Mr. Moore: Yeah. Maybe in context the municipalities may voluntarily become accredited to actually do the approving and inspection services within their jurisdictions under the Safety Codes Act. When they choose not to take on that voluntary responsibility, we provide for permit and inspection services through accredited agencies. We currently contract with seven agencies in the province. That fluctuates a bit because they go in and out of business, but it ranges between six and eight at any one point in time and companies of various sizes, from one-man operations to larger corporations that have a province-wide scope.

The contracts are not a cost to us. They are basically an administration agreement which provides the performance and service delivery standards that they must comply with. The nature of their delegation allows them to charge fees which are approved by the minister and keep the money. So they're basically set up as a delegated authority operating within the province.

Mr. Kang: Is there some kind of criteria the municipalities have to meet in order to become accredited? How many municipalities are accredited to deliver safety codes services versus those that are not?

Mr. Moore: The municipalities must apply to the Safety Codes Council, who is delegated the authority through the act to accredit them. There is an application process, but what it amounts to is the establishment of what we call a quality management plan, where the service delivery standards and the internal audit and those sorts of processes for the system are established. So they basically enter into a licensing agreement, if you will, with the Safety Codes Council. In the province at this point in time there are approximately 285 municipalities that are fully accredited and approximately another 60 that are partially accredited, normally in fire but not in the construction disciplines.

Mr. Kang: So for those municipalities that are partially accredited and others that are not, are there any safety concerns? I mean, do they meet the standards of the municipalities who are accredited, or, you know, do they meet the provincial standards when they do the safety inspections or codes enforcement?

Mr. Moore: Yes, they do. All municipalities and the agencies are required to employ safety codes officers who are all trained and certified by the Safety Codes Council, so all of the safety codes officers province-wide are at the same standard of qualification and certification. The municipalities that are accredited, the standard for their service delivery is in fact the uniform standard applied across all of them, and what we apply through our contracted agencies in the nonaccredited jurisdictions is consistent with that. So it's a common standard across the province.

Mr. Kang: Okay. Thank you.

The Chair: Thank you.

Mr. Groeneveld, please, followed by Mr. Chase.

Mr. Groeneveld: Well, thank you, Mr. Chair. My questions have been partially covered, I guess. I was going to talk about the Calgary regional plan a little bit, as Mr. Rodney alluded to and my other colleague down the way discussed this a bit. Mr. Rodney and I live in a municipality that, of course, is not in at this stage of the game, and my comment would be that water is always going to be an issue here.

However, Mr. Chair, that's not where my question was going this morning. The other one was on the MSI part of it. I know we're talking about last year here, but in view of what happened last week with the MSI comments and whatnot, I think it would probably be appropriate if you describe the formula and how the funding works because of what comes out. If we could do that in a little detail, I think the world has got to understand that. If you could possibly do that.

Mr. Whittaker: Thank you. As I indicated earlier, the allocations formula is formulaic. In recognition that there's a need for some core funding for each municipality, however big, each municipality receives a base funding number of \$120,000 a year except for the summer villages; they receive \$60,000. There's a total of \$15 million per year in sustainable investment funding, SI funding as it's called, which is divided among municipalities with populations of less than 10,000. As soon as they hit populations of 10,001, they drop out of this pool of funding and acquire the funding elsewhere. These are the communities that have low populations under 10,000 and limited tax bases, so they have limited own-source revenue.

The remaining funding, which is the vast majority, in this fiscal year \$876 million in total, is allocated by a strict formula, which is based on 48 per cent of the funding by population, 48 per cent by education tax requisitions, and 4 per cent by kilometres of local roads. What we do is we update the data every year for population, education tax requisitions, and kilometres of roads so that we're current, calculate it literally at budget time, and allocate the numbers by community as close to budget day as we can.

9:20

For the budget a week ago last Thursday we rolled out the detailed numbers, community by community, of how the formula played out. What I have found in giving some advanced notification to some of the communities is that they've already done the math. They know the number in their own heads, and they say to me: well, oh, yes, I know it's X. They're almost always right within a very small margin because, as I say, it's very formulaic.

Mr. Groeneveld: Well, thank you. This isn't something new. This is something we've been doing year to year, obviously.

My second question would probably be more of a statement than anything else, where I would congratulate a minister and our minister for calling someone out that infers that the money is allocated by your voting record. I was totally shocked at that. I never ever thought – I don't know if Mr. Rodney ever did – of running in with my people's voting record and saying: I deserve more money than anyone else. We would have never thought of that anyway because we know that wouldn't possibly happen. You know, it was inferred here this morning again. Are you aware of this happening? I would hope that if you are, you would certainly call us on it and remove all doubt of how that MSI funding is allotted.

The Chair: That was very specific to Public Accounts, Mr. Groeneveld.

Mr. Chase, please, followed by Mr. Allred.

Mr. Chase: And I'm sure there have never been any Conservative MLAs with large cheques and photo ops with government grants. I don't recall ever having been given that opportunity, not that I would have wanted it. I have seen it on numerous occasions, but I'm sure it's not part of the formula.

Protection of persons and property from the Municipal Affairs 2010 annual report. On page 41 of the Municipal Affairs annual report, under Expense by Function, you reference the 2011 actual for protection of persons and property as \$165,755,000 versus the budgeted amount of \$23,325,000, a difference of \$142,430,000. What was responsible for this figure being so far off the mark?

Mr. Whittaker: Thank you. The differential would be the disaster recovery funds, and this was probably primarily the southeast Alberta flooding that occurred in 2010. Typically, year over year we'll have a standard budget ask to basically run the operations of the ministry with respect to the operations centre and the Emergency Management Agency. Then when a disaster strikes, we go to Treasury Board for an allocation rather than budget for it. This has been a question asked in the past: do you budget for a disaster or not? You know it's going to hit. Well, you don't know if it's going to be a hundred million or \$10 million. In the case of Slave Lake last year it was three-year allocations around \$280 million.

Is that differential primarily because of Medicine Hat?

Mr. Lemphers: Yes, Deputy, it is. It's primarily due to disaster recovery programs. The budget initially at the start of the year for disaster recovery programs is only \$200,000, just a nominal amount. Then the actual amount for disasters in the 2010-11 year was \$144.3 million, so that makes up the entire difference.

Mr. Chase: Thank you.

Just referencing that flooding, a number of citizens of Irvine, in southeast Alberta, are still living in temporary housing due to that flooding. The claims settlement process was contracted out as opposed to directly operated by the province, which led to great frustration in both applying and receiving timely, fair compensation for loss. With regard to Slave Lake, a significant number of residents of Slave Lake are still displaced despite local and provincial co-ordinated efforts to provide temporary modular housing. This is the lead-up to the question: in the 2010-2011 year did the ministry examine the feasibility of creating a dedicated disaster recovery fund to help smooth out the peaks and valleys in this area of government expenditure?

Mr. Whittaker: I don't believe so, but I'll ask Mr. Lloyd to comment.

Mr. Lloyd: No, it didn't and for the reason that the deputy minister has already covered.

What we did learn during 2010 was that this was a unique situation for southern Alberta. Areas that were very arid, very dry were suddenly flooded and devastated. Government moved very, very quickly to go to Treasury Board with a substantial ask. Moreover, during the event we were extremely flexible in terms of revising disaster assistance guidelines so that more people could be included by raising caps and removing caps entirely in some specific areas. The intent was always to ensure that the response of government reflected the devastation that was occurring in southern Alberta.

Mr. Chase: Just with regard to High River – and Mr. Groeneveld may want to ask the question – in a two-week period there were two 100-year anomalies in terms of the flooding, two major storms and two major floodings. I'm trying to not ask a policy question, but having a dedicated fund which would potentially draw interest in the years when there aren't disasters, has that been contemplated?

Mr. Lloyd: There is a very strong sense provincially both within Municipal Affairs and Alberta Environment and Water, which is aligned with the movement across the country – provinces, territories, the federal government – that mitigation needs to be developed and quickly so that we reduce unsustainable response and recovery costs. We are seeing the future, and the future in a sense doesn't look good. We know that we are seeing increasingly severe weather events, and we now know that we need to conduct some integrated risk assessments, look at areas over even a 50-year period. That's the study that's under way right now to determine what floods and when and why and to begin that dialogue with communities and other government departments to look at the right policy options as well as the right strategies for mitigating future flooding.

Mr. Chase: Including not building in a flood plain.

The Chair: Thank you, Mr. Chase.

Mr. Allred, followed by Mr. Kang.

Mr. Allred: Thank you, Mr. Chair. Mr. Whittaker, just following up on my concern for standardization in a little different twist. Rural addressing systems, the range road system seems to have been adopted by most municipalities in the province, although I know there's one major municipality that's an anomaly. Does your department get involved in consulting with municipalities when they're adopting rural addressing systems?

Mr. Whittaker: I'm not aware that we do.

Mr. Sandberg: No, we don't. Rural addressing has been an item that Municipal Affairs has regarded as being a question of local autonomy, so municipalities adopt or don't adopt an addressing system at their discretion. Now, they need to obviously work with Canada Post to make sure they're complying with whatever Canada Post requirements are. But we don't get involved in telling a rural municipality whether or not they should adopt a particular system. You're quite right. They typically have adopted the one system.

Mr. Allred: Okay. Thank you.

On a completely different vein, have there been any recent studies on the level of property taxation among the major cities across Canada to sort of just see how some of the Alberta cities fit in with the level of property taxation compared to, say, Toronto, Winnipeg, et cetera?

Mr. Whittaker: I see occasional reviews by think tanks and that sort of thing, Fraser Institute and others who occasionally aggregate some of the data from across the country. We haven't done internal reviews, and I haven't seen one that's Alberta specific either. I've seen these occasionally that cite, you know, major centres across Canada. You'll see them occasionally in the *Globe and Mail* and so on. Those are usually generated by independent think tanks, kind of thing.

9:30

Mr. Sandberg: There are a number of studies from both the independent think tank and, I believe, some of the cities. I think

Edmonton quite regularly does comparisons between themselves and other major cities, and I expect Calgary does as well. As a ministry we have not done that kind of study, at least not in the recent years that I'm aware of.

Mr. Allred: Okay. Thank you.

The Chair: Mr. Kang, please, followed by Mr. Groeneveld.

Mr. Kang: Thank you. On page 36 of the Municipal Affairs annual report there was a reference to a July 16, 2010, amusement ride accident at the Calgary Stampede. Subsequent recommendations were prepared by the ministry to prevent similar accidents from occurring in the future. Given that an American safety expert publicly criticized Alberta's new midway rules, calling them pointless unless Canada and the U.S. collaborate on a national registry for amusement rides, does the ministry accept that its announced measures are inadequate? Have they been implemented?

Mr. Whittaker: Thank you for that question. The amusement park ride that you cite was indeed a tragic situation and a learning opportunity, and there was a thorough investigation done. Mr. Moore is very familiar with the outcome.

Mr. Moore: I can certainly comment on that. Thank you for the question. That accident highlighted some need for improvement. We believe that the improvements we put in place, which were, in fact, the requirement for amusement ride companies to provide for inspection five years of records across all their jurisdictions because these rides travel throughout North America, the United States and Canada. Our chief inspector has been working with the Canadian jurisdictions to establish a tracking mechanism nationally so that an amusement ride company would arrive with their equipment in this province with sustainable records that are compatible with ours. The standards on record keeping and proof of maintenance that we're requiring are in fact being used as a standard across Canada.

One of the things we've implemented was a requirement for them to be inspected upon their initial arrival in the province. Previously it was a little bit more flexible because of the kind of sporadic times, but we have now mandated it, and our delegated administrative organization, the Alberta Elevating Devices and Amusement Rides Safety Association, now inspects every one of those ride set-ups when they first come into the province to make sure that they're safe.

We've also provided some additional insights into these aging rides where these fatigue cracks occur because we actually saw that in one accident. If a crack is found, there is a mandatory requirement for them to do a nondestructive test on the entire ride to make sure that it is in fact safe to put in public.

Mr. Kang: My supplement is: were the recommendations prepared by an independent engineering company that was hired to conduct an investigation into the incidents, or were they developed in-house by ministry staff?

Mr. Moore: Thank you. That's also a good question. The engineering company that we hired did the engineering failure analysis on the ride. They did not develop the recommendations; they did in fact make some, but the solutions and the policy framework were developed in-house by specialists in government with that engineering background as well as at our DAO where the expertise in amusement rides exists in terms of the inspections in the province.

Mr. Kang: Thank you, sir.

The Chair: Thank you.

Mr. Groeneveld, please, followed by Mr. Chase.

Mr. Groeneveld: Well, thank you, Mr. Chair. I'll try and stay within the strict guidelines, which I know you appreciate that we use in this meeting.

The Chair: Strict guidelines, you bet.

Mr. Groeneveld: Interestingly enough, the question I had come up with Mr. Kang has just asked. I guess we're both from the Calgary area, so it was an interesting question.

A few years ago I had a leaky fuel tank right in the middle of downtown Okotoks. I see where you're talking throughout the report about the tank site remediation, so I guess that's a bit of an interest to me. I know I have a few other areas, probably, that aren't on the list yet. What's the current status of that program as we move along?

Mr. Whittaker: Thank you. As I mentioned in my remarks, over the course of the life of the program so far we've remediated over 800 tanks. The fund is finite. We've got sites in the queue to address.

This is within Mr. Moore's bailiwick as well, so I'd ask him to address the details.

Mr. Moore: Thank you for that question. The program has remediated as of yesterday 886 tanks within the province. We stopped accepting applications back in April of 2009 because we had reached the cap on the approved capital funding that had been provided. We have a funding program in the capital funding plan for the next two years to finish off the last 100 sites that are still on hold pending availability of funding. We will at the end of the program have remediated approximately a thousand sites around the province.

Mr. Groeneveld: Okay. You've stopped taking applications now. Is that because they've slowed down or the applications that do come in are pretty minor in nature so that you take care of the other ones?

Mr. Moore: It's because of the availability of funding. We reached the max. There is a prescribed amount available for the remediation of each site of \$160,000 total program that we can provide for assistance to property owners. The cessation of applications was based on having enough in the queue that were accepted that actually maxed out the money that we've been allocated.

The Chair: Thank you.

Mr. Chase, please, followed by Mr. Benito.

Mr. Chase: Thank you. Ma prochaine question est très importante à M. Goudreau et à moi-même. My next question is very important to Mr. Goudreau and myself, and it has to do with the Francophone Secretariat. On page 33 of the Municipal Affairs 2010 annual report there was mention of a 2010-11 French-language services action plan and more than 25 initiatives receiving funding. What exactly is the French-language services action plan, and how much funding does it receive?

Mr. Whittaker: You've asked a tough one. I'm glad you switched languages. Thank you.

Mr. Chase: I was just showing off.

Mr. Whittaker: I apologize. I should be more up to date on this piece. This piece moved to IIAR in October of 2011, when I moved to this portfolio, so I'm not familiar with it. The secretariat itself was a fairly small body with roughly a million dollars in funding. We don't have anybody with us today with details on it. I apologize. The limited staff moved with the file.

Mr. Chase: If you could provide more information through the clerk, that would be great.

The Chair: Excuse me, please, Mr. Chase.

Mr. Goudreau, do you have anything that you could enlighten us with, please?

Mr. Goudreau: Well, just some brief comments. Thank you, Mr. Chair. The Francophone Secretariat, really, was following me as a francophone MLA for the province of Alberta.

The Chair: And a bilingual one, too.

Mr. Goudreau: Thank you. A lot of the funding that would come through were transfer funds from the federal government to the province of Alberta and then moved through the Francophone Secretariat for all sorts of initiatives across the province. Some of them are identified on page 33, looking at some health services, for instance, in francophone communities. As we know, as people age, they tend to revert to their mother language. We recognize that there are a number of unilingual francophones in the province of Alberta, so a lot of initiatives were aimed on the health side. Certainly schools, education, francophone schools, immersion schools: those were some of the activities that were there.

We've had quite a huge influx of francophones from countries around the world, including Africa and Vietnam, and there are a number of other individuals, so we are providing francophone settlement services to those particular individuals coming in.

Those are some of the very brief kinds of activities that we were involved with through the Francophone Secretariat.

Mr. Chase: I appreciate the answer. I couldn't help thinking of a comic book in the 1950s called *Blackhawk*, and whenever one of the French members of the Blackhawks got into trouble, it was: sacré bleu.

Now, possibly it'll be Mr. Goudreau responding to the second part of the question. How do groups qualify for funding through the French-language services action plan? Is funding entirely at the discretion of the minister, or is there a formulaic approach?

Mr. Goudreau: You know, there was really no particular formula established. A lot of it was application based, and there were criteria that were set up in terms of services that needed to be provided to particular communities. If there was an identified need in a community, they would approach the Francophone Secretariat, who, in turn, would work with that group to make certain that those services were provided. If it made sense, there was some funding allocated.

Typically there was an overall budget. I believe it was close to about a million dollars that was spent on francophone services across the province. For the most part a percentage of that would go towards education, another percentage would go towards health. Then, you know, there were certain objectives that were met, and that was to advance the francophone activities or the enhancement of francophone services across the province. So

there was an overall goal there and criteria established to do that, not necessarily formula based but more criteria based and objective based.

Mr. Chase: Merci.

9:40

The Chair: Thank you.

Mr. Whittaker, would you like to make a comment, please?

Mr. Whittaker: Just a supplementary on the numbers. The actual grant piece of that budget was, I'm told, \$650,000.

The Chair: Thank you very much.

Mr. Benito: On page 33 of your report the ministry provided over \$30 million in funding to support public library service. I'm just wondering because I'm the MLA for Edmonton-Mill Woods: can you give us any update about our upcoming Mill Woods library?

Mr. Whittaker: On the Mill Woods library itself I can't give you an update. Mr. Lemphers is responsible for the libraries branch.

Mr. Lemphers: Actually, no, we can't give any update to the status of the library construction. Municipalities are responsible for that particular piece of construction. This ministry provides operating grant funding. The municipality is who would be responsible for addressing any questions you'd have on the status of any construction.

Mr. Benito: But it's an on project, right? The funding is there?

Mr. Whittaker: I assume this is probably one of the projects that the municipality would have applied through the MSI for funding for, possibly. The libraries piece that we do is not construction per se; it's the operating grants. So the \$30 million that I cited earlier is essentially flow-through dollars on a per capita basis to every municipality, all the 300 and some – how many libraries?

Mr. Lemphers: There are 312.

Mr. Whittaker: Three hundred and twelve libraries around the province. Our piece that's cited here is actually just the operating piece, and that's augmented with municipal funds as well. That doesn't pay for the entire operation. Each municipality funds in part their own library. The construction is a different piece altogether.

The Chair: Thank you. Mr. Benito, perhaps they're more interested in a hockey arena than they are a library.

Mr. Kang, please.

Mr. Kang: Thank you, Mr. Chair. On page 9 of the Municipal Affairs annual report, it is stated:

The Alberta Emergency Management Agency provides strategic policy direction and leadership, and co-ordinates programs and initiatives designed to assist in the mitigation and prevention of emergencies – as well as the response to, and recovery from emergencies.

On this latter point specifically, can you please clarify where AEMA's role ends and LandLink Consulting Ltd.'s as the contractor and administrator of the province's disaster recovery program begins?

Mr. Whittaker: Thank you. That's a specific question about how we handle individual claims associated with disaster recovery

programs, so I'll ask Mr. Lloyd, who is intimately involved with that.

Mr. Lloyd: Yes. Thank you. We operate disaster recovery programs as a turnkey operation, as we've said, consistent with the fact that we can't predict disasters. We know that we can't employ a large range of people who would then be expected to deliver programs. The solution that we alighted on back in 1995, actually, was to go out to the market through an RFP and employ a company that could do this for us. This is where we're at, really, with LandLink now. They provide the initial service by employing engineers and estimators to go out to individual applicants and estimate their damages and administer the program on behalf of the government of Alberta. So it's a contracted service that they provide. They receive their direction and their guidance from the Alberta Emergency Management Agency, and most of the applications are dealt with at the level of the contract service provider perfectly satisfactorily. It's actually seen as a very good model by other jurisdictions across the country.

Mr. Kang: Thank you. If I remember correctly, wasn't there an issue about government having just one company with the contract? I think there was some issue with that. What role, if any, does the AEMA have in managing the outcome of complicated claims since LandLink's website specifically references this as a postdisaster service that it provides?

Mr. Lloyd: Thank you. The employment of LandLink was via the request for proposal competitive bid process managed by Service Alberta, so they are contracted to us as a result of that process.

In terms of dealing with claims, they have experience. They have expertise. They have a role in dealing with claimants at the first and basic level, but if there is an issue that becomes more complex and needs some additional direction or some adjudication, it's referred back up to the agency. The agency has a very direct oversight role in relation to LandLink. We certainly converse with them daily. We meet with them weekly. We audit them regularly, biweekly. At a management level they follow our policy, our process, our philosophy even for ensuring that applicants get the maximum allowable for the damage that's presented.

The Chair: Thank you.

Mr. Allred, please, followed by Mr. Chase.

Mr. Allred: Okay. Thank you, Mr. Chair. I'm referring to the report of our research group, which I believe you have a copy of. Pages 5 and 6 give a fairly succinct summary of various grant programs under the title Grants Overview. I guess my understanding of the MSI grant was to bring all municipal grant funding programs together. Now, I recognize your department is more than just municipal affairs. You're into the emergency area. The tank site isn't really Municipal Affairs, et cetera, but there are several different programs listed there. I know there's the FCSS funding that goes to municipalities, which probably comes from Human Services or Health maybe, I'm not sure. My question is: is there a list available of all of the grant programs that municipalities are entitled to apply for? Like, they're not entitled to apply for CIP grants and those sorts of grants. Is there a list of all the grants that they are eligible to apply for?

Mr. Whittaker: That was the list which I was alluding to earlier that I hadn't brought with me. It's sort of an internal working document.

I don't know if there is something on a website somewhere. Is there?

Mr. Sandberg: Yeah. As part of the grants re-engineering process, 2010 I think was the first year when the programs were consolidated to the roughly 22 programs that the deputy referred to earlier. There is a municipal grants portal on the web, and municipalities have all been provided with the information about how to access that. It provides the list of all of the programs that they're eligible for as well as the program guidelines for each individual program so that they know what kind of process they would need to go through to apply, what the particular conditions of the program would be or the eligibility criteria. All of that is available on the web for all municipalities to access.

Mr. Allred: Can you provide us with a copy of that list? That would be very helpful.

I guess my specific question is again referring to that same document, item 1, fire services and emergency preparedness program, and item 3 on the next page, joint emergency preparedness program. Could you explain what the difference is between those programs, the fundamental difference? They seem to be quite similar.

9:50

Mr. Whittaker: The first one pertains primarily to training exercise funding, I think. It's a relatively small pot of \$650,000. I'll ask Mr. Lloyd to augment. The second one is the project-based funding.

Mr. Lloyd: The deputy has that right. The first level is grants that we provide directly to municipalities to conduct training and exercises for fire services, search and rescue, emergency management exercises. These are generally for municipalities under 20,000. It's generally accepted that the larger municipalities are well organized, they have more resources, and the gap is with the smaller municipalities, so it's directed more towards that.

In terms of the joint emergency preparedness partnership this is money that is a flow-through through the agency from Public Safety Canada to municipalities. The concept is that there is a 50-50 investment. So if a municipality needs a new generator for a standby power source for an emergency operation centre, they would pay 50 per cent and Public Safety Canada would pay the other 50 per cent. There are other projects, typically jaws of life for fire services, sometimes new computer upgrades in emergency operation centres. It does require that investment by the community of at least 50 per cent. They can actually go over that as well.

Mr. Allred: The second program, does it apply to all municipalities, or is it still just for the smaller ones?

Mr. Lloyd: No, to all municipalities.

Mr. Allred: Thank you.

The Chair: Thank you.

We're almost out of time, so I'm afraid we're going to have to read the rest of the questions into the record and receive written responses to the committee through the clerk, please, Mr. Whittaker.

Mr. Chase, would you like to proceed?

Mr. Chase: Thank you. This question is fairly broad based. It has to do with the crossministerial authority, the authority of

Municipal Affairs versus the authority of the ERCB, in terms of not only emergency response but the potential of preventative measures. I was the last intervenor in 2004 in the Compton well proposal, which was very close to the southeast hospital. That was turned down because of the potential effect of 32 per cent sour gas on residents on evacuation routes. Two weeks ago I was at a community meeting in Royal Oak attended by hundreds of individuals, this time over a proposed sweet oil well that Kaiser was given approval by the ERCB to conduct an exploratory well. In terms of the evacuation routes for the residents of Royal Oak there is the Stoney Trail, and there is the Twelve Mile Coulee Road. There's a distance of about four kilometres between those two roads where the residents have no access to Crowchild.

To what extent does Municipal Affairs work with the ERCB or the city of Calgary in terms of the viability of proposals such as this, including evacuation routes? I know that Alderman Dale Hodges has expressed concern that the city didn't have the authority to turn down this well proposal. I realize it's broad and that you can't answer it now, but I very much look forward to the answer that will be provided to the clerk.

Thank you.

The Chair: Thank you.

Mr. Benito, please, followed by Mr. Kang.

Mr. Benito: Thank you very much, Mr. Chair. Can you please provide the grant and funding support that you have given to the library system to enhance support for electronic resources for Albertans to access through public libraries? I'm talking about libraries in the small municipalities, especially with the many foreign workers located in these small municipalities.

My second question is about the education property tax. What impact has the education property tax had on municipalities, and how exactly do you determine each municipality's share?

Thank you, Mr. Chair.

The Chair: Thank you.

To conclude, Mr. Kang, please.

Mr. Kang: I'll be quick, Mr. Chair. On page 89 of the Municipal Affairs annual report the 2010 expenditure for consulting fees was \$50,449 versus the 2009 expenditure of \$15,356, a difference of \$35,093. What type of counsel did the department receive for this kind of pay?

A supplemental is: does the \$50,449 represent fees paid to a single consultant or multiple consultants? If more than one, to whom were the fees paid and in what amounts?

Thank you.

The Chair: Thank you very much.

That concludes this portion of our agenda. I would like on behalf of all committee members, Mr. Whittaker, to thank you and your officials for your time and your attention and, in some cases, your patience with the committee this morning.

Mr. Whittaker: Thank you.

The Chair: The very best to you and your staff in the next fiscal year.

Mr. Whittaker: Thank you very much, Mr. Chair and members.

Could I give you an advertisement around the emergency warning system? We have upgraded the warning system. MLA Calahasen asked about it earlier. We've upgraded it; it's very high-tech. It's actually leading edge in Canada, and other provinces are looking to it. We'll put some information out to all MLAs. We'd love to get you all hooked up on every single device that you have, that you carry – your BlackBerrys, your cellphones, everything else – because it's a way of getting instantaneous access to information on an emergency that may be occurring in your constituency. We're going to push that information out to folks and hope that you subscribe. So an advertisement. Sorry.

The Chair: Thank you very much. The very best again to you. You're free to go while we conclude the rest of our agenda. Thank you.

Item 5. Is there any other business?

Seeing none, I would like to remind members of the date of our next meeting, which is scheduled for March 7, 2012, with Edmonton public school board.

May I please have a motion to adjourn?

Mr. Allred: So moved.

The Chair: Moved by Mr. Ken Allred that the meeting be adjourned. All in favour? None opposed. Thank you.

Have a very good week. We look forward to seeing you on the 7th of March at the same time, 8:30 in the morning.

[The committee adjourned at 9:57 a.m.]

