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Standing Committee on Public Accounts

Participants

Ministry of Municipal Affairs

Ethan Bayne, Assistant Deputy Minister, Municipal Assessment and Grants

Gary Sandberg, Assistant Deputy Minister, Municipal Services

Paul Wynnyk, Deputy Minister

Alberta Emergency Management Agency

Scott Long, Acting Managing Director

Municipal Government Board, Surface Rights Board, New Home Buyer Protection Board, Land Compensation Board

Susan McRory, Chair

8 a.m.

Tuesday, October 27, 2020

[Ms Phillips in the chair]

The Chair: Okay. Well, good morning, everyone. I'd like to call this meeting of the Public Accounts Committee to order. Welcome, everyone in attendance.

My name is Shannon Phillips. I'm the MLA for Lethbridge-West. I'm chair of this committee. Ordinarily we would go around the table and introduce ourselves, but things are different now with a number of members attending by phone and video conference. I will note for the record that the following members are present either via video or via teleconference. We have Mr. Lorne Dach on video, Mr. Peter Guthrie on video. Mr. Wylie, the Auditor General, is also joining us by teleconference.

Just a reminder of the public health imperative to remain six feet apart. I have brought my metre stick, friends. This is three, not six. There are public health guidelines that Dr. Hinshaw has urged us to follow in this Legislature precinct, and we should do that given the numbers.

We will proceed, and I will also note for the record that in a couple of different conferences on public accounts recently we were the one of the first to institute the video and teleconferencing, and I want to thank the LAO once again for that and the ability for members to do their jobs even through this pandemic. We were one of the first in the country and certainly around the Westminster system as well.

We also have, for the record, Brad Ireland joining us as Assistant Auditor General, and from the LAO, the Legislative Assembly Office, we have Nancy Robert, the research officer, and Aaron Roth, the committee clerk. We have a number of officials from the Ministry of Municipal Affairs: Paul Wynnyk, deputy minister; Ethan Bayne, ADM of municipal assessment and grants division; Dale Beesley, ADM of technical and corporate services; Dan Balderston, senior financial officer; and Scott Long, acting managing director of AEMA. Welcome to you all, gentlemen.

A few housekeeping items before we turn to the business at hand, which is that in a memo on August 24 from hon. Speaker Cooper everyone outside of those who have an exemption – those observing the proceedings of the Assembly or its committees are required to wear face coverings. Further, now that we have a number of people who are joining us by video conference and teleconference, please ensure your microphones are muted unless you are recognized to speak. For those members and guests present in the room *Hansard* will operate your microphones for you, so you do not need to press the button.

Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The transcripts of meetings can be accessed via the Legislative Assembly website, as can the audio, and video streams are on the archive.

I think we will have now the members in the room introduce themselves around the table, now that we have discussed folks who have joined us by other means. Members, please.

Mr. Gotfried: Richard Gotfried, MLA, Calgary-Fish Creek, and deputy chair. Good morning.

Mr. Rowswell: Garth Rowswell, Vermilion-Lloydminster-Wainwright.

Mr. Reid: Good morning. Roger Reid, Livingstone-Macleod.

Mr. Stephan: Jason Stephan, Red Deer-South.

Member Ceci: Joe Ceci, MLA for Calgary-Buffalo.

Ms Renaud: Marie Renaud, St. Albert.

Mr. Schmidt: Marlin Schmidt, Edmonton-Gold Bar.

The Chair: Okay. Very good. Friends, we will now move on to the approval of the agenda. Are there any changes or additions to the agenda at this time?

Seeing none, would a member like to move that the agenda for the October 27 meeting of the Standing Committee on Public Accounts be approved as distributed or as amended? Moved by Member Rowswell. Very good. Is there any discussion on this motion?

Seeing none, members, unmute your microphones, please. All in favour? Very good. That motion is carried.

Members, please remute.

Before we move on to the approval of the minutes, I will note for the record that Member Barnes has joined us by video conference. Welcome, Member Barnes.

Ms Rosin: Chair?

The Chair: Yes?

Ms Rosin: If I could, Miranda Rosin is on teleconference as well. I believe I was missed.

The Chair: You know what? A very good reminder. Thank you, Member Rosin.

For the record she has joined us by teleconference. I'll just give a quick moment just in case anyone else has joined us by teleconference or video and we have not yet noted it for the record. Sometimes that happens.

Mr. Dach: Dach is here by video.

The Chair: Very good.

I think that's all. Thank you very much. If there are any other members who do end up joining us as the meeting proceeds, please just send a note to the clerk, and we will note it for the record. Very good.

Let's move on to the minutes, then. We do have the minutes from October 2. Are there any errors or omissions to note in regard to these minutes?

If not, then would a member move that the minutes of the October 2 meeting of the Public Accounts Committee be approved as distributed?

Mr. Gotfried: So moved.

The Chair: Moved by Member Gotfried.

Is there any discussion on this motion?

Seeing none, all in favour? Very good. That motion is carried.

We'll now move on, friends, to the items of business for the day, welcoming our guests from the Ministry of Municipal Affairs, who are here to address the office of the Auditor General's outstanding recommendations and their annual report of 2019-20. Very good. I invite officials now to provide their opening remarks, up to and including 10 minutes, please.

Mr. Wynnyk: Thank you, Madam Chair, and good morning. My name is Paul Wynnyk. I'm the Deputy Minister of Municipal Affairs, and I'm pleased to present highlights from the Municipal Affairs annual report for 2019-2020 and to provide an update on the two outstanding recommendations from the office of the Auditor General. As noted earlier on, joining me at the table is Dale Beesley, the assistant deputy minister of technical and corporate services.

I've got Ethan Bayne over here, the assistant deputy minister of municipal assessment and grants; Mr. Scott Long, the acting managing director of the Alberta Emergency Management Agency; and Dan Balderston, my senior financial officer. I'm also joined by a number of staff in the room and on the phone, who I will introduce as and when necessary.

In 2019-2020 the ministry delivered on commitments in its 2019-2022 business plan. Municipal Affairs provides supports for municipalities, guidance and training for local governments, property assessment and taxation supports, and investments in local infrastructure and public library services. We strengthen public safety through building codes and safety standards, licensing for home builders, and by preparing for and responding to large-scale emergencies across the province. We work with our municipal partners to support Albertans and the communities they call home, and this is reflected in our latest annual report.

I would now like to highlight some of our major initiatives and achievements over the past year. First of all, like all ministries, Municipal Affairs is working to reduce red tape. The changes will make it easier for Albertans to interact with their governments and for businesses to move forward. They will also make it easier for local decision-makers to do their jobs and serve their residents. This work began in the fall of 2019 with the introduction of Bill 25, the Red Tape Reduction Implementation Act, 2019. That legislation made a large number of very simple administrative amendments to the Municipal Government Act, and very importantly it significantly streamlined the process for municipalities to develop intermunicipal collaborative frameworks with their neighbours.

We introduced further amendments to the MGA this past spring.

Looking ahead and working with our municipal partners, we plan to do a line-by-line review of the second-largest piece of legislation in the province, and we will look at more ways to cut red tape in the weeks and the months that lie ahead.

The ministry supported several municipal infrastructure projects, and these are vital in creating safe, sustainable, and viable communities where Albertans can thrive, have jobs, and raise their families. These included \$642 million through the municipal sustainability initiative, or the MSI, to help fund local infrastructure projects across the province such as roads, bridges, recreation parks, transit, waste-water facilities, and other municipal infrastructure; \$244 million through the federal gas tax core funding plus another \$229.5 million in top-up funding; and \$8.7 million for 56 infrastructure projects under the federal small communities fund.

In 2019-2020 Municipal Affairs completed assessments for over 1,380 companies, resulting in \$2.6 billion in municipal property taxes and \$652.8 million in education property tax for the province of Alberta.

Municipal Affairs continues to support the vital work of Alberta's library network. We have a very strong network here in Alberta, and we want to keep it that way. We are very pleased to have been able to maintain stable funding support for libraries in 2019-2020 and again this year. Our support includes public operating grants, support for SuperNet access in public libraries, interlibrary loan management, province-wide e-content, and breaking down barriers to library access. As an aside, our support for SuperNet access and e-content has proven especially valuable this year. It has allowed libraries to continue to provide valuable services to Albertans throughout the pandemic.

8:10

Managing a safety system that ensures all Albertans are safe in their homes and communities is an important part of our business. For this reason, the ministry has adopted the latest in safety codes for building, fire, and energy efficiency. A key highlight was

introducing regulations that will update future additions to our safety codes automatically one year after the new edition of the national building code is published. This will improve public safety by ensuring Albertans are protected with the latest safety measures in new homes and buildings. This change also improves labour mobility by making it easier for tradespeople to come to Alberta. It helps training institutions and industry prepare for and respond to code changes. It allows industry to use the latest construction and safety technology, and it supports Alberta in influencing how codes are developed at national and international levels.

Making sure Albertans and Alberta communities are safe and well prepared for disasters is a critical piece of our ministry's work. Last year we updated rules to protect Albertans from disasters. We made amendments to the Emergency Management Act and added the local authority emergency management regulation, that came into force on the 1st of January, 2020. These changes help municipalities better prepare for disasters by providing clear direction to municipalities about their emergency management roles and responsibilities. The new regulation will help communities improve their response to disasters by updating requirements for training, management plans, and evacuation orders. The ministry consulted with 92 municipalities and five organizations to gather input that helped inform the new regulation.

Another key accomplishment in this area includes the introduction of Alberta's first-ever 911 standards, developed after consulting with 911 stakeholders. The standards create efficiency and consistency in Alberta's 911 centres and ensure all Albertans have the support they need in an emergency.

The ministry also launched an online application process which allows Albertans to apply for disaster financial assistance and track their application online.

Turning now to two outstanding recommendations from the Auditor General, the first recommendation is from the February 2016 Auditor General's report on effectively implementing the transition of the administration of the disaster recovery program from a contracted service provider to the government of Alberta. The recommendation led to the creation of 11 priority projects. The steps taken include establishing a project management office, obtaining skilled project managers, creating a staffing surge plan to enable a quick response in the first 30 days after a disaster, clarifying policy to better enable Albertans to determine if they qualify to apply for the DRP funding, and ensuring standardized administration to process claims more efficiently. With this in place, we have informed the Auditor General that this recommendation is now implemented.

The second recommendation, which is currently in progress, relates to flood mitigation identified in the Auditor General's March 2015 report. This is a complex issue involving a delicate balance between public safety and the rights of property owners. A floodway development regulation has been drafted for government consideration.

Finally, the Auditor General made two recommendations following a review of the ministry's provincial hazard assessment. They relate to the province's processes for hazard identification and risk assessment and our monitoring and reporting of an incident following an incident. Work is well under way to comply with both of the recommendations. We expect to implement a renewed hazard identification assessment framework in early 2021, with improvements to our postincident reporting coming this fall. We are committed to continuous improvement in recognizing, assessing, and mitigating disaster risks across the province.

These ministry accomplishments are only a few highlights from our annual report that convey the scope of our responsibilities, action taken, and the direction we continue to work towards. In

conclusion, I'm proud to acknowledge that in all our roles, responsibilities, and programs, Municipal Affairs is committed to making the lives of Albertans better.

Madam Chair, I'm now pleased to take any questions the committee may have.

The Chair: Well, thank you very much, Deputy.

We do have an opportunity now for the Auditor General to briefly discuss his comments. He has up to five minutes. Mr. Wylie or Mr. Ireland, please.

Mr. Wylie: Thank you very much, Chair, and I'd like to thank the deputy for his comments as well. The committee has received a briefing on our recommendations, so I'm not going to go into detail on those. I want to thank the deputy for his update on the assessment of those recommendations and where the ministry is at.

I do want to take maybe just a couple of minutes on the provincial hazard assessment audit just to provide the context for the committee, stressing the importance of this piece of work and the recommendation we've made. Really, there are two aspects to this. The first is cost. Costs are rising. The second one is that the system is very, very complex. So those are two areas of risks when looking at systems audits. They are something that, you know, is a focal point for us.

On the matter of costs, we're not only talking about financial costs, but we're talking about the human costs. The financial costs: you know, between 2010 and 2016 the cost of disasters in Alberta approximated \$9 billion. That cost certainly is becoming a burden to society – there's no doubt about that – and the costs are increasing. On the human side, those Albertans who have personally been impacted by floods or wildfires in the province: they know too well the personal cost that they've experienced and the impact that it's had on their lives. When we talk about costs rising, it's really the financial but also the human aspect of costs and the impact directly on Albertans who've experienced these disasters personally.

The second area was that the system is complex. I want to stress that. You know, this system is very complex. It involves multiple layers of government: the federal government, the provincial government, the municipal governments. There are other organizations involved: not-for-profits, for sure, and indeed the private sector. There are multiple layers involved, and it requires a great deal of co-ordination and clarity of roles and responsibilities in order to understand these risks that we're talking about at a provincial level and be able to readily identify and manage those risks as best we can as Albertans.

Chair, I just wanted to provide that context on the provincial hazard assessment audit. We do believe that's an important piece of work. I was very pleased to hear from the deputy that they're making progress on this, and we look forward to following up on the implementation when it's done. We do believe that this certainly will benefit all Albertans, for sure.

Chair, I'll leave it there. Thank you very much.

The Chair: Thank you very much, Mr. Wylie.

Now we'll move on to the question rotation. Just a reminder for members – oh. Before I do that, welcome to Member Toor, joining us in person. I'd just note his presence for the record.

We'll just move on to our questioning rotation. Something I neglected to flag at the beginning but will now: we will proceed with an ordinary two-hour meeting for the questioning rotation, friends. When we have a little bit of time, we go with a 15-minute rotation at the beginning for the Official Opposition and the government, and then we switch over to the 10-minute rotations as

opposed to nine. We do a shorter meeting when we have morning session.

With that, we will now move on to the 15-minute rotation. The first rotation begins with the Official Opposition, please.

Member Ceci: Thank you. I'd like to begin. I'm Joe Ceci from Calgary-Buffalo and the Municipal Affairs critic. Thank you very much for your presentation, both you and the Auditor General. I just want to recognize that Minister Allard, of course, is in isolation, and I look forward to seeing her back in the Legislature when she's out of isolation in the not-too-distant future. She and I have been looking to spend some time together since she got appointed to her position, and this has gotten in the way of all of that, but I look forward to that opportunity as well when she can return.

8:20

I want to thank you, Deputy Minister, for your presentation. I will spend my time around questions regarding the COVID-19 pandemic if you don't mind. That starts on page 65, 66, somewhere around there, and the ministry's response to all of that as you're the ministry responsible for emergency preparedness.

Mr. Long is here as well. Is it acting managing director?

Mr. S. Long: Yes, sir.

Member Ceci: It is. Okay. That's going to be extremely helpful as well.

You know, I think Albertans, certainly business owners and just regular Albertans, have a lot of questions with regard to the government's response, and this is a unique opportunity to try and elicit some of those answers for them. Today is the first day we can have an opportunity, a serious opportunity, as members of the opposition to elicit those answers.

My first question has to do with: at some point in late January, early February, as the record shows in your report, a decision was made to convene the Deputy Ministers' Public Safety Committee to focus solely on planning and preparation for the pandemic. This committee provided and provides support for the Emergency Management Cabinet Committee, and I can well remember many briefings, especially for the Fort McMurray wildfire, that cabinet received regularly. No doubt this current cabinet received similar kinds of briefings.

In any event, the committee provides support to the Emergency Management Cabinet Committee. According to this report it was reviewing and co-ordinating major COVID-19 related policy decisions. As referenced on page 68, the committee met on February 11 to review key plans, including the province's business continuity plans. At the highest level of government by February 11 you were already in crisis planning for the world-wide pandemic that we all experienced.

We had a lot of businesses go bankrupt, as you know, and a lot of businesses had to shut their doors because they weren't ready for this pandemic and had to adhere to public health directions and didn't have enough time to plan before the lockdown occurred.

My first question is this: why didn't the government alert the public and the Alberta business community to get serious about planning for the pandemic? Why not tell the public as soon as February 11 that the threat was serious, serious enough that the government was actively in the crisis planning mode and that they should get ready, too?

Mr. Wynnyk: Thank you, Madam Chair, for Mr. Ceci's question. I'll take this question. I'm actually the chair of the Deputy Ministers' Public Safety Committee. I would say that at this point we have the benefit of hindsight; we did not at the time. The

meeting that I chaired on February 11 was actually more an information briefing, a resource levelling to consolidate the information we had, to ensure that all the deputy ministers and all the departments had a common understanding of the threat as we knew it at the time, and there was obviously considerable information that we did not know. Nobody knew that information at the time.

Once again, it was just to make sure that everybody was thinking along the same lines, that we were preparing, but we in no way had any idea of the size and magnitude of the COVID threat, and quite frankly nobody in the world did, insofar as I know, at that point. What we did do, though, was make sure that everybody sort of refreshed their memory on the pandemic response plan. I think the committee is aware that Health had the lead and continues to have the lead on the response. Municipal Affairs looks after the broader response and ensured that any of the lessons learned from the exercise that Mr. Long's department did the year before were fresh. Fortuitously, it was on pandemic planning. The deputy ministers' committee knew about it, and essentially we were well positioned and, once again, levelled in that regard.

I think I might ask Mr. Long just to talk a little bit about the preparations, particularly with regard to that exercise that we did. We found that very useful. As is always the case, you can't predict the future, but having done that exercise the year before actually allowed us to get out of the starting blocks and, I would say, gave us the time to adapt to the particular circumstances and peculiarities of COVID.

Mr. Long, if you have anything to add.

Mr. S. Long: Thanks, DM. Sure. For emergency management exercise 2019 we were approached by Alberta Health, fortuitously, as the DM just said, to have a look at the Alberta pandemic influenza plan, to review it and revise it and learn from it, and at the same time we were looking to validate the GOA's business continuity plan for 2019, so a double whammy, if you will. Throughout the exercise the scenario was a pandemic that impacted core government business, so business continuity aspects. We did produce a report – Alberta Health produced a report – from that, and some exceptional learnings were briefed to the ADM and DM levels as well as through the business continuity and consequence management officers that operate in the Provincial Operations Centre. Some of the key learnings that came from that were the requirements for remote working, the IT supports required to actually conduct that kind of remote working, and an understanding – and this proved to be very important – of what actually is critical infrastructure and essential workers.

As well, one of the lessons that came out of it was on clear roles and responsibilities. We're talking about business continuity issues at the same time as a pandemic, so we really had to understand how Alberta Health, as the lead ministry, was going to do its work supported by us. I will echo the DM's comments. We started off the pandemic with a real good understanding of what we were supposed to do and how we were supposed to complement each other. The Provincial Operations Centre was activated for 200 days. Alberta bits and pieces and the PPE task force resided there.

Again, no one was prepared at the start for what was to come, but I believe that we did a good job on behalf of all Albertans to this point in time.

Member Ceci: Thank you, sir and Deputy Wynnyk.

I can certainly appreciate, you know, that you're from the Canadian Armed Forces and that getting people together, getting them understanding, briefing them on what the issues are, and using the previous information is a helpful way to start. But I'd like to

take you back now to February 25, if I could, a couple of weeks after the 11th and after the highest levels of government started planning for the pandemic and getting the whole of government organized around that. The public still isn't live to the significance of the threat. On February 25 the government delivers a Speech from the Throne. There isn't one mention of the biggest risk facing this province in a very long time, but internally the government clearly is concerned, is bringing people together, and has activated its crisis planning team.

On February 27, more than two weeks later, the government releases Budget 2020, and we get over 700 pages of ministry business plans for the year but no mention of the upcoming pandemic and the planning that is actively under way to address it. On behalf of Albertans and members of the opposition the question that I'd like to pose is: if you've been in crisis mode for weeks now, why not tell the public and give direction to your political masters that the Speech from the Throne or the budget are great opportunities to address this huge risk? Let me put it another way: why was it not shared with Albertans that we were in crisis planning mode for the pandemic, that not only would business have to be changed for the government of Alberta but that businesses across this province would have to change their activity?

Mr. Stephan: Point of order.

The Chair: Thank you, Mr. Ceci.

We have a point of order. Please proceed, Member.

Mr. Stephan: Sure. Under Standing Order 18 – I just lost it. This is not relevant to the annual report. The Speech from the Throne is not in the annual report.

8:30

Mr. Schmidt: Madam Chair, if I may, I believe . . .

The Chair: Maybe just wait. Sorry, Member.

Mr. Schmidt: Oh. Sorry.

The Chair: Member Stephan, is there anything to add on the point of order?

Mr. Stephan: No.

The Chair: You were finished. Okay. I just didn't want you to be interrupted.

Please.

Mr. Schmidt: Thank you, Madam Chair. My friend from Calgary-Buffalo was of course referring to the crisis planning that government was already undertaking that's being led by Municipal Affairs. His question really speaks to what responsibility Municipal Affairs had or felt they had to communicate this issue to the public. So I think it, of course, relates to the annual report and the activities of the ministry from 2019 to 2020, and I think that this question is perfectly in order.

The Chair: Thank you, Member Schmidt.

I think that what we have here is a difference of opinion on how to frame a topic, and members do have wide latitude in terms of how they want to spend their 15 minutes. If they would like to spend that 15 minutes providing context and not really asking much in the way of questions, then they have every right to do that as members of this committee, so I'm going to ask Member Ceci to proceed. He has provided references to page numbers and so on – and I'm just looking them up here – so we are going to proceed on that basis.

In general it is going to be my approach to ensure a fairly wide latitude to members, as I have done for the government side as well. If they want to spend their time framing their questions, they are perfectly within their rights to do so. We have broad privileges as MLAs.

Member Ceci: Mr. Wynnyk, do you remember what the question was?

Mr. Wynnyk: I've made some notes. Yes. Thank you.

Thank you once again for the question. I think, once again, in the context, with looking backwards with sort of hindsight, it's important to keep that in mind. I wouldn't say that we were in crisis planning at the time. I would say that we were in contingency planning, looking at all eventualities, which we do for any potential threat or potential crisis, quite frankly. A lot of that is done in the Provincial Operations Centre. This was part of, I would say, that levelling exercise that I did with the Deputy Ministers' Public Safety Committee to essentially, once again, make sure they were aware of the potential threats and to solicit their feedback as well. But we were certainly not in any position, I would say, at that point to be informing the public of anything – there were lots of questions that we had – nor would Municipal Affairs be responsible for informing the public. That would be communicated by government when the facts were there. I'm not sure we were as far along, perhaps looking at this in hindsight, as you have mentioned.

Member Ceci: Well, I certainly am just kind of reading the record as I see it here and trying to understand what was in the minds and the actions of folks. So if we go back to late January or early February – and the decision was made on February 11 to bring together the deputy ministers in the team that you talked to. Was that your decision, to bring those people together on February 11?

Mr. Wynnyk: Yes, it was. We had a scheduled meeting at that time, but given the emerging threat I devoted the agenda primarily to the emerging threat of COVID, but we also did cover a couple of other issues. I don't recall specifically what those other issues were.

Member Ceci: Was your minister at the time informed about the bringing together to inform people, the potential risk, the organization that was necessary to start the emergency planning?

Mr. Wynnyk: He was certainly aware of the theme of the meeting and the agenda of the meeting. I'm not sure at that particular point that we had a firm grasp on what the risk was. That's precisely why we gathered the meeting together, once again, to crosslevel brief on what we knew and to ask deputy ministers to start thinking about contingencies as we began the planning process.

Member Ceci: Then I assume that the Premier may not have been involved or aware of the work that you were doing at the deputy ministers' level to bring those deputies together to talk about the whole of government planning that was necessary.

Mr. Wynnyk: I'm not aware whether the Premier would be aware of that specific meeting or not. He's certainly aware of the existence of the deputy ministers' various committees, but I'm not sure if he's aware of specific meetings, nor is he briefed on the agendas.

Member Ceci: Do you know at what point the Premier started to receive daily operational briefings with regard to the work that was going on, either from the Deputy Minister of Municipal Affairs, you, or the deputy minister of government operations and Executive Council?

Mr. Wynnyk: I do not recall exactly when those specific briefings would have started, but I do know that he was briefed very frequently as the situation evolved, multiple times a day.

Member Ceci: Just looking back at the record and the things that occurred, on February 26, 2020, the ministry put out its first statement related to anything emergency management with a news release. It's now more than two weeks after the senior level of leadership in the government is meeting to address the upcoming crisis, but that February 26 news release doesn't mention anything about a pandemic or COVID-19. Instead, it talks about emergency management exercise 2020, which is focused on multiple tornadoes. It wasn't until roughly a month after the first crisis meeting was held that the Premier and the Deputy Minister of Municipal Affairs announced action on a pandemic in a news conference. So my question is this: why the month-long delay from the start to telling the public?

The Chair: Thank you, hon. member. That was our first 15-minute rotation.

We will now move over to the government side for their questions. Please proceed.

Mr. Rowsell: Thank you. On page 23 of the annual report is commentary on the Alberta community partnership, and its standard goal is to support municipal-regional collaboration and capacity-building initiatives, with a budget of 16 and a half million dollars. Now, there are five streams – and I'll ask some questions specifically about that a little later – but I'm just wondering: how does the department determine the allocation of the funds to the programs?

Mr. Wynnyk: Once again, Madam Chair, thank you for the question. I'll begin, if I may, with a bit of a general response and then ask Mr. Bayne, because that's in his department, to perhaps elaborate on your question.

The Alberta community partnership: it's an application-based program, and funds are allocated to the five program streams based on projected need in any given year. The streams are intermunicipal collaboration, municipal restructuring, municipal internship, mediation and co-operative processes, and strategic initiatives. Those are the five broad areas, and for each of those funding streams program guidelines define program eligibility and reporting requirements that include eligible and ineligible expenditures and grant maximums for each program component, to ensure that grant amounts are appropriate.

That's sort of a general overview, but perhaps I'll allow Mr. Bayne to comment as that's his area.

Mr. Bayne: Thank you, Deputy. Just briefly to add, as you mentioned, that the Alberta community partnership is an application-based program, unlike the municipal sustainability initiative or some of our other programs that are allocation based, where each municipality receives a defined amount according to a formula. For this program, we have to allocate funding amounts to each stream in each year, and in essence that's based on the activities that are under way in the ministry and in the municipal world more broadly related to those funding streams. For example, on the intermunicipal collaboration stream, that has in recent years received a sort of higher than traditional allocation as we approached the legislated deadline for municipalities to complete their intermunicipal collaboration frameworks.

Some of the other funding streams such as municipal restructuring: those allocation amounts would be based on the number of municipalities, for example, that we have in ongoing viability review

processes and how close those might be to conclusion. We sort of anticipate, when restructuring support funding, either on the front end to do infrastructure studies and inform that process or on the back end to actually carry out a municipal restructuring, when that might be necessary. It's a matter of that what is, essentially, going on in the broader municipal world at the time sort of affects how much goes into each funding stream in a given year.

8:40

Mr. Rowswell: Okay. How do you determine the value of money for funds granted, and how do you measure the effectiveness of what you're doing there?

Mr. Wynnyk: Once again, maybe I'll start and allow Mr. Bayne to carry on. Any grant applications we have are reviewed to ensure alignment with the program objectives and criteria that are set by the department and approved by the minister. That will sort of, in effect, ensure that projects provide value for the dollars spent. That sort of frames it and provides the parameters.

Of course, reporting on the use of funds is required, and it's reviewed by the program staff that work for Mr. Bayne. Municipalities must retain supporting documentation and invoices for any project costs for a minimum of three years following the project completion. As part of the annual site visit initiative that we have within Municipal Affairs, the staff visit a number of municipalities and then they essentially spot-check. They view completed ACP-funded projects.

Once again, Ethan, if you would care to add anything, please feel free.

Mr. Bayne: Thank you, Deputy. I don't have much to add on this one. I'll just say that it essentially depends on the type of project in the different funding streams. The ACP supports different types of activities that municipalities undertake, often collectively, so in some cases it's relatively easy to assess using the sources of information through the application and follow-up process. It's relatively easy to assess value for money, and there's a discrete project outcome that we can evaluate.

In other cases, such as I alluded to earlier, infrastructure studies that support and inform a viability review process, essentially the outcome and the value, are a well-informed public process that culminates in, for example, a vote or a decision on community viability. That's less easy to measure value for money in a quantitative way, but it's really about sort of supporting that local democratic process and the community consideration of their future. It really varies by the type of project.

Mr. Rowswell: Okay. Thank you.

Yeah. I notice, like, in that year, the '19-20 year, 62 per cent went to intergovernmental collaboration type funding. You're suggesting that that was higher than normal because of that deadline date. I know in my own constituency there was some – like, the MD had really good relations. They did a good job. They got it all put to bed. Then another one had a lot of trouble. I was wondering. Like, the mediation process: I assume, based on the low amount that was spent – it was, like, 65 grand – that that wasn't a very big problem, where you ran into problems with the different municipalities getting along with each other and figuring out a way to collaborate. Is that true?

Mr. Wynnyk: Go ahead.

Mr. Bayne: I would say generally – and I might ask if my colleague Gary Sandberg could supplement because the mediation programs actually run out of his division. Generally speaking, leading up to

the deadline, we saw in that final year support for 15 groups of municipalities to complete their ICFs, and we had over a hundred other regional collaboration projects that were supported through the program. Generally speaking, you would see the mediation process specifically related to ICFs be undertaken after the deadline if the municipalities were unable to complete that.

In the year in question, '19-20, you are correct; the funding amount spent on the mediation component was slightly under a hundred thousand dollars, and we'd actually anticipated that it could be higher, up to a million – I believe that was our projection for that component – and that was not realized in this year in question. But that's to some extent having to do with the timing of those processes and when municipalities decided, potentially, those were not going to come to a fruitful conclusion and that they might have to pursue other avenues or they were still working hard talking locally and trying to get those deals done.

Mr. Rowswell: What were the major sticking points, then, in those ones that required mediation, if that's something you guys track?

Mr. Bayne: I would perhaps defer to my colleague on that question.

Mr. Wynnyk: Mr. Sandberg – I did not introduce him – is the ADM for my municipal services division. As Mr. Bayne said, he oversees the mediation section. Gary.

Mr. Sandberg: Good morning. I'll be brief. Realistically, most of the conflicts that we have found between municipalities and the ICF process tend to cluster around recreation services. There are other areas of dispute at a very local level, and they will depend on the situation. But I would say that probably more than 80 per cent of the disputes would generally be in the area of recreation.

Mr. Rowswell: Thank you.

Then to municipal restructuring specifically. We went through one of these in my constituency, and a question came based on the voting and how, if you're a landowner and pay taxes but live outside of the town, you don't get to vote. If you're a business owner and pay taxes but you live outside of town, you don't get to vote. If you're a renter in the town on the day of the vote, you get to vote. There was some concern about that. How was that established? Like, has that been the way it's been for quite a while?

Mr. Wynnyk: Once again, maybe I'll start off and then ask Mr. Sandberg to carry on. It's actually his division that oversees the municipal viability section and those votes that you're referring to. I do not have the answers on the specifics, but I suspect that Mr. Sandberg would be able to address those questions.

Mr. Sandberg: Good morning again. Thanks, Deputy. The votes that are held under the municipal viability process are held under the rules of the Local Authorities Election Act, so they're held just as if they were, for an example, a by-election or a municipal general election. The Local Authorities Election Act sets out the requirements that in order to vote, you must be a resident of the municipality for a certain period of time and you must actually reside in the municipality. It has been a question for many years in terms of, you know, whether business owners or people that have a property interest should vote, but we follow the rules of the Local Authorities Election Act.

Mr. Rowswell: I noticed that when there's an infrastructure assessment done, the budget is about 120 grand. That's what was spent in this particular town that I'm talking about. Is that a standard amount, or is that flexible based on the size of the assessment?

Mr. Bayne: The budgets for those infrastructure studies range depending on, you know, the size of the municipality and the complexity, but I would say that that's in the typical range. Some of them go up to \$200,000.

Mr. Rowswell: Okay. All right.

The other one is on the transition payout. If a rural municipality takes over or a town becomes a hamlet and they take it over, what is the range for the transition payment, and how is it calculated?

Mr. Wynnyk: I think, once again, that Mr. Sandberg would be best equipped to do that. I don't recall the exact figure, but I think he might. He's just doing a bit of research. I will say, while he's looking for that, that there is a range and there's a ceiling, and I believe that is paid for out of the community partnership fund.

I'm confirming with ADM Bayne.

Mr. Bayne: Yes, that's correct.

Mr. Wynnyk: That is the source of the funds, from within there.

Mr. Rowswell: I just notice that it creates – with the one that I had, like, there was a shortfall, so the county wound up assuming some leftover expenses.

Mr. Wynnyk: I may add, while we're waiting for Mr. Sandberg, that to a certain degree it is a bit of a negotiation. We are looking to make sure, essentially, to level the playing field, in the sense that we're not able to provide funds to essentially bring the village or the hamlet up to the gold standard. We seek to bring up funds to a similar level across the county as we go forward.

I think Mr. Sandberg has a few things to add.

Mr. Sandberg: Thanks. Sorry for the delay. The transitional grant is offered only in the case where there is, in fact, a dissolution that occurs, where a village or a town, the residents of that community, vote to dissolve into the surrounding rural municipality. There are kind of three components of that funding. The first one, which has already been talked about, is the infrastructure study that is done in advance, and that's, generally speaking, around \$120,000 per infrastructure study. If the vote is positive in the sense that the electors of that community vote to dissolve, then the surrounding rural municipality is eligible for a restructuring grant to at least offset some of the costs of absorbing that community.

8:50

The formula for that grant – there are two streams. The first is a transitional stream, which is more geared around sort of the logistical and operational challenges of absorbing that municipality, and that grant starts at a base of \$300,000, and then there is a – sorry; it's a maximum of \$300,000. It starts with a base of \$100,000, and then there is \$4 per capita from the size of the municipality that has been dissolved, up to a maximum of \$300,000.

And then there is a second component, which is intended to deal with the potential costs of upgrading infrastructure or potential costs related to any debt that the dissolving municipality may have incurred over the years. That grant starts at a base amount of \$500,000 and then a per capita amount of \$1,500, up to a maximum of \$3 million. Obviously, the amount of a grant depends on the size of the community that is being dissolved.

Mr. Rowswell: So, then, if there was an amalgamation within a county and all the towns and everyone agreed to do this, would that transition amount be there as well, or is that different?

Mr. Wynnyk: I don't believe it would be.

Gary, could you confirm?

Mr. Sandberg: I may need to lean a little bit on my colleague Ethan on this. I'm not sure if he knows the details, but historically, until recently, there was a gap or a difference between the amount of funding that would be available in the case of a dissolution and the amount of funding that would be available in an amalgamation. We've been looking at that over the last couple of years because it does seem to create a disincentive to choose one road or the other. I don't know, Ethan, if we've actually – I believe we've adjusted the funding.

Mr. Bayne: Yeah. That will be implemented . . . [A timer sounded] Sorry.

The Chair: Thank you.

Just for all departments, you do have an ability to follow up in writing within 30 days, and we have a little bit of time at the end, whereby members read questions into the record for three minutes. If there are any other numbers or other figures that need to be provided that members are looking for, you do have that opportunity as well, department members – so that's good – and then, that way, the members can get to more of their questions, and they get more information and more out of their membership in the Public Accounts Committee.

Thank you, Member Rowswell, for that.

We will now move on to a 10-minute rotation, beginning with the Official Opposition. Please, Member Ceci.

Member Ceci: Thank you. If I can just take you back to my question that I almost got asked. As I understand it, February 11, really, you as a deputy start the ball rolling with other deputies, and AEMA is helpful in terms of previous activity that they've done in preparation for pandemics and the like. My question is, really, from February 11 until about March 17, when society and Alberta businesses were asked to shut down – I guess I'm interested in some of the timeline around that. At what point, Deputy, did the Premier start to receive operational briefings, either from you or from the deputy of government operations and Executive Council, on this issue?

Mr. Wynnyk: I don't recall the precise date on which the Premier received briefings. I know, certainly, like us – and I'm supposing here – he was tracking the situation, but I do not recall when the briefings started. I know the Premier is briefed daily on emerging situations.

Member Ceci: Right. No doubt. Is that something you can provide this committee in terms of a follow-up? I'm sure there are minutes and information with regard to your activity or the Deputy Minister of Executive Council's activity with regard to this pandemic specifically.

Mr. Wynnyk: We can certainly go back and check when I first briefed the Premier. Yes, we could get that data.

Member Ceci: Thank you very much.

I almost finished my question, I guess, and I just want to take you back. My question is: between February 11 and March 17, why the delay in telling the public, from your knowledge? Why not say to the public that "the government is in crisis planning mode around this very serious pandemic; we're concerned you should get ready because we're getting ready," with regard to continuation of business and other aspects that you were prepared for?

Mr. Wynnyk: Madam Chair, once again, thank you for the question. I think – and I know I keep coming back to this – we have the benefit of hindsight now. We did not actually have all the information at the time. This is why we convened on the 11th of February. We started gathering the information. I would say that you keep referring to crisis planning. I think we were in contingency planning at that time, and I certainly see a difference. I don't think the country, any of the provinces, had an idea of the scope and magnitude of the COVID pandemic, and as the situation evolved, we continued to have updates and briefings, eventually reaching the point where we did start into more significant planning. But, once again, I wouldn't call it crisis planning at that time. It was contingency planning.

Member Ceci: Yeah. Whether it's contingency or crisis, the world was going into lockdown across the world, and Alberta followed that. That is a crisis for, obviously, businesses that have gone out of business, people who have lost their livelihoods. But thank you very much for your answers.

I'll just move on to cede my time to my colleague. I believe MLA Dach wants to follow up.

The Chair: Yes. Please, Member Dach.

Mr. Dach: Thank you very much, Chair. I would, first of all, like to start by gaining a bit of a better understanding as to what happened in the meat plants in the province with respect to the pandemic. I'm just wondering. To begin with the obvious questions, who made the decision to keep the plants open? Was it the Premier, the minister of labour, the Minister of Health, or the Emergency Management Cabinet Committee? I'll direct that to the deputy minister.

Mr. Reid: Point of order.

The Chair: Sure.

Mr. Reid: Relevance. I'm not sure what the opening or closing of meat plants has to do with the work of Municipal Affairs.

The Chair: Sure.

Mr. Schmidt: Madam Chair?

The Chair: Yeah.

Mr. Schmidt: May I respond to the member? Of course, it quite clearly says on page 67 of the annual report that for pandemic response "the Provincial Operations Centre was responsible for Government of Alberta departments, municipalities, and other stakeholders" and that only "Alberta Health Services was responsible for procurement for the healthcare system." So it quite clearly states in the annual report that Municipal Affairs was the lead agency for government on the entire pandemic response, which I assume includes how the government was going to deal with outbreaks at meat-packing plants. However, we haven't even yet had the chance to hear the answer from the deputy minister. I would suggest that this question is indeed in order, and I would look forward to a response from the deputy minister on this issue.

Mr. Gotfried: Madam Chair, just to follow up on that, I would actually like identification of the specific dates that are being referenced, please, that they fall within the 2019-2020 annual report.

Mr. Schmidt: Madam Chair, in response to that, you know, I understand where the Member for Calgary-Fish Creek is coming from. However, the annual report this year, that we are looking at, talks about the impact of COVID-19 in June on pages 65 and 69 and discusses the relaunch strategy that was put forward on April 30, 2020, all of which occurred past the end of the fiscal year. So I would argue that if it's fair for the Department of Municipal Affairs to speak past the end of March 30, 2020, in their own annual report, that opens the door to us asking questions about the pandemic response that's identified in the annual report.

The Chair: Okay. I have heard deputations from both sides of this issue, and I think that given that this annual report actually concerns itself with a quite unprecedented piece of business and, in fact, that its first sentence has to do with COVID-19 and that there is a broad range of topics addressed in it, the members do have latitude to query those broad topics.

9:00

I will ask the member to ensure that he is speaking to the role of the AEMA or Municipal Affairs or the Provincial Operations Centre within the parameters of this department given that this department cannot provide, necessarily, commentary on the specific actions of other departments, to confine his questions to AEMA's response within what we see here is called a whole-of-government response that they undertook. I hope that clarifies the matter, please.

Mr. Gotfried: Madam Chair, if I may. Just quickly looking, the occurrences that I think are being referenced fell after April 20, April 29, April 28, into May 2020, which is outside the scope of this committee at this point in time, so I would ask you to reconsider that ruling.

Mr. Schmidt: Madam Chair, if I may. The report itself also talks about the impact of COVID-19 in June 2020, which is well beyond the date of the meat-packing plant outbreaks that, I believe, are the subject of the question from the member. I would argue that if Municipal Affairs sees fit to talk about the COVID response in June 2020, it's only fair to ask about their role in the meat-packing outbreak, if any, in April 2020.

The Chair: Thank you, Member.

We do have a number of dates referenced within the annual report. I will just reiterate my previous indication to the member to ensure that he is querying the department on the role of the department with respect to COVID-19 response. Of course, in terms of the deployment of resources and the financial statements and so on, we will confine ourselves as much as we can to the dates that are prescribed. However, if departments have discussed other time periods, initiatives, undertakings, and so on within the annual report, members do have a wide latitude to query what is meant by those statements, what this department's role is in giving effect to those matters.

We are going to proceed back to questioning, Member Dach, with the guidance to ensure that we are talking about the role of Municipal Affairs and its associated agencies and entities.

Mr. Dach: Thank you, Chair. Pursuant to the role of Municipal Affairs and AEMA your annual report discusses the pandemic response at great length, including the key role that the ministry plays in emergency response and supporting the Emergency Management Cabinet Committee.

Now, back in April we had one of the worst outbreaks of COVID-19 on the planet in Alberta at Cargill and JBS meat plants. At

Cargill we nearly had a thousand COVID cases, people died, and we still don't know what the long-term health consequences will be for those that were infected. Now, workers at the plant were concerned about safety and were literally begging for the plant to be shut down. What I want to know is: on what day was the decision made to keep the plants open, and was the decision ever reconsidered as the situation got worse?

Mr. Wynnyk: Madam Chair, thank you for the question once again. I think that is a question better directed to Agriculture and Forestry. I will say that Municipal Affairs' involvement in this particular aspect, bearing in mind it is after the date that this report is concerned with, was in providing and supplying personal protective equipment, as we did for many Albertans and the government workers as well.

I think Mr. Scott Long can provide perhaps a few additional details on what was done in that regard.

Mr. S. Long: First off, sir, thank you for the question. The Provincial Operations Centre, AEMA, co-ordination across ministry and with all of our emergency management stakeholders at the federal level, communities, et cetera: we activated to level 2, the 30th January; level 3, the 14th of March; and level 4, highest level of activation, on the 17th of March. During that time period we stirred up the Pandemic Response Planning Team and the PPE task force, charged with providing vulnerable Albertans and essential services the PPE, personal protective equipment, which was incredibly difficult to find at that point in time.

With respect specifically to the ...

Mr. Dach: All right. Thank you, sir, for that response.

I need to move on, though, and get to the germane part of my question, which is: who was giving advice on the matter of keeping the meat plants open? You were saying that it wasn't Municipal Affairs. I'm wondering which ministries were actually involved, because the public wants to know who actually made the decisions. Did the government consult with the owners of the plants, Cargill and JBS? That decision to keep those plants open put people's lives at risk, and we want to know who, in fact, was responsible for that decision. So are you saying that it was not your ministry?

Mr. Wynnyk: I can't speak on behalf of other ministries, but, no, Municipal Affairs did not play a part in the decision in that regard. We were, certainly, supporting, as Mr. Long said, in addressing the problem, but it's probably a question for other ministries.

Mr. Dach: All right. Thank you, Mr. Wynnyk.

I'll move on. Now, obviously, any decision to lock down an industrial site, certainly one as critical as the meat-packing plants in Alberta, involves trade-offs. Now, you're of course balancing the risk of infection and death versus the economic cost. At Cargill we had roughly a thousand cases and people died, but the government wanted to keep the plants open. So from the perspective of giving advice from the civil service to elected officials, how do you do a cost-benefit analysis? What value is put on human life versus the infection? I know that this must have been something from the Alberta emergency management association's purview, an analysis that would have been done to determine whether or not to keep the plants open. What conversations do you recall having about this decision point?

Mr. Wynnyk: Thank you, once again, Madam Chair, and thank you for your question. I'm going to question your assumption right at the beginning. Neither AEMA nor Municipal Affairs were

involved in the calculus that you're describing. I'm not actually aware of what discussions went on in that regard.

I think it's important to remember as well that in the response to the pandemic, which is ongoing, Alberta Health has the lead, not Municipal Affairs. Municipal Affairs is in a supporting role. Once again, the role that we played in this particular aspect, the meat-packing plants, is ensuring that sufficient personal protective equipment, which was quite scarce at the time, was brought to bear and supplied to address the problem.

Mr. Dach: All right. Well, I'd like to know perhaps in a final analysis what lessons you might have learned from this outbreak from a crisis management perspective within your ministry and whether or not you disagree that the severity of the outbreak was misdiagnosed, or was a thousand cases deemed to be an acceptable number?

Mr. Wynnyk: Well, once again, thank you for the question. I would say that because the crisis is not over – we're still fighting the pandemic – we haven't even done the rollup of the lessons learned yet. That will be done a little bit later on. I don't think anything, quite frankly, from where I sit – and this is my opinion as the deputy minister – was misdiagnosed. There were a lot of unknowns as we went into this crisis. We worked on the information that we had. We developed a number of sort of response scenarios, the range, and adapted well to it. I can only speak for Municipal Affairs, but I'm actually quite satisfied and proud of the response of the department in responding to this.

Mr. Dach: So a thousand cases in one meat-packing plant was deemed to be an acceptable risk factor?

The Chair: I think, Member Dach, I'm going to ask you to rephrase that question. I don't know if it is precisely in order.

Mr. Dach: All right. Thank you very much, Chair.

What I'll do right now is turn it over to my colleague MLA Renaud or others who may wish to continue with their lines of questioning on important issues regarding the annual report and the ministry's response.

Thanks.

The Chair: Okay. We've actually had the time elapse, so we will now move over to the government side for a 10-minute rotation, please.

Mr. Stephan: Thank you, Madam Chair, and thank you to the members of the ministry for attending. I'd just like to gently remind my friends that this is a nonpartisan committee and that all of us need to make sure that we temper our partisan instincts in working together for the public interest. I appreciate talking about accountability in respect of your ministry from the annual report.

9:10

Page 40 of the annual report discusses the investing in Canada infrastructure program, and on page 41 it states that 29 of 62 projects that Municipal Affairs had the opportunity to review they endorsed. What is the process that the ministry goes through? Because, of course, it can't approve all projects, what is the process that is involved when you receive these applications for ICIP funding?

Mr. Wynnyk: Chair, once again thank you. Thank you for the question. I think that once again I'll lead off and ask Mr. Bayne to comment if he wishes as that falls into his particular domain. You're absolutely right. There are a significant number of projects that are

submitted, and not all of them get approved. Alberta Infrastructure requested that each partner ministry, of which Municipal Affairs is one, undertake a review of projects that are actually within their purview or within their scope of responsibility. Municipal Affairs reviewed, as you mentioned in your question, 62 municipally submitted projects for eligibility, and then we prioritized 14 of those projects for Alberta Infrastructure. We do have a scoring criteria, but I think, rather than me getting into the detail, I'll let the expert comment on that.

Mr. Bayne, if you would like to elaborate.

Mr. Bayne: Thank you, Deputy. Just to add, maybe, for the benefit of those members who are not aware of the structure of the ICIP program, which is a federal grant program, there are four funding streams: public transit; green infrastructure; community, culture, and recreation; and rural and northern communities. The task of intake of applications on all of those funding streams was a task that was undertaken across government by a number of ministries, co-ordinated by Alberta Infrastructure. Generally speaking, the way it worked is that the provincial ministry that was responsible for providing the provincial matching fund component was responsible for reviewing the applications in that area.

In the case of Municipal Affairs, actually, the majority of projects where we were responsible for the provincial matching fund, which was provided through the municipal sustainability initiative, were in that community, culture, and recreation stream. The 60-odd projects that the deputy referred to that we reviewed were applications with a municipal project applicant in that stream and a municipal sustainability initiative funding component that was used as the provincial match – those were the ones that we were responsible for looking at – and then feeding those evaluations into the broader government evaluation of all of the projects across all the funding streams that Alberta Infrastructure co-ordinated.

Mr. Stephan: Thank you. Could you speak in a little bit more detail on the scoring criteria that was referenced in terms of ensuring that it's a principled approach, that it's an equitable approach?

Mr. Bayne: Thank you. It's a very good question. We did have to in our review blend the federal program criteria, which were in a sense mandatory because the outcome of the process at the end of the day – when we prioritize projects as Municipal Affairs, Infrastructure co-ordinates those decisions across government. Alberta then submits those to the federal government for approval, so the federal program criteria are mandatory ingredients in our review of the projects. Supplementing that, we added criteria that were specific to Alberta's priorities and Alberta's objectives, including those projects that had the potential to stimulate the economy, foster economic development, and in particular we emphasized those that were best positioned to begin construction within 12 months of project approval.

Mr. Stephan: Thank you very much for that.

I'm going to talk about another element of provincial support for our municipalities. On page 37 of the annual report there's a pie chart for capital funding of local infrastructure projects. In 2019-2020 \$642 million was directed to capital projects. Can the department explain what role, if any, it has in ensuring that the capital projects, once approved, are carried out in a cost-efficient manner?

Mr. Wynnyk: Once again thank you. Thank you for the question. I think we'll use the same format. I'll start out, and then perhaps Mr. Bayne will elaborate a little bit. The MSI is an allocation-based program, and the two strongest cost controls are, first of all,

financial reporting through the annual statement of funding and expenditures that actually fall under the program. I think it's important to note the fact that municipalities have less funding available for other projects if they do not deliver within budget. Any shortfalls would need to be made up from the municipality's own budget or by reallocating municipal sustainability initiative funds from other municipal projects. So there's a bit of an incentive there to actually do it the right way.

Mr. Bayne, did you want to add anything?

Mr. Bayne: No, Deputy. I think you've captured the essence of it.

With an allocation-based program, it's not like, for example, ICIP or the other federal programs that we co-administer, where there's a much more intensive process where we look at the individual project and we receive invoices and we make payments based on those invoices. That's how some of our federal programs work. With MSI, essentially, a municipality gets an allocation. They submit a project application that the department confirms conforms with the program guidelines, which are really our primary lever for determining what types of projects municipalities undertake and what types of costs are eligible associated with those projects. Then, as the deputy mentioned, they submit an annual statement of funding and expenditures that reports how they have spent against those project applications, and we verify those dollars.

Mr. Stephan: My understanding is that with ICIP there is a percentage of copay or participation by the municipality. That would discipline cost control. In respect of the capital infrastructure projects that were funded, the 642, is there an element of copay or participation as well by the local municipalities?

Mr. Bayne: Frequently there is. It's not a mandatory requirement of the program, but you'll find that, depending on the size of the municipality, the MSI funding from the province comprises in some cases a small part, in some cases a large part of the municipality's overall capital plan, and it's really up to them on an individual project basis whether they determine that a project is going to be a hundred per cent funded through MSI, through a provincial contribution – and they will wholly fund different projects through their own source revenues – or whether in an individual project they will blend the provincial grant funding and their own source revenues. It's hard to generalize, but in most cases there is both provincial and municipal capital funding going into a municipality's slate of capital projects, but it's not a mandatory requirement for each project.

Mr. Stephan: I'm looking at page 38 of the annual report. Again, this is in respect of the capital funding of local infrastructure projects. It says that "municipalities committed \$582 million of capital funding for . . . accepted projects." So am I to interpret that as meaning that in most cases – on an aggregate basis, in any event – the municipalities were, if you like, sort of cosharing the cost of their particular infrastructure project almost up to 50 per cent? Is that what that means in terms of that statement in the annual report?

Mr. Wynnyk: Perhaps if I could just provide some context around that statement, and then Mr. Bayne will drill in on your particular question.

Mr. Stephan: Yeah. Please.

Mr. Wynnyk: The MSI program is quite flexible. It provides considerable flexibility to municipalities. You know, one example that we like to highlight is that they can actually save their allocations towards a larger project, which makes sense,

particularly for smaller municipalities, or they can use an MSI to pay off a loan for a major project. When we say that municipalities committed \$582 million, as you referenced, in capital funding, it actually means that the minister accepted or approved \$582 million worth of projects in that particular year. Municipalities receive payments based on the amount of MSI budgeted for each year in the provincial budget, and the payments are applied to the municipality's commitments over time. An example I'll use is . . .

The Chair: Thank you, Deputy. I'm sure we'll get back to it.

We are now on to our third rotation of 10 minutes each. Hon. members, I'm advised that we may go slightly over 10 o'clock. I am seeking your indulgence, your concurrence, that we do so. I will take a simple nodding of the heads unless anyone wants to speak up. Okay. Very good.

The Official Opposition caucus for the beginning of the third rotation, at 10 minutes, please.

9:20

Ms Renaud: Thank you very much for being here this morning. The Pandemic Response Planning Team, according to the annual report, is the central clearing house for the next 12 to 18 months on the pandemic response. However, the report also notes that other units in government are playing a key role, including the Deputy Ministers' Public Safety Committee, the Assistant Deputy Ministers' Public Safety Committee, the Provincial Operations Centre, Alberta Health's emergency operations centre, the provincial emergency social services Emergency Coordination Centre, and of course these are just the organizational units that are within the government of Alberta. Can the minister explain who is responsible for what in the civil service and how information is flowing to ministers, the Premier, and the Emergency Management Cabinet Committee?

Mr. Wynnyk: Madam Chair, once again thank you for the question. It's a great question, and it will allow me to elaborate a little bit on the work of the PRPT and the interface, as you said.

Taking a step back, if I may, I think it's acknowledged that the pandemic is a crisis, a situation on a scale and magnitude that this province hasn't experienced probably since the last pandemic, and we have no reference point in that regard. The Pandemic Response Planning Team was set up as an interministry or interdepartmental deep planning team to actually look ahead so that you had planners from all across government, because of the overarching aspect of the pandemic, to actually look at those things that perhaps the POC, the Provincial Operations Centre, didn't have the capacity to do.

The Provincial Operations Centre is actually designed to respond to localized emergencies in the province. It does have a planning cell. It's a very excellent, proficient planning cell, but it doesn't have the depth and capacity to actually look at the broader impacts that we would be looking at that are inherent to the COVID situation.

Very early on the Pandemic Response Planning Team was set up to sort of look at those broader impacts. Once again, Alberta Health has the lead in the response to the pandemic. It continues to have the lead, but there are obviously impacts, second- and third-order effects that impact on the entire province and all the various departments. This team was brought together with fairly senior-level officials, I would say, at the director level and in some cases executive directors, co-led by two assistant deputy ministers responding to me as well, to actually look at a number of things, essentially deep planning, brainstorming, if you will, based on the information we had, trying to look ahead, once again, based on the information we had, three, four, five, six months ahead, adapting

plans based on that information, and actually getting ahead of where the planning cell in the POC is.

I would say that in a temporal sense – and this is not absolute – it's sort of a guideline. The Provincial Operations Centre – and I will ask . . .

Ms Renaud: If I could just interrupt for a second. If you could just indulge me this question; maybe I'm not understanding something. It sounds like you've got amazing technical skills. You've got people from all over with incredible backgrounds, but at what point does it cross the line to sharing information with Albertans, so sharing the planning process so they, too, can prepare? I guess I'm going back to a couple of the questions my colleagues posed. At what point do you cross that threshold, where you're sharing some of the incredible expertise that's assembled at these levels?

Mr. Wynnyk: Well, Madam Chair, once again, if you'll indulge me and let me explain the planning process, we're certainly not – the results of the planning are eventually shared should the government decide to share the results of the planning, but there's no way that we would engage the general public in the actual brainstorming and the planning that's going on.

Once again, there were a lot of unknown factors with regard to the response, and that's why this Pandemic Response Planning Team was convened, to provide that enhanced planning capacity within the public service to actually generate these plans above and beyond what the POC has. The POC, once again, their planning cell, I would say, would be more used at least in the crisis on the execution and the down and in within 30 days.

I will add as well that the Pandemic Response Planning Team has been stood down. It can be reactivated because of the forward planning that was done, but that was done, I think, fairly late as far as this report is concerned. I think it was towards the end of March.

If I could take just one step back, then. All those agencies and organizations that you mentioned: they exist for the purposes of the response to COVID. We felt there was a need to, once again, develop this enhanced planning cell. It generated a lot of good output, a lot of brainstorming. Some of it was used; some of it wasn't. But I might say that it was excellent in actually informing our direction as we went ahead.

Ms Renaud: Thank you. I'm sorry to cut you off. I don't have much time, so I just want to get to another question.

I'd like to ask about the work of the Pandemic Response Planning Team, which was convened March 14, 2020. I'll refer everyone to pages 68 and 69 of the annual report. When the public health emergency was announced, the Premier said that he did so on the advice of the chief medical officer of health. Rightly so. Later he announced in the Legislature that he was ending the emergency, but critically he didn't consult with Dr. Hinshaw. At her news conference that day she was totally unaware of that decision. My question is whether the Pandemic Response Planning Team provided advice to the Premier on the decision to end the emergency, and if not, where did that advice come from, what level, or which structure?

Mr. Gotfried: Madam Chair, point of order. I'd just like the relevance to the annual report or the outstanding recommendations here.

The Chair: Okay. Thank you.

Mr. Schmidt: Again, Madam Chair, the Department of Municipal Affairs has made it quite clear in their own annual report that the pandemic response is something that they have a significant role in.

It's been quite clear that the end date of March 30 was not a consideration when they wrote their annual report, opening the door to these kinds of questions from my friend from St. Albert. I think that this question is perfectly in order.

The Chair: Okay. In order to avoid more points of order on this, I am going to rule that pandemic response, given that it is the bulk of much of this annual report, is in order and that the time frames that are referenced within the ministry's annual report are what's in order. So if there is something referenced about any other date other than March 31, up to and including, it is in order because it's in the annual report. The OAG outstanding recommendations aren't necessarily bound either by the annual report dates, and they, the contents of those outstanding recommendations and AG reports, are also in order.

Having said that, asking the department to answer for decisions that are not related to what they talked about in terms of the occurrences in April or June or asking the department to answer for decisions made by other departments in April or June is most certainly not in order. Certainly, the referencing of crossministerial co-operation and co-ordination, given that that forms a major theme of the annual report and likely is the reason why it goes beyond the March 31 deadline on the part of the department: that is in order. But asking them to answer for decisions taken by someone else outside of the annual report seems a bit of a bridge too far, hon. members. I hope that that is reasonably clear and that I do not have to rule on this again.

With that, we will restart the clock, with three minutes and 46 seconds on the Official Opposition side, please.

Ms Renaud: Okay. Thank you. You know what? I'm going to move on to a different question so we don't deal with this.

I'd like to ask a serious question about the decision-making with respect to societal restrictions to reduce the rate of transmission. Obviously, your ministry is at the heart of the decision-making process. All Albertans appreciate that there's a need for a balance between reducing the rate of transmission and the economy. As part of the relaunch plan that's discussed in your annual report, there are triggers for further lockdowns. As we've heard, these are either an accumulative increase of 5 per cent or more in hospitalizations over the previous two weeks or if 50 per cent of the ICU beds allocated for COVID are full. Both of these triggers deal with acute-care capacity.

What I think Albertans want to know from the government is your assessment of the long-term health consequences of getting COVID-19, what is now being called long COVID. When the ministry is advising the Emergency Management Cabinet Committee, how are you assessing the risk of long COVID, and how are you accounting for this in the cost-benefit analysis that's done to support decision-making?

9:30

Mr. Wynnyk: Madam Chair, once again thank you for the question. Municipal Affairs or the POC have nothing to do with that. Your question would be much better directed to Alberta Health, who provides medical advice to actually inform decisions. That's completely outside the purview of Municipal Affairs.

Ms Renaud: Okay. I'm going to turn over my time to my colleague.

Mr. Schmidt: Right. Thank you very much. I did want to go back to some questions that we had here regarding pages 64 and 65 of the annual report. The ministry's key activities included supporting the Emergency Management Cabinet Committee. Your role was to

co-ordinate individual ministries in the government of Alberta whole-of-government response. We've established this very well.

You know, according to the annual report the ministry was tasked with "generating, reviewing and co-ordinating major COVID-19-related policy decisions." My first question is: did the issues of outbreaks at Cargill and JBS go to the Emergency Management Cabinet Committee?

Mr. Wynnyk: Madam Chair, once again thank you for the question. I do not actually recall. I'm not saying that it did or didn't, but I actually do not recall. The Emergency Management Cabinet Committee met three times a week for a period of about three months, but any sort of deliberations, once again, would probably be better answered by Agriculture and Forestry. Municipal Affairs did not have a lead on anything to do with that other than supplying the personal protective equipment.

Mr. Schmidt: Yeah. I find it remarkable that in the annual report you state that you're the lead role in government in responding to COVID, yet here you are talking to us about how procuring PPE is the only job that you guys have done. Your statements don't match up with the annual report, in my view. I would like to know if you could go back to . . .

Mr. Wynnyk: Sorry, Madam Chair. Is that a statement or a question that I should respond to?

Mr. Schmidt: It is a preamble to my next question. I would like it if you could provide the committee in writing, sir, any dated material with respect to outbreaks at Cargill generated by the Municipal Affairs department to the Emergency Management Cabinet Committee.

And a follow-up. You were the co-ordinating and supporting ministry, so which ministry, then . . .

The Chair: Okay. Very good. We are on the third rotation, government side, 10 minutes. I believe we have Member Reid – we're still on Stephan. Please.

Mr. Stephan: Yeah. I'm just going to finish off. Thank you so much, Madam Chair, for the opportunity to just ask a question. I am continuing to be troubled. I really hope that all of us – you know, I attended the Westminster workshop on Public Accounts. I really hope that all of us temper our partisan instincts to not try and leverage the COVID pandemic for political posturing.

In respect to the question that we were just talking about, you had indicated that as it relates to the capital funding of local infrastructure projects, not in all cases is there a copay element in terms of the municipal partners that we are helping to support. I would just encourage the ministry – a copay element helps discipline both the application and efficient execution in terms of taxpayer stewardship of dollars.

My final question is just on the MSI. On page 38 of the report it says that it's going to be replaced by a new funding formula starting in '22-23. It states that under the new framework "funding for municipalities will begin at \$860 million . . . with \$455 million in combined funding for Calgary and Edmonton and \$405 million in combined funding for all other municipalities." I'm just wondering how you determined those allocation amounts.

Mr. Wynnyk: Thank you for the question. The total funding element, as you mentioned, is \$860 million, and that's actually established through legislation, the Local Government Fiscal Framework Act. Under that framework Alberta will be more closely aligned with other provinces in terms of the level of funding

that it provides to municipalities. Right now, actually, we're at the higher end of the spectrum here when you benchmark across the rest of the country.

The allocation of funding between Calgary and Edmonton and all other recipients is sort of based more or less proportionally on the historical MSI program allocation. Over the duration of the MSI program Calgary and Edmonton received about 52.7 per cent of all the capital funding, and under this new framework it will actually go up a minuscule amount; Calgary and Edmonton will receive about 52.9 per cent of the funding. The government has committed to engaging with other municipalities about the allocation formula and program parameters for the local government fiscal framework, and we expect to undertake that work in the coming year, particularly in conjunction with the municipal associations, AUMA and RMA, to get sort of a broader view as to whether the proportional allocation that we used for MSI is still applicable or perhaps we might want to look at a different formula, including potentially some asymmetry.

I'll ask Mr. Bayne if he wants to add anything in that regard.

Mr. Bayne: Not much, Deputy. Just very briefly, I guess I would say that in terms of the baseline funding amounts for Edmonton and Calgary and for other municipalities, those were, you know, determined with reference to the work of the MacKinnon panel and certainly the fiscal situation of the government as it was then understood to be. Included in the legislated local government fiscal framework was also a provision tying funding, going forward from that baseline year, to changes in provincial revenue, whether growth or decline, so 50 per cent of that rate of growth or decline will be applied to the municipal baseline funding amount for each year after the first one so that municipal infrastructure funding is adjusted on a year-to-year basis in accordance with the growth or decline of the Alberta economy overall.

Mr. Stephan: Thank you. I'll turn the rest of my time over to my colleague Member Reid.

Thank you.

Mr. Reid: Thank you, Chair, and thank you to members of the ministry for your time today. I appreciate it. I also want to extend just a personal thank you to you and your ministry for the hard work during these unprecedented times. Often we hear critique that – you know, “nimble” is not often a word that is used when we discuss government, but I think the response of our ministries through the pandemic has been exceptional. Thank you for the work that you continue to do as we walk through this with Albertans. I just wanted to extend that and have you pass that on to your staff.

I want to look at page 85 in the annual report, regarding the Municipal Government Board. Reading through, realizing that the MGB has quite a few responsibilities, I did want to flag and highlight your performance measure 5(a) in terms of satisfaction with the appeals process. First of all, kudos on achieving a 95 per cent satisfaction rate. We know that appeals can often be a challenging subject, and now coming in as both a parent and as a business owner, knowing that both my kids and sometimes my staff like to hang out on that lowest rung of the ladder, having achieved a 95 per cent satisfaction rate in the appeals process, are there any plans for you to maybe raise the measure, continue to challenge the board to do an exceptional job?

Mr. Wynnyk: Madam Chair, once again thank you for the question. I'll take a stab at the question, but then I would like to turn it over to Susan McRory right here. She is the chair of the four boards, and she'll be able to add something to that.

Yeah. The statistics we're actually very pleased with. The boards, of course, are adjudicative tribunals, and members decide based on the evidence presented in the hearing. Inevitably, there'll be winners and losers, so we're actually quite happy with the stats that we've got. One would, obviously, expect that the winner is always satisfied and that the loser isn't, but the stats would suggest that certainly in terms of the fairness of how the tribunals were conducted, we've got great satisfaction in that regard.

I think I'll turn it over to the expert, Susan, to elaborate a little bit more on your question.

Ms McRory: Thank you. There are five questions in the questionnaire, and I think the really, really important one from the viewpoint of boards is: were you treated fairly; were you treated politely? I think our target for that should be 100 per cent if we were able to achieve that. But the more difficult one, of course, is when there's a winner and a loser. These are people that are very committed to bringing their issues before the board, so they will be disappointed with the result. In balancing the fairness of the hearing and how the people were treated with the outcome, I think that the target we have is a fair one, an appropriate one for a quasi-judicial board. Ultimately, if they are unhappy with the ultimate result, they could appeal to the court.

9:40

Mr. Reid: Thank you. Again, kudos on, I think, an exceptional satisfaction rating. I think that's fantastic.

I want to focus a little bit on annexations in 2019-20. According to the annual report there were 12 municipalities that were involved in six annexations that were approved during the 2019-20 year. Can I ask the department to elaborate on: how many applications were put forward in 2019-20, how many were contested, and how many were uncontested?

Mr. Wynnyk: Okay. Thank you. I'll start. Once again, I'll ask Mr. Sandberg, who I've already introduced, to elaborate. That falls under him. I'm sorry. No, actually, it doesn't. He's involved in the front part of that. So, yes, Susan may want to comment on this as well.

The MGB process is an average of 11 annexations per year. Last year there were six, but that number has ranged over time from one I think I got in 2013 up to 22 in 2007. So it does sort of run the gamut. Like much of the work of the board, the number of applications depends on factors that are outside of the board's control. When the economy is performing well, municipalities are in need of finding land for development. I think that's an obvious correlation. There's also a life cycle for annexations of anywhere from 20 to 40 years, so it depends when the last annexation was approved. I would say that there's a misconception that many annexation hearings are highly contentious.

But once again maybe, Susan, if you could just elaborate and provide a few more details to illustrate that and anything else you'd like to add.

Ms McRory: The legislation is actually quite silent on what the principles are, whether these should go forward or not. Also, the case law is quite silent on that. Any lawyer would tell you that when there's uncertainty in legislation or in the case law, there will be more litigation. In years past – it would be the 1990s – I think there were a number of contested applications. But with the development of some principles – and this is what the board has come up with; 15 guiding principles that give municipalities a better idea of the lay of the land, as it were. And when you have a better idea of what the principled reasons are, I think there's less uncertainty.

The Chair: Okay. Thank you.

We will now move on to the fourth rotation, Official Opposition. Ten minutes, please.

Mr. Schmidt: Thank you, Madam Chair. I want to go back to these questions around establishing timelines regarding Municipal Affairs and their COVID response. On page – I can't remember. Anyway, back to that February 11 meeting that we were talking about, you said that you were gathering the information that was available to you regarding COVID at that time, and, you know, I'm just wondering: what kind of information did you receive from the federal government since the virus was identified in China on December 31 right up until March 17, when the province went into lockdown?

Mr. Wynnyk: Thank you, Madam Chair. For the meeting on the 11th, if I recall correctly, it wasn't so much gathering information. We were gathering feedback from the deputy ministers as opposed to sharing information that we had. So if I recall – and Mr. Long might be able to elaborate on this because AEMA supported me in that regard – we essentially did a bit of a world scan to look at the world situation. We analyzed the information we had from the federal government of Canada, bearing in mind that at that time we certainly didn't envision – I don't think anybody did – the threat that has actually emerged, with the intent, once again, of ensuring that all the deputy ministers were aware that this could impact us here in Alberta and that they should start thinking, putting some serious thought, into what the second- and third-order effects would be in their particular ministries, which later on, rather fortuitously, actually, fed into the planning that the provincial response planning team did because, of course, each ministry had representatives from their particular ministries on that team.

Scott – I don't know – did you want to add anything in that regard?

Mr. S. Long: I was present at the meeting, and I know that a good part of the time was spent on the emergency management EMX 2019 lessons learned document, again, to make sure that we were all set up in terms of understanding roles and responsibilities. The APIP, Alberta pandemic influenza plan, was looked at. GOA business continuity pieces were looked at to make sure that once we started having or seeing core functions of government start to suffer, what were our actions going to be? There was a lot of review and contingency planning, as the DM has said. I would say, though, sir, that at that point in time the POC was activated. We had already started communications with communities, and by mid-March there was considerable engagement with community DEMS on the emergency management level between the lead ministry, Alberta Health, and us with regard to keeping them in the loop on information. I can assure that at that point in time the major concern was PPE.

Mr. Schmidt: On that question, then, can you, I guess, respond to this committee in writing what the provincial inventory of PPE was on February 11; March 14, when we were locked down; and then March 31, year-end? I would like you guys to respond to us in writing with that information, please.

With respect to the pandemic response, of course, you're co-ordinating all of the ministries. When did you tell the public? When was the public first informed that this work was going on in government?

Mr. Wynnyk: Thank you for the question. I would like to clarify. I was certainly not co-ordinating all of the ministries; I was co-ordinating the work of the Pandemic Response Planning Team in

support of the various ministries and particularly ensuring that where there was not necessarily friction but where there were issues that involved multiple departments, as most did, co-ordination was going on. But there was a lead on every particular file, and those went up to their particular ministries.

I would not be responsible for advising the public of the work of the Pandemic Response Planning Team, nor would I. It's contingency planning, just like the planning section within the Provincial Operations Centre during, what I would say, a typical emergency – and there are no typical emergencies; we're talking about a flood, a fire – nor would we be advising the public of the planning that's going on. We'd often do contingency planning for a number of scenarios, and quite frankly I think it would be confusing. It's not the responsibility of the ministry to advise the public.

Mr. Schmidt: Well, I guess, that's in stark contrast to the way that the provincial government responded to the Fort McMurray fires. The POC and AEMA briefed the public every day during the Fort McMurray fires. What was different this time?

Mr. Wynnyk: Health was the lead ministry this time. It continues to be the lead ministry at this time whereas Municipal Affairs is for, what I would say, once again, a typical emergency response. You know, I emphasize once again that there's no such thing as a typical response. Floods, forest fires: yes, Municipal Affairs and the Provincial Operations Centre would provide daily briefings. But Municipal Affairs – and I stress – wasn't and is not the lead ministry in a pandemic; that's Health.

Mr. Schmidt: When did you brief the public on your key role in co-ordinating the procurement and distribution of PPE?

Mr. Wynnyk: Once again, Madam Chair, I know that we keep coming to the same question. I did not brief the public. We had a key role in co-ordinating and procuring PPE for nonhealth reasons, but the vast amount of PPE was procured through Alberta Health Services. We procured PPE for emergency responders, some government departments.

Perhaps I'll ask Mr. Long. I don't have the exact list. He would have more detailed knowledge of who we procured it for. But it was actually a very small amount. Once again, we looked after the nonmedical aspects.

Scott, anything to add?

9:50

Mr. S. Long: Just to supplement, our focus was on homeless shelters, food banks, women's shelters, vulnerable populations, GOA departments for folks that were working, because at that time a lot of people were doing remote work or rotational work. We provided critical essential services like food supply, i.e., the Cargill feed plant with PPE and truckers, and the list goes on in terms of making sure that all of the critical services required for Albertans – that those folks were provided PPE.

I would just remind folks that this is not normal business for many of these people. Truck drivers and the like normally don't require it, so establishing the logistical piece for that and the burn rates took us a little time. We spent a lot of time acquiring scarce PPE, making sure that they were provided so it would not encumber Alberta Health Services, whose focus was clearly on the health care system.

Mr. Schmidt: Thank you. I want to go back to briefing the public on joining the Canadian Council of Emergency Management Organizations. When did you tell the public that you were entering

into this contract for third-party secretariat services, which is identified on page 64 of the annual report?

Mr. Wynnyk: Once again, thank you for the question. I'm going to turn that question over to Mr. Long again. But as far as I know, we've been a member of the Canadian Council of Emergency Management Organizations since its inception. It says "newly established," but I'm not exactly sure of the date.

Mr. S. Long: Yes, we are a member of the CCEMO, Canadian Council of Emergency Management Organizations, and so on. What that refers to, sir, is that we contracted an organization to do the administrative work to support the CCEMO meetings, which happen monthly. Every province across the country provides funding to support that. We are the chair, so we co-ordinated the first one. We're handing over the CCEMO responsibilities to the province of B.C. in December, and they will assume that contract. It's really just about leveraging that organization to provide administrative support to those critical meetings and make sure that all of the details, the administrative documentation is provided. We were quite frankly struggling with that.

Mr. Schmidt: One final question. It's just a request for a response in writing. If we could have submissions of all the minutes of all of the committee meetings that are referenced on page 65 of the annual report submitted to the committee, I would appreciate that.

I will turn it over now to my colleague, Member Ceci.

Member Ceci: Thank you very much.

The Chair: Okey-dokey. Moving on, then, to our fourth and final rotation of 10 minutes on the government side. Member Reid or Guthrie. I'm not sure.

Mr. Reid: I'll actually cede to my colleague Member Guthrie, and I'll read in a couple later on.

Mr. Guthrie: Thank you and good morning. On page 41 of the annual report it has the stated goal of enhancing access to public library resources. Part of the goal is investing in a province-wide library network. I'm just wondering if the department can kind of explain how the SuperNet connections fit in with all of that and how it helps the department to achieve its goal of supporting public libraries throughout the province.

Mr. Wynnyk: Madam Chair, thank you for the question. Once again, Mr. Sandberg oversees libraries. I'll start and then ask him to add. The SuperNet connectivity is fundamental to the success of the public library system. As you heard in my introductory comments, particularly so, it's really sort of come to the fore during the COVID crisis. We have more than 300 library boards across Alberta, and they're found in every corner of the province. The SuperNet is the backbone that allows every library to connect to each other and to quickly and efficiently share resources. That allows Albertans across the province to access electronic catalogues of library materials and then borrow materials from any other library in the province through the interlibrary loan program. Some public libraries also use their SuperNet connectivity to offer high-speed Internet access to library users as well.

I'm just wondering: did you want to add anything to that, Gary?

Mr. Sandberg: Thanks very much. I think the deputy covered it off quite well. I'll just note there are, in fact, 322 individual library boards across Alberta, and they are, as you might imagine, in every community across the province. A lot of those communities will not have immediate access otherwise to library materials from larger

collections, so the SuperNet access is actually critical to enable what we call interlibrary loans, where materials actually can be accessed from one community to another and very quickly and easily transported across physical boundaries.

As the deputy also referenced, many libraries have been providing a number of other services making use of SuperNet. In particular, Albertans use that tool to access what we call e-resources. We have a significant library of electronic books, we have tools that are available for folks with visual disabilities – and they can access material – as well many people actually have been using libraries as a connectivity point to the Internet to do things, for example, like looking for jobs.

The other thing I would note is that – and this is admittedly beyond the scope of this annual report, but just for context – through the pandemic library services have seen massive increases in the use of their e-resources, in most cases a 200 to 300 per cent increase, so that has been only enabled to happen through the availability of the SuperNet.

Mr. Guthrie: That's great to hear. You touched on something there, I guess, you know, with the rural and urban side of things. How do you measure effectiveness, say, for the grant funding to public libraries? Is there a separation of that measurement between urban and rural?

Mr. Wynnyk: I'll ask Mr. Sandberg to comment on that as well, but I will just say that in general the allocation of grants and funding is more or less proportional to population, probably a little bit skewed to rural areas because, obviously, there's a fixed cost in setting up services in some of the more remote areas.

Mr. Sandberg, go ahead.

Mr. Sandberg: Thanks again. Just very quickly, if I heard the question correctly, it was a question around measuring the effectiveness of the grant funding. We have a number of tools that we use to try and ensure that the grant funds are used effectively, recognizing that to some extent we are turning the funds over to local boards, and they're doing what, in their judgment, is most appropriate for their community. However, we do have, of course, application requirements, and the libraries fill out plans of service that are submitted to the ministry that just give us a sense of the kind of services they're intending to offer to their public and the kind of service levels that are provided. Then they provide annual reports with things like circulation numbers, cardholders, et cetera, so we're able to get that data and have a good understanding about the way the dollars are being used to provide services that make sense in the local communities.

Mr. Guthrie: Okay. I guess from that grant funding, then, in regard to the SuperNet: how much is allocated to SuperNet? Then, you know, this program has been getting knocked around for the last probably 20 years. How close are we to fulfilling all the expectations around that?

Mr. Wynnyk: Okay. Maybe I'll take that one, Mr. Guthrie. Municipal Affairs provides \$2.5 million per year to fund SuperNet connectivity for over 300 libraries across the province. The funding is separate from the operating grants that we actually provide to library boards as well. Public libraries rely on SuperNet as part of their core infrastructure, and in the digital age public libraries play a key role in making sure Albertans have access to e-content such as e-books and audiobooks as well as e-learning and job-seeking resources.

Gary, I'm not sure you have anything to add. No, he doesn't have anything to add.

Mr. Guthrie: Okay. On page 42 it also states that an additional \$700,000 is provided to three large urban libraries and six regional libraries to remove financial barriers and improve access to library services for indigenous communities. Can the department explain: how successful has this particular funding been, and what have been the outcomes? What do they look like during 2019-2020?

10:00

Mr. Wynnyk: Once again, thank you for the question from Mr. Guthrie. We're actually quite proud of the outcomes. Municipal Affairs began specifically supporting indigenous library services in 2016, and we think this has been a tremendous success. As a result of a modest funding commitment of \$700,000 per year, there are now more than 7,500 people living on-reserve or in the Métis settlements who have library cards who did not prior to 2016. Through this funding public libraries in Alberta have increased their indigenous programming and are offering more indigenous resources. They can also leverage the provincially funded *Voices of the Land* project of e-stories and the prairie indigenous e-book collection in the read Alberta e-books project.

One of the most significant success stories is the opening in 2019 of a brand new public library on the Maskwacis reserve, serving 7,000 residents of the four tribal councils that are found there. These 7,000 indigenous Albertans did not have a community library or easy access to a library service prior to 2019. The four tribal councils provide the space for the library, but the operating costs are funded through the ministry's indigenous support initiative, I think, a great partnership that has really delivered solid results in a short period of time.

Mr. Guthrie: Excellent. Thank you.

Just to change the subject a bit here, then, on page 101 of the annual report you can see that the Municipal Government Board, the New Home Buyer Protection Board, the Surface Rights Board, and the Land Compensation Board are going to all be amalgamated into a newly created board. Where does that sit in the process, and what cost savings were realized or are you expecting to realize through that amalgamation?

Mr. Wynnyk: Once again, thank you for the question. I'm going to ask Susan McRory to perhaps pile on after I start the response. The original impetus for administrative amalgamation was cost savings, which at a minimum level have resulted in savings of about \$615,000 per year – and of course that's recurring – and that's through the creation of a single chair, which is Susan McRory, who's here today, and the elimination of the position of the vice-chair. The statutory amalgamation of the boards will not result in substantial additional savings beyond what I mentioned, but there are huge advantages to a new board. The members can be cross-appointed, and experienced members will be retained.

Susan, perhaps if I could get you to elaborate on that a bit.

Ms McRory: One of the challenges is that we do not control the number of applications that come in or the type of applications, and various factors will change what kinds of matters come before the boards. I think I heard the description of nimble. It is an important consideration in the boards that you can shift resources and manpower, womanpower to where it's needed.

The Chair: Thank you.

We will now move on to the three minutes per side. We will begin with the Official Opposition, with three minutes to read questions into the record.

Member Ceci: Thank you very much. Deputy Minister, all members of your team: thank you very much for being here today and answering the questions. I just have a bit of a preamble, and then I've got a couple of questions I want to read into the record. The preamble is that I think that I and my colleagues are spending so much time on COVID because all orders of government have the duty to be as transparent as possible with regard to the actions they're taking. The public and Albertans are really interested in the leadership expressed by all orders of government, including the government of Alberta. That's why we're spending time on that, to not judge it but to get it out so Albertans can make their own decisions.

The questions I have are with regard to what's in performance metric 1(a), the percentage of municipalities deemed to be not at financial and governance risk. That rose to 94 per cent in 2018, the last year of our government. We know there have been a number of changes since then with regard to the municipal fiscal framework; MSI changes, cuts to that; downloading of rural policing costs; the decision to cut grants in place of taxes. My first question, if you can do some work and get back to us, is: based on the work done in the previous year, what is the total funding reduction/increased taxes from these three initiatives projected to be in 2020-21, '21-22, and '22-23?

Just to follow up, downloading that's been done has put significant pressure on municipalities and municipal ratepayers. What's the ministry's expectation on that performance indicator that I mentioned? How many municipalities are expected to be at risk with regard to their finances in the future as a result of downloading?

The thing we've all heard about from the RMA and the AUMA is unpaid taxes. Literally, municipalities are on the verge of bankruptcy in some cases because companies won't pay. I'd love to hear from your ministry what work has been done on this problem, and what are your plans going forward? If your ministry's perspective can be shared in a response. If companies decide not to pay their taxes, what is this ministry doing to step up to the plate and help municipalities fix that problem?

Lastly, the assessment review model. On page 31 it's referenced that your ministry is undertaking that. The new model was meant to be in place for '21. However, the new minister has made a step back with regard to that, and municipalities and industry, you know, are both unhappy. I guess you could say that that's a good political outcome. This minister also stated that she's pushing this issue off for three years. My question is: what will be done over the next three years to address the assessment model review, and how will it be different than today?

The Chair: Okay. Thank you.

Three minutes to the government side, please, for questions.

Mr. Gotfried: Page 81 of the annual report has information regarding the 911 grant. Does the department have any performance measures or indicators for the \$17.1 million granted to the 20 call centres in 2019-2020, and how has the information informed subsequent decisions with respect to 911 services?

I pass to my next colleague, please.

Mr. Toor: Thank you. Information regarding the Surface Rights Board and its backlog of section 36 rental recovery applications begins on page 99 of the annual report. One comment in particular caught my eye. The report states on page 99 that "the highest priority for the four boards is a relatively new problem: the backlog in Section 36 applications." Given that the report states that a number of steps have been taken to address the backlog, including the reallocation of staff, what is the current state of the backlog?

What targets for the completion have been established? Has the department been effective in processing noncomplex files within 90 days? What other targets exist for the types of applications such as complex files? The report identifies having a lack of experienced board members as a factor in the late release of decisions. What is being done to ensure this gap is closed?

I'll pass on to my colleague.

Mr. Rowswell: With regard to the municipal accountability program can the department explain the value that the program offers Albertans and municipalities, and can the department explain how conducting reviews of all municipalities with populations under 5,000 will save us money going forward instead of selective inspections later on?

Go ahead.

Mr. Stephan: Many municipalities repeatedly allow their operating expenses to exceed inflation and population growth. Page 17 of the annual report speaks to a desired outcome for fiscally responsible and accountable local governments. How does the ministry support accountability for municipalities to be good stewards of taxpayer dollars?

Mr. Reid: Back to annexation, given the possible contentiousness of the appeal process how does the board inform the public and other interested parties about any possible annexations before the board?

I'll cede to Mr. Guthrie.

The Chair: All right. Everybody is good? All right.

Thank you to the officials from the Ministry of Municipal Affairs for responding to our questions. The requests for follow-up in writing: the usual practice is for those to be forwarded to our committee clerk within 30 days.

Hon. members, as well, moving on to other business, we have written responses from the ministries of Agriculture and Forestry, Children's Services, and Economic Development, Trade and Tourism from our queries in various meetings over the spring and summer. Those are on the committee's external website for your review.

Just a quick reminder on the public health guidelines. Those at the table, please be reminded to bus your own table. Take your cups and other personal effects with you. Please do not crowd the hallways as you leave. Please leave in an orderly fashion with a mask on and maintaining a reasonable amount of distance given that we are indoors.

Are there any other items for discussion under other business?

Seeing none, the date of the next meeting will be next week on Tuesday at 8 a.m.

I will now call for a motion to adjourn. Moved by Member Reid. All in favour? Thank you very much, members. That has been carried.

[The committee adjourned at 10:11 a.m.]

