



Legislative Assembly of Alberta

The 30th Legislature
First Session

Standing Committee
on
Resource Stewardship

Ministry of Municipal Affairs
Consideration of Main Estimates

Thursday, November 7, 2019
8 a.m.

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**Legislative Assembly of Alberta
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First Session**

Standing Committee on Resource Stewardship

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Standing Committee on Resource Stewardship

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Ministry of Municipal Affairs

Hon. Kaycee Madu, Minister

Ethan Bayne, Assistant Deputy Minister, Municipal Assessment and Grants

Dale Beesley, Assistant Deputy Minister, Public Safety

Brad Geddes, Executive Director, Recovery

Mike Hartfield, Director of Operations, Land Compensation Board

Anthony Lemphers, Assistant Deputy Minister, Corporate Strategic Services

8 a.m.

Thursday, November 7, 2019

[Mr. Hanson in the chair]

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

The Chair: Ladies and gentlemen, welcome. I'd like to call the meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Municipal Affairs for the fiscal year ending March 31, 2020.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, please introduce the officials that are joining you at the table. I am David Hanson, MLA for Bonnyville-Cold Lake-St. Paul and chair of the committee. We will continue, starting on my right.

Member Ceci: Thank you, Dave. I'm Joe Ceci, deputy chair of the committee and MLA for Calgary-Buffalo.

Mr. Loewen: Good morning. Todd Loewen, MLA, Central Peace-Notley.

Mr. Rehn: Hi. Pat Rehn, MLA, Lesser Slave Lake.

Ms Rosin: Miranda Rosin, MLA, Banff-Kananaskis.

Mr. Yaseen: Muhammad Yaseen, MLA, Calgary-North.

Mr. Turton: Good morning, everyone. Searle Turton, MLA for Spruce Grove-Stony Plain.

Mr. Sigurdson: Good morning, everyone. R.J. Sigurdson, MLA, Highwood.

Mr. Singh: Good morning. Peter Singh, MLA, Calgary-East.

Mr. Getson: Good morning. Shane Getson, MLA, Lac Ste. Anne-Parkland.

Mr. Smith: Good morning. Mark Smith, MLA, Drayton Valley-Devon.

Mr. Madu: Good morning, everyone. Kaycee Madu, MLA for Edmonton-South West and Minister of Municipal Affairs. With me this morning are my deputy minister, Paul Wynnyk; Anthony Lemphers, assistant deputy minister; and Dan Balderston, the senior financial officer for my department.

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

Ms Renaud: Marie Renaud, St. Albert.

Ms Phillips: Shannon Phillips, Lethbridge-West.

Mr. Carson: Good morning. Jon Carson, Edmonton-West Henday.

Mr. Dach: Good morning. Lorne Dach, Edmonton-McClung.

The Chair: Thank you very much.

I'd like to note the following substitutions for the record: Marie Renaud for Lorne Dach. That doesn't make any sense at all. Well, that's what I have written down here. I also have Jon Carson for Richard Feehan.

Mr. Carson: That works.

The Chair: That works? Okay.

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

At this time I'd like to say hello to my good friend MLA Pat Stier, who is watching from the comforts of his home in TV land.

We will proceed. Hon. members, the standing orders set out the process for consideration of the main estimates. Standing Order 59.01(6) establishes the speaking rotation while the speaking time limits are set out in Standing Order 59.02(1). In brief, the minister or member of the Executive Council acting on the minister's behalf will have 10 minutes to address the committee. At the conclusion of his comments we begin a 60-minute speaking block for the Official Opposition, followed by a 20-minute speaking block for the government caucus.

The rotation of speaking time will then alternate between the Official Opposition and the government caucus, with individual speaking times set to five minutes, which, if combined with the minister's time, makes it a 10-minute block. Discussion should flow through the chair at all times regardless of whether or not the speaking time is combined. Members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister's time. If members have any questions regarding speaking times or the rotation, please feel free to send a note or e-mail to either the chair or the committee clerk.

A total of three hours has been scheduled to consider the estimates of the Ministry of Municipal Affairs. The scheduled end time of this meeting is 11 a.m. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone here oppose having a break? Seeing none, we will let you know when that break is coming.

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

If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. Points of order will be dealt with as they arise, and the meeting clock will continue to run; however, the timer for the speaking block will be paused.

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

The vote on the estimates and any amendments will occur in Committee of Supply on November 19, 2019. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they will be moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for the committee members and staff.

I now invite the Minister of Municipal Affairs to begin with his opening remarks. You have 10 minutes, sir.

Mr. Madu: Thank you, Mr. Chair, and good morning once again, everyone. I am here to present my ministry's 2019-2023 business plan and highlights of Municipal Affairs' 2019-2020 budget.

I would like to introduce the Municipal Affairs officials with me at the table: first, my deputy minister, Paul Wynnyk; Anthony Lemphers, assistant deputy minister; and Dan Balderston, senior financial officer. In addition, there are a number of Municipal Affairs staff in the gallery who will introduce themselves if I ask them to come to the microphone to provide any supplementary information.

I have some prepared remarks, and then I will be happy to take any questions from members.

As you might expect, the Municipal Affairs budget is aligned to support the broader government strategy and goals. I am going to highlight some of the ways we will do this. I have spoken with many of our municipal partners since the budget was tabled two weeks ago, and I plan to continue these conversations. While we honour our commitment, we cannot ignore the fact that Alberta has a spending problem. We must increase the value Albertans get for their tax dollars and bring our spending more in line with that of other provinces. To help municipalities continue to thrive, we will need to cut the red tape that stops them from reaching their full potential.

Let me begin by saying that the Municipal Affairs budget represents \$1.5 billion of investments into Alberta's communities. That's an overall budget increase of \$368.6 million compared to that of the 2018-2019 budget. The increase comes from a few places: a \$247 million increase in the federal gas tax fund, a \$118.4 million increase in the northwest Alberta wildfire disaster recovery program, a \$1.5 million increase in the 2018-2019 disaster recovery programs and municipal wildfire assistance programs, a \$2.8 million increase in the municipal transportation grant, and a \$500,000 increase in residential protection programs.

There are also reductions from the 2018-2019 budget. This includes a \$14.1 million decrease in grants in place of taxes, operational efficiencies of \$5.9 million, a \$1.5 million decrease in Alberta community partnership funding, a decrease of \$6.8 million in the small communities fund, a reduction in dedicated revenue of \$1.9 million, a decrease of \$700,000 due to transfers to other departments, and a total of \$700,000 in other reductions.

Those are some of the high-level figures.

Now I will dive a bit deeper into the details, starting with the municipal sustainability initiative, otherwise known as MSI. Municipal funding is always top of mind for our municipal partners, and we understand the importance of it, but we also know that responsible spending has to be done at the municipal level as well. The changes we have made to municipal funding will maintain Alberta's strong support for municipalities while moving us closer to the per capita funding levels of other provinces. The MacKinnon report puts Alberta's municipal grant at roughly \$440 per capita, more than 20 per cent higher than the national average of \$357.

For 2019-2020 we are maintaining MSI dollars promised to municipalities. Over the next two years there is an overall reduction of \$236 million, or a 9 per cent reduction. MSI would then conclude at the end of the 2021-2022 fiscal year. This gradual reduction should allow time for municipalities to adjust. We want to ensure that all our municipalities have predictable long-term funding for infrastructure. We are meeting that commitment with a single local government fiscal framework, that commences in 2022-2023, after MSI is concluded. It is affordable, responsible, and supports all municipalities regardless of size.

The city charters fiscal framework, which only applies to the cities of Edmonton and Calgary, will be replaced by the new local government fiscal framework act. We are giving municipalities of all sizes the predictable long-term funding they asked for and need. We are reducing grants in place of taxes by \$14.1 million from the

2018-2019 budget. This reflects a reduction of 25 per cent in 2019-2020 and a further 25 per cent reduction in 2020-2021.

As we saw in the recent economic downturn, municipalities with Crown properties are usually home to a fair number of government employees with stable, taxpayer-backed jobs. This gives those municipalities a greater economic resilience. The largest change in grants will be seen in Edmonton, where most Crown properties are located. Communities where the grants are more than 5 per cent of property tax revenue will be exempt from the reduction.

8:10

Another budget area to highlight is the Alberta community partnership program, or ACP. The overall ACP program budget for 2019-2020 is \$16.5 million and includes a phased reduction to the Edmonton and Calgary metropolitan region boards as they adopt their own funding plans.

One of several programs my ministry manages as well is the federal gas tax fund. These are federal dollars that we will continue to administer. In 2019 the total GTF funding for Alberta municipalities is \$473 million, including a one-time payment of \$229.5 million announced by the government of Canada in March of this year.

We are fully maintaining library funding at the 2018-2019 level. In maintaining this funding, we will ensure libraries continue to offer Albertans much-needed services such as job assistance, language learning, and materials for people with print disabilities.

Our government is committed to protecting Albertans from fraud in the construction of new homes through the New Home Buyer Protection Act. Recently we have heard concerns from Albertans about this program, about poor construction quality and home warranty coverage policies. We are listening to these concerns and suggestions, and we'll be reviewing the effectiveness of the program.

My ministry will continue to transition to a centralized industrial assessment model to decrease administrative costs for municipalities and provide greater certainty and predictability for industrial taxpayers.

We all know that Albertans benefit from a strong education system. While most of the education budget comes from general revenues, education property taxes are an established source of revenue for funding education. In 2019-2020 education property taxes will fund approximately 30 per cent of the cost of education. The education property tax is applied fairly across Alberta. The amount this year will be about \$2.5 billion. The uniform tax rate will be frozen at the 2018-2019 levels.

Albertans benefit from our 911 emergency system every single day. Alberta's Emergency 911 Act lets us collect a levy of 44 cents a month from cellphone subscribers. We then distribute the levy, minus program administrative expenses, in quarterly grants to 911 call centres. We estimate that \$17 million will be available to Alberta's 911 centres in 2019-2020, a slight increase over 2018-2019.

Our government will continue to be there for Albertans, if and when disaster strikes, to recover and rebuild after a disaster through the disaster recovery programs and municipal watch fire assistance programs. Due to the unpredictable size and scope of disaster events, they are funded with support from Treasury Board and cabinet as they unfold. The government has recently provided more than \$150 million in funding for the disasters that occurred in 2018 and 2019.

Given the current fiscal environment the new Provincial Operations Centre, which was budgeted at \$122 million, will not proceed as planned. The existing Provincial Operations Centre in Edmonton will continue to provide emergency response.

My ministry previously amalgamated four quasi-judicial boards to reduce waste and increase efficiency. Legislatively amalgamating these boards themselves will reduce the footprint of government. It will also allow members to serve Albertans more efficiently.

The budget for Municipal Affairs has a very wide scope, as you can see. Our goal with this year's budget is to bring our spending under control while continuing to provide the support that municipalities need to grow and thrive. I believe we have struck the right balance and accomplished that. I thank you for your time, and I welcome any questions you may have at this point in time.

The Chair: Thank you very much, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. The timer will be set for 20-minute intervals so that members are aware of the time. Go ahead, Mr. Ceci.

Member Ceci: Thank you very much, and thank you, Minister, for that wide-ranging overview of your ministry. It's a really broad ministry, with a lot of aspects to it.

The Chair: Mr. Ceci, if I could just confirm that you want to go back and forth with the minister.

Member Ceci: That's fine. We'll start out that way.

The Chair: All right. If it's okay with the minister, we'll go back and forth.

Mr. Madu: I am okay with that.

The Chair: Super. Thank you very much.

Member Ceci: Just on that kind of overview and before I get into some of the comments that you made, Minister, I'm not a very interrupting guy, but since we only have a very limited amount of time to look at your estimates, if I do interrupt, I apologize in advance. Take no offence at it, please.

The ministry, as I was saying, is very broad. Many things with regard to life in Alberta are touched by the ministry that you oversee: the new home warranty, the centralized industrial assessment, the education system tax collection, grants, and on and on and on. I was curious about what you spoke about with regard to MSI. You said that your intent – and I don't mean to put words in your mouth – that responsible spending at the municipal level is really important to you. Is it your view that that doesn't occur in places or broadly or with municipalities, that they're not responsible in spending?

Mr. Madu: I think the point I was making, Member Ceci, is that while municipalities have got the responsibility to manage their affairs, I don't think that in times of serious economic challenges that we face in this province, it is a bad thing for all of us, including our municipal partners, to embark on a program review to see where they can find efficiency. As you know, the province – municipalities are quite included in our province. If we are struggling – and I don't think any member of this committee will disagree that the province is in dire economic circumstances right now – it is in times like this that we must look for ways to make sure that we are living within our means and make sure that we don't sacrifice the core programs and services that our people rely on. I think that is the point I was trying to get to.

Member Ceci: That's great. Where have you got that idea that municipalities don't regularly review their spending and have a good finger on the pulse ...

Mr. Loewen: Point of order.

The Chair: Go ahead.

Mr. Loewen: Yeah. I just wonder about the relevance of this. You're not asking to do with the budget or line items or anything like that. I think we could probably get back on track here. You're asking for opinions, and the budget isn't opinions. The budget is black and white.

Member Ceci: I'm just questioning him on his opening statement.

Ms Phillips: Mr. Chair, if I may, in response to the point of order. Certainly, within the business plan there are a number of places where it is stated that one of the outcomes is Albertans will live with fiscally responsible and accountable local governments and so on. There are a number of different spots where we have language around changing accountability mechanisms and changing processes around accountability mechanisms. The member is querying the opening position of this, which is that there needs to be change in some way, shape, or form around accountability mechanisms.

Mr. Loewen: I believe the question was: where did you get your opinion? I think that's out of line.

The Chair: Member, you've made your statement.

I'll make a ruling on this. I think that to avoid confusion, before you enter into a question, if you could just refer to, "I'm referring to the business plan" or "to the fiscal plan" or "to your opening statement," I think that would eliminate some of the confusion.

Go ahead, Member Ceci.

Member Ceci: Sure. Just with regard to the major part of the increase in your budget – I think you said \$1.5 billion, an increase of \$368 million this year – am I correct in understanding that almost, well, \$247 million I think you said was federal transfers to your ministry? Is that right?

Mr. Madu: Yes, I think you are – \$247 million, to be precise, the federal gas tax fund. Yes.

Member Ceci: Just to confirm that that transfer was after March 31, that it was post the '18 budget? Is that right?

Mr. Madu: I am going to defer to one of my senior staff to deal with that question.

8:20

Mr. Lemphers: Good morning. My name is Anthony Lemphers, ADM, corporate strategic services. The funding was announced by the federal government in March of 2019 and was provided to the provinces post.

Member Ceci: Post. Okay.

Mr. Lemphers: Post April '18. Yes.

Member Ceci: Great. You did talk about a number of things, the city charters fiscal framework. I've got a number of questions about that. Can you describe the consultation process undertaken in order to establish the base funding and design of the local government fiscal framework?

Mr. Madu: Let me say that, you know, the question of long-term, predictable funding for all municipalities is something that has been going on for some time prior to our government, so that consultation

has been going on before our government was elected in April of this year. As you can imagine, part of that particular work led to the city charters fiscal framework that was put in place by the previous government for Edmonton and Calgary.

Member Ceci: I know.

Mr. Madu: And if you recall, you know, the rest of the municipalities were looking for long-term . . .

Member Ceci: We were working on it.

Mr. Madu: . . . funding as well. Upon being elected, you know, I have made it a point of responsibility to speak to many of our municipal leaders. I spent the summer travelling to most of our municipalities across this particular province to have a sense of some of the things that they would want us to pursue on their behalf. We've held several meetings. My departmental staff have been in constant communication and consultation with our municipal partners. But the government, at the end of the day, you know, understands that this is something that we're looking for and will be pursued with Budget 2019-2020.

Member Ceci: Okay. Let me stop you there. As I understand the consultation process, you talked to people, and then you designed the local government fiscal framework internally. There was no negotiation.

Mr. Madu: Well, if you are referring to negotiations in the strict sense of that term – and it could be legal or quasi-legal – I mean, there wasn't a panel that was set up to go back and forth between the provincial government and the municipalities. But, you know, there is always constant consultation, discussion going on over a wide range of issues that impact municipal leaders, and that's exactly what we did.

Member Ceci: Thank you. As I remember the process that I and the previous Minister of Municipal Affairs were engaged in with regard to the city charters fiscal framework, there was a sit-down at tables and a discussion and a negotiation. I don't hear any of that from you.

Mr. Madu: Well, again, the fact is that all of us in this room know that all municipal partners were looking for long-term, predictable funding.

Member Ceci: That's true.

Mr. Madu: And that's exactly what we have delivered.

Member Ceci: You've provided. Sure.

What steps did you take to consult on this local government fiscal framework with important partners such as AUMA and RMA and the cities of Edmonton and Calgary?

Mr. Madu: Well, I had several meetings. I can advise that I had several meetings with the AUMA leadership, the RMA leadership, and we talked about all kinds of things that they wanted us to pursue, again, on their behalf. I think they fairly understand that that was coming. Again, this is in response to a demand of theirs, from AUMA and RMA, and I had the opportunity several times to have those conversations with their various leadership.

Member Ceci: You talked about the LGFF replacing the city charters fiscal framework with Edmonton and Calgary. During the election campaign your party promised to keep that city charters fiscal framework. Why did you change course?

Mr. Madu: Well, Member Ceci, again, when we were sworn in, we inherited a fiscal mess, and that's something I don't think anybody in this particular room would disagree with.

Member Ceci: I would.

Mr. Madu: The previous government, of which you were the Minister . . .

Member Ceci: I think they would, too.

Mr. Madu: . . . of Finance, overprojected the provincial revenue by more than \$6 billion.

Member Ceci: I've heard this from your boss.

Mr. Madu: Mr. Ceci, you won't allow me to finish. You ask a question. I will address your question.

Member Ceci: Just quickly.

The Chair: Please don't talk over each other, and allow the minister to answer the question.

Member Ceci: Just quickly, Minister.

Mr. Madu: Yeah. But the point I'm making is that your previous NDP government overprojected the government revenue, and we fell short by more than \$6 billion.

Member Ceci: Okay. You've made your point. I don't agree with you.

What guarantees can you give municipalities that the local government fiscal framework won't be replaced in a similar manner to the city charters fiscal framework?

Mr. Madu: As I travel across our province and listen to our municipal partners, I think that they recognize the fiscal mess that we find ourselves in, and they recognize the need for us to live within our means. They recognize the need for us to move in a different direction from the previous government, and that is why we have taken pain to put together the new local government fiscal framework act, you know, to make sure that our spending is in line with the national average. My expectation is that all of us in this room and all of our municipal partners will continue to work with us to make sure that we rebuild our economy and to make sure that we bring our spending in line with the rest of the country. My sense is that as long as we continue to work together . . .

Member Ceci: You won't rip it up.

Mr. Madu: We've put together a fiscal framework that I as Minister of Municipal Affairs and our government . . .

Member Ceci: You stand behind.

Mr. Madu: . . . think is in the best interest of our province.

Member Ceci: Okay. Thanks.

In this budget, these estimates, was there monies put aside or was there monies around Bill 7? I can't remember the name of Bill 7, that you brought forward in the spring session, but obviously there was . . .

Mr. Madu: You're referring to the Municipal Government (Property Tax Incentives) Amendment Act, 2019.

Member Ceci: Oh, correct. Thank you very much. I'm just curious because your ministry spent time and effort putting that together. The first piece of legislation in the spring session from your ministry was that bill, Bill 7, giving local governments the power to pass nonresidential tax forgiveness bylaws for up to 15 years in a bid to stimulate economic growth in their municipalities. As I said, I'm curious to know if any municipalities are reporting that they've used this new power, how many, and where.

Mr. Madu: As you can imagine, it is a new bill that we've just put in place. I can confirm that several municipalities have told me that they are exploring how they are going to put to use that piece of legislation, but suffice it to say that, again, Bill 7, the Municipal Government (Property Tax Incentives) Amendment Act, 2019, is legislation that we put in place to make sure that municipalities are able to reach their full potential in attracting investment and new businesses in their various localities. To your question specifically, I can tell you that, you know, a wide range of municipalities are looking at ways to implement Bill 7, and I have assured them that myself and my department will be there to work with them.

Member Ceci: That's interesting, Minister. That's not what I heard from municipalities. They used the words "race to the bottom," "eating each other's lunch."

Mr. Smith: Point of order.

The Chair: Go ahead, Mr. Smith.

Mr. Smith: I'm having a hard time figuring out what budget line this is from, where in this budget a previous piece of legislation from the spring actually relates to this budget. I can understand if perhaps the hon. member would like to ask that question, but perhaps those questions are best asked outside of the budget estimates process. Let's actually get into this budget and into the numbers and into where, you know, we're supposed to be doing our business today.

8:30

The Chair: Thank you very much, Mr. Smith.
Would you like a rebuttal?

Ms Phillips: Absolutely. On page 123 of the Municipal Affairs business plan 2019-23 we have outcome 2: "Alberta's economic prosperity is facilitated by local governments." Subsection 2.2: "Enable municipalities to foster economic growth by ensuring they have the tools to do so, including . . . allowing municipalities to offer multi-year property tax incentives," which is exactly the piece of legislative change that the minister was referring to. He was also referring to the type of feedback that he received as a result of the ministry's efforts around section 2.2.

The Chair: Thank you very much.

Again, I'll just ask members: when you're asking your question, if you could say: I'm referring to this section of the plan or the budget. Then we can avoid some confusion. Because those items are directly related to the business plan, I will allow the question to continue.

Member Ceci: Minister . . .

Mr. Smith: If I could just say one thing. I apologize. I was not aware of that. If I had known that that was where you were speaking to, then I . . .

Member Ceci: It's in the business plan.

Mr. Smith: Yeah. If you could just reference it.

The Chair: That's why I would ask that you reference the business plan, follow the questions, and we'll continue. Thank you.

Member Ceci: Not in the estimates is the fact that you didn't put any – from what I can see, municipalities are forgiving up to 15 years, but I don't see any matching or any participation from the Ministry of Municipal Affairs. If you think it's such a good idea for them, why haven't you incented it at all, besides the legislation?

Mr. Madu: What I was saying is that I think this is part of the problem that the previous government found themselves in that resulted in the catastrophic policies that you guys pursued. Because . . .

Member Ceci: I asked a question. Why didn't you incent . . .

Mr. Madu: I am – yeah. What I have found, with respect to how the previous government approached your public policy, is the notion that, you know, pouring money on every single thing is the only solution to all problems. I think you'd agree with me that oftentimes that is not the case. What we have done with Bill 7 is to provide the flexibility to municipal councils to take a look at their local circumstances, working with their regional partners to figure out how to make sure that in this global business environment we have the best jurisdiction to attract and retain new investment and to help struggling local businesses to be able to come out of the economic difficulties that, quite frankly, we find ourselves in as a consequence of policies pursued by your government that you are a part of.

Member Ceci: All right. Minister, thank you very much.

Just as a comment, I'm not sure how this develops regional co-operation when what I heard is that one municipality will try to take a business opportunity away from another municipality. You're saying the exact opposite to what I'm sure we've heard from municipalities.

Mr. Madu: Let me say this. You know, I have spent my life in private-sector and public-sector and not-for-profit organizations, and oftentimes you will agree that it is rare sometimes to find that you would have a piece of legislation that would have a near-unanimous consensus on how to operationalize it. There's no question in my mind that when we are putting forward Bill 7, there will be a few municipalities that would have an issue with it – and that's exactly what you are alluding to – but by and large the vast majority of the municipalities that I have spoken to understand the need for us to pursue policies that will help their communities, help our province overcome our current economic difficulty. As I've already said, my focus as the Minister of Municipal Affairs is to make sure that our municipalities are working with the province to ensure that we are attracting investment. A flexible tool, as embodied in Bill 7, in my view, is going to be helpful to all of our municipalities.

Member Ceci: Yeah. That's fine, Minister.

Getting back to the local government fiscal framework, you know, you talked about that it's a necessary thing. It replaces the city charters fiscal framework and expands it. Can you explain the base funding for the municipalities under the local government fiscal framework and at what rate that grows along with provincial revenue?

Mr. Madu: What we have put together in the local government fiscal framework is that the legislation establishes a baseline

funding amount for Calgary and Edmonton as well as four other municipalities beginning in 2022-2023. In future years this amount is tied to 50 per cent of the change in provincial revenues, so you know, that is the base funding that we have put in place. This means that the total funding amount for municipalities will be a known one, and we have years before municipalities will receive the funding so that they can budget appropriately.

Member Ceci: Super. Under the city charters fiscal framework the growth constraint, if you want to talk about it that way, was not 50 per cent. How did you come up with 50 per cent, and was this negotiation?

Mr. Madu: Well, again, Member Ceci, as you rightly know, the MacKinnon report makes clear the dire economic circumstances that we find ourselves in and the fact that we spend 20 per cent more than the national average. As we dig ourselves out of, you know, the mess that we inherited, it is very important that we proceed with a set of public policies that recognizes that we are still dealing with serious economic problems with local and foreign – like I said before in my opening remarks, I did travel across our province, speak with municipal leaders, and they understand that we must pursue a set of funding formulas that recognize that all of us will share in the hard work that is required in rebuilding our province so that once we return to prosperity, we can begin to deal with the prosperity.

Member Ceci: Thank you. Minister, we can shorten these answers. You can just say that, no, you didn't negotiate. You followed the MacKinnon report and laid down this in legislation.

Mr. Madu: Well, again, I think I have addressed the issue of your technical understanding of negotiation. We are always, constantly in consultation with our municipal partners. I had several meetings. My department officials are constantly meeting with them as well.

Member Ceci: You proposed it, and their feedback to you was?

Mr. Madu: They are prepared to work with us. They understand the dire economic situation that we find ourselves in. Member Ceci, if you have been listening . . .

Member Ceci: They signed off.

Mr. Madu: . . . to our municipal partners, if you have been travelling across the province the way I have done, I don't think you would disagree with me that the vast majority of our municipal partners, regardless of the issue you are pursuing here, have said that they understand we are in a fiscal mess, a fiscal mess that was left for us to clean up by the government you were a part of.

Member Ceci: I think you would agree with me, Minister, that under the city charters fiscal framework those two cities were better off than what you're proposing under the local government fiscal framework.

Mr. Madu: Well, again, Member, I think there has always been a disconnect between how you view how we are going to, you know, make sure that we continue to ensure that we live in one of the most prosperous jurisdictions in this country.

Member Ceci: It's true. We do.

Mr. Madu: Your previous government went on a spending spree.

Member Ceci: All right. We're not here to talk about my estimates.

The Chair: I'm going to step in. Please, you guys are starting to focus, and you're forgetting all about me.

Member Ceci: Move down here, Dave.

The Chair: I'm here for a reason. I would ask that you please direct your questions and answers through the chair and not start to get personal.

8:40

Member Ceci: Minister, how do you expect municipalities to keep pace with the long-term needs of their communities with the constraint you have put on their revenues? Essentially, it's not following the province anymore. You're putting a 50 per cent restraint on revenue growth to them under this framework while the province grows higher, so how do you expect them – you know, sir, they deliver most of the things at the local level. They deliver things at the local level, and they regularly complain to you, me, everybody who'll listen that they only get – I think it used to be 6 per cent of all tax dollars; now it's 10 per cent. It went up to 8 per cent when I was at city council tables in Calgary, and now it's 10 per cent. So they have significant constraint already, and you're ratcheting that down further. The province will do better, but the municipalities aren't going to do as well. How do you think they're going to address their long-term infrastructure and other needs?

Mr. Madu: Let me say this. Our municipal partners acknowledge that – you know, we are very much pleased with our decision to maintain MSI, their full funding, for 2019-2020. Two, as I've said before, they recognize that we need to make sure that we continue to fund the infrastructure of tomorrow. For us to be able to do that, what it means is that we must have a growing economy and we must not spend the money for future infrastructure today. They understand that racking up debt and deficit is not going to help us or help them build the infrastructure that they need. We spend more than \$2 billion on interest, and we are projected to almost \$4 billion. If we had stayed on course with the policies pursued by the previous government: that, in my view, I would say – and they would agree – is the greatest threat to our ability to continue to pay for that infrastructure. So we have put in the budget a balanced, responsible approach that works for both the province and our municipalities.

Member Ceci: Okay. So you said that they agree. Let me just explore that a little bit. I'm wondering if you're – this is from the joint press release, and it deals directly with the local government fiscal framework, which is in your budget. This is a quote.

We strongly urge the Government of Alberta to amend Bill 20 to allow future municipal funding growth tied fully to provincial revenues at a one-to-one ratio, which would allow municipalities to increase investment in needed infrastructure when revenue is positive, and make necessary adjustments during . . . challenging times. Without this complete indexing connection, from an inflationary perspective, municipalities will be left behind.

That's a direct quote from – I think it's just a few days old – a press release from the two mayors and two association presidents. They don't agree with you. You're telling me now that municipalities are onboard, and I don't see it.

Mr. Madu: You know, Member Ceci, you can refer to the quote that you have. I also have a quote from AUMA . . .

Member Ceci: But no AUMA signed this.

Mr. Madu: Hold on. I also have a quote from AUMA and RMA in support of our provincial budget. We can go back and forth . . .

Member Ceci: We're not talking about the provincial budget. We're talking about yours.

Mr. Madu: That is part of our 2019-2020 budget. I have made a commitment to our municipal partners as Minister of Municipal Affairs that we will continue to work together, we will continue to have these conversations in a way that allows all of us to be on the same page to rebuild our province and rebuild our economy and make sure that we return to balance. You know, the work of government is a work-in-progress, and that conversation will continue. At this point in time we are in a place where we are left with unprecedented levels of debt that we have not seen in a long time.

Member Ceci: Okay. You've done that several times, so can we just move back to this issue?

Mr. Getson: Point of order.

The Chair: Go ahead.

Mr. Getson: Mr. Chair, I really appreciate both the member's and the minister's exuberance on this, but for the rest of us at the table, this may be a bit of a detraction. We can all bring out articles that everyone supported or didn't support and go back and forth . . .

Member Ceci: It's directly on this issue.

Mr. Getson: Sir, if I can finish. I understand that it's directly on the topic. I guess I'm just asking for caution from this side and perhaps for the folks at home. If we could carry on or continue forward. Again, this repetition of going back and forth on which individual merits support or doesn't merit support – that's all I'm asking.

Member Ceci: Is a caution a point of order?

The Chair: You get an opportunity to rebut.

Ms Phillips: Yeah. Sure. This isn't a point of order, members from the floor issuing a caution. They're not the chair. Obviously, the minister is entitled to say the same thing over and over again if that's what he wants to do, you know, so the member is entitled to say: I would like you to say something different. That's what debate is, so this is not a point of order.

The Chair: Okay.

Mr. Getson: I guess it comes back to my understanding of . . .

The Chair: Excuse me, Member.

Mr. Getson: I'm sorry, sir.

The Chair: I've asked a couple of times to go through the chair, and I think we could avoid this type of repetition, this kind of personal back and forth, if we directed our questions and the answers through the chair. Again, as I said last night, you can ask the minister a question; he is not compelled to answer and can give you the same repetitive answer if he sees fit. There's nothing that can force him to give you an answer on a specific question.

So I would ask that we stick to the business plan. I don't think that we've addressed a single line item from the budget yet, and we're 30 minutes into the hour. Please stick to the business plan and the fiscal plan, and the minister will answer what he can, if he can, and we'll continue.

Go ahead, Mr. Nielsen.

Mr. Nielsen: Yes. Mr. Chair, I just would like to point out that if we are going to be calling points of order around what line items we're discussing, let's cite the standing order, too, please.

The Chair: Absolutely. Thank you.

Go ahead. We'll continue. Again, through the chair, please.

Member Ceci: Yeah. I don't agree with your criticism, Mr. Mayor . . .

The Chair: I've never been called that before.

Member Ceci: You can see that I was around the council table in Calgary many times.

Mr. Minister, will you amend Bill 20 such that the funding for municipalities grows at the same rate?

Mr. Madu: I have been clear to our municipal partners that municipalities need to share in the work of getting our provincial spending under control.

Member Ceci: Okay. So no.

Can I ask you about the MSI? I think it's the basic municipal transportation grant that is being rolled into the LGFF. The province aims to reduce its budget by 2.8 per cent in this area over the next four years, but it proposes reducing municipal infrastructure funding by almost 10 times that amount, says Barry Morishita, the president of AUMA. He said that that will result in crumbling community infrastructure or higher taxes for property owners for years to come. What steps are you taking to ensure that municipalities have the infrastructure support they need now?

Mr. Madu: I certainly hope that our municipal partners will not resort to increases in property taxes as the way to deal with some of these issues. What I would say is that the provincial government has got a larger responsibility for the programs and services that we deliver across this province. As we work to make sure that we live within our means and control our overspending, it is my expectation that our municipalities will do the same. My message to them is that all of us need to look for efficiencies. You know, Alberta currently provides the highest level of per capita grant funding to municipalities among all Canadian provinces.

8:50

Member Ceci: I know the MacKinnon report.

On this topic about the LGFF and its funding amount: how long will it take into the future for the local government fiscal framework funding amount to reach the previous 2017 combined MSI-BMTG amount? How long will it take to get back to the 2017 level under your plan?

Mr. Madu: What I would say is this. All that we have done is to reduce . . .

Member Ceci: About 30 per cent.

Mr. Madu: . . . the municipal grant by that percentage point. Again, we provide in this province the highest per capita grant funding of any jurisdiction in Canada.

Member Ceci: Sure. That wasn't the question, though. How long will it take to get back to the 2017 levels of grant funding to municipalities in this province under the LGFF? If you don't know, you can just say that you'll get me the information.

Mr. Madu: No. Member Ceci, you are trying to get us to relitigate a policy shift that we have made from your previous government. I

mean, again, while there are reductions to MSI funding, it is expected that municipalities will be able to reprofile some of their funding priorities to focus on core priorities. You know, I am not going to drill into some of the funding decisions that you guys made. I have said on record that you guys left us with more than \$6 billion in revenue holes that we now have to account for, and I think that it would be irresponsible for us to pursue the same policies that have put us in this particular situation.

Member Ceci: Is there any plan to delay funding of the current MSI program beyond '21-22? Are you going to push it out further?

Mr. Madu: We have maintained MSI funding for 2019-2020, and under the new fiscal framework that will kick in in 2021-2022.

Member Ceci: Okay. Do you know the economic impact on Alberta in GDP growth that results from the reduction of capital grants to municipalities? Have you worked with economists and TBF or anywhere, maybe your department or perhaps the largest cities, to estimate how much of a reduction in gross domestic product will happen as a result of cutting back grant funding to municipalities?

Mr. Madu: What we have done, Member Ceci, again, is to bring our municipal funding in line with the rest of the country. We provide – we provide – the highest per capita funding of any jurisdiction in this country.

Ms Phillips: Thank you, Minister.

I just have a follow-up on this. I think what MLA Ceci is asking for is if perhaps the department could provide an undertaking of any analysis they have done on GDP impacts or other job impacts of the changes to capital grants or MSI funding, any modelling. Because, of course, the local government fiscal framework and other pieces of the budget take into account economic forecasts, changes to investments in capital infrastructure will have an impact on the overall economy. We're wondering if that analysis has been shared with the department, either prepared by TBF or prepared by department officials, and if so, if we could have it delivered to us before November 19, which is the date that we vote on estimates.

Thank you.

Mr. Loewen: Point of order.

The Chair: A point of order has been called.

Mr. Loewen: I think it's a decision of the committee to decide on timelines for documents to be produced. I don't think it's up to the members to ask, and it's not up to the ministers to agree. I think it's a decision of this committee on timelines.

The Chair: Thank you.

Do you have a rebuttal?

Ms Phillips: Yeah. We vote on the estimates as of November 19, and I have requested in other estimates that if the department can provide information as follow-up prior to our voting on estimates, it helps in our deliberation as Members of the Legislative Assembly. That's just a simple request. Obviously, if departments do not want to follow rules as they have been established in the past, they are free to flout them.

Mr. Madu: I believe . . .

The Chair: Just if I can respond. You can request a date; the minister is under no compulsion to provide that prior to.

Go ahead, Minister.

Mr. Madu: Well, my response would be that this is a matter for Treasury Board and Finance to determine. I believe the member opposite would have the opportunity to take on that particular question with the President of Treasury Board and Minister of Finance.

Ms Phillips: All right. Thank you.

So the department has not prepared any analysis in terms of overall effect on the province's economy, either in GDP or jobs impacts, as a result of changes to the capital plan or other MSI funding. Is that what I am to understand?

Mr. Madu: I mean, again . . .

Ms Phillips: Okay. Very good.

Moving on, then, let's talk a little bit about outcome 2 in the business plan, around economic prosperity facilitated by local governments. I've heard a lot from rural municipalities, from southern Alberta mayors and reeves and others, around unpaid taxes from gas companies in particular. This, of course, is feeding into the assessment model review that the department is undertaking. I think, depending on the decisions that get made after that assessment model review, that there might be some really important changes, so I commend the department for doing that. But I think, in the first instance, rural municipalities are wondering about the future of the shallow gas 35 per cent reduction and the continuation of replacing that lost revenue for them. Can you confirm that the department has built those assumptions into these estimates, that that revenue will be replaced?

Mr. Madu: Well, as you know, Member Phillips, my department is currently undertaking the review of the regulated assessment models. No decision has been made yet. That work is still . . .

Ms Phillips: So there's no decision on the lost revenue. Is that what I'm hearing?

Mr. Madu: No. That work is ongoing. We haven't made a decision on – I mean, I can't speculate on what the review will report back.

Ms Phillips: Sure. It's not just shallow gas. It's others, as I'm sure the minister and the department are aware. A few months ago the RMA put out a release saying that about \$81 million needs to be recovered for rural municipalities that they have outstanding in these types of taxes. Are there any plans to help them and respond to the RMA resolution around legislated tax recovery under the MGA, broaden tax recovery powers and broaden the early detection system, so that municipalities aren't left holding the bag from unpaid taxes?

Mr. Madu: I think that again speaks to the review that we are currently conducting. But let us speak to the broader public policy issues that have resulted in what those municipalities are dealing with right now, which is a depressed economy and, you know, some of the policies that we have pursued that have somehow negatively impacted our oil and gas sector.

Ms Phillips: The issue is that companies aren't paying their taxes, and rural municipalities would like them to do so so that they can keep the lights on at the local arena and pave the roads and fix the bridges. Are there any plans to bring in any kind of legislated tax recovery under the MGA or to broaden tax recovery powers, as the RMA has been requesting?

Mr. Madu: It is a concern that we have heard, and it is a concern that we are looking into. You know, again, I mean, we have to make

sure that we have all of the facts. It is one thing to make a bold assertion that companies are not paying their taxes, but we . . .

Ms Phillips: So are the RMA municipalities incorrect in their assessment of the \$81 million outstanding?

Mr. Madu: Hold on. Allow me to finish, though. The point I'm making is that, again, for you to pursue a public policy that actually targets and solves the problem, there is a need for us to make sure that we are understanding the problems, their root causes. It's not just a question of our municipal partners. It's also making sure that we speak with industry, those businesses to better understand what is going on. As I said, that review process is going on, and we are continuing to speak with all of those involved to better understand the problem, the root cause, and figure out how best to deal with the problem.

Ms Phillips: There are also requests for directive changes with respect to the AER, so ensuring that outstanding municipal property taxes are recovered before licences are transferred. Is this part of the review? The RMA is also requesting this. They passed a resolution to this effect.

9:00

Mr. Madu: Well, again, it is something that the Minister of Energy and the Energy department would be in a much better position to deal with.

Ms Phillips: Is it part of the assessment review? This goes to revenues for small municipalities, and that's why they passed the resolution.

Mr. Madu: Well, I can't speak to RMA resolutions, but what I can tell you is that . . .

Ms Phillips: Do you agree with their resolution, that they should have the ability to recover these unpaid taxes?

Mr. Madu: Well, I think it is problematic for all of us if there is any business out there that is in a position to pay their taxes but are not paying their taxes. That is why as Minister of Municipal Affairs I have undertaken to better understand the root cause of this particular problem. Again, you can't proceed with a major public policy without better understanding . . .

Ms Phillips: When the 35 per cent reduction was made, was that consulted upon? Was a full understanding available to your department at that time?

Mr. Loewen: Point of order.

The Chair: Point of order noted. Go ahead, sir.

Mr. Loewen: I think we end up in a situation here talking about things other than are in the budget lines. I think we could refer to Standing Order 23(b) as far as speaking to matters other than the issue at hand. The budget speaks for itself. I think we're getting way off track again talking about discussions that happened outside the purview of this budget. We have specific documents that we're looking at, and I think we need to keep on track. Otherwise, we're going down the road of beyond what we're here to do, which is, of course, to discuss the budget and the estimates at hand.

The Chair: Thank you, Member.
Go ahead.

Ms Phillips: Sure. Well, page 123, the business plan 2019-23 for Municipal Affairs, outcome 2, under Key Objectives, initiatives supporting key objectives:

In advance of an assessment model review
which the minister has been sharing his thoughts on,
that is expected to reduce assessed values of shallow gas wells . . .
the ministry is supporting municipalities to reduce 2019 property taxes on shallow gas wells and related pipelines by 35 per cent, which will be offset with an education tax credit.

This goes precisely to the nature of the questioning that I was in the middle of, which was: what was the nature of the consultation that brought in this 35 per cent reduction that is referred to on page 123?

The Chair: Thank you very much, Member, for your rebuttal.

I will allow the questions to continue, but I would caution that if you continue to ask the same question and are surprised that you get the same answer – it's your time. How you choose to spend it is up to you.

Member Ceci: I'm just going to switch, if you would, to grants in place of taxes, GIPOT. How much have you cut from that program? It's on page 169 and again on page 171.

Mr. Madu: Again, I erased 25 per cent.

Member Ceci: How much?

Mr. Madu: Twenty-five per cent.

Member Ceci: Twenty-five per cent. And that wasn't part of any negotiation. That was just across the board, correct? Okay. What's next year's cut to GIPOT?

Mr. Madu: Again it's 25 per cent.

Member Ceci: I've got 25 per cent and 32 per cent.

Mr. Madu: It is 25 per cent and 25 per cent, Member Ceci. It's not 32 per cent.

Member Ceci: What do you have to say to local governments who are finding out, with five months left in this fiscal year, that they're going to have to pick up the costs of – let me see – \$15 million this year that they didn't anticipate?

Mr. Madu: Again, the decision was made in the context of other grant funding decisions, including maintaining the municipal sustainability initiative operating program at its current level of \$30 million. Again, as I referred to in my opening remarks, for those municipalities where their total revenue is less than 5 per cent, we have made a decision to preserve them. The decision was made in recognition of the fact that the larger municipalities, you know, are going to be able to absorb these reductions.

Member Ceci: They have to.

Mr. Madu: Now, I mean, where you find the bulk of the municipal – the Crown properties are located in Edmonton and Calgary, and as I have said, you know, given the current economic climate and the financial state of our province it is very important that we make some tough decisions but build in mechanisms to make sure that these municipalities that are going to be impacted are going to be able to absorb this cost.

Member Ceci: I didn't understand how you're building in anything. I think you're downloading, and they just have to, as you said, get more efficient.

I just want to ask you about cannabis if I can. It's, of course, detailed on page 171 as well. Can you detail your projections for cannabis revenues over the next four years?

Mr. Madu: Well, I'm not in a position to provide that at this point in time because, again, that is still a work-in-progress.

Member Ceci: All right. You don't show that you're continuing the municipal cannabis transition program beyond this year. Does that imply that the program is over?

Mr. Madu: Well, I think that the commitment for the funding was \$11.5 million.

Member Ceci: It doesn't go beyond this year.

Mr. Madu: It doesn't. I mean, it's \$11.5 million. I think that was the commitment that was made, and we will follow through with that commitment.

Member Ceci: Will you be coming up with a new program?

Mr. Madu: Again, that is a decision for Treasury Board and Finance, not Municipal Affairs.

Member Ceci: Municipalities provide administration and oversight for cannabis legislation as well as policing and social services. What are the government's plans to share revenue with municipalities so that there is a fair distribution of the costs and benefits of cannabis legalization?

Mr. Loewen: Point of order.

The Chair: Point of order noted.

Mr. Loewen: You're asking a question of plans. If the plans are in the budget, refer to the line item, and if the plans aren't in the budget . . .

Member Ceci: I take it that there's no plan, then, no money. Okay. We can move on.

Mr. Loewen: Well, you can presume what you want, but if you are asking about the future, the future is spelled out in the documents. If it's not there, then I'm not sure why you're asking the question.

Member Ceci: Sure.

The Chair: Go ahead.

Ms Phillips: Sure. I mean, obviously, the member is referring to page 128 within the business plan – it's also in the estimates, but I've just got the business plan in front of me – of the actuals for the municipal cannabis transition program. What the MLA is querying is whether there are other spots in the budget where we might find some of this transition plan, if there are other plans or if this is just simply the end of that particular undertaking of public policy.

The Chair: Okay. I'm going to allow the minister to answer the question, then.

Mr. Madu: Let me say this. We are reviewing all of the impacts and the pressures of the legalization of cannabis on municipal programs and services. Again, that work is ongoing. We're working with our municipal partners to figure out what those pressures are and how best to respond to them.

Member Ceci: Great. In the police costing model is there any money in this budget, your budget, that can go to help municipalities with the development of the police costing model?

Mr. Madu: Again, that is a question for the Solicitor General. We are obviously reviewing the current police costing. At an appropriate time the Minister of Justice would make those recommendations public.

Member Ceci: Just generally, there are a number of reductions. I think that even you would agree. You've said that there are because of the situation that you inherited. Minister, there are a number of reductions to local government: MSI, GIPOT, the Alberta community partnership, and numerous others in this estimates budget of yours. There are other impacts affecting municipalities from other ministries: they're going to get less fine revenue; they're going to pay for forensics; parent link centres funding is being cut as well as other community services; road maintenance funds – not your area – are being reduced in Transportation; and on and on. That's all affecting municipalities, which is in your ministry. So local governments are getting hit from all sides by this budget. What I want to know, what local councillors want to know, what reeves, mayors around the council tables throughout this province need to know is: how much of an advocate are you for local government? How hard are you pushing back against the onslaught of downloading onto them?

9:10

Mr. Loewen: Point of order.

The Chair: Point of order noted.

Mr. Loewen: Refer to a line item, I guess, on the question of how is that . . .

Member Ceci: Sure. Cuts to MSI and GIPOT.

The Chair: Go ahead, Minister. You can continue with the question.

Thank you, Member.

Mr. Madu: Since being appointed Minister of Municipal Affairs, I have made it a priority to be in constant communication with our municipal partners. I spent this past summer listening to our municipal partners, travelling to Alberta's municipalities to better understand the unique circumstances that they face and deal with. But the province understands as well that changes to grant program funding levels in Budget 2019 in a new funding framework for municipalities would have impact in defining ways, you know, across the board. My expectation is that all of us will continue to work together to serve the common challenges that we face even at the municipal level.

That is why, despite the current circumstances, we have put in place a long-term, sustainable funding framework that they can look to, that they can plan with. That is one thing that I heard, one common theme that I heard as I travelled across the province.

Member Ceci: Stable and predictable.

Mr. Madu: So municipalities can rest assured that as Minister of Municipal Affairs I will continue to work with them and to partner with them to solve our common challenges.

Member Ceci: Okay. You know, I asked about how large of an advocate you are, how big of an advocate you are around the cabinet table, and I didn't hear anything with regard to your colleagues.

We'll move on. On page 91 of Bill 20, that's before the Legislature right now – and it's built into your budget – there's an aggregate amount of \$2,500,973,000 for three fiscal years: 2019-20, '20-21, and '21-22. Where would we find that aggregate amount in the documents before us? It's in Bill 20.

Mr. Madu: Sir, I am going to defer to my officials.

Mr. Lemphers: Bill 20 is the budget implementation bill. Is that correct?

Member Ceci: Yeah.

Mr. Lemphers: So I'm not sure if what you're referring to is a total aggregate amount for the Ministry of Municipal Affairs.

Member Ceci: Yeah. Where would I find that in these documents?

Mr. Lemphers: It should be the sum of the ministry's expense allocation for the time period that's shown in the budget implementation bill. We can confirm that.

Ms Phillips: Yeah. It would be fabulous if the department could just confirm that as an undertaking.

The Chair: Ten minutes left.

Mr. Carson: Thank you, Chair.

Minister, can you describe how much notice you gave to the city of Edmonton before you ripped up the city charter fiscal framework agreement? I think it's important to note that your caucus and your party supported this going into the election. You supported it as opposition when it was brought forward under an NDP government, and after all that, you decided to rip it up. So I'm just hoping to find out how much notice you gave to the city of Edmonton.

Mr. Madu: What I can tell you is that . . .

Mr. Carson: If you can't tell me how much notice you gave . . .

Mr. Madu: What I can tell you is that there was an expectation that we would move in a different direction than the previous government, and I've always made it clear in private conversations and in public that maintaining the previous government's policies is not sustainable for our province and municipalities.

Mr. Carson: Thank you, Minister. Thank you very much.

Now, I'm not sure how they were supposed to expect this change when you campaigned on supporting the city charter fiscal framework, so the fact that you're saying that they should have expected it coming – I'm not exactly sure how they were supposed to know that. Once again, if you could just let me know how much notice you gave the city of Edmonton that you would be ripping up these fiscal framework agreements.

Mr. Madu: I think it became obvious the moment we found that you guys had left us a \$6 billion hole. At that point in time it was not sustainable, you know, for us to continue on that particular path. At the end of the day, we made a difficult decision based on what we concluded was in our province's best interest, to make sure that we live within our means and spend in accordance with the rest of the country. That is my expectation for all of us at the provincial level. That is also the message that I have taken to our municipal partners.

Mr. Carson: Thank you very much, Minister.

My next question is quite simple. I just want you to tell me what you would tell the members in my community that have been counting on important infrastructure projects like the Lewis Farms rec centre. You know, this is something that was on the books to be built under the fiscal framework agreement that was undertaken by our government and supported by your party and your caucus. Now that you've jeopardized this funding project, I just wonder what you would tell my community. Is this one of the projects that you think should be shelved, that you think is irresponsible spending, as you've put it in the past?

Mr. Madu: I would tell the members of your community that we have committed \$3.2 billion in capital infrastructure for Edmonton alone and nearly \$1 billion when you factor in the federal gas tax fund for capital projects in Edmonton. The government has a responsibility to wade through projects and make a determination as to what can be built now, what needs to be delayed, and what can be built in the future. Again, I think that speaks to financial management and prudence, that we don't just spend money as if we pluck money from the trees. We have to plan for them.

Mr. Carson: Thank you very much, Minister. That's all I need on that point.

Unfortunately, the municipal governments in the big cities made their budgets with an expectation that this funding would be there, as committed to by your party in the election and even before that, when your caucus supported the city charter fiscal framework. Once again, it's very concerning for them, and it's very concerning for the members of my community.

My next question is: how are you planning to rebuild your relationship with both the city of Edmonton as well as the city of Calgary after breaking such fundamental promises on funding, and how are they supposed to trust any agreement . . .

Mr. Smith: Point of order.

The Chair: Point of order noted. Go ahead, Mr. Smith.

Mr. Smith: Mr. Chair, you've made it very clear that when we ask our questions today, you'd like us to refer to a performance indicator or a budget line, some figure from here. What I've heard today is an awful lot of policy disagreement. We understand that the NDP has a particular vision of the world and that they would like to pursue a certain set of policy paths. We have a different view. We campaigned on that. We understand that. The people of Alberta gave us an overwhelming mandate to pursue our particular policy.

But that's not what's under discussion here today, and you've made it very clear as the chair that you believe that we should be addressing this budget, that we need to go to a budget line. I would ask the hon. member across the way if he could point to a budget line in here, if he could point to a performance indicator in here, if he could point to a page with a number so that the minister at least has the capacity to address his budget and not necessarily a disagreement with the opposition over a policy issue.

The Chair: Thank you very much, Member.

Mr. Carson: Thank you, Chair. My apologies for not pointing out key objective 1.5. I mean, it's quite clear, if you've actually taken even five minutes to read the budget, that the fiscal framework is within this budget, so it's unfortunate that this member is having troubles pointing out that fact. But either way . . .

The Chair: Member, this isn't the place for personal attacks.

Mr. Carson: Well, I just received a personal attack from that member as well.

The Chair: You didn't receive a personal attack. It was talking about party policy. Your reference was directly to him. I won't accept it, so you can withdraw that, and you can continue with your question, please.

Mr. Carson: Thank you very much. Once again, as it relates . . .

9:20

The Chair: Will you withdraw?

Mr. Carson: Oh, my apologies. I do retract my statement. Thank you.

I'm just wondering – looking at 1.4, it says: “work collaboratively with municipalities” – how this minister, after ripping up such a fundamental part of his own campaign platform, is going to rebuild the relationship with the city of Edmonton, considering comments that he's made about their ability to be fiscally responsible as well as comments that have been made by the Justice minister.

Mr. Loewen: Point of order, sir.

The Chair: Point of order noted.

Mr. Loewen: The member is on his third question. The first one was: how much warning? The second one: what would you tell people? And this one: how would you build relationships? Under 23(b) this speaks to matters other than what's under discussion, which is this budget and not relationships and communications and all sorts of other ambiguous things that this member is bringing up. I suggest that he get to the topic at hand, which is budget estimates and the documents that are in that budget. If his questioning continues down this line, we'll just keep calling points of order, and he can waste the committee's time on business that's not related to what's being discussed here.

The Chair: Go ahead, Ms Phillips.

Ms Phillips: You know, Mr. Chair, these are a series of spurious points of order. It is very clear in the business plan on page 122, outcome 1, key objectives. Pretty well every single one of them starts with “work with municipalities”; “support municipalities”; “work collaboratively with municipalities”; 1.4, “work collaboratively with municipalities and municipal associations”; 1.5, “provide funding to . . . help them meet their strategic long-term infrastructure needs.” These are the first outcomes as identified in the business plan by the ministry. Pretty well every single one of them has the adverb “collaboratively,” so that is exactly what the member is querying, the nature of the relationships, the nature of the consultation, and the nature of the commitments. I guess we can continue to have this conversation, but it is, I believe, not a point of order in this instance or the previous instances.

The Chair: Thank you very much, Member.

I'll comment. I'm going to rule on this. The first hour of these budget estimate debates belongs to questioning from the Official Opposition. How they choose to ask their questions, if they don't want to dig into – as long as they're sticking to what's in the business plan or the fiscal plan, I've got no problem with the questions. It's up to you whether you want to waste your time on speculation. It's up to the members. It's their time. We will continue with the questions.

Mr. Madu: Well, I can confirm to the member that I have an excellent working relationship with all of our municipal partners. Obviously, you know, when you put forward a budget, there are going to be people who are not going to be happy with it. I don't think that is new. It happened during your own government. As I've always said, Edmonton and Calgary are two of our biggest cities, and my expectation is that they work with us to make sure that we will build our province and return our province to prosperity. If we work together to accomplish that, they are going to be the largest beneficiaries of that particular effort.

Mr. Carson: Thank you very much, Minister. Unfortunately, in this budget they are not the biggest beneficiaries because you've absolutely decimated the money that you committed to them. That's very unfortunate.

My next question is: can you give me a number on the total reductions in funds going to Edmonton next year as compared to last year or this year, I suppose?

Mr. Madu: I am going to defer to my government officials if we have that number.

Mr. Lemphers: We don't have a total for Edmonton and Calgary, but we can speak to specific programs. MSI or grants in place of taxes: we can give you those numbers.

Mr. Carson: Well, if you could take a moment to just add all those programs up and respond to me in a moment as well. Thank you.

Mr. Lemphers: Sure.

Mr. Carson: You had made mention of the emergency response facility being cancelled. I'm just hoping that you could let me know who informed that decision and where in the planning process that facility was as you made this decision.

Mr. Madu: Well, we have a functional Provincial Operations Centre. I spent this summer with the Premier and many of our government MLAs dealing with the northwest wildfire. I had the opportunity to first-hand, you know, take a look at the infrastructure, the equipment, the state-of-the-art machines that we have there. It was functional. It works. Our province is in a difficult economic circumstance.

Mr. Carson: Thank you, Minister.

Mr. Madu: The people of Alberta expect us . . .

Mr. Carson: Thank you. I appreciate that.

Can you tell me where in the planning process that facility was when you decided to not move forward with it?

Mr. Madu: It was still in the planning stage.

Mr. Carson: Okay. Can you provide a number on how much money was spent on those plans as well?

Mr. Madu: The Minister of Infrastructure would be able to speak to that.

Mr. Carson: Okay. Thank you.

Now, also, you may have mentioned it earlier in your discussions, but in the small communities fund there's a reduction of about \$5 million. Can you describe what those cuts mean?

Mr. Madu: Sorry; I'm going to let my ADM speak to that.

Mr. Carson: Sure. Thank you.

Mr. Lemphers: The small communities fund, which is for 56 projects that were approved: they're being fully funded based on the cash flows that those projects have actually identified. There is no change to the supporting of a project. The projects have cash flows over five years, and working with the municipalities, this funding change just matches what the cash-flow needs are.

Mr. Carson: Okay. Thank you very much. Now, once again, just going back to a comment that you made earlier and relating back to key objective 1.5 in your ministry business plan in the conversation about collaboration, I mean, you made mention that you hope municipalities don't raise their property taxes, but really you haven't left them much of a choice. What you are describing, if you would not like them to raise property taxes, is that you would like to see a reduction in services from the city. Is that correct?

Mr. Madu: You know, I have been clear that at the provincial level we are working so hard to make sure that we live within our means, look for efficiencies, and make sure that we spend our tax dollars, that belong to our people, responsibly and wisely. It is my expectation that all of us, all of our municipal partners, will go through the same exercise, find efficiencies in the system, and pursue, I mean, what I call core priorities and ensure that we continue to provide the core programs and services that our people rely on.

Mr. Carson: Thank you very much. Just wondering if we have a number yet from the ministry? Nope? Okay. Sounds good. Thank you very much.

I just, once again, would point out that with the number that's going to come forward, tens of millions if not in the hundreds of millions of dollars over the next four years, you're asking the municipalities to find efficiencies in the hundreds of millions of dollars. I mean, that's very concerning. What it's going to mean is either increased property taxes or a reduction of services.

I believe my colleagues do have more questions, so I'll just throw it back to them. Once the ministry staff are able to provide that number, I would appreciate that.

Thank you.

Ms Phillips: A quick question around grants in place of taxes. [A timer sounded] Is that the full? Okay. That's fine.

The Chair: Sorry to interrupt, folks. That's the end of the hour.

Looking at the time, I think we will take an opportunity to take that quick five-minute break. We will come back here at 25 minutes to the hour.

[The committee adjourned from 9:29 a.m. to 9:34 a.m.]

The Chair: All right. Ladies and gentlemen, if you could please take your seats. Order. Please come to order. Please take your seats. I believe the minister is a couple of seconds from coming in. The next 20 minutes will be given to the government caucus to ask questions as they see fit. Feel free to ask a question that maybe the ADMs can answer.

Mr. Smith: Oh. Now, that's dangerous.

The Chair: Sorry for the delay. We'll proceed as soon as the minister is back in his chair.

Okay. We will proceed with questions from the government caucus. Who's up?

Mr. Rehn: I am. Thank you, Mr. Chair.

Is it all right if we go back and forth, Minister?

The Chair: You're okay to go back and forth?

Mr. Madu: Yes.

The Chair: Go ahead, Mr. Rehn.

Mr. Rehn: Okay. First of all, I would like to thank you, Minister, for coming out with your staff and shedding some more light on the plan here that was put forward.

I wanted to talk today a bit about natural disasters. In my constituency of Lesser Slave Lake we've had a pretty tough 2019. We had lots of wildfires and evacuated communities: Wabasca-Desmarais, Peerless Trout First Nation. After that stopped, then we had flooding, evacuating Marten Beach, with a lot of damage there. My question is in reference to page 125, key objective 4.4 of the ministry's business plan. Albertans are, unfortunately, no strangers when it comes to natural disasters. What has the government done to support those most affected by major disasters?

Mr. Madu: Thank you, Member, for the question. You know, we in this province, unfortunately, will bear the brunt of wildfires and other natural disasters. What we do, what we have done as a ministry is to make sure that we have the most robust disaster recovery programs of any jurisdiction in this country. In fact, ours is the gold standard. Folks from across the country come here to learn how we manage our disaster recovery programs.

We had the unfortunate circumstance to deal recently with the northwest wildfires, and what we do is that we work very closely with our municipal partners during emergencies to provide the support and the tools that they need to manage situations like this. We make sure that the resources are there for them, that when disaster strikes, our citizens and our residents across this province can rest assured their government is going to be there with them. That is why just in this budget we have devoted \$750 million compared to the \$200 million that was put in place as a contingency by the previous government, because we want to make sure that we have the funds to respond in real time and to make sure that our people can feel safe and confident that our government is there with them.

Mr. Rehn: Right. Okay. Thank you, Minister. I did have another question about how much is put aside, but I think you've answered it there, so I'll proceed to my last question.

My last question refers to page 171, line item 10. Municipal Affairs provides funding to support the operation of four boards that hear and decide land planning, assessment, and compensation disputes between property owners, industry, and municipalities. In 2016 the administration of these boards was amalgamated in order to save costs. What else is the government doing to continue to make these boards operate more efficiently and effectively?

Mr. Madu: You are correct; we amalgamated them into four boards. You know, part of the goal is to reduce the footprint of government and to make sure that these boards are efficient. What we have done is to embark on a series of red tape reductions that would allow the easy and flexible management of the complaints and issues that come before the boards for a hearing.

We've taken the steps to appoint very qualified people on these various boards. Right now the Municipal Government Board has about 58 part-time board members that preside over municipal assessment review board hearings in Alberta involving commercial and multiresidential properties. We support the municipal board by

providing productive advice, pursuing advice on certification training to their local clerks and members. But let me say this. We have a professional body that ensures that, you know, the issues that come before them for quasi-judicial adjudication – they'll do it on time, in an efficient manner, and in the most cost-effective manner.

9:40

Mr. Rehn: Thank you.

Ms Rosin: Wonderful. Well, thank you, Minister. Today if I may go back and forth?

Mr. Madu: Sure.

Ms Rosin: Okay. Thank you. My first question deals with affordability in home prices. This is one of the biggest things that's facing my community. In Canmore the average home price is well over \$900,000; in Banff, the average home price is well over \$1 million. Some survey data indicate that up to 70 per cent of young adults under the age of 30 see no future in these communities simply because of home prices. We're seeing people move out of the communities. Canmore now has a 30 per cent vacancy rate or homes that belong to second-home owners. The sky-high home prices are really pushing the community members out. The developers in the local areas have developed some of the step codes and building regulations as one of the burdens to giving affordable developments. Key objective 3.5 of the business plan, page 124, says that our ministry is hoping to "lower regulatory costs on new housing." I'm just wondering how your ministry is going to successfully achieve this metric.

Mr. Madu: Thank you. You know, Ms Rosin, this is an issue that is actually important to me as the Minister of Municipal Affairs, and it all deals with: how do we make sure that homes are affordable for all of those looking to find themselves new homes? That begins with making sure that we remove the regulatory costs on home builders. My department has several initiatives under way at this point in time to support this objective. My staff will be undertaking a strategic review of the residential protection program to analyze its performance in meeting its intended outcomes related to improving consumer protection.

Also, I think the better question is: how do we make sure that we work with our building industry to make sure that we go through the red tape and the unnecessary processes and regulations that we find both at the provincial level and at the municipal level to make sure that the cost of new home construction is minimized? You know, a builder once told me that sometimes it takes between six to eight months to get a permit, and all of that comes with the uncertainties that add costs. So my department is carefully looking into all of this and combing through the Municipal Government Act and all of the legislation that we are responsible for and speaking with our municipal partners, because when we say that we want to make sure that we build a province that works for everyone, that means that those of our people that are looking to buy new homes must be able to find homes that they can afford.

Ms Rosin: Wonderful. Thank you so much.

My next question references page 110 of the fiscal plan. This talks about FCSS, that the family and community support services grants are going to be maintained. I know a lot of people in the communities of Canmore and Banff are going to be very happy to hear this. I'm just wondering if you could elaborate on the FCSS grants and just maybe elaborate a bit more on how that's going to continue benefiting Albertans.

Mr. Madu: Yeah. Municipalities are, you know, a recipient of the family and community support services grants, but the grant is provided by the Ministry of Community and Social Services and appears in their estimates as well. My sense is that they are in a much better position to speak to that particular grant, I mean, than we are, so I am going to defer to my colleague at the Ministry of Community and Social Services.

Ms Rosin: Okay. Understandable. Thank you.

My final question references the \$670.8 million that is being allocated to the municipal sustainability initiative. This is on page 122 of the business plan. I'm just wondering how this municipal sustainability initiative is going to prioritize what infrastructure projects get funding going forward.

Mr. Madu: Yeah. A good question, Ms Rosin. The province distributes annual budgeted funding to each municipality, Métis settlement, and the townsite of Redwood Meadows, you know, via an allocation formula. The recipients are required to submit applications to the province, which are generally approved if the project falls within the broad eligibility criteria set out in the program guidelines and other terms and conditions provided that those terms and conditions are met. Recipients may apply for this grant funding and to be approved for projects but can only use the amounts that they have been allocated.

Every year the ministry receives applications on all kinds of projects that they want to use the MSI program to fund. We review the process and make sure that, you know, those applications meet the criteria and the terms and conditions that our ministry has set.

Ms Rosin: Great.

With that, I will cede my time to, I believe, MLA Sigurdson.

The Chair: Go ahead, Mr. Sigurdson.

Mr. Sigurdson: Chair, permission to go back and forth with the minister?

The Chair: Ask the minister. It's up to him.

Mr. Madu: That works, Mr. Sigurdson.

Mr. Sigurdson: I'll try to give a little bit of a backgrounder on this one. Being in business for over 20 years, I first of all want to commend what you're doing. It's very difficult to walk into a situation, especially looking at over \$6 billion in shortfall, a massive debt, and understanding that difficult decisions need to be made in order to protect the sustainability of the services that we see across the province for now and the future generations.

I know as a business owner that when I came into a few businesses that I've managed, one of the most difficult things was understanding that more money isn't always a solution, that sometimes you have to take hard looks at what's happening. I know efficiencies are sometimes hard to grasp for some people and that it's difficult to find those efficiencies. I know I had to, you know, always take emotion out of it, take a hard look, take my ego out of it, and look across and sometimes look at the company to the left or right of me and see what they were doing and look at their best practices and look at how they were managing things.

I know that, with that, one of the difficulties that I found, really, that was the hardest to overcome was red tape. We talked about it a lot. This is something we really campaigned on. I know that in business myself it hindered me more than almost anything, the amount of time, the administrative, permitting processes, everything we saw.

I guess that's where this question is really kind of coming from. One of the promises made to the Alberta municipalities by the UCP, you know, during the election process was about red tape and cutting that bureaucratic red tape. In your business plan on page 123, key objective 2.3, you talk about this, and it relates to, of course, that this is a waste of taxpayers' money, this bureaucratic red tape standing in the way of our municipalities. I guess what I'm asking is: can you outline a few of the steps you're taking right now to reduce that red tape that the municipalities are facing and how you feel that's going to affect them, make them more efficient, reduce the waste of taxpayers' money, and help them out in that manner?

Mr. Madu: Yeah. Thank you so much for the question. You know, let me say this again. I truly believe in our government's plan to eliminate unnecessary red tape on businesses, on government at all levels in this province. For me, at Municipal Affairs we have taken that goal seriously. In fact, I can tell you that it is a standing agenda item at every meeting that I have with my senior management staff. I can also confirm that to date I have approved more than 79 red tape reduction initiatives. This ranges from regulation, directives, ministerial orders, policies, and all kinds of stuff that I think would be extremely beneficial to our municipalities and businesses.

9:50

My expectation is that as we work so hard to eliminate red tape on our municipalities, by so doing, saving them costs, they will in turn pass those costs on to their residents in terms of making sure that the programs and services that they provide add value, you know, property tax reductions and things like that.

That work continues, you know, and my officials here will confirm that I have asked them to comb through every single piece of legislation that we have and ask themselves: which of these sections, line by line, is actually an impediment to the ability of our municipalities to provide their residents with programs and services that they need in an efficient manner?

Mr. Sigurdson: Excellent. Thank you for that very detailed answer. I really appreciate that.

This next question is one – of course, being in construction for over two decades, when we're talking about cutting red tape as well, I'm really excited to hear that. We've seen it a lot in business, industry, that it is a related cost that has really been passed on to consumers and really increased a lot of the cost that they see on the end of it. Having said that, you know, you always want to make sure that you protect the safety of people. You don't want to compromise that in any way, shape, or form. I don't think anybody within this government wants to. I know that I don't. I guess that when we're talking about your business plan, page 124, outcome 3, what are you doing to ensure our programs continue to protect new-home buyers while allowing builders to get to work without this undue red tape? I mean, this is really important. Being in the construction industry for so long, this is something that I think can be a huge benefit moving forward for the province.

Mr. Madu: A very important question, Mr. Sigurdson. The safety of our province, our communities, our people is something that I don't take lightly. It is extremely important that we do everything we can. The first order of government, the most important part of government is the safety of our citizens. Being the minister responsible for most of the legislation that deals with the safety of our homes, I make sure that we are doing everything we can from the highest level of government to our front-line staff, that they understand that when it comes to decisions that impact the safety of our people, that is something that we don't joke about. The quality

assurance framework that we have designed to articulate the roles and responsibilities, policies and strategies, outcomes and mechanisms will ensure that that strategic direction is conveyed to all of our stakeholders. It is something that we continue to work on. But accountability is also another important piece, you know, to make sure that all of our stakeholders, those of us in government, and industry understand that all of us have to be accountable to the people of this province in how we deliver those programs and services.

Mr. Sigurdson: Excellent. I'd like to thank the minister for those detailed answers. Thank you very much.

I'll leave the rest of the time to one of my colleagues.

The Chair: Mr. Getson, you have one minute and 52 seconds.

Mr. Getson: Oh, jeez. I'll have to be really quick.

Firstly, Minister, are you okay with going back and forth?

Mr. Madu: I am.

Mr. Getson: My prior life was in major projects, similar to Mr. Sigurdson, with a construction background. One of the attributes I had or was blessed to get dropped into was project recovery. A little word of advice that I was given along the way is that when you get dropped into these really terrible projects, when things are sideways, with schedules out of control and everything else – I was pretty concerned about getting dropped into one at one time. It was carving out a whole new project team. The budget was way over. We were limited within operating parameters. There were service delivery issues. A mentor of mine said: well, Shane, it's okay getting dropped into the worst thing because if you don't succeed, no one ever thought you were going to make it in the first place. With that preamble into it, you're doing a fine job with what you've been left. The expectations of Albertans are that you do get this.

With that, page 122 of the business plan is where I'd like to focus if I could. It's on the MSI funding predominantly, based on the area that I'm in. When I was out there, I heard lots about MSI funding running off the end of a cliff. Municipalities are depending on infrastructure funding promised in previous budgets. If you could: is the MSI funding over 2019 being cut, or are we holding the line?

Mr. Madu: We are maintaining it 100 per cent. No reduction.

Mr. Getson: Okay. The second question to that is: why? Why is it staying the same?

Mr. Madu: You know, this government and certainly myself recognize that even in this difficult economic time we must continue to build our communities. We must continue to provide people the programs and services that they need as a sign that as we pursue strong economic policies, we need to make sure that those services are there.

The Chair: Sorry to interrupt, Minister.

We will now move on to 10 minutes with the Official Opposition. Do you prefer to go back and forth?

Ms Phillips: Yes. I'll go back and forth, please, Mr. Chair.

A quick question on grants in place of taxes. I have heard from many municipalities – of course, it depends on the municipality in terms of how much provincial infrastructure they have in that municipality how much of a hit this is. For those for whom it is relevant, they have indicated to me that if this decision is going to be made, okay, they're not happy about it, but the point is that they would prefer to know what their allocation is for several years out.

In the forecast years I see that the grants in lieu are reduced to about \$30 million, I think, in that neighbourhood. Can the minister undertake to let municipalities know what their grants in lieu amounts will be for 2020 and 2021, so essentially for the forecast period, in order to satisfy one of these commitments around predictability and stability of funding?

Mr. Madu: Well, I think that the way we have set this up is that there's a 25 per cent reduction for this fiscal year, and then next is a 25 per cent reduction. I think it is quite clear what that would mean.

Ms Phillips: Sure. I think what the municipalities are looking for, though, is the exact amounts that they, individual municipalities, can expect. That is what I have heard from some, so that's a conversation for the minister to undertake with those individual municipalities. What they asked me to do was seek a confirmation that that kind of information would be shared with them for more than just the Budget '19 cycle but also for '20 and '21, for the entirety of the forecast period.

That's good. I'll move on. There are questions from municipalities who have integrated fire and EMS services. Any plans to change that model?

Mr. Madu: At this point in time, again, we are reviewing certain programs and services. I can tell you that there isn't any recommendation before me to change that particular program, but, I mean, that said, we have committed to making sure that the programs and services that we deliver are delivered efficiently and make sense for tax dollars.

Ms Phillips: Is it under review? Is the integrated model under review by Municipal Affairs?

Mr. Madu: At this point in time I have not given any direction to review that particular program, but again, you know, this is a work-in-progress.

Again, I'm not sure if anyone would like to weigh in on this. Dale? Are you there?

Mr. Beesley: Hi. This is Dale Beesley, the ADM for public safety. I'm responsible for the office of the fire commissioner. This stuff the minister is referring to, how the fire and fire services are set up, is the responsibility of the municipalities. We would refer that question to the municipalities.

Ms Phillips: All right. The minister previously indicated that there were 79 changes already made under the red tape reduction plan in order to satisfy the requirements of outcome 2.3 on page 123 of the business plan, which is to "develop and deliver on a red tape reduction plan." So 79 changes: that is quite a lot of changes. Can the minister share with us, as an undertaking, what those changes are, which acts they impinge upon, which regulatory or policy directive changes have been made to, a detailed list of those 79, please?

Mr. Madu: My sense is that when we are prepared to share all of those things, I would certainly . . .

Ms Phillips: So they're secret for now?

10:00

Mr. Madu: Well, again, when I'm prepared to share those with you, I will . . .

Ms Phillips: So there are 79. We are to take the word that there are 79 changes, but we don't know what they are.

Mr. Madu: Some of them I did announce at the last AUMA conference. We can certainly undertake to get you the ones that are at this point in time public.

Ms Phillips: When do we anticipate that these 79 changes, which were represented as a positive result by the minister – when do we get to see what those are? Is there a timeline?

Mr. Madu: I think in very short order.

Ms Phillips: All right. Well, I've been a minister, and "in the fullness of time" is an answer that one can give, but it is necessarily unsatisfying to the public, I think.

Are any of these changes related to the Water Act?

Mr. Madu: Again, the Water Act is a responsibility of Environment and Parks.

Ms Phillips: I'm aware of that.

Mr. Madu: Yeah. So, again, I can't speak for the Minister of Environment and Parks.

Ms Phillips: Do any of the changes undertaken by Municipal Affairs have anything to do with the Water Act?

Mr. Madu: Again, I am not going to speak on behalf of the Minister of Environment and Parks.

Ms Phillips: Okay. So I guess they're not. Good. Anything related to municipalities and sand and gravel?

Mr. Madu: At this point in time, you know, I'm not – can I have one of my officials speak to that? I don't think there is anything at this point in time, but again the work on red tape reduction is a work-in-progress.

Ms Phillips: So these things are moving their way through cabinet?

Mr. Madu: Remember, as I said before, it is a standing agenda item in meetings I have with my senior management staff. These are a work-in-progress, and when we get to the point where we are prepared to make a particular announcement public, we would.

Ms Phillips: Is there any consultation with the Sand and Gravel Association on these matters?

Mr. Madu: I am not aware of any consultation at this point in time.

Ms Phillips: Okay. Very good. I will now pass my time over to, I believe, Member Nielsen.

Mr. Nielsen: Thank you, Mr. Chair. If the minister is okay, back and forth?

Mr. Madu: That's okay.

Mr. Nielsen: Great. I'm going to have to plow through this, with very little time, so apologies if I abruptly just keep moving on.

Just directing you to page 123 of the business plan, key objective 2.3 talks about reducing red tape as required by the act. I'm just wondering what that is. When I look at the Red Tape Reduction Act, there's not a lot in it. How are you knowing what's red tape, and how are you moving forward on that?

Mr. Madu: Well, again, there is a broad mandate given to various ministries, you know, to look for ways to review their legislation, their regulations that they are responsible for, to review their processes and make sure that the work of business is much more efficient, to reduce unnecessary burdens on businesses, on municipalities. I mean, it's a broad mandate. The goal is to at the provincial level reduce the red tape that impedes our work by nearly two-thirds. As I said, so far we have identified nearly a hundred red tape initiatives that we are working on, and there are more coming.

Mr. Nielsen: Okay. When we look at the city charters, then, Minister, you know, that was something that was put together over the course of several years, and of course that's going to be replaced with some new framework. I'm just wondering. That piece of legislation took a long time, and you were able to accomplish that literally in mere months. Are you concerned that there may be some unintended consequences in introducing red tape that could negatively impact our municipalities?

Mr. Madu: Well, again, Mr. Nielsen, if you take a look at – I mean, you have the budget implementation bill. Take a look at that piece of legislation. It really is a thoughtful, you know, piece of legislation that accomplished what was already in the city charter fiscal framework, which is long-term, predictable funding for Edmonton and Calgary alone. The only difference is that this time around we extended that to the rest of the municipalities, and it is something that we know the other municipalities asked for from your previous government.

Mr. Nielsen: Okay. Just to move on here, still on page 123 but under Performance Metrics, in 2(a) you talk about getting a baseline count. It sounds like maybe that baseline count has been done. You said that you've already identified up to maybe as many as even a hundred different red tape decisions. I'm just wondering: is that baseline count completed?

Mr. Madu: Well, again, that is a work-in-progress.

Mr. Nielsen: So the baseline count is not completed?

Mr. Madu: It's a work-in-progress.

Mr. Nielsen: Okay. I'm just wondering: how many employees are dedicated to this review?

Mr. Madu: It is the responsibility of all of us in government, including myself.

Mr. Nielsen: Okay. When I look at your targets – they fall at the top of page 124 – I see that there are no targets whatsoever. How do we know if you're achieving your goals or not?

Mr. Madu: On page what?

Mr. Nielsen: Page 124, right at the very top. You have your targets, and everything is listed as not available for the entire four years.

Mr. Madu: Well, I am going to defer to my ADM to speak specifically to that issue.

Mr. Lemphers: As noted on the bottom of page 123, the targets will fall out of the baseline count that is to be finalized. Government is working with individual ministries . . .

The Chair: Sorry to interrupt.

We'll now move on to 10 minutes with the government caucus asking questions. Mr. Getson, please proceed.

Mr. Getson: I appreciate it.

Thank you again for that, Minister. For my questions, if I can just refer back to page 122 of the business plan. Again, out in my piece of God's country, that I get to represent, my area of Lac Ste. Anne-Parkland, we have over 17 summer villages. We have four different counties that we're reflective of, predominantly within Sturgeon and Parkland. That's where most of the aggregate operations are taking place. I know there was a question asked about the MSI and the funding and those things and about interaction with municipalities. In my area most of their concerns that I've heard so far were with Environment and a lot of the red tape that was left for them and a lot of the taxation and throughputs that actually go back to fund these municipalities. That was their concern. It wasn't with your department predominantly. Honestly, the rigmarole and the inefficiencies were experienced from predominantly the AEP and the AER in some cases.

Anyway, back to the point here. The other one that I kind of noted was that, you know, being new to this political side of things, a lot of what I think we're hearing here from folks in our constituencies really has to do with change management. There was a book that I read way back when. It is called *Who Moved My Cheese?* There are some little characters there: Sniff, Scurry, Hem, and Haw. I think we've experienced a lot of that around the table today: those that are reflective and resistant to change; those that actually adapt to it, scurry and get along with it. I would again say back to your folks that I think you're that latter part. You're actually getting through it and executing. I appreciate that.

Back to my items, though. I'm sorry to ramble a bit. It's been a long day for a lot of us.

Mr. Madu: That's okay.

Mr. Getson: Through the chair to the minister, on the summer villages: are there any efficiencies to be gained? I didn't see them specifically in the estimates, so I assume they're rolled up under some other line item. I guess as a broad overview: how are you dealing with them? Are there efficiencies to be gained from how we deal with the summer villages' close proximity to other municipalities, et cetera? Again, it's only because I have 17 of them in my area.

Mr. Madu: I mean, that's very true, Mr. Getson. What I would say is that many of the summer villages are already using how close they are to each other to achieve efficiencies. Because of the closeness of some of the summer villages, they do actually work well together. A significant number of these municipalities already share what little administrative services are already there. For example, I can tell you that I've met with some of the chief administrative officers, and oftentimes we find one CAO of one summer village doubling as the CAO for two, three other summer villages. You know, I think that these are some of the things that I look for on how we can continue to make sure that we find efficiency within the system. This is a typical example, where you have similar municipalities but they share resources and staff.

Mr. Getson: Perfect. That's kind of what I'm hearing, too. They were asking what the MSI is. Again, before this, it was a big cliff. Nobody knew. There was tons of uncertainty about it, and it was scaring a lot of folks. Once that was kind of settled, they were looking for predictability. Then when they asked what we were going to give them, I said: "We're not the giveaway group. We're the make-it-happen, work-together group, and we're the ones that look internally." I challenged them to look for efficiencies that they had before. A lot of them arguably could. The other thing that I couched to them was that if they didn't start finding things on their

own, somebody else would find it for them. That kind of gave them a collective measure to look for it and be honest about it.

One of the other items, though, is that consistently we've heard that they're looking for predictable funding and how to maintain their infrastructure and grow their communities. What is the government going to be doing to give these municipalities the predictability they're looking for for that sustainable growth and that funding?

10:10

Mr. Madu: That's a very good question. You know, since the budget was announced, I have spent some time speaking with many of our municipal leaders, if not all of them, and I can tell you that I have been impressed. I mean, I expected, as many of us here do, that there will be those who would be dissatisfied with what we put forward, but by my honest admission the vast majority of our municipal leaders welcomed the fact that they can now plan.

Quite frankly, you know, a good number of them were impressed with the level of commitment in terms of dollars that we have committed despite the dire economic circumstances that we find ourselves in. I mean, it's not as bad as some folks would want you to believe. The vast majority, by overwhelming numbers, welcome that we have followed through with this commitment despite the more than \$60 billion in debt that we have, the billions of dollars in debt-servicing costs, and the uncertainties that still surround our economy.

Mr. Getson: Perfect. Well, I appreciate the time and your answers. I'll turn it over to MLA Loewen.

Mr. Madu: Thank you, sir.

The Chair: MLA Loewen.

Mr. Loewen: Thank you very much, and thank you, Minister and staff, for being here today and answering questions. I really appreciate that.

Going to the estimates, page 172, line items 5 and 5.2, of course, this refers to the federal grant programs and the portion of this year's municipal budget that they make up. We noticed that there has been an increase in the past year. I'm just kind of curious what that increase means to the province's bottom line as far as moving forward.

Mr. Madu: There was a one-time – I believe it was \$229.5 million – commitment. With that particular money, when we released the interim supply this fall by almost 89 per cent – what that means is that our municipal partners now have more than a hundred per cent of all the money that they needed for their capital infrastructure when they set their budget earlier this year.

Mr. Loewen: Okay. Thank you very much, Minister.

I would like to move on to the business plan, page 123, key objective 2.2. I know that in my discussions with municipalities always some of the biggest concerns are the burdensome regulation, the red tape, the things that keep them from moving forward and getting things done. You know, they talk about how some of the processes slow down projects they want to do for months and months and months. I know that getting out of the way of municipalities to do business is one thing, but of course offering them the ability to attract business and investment is another. How will changes to the Municipal Government Act allow municipalities to spur investment and attract business?

Mr. Madu: A good question, Mr. Loewen. That is precisely why we, again, brought forward Bill 7, you know, to augment the Municipal Government Act and our work in red tape reduction. Taking all of this combined, I think that all of us can agree that investors are looking for an investment-friendly environment to invest their hard-earned dollars. We in this province are competing with all kinds of jurisdictions within the country and overseas, like the United States, and it's incumbent upon us to determine whether or not we are going to have one of the friendliest jurisdictions for businesses to invest. That is exactly what our red tape reduction strategy will do. Actually, that's exactly the intent behind Bill 7, the municipal government property tax amendment act, that now allows up to 15 years for municipalities to be able to provide tax incentives.

Mr. Loewen: Okay. Thank you very much, Minister. I'll turn my time over to MLA Singh.

Mr. Singh: Thank you, Mr. Chair. With the permission of the chair, I would like to go back and forth with the minister if it's okay.

Mr. Madu: That's okay, Mr. Singh.

Mr. Singh: Thank you.

Through the chair to the minister: you and your team are doing a great job in assisting Alberta municipalities in making sure that they are provided with well-managed and accountable local governance. My question is with reference to key objective 3.3, found on page 124 of the business plan. How will the ministry reduce provincial trade barriers in safety codes?

Mr. Madu: You know, good question, Mr. Singh. I can tell you that at the provincial level we are actively involved with the federal government and other provinces and territories on the Regulatory Reconciliation and Cooperation Table, which supports Canadian free trade agreements.

Alberta has also made progress in harmonizing the technical code requirements by adopting the national and international codes. My staff are currently working with the National Research Council and other provinces and territories to reduce the number of differences in code requirements between provincial jurisdictions. Of course, the ministry still retains the flexibility, you know, to make sure that the national codes are in our province's best interest.

The Chair: Sorry to interrupt, Minister.

We will now move back over to the Official Opposition for a 10-minute block. Do you wish to go back and forth with the minister?

Mr. Nielsen: Yes, please, Mr. Chair, if the minister is okay with that.

Mr. Madu: That's okay.

Mr. Nielsen: Great. You know what? I'm going to play right off that exact same question. Hopefully, you weren't looking at my notes. Talking about those safety barriers, safety codes between provinces, if there's a jurisdiction that has a lower safety code, are you entertaining dropping potential safety codes that we have that are higher?

Mr. Madu: The safety of communities and people is uppermost in my mind.

Mr. Nielsen: Is that a no?

Mr. Madu: We as a province do not sacrifice the safety of our people.

Mr. Nielsen: So that's a no.

Mr. Madu: Mr. Nielsen, you should know that.

Mr. Nielsen: Okay. I just wanted to make sure about that because, quite honestly, the way that it's worded in here is a little concerning, but I'm just maybe getting caught up on the language.

Anyway, proceeding on here over to page 127 in the business plan, specifically looking under key objective 5.5, why amalgamate the boards?

Mr. Madu: Well, again, it is part of the concerns that we had. The goal is to make it much more efficient. The goal is to reduce the footprint of government. The goal is to reduce the time frame it takes for the complaint and applications and the hearing process, from the time it begins to the time it ends. They go there to make sure that the decisions are heard and received on time.

Mr. Nielsen: It's red tape.

Mr. Madu: Of course, it's a red tape reduction.

Mr. Nielsen: Perfect. Was this decision made by your ministry?

Mr. Madu: Of course, my ministry is responsible for the boards.

Mr. Nielsen: Okay. So not the red tape ministry.

Mr. Madu: My ministry is responsible for the boards, and as a government all of us in the various ministries work together.

Mr. Nielsen: Okay. What kind of timeline are you looking to accomplish this in?

Mr. Madu: It's a work-in-progress.

Mr. Nielsen: So you have no end time?

Mr. Madu: The four boards have already been amalgamated, so the rest is still a work-in-progress.

Mr. Nielsen: Okay. Any anticipated personnel reductions out of this?

Mr. Madu: That is not the goal.

Mr. Nielsen: Any kind of idea around any kind of training times for an amalgamated board to start looking at, you know, being able to handle, I guess, the extra workload of new areas that they may not have looked at before, given that there's no potential reductions in personnel?

Mr. Madu: I mean, there may be a disconnect here. What we have done – there has not been a reduction in personnel. The same administration that is responsible for the four various boards is still there. What we have done is to bring them together to reduce the footprint of government and, you know, to make sure that they are much more efficient. Rather than running to four offices, for example, you can now have just one office you can go to.

Mr. Nielsen: Okay. With these amalgamated boards, then, I'm just looking at your targets under 5(a). I've noticed that those targets are lower than historical, including even 2018-19 actual results of 96 per cent. Why do you anticipate a drop in performance?

Mr. Madu: I'm going to have one of my staff speak to that.

Mr. Hartfield: Your question is around the targets about . . .

Mr. Nielsen: Yeah. The targets right here for, well, essentially the next three and a half years are all at 88 per cent, which is lower than historically targets seem to be recorded at, including the '18-19 year. The actuals were 96 per cent. Are you expecting a drop in, I guess, effectiveness of this amalgamated structure?

10:20

Mr. Hartfield: No, we're not. In fact, we believe that the amalgamation, just through having a larger body of board members to draw from to assign to hearings, will actually increase efficiency and effectiveness.

Mr. Nielsen: Great. Thank you very much.

Mr. Chair, I'll pass my remaining time over to Ms Renaud.

The Chair: Go ahead, Ms Renaud.

Ms Renaud: Okay. Thank you very much. I wanted to speak briefly about outcome 3 on page 124. Outcome 3 talks about what you'd like to achieve, and at a high level, it's that Albertans are protected with safe buildings, homes, and communities. Certainly, that is an aspirational goal and an important goal.

One of the things: I look into the objectives, and I see that you talk about aligning safety codes, a quality assurance framework that enables partners to act autonomously while holding them accountable. Then it goes on a little bit. I want to sort of focus on the Safety Codes Act. Now, I know that sometimes when government gets involved in things like this, there are unintended consequences. A few years back there were some minor adjustments made to safety codes, and that resulted in some changes to legislation for people with disabilities living in community. Their homes, which were really just homes that had staff in them with them, ended up defaulting to these rules that looked a lot like nursing home rules or lodge rules. That was able to be repealed, and we changed those safety code standards.

I just want to talk a little bit about: when you're looking at these sorts of changes, especially around safety codes, if you're going to do these reviews internally, how will you consult communities that have sort of really unique needs as it relates to legislation and regulation like safety codes?

Mr. Madu: Again, I think that is part of the reason why we have this Safety Codes Council, you know, that is made up of people from industry and our communities, to make sure that we are receiving the best advice. Again, if we are going to make changes with respect to the Safety Codes Act, I think we would have to then consult with the industry and the experts in the field.

Ms Renaud: Okay. Which is really encouraging to hear. I know there's a new charities council that's being developed, but one of the bodies is the Premier's Council on the Status of Persons with Disabilities. Their role is to provide advice to government, not just specifically to Executive Council or the Premier's office but all ministries, whether it's around accessibility in terms of physical accessibility, things like that. You know, that's less of a question, more of a statement to consider that that's a really good place to go for advice.

But I want to move on.

Mr. Madu: I wouldn't disagree with that, that we need to make sure that we build for all of our citizens.

Ms Renaud: Absolutely.

So you probably know and I know – you know, I’m not a big fan of all the federal legislation that’s come through lately, that’s for sure. One of the pieces I actually was appreciative of was Bill C-81, and that’s the Accessible Canada Act. Although that doesn’t really apply to provinces just yet, it’s federal legislation that looks at making really significant changes to accessible environments in terms of not just the build – a building or the way land is used – but it looks at employment and education and all of these other things. Eventually, down the road it will have implications for provinces. I’m just wondering if there are any strategies – and I didn’t see anything in your objectives or anything else that you talked about. Is there any work sort of that will be undertaken in your ministry to start to look at the implications of this federal legislation?

Mr. Madu: Well, again, I think you and I can agree that I, too, am not a fan of some of the various pieces of legislation that the federal Liberal government has put in play that have so negatively impacted our province.

Ms Renaud: For sure.

Mr. Madu: That said, I would like to see if my ADM for the safety division has any comments on this.

Mr. Beesley: Thank you for the question. One thing that I would point out is that the barrier-free administrator for the province also sits on the Safety Codes Council and subcouncils and most recently, you’ll be pleased to know, was seconded to the Premier’s Council on the Status of Persons with Disabilities. So that work continues. As the codes are built at the national level, we do consider barrier-free things. As you know, it’s easier for new buildings than to retrofit old buildings, but it’s always top of mind.

Ms Renaud: That’s great. Thank you very much for that information. That’s encouraging.

I just want to flip over to the next page. Again, you have another sort of high-level outcome, outcome 4. Really, it talks about: “Alberta is emergency ready and resilient.” It talks about some of the high-level, key objectives, which absolutely are important. I’m not going to get into so much of the reductions that were made to particular programming areas because some of them are fairly significant, but I wanted to take a larger approach. I think some of the most important steps are around risk management – right? – risk mitigation. I’m sure you know that climate change is a significant challenge of our time. Actually, it has been for a few decades, but I think it’s become an acute challenge. You know, organizations like the Insurance Bureau of Canada have given us projections about the cost of weather events related to climate change. Certainly, even our own AIMCo . . .

The Chair: Thank you very much, members.

We will now move on to a 10-minute block for the government caucus. Mr. Singh.

Mr. Singh: Thank you, Mr. Chair. I have another question to the minister if it’s okay.

Mr. Madu: That’s okay, Mr. Singh. Please proceed.

Mr. Singh: Thank you. In reference to page 127 of the business plan, key objective 5.4, can the ministry please explain how they are working to strengthen the rights of landowners and operators? How is the ministry streamlining internal processes and reducing timelines for issuing decisions?

Mr. Madu: You know, a very good question, Mr. Singh. That is why I spoke earlier on about what we have done with the amalgamation of the board. This is actually where the Surface Rights Board comes in. That particular board right now is taking steps to improve and streamline its service delivery to Albertan landowners and operators on surface rights matters through taking a variety of actions. One of those is that the SRB, Surface Rights Board, has placed considerable emphasis on encouraging parties to resolve their disputes by providing dispute resolution and mediation services. Again, I think it’s very important that even before these parties begin the formal process of hearings, we do everything we can to see if we can resolve some of these disagreements without incurring all of those legal costs.

The other measure that the SRB is taking is the implementation to improve efficiency and timelines of decisions, you know, which includes introducing paperless processes, redesigning application forms for the recovery of rentals program, and introducing a new internal decision-tracking system to improve the monitoring of board decisions.

Mr. Singh: Thank you, Minister, for providing the essential information about the significant steps that you are doing with your team in making sure that Albertans live comfortably in our municipalities and communities.

Thank you, Mr. Chair.

Mr. Madu: Thank you, Mr. Singh.

The Chair: Mr. Turton, go ahead.

Mr. Turton: Thank you, Mr. Chair. Minister, do I have your permission to go back and forth?

Mr. Madu: Very well, Mr. Turton.

Mr. Turton: Excellent. Well, first of all, I would like to thank you and the rest of your team for coming here today. As you know, over the last eight and a half years, prior to being elected as an MLA, I served as a city councillor for the amazing city of Spruce Grove, so I have a lot of experience when it comes to Municipal Affairs. I have to say that I commend you for your leadership style, Minister. It’s been a breath of fresh air. I know that even when I was at AUMA, talking with a lot of my ex-municipal colleagues, many of them approached me saying how much they appreciated your style and your candour when you’re talking about tackling the structural issues that many municipalities in this province face. For that I thank you, Minister, for your leadership on this file so far.

Mr. Madu: Thank you, sir.

Mr. Turton: Prior to being elected as a city councillor, almost 10 years ago, I had the privilege of serving as a library board trustee, so libraries are an extremely important part both to me as well as to my community. Also, I guess, just for the benefit of all the schoolchildren and children watching the video today, I’m actually referencing the business plan, page 122, initiatives and references for library services, because I know there are probably a lot of kids watching the proceedings today. I just wanted to make sure I referenced that.

Anyways, I guess my first question has to deal with – as you know, libraries are some of our most essential community spaces. In many regards I consider them the Swiss Army knife when it comes to social sustainability, when it comes to our communities. The resources that they provide and the programming that they offer contribute to the overall well-being of municipalities such as Spruce

Grove and Stony Plain and the success of their residents. What are you doing to support those public libraries and their boards to continue to offer those crucial programs and services?

10:30

Mr. Madu: Thank you so much, Mr. Turton. That is a very important question. Let me put on the record, Mr. Chair, that I have two daughters who are ferocious readers, and I and my wife and my two daughters, whatever time I have, are always accessing services provided by the public library. So it's something that is critically important to me. That is why, you know, we have maintained a hundred per cent of funding for library services. In recognition of the importance libraries across this province play in our various communities, Municipal Affairs, I can confirm, provides \$30.5 million a year in direct operating grants to 213 municipal and regional library boards.

Library boards use the funding, along with that from their municipality, to determine how to best support the delivery of crucial programs and services to help reader needs of their municipality and residents, you know, from accessing books and resumé preparations to making sure that the vulnerable amongst us are able to have the resources that are needed to make sure that they live a high-quality life. Those are some of the services that our library boards provide. I am very proud to have maintained their funding, and that will continue.

Mr. Turton: Excellent. I know just one example about how libraries are treated as community hubs moving forward and how it's changed maybe over the last couple of years. I know the Spruce Grove library was used as a hiring centre in terms of job fairs for employers coming in and talking to prospective employees. Truly, the role of libraries has changed compared to where it was when I was, you know, a small child growing up in Saskatchewan, where they were just simply collections of books at that point.

For libraries in smaller municipalities, what are we doing to ensure that they are able to offer the same services as those in the bigger cities? As you know, there are always issues regarding funding differences between large communities or urban communities versus rural communities, the disparities when it comes to service-level differences between the two respective community groups. What's your take on what we can do to ensure that those smaller libraries remain viable?

Mr. Madu: One of the things that we have done is the deployment of technology, you know, to make sure that it doesn't matter where you live in this province – it doesn't matter whether you are in a summer village or in a town or a small city or urban centres – that you are able to access the same programs and services as anybody else. That is something that we have done very well. My ministry actually funded the specific service that allows for a child in the smallest of our summer villages to be able to access the same programs and services as a child in Edmonton, and that work will continue.

Mr. Turton: Okay. Real quickly, just regarding the Libraries Act, as you know, Minister, it's one of the oldest pieces of legislation in the books right now and hasn't been updated for a very long time. Just looking under those key objectives, are there any plans by your ministry to review that piece of legislation, to kind of work within the new funding models and the new plans and programs that are being offered by libraries across the province today?

Mr. Madu: No. Obviously, you know, one of my commitments is to continue to review all of the pieces of legislation that I am

responsible for, but I am going to let my ADM, Anthony, weigh in on this.

Mr. Lemphers: Thank you, Minister. One of the red tape initiatives that we are looking at is the public library services branches meeting across the province with different key public library stakeholders to identify what challenges or burdens might be in the way of them delivering services as well as they possibly could. If there are legislative changes that come out of that feedback, then that can form changes that would actually change the actual Libraries Act. So there is an initiative under way right now. It's not focused on Libraries Act changes per se as opposed to what's getting in the way of public library stakeholders to deliver the best service to their citizens. If there are any legislative changes that come out of that, then that can result in actual legislative changes.

Mr. Turton: Okay. That's fantastic to know. For example, I know that when I talked to both Tammy Svenningsen, who has been the librarian director at the Spruce Grove library for many years, as well as Allison Stewart at the Stony Plain library, about red-tape initiatives that could help better libraries across the province, they were ecstatic because that legislation hasn't been looked at for so long.

To change direction a little bit, Minister, you talked a little bit about technology differences within libraries, and I would like to maybe get your opinion about the technological changes that are coming to the 911 service and how we can ensure that, you know, residents across Alberta have the most current, up-to-date 911 service, that they're able to utilize the latest technology. Perhaps you could elaborate a little bit about how that service has changed, again, from maybe prior decades to how it's going to be serving Albertans for the next couple of years moving forward.

Mr. Madu: I mean, again, we're continuing to look for better and smarter ways to deliver . . .

The Chair: Thank you very much, Minister and members of government caucus.

We'll now move over to the Official Opposition for a 10-minute block. Ms Renaud, back and forth again?

Ms Renaud: Yes, please, if you're okay with that?

Mr. Madu: I'm okay with that.

Ms Renaud: I'm just going to recap really quickly, just finish this question, and then pass it on to Member Carson. I talked a little bit about outcome 4, which at a high level, again, is that "Alberta is emergency ready and resilient." I would suggest that part of being ready is understanding the risks that are in front of you. Now, I mentioned the Insurance Bureau of Canada talking about the financial risk and implications of the economic impacts of weather effects. You know, we've had organizations come out for actual years – the World Health Organization, the United Nations, the International Monetary Fund – just stressing the risks ahead of us and the need to address those, plan for them, and mitigate. I'm just wondering if your department has undertaken this work. Is there some sort of planning that's going on that will impact the work? If so, are there plans that you can share with us or direct us to?

Mr. Madu: What I can confirm is that our province is reducing its vulnerability to climate change and natural disasters through a smart investment in mitigation and preparation such as the Springbank dry dam project. In many cases these projects are taking advantage of government of Canada cost-shared programs . . .

Ms Renaud: Thank you, Minister. I'm sorry to cut you off; I don't have a lot of time. I appreciate the examples that you're giving me. My question: is there a large-scale planning or risk assessment mitigation plan for your particular department because, of course, that impacts so many municipalities? Is there a larger scale plan to tie all of these efforts together to address the impacts, the challenges of climate change?

Mr. Madu: Well, obviously, my department is responsible for responding to natural disasters when and if they strike, and that is why we have the most robust . . .

Ms Renaud: Okay, so not . . .

Mr. Madu: Well, again, the minister of environment is responsible for climate change policies.

Ms Renaud: So nothing in Municipal Affairs?

Mr. Madu: That's right.

Ms Renaud: That's great.

I'm going to pass to Member Carson.

The Chair: Go ahead, Mr. Carson.

Mr. Carson: Thank you, Chair. Just wondering if the department has gotten a number for me.

Mr. Lemphers: Certainly. It was actually easier than we thought. In 2019-20 there is no reduction to MSI in total compared to what municipalities expected. As a matter of fact, for Edmonton, their allocation goes up by \$2.3 million from what they received last fiscal year. Calgary's MSI allocation in 2019-20 goes up by \$2.8 million from what they received last fiscal year. Grants in place of taxes for Edmonton with the 25 per cent reduction is a \$7.6 million reduction.

Mr. Carson: Sorry. Do you have a total number at the end of all this?

Mr. Lemphers: For '19-20, the total reduction, which is really only MSI offset by grants in place of taxes, is a \$5.3 million reduction for Edmonton and is a \$0.3 million reduction for Calgary in 2019-20.

Mr. Carson: Okay. Thank you very much. I think that's all I have.

Member Ceci: Can I just ask you about the FTE reductions on page 190 of your fiscal plan? Where are the 23 coming from?

Mr. Madu: I'm going to let Anthony speak to that.

Mr. Lemphers: The FTE reductions?

Mr. Madu: What page number again?

Member Ceci: Page 190.

Mr. Madu: Page 190.

10:40

Mr. Lemphers: Right. They are reductions that were vacant positions that were across the ministry.

Member Ceci: Okay. What do you anticipate for the next fiscal?

Mr. Lemphers: We've only got the 23 that we've identified in the current fiscal.

Member Ceci: All right. Thanks.

With regard to the federal gas tax fund on pages 168 and 176 of your estimates, you're showing \$476,544,000. Will all of that be allocated before the end of this fiscal?

Mr. Madu: Yes. The answer is yes.

Member Ceci: Okay. It's providing to municipalities to help them revitalize their local public infrastructure. The program is fully funded by the federal government and administered by the province. Just give me one example of where that federal gas tax fund is going.

Mr. Madu: I'm going to let Ethan speak to that.

Mr. Bayne: I'm Ethan Bayne, ADM for municipal assessment and grants. I don't have a specific project list for the gas tax fund with me, but it is an allocation to municipalities on a per capita basis.

Member Ceci: For . . .

Mr. Bayne: For capital infrastructure according to program guidelines that the province establishes pursuant to the Canada-Alberta gas tax agreement.

Member Ceci: Okay. And where is that going? What do you anticipate happening in the next fiscal year around that fund?

Mr. Bayne: The current Canada-Alberta gas tax agreement continues through fiscal '23-24, so that per capita amount would continue. The one-year top-up is just for this year.

Member Ceci: A one-year top-up this year. Okay.

With regard to how long it will take – Minister, back to the local government fiscal framework funding amount. I think you said that your officials would give me information about how long it will be to get back to the 2017 baseline of MSI and maybe GIPOT.

Mr. Madu: I did not make that commitment.

Member Ceci: But we talked about that.

Mr. Madu: No. What I said was that it will kick in after the conclusion of the current MSI program in 2021-2022. I didn't make any other commitment.

Member Ceci: Sure. So my question is: with the 50 per cent revenue constraint that has been put on as a result of Bill 20, how long will it be for municipalities to get back to something resembling the baseline in 2017?

Mr. Madu: Again, Member, think about it. When you asked a couple of questions, my response was that there is a policy shift in recognition of the circumstances that we find ourselves in . . .

Member Ceci: I'm just asking you to model it.

Mr. Madu: Listen, again – again – you are asking me to talk about policies that your previous government was holding and pursued in 2017. The new fiscal framework, the new framework that we have put in place: that will come into place in 2022 and 2023 if I'm not mistaken.

Member Ceci: That's correct.

Mr. Madu: That is what there is going to be. The funding allocations that we have provided are overtly subject to the 50 per cent rule. It's what it is going to be.

Ms Phillips: I think what the member is looking for is the background information that was prepared by the department to show the amounts that are anticipated through the local government fiscal framework and the delta between what is being transferred to municipalities and the baseline as established in 2017. If the department could undertake to share those documents and that modelling analysis with the committee, we would appreciate it.

Mr. Madu: Now, again, I think that is – sorry. Let me be clear. That is a question for Treasury Board and Finance, not Municipal Affairs.

Ms Phillips: Well, I mean, in my experience, those documents were prepared by Municipal Affairs and Treasury Board and Finance. We know they exist, so it would be great if the public could see them.

Member Ceci: That's certainly what my expectation is. I think, you know, it's trying to provide some clarity to municipalities in this province. Are they going to be eventually better off or worse off as a result of the bill you've brought forward, Bill 20, which they had no ability to negotiate or sit down with you around?

Mr. Madu: You know, I'm going to go back again to what you were asking for by Member Phillips. The format that we have put in place is dependent on the provincial economy. Again, you're asking me to speculate on what that will look like in 2025 or 2026. It all depends on how our economy does in 2025-2026. That is why our government is working so hard to rebuild our economy.

Ms Phillips: I think, Minister, what's being sought here is information for the committee's deliberation. There are forecasts within the local government framework line of the estimates. Those are based, as the minister rightly points out, on economic growth forecasts and other forecasts. They're also based on anticipated amounts being transferred to the municipalities. So that work has been modelled. It has been forecast. It has been presented to government. The request from the committee members on this side is that that information be shared with the public.

The Chair: Thank you very much, members.

We will now turn to a 10-minute block for the government caucus, starting with Mr. Turton.

Mr. Turton: Yes. Thank you, Mr. Chair. Minister, just to kind of ask the same question that I asked previously – I know you didn't have a chance to answer it – my question is actually referring to key objective 4.6 on page 125 of the business plan. Can you just, perhaps again, elaborate and finish your answer about how the ministry is ensuring access to 911 and emergency public alerting systems?

Mr. Madu: I'm going to have Brad Geddes . . .

Mr. Geddes: Brad Geddes, executive director of recovery, acting managing director. It's a great question. The role that we currently provide is two parts. The first one is setting standards for 911. Those are built in consultation with the municipalities and other jurisdictions that provide 911 service directly to Albertans. Those standards are built in collaboration over multiple years to make sure that they were reasonable and effective. The second point is administration of the 911 levy, to make sure that there are

appropriate resources available so that those centres can do the important work that they do.

Did that answer your question?

Mr. Turton: Yes, it did.

Just one quick supplemental: how does the ministry ensure that these systems are technologically current and agile?

Mr. Geddes: Right. The value of having a group such as that is that they're able to work not only internally to the province, but they also work with the national wireless alerting systems to make sure that there's a common understanding not only within the province but also with the major carriers such as Bell and Telus, to make sure that there's interoperability on that point as well.

The other valued asset we have in the province is the AFRRCS system, which provides additional supports through towers and interoperability with first responders. It's through those co-ordinations that we are able to make sure that that happens, and that's where the committee can speak up and speak to where they have deficiencies in the technology and/or resources.

Mr. Turton: As, you know, safety is such a high priority for many of our residents in our respective communities, Minister, I'm very thankful for the leadership you have had on this file.

At this point I would like to cede the rest of my time to Member Yaseen.

Mr. Yaseen: Thank you, Chair, and thank you, Member. Can I go back and forth, Mr. Chair?

The Chair: That's up to the minister.

Mr. Madu: That's okay, Mr. Yaseen.

Mr. Yaseen: Thank you. Thank you, Minister and your team, for working hard on this very tough file that you inherited, for all the work.

Mr. Madu: Thank you, sir.

Mr. Yaseen: I'm very comfortable sitting beside a person here who's got all kinds of experience – previous municipality experience, libraries, city council, and all that; that gives me comfort – and that's very obvious from his questions and preambles.

My question to you, sir, is on page 171, line 6, which is grants in place of taxes. I see significant change there. I am just wondering if you could please shed some light on what the real difference will be for municipalities in terms of their overall budgets. That is line 6, page 171 of the estimates.

10:50

Mr. Madu: Thank you, Mr. Yaseen. Obviously, we had to make some tough decisions in order to make sure that we are living within our means. But if you take a look at the reduction, for example, for the city of Edmonton, it really is, I mean, I would say, about 0.4 per cent of the property taxes that they collected in 2019-2020 and about 0.8 per cent in 2020-2021. For Calgary, it is 0.3 per cent. Even though we can't minimize these tax dollars, in terms of the overall impact I am confident that the city of Edmonton and the city of Calgary are, by the way, as I have said, 0.4 per cent, 0.8 per cent, and 0.3 per cent of the impact on the overall budget.

Mr. Yaseen: Thank you.

My next question is on the next page, page 172, line item 5.1 of the estimates. It sees an increase in the federal gas tax fund by over

\$240 million. Could you please explain how this additional funding will be used?

Mr. Madu: Yeah. The actual amount is a one-time payment of \$229.5 million, which was part of the federal government budget release. This funding was distributed to municipalities along with their normal funding allocations as per the bilateral agreement that we have with the provincial government. As I said previously, by the time you combine the federal gas tax fund money and the provincial grant, all of our municipalities would have had more than a hundred per cent to fund all of the capital projects that they have put in place by the beginning of the budget year in January of this year.

Mr. Yaseen: Thank you. That's one time?

Mr. Madu: The \$229.5 million is a one-time payment.

Mr. Yaseen: Okay. Thank you.
I will turn it over to my colleague MLA Smith.

Mr. Madu: Thank you, sir.

Mr. Smith: Through the chair, can we go back and forth?

Mr. Madu: Very well, Mr. Smith.

Mr. Smith: Okay. Thank you. Just let me say that I have enjoyed listening to your answers today, and I hope that we can make some progress in the budget as we go through the questions that I have for you today.

I'm going to be referring to the business plan, page 122. It's going to be looking at objective 1.2. It speaks to the municipal inspection process. Your ministry contracts consultants to municipal inspections. What are some of the ways that the province helps to support communities to avoid situations that actually result in inspections?

Mr. Madu: That's a very good question, Mr. Smith. As you know, in my ministry we devote a lot of resources in working very closely with our municipal partners to make sure that we are able to deal with all kinds of viability problems before they actually become a problem that comes to the attention of the minister. We provide all kinds of education, we provide all kinds of support, and we dedicate staff, senior management staff and managers, to work closely with our municipalities to have a sense of some of the problems that they are dealing with where we can be of help. We provide all kinds of training sessions to the municipal administrations and elected officials on matters such as roles and responsibilities, intermunicipal collaboration, dispute resolution, bylaw development, land-use planning, and much more. Then, obviously, sometimes there will be the need for the department to embark on an inspection based on issues that we find are complaints by citizens.

Mr. Smith: Okay. Well, thank you very much.

The second question that I'd like to ask you today is on page 128 of the business plan. I'm going to be referring to the municipal assessments and grants administration, okay? Towards the bottom of the page there I'm going to be looking under 2020-21, the target, and it looks like you have there about a \$7.4 million increase for '20-21. When I look at 2019-20, it's about a little under \$2 million. It's \$2 million in '21-22, and it's a little bit more again in '22-23. I guess the question that I've got is this: considering that this year and the targets for '20-21, '21-22, and '22-23 don't go higher than \$2.2 million, why are we seeing such a large increase in '20-21?

Mr. Madu: Let me defer to the ADM to tackle that particular question.

Mr. Lemphers: Thank you . . .

The Chair: Sorry, Minister.

Mr. Smith: I think that's called a cliffhanger. This is as good as it gets in budget estimates.

The Chair: Thank you, members, for your questions and, Minister, for your answers.

We'll now move on to the opposition caucus for the remaining two minutes and 48 seconds.

Member Ceci: Thank you. With regard to the municipal cannabis transition program not continuing as a line item, what do you say to municipalities who ask you about that?

Mr. Madu: Again, this is a conversation that we'll continue to have with municipalities, and I have many commitments to work with them to better understand some of the pressures that they face. It's a work-in-progress, Member Ceci.

Member Ceci: Thank you, Minister, for your answers.

I'll cede our time so that we can all go to the Remembrance Day ceremony.

The Chair: Oh. Okay. Hearing that, if there are no further questions, are there any other members wishing to speak before I go on?

Seeing none, then pursuant to Standing Order 59.01(8) the estimates of the Ministry of Municipal Affairs are deemed to have been considered for the time allotted in the schedule.

I would like to remind committee members that we are scheduled to meet next on Tuesday, November 19, at 9 a.m. to consider the estimates of the Ministry of Environment and Parks.

Thank you, everyone, for your input. This meeting is adjourned.

[The committee adjourned at 10:58 a.m.]

