



Legislative Assembly of Alberta

The 30th Legislature
Second Session

Standing Committee
on
Resource Stewardship

Ministry of Municipal Affairs
Consideration of Main Estimates

Tuesday, March 9, 2021
7 p.m.

Transcript No. 30-2-13

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Second Session**

Standing Committee on Resource Stewardship

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Standing Committee on Resource Stewardship

Participants

Ministry of Municipal Affairs

Hon. Ric McIver, Minister

Ethan Bayne, Assistant Deputy Minister, Municipal Assessment and Grants

Dale Beesley, Assistant Deputy Minister, Technical and Corporate Services

Scott Long, Acting Managing Director, Alberta Emergency Management Agency

Gary Sandberg, Assistant Deputy Minister, Municipal Services

7 p.m.

Tuesday, March 9, 2021

[Mr. Hanson in the chair]

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

The Chair: Thank you, everybody. Welcome. I would like to call the meeting to order and welcome everyone.

I'd ask that we go around the table and have members introduce themselves for the record. I am David Hanson, the MLA for Bonnyville-Cold Lake-St. Paul and chair of this committee. We will begin starting on my right.

Member Ceci: Thank you. Good evening. I'm Joe Ceci, MLA, Calgary-Buffalo.

Ms Issik: Whitney Issik, MLA for Calgary-Glenmore.

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

Mr. Guthrie: Good evening. Peter Guthrie, MLA for Airdrie-Cochrane.

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

Mr. Carson: Good evening. Jon Carson, MLA, Edmonton-West Henday.

Mr. Feehan: Good evening. Richard Feehan, MLA for Edmonton-Rutherford.

Mr. Huffman: Good evening. Warren Huffman, committee clerk.

The Chair: Thank you. Now we'll go to the members participating virtually. When I call your name, please introduce yourself for the record.

I see Mr. Getson at the top.

Mr. Getson: Yes. MLA Shane Getson, Lac Ste. Anne-Parkland and showing off Cherrill, Alberta, tonight.

The Chair: Thank you, Mr. Getson.
Mr. Singh.

Mr. Singh: Good evening, everyone. Peter Singh, MLA, Calgary-East.

The Chair: Mr. Yaseen.

Mr. Yaseen: Good evening. Mohammed Yaseen, MLA, Calgary-North.

The Chair: Thank you, Mr. Yaseen.

Due to the current landscape we are in, all ministry staff will be participating in the estimates debate virtually. Minister, please introduce yourself for the record.

Mr. McIver: Thanks, Chair. My name is Ric McIver. I'm the MLA for Calgary-Hays. Should I introduce my staff, Chair?

The Chair: I think that would be appropriate. Sure.

Mr. McIver: With me I have Deputy Minister Paul Wynnyk; Assistant Deputy Minister Ethan Bayne, ADM for municipal assessment and grants; and Dan Balderston, senior financial officer.

Also in the room are assistant deputy minister, municipal services division, Gary Sandberg; assistant deputy minister for technical and corporate services Dale Beesley; Scott Long, the acting managing director, Alberta Emergency Management Agency; Susan McRory, the chair of the quasi-judicial boards; Jill Wheeler-Bryks, communications director; and Mat Stepan, chief of staff.

The Chair: Thank you, Minister.

Before we begin, I would note that in accordance with the recommendations from the chief medical officer of health attendees at today's meeting are advised to leave the appropriate distance between themselves and other meeting participants.

In addition, as indicated in the February 25, 2021, memo from the hon. Speaker Cooper, I would remind everyone of committee room protocols in line with health guidelines, which require members to wear masks in committee rooms and while seated, except when speaking, at which time they may choose not to wear a face covering.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of meetings can be accessed via the Legislative Assembly website. Those participating virtually are asked to turn on their cameras while speaking and please mute their microphones when not speaking. Members participating virtually who wish to be placed on a speakers list are asked to e-mail or send a message in the group chat to the committee clerk, and members in the room are asked to please signal the chair. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates. A total of three hours has been scheduled for consideration of the estimates for the Ministry of Municipal Affairs. Standing Order 59.01(6) establishes the speaking rotation and speaking times. In brief, the minister or member of Executive Council acting on the minister's behalf will have 10 minutes to address the committee. At the conclusion of his comments a 60-minute speaking block for the Official Opposition begins, followed by a 20-minute speaking block for independent members, if any, and then a 20-minute speaking block for the government caucus.

Individuals may only speak for up to 10 minutes at a time, but time may be combined between the member and minister. The rotation of speaking time will then follow the same rotation of the Official Opposition, independent members, and the government caucus, with the individual speaking times set to five minutes for both the member and the ministry. These times may be combined, making it a 10-minute block. One final note: please remember that discussion should flow through the chair at all times, regardless of whether or not speaking times are combined. If members have any questions regarding speaking times or the rotation, please feel free to send an e-mail or message to the committee clerk about the process.

With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break? Seeing none, we will announce that shortly.

Ministry officials, at the direction of the minister, may address the committee. Ministry officials are asked to please introduce themselves for the record prior to commenting. Space permitting, opposition caucus staff may sit, appropriately distanced, 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 individual speaking times will be paused; however, the speaking block time and the overall three-hour meeting clock will continue to run.

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

The vote on the estimates and any amendments will occur in Committee of Supply on March 17, 2021. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk, and as a courtesy an electronic version of the signed original should be provided to the committee clerk for distribution to committee members.

I now invite the Minister of Municipal Affairs to begin with his opening remarks.

You have 10 minutes, sir.

Mr. McIver: Thank you, Chair, and good evening. I am here today to present my ministry's 2021 to 2024 business plan and highlights of the Municipal Affairs 2021-22 budget. Joining me are senior officials from my department: Paul Wynnyk, deputy minister; Ethan Bayne, assistant deputy minister, municipal assessment and grants; Dan Balderston, at the table; and also McKenzie Kibler, the communications person for the ministry. Additional staff from my department are in the room, who will introduce themselves if they are asked to provide supplementary information. I will deliver some prepared remarks, and then we'll take questions.

The Municipal Affairs budget is aligned to support the broader government strategy and goals. The overall GOA budget will spend \$3.1 billion more in 2021-22 to continue supporting Alberta's recovery plan. It is a bold strategy to create jobs, build infrastructure, and diversify the economy. Priority areas include health care, education, and job creation. Municipalities will play a large role in the plan as municipalities will be where infrastructure gets built, where investments are made, and where jobs, of course, will be created. They will also be some of the places we look to align our spending with comparable provinces so that our investments are made responsibly and sustainably.

Our ministry is investing more than \$1.7 billion to help build Alberta's communities and keep Albertans, who live in them, safe and help them thrive. Despite a very trying year for all and an obvious need to live within our means, we also acknowledge that support for communities is our best path forward for a prosperous future. We are continuing to provide important programs and services that Albertans depend on, and we are investing in infrastructure, strong local governments, and a healthy provincial library network.

I will begin by highlighting some of the key changes in the Municipal Affairs budget: a change in the average level of municipal sustainability initiative capital funding to be provided over the next three years; \$23.4 million increase in investing in Canada infrastructure funding; an \$11.1 million increase in the federal gas tax fund; \$10 million is being made available for communities to implement the Alberta Senate Election Act and Referendum Act this fall; a decrease of \$2 million from a labour mandate adjustment; a \$600,000 reduction to the Surface Rights Board, which could not have happened without the great work of the staff there to reduce the file backlog that they have faced in recent years; \$300,000 in dedicated revenue changes; a \$200,000 reduction in grants in place of taxes, due not to paying less for

property but actually having less government property inventory; and changes to the disaster recovery program.

I will dive a bit deeper into the details now, Chair, starting with MSI. Investing in infrastructure in communities is key to a prosperous Alberta in the coming years. At the same time we know that we are in a different economic fiscal environment now, and past levels of spending are not sustainable for the long term. Accordingly, municipalities will receive about 25 per cent less in capital funding over the next three years than they did last year; however, more of this funding will be made up front so that municipalities can continue with vital economic recovery and stimulus efforts in the near future while planning for lower average funding levels in future years. This means that MSI capital funding will total nearly \$1.2 billion in 2021, and for the next two years this amount will be reduced to \$485 million a year. In other words, over the three-year span MSI capital will average \$722 million a year. So this is the first year. It's not an increase. It's the first year of a 25 per cent cut that continues over three years.

7:10

In short, the aim is to use this capital funding to boost the economy and create jobs in the immediate future and to stabilize our spending in future years. It balances the need for short-term action and long-term responsibilities, setting us up for a prosperous future. The municipal sustainability initiative was scheduled to end after this fiscal year, to be replaced by legislated funding provided under the new local government fiscal framework. We will be deferring this transition and extending MSI for two years. Following that, in '24-25 we will make the transition to the local government fiscal framework, with the initial annual funding level maintained at \$722 million plus the escalator amount.

I want to emphasize that municipalities and Métis settlements will continue to receive the full \$30 million under the operating component of MSI with this budget. We know this funding is vital to the sustainability of many smaller communities. Municipal Affairs will continue to support and administer several municipal projects under the federal investing in Canada infrastructure program, or ICIP. Those federal funds will see an increase in 2021 of \$23.4 million, thanks to the approval of 13 capital projects under way right now or soon to come in Alberta municipalities.

We also administer the federal gas tax fund, which I'm pleased to say will be \$255 million going to Alberta communities, an increase of more than \$11 million.

Our government believes Canadian Senators should be elected, to ensure they are fighting for Alberta. We committed to holding Senate elections during the 2020 municipal elections, and we're keeping that promise. We also committed to allowing Albertans to bring their concerns and proposals forward to the government, through referendums. There are costs to hold these elections. To help municipalities implement the requirements of the Alberta Senate Election Act and Referendum Act, our government is making \$10 million available to communities. This funding will make the election cost less of a burden to those municipalities.

There are also changes to the disaster recovery program. I know it's a program that many communities and Albertans have turned to in the past because the costs and frequencies of disasters in Alberta are increasing. Alberta needs to have a more sustainable approach to disaster recovery with a stronger framework to deal with the increasing liability of disasters. For years Alberta was the only province that did not share the financial risk in liability of unexpected disaster expenses. Paying for the cost of responding to and recovering from a disaster needs to be a shared responsibility. These changes bring Alberta in line with other Canadian provinces.

As I mentioned, an area that will see a reduction is the Surface Rights Board. Staff at the board should be commended for their hard work over the past year. It's through that hard work that they were on pace to eliminate a backlog of applications that has caused them discomfort for several years now. And they can now reduce the temporary staff that they need to operate on a daily basis, saving the taxpayers \$600,000.

Finally, I'm happy to point out that we have kept funding that supports our public library boards stable in 2021. Public libraries and their dedicated staff provide vital resources for Albertans every day. And in a year like the one that we've just finished and the one we've just seen, their role as community hubs has been even more pronounced. Library boards will be eligible to receive the same amount in 2021-2022 that they received the previous year. Funding for the provincial library network supports also remains stable, so our management of SuperNet connectivity, e-content, and interlibrary loans services can continue.

Municipal Affairs' goal is to build stronger communities, where Albertans can live and thrive in safety. Mr. Chair, our budget helps us reach these goals while also living within our means. Albertans want us to live within our means. In their households they've had to live within their means.

Many Albertans have lost their jobs, taken pay cuts. Lots of households are one or more jobs shorter this year than they were last year because of the pandemic, the lower price of energy, and the general condition of the economy in Alberta, and they need to see restraint reflected in their government's spending and activities.

We are spending more this year than last on capital funding, in part to build our economy and create jobs but also to continue to build healthy communities. Our municipalities will be the places, again, where those jobs will be found and where further economic recovery opportunities will be. Municipalities are the places we will find the balance between economic stimulus and responsible spending and where we'll realize a bright and prosperous future together.

Mr. Chair, everybody is in a municipality, whether it's rural or urban, which is why we put those municipalities at such a high level of our attention.

The Chair: Thank you very much, Minister.

Just for information, we will take a break as close to 9 o'clock as possible, depending on the speaking rotation.

For the hour that follows, members of the Official Opposition and the minister may speak. The timer will be set for 20-minute intervals, just so you're aware of the time. Would you like to combine your time with the minister's time?

Member Ceci: Yes, I would, please.

The Chair: Minister, is that okay with you, going back and forth?

Mr. McIver: I am at your service, Mr. Chair.

The Chair: Thank you, Minister.

Go ahead.

Member Ceci: Thank you. Minister McIver, thank you for those opening comments. I wonder if I might just go back to them, just for a second. You talked about jobs being created. Do you have an estimation of the number of jobs that'll be created as a result of investment by Municipal Affairs that you've talked about?

Mr. McIver: Just in the infrastructure spending between Transportation and Infrastructure, I know it was in the tens of thousands, hon. member. I guess that's unknown yet. There are a

lot of efforts being made right now to bring in jobs, businesses, people, and of course some of those efforts will unfold during the year. You know, if there's one thing I'm not good at, it's predicting the future. But I can assure you that not just in — I'll stick to my comments on Municipal Affairs because that's what I'm doing, but those efforts to bring in jobs are across all ministries of the government. Let me assure you.

Member Ceci: I understand that. Certainly, I think there's a number here in the fiscal plan that talks about jobs. I was just referencing Municipal Affairs. If you don't know at this point in time, could you follow up with me and table that information?

Mr. McIver: Well, I may have to follow up at the end of the year, right before the next budget, because, again, those efforts will be ongoing. I'll try to get you something. But, again, the number will be a moving target because we will never put our tools down in trying to create new jobs.

Member Ceci: It would be great if you can estimate what you anticipate happening as a result of the investment. Treasury Board and Finance probably is the place to go to for that assistance.

Near the beginning of your comments did I hear you say \$23 billion of federal infrastructure funding spending? It's near the beginning of your notes.

Mr. McIver: A \$23.4 million increase in investing in Canada infrastructure funding.

Member Ceci: Okay. I thought I heard you say billion, and it didn't seem right to me, so I thought I'd just check it.

Mr. McIver: But I'm not above making mistakes. I could have said it with a "b" instead of an "m," but it is \$23.4 million.

Member Ceci: Great. Too bad it wasn't a "b."

I'll get into some of the other things that you've talked about in my questions, like the DRP.

Public library boards: I assume that when you were talking about the investment staying flat in public library boards, you weren't talking about the library that was planned to be closed down by the government this June or July.

7:20

Mr. McIver: No. I'm talking about the Municipal Affairs budget. I believe the libraries that we fund are through the municipalities, and the funding will be flat for those, the same this year as last.

Member Ceci: Too bad it's not the same for the government of Alberta library, that will be closed down as well.

Mr. McIver: That would be a different ministry.

Member Ceci: Correct.

With regard to estimates if I can maybe start on page 177, program 7, Alberta Community Partnership, when the program description is "supports municipal regional collaboration and capacity building initiatives, along with other provincial priorities," I'm wondering why only half of that program was delivered last year from the figures budgeted and forecast to be spent, from \$16.5 million budgeted compared to \$8,400,000 forecast to be spent.

Mr. McIver: Okay. Assistant Deputy Minister Bayne, if you would build on that, please.

Mr. Bayne: Good evening. It's Ethan Bayne, assistant deputy minister of municipal assessment and grants. With the Alberta

community partnership program, which was initially budgeted at \$16.5 million for the last fiscal year, it was reduced by \$1.1 million for an in-year savings exercise. The additional difference of \$7 million between the budgeted amount and the forecast amount for that fiscal year is actually a transfer of funding from the ACP program to the MSI program. That money was still expended. It just turned out that the strategic initiative for which it was expended was the conclusion of the ID 349 arrangement and some funding that was flowed, as part of the wrap-up to that, to two Métis settlements in the area, and it was flowed for the purpose of capital projects. Therefore, it was determined that it was more appropriate to flow that through the MSI program than the Alberta community partnership program.

Member Ceci: Okay. What capital did they expend that on, Mr. Bayne or Minister?

Mr. Bayne: The funding was allocated as part of the agreement to wrap up that improvement district. The specific projects for which it will be used have not yet been identified by those communities, which is part of the reason it was determined it was more appropriate to flow it through MSI, which is a program designed for local communities on an ongoing basis to designate their priorities and submit those. We verify that it complies with the program guidelines, and then the minister accepts the projects.

Member Ceci: Was the \$7 million less than the Métis expected, or did it meet the needs they identified?

Mr. Bayne: I believe they were satisfied and agreed to the arrangement that wrapped up ID 349.

Member Ceci: Thank you, Mr. Bayne.

My next question, Minister. I understand, from reviewing a recent AUMA budget webinar, that the 2019 population figures were used to calculate grant allocations, et cetera, for Municipal Affairs' budget 2021 allocations and not the most recent 2020 population numbers. Is that true?

Mr. McIver: Let me take a look here. The adjusted 2019 numbers will be used to determine grants for 2021. Treasury Board and Finance works with municipalities and Statistics Canada to collect shadow populations, so that's what we've done. If you want, ADM Sandberg can expand upon that, but that's essentially where the numbers come from.

Member Ceci: Could you repeat what you just said? I heard some of it, but I didn't catch it all.

Mr. McIver: Well, Treasury Board and Finance continues to work with municipalities and Statistics Canada to develop a method to collect shadow populations. The adjusted 2019 numbers will be used to determine grant amounts for the 2021 budget year.

Member Ceci: Maybe I do need the ADM. My question is: what does "adjusted 2019 numbers" mean in this context? It doesn't sound like it's accurate 2020 census population numbers. I don't know what adjusted means in this context.

Mr. Sandberg: Gary Sandberg, assistant deputy minister for municipal services. The reason 2019 populations are being used is that there actually is no 2020 population list. In 2019 the decision was made that Treasury Board and Finance would be taking over the responsibility for population estimates, so the Ministry of Municipal Affairs is no longer involved in providing population estimates. In late 2020 discussions with Treasury Board and

Finance led to an agreement that we would use 2019 figures once more this year as the 2020 population list was not complete.

With respect to your question around "adjusted," it's very minor adjustments; for example, a small number of municipalities which dissolved in 2020. The figures were adjusted by removing those municipalities from the list and putting the populations of those municipalities into the rural municipality that they were absorbed into. So the list is, in essence, the 2019 population list with those small adjustments to reflect, I think, three municipalities that dissolved in 2020.

Member Ceci: Was the decision to alter the timing on collecting population lists a cost-saving measure?

Mr. Sandberg: I'd have to defer to my colleagues at Treasury Board and Finance who are responsible for providing those population lists. They approached us and asked us if we would support using the 2019 figures again, and we suggested that that would be a reasonable way to allocate the funding as long as they did those minor adjustments to reflect the changes in the municipalities.

Member Ceci: What amount of budgetary money does it require to do annual population counts?

Mr. Sandberg: Again, I'll have to defer to my colleagues at Treasury Board and Finance for what costs they might incur. When Municipal Affairs was doing the list, the cost was minimal because the figures were derived from the municipal census and from the most current federal census. In practice that's what's happening right now as well. We're using those figures from the 2019 population, which would have been developed either through the municipal census or through the federal census.

Member Ceci: Thank you, Mr. Sandberg.

Minister McIver, ADM Bayne mentioned an in-year savings exercise with regard to the ACP. What was the target for your municipality with regard to in-year savings in that year?

Mr. McIver: Just give me a second here.

It's \$1.1 million, I'm told. Forgive me for the slow answer. I arrived in the job here about a couple of months ago, so I'm doing the best I can to catch up with everything.

Member Ceci: Yeah. I know you did.

Did your predecessor's in-year savings targets go beyond the \$1.1 million that ADM Bayne talked about?

Mr. McIver: No.

Member Ceci: Thank you.

Since you mentioned it, that you're the new Minister of Municipal Affairs, I can appreciate that having dual ministerial roles is a challenge. I can't think of a better pairing of ministries to have one person jointly responsible for than those of Transportation and Municipal Affairs, thinking about the perspective of municipal governments around the province. Well, perhaps there is one from the perspective of the responses from the municipal associations lately, with so much of their focus now on stable and predictable funding. Perhaps, from their point of view, having a Finance minister also take on the interim role of Municipal Affairs would be better for them. Is there a timetable for the appointment of a different caucus member to serve in the ministerial role you now occupy?

7:30

Mr. McIver: I would say to you that the opinion on what the municipalities would prefer: you should probably check with them.

But I serve at the pleasure of the Premier, as do all ministers and, I expect, as did you when you were a minister once upon a time. So there's only one person in Alberta, no matter who's in government, that should make those decisions, and that's the woman or man that's sitting as Premier at the time, and that's the person at whose pleasure I serve in both ministries. I'm enjoying my time, and I will serve for as long or as short as the Premier chooses.

Member Ceci: You're not going to share any breaking news tonight, hey?

Mr. McIver: Not unless you're quitting or something. I don't know.

The Chair: Let's keep the breaking news to the budget documents if we could, please.

Member Ceci: For the record, no, I'm not quitting.

All right. Maybe I'll go to the capital plan details on page 137 of the fiscal plan. It identifies the First Nations drinking water tie-in program showing only a minimal expenditure this year and finishing the program next year with a larger investment. I want to recognize my colleague here, the former Minister of Indigenous Relations, MLA Feehan, for bringing that forward at \$100 million.

I'm just wondering: what is behind putting the completion of this off for another year? If it's an issue of finding available contractors, perhaps, I saw one councillor tweet today that local governments like Calgary have expertise in this work, and potentially municipalities around the province can share in part of the solution as contractors, which I thought was an innovative idea. That's my question.

Mr. McIver: Well, when it comes to the First Nations water tie-in – and I mean this in the most sincere and friendly way – you're a day late and a dollar short. That program is part of Transportation. The good news for you is that one of your colleagues asked a question last night at Transportation estimates, and I'm sure you can get both the question and the answer from your colleague.

Member Ceci: Well, I have the person who gave the answer right there. I'll move on. I know you're going to be a Buddha on that.

Page 175 of estimates, program 5.7, the safe restart agreement, the municipal operating support transfer: it says that it's a joint federal-provincial program which is forecast at \$576,488,000 for the 2020-2021 year. Can you remind me: what percentage of federal and provincial monies each make up that program, and what feedback have you had from municipalities around program 5.7?

Mr. McIver: Okay. I'll just grab that for you if you just hang on here. That's a 50-50 cost share, MLA Ceci, and I haven't received a lot of feedback on that split thus far, but as you well know, in municipalities the right answer, same as when you and I were in a municipality, is that more money is better than less from the senior orders of government.

Member Ceci: Did all of it get out the door?

Mr. McIver: Almost all of it. There are a few municipalities that haven't fully expended it, but they've applied for it, so almost all of it but not all of it.

Member Ceci: Okay. I think it is helpful, of course.

The next question is in the Municipal Affairs estimates on page 177, program 9.5, called disaster recovery operating expenses. The amount forecast to spend in 2020-2021 is \$185,360,000. Is that

amount in large part for the Fort Mac flood event, or is it something else?

Mr. McIver: Okay. Are you talking about last year's expenditures, actuals, as opposed to this year's budget?

Member Ceci: Sorry. Yeah. I'll just check on page 177, and there it is, 9.5, and it says the forecast expenditure for 2020-2021. You're right.

Mr. McIver: Okay. I'm going to ask Scott Long to give you some detail on that. He'll be able to dig down a little bit further than I will be able to.

Mr. Long: Good day, sir. It's Scott Long, acting managing director of AEMA. The \$185 million for the disaster recovery programs from 2019-2020 not only covers RMWB but, of course, 28 other communities that were impacted by the spring floods as well as the hailstorm, for those eligible in Calgary, and there were a few other communities outside of the spring flood that were also impacted by overland flooding. That totalled \$185 million. Specifically for RMWB, we are looking at \$64 million, with an additional \$11 million in mitigation costs, for a total of \$74 million, sir.

Member Ceci: That's great. Thanks. I don't know, Mr. Long, if you heard the question in the House posed by the Member for Calgary-Falconridge. He said in his member's statement that overland flooding issues had been covered in Calgary, and I think he implied it was from this program. I think you just in your review of these 28 hailstorms and other things . . .

The Chair: That's just the first 20 minutes, sir. Carry on.

Member Ceci: I think you implied that northeast residents qualified for some of that payout. Can you provide any other details with regard to northeast Calgary residents who qualified for DRP monies as a result of hail or overland flooding?

Mr. Long: Yes, sir. Specifically, hail damage is an insurable loss, and the disaster recovery programs, as you're probably well aware, are funding of last resort to assist Albertans that are in need, and in this case there was some overland flooding that was deemed caused by sewer backups in that area caused by the buildup of hail that resulted in overland flooding occurring, which is largely uninsurable, so we did satisfy the requirements for some folks that were impacted by that in northeast Calgary, sir.

Member Ceci: Do you provide a set amount for people who qualify, or is it actually – what would it be? – assessed and different?

Mr. Long: I can confirm the number was \$10 million.

Member Ceci: Ten million. Okay. That's the aggregate amount.

Mr. Long: And that is confirmed.

Member Ceci: Thank you.

Further in the fiscal plan, on page 121 at the top it says – and I think you referenced this in your opening comments, Minister. "Municipal Affairs will introduce new cost-sharing policies and funding limits for [DRP] along with changes to Emergency Evacuation Payments." Can you tell me any more about that?

Mr. McIver: Yes. We are making some changes to the disaster recovery program consistent with the MacKinnon report, that says that we should bring our expenditures in line more with other

provinces, and the federal government's word that they intend to fund less money for disasters in the upcoming years. Currently, MLA Ceci, if there's a disaster for the approved uninsurable portion of the loss, this year the government of Alberta would pay a hundred per cent of that. Starting with this budget next year, we will cover 90 per cent of that. So while we'll still be either the best in Canada or tied for the best in Canada, it is nonetheless – 90 is less than a hundred. It will be less coverage that way than this year.

7:40

In addition, other changes are that when it comes to covering for homeowners, again, for uninsurable losses, there was up until now no limit, so we are imposing a limit of \$500,000 per household. We see it as somewhat of an equity issue. Of course, equity is a hard thing to achieve for everybody because if somebody's homeless, they might say: well, why are you giving them \$500,000 when I could never get a penny because I don't have a home? On the other hand, after the 2013 floods, which you probably remember very well, some of the biggest criticism government took was for funding \$5 million homes. We thought it was appropriate to make that change since that policy certainly seemed to make a lot of Albertans unhappy.

The other change is on the payments for auxiliary expenses when people are out of their homes after a disaster. The amount of money for each adult is going from \$1,250 to \$625, and for Albertans under 18 years old the number is \$300. Of course, we intend to work with municipalities, as we've told them, to try to put policies in place, which I hope you agree is long overdue, to restrict or change what's approved to be built in known floodways and flood plains. In other words, if you already know it's going to flood, why would you build things there?

Now, there's a hundred years of building things in floodways and flood plains, and I would say to you that the best time to change that policy would have been a hundred years ago, and the second-best day is today. Our intent is to try to work with municipalities and put more common-sense policies in place about what gets allowed to be built in places where it's highly likely to flood and consequently, hopefully, reduce the amount of losses from disaster events in the future.

Member Ceci: Okay. I'm just wondering. Next year, when the funding for DRP goes down to 90 per cent, what will be the process of the 10 per cent getting picked up, in your view? Where will that go?

Mr. McIver: The party that sustains the loss will get paid 90 per cent of their uninsurable loss, and they will be left with the 10 per cent themselves. If it happens to be a municipality, it happens to be a municipality. If it happens to be a homeowner, then indeed it happens to be a homeowner.

Member Ceci: Just looking at the amount of money that was forecast to be spent for DRP – let's see – last year it was \$186 million. We'll just round that to, say, \$200 million. So \$20 million will be picked up by municipalities or other Albertans next year?

Mr. McIver: Well, you're making a big assumption that the amount of disaster loss will be exactly the same this year as last year, and none of us know that. I think you'd agree with that. If it was the same year, yes. But the other piece of it, really, is working together with municipalities to have fewer losses. The losses aren't just dollars and cents. There are the human losses of families living outside their homes. There are the losses of businesses not able to open and the losses of jobs of people that work in those businesses, not having their jobs for weeks and months and maybe years on end, that I think you might even agree are just as valuable and just

as important as the actual dollar losses. Working with the municipalities to create policies where fewer things are built in harm's way we think is the really big long-term win for all Albertans.

Member Ceci: Many, many, many municipalities – going back to my days in 1995, one of the first biggest conflicts that I dealt with was putting up flood walls in Inglewood. Residents didn't want them put up there, but we put them up anyway and completed that work in 2000. It saved us in – when was the big flood in Calgary? – 2008 or 2013, one of those years.

Mr. McIver: In 2013, MLA.

Member Ceci: Yeah. It kept Inglewood dry. Otherwise, it would have been under water.

So I'm with you. Municipalities have been doing this work for a long time. It looks like a relationship with the provincial government is going to change and cost municipalities money not this year but next year.

I have a question about page 178 of the estimates, capital grants, line 5.5, investing in Canada's infrastructure, green infrastructure. Last year the budget was \$866,000. Only \$200,000 is forecast to be spent. What project didn't get done, or why was there a lapse in that expenditure?

Mr. McIver: Okay. ADM Bayne, can you elaborate on this for MLA Ceci, please?

Mr. Bayne: My apologies. I'm not aware of the specific projects that would have been in that funding stream. As we move from last year's forecasts into the '21-22 budget in the ICIP program, there are a number of adjustments that have been made for cash-flow purposes. Projects, as you can imagine, in this current COVID environment have sometimes made slower progress than originally anticipated. Some of those are cash-flow adjustments. I just don't know, off the top of my head, which one is in the green stream versus the other one. But that's why you'll see some shifting between years.

Member Ceci: Is it something you can provide later, after doing some due diligence research?

Mr. Bayne: Yes, we can certainly do that.

Member Ceci: Thank you, ADM.

On page 178, Minister, the municipal stimulus program is point 14. There it is, right at the bottom. It's half a billion dollars. Can you tell me the criteria these monies were delivered to the municipalities under and the impact that this money made?

Mr. McIver: Thank you for that question. That was stimulus money. It was delivered to municipalities under the same criterion as the MSI funding. I'm looking for my staff to nod yes or no. I think they're going to nod yes. It was? Okay. It was done – the municipal stimulus program was a way to, obviously, stimulate the economy and get some much-needed infrastructure built that municipalities had already identified, create jobs, all at the same time as the process was established for municipalities. We expect municipalities to benefit as it encourages them to reduce costs. It was done along the lines of and consistent with the MSI program. We thought that was a better way to distribute the money without squabbling about who got what percentage of the money because it was an already-established and agreed-upon formula. While it may not be perfect, it's certainly established as a way that the government splits up money against municipalities, and, with that,

we were trying to get it out the door in a short period of time. Rather than creating a whole new matrix of who gets what percentage, we would use the established matrix.

Member Ceci: You know, since you mentioned jobs – and I agree with you; I think it probably helped create some local employment and shored up municipalities when they were losing revenue as a result of tax dollars and other things – do you know how many jobs were created as a result of that investment?

Mr. McIver: It's probably too early to tell. Some of those jobs are probably still up and yet to be created, because some of the money went out to municipalities late last year. Of course, it was winter, so, as you might well imagine, some of those jobs will start as the frost comes out of the ground this spring. If, indeed, engineering and land acquisition and other things needed to happen, then some of it might even start later in the summer, but I assure that all money will go to municipalities, and it will go to their priorities because they know their priorities better than anybody.

Member Ceci: It would be great to have an understanding of the number of Albertans that were assisted during this time. This is a lot of money. That's why I keep asking about it.

On page 183 of estimates, just a few pages over, revenue transfers from the government of Canada, under Other. In 2021-2022 it is estimated that that number will be \$40.1 million received from Ottawa, and it's noted as Other. That's a jump or an increase of \$36 million from what was forecast in 2020-2021, which is much lower. You can see it: \$4,322,000. It'd be helpful to understand what federal program it came from and what municipal program you're going to use it for.

7:50

Mr. McIver: It was ICIP money, the investing in Canada infrastructure program. That's what ICIP stands for. Not to be a smart mouth, but just not everybody remembers that every time. Under the criterion of the ICIP program, it was made available to municipalities, and we flowed it through them to them at the request of the federal government.

Member Ceci: Great. Is the CARES program under the Municipal Affairs ministry? I understand that the program, community and regional economic support, has no budget allocated this year. Can you tell me what the implications of that will be, from your perspective, if that's under your ministry?

Mr. McIver: It is not under Municipal Affairs, sir.

Member Ceci: Which ministry?

Mr. McIver: I'm only going by memory. I think that when you folks were in government, the jobs creation ministry had it. It's not mine, so I don't have memorized where it lives now. Sorry about that.

Member Ceci: Okay. I'll ask one that we both know about from living in Calgary, and that is the downtown. Downtown Calgary, as you know and many people know, is extremely stressed after years of oil prices going down, mergers of companies, companies pulling up stakes and going to the U.S. or elsewhere. Our downtown is no longer thriving. It's in survival mode. Just a couple of weeks ago Minister Schweitzer recently announced a task force to generate solutions to revive the fortunes of downtown by no doubt recommending strategies like retaining businesses large and small there, attracting new businesses downtown, improving the public realm, completing the green line, reusing vacant spaces for other

uses like industrial ones, including postsecondary and student residences, affordable housing, and so on. My question is regarding the \$20.7 billion over three years of capital funds that the Finance minister mentioned in question period today, that municipalities are counting on. Are there any monies in this budget or in the out-years that will be there for Calgary to help revitalize its downtown?

Mr. McIver: Well, I hate to be less than helpful, but in your question it kind of acknowledged that the question is for the jobs ministry and the Finance ministry. It's kind of not before us right now, sir.

Member Ceci: Yeah. Well, I thought it was before you in part because of all the grants that go to municipalities for their use.

Mr. McIver: But, respectfully, this is about what's in the budget for Municipal Affairs, and I think you made reference even in your question that that stuff is in the budget of two other ministries. Of course, we have the MSI funding and the other regular programs within Municipal Affairs that are still there for municipalities, including Calgary.

Member Ceci: So you're suggesting that there is money there and in two other ministries to help revive Calgary's downtown?

Mr. McIver: Well, you made mention already, and I agree with you – it was a good catch on your part talking about the \$500 million of stimulus funding that we provide to municipalities. Beyond that, Calgary had a stimulus package; Edmonton had a stimulus package. You know, we've got great faith that our municipal partners will spend that money in a responsible way to do what's most important. I would imagine that some of that could well include bringing some jobs and people and activity back to downtown Calgary because, as you rightly point out – I agree with you on this – that's needed.

Member Ceci: Yes. I think it is needed. You know, as the Minister of Municipal Affairs why is there no money in your ministry for important things like Calgary's downtown? Why is that overlooked?

Mr. McIver: Well, let me say this. One of the biggest blocks of funding that municipalities have is MSI. Of course, the municipal councils are duly elected, as we are, and we trust them to spend the money in a responsible way. We flow through federal gas tax dollars to the municipality, and I suppose if you're advocating for us to be prescriptive in how they spend the money, I'm not sure that Calgary mayor and council would agree with you on that because they always advocate, as you and I did when we were on that council, for the government not to be prescriptive. I honestly have faith that the municipality does their best to be responsible stewards of the money.

Of course, Calgary, being the largest municipality in Alberta, gets the largest amount of the MSI funding and the largest amount of the gas tax funding and anything else that's divided up by population. Just because there are the most people there, they would get the biggest piece of that. I don't know that we necessarily want to be more prescriptive on this stuff, because they're duly elected, like we are, and have an equal responsibility, I suppose, to bolster the whole city, including the most needed parts, which right now, as you rightly point out, includes the downtown.

Member Ceci: Yeah, it does. It is having some big difficulties. As you know, we often used to feel really proud that the second-highest number of head offices were in Calgary, after Toronto. That is

probably changing as we sit here, and we need to put our efforts and heads together to make sure that special centre in our province . . .

The Chair: You have another 20 minutes, sir.

Member Ceci: That's right. Thank you, sir.

. . . thrives and not stagnates. Thank you, Minister, for having concern about Calgary, like I do in the downtown.

Mr. McIver: Let me just say that Calgary still has the second-most head offices in Canada, if not as many as they used to have, but we need to shoot for number one – right? – with Edmonton right in the mix.

Member Ceci: I'm not sure how far behind Toronto we are and if that's realistic, but I think it's good to hear that we still have the second-highest number of head offices in the country.

My next question relates to outcome 4 of the business plan, which just to remind people is: "Alberta is emergency-ready and resilient to the impacts of disasters." My question relates to the POC, or the Provincial Operations Centre. This year an announcement was made to refurbish a government-owned building – I think in northwest Edmonton if I recall; it's northwest – as an answer to the decades-old POC, that has seen the province through numerous natural disasters and is in great need of replacement. As you remember, the government I was part of identified the need to replace that in our, I think, last budget. Can you update me on the status of that work, the refurbishment, and the timeline for transitioning to this refurbished building?

Mr. McIver: I can do better. I'm going to ask Scott Long to update you on that. While he's getting up there, I'll just say that I haven't been to the POC yet, but I have been to the POC warehouse, which is very well run and with a good storehouse of personal protective equipment.

Now I'll let Mr. Long give a more detailed answer, which I think he's capable of doing.

Mr. Long: Thank you, Minister. Yes, the Muriel Stanley Venne building in the northwest is probably five minutes away from the current Provincial Operations Centre. As you're aware, sir, in 2016 we did run Fort McMurray out of the current Provincial Operations Centre. The building has exceeded its shelf life, for sure, in terms of capability and technology. We have leveraged past plans, and we are doing a purpose build inside the building, very cost effective. Right now the contractors have started on the second floor, an open floor right now, which, if you will, is the size of two or three bowling alleys, plenty of room. They are in the process of building the Provincial Operations Centre in a modular fashion in a theatre sort of layout based on plans that we've acquired through best practices from Canadian Armed Forces as well as other provinces. We are hopeful that we will be doing a staged move into the new Provincial Operations Centre on April 30. As you're well aware, that is well inside the hazard season. Luckily enough, the current Provincial Operations Centre: there was nobody that Infrastructure got lined up to take it. We are able to maintain a footprint in both places. Based on the conditions at the time, we will do a very deliberate move over to make sure that we have full functionality and capability in the new Provincial Operations Centre before we shut down our foot on the ground in the old Provincial Operations Centre.

8:00

I can assure you that we're quite excited to make the move and get into the new complex, which will offer more capability and

certainly size, which is something that we've been struggling with over the last couple of years.

Member Ceci: The same staff complement will be going over, or have you had an increase or a reduction?

Mr. Long: It's the same staff complement, sir, but what we have found – again, the Fort McMurray-RMWB wildfire is a perfect example. The emergency management disaster events that we deal with now are so widespread in nature. It really requires a whole-of-society approach. It's not just the GOA, crossministry, and our federal stakeholders; we also bring in emergency management stakeholders like ATCO, Fortis, NGOs. So it doesn't take long to fill it up. Again, we've accommodated that in the new purpose build, so there will be plenty of room to accommodate all of our whole-of-society partners as well as breakout rooms, et cetera. Again, we're very excited about that.

Member Ceci: You look excited, Mr. Long. Thank you, sir.

I want to go on in the, I think, about 15 or 14 minutes that I have left in this section to something that we've all been hearing lots about and that we've been hearing from the RMA and AUMA. They're united in their concern about unpaid taxes, Minister, from companies who own wells and pipelines that zigzag across this province. RMA has estimated, I think, over \$230 million in taxes owing to municipalities and no ability to generate revenue from companies who go bust and from the assets of those companies.

I hasten to add – I want to add really quickly – that not all gas companies or oil companies have refused to pay their taxes, and many, many keep up to date with their obligations to local government. That's great. But we also know that there are some who have chosen not to do that.

We also know that a tax holiday has been put in place by this government for the oil and gas sector on new wells and related infrastructure for the next, I think, three years. Perhaps it's two.

My question relates to page 85 of the Municipal Affairs business plan. When I look at that business plan – and I know my colleague MLA Feehan is going to be asking questions about your business plan as well – outcome 1, which is "Alberta's local governments encourage and support economic prosperity," and outcome 2, "Albertans live in viable municipalities and communities with fiscally responsible, collaborative, and accountable local governments," I wonder if they aren't in conflict with one another due to the tax incentives and holidays the provincial government has mandated, which local governments necessarily have to deal with. How are local governments supposed to keep their municipalities viable, their bridges and roads and other infrastructure in good repair if their ability to fairly tax oil and gas companies or secure assets for taxes owed is constrained or not available?

Mr. McIver: That's a very good question, MLA Ceci, and I would say to you that it is a problem that I would look you in the eye and tell you that I haven't got figured out yet. It's something that municipalities have told me they want to work on with me, and I've assured them that I will work on it with them.

But I will say to you that while those two things, to remain viable and to create prosperity – I don't think that municipalities see them at odds. They actually see the value of trying to work together. They are not happy. The report that the RMA showed me said that there's \$245 million in back taxes owed by energy companies, and they want it, and rightly so. It rightly belongs to them. On the other hand, they don't want to have such a heavy hand that they put half the companies out of business. Now, some of them are probably going to go out of business anyway. I wouldn't know whether it's about

1 per cent or 20 per cent or what the number is. Some of them probably won't make it, but other ones will.

Interestingly enough, the municipalities see the value of not collecting the money one year and then having the industry go away but, rather, collecting as much of it as they can this year and have the industry go on than keep collecting taxes from the industry for decades. I have a job to do, working with the municipalities to try to find that fine line and work with the industry. Taxes that are owed need to be paid. You have to pay yours, and I have to pay mine, yet the world knows they can't get water from a stone. So we need to look for whatever sweet spot there is.

In the meantime we have done some things to help out municipalities. We've got the provincial education requisition credit program, which provides affected municipalities with a credit equal to the provincial education requisition associated with property taxes that are delinquent. It's been extended into the '20-21 tax year, you'll probably be interested to know, and can be applied retroactively by municipalities back to the 2015 tax year. So as part of Budget 2021 up to \$10 million in education tax revenue has been set aside for this purpose.

It's one of the big challenges before me and one that I haven't solved yet, but the municipalities won't let me forget. I've got a feeling you won't let me forget, and I'm okay with that because it's that important. It needs to be dealt with to the greatest extent that we're able. I agree with you that we need to work with the municipalities and help them to recover as much of that lost tax revenue as is reasonably possible.

Member Ceci: Thanks for that answer.

The provincial credit for education taxes owing: you said that the amount of money was \$10 million. Is that quantum what municipalities are owed, or is that a portion of that amount?

Mr. McIver: It's a portion of it. When municipalities take advantage of that particular program, they have to write off the municipal portion of the same amount. Not all of them wanted to do that, to get involved.

Now I'm going to look to my staff here. Have they asked for more than \$10 million a year in any of the past years? No, they have not. Okay. I'm just getting a no answer from my staff. That's why we feel like the \$10 million we have in the budget this year for that program will probably be enough. The municipal request will probably not go above that. But the real answer: the perk is a stopgap. The real answer is to work with industry and municipalities to actually get some of those taxes paid.

Member Ceci: Can I just follow up on linear assessments? I think your predecessor – I'm going back to announcements and trying to remember what they were. But there was a desire, I think, from industry to change the linear assessments, but that was put off until after 2023. Is that correct?

Mr. McIver: It's been pushed off for three years. I have assured the municipalities that I won't wait till three years and then start having a conversation. We'll start having the conversation sooner than that. It's a fairly complex issue. It matters not at all to some municipalities because some collect little or no linear assessment, and other ones – I think the most dependent municipality is close to 40 per cent higher than that. But there are several municipalities that a substantial amount of their annual revenue comes from linear assessments, so as you might well imagine, they care a great deal about the policy and how all that works. Yet even they, if you talk to them, will say: well, we don't want to break the industry's back because we want to keep collecting tax from them for 50 years and, more than that, keep people that work for those companies paying property taxes when they live

in homes in our municipalities and shop in our grocery stores to keep them open and all the rest of the benefits of having people living in their community. They understand it.

All of these things have come to the fore, it seems, all at once. I'm fortunate enough to be one of the ones that gets to work with municipalities to try to find a reasonable accommodation for all of these issues that – probably just due, I think, mostly to the economic circumstance, the low energy prices, and all of that, these things seem to be rearing their head all at once.

Just for the record the issue has been going on for decades, since before you or I were on city council, and it's been kicked down the road by every single government until now. But now we're trying to deal with it.

8:10

Member Ceci: Yeah. It's either you or the next person in your chair, but you're in there right now, so you've got to do that work. When are you going to start these rather large pieces of work that you have to kind of be involved with AUMA and RMA around with regard to linear assessments, with regard to these companies not paying their taxes? When does that start, and have you got a plan?

Mr. McIver: Yeah. I would say that it's started in terms of having broad conversations with RMA and some conversations with AUMA, but I think we're going to make that plan with them and with the industry. What seems apparent to me is that if you don't have all the players at the table, you're going to be lying to yourself, and I don't mean that in a negative way. What I mean is that you'll be fooling yourself. A better way to use that – I'm not accusing anybody of lying. We'll be fooling ourselves if we think that we can get to the right place without having all the big players at the table. That includes the municipalities, of course, that includes government, and it includes the industry. Frankly, MLA Ceci, there are some really good corporate citizens in the energy industry that are pulling their weight and doing everything they can, and there are other ones that, frankly, need to be called to account. The trick is to call the bad-behaving ones to account without putting the good-behaving ones out of business. That, I believe, will be the art in this.

Member Ceci: I think you're right that this is a big issue. Kicking it down the road just doesn't help anybody out, and it frustrates all sorts of people. We won't get a competitive industry if we keep kicking things down the road. When would you – I didn't really hear timelines. I heard the desire – I heard lots of that – but when are you going to start this work with your ministry? When does the shovel get in the ground around consultation and next steps?

Mr. McIver: Again, I would say that in broad terms it's started, and that'll be, I suppose, right as we get the budget done here. I'll be having contact with the RMA and the AUMA and saying: when can we sit down and talk about this, and then when can we get the industry in the room to whatever extent we can and have that discussion? I don't know when the talks will end, but I would suggest to you they're going to have to start by the time we're into summer this year.

Member Ceci: Okay. Thank you. I'll look for that, and I'm sure they will, too, on all sides.

Let me see. Linear assessments. Where would I find amounts that municipalities around the province get as revenues from linear assessments?

Mr. McIver: ADM Bayne, if you don't mind, please. I think I know, but ADM Bayne will give you a more detailed answer than I am able to.

Mr. Bayne: Yeah. Thank you, Minister. As you noted, some of the relevant municipal tax information is available on the municipal measurement index online. That will break down the tax revenues by searching the categories, including the residential-nonresidential split. Specifically municipality by municipality in terms of how much they derive from linear is not something that we would calculate and make available as Municipal Affairs, so you would have to look at the reported linear assessment for each municipality, which is public information, and then look at what that municipality's nonresidential tax rate is and apply it there. But as far as I know, that's not information that we have available in a consolidated format.

Member Ceci: Thank you for that.

Perhaps I'll turn it over to one of my colleagues. There are about four ...

The Chair: Two minutes.

Member Ceci: Two minutes? No, I'll go. Thanks.

Mr. McIver: Nice try.

Member Ceci: No, no.

I just want to take a look at a question – I've got a rather substantive question on MSI, and I don't want to kind of start that one. Minister, maybe I'll just ask you a general question, maybe following up on some of your comments off the top. What's been the biggest challenge so far from your time in this chair?

Mr. McIver: Learning the latest. I mean, I've got a lot of municipal experience, but there's a lot that's happened lately that I need to catch up on. I would say that: reacquainting. It's not like I don't have lots of acquaintances in the business, if you will – people that I worked with when I was on the AEMA board, when I was on the council in Calgary, when I worked through the Ministry of Transportation and as an MLA for Calgary-Hays since 2012 – but just getting the latest lowdown on all the big issues and finding out what's most important to people right now, because, of course, none of us can do everything on day one, and organizing my work to find out what things are on people's minds. I would say, yeah, that that's been the biggest challenge so far, and it's been fun. People have been with municipalities and have been very willing to help out, and I've got amazing staff, including the ones in the room here, that are super helpful and understand what's going on with municipalities very, very well.

Member Ceci: Thank you. We're out of time.

The Chair: Thank you.

That concludes the first portion of questions from the Official Opposition. Thank you. We'll now move on to the government caucus for 20 minutes of questions from the members. Would you like to combine your time with the minister?

Mr. Turton: Yes, please.

The Chair: Okay. Go ahead, Mr. Turton.

Mr. Turton: Yes. Thank you, Mr. Chair, and thank you very much, Minister, for coming out here today. Just a couple of quick comments based upon some of the questions that Mr. Ceci was asking prior to me coming on here. While I appreciate the enthusiasm about perhaps Edmonton just being on the heels of Calgary for head offices, I do think we're still a little way away

from that, so in the meantime we're just going to have to settle for having the better NHL team until that day happens.

Anyway, this is obviously a big interest for me, Municipal Affairs, and I have a number of questions. I guess we'll get started on the number one question I've heard from talking with municipal councillors and mayors around the province, and that really has to do with the funding changes that have taken place with the MSI program. As you know, in the budget, on page 87 specifically of the business plan, it talks about, you know, that over the next three years there's definitely a decrease in MSI funding. Obviously, it's front-ended for this year to help support municipalities build many of the pieces of infrastructure and projects that they have in their respective communities.

From my time on city council, while maybe not as extensive as yourself, Minister, on the Calgary council or Mr. Ceci in his term in Calgary, I do know that MSI funding was a significant part of our funding in Spruce Grove, and we used that for everything from splash parks to sidewalks to road repairs. I guess I just wanted to get a little bit of an idea about the rationale for the funding changes in terms of the three-year plan. Having the big stimulus, obviously, this year, obviously there's some, you know, anxiety from some councillors and mayors just over the long term, over the next couple of years. I just wanted to kind of get your ideas on that subject to kick-start us off for tonight.

Mr. McIver: Well, thank you. This is an interesting combination of trying to live within our means and trying to, in other words, bring the average funding provided down yet still trying to provide stimulus. If you look at the next three years, I know it shows an increase this year, but I don't think of it as an increase, and any municipality that's tried to thank me for an increase, I've reminded them: "No. This is the first year of a 25 per cent cut that you're getting for three years in a row. The only reason why it might look a little like an increase this year is because we're letting you spend some of that money up front." We did that to try to provide more stimulus on top of the \$500 million stimulus provided to municipalities last year and also to make it so that municipalities that have started planned capital projects don't have to start with half a road paved or something and stop because the cash flow wasn't there.

We tried to make it so that for the next year they can plan ahead and orchestrate their capital work plan so that they're not start-and-stop projects, because (a) it irritates the citizens, and (b) it can actually cost even more to start and stop capital projects when you've got to move people and equipment in and people and equipment out.

8:20

We're trying to walk that line to live within our means and still make it possible for municipalities to provide stimulus and provide jobs now, when it's needed the most. Like I said, between the bring-forward on the reduced MSI amount plus the stimulus that was put into the municipalities last year, if you average it out over the four years, some people would say that they haven't really taken much of a cut, but I'm still going by the fact that they're getting a 25 per cent haircut, which is less than you and I have had in our lives. They're getting a 25 per cent haircut for the next three years, and then in year 4 the LGFF will start at that \$722 million and go up with the escalator clause from there.

For those methods, which seem a little bit at odds, we tried to recognize, again, the tough financial situation that the government and the whole province is in while still giving access to municipalities to get some capital expenditures done right now.

Mr. Turton: Thank you very much for that explanation, Minister. I will say, you know, that even though I'm maybe a couple of years younger than you are, I probably took a larger percentage of a haircut than you did. I don't quite know what I did to earn that genetic lottery, but myself and the Chair, Mr. Hanson, can share in that conversation.

I guess a supplemental question to this. You know, earlier today many of us were in the Treasury Board estimates, and one of the points that they talked about was fiscal anchors. One of the key measures that as a government I know we've been trying to reach is matching provincial comparators when it comes to municipal funding, and a key part of that discussion was the MacKinnon report. I was hoping that maybe you can talk about your efforts as the Minister of Municipal Affairs to help bring our spending in line with other provinces yet still ensure that municipalities, both urban and rural and specialized municipalities as well, continue to receive that support from the government so they can provide those value-added projects and infrastructure needs that the residents are demanding.

Mr. McIver: Well, I won't comment on Finance. I wouldn't do it for Mr. Ceci, so it would be unfair if I made Finance comments for you. But if you are asking how the MacKinnon report affects some of the things we're doing in Municipal Affairs, I could certainly address that for you. I would say several things that were in my opening remarks, and some of the questions that I've been asked now I think are consistent with the MacKinnon report's desire, advice for our government to move more into the mainstream of Canadian provinces and territories with how we fund different things.

I would say that the adjustment to the MSI moves us more into the mainstream. I would say that with the adjustments that I was discussing with MLA Ceci on the disaster recovery program, while we're still tied for the highest in Canada, it moves us more into the mainstream of how Canadian provinces fund disaster relief for their municipalities and citizens. There will probably be more examples of that, too, as we go on.

Really, we want to have an efficient government at a reasonable cost that the taxpayers can afford without adding a bunch more taxes to them, yet we still want to enable both ourselves as government and the municipalities, that are our partners, to provide the services to their citizens that they rightly need and want. We are trying to make that adjustment. All adjustments can be hard on people, but again I think we gave broad signals.

Listen, let me say this. Municipalities pretty much knew they were getting a haircut on the MSI. They didn't know how much it was going to be, but they knew a haircut was coming. Some of them said, "Well, that's more than I thought," but a lot of others said, "That was less than I thought," and a bunch more said, "That's about what I thought." I guess some of the broad signals that I and probably more so my predecessors gave when they were Municipal Affairs ministers kind of allowed the municipalities to prepare in some way for the changes that they're making right now.

We will continue to do that and work with the municipalities. It's still \$722 million per year, on average, over the next three years. This is a substantial commitment to the municipalities. We know how important it is. The other thing we need to do is to keep talking to them, because they'll let us know when they're doing okay and when they're not. You're a former municipal elected person yourself, and you know as well as I do that they are quite capable of telling their provincial government when they need more or want more and when we're getting it right and when we're not.

Mr. Turton: Absolutely. One thing I will say: I know from conversations that I've had with municipal colleagues that they have appreciated the transparency that this government has shown, at least being realistic with the fiscal realities of the province. It's exactly like you said. They knew that a haircut was coming, but I still think that there was an appreciation for the generous support, I find, that the province has given in this regard.

I guess that for another question, I'll kind of go to another line of questioning. On page 87 of the business plan there's a line showing grants in place of taxes, and I was just wondering if you could please explain this program and how it operates. I will admit that I'm not as familiar with this program, but I was hoping that either yourself, Minister, or someone else from your team could perhaps just elaborate a little bit on the grants in place of taxes program.

Mr. McIver: The grants in place of taxes. You'll know from your time on a municipal council that all the property gets taxed, all the offices in all the municipalities. But the municipalities do not have the authority to tax the provincial government, so when the provincial government owns property within the municipality, it doesn't get taxed. The grants in place of taxes are just that: the tax that the municipality would have received comes in the form of a grant. Now, we don't fully fund that. We fund it 50 per cent of the normal amount. I guess that half grants half in place of taxes would be a better description of it, but we still call it grants in place of taxes.

Mr. Turton: Excellent. You know, as soon as you started talking, you refreshed my memory on it. I know that just in my neck of the woods there was always a little bit of bitterness between Spruce Grove and Stony Plain as Stony Plain seemed to always get its greater share of provincial buildings and always seemed to remind their Spruce Grove counterparts that they were receiving either courthouses or other provincial buildings.

My other question is on something, actually, that I would say has really, I find, affected myself and my own personal experience over the last 10 years, and that really has to do with emergency preparedness grants. You know, just in my time being on council, there were three disasters that really kind of resonated in my mind. You had the Slave Lake fire of 2011, obviously the Calgary floods – I mean, we're a little bit more removed from that just being in the Edmonton capital region – and the Fort Mac fire in 2016, that was top of mind, I know, when I was on council.

I remember the Slave Lake fire, for example, coming up and having to be part of the conversation about dispatching fire response crews to help that town, and at the time I remember saying: I hope something like this never happens again. Then, obviously, just a couple of years later we had, I mean, the horrible fire in Fort McMurray. I remember quite clearly the truckloads of, I would honestly say, refugees leaving that community and going to friends and neighbours in Spruce Grove and all over the Edmonton area as they watched the news and were wondering if their houses were going to burn.

I mean, obviously, disaster preparedness and the municipal response to that is a key concern of mine, and that's why, I guess, I just wanted to ask a question about page 177, line 9.6. It talks about the emergency preparedness grants. I'd just kind of get your take on: how do these grants benefit our communities and help them for future emergencies? I'm really interested in knowing: is this sustainable in the long term in terms of ensuring that our municipalities have all the tools and resources at their disposal so that they can be as prepared as much as possible for these types of horrific disasters that afflict our communities?

Mr. McIver: I would say to you that I believed, when I was a municipal elected person – and I still believe it now – that most people say that every dollar you spend for an emergency before it happens is too much, and then the day after the emergency: you should have spent 10 times as much. That is what everybody says, because nobody knows when the disaster is going to come. The emergency management preparedness program: just for the record no grants were issued in the budget year 2020, largely driven by COVID-19 considerations with respect to gatherings and limitations on in-person training opportunities, which is largely what that is for, to help municipalities do training and prepare for disasters. They're typically used to support the capacity building, normally through the conduct of emergency management exercises. You know, in many cases the municipality declares the state of emergency and takes the lead on different parts of disasters, but the province is there, too, as was pointed out this evening, through the Provincial Operations Centre and with the Alberta Emergency Management Agency, which falls under Municipal Affairs.

8:30

Many smaller communities are still reliant on additional funding provided through EMPP grants, and that's why we do that. The EMPP grants, when they are issued, facilitate key preparedness projects such as exercises. It could be live exercises on the ground or tabletop exercises pretending that there's a fire, there's a flood, there's a car accident, there's a plane accident, whatever it happens to be, so that at least for some of the key emergency management peoples, on the worst day of their lives, some of it feels a little bit familiar, and they can react by instinct and training, which helps them.

It maintains the minister's commitment to improving emergency management capabilities and capacities across the province. It helps communities to comply with training requirements detailed in the local authority emergency management regulation. It enhances community resiliency and emergency response. It enhances capacities to reduce recovery costs, and through the AEMA they will work with communities to identify virtual training needs and how they can be accomplished. At the end of the day, it helps municipalities, but it's a partnership between the provincial government and Alberta municipalities to be ready for municipal emergencies ahead of time and then to execute on that preparation when those terrible days come when an emergency breaks out.

Mr. Turton: Thank you very much for the comprehensive answer. I totally agree with your assessment, that in terms of the grants before and after a disaster, it's always interesting how people think differently.

Before I ask my last question, Mr. Chair, how much time do I have remaining?

The Chair: You've got four minutes and 45 seconds.

Mr. Turton: Perfect. My next question is actually about something that is also of grave or of huge importance for me, and that's actually libraries. I know, Minister, just from conversations that it's a huge priority for you as well. Even prior, many years ago, almost 15 years ago, I had the privilege – and I do consider it a privilege – to have served on the Spruce Grove library board as a representative there and to see first-hand the impacts that libraries have on our communities. I loved your initial preamble, Minister, when you were talking about libraries being local community hubs because it's absolutely true, because for many residents in our communities right across the province, when you don't know where to go for help, in many instances the only place you can go is a library. You

know, it's friendly staff, resources there to be able to assist them, to help them out.

I know that in many rural communities, especially during COVID-19 and with many of the restrictions that have been put in place, obviously libraries were really highlighted in terms of their importance to their respective communities, where having high Internet connectivity so that people could access programs and services remotely – I guess my question is: why have library grants stagnated just given the massive importance that they have had in our respective communities?

Mr. McIver: Well, I will just repeat that we're trying to live within our means and encourage government departments and organizations that government funds to live within their means, too. You don't have to agree, but we feel that keeping the library funding flat actually shows a strong commitment to them, especially when, as we talked about here, municipalities, for example, are taking about a 25 per cent haircut on their MSI funding. Libraries haven't been subject to that level of reduction.

There's been no reduction in library grants in Budget 2021. The total operating grants for Alberta's 230 library boards are still at \$30.5 million. Each board will receive the same operating grant this year as they received last year. We're also maintaining support for the SuperNet connectivity in the libraries and interlibrary loan software and delivery services for people with print disabilities and provincial e-content such as e-books. The only what looks like a reduction that you will find in the overall budget of the public library services branch is the reduction of \$83,000 due to a mandated reduction in salary and wages and a reduction in supply and services. That's part of the labour mandate that we have that we are working towards.

Mr. Turton: Excellent. Thank you very much for the answer, Minister.

I also just wanted to kind of highlight on this one topic, before I run out of time here, just the importance of libraries almost as economic drivers for their respective communities as well. I know, just given the library in Spruce Grove, for example, that when larger stores were wanting to come to our community, I mean, they had job fairs at the actual library. These are not just community hubs, but they help diversify local areas. They help create stimulus for downtown cores. I'm very proud to say that Stony Plain has, actually, a brand new library, that was just recently opened up, like, truly within the last couple of weeks, and is going to be an incredible asset to the downtown core of Stony Plain and help stimulate that area of the town.

I'm very thankful to hear about your ongoing support. Is there anything related long term when it comes to funding of the libraries that you can think of? I know the Libraries Act is one of the oldest acts in the Legislature standing. I realize that we're talking just about government budgets and estimates today, but have there been any conversations that you've been able to have about, long term, the future funding models, potentially, that may be affecting libraries right around our province?

Mr. McIver: Well, I'm going to have to disappoint you because this is about this year's budget, 2021. I can't really comment on what future budgets may have or may not have in them because, as you know, in government each ministry has to go through caucus and the Treasury Board and a whole bunch of other places to get our budgets approved each year. There's no guarantee what will get approved and what won't. I will say this. Libraries are important to us. We provided libraries with 800,000 masks during phase 2 of the

masks for Alberta program in the summer of 2020. We appreciate the partnerships with libraries in helping make masks . . .

The Chair: I hesitate to interrupt, Minister. That concludes the government members' first block of questions.

Now we move to five minutes of questions from the Official Opposition, followed by five minutes of response from the minister. As mentioned, 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. Please remember that discussion should flow through the chair at all times regardless of whether or not speaking times are combined.

You would combine?

Member Ceci: So this is a 10-minute block, not a 20-minute block?

The Chair: Not a 20-minute block, a 10-minute block. Five and five.

Member Ceci: Okay. Thank you, Minister. The municipal sustainability initiative is found in all the relevant documents tonight. One area where it's found is page 182 of estimates. Front-ending MSI this year is certainly good and something we did when we were government, to then historic levels, to stimulate the economy, just as you referenced earlier. Aside from the front-ending this year, what your government is doing that is not so good is dropping the 2022 and 2023 MSI amounts drastically to \$485 million and, in addition, telling municipalities that the previously-agreed-upon LGFF levels of \$860 million yearly would be cut to \$722 million. That's \$138 million yearly less to municipalities. AUMA calculated that to be 36 per cent less funding per year, beginning in 2024, when you take an average of this fund from the years 2011 to 2020.

My question to you. Your government eliminated the big-city charters, and you're now delaying the local governance fiscal framework and substantially reducing MSI in out-years. How many times are municipalities going to be expected to, in their words, "devise new plans on how to fund the replacement and upgrades of local roads, water lines, facilities, emergency equipment and other necessary capital needs"?

Mr. McIver: I would say to you that we did, as we pointed out – and I haven't argued with that. We've given them a 25 per cent haircut. If you want to characterize it as more for a couple of years, I can't agree with you because I'm certainly not asking to take credit for an increase this year. This is the first year of a 25 per cent reduction. It looks like more this year because we're allowing them to prespend on that \$722 million for the next two years after this year. I'm not asking – in fact, I'm insisting that municipalities don't thank us for an increase this year because this isn't an increase. Though the numbers are higher, this is the first year of a three-year, 25 per cent cut down to \$722 million. We're just letting them spend some of the money earlier in order for them to have more power over organizing their capital projects and the timing and the way in which they go about that. As further evidence that it is a 25 per cent cut down to \$722 million, we're saying now that that's the base level for the LGFF that'll be three years from now. If you want to characterize it as less, you can, but I disagree with you.

8:40

Anyways, the point is that everybody in Alberta has to do what they can. The government has budgeted for an \$18 billion deficit this year, which is massive. I think you would agree that that's a very, very large deficit. Albertans, where possible, need to manage, do more with less. That's an old phrase, and lots of us hate it except

it happens to be true right now. Many Alberta families in your riding and mine have lost one or more incomes within their household, and in many households people have taken pay cuts of sometimes 10, 20, and 30 per cent amongst the ones that are still working. I realize this is tough, but I don't make apologies for it because municipalities need their provincial government to be sustainable, to provide funding on an ongoing basis, not to spend our brains out and then not be able to do anything for them in five or 10 years from now. It's a tough transition – I acknowledge that – and we're trying to work with them on this.

Member Ceci: All right. Thank you. It's a tough transition. You have a lot of the cards, and they are trying to play for table stakes, but they're not getting any of that.

You know, in the first block of questions, Minister – I want to follow up on a few questions that I posed and maybe get some specifics. With respect to the issue of unpaid property taxes, we've seen very different strategies from the two ministers prior to you. The first Minister of Municipal Affairs met with energy companies behind closed doors, set policy, and was talking about rolling that out across the province, but there was a revolt from municipalities. We saw billboards up on streets saying, you know: your taxes are going to go up as a result of what the Municipal Affairs minister is doing; call your MLA. Your predecessor walked all of that back and punted the issue beyond the next election. Now you've committed to address it earlier tonight. One big question I think I have and I think the public will have is: how are you going to address it? Will there be serious public consultations, not just stakeholder consultations but ones that allow regular citizens to engage in discussion about the issue of fair taxation for corporations in this province?

Mr. McIver: I would say that I'm committing to talking to municipalities and the industry. That's my commitment, to try to bring – those are the three main stakeholders. I don't take issue with you saying that anything that happens with governments, whether it's provincial or municipalities, affects all the citizens. That goes without saying, but you said it, and I would acknowledge and agree with that. But the three players that really need to sort this out and solve it are the municipalities, the industry, and government, and that's who I'm committed to bringing together to the best of my ability to talk about this. My experience is that citizens that are interested in this thing gather information and will share that information with their government. I'm sure I'll hear from some of those citizens, some of them probably quite loudly, and all I have to say to them is thank you.

Thank you for pointing out that our government listened when there were ideas floated on what to do with this that seemed to be biased towards the industry without enough indication towards municipalities. Before anything was put into place, we listened and we said: yeah; we agree, so we're going look at this again. That's when, as you rightly said, my predecessor said: well, let's take some more time to do it. Right now I'm still thinking about that three-year timeline, but I intend to start talking to municipalities and industry members in a short time here. The three-year assessment tax measures were announced in October. We believe they'll provide incentives for the oil and gas industry and the viability of our mature assets, because, MLA Ceci, honestly, in the condition that Alberta is in right now, we can't tax ourselves to success and we can't cut our way to success. We can only grow the economy until we are successful. That means working with municipalities, working with industry, and continuing to diversify the economy by not only . . .

Member Ceci: I apologize. I think you're right that your government pushed this beyond the next election because you listened to the revolt that was taking place, and acting in the best interest of industry seems to be something this government does until they get push-back.

I want to follow up on the green line if I could. While that's a project, of course, in Transportation, as Municipal Affairs minister you have a lot to say when it comes to Calgary's ability to pay. You wear two hats on the same file. My question is: you've been a bit cagey with Calgary and the media, and I think Calgarians expect an answer with regard to when that green line money will be approved.

Mr. McIver: That's a Transportation question, and your colleagues asked that question last night in estimates. You should check their notes.

Member Ceci: Does my colleague MLA Carson want to follow up on MSI?

The Chair: You've got one minute left.

Member Ceci: Jeez. No. I apologize.

The Chair: He's so generous.

Member Ceci: I don't do it purposefully.

I'd like to ask about AEMA and the pandemic, and perhaps I'll have to follow this up, too. In an emergency we use the incident command system. In this type of system it's standard practice to do lessons learned at six weeks and eight weeks in. My question is: did we do those lessons?

Mr. McIver: I will ask Scott Long to elaborate on that during the six seconds he has left.

The Chair: Yeah. Sorry, Minister. I'm going to have to interrupt here. I think that when we go over to the opposition, I'll go straight to Mr. Carson and cut him some slack here.

We're on to five and five with the government caucus. You wish to combine the time? Okay. Go ahead. Who's going to speak? Go ahead, Mr. Singh.

Mr. Singh: Thank you, Mr. Chair, and thank you, Minister. I would like to thank the Minister and all the staff of the ministry for being here tonight for the consideration of this ministry's estimates. I appreciate the good work that you have been doing to ensure accountability in our local governments. Page 85 of the business plan identifies \$25.4 million budgeted for the Alberta community partnership. Why was the budget for this increased by \$10 million since last year, Minister?

Mr. McIver: Okay. The budget for this was increased by \$10 million since last year. The Alberta community partnership budget is to meet obligations under the Alberta Senate Election Amendment Act and the Referendum Act. Both of those acts were passed in legislation and received royal assent in July 2020. The act allows Senate elections and provincial referendums to be held in concert with, at the same time as, municipal elections. The government intends to hold the elections for the federal Senate in conjunction with that in October 2021. The Senate election grants regulation accounts for \$5 million of the estimated funding requirement, and the Referendum Act payment accounts for the remaining \$5 million.

In other words, the municipalities have the responsibilities of administering the two elections, and the \$10 million in the budget, \$5 million for each one of those votes administered by the

municipalities, is designed to defray the costs of operating those elections on behalf of the provincial government and on behalf of Albertans. It's not without precedent. In 1989 and in 1998 Municipal Affairs was the specified department to make payments to municipalities for Senate elections, so this is at least somewhat consistent with that. As the Minister of Municipal Affairs I am authorizing those payments to defray the costs of the municipalities.

8:50

Mr. Singh: Thank you, Minister.

Page 120 of the fiscal plan refers to \$10 million in funding related to the Alberta Senate Election Act and the Referendum Act. How will these funds for the Senate elections and a referendum be allocated?

Mr. McIver: Well, as I said in my earlier answer, it's \$5 million for each one of the elections. The funding formula is similar to the formula used in 1998, the last time Senate elections coincided with municipal elections. The minimum funding amount in per capita rates have been slightly increased to accommodate inflation. Under the Senate election grants regulation where a municipal election is being held at the same time, municipalities will receive \$1,000 or a dollar per capita, whichever number is greater. Under the Senate election grants regulation

where an election under the Local Authorities Election Act is required in a municipality or ward, the elected authority or other body that conducts the vote under the Alberta Senate Election Act in that municipality or ward will be paid a grant of \$1.00 per capita [also] or \$1,000, whichever is greater.

Where no election is being held and, I suppose, where – municipalities and Métis settlements will receive either \$2,000 or \$2 per capita, whichever is greater. You might say: well, how can an election not be held? Well, I suppose that if there are six seats on council or seven seats on council and only seven people put their name forward, there's no election. They'll still have to run an election for the two provincial things, which is why we have that arrangement made in there at \$2 per capita or \$2,000 per municipality to run that, whichever, again, is greater.

Mr. Singh: Thank you, Minister, for your answers.

The increase in the funding for the Alberta community partnership is a great help to improve the long-term sustainability for municipalities, and I appreciate the funding provided to support the conduct of a vote under the Alberta Senate Election Act and the referendum, a promotion of our democracy.

I will turn it over to MLA Getson.

Thank you, Minister.

Mr. Getson: I appreciate that, MLA Singh and Minister. Thank you so much for this. I'll just jump right into it here. Intermunicipal collaboration frameworks: they're listed as a key objective on page 85 of the business plan. With that, sir, how have municipalities benefited from ICFs? If you could just inform me on that, please, sir.

Mr. McIver: Okay. ICFs, intermunicipal collaboration frameworks, are a mechanism for municipalities to work together when they can strategically assess, fund, and deliver services that benefit the municipalities and the residents in the region. I guess ICFs help municipalities contribute funding to services that benefit the residents in a way that's structured. The frameworks ensure the municipalities are using their scarce resources in the delivery of services that benefit residents in both municipalities.

You know what? There are cases where two municipalities right next to each other might each need an arena or actually need half

an arena, but you can't build half an arena. So it gives them an opportunity to build an arena together, or it might be a seniors' lodge, or it might be some other piece of infrastructure or equipment, a fire hall, whatever it is that they believe they both need, and they only need one of them instead of two, or they need two of them instead of four, one in each municipality. It's basically a structure that enables and allows municipalities to work together to not overbuild infrastructure and to encourage them to work together and share things that they both might need.

Mr. Getson: I appreciate that, sir. You know, with the constituency with the largest number of summer villages and some very strong-willed municipalities, I believe the ICFs do offer that framework, so it's good to know.

If I could jump to page 83 of the business plan, it lists reducing red tape as a major part of Municipal Affairs, the mandate. Could you please highlight what your ministry has completed in terms of reducing red tape to create jobs and help to stimulate the economy, sir?

Mr. McIver: Okay. Well, Municipal Affairs has a bunch of different pieces that we're responsible for. One of the things that was done is that the ministry issued a variance to the gas code regulation to provide an additional option for oil and gas companies to meet code requirements, which the industry estimates will save \$20 million initially and then 2 and a half million dollars a year thereafter.

Municipal Affairs also looks after the Safety Codes Act in Alberta, so we made changes to that act to repeal a provision that restricted wood construction to six storeys in height, which now allows for the construction of mass timber buildings to 12 storeys. It's at least two construction seasons before the change is to come into effect at the next national code, so this has the potential, we believe, to create 60 jobs per construction site and up to 400 jobs per new sawmill and production sites.

What else? The Municipal Government Act was amended to reduce the regulatory burdens surrounding intermunicipal collaboration frameworks, which will make the paperwork go easier and save some taxpayers' dollars for municipalities.

The ministry made changes to several municipal grant programs to simplify the administrative process, reduce processing times for municipalities and departmental staff and, we hope, also for municipal staff, which we believe will – designated industrial property requisitions of less than \$1,000 are no longer required to be submitted to the province ahead of time, which should save time and money in administration on relatively low-value requisitions.

Municipal Affairs upgraded its municipal disaster recovery program application form to collect more information up front, allowing eligible municipalities to get paid what is due to them more quickly.

What else have I got here? The Municipal Government Board established an alternative process to lower the volume of costly subdivision and designated industrial property appeal hearings by introducing the formal prehearing telephone conference, which, amazingly, often eliminates the need to conduct a hearing. The desire to avoid a hearing actually lots of times avoids a hearing. Those are some of the things that we have done on the red tape end.

We removed a requirement for vehicles that are altered to be powered by a different fuel, gasoline to propane, to be recertified every three years, which will save time and costs for vehicle owners.

Some thermal liquid heating systems have been exempted from safety requirements that are more restrictive than necessary for their level of risk, so this is something that takes less paperwork without

actually making things unsafe. It's supported by oil and gas industry stakeholders and the Alberta Boilers Safety Association.

So those are . . .

The Chair: Thank you.

I hesitate to interrupt, but we will take a quick five-minute break, followed by a 10-minute rotation with the opposition caucus, led by Mr. Carson.

[The committee adjourned from 8:58 p.m. to 9:03 p.m.]

The Chair: Okay. Thank you, everyone. Hope you enjoyed your break. Let's get back to it, please.

We will move on to five minutes for the opposition. Would you like to go back and forth with the minister, Mr. Carson?

Mr. Carson: Absolutely. That would be preferable.

The Chair: As soon as we have a minister in the chair, we can get right after it.

Okay. Thank you, Minister. We're going to get ready.

I believe that Mr. Carson has the floor.

Mr. Carson: Thank you very much, Mr. Chair, and thank you again to the minister for being here with us tonight as well as your staff. We appreciate the back and forth so far, and hopefully we can continue with the back and forth, as I requested. Perfect.

Just looking at the AUMA's preliminary analysis of the government of Alberta's 2021 budget, it states that they are "disappointed . . . that Budget 2021 reconfirms that Senate elections and referendums will be held at the same time as local elections despite advice that this will detract from essential discussions on local issues." Those were their words. Why did you ignore the calls from the AUMA to not move forward with those changes?

Mr. McIver: Well, listen, the AUMA are terrific partners of our government and terrific partners of municipalities, and they do a great job. In fact, I was on the AUMA board for eight years, as you may or may not know, along the way. I respect them immensely, but in this particular case I just happen to disagree with their position. The common boss that we have as MLAs and they have as municipally elected leaders is the citizens of Alberta, and it's a lot less expensive to do these additional elections at the same time as the municipal election rather than at another time. Not only that, again, while I don't have an issue with the AUMA taking a position – I respect them very much – the reason that I don't think it'll detract from the conversation is that I think it'll actually bring more people out to vote, which actually, I think, to some degree equals more people engaged in the electoral process.

Mr. Carson: Thank you, Minister. I appreciate that, and I do have more questions on this. I appreciate that you've put forward \$10 million for this initiative. Do you foresee that the costs associated with this referendum and Senate election will go above and beyond the funding that you've provided in this budget?

Mr. McIver: I don't know. I mean, to be clear, that's . . .

Mr. Carson: Thank you, Minister. I appreciate that honest answer. Now, if the \$10 million that you've provided in your budget isn't enough to cover the cost for municipalities, will you commit today to cover that extra cost instead of downloading these costs onto those municipalities?

Mr. McIver: Well, we don't know the answer, whether that'll be enough money or not, and we'll have to think about that when

indeed we have that answer. The answer at least is not available to me today, so that'll be something to consider when the time comes.

Mr. Carson: Thank you. Absolutely. I appreciate that. I am a little concerned that you don't necessarily know how much this is going to cost to run these referendums, and I think that municipalities, from the discussions that I have, are very concerned about that. Hopefully, in the days to come you will make that commitment to cover any additional costs that come of this. Once again, municipalities from across the province have come together through the AUMA and requested that you put this off. As you stated, it was your decision to not do so, so if this cost goes above and beyond that \$10 million, I think it is the responsibility of the provincial government, based on your direction to move forward with this, to cover those costs.

I want to move on to something else. Now, your government in the past has made mention of a process that would essentially provide a report card to Alberta municipalities and would potentially tie funding to it. Is this something that you're still planning to put forward in the next few years?

Mr. McIver: Well, let me say this. The Senate elections were also an election promise that we made. It's not just something we decided. We actually got elected in the last election with a promise to combine these elections with the municipal elections, so Albertans have said yes to us already.

Now, referring to the MMI, it supports the government's 2019 election platform commitment to strengthen transparency and accountability for local governments, where Alberta citizens can access, explore, compare, and review financial information about how their community is doing and compare it to other communities if that's of interest to them. Allowing the public access to this information, I think, is a good thing. I have talked to some municipalities who, while they don't all love it, I would dare say are getting more comfortable with it than they were at one point because we've showed it to them. I think that our staff has made some adjustments to the way the information is displayed and particularly grouped on the website.

Mr. Carson: I appreciate that, Minister.

Mr. McIver: They're getting more happy and less unhappy than they once were.

Mr. Carson: That's great. Thank you, Minister. I appreciate that you just said that some of them have had an opportunity to dig into what you are mentioning in terms of a report card. So some of the municipalities have actually seen what you are planning on requesting? Is that what you're saying right now?

Mr. McIver: I'm saying that some of them have seen what is on the website and is available. If you want more detail, I could ask Gary Sandberg, my ADM, municipal services division. It sounds like you're digging for a bit more detail, so I'll ask Gary to . . .

9:10

Mr. Carson: That's okay. I have more questions on this, and maybe he can answer the next question that I have, or you can, of course; up to you. Have you analyzed if there would be any additional costs to municipalities to provide this type of reporting, and if so, can we find any additional funds for this in your budget?

Mr. McIver: Mr. Sandberg, if you'd be so kind.

Mr. Sandberg: Thank you, Minister. Gary Sandberg, assistant deputy minister for municipal services. The short answer is that there

is no cost to municipalities for the municipal measurement index. All of the data that is in the index is data that the department has collected for a number of years, and in fact all of that data has been publicly available online for a number of years. The MMI simply collects it all in one very easy to use format and makes it easier for the public to compare information between municipalities.

Mr. Carson: Thank you very much for that answer.

Moving forward, there are no instances where you expect to go back to a municipality and ask for more clarification or more details in regard to these reports that would have any cost implications on these municipalities? It's all already available to the public and to these municipalities? You don't see anything being requested further that would have cost implications?

Mr. McIver: Well, I think that what we just both heard Mr. Sandberg say is that the information that's there has been collected by the government and provided by the municipalities for a long time now, for many years. I would say that we're just organizing it differently on the website and, we hope, in a more useful and helpful way not only to the citizens that might want to compare but, hopefully, to the municipalities themselves that might want to see how they're doing in comparison to one another and strive for excellence as part of that.

Mr. Carson: Thank you very much. I appreciate that, Minister.

Do you foresee changes to, say, MSI funding based on the report card that is given to a certain municipality?

Mr. McIver: No. I say that the MSI funding – we've announced that it's \$722 million for the next three years, with the municipalities having the ability to prespend, spend some of it in the first year before the second two years, and then after that it will be going to the LGFF, which municipalities are expecting. I think they were hoping for, frankly, the LGFF a year or two sooner than we're going to deliver it to them. But they are indeed, from what I can tell, talking to several municipalities, looking forward to that, and if anything, they wish that we would switch over sooner rather than three years from now. Honestly, that's the best that I can do for them right now, and hopefully they can live with that. It's not really going to make a funding change per se but, rather, the formula in which the funding comes. I think what they're really interested in is the escalator clause in the LGFF, where when the government's revenues go up, the municipalities share in that.

Mr. Carson: Thank you very much, Minister. You say that the funding won't change per se. I mean, that is a little bit concerning. Either it's not going to change at all or it is going to change, so could you just clarify that it will not change based on the report card that they receive, whether it's an A plus or a B minus, that it won't affect the amount of money that they're getting through MSI or any other program?

Mr. McIver: Okay. I have absolutely no plans of changing the funding for a particular municipality depending upon what their MMI report card says today.

Mr. Carson: Wonderful.

Mr. McIver: I have no plans whatsoever today of doing that.

Mr. Carson: That's really good news, Minister, for myself and municipalities across the province, I imagine. That takes some weight off their shoulders while there's still a lot on them through this budget.

Just to clarify, I have how much time left?

The Chair: Thirty-five seconds.

Mr. Carson: Okay. I appreciate that. Well, some of my questions are a bit more lengthy here, but once again I appreciate that.

Next, hopefully, I'll pass it back to my colleague Mr. Ceci.

I will have some more questions regarding MSI in the next block, hopefully, but I do appreciate you clarifying some of those concerns of municipalities. I guess I will reluctantly leave it at that.

The Chair: Thank you, Member.

We will now move to a 10-minute rotation for the government caucus. I assume you'll want to go back and forth.

Mr. Getson: Yes, please. Thank you for that, Minister. I guess I'm still up next here after the last little spot. I anticipated talking about the red tape. Not to be so lengthy, but obviously you folks have been very busy, and it explains why we went from an F to an A. Thank you so much for giving us the update on that.

With that, I'll end my questioning. I'd love to pass this off to my colleague the MLA for Calgary-North.

The Chair: Go ahead, Mr. Yaseen.

Mr. Yaseen: Thank you, Chair, and thank you, Minister. I realize that this is a new ministry for you, and you're doing a great job. Thank you.

I will be asking questions about MSI, which you alluded to in your opening remarks and after. Page 130 of the fiscal plan describes funding levels for the municipal sustainability initiative, or MSI, for 2021 through 2024, which averages \$722 million per year. Why can't this funding be stable, Minister?

Mr. McIver: I would say to you that it is stable. We could, but frankly we believe it's helpful for the municipalities to have the flexibility to bring some of the spending forward now, be it to stimulate the economy, combined with the additional \$500 million – it's not extra; the municipalities used it – that was provided in MSI last year. At the level of spending that the municipalities have had, it is possible that some of them would have capital projects going forward, that if we went straight to the \$722 million, they might have to start and stop them if their committed rate of spending was greater than that, and it could end up costing them a bunch of extra money and perhaps irritating their constituents. Nobody wants to see half a road paved and then take a season off and then pave the other half of a road. I appreciate that that still might happen, but we don't want to be the cause of it through the funding rhythm.

Essentially, the funding is stable at \$722 million now, and the municipalities have the ability to bring forward some of the spending. It's our hope that that, combined with going to the LGFF beginning in '24-25 at \$722 million plus the escalator clause, where the municipalities share in the overall government of Alberta's increase or decrease in revenue, will give them some more predictability. Starting in '25-26, though, you know, the legislative framework ties the provincial revenue to the changes in the municipal capital funding.

It's something they asked for. It's something that we're giving them. I understand that they'd like it a couple of years sooner than they're getting it, but from what I hear from municipalities, it's something they actually want.

Mr. Yaseen: Okay. Thank you for answering the question.

With this 25 per cent decrease over three years compared to previous budgets, how is your ministry adapting MSI funding to ensure municipalities can follow through on projects they have already committed to?

Mr. McIver: Well, there's an established system, a method that both our government and the municipalities are accustomed to, where each municipality gets their annual designated dollar amount, and they use it to their best advantage. There's some flexibility built in, an ongoing ability for municipalities to accumulate their MSI dollars for up to five years. I don't know if there's a municipality in this place. For example, when a municipality gets \$100,000 a year in MSI and the project they really want costs \$500,000, they actually have the ability to bank it, if you will, and then take it all in one year to do the project they really want to do or any combination of smaller or medium or bigger sized projects. We try to build in enough flexibility that the municipalities have a fighting chance to decide what's most important for their citizens and plan around building it for them.

I won't say that it's perfect, but it's a long-standing, much-loved program by municipalities. The only thing they would love more is if they had more money.

Mr. Yaseen: Thank you, Minister.

On page 18 of the fiscal plan your ministry says that the MSI funding for '21-22 will be \$1.2 billion and that this provides "increased investment when it is needed most." However, funding over the three years, as you mentioned, is 25 per cent reduced. How can the government claim to be supporting economic recovery when it is cutting infrastructure funding?

9:20

Mr. McIver: Let me say this. While you said that it's a \$1.2 billion increase, up to that, I will repeat as many times as you say that to me that this is \$722 million three years in a row. We're letting them spend some of it sooner. A couple of municipalities have said, "Thanks for the increase." I've corrected them and said: "Oh, no, no, no. You did not get an increase this year. You got a 25 per cent cut and one that you're getting for the next three years in a row." I haven't accepted a compliment on that because I don't deserve one, because we are cutting their MSI funding by 25 per cent now. The only thing we're doing to offset that a little bit is letting them spend some of it sooner.

I will say that if you consider the \$500 million in stimulus funding on top of the \$722 million times three and other additional funding during COVID, you're actually getting a lot closer to not having a cut if you average it over the four or five years. But in trying to be fair and honest with the municipalities, my story is that they're getting a 25 per cent cut, down to \$722 million for the next three years.

Mr. Yaseen: Well, thank you, Minister, for your elaboration and clarification on that.

I will now pass my time to MLA Loewen.

The Chair: Go ahead, Mr. Loewen.

Mr. Loewen: Okay. Thank you very much, Minister. I appreciate you being on today. It's great to see you and your staff there answering questions for us.

I'd just take you to page 15 of the budget fiscal plan. It says that \$2.5 billion is included as "contingency amounts for disasters/emergencies, COVID-19, and recovery initiatives." Obviously, that's important to have. We have a lot of different issues that we can have during any given year. It's good to know that we have that contingency there.

One thing we've talked about before, yourself and I – and it's been a concern, I think, in northern Alberta – is the flood mitigation trailers or the rapid deployment trailers. We talked about that there were some located in southern Alberta but none located in northern

Alberta. I wonder if I could get you to maybe expand on that and see if there's any opportunity to adjust that and maybe have some in the north, too.

Mr. McIver: Okay. Well, let me say this. You asked about the budget for disasters. Of course, with disasters and emergencies you never know when they're going to hit or how big they're going to be, so there's not a budget per se in Municipal Affairs for that because we don't know whether there are going to be no disasters or several disasters or whether they'll be small or big. Within the government of Alberta there's a \$750 million contingency set aside for potential disasters and emergencies on an as-needed basis, and Municipal Affairs, of course, can draw on that fund. As disasters occur and costs are defined, Municipal Affairs requests funding out of that amount from Treasury Board to fund the disasters. In 2021, for example, additional funding of \$185 million was provided for a disaster recovery program.

To cover the next part of your question, you actually asked this of me, and we are in the process of moving a trailer. Scott, I think, has more details on that.

Scott Long, would you give some more information to the MLA, please?

Mr. Long: Thank you, Minister. Scott Long, acting managing director, AEMA. A provincial stockpile was established after the 2013 floods. It's situated in the MD of Foothills. We have a number of assets, and we are in the process right now of staging one initially to the Edmonton area. That should be here within the next seven days. Just like last year, we are looking at staging the asset further north. We just want to have a good look at what the River Forecast Centre and the situation update are looking like so that we position that in the best location for it to be able to respond rapidly. That is under way and should be done within the next few weeks, keeping in mind that the flood season normally starts at the end of April, early May.

Mr. Loewen: Okay. Thank you very much, Mr. Long, and thank you very much to the minister, too.

The Chair: Sorry to interrupt, Member.

We will be moving back over to the Official Opposition for a five-and-five rotation.

Mr. Carson: Yes, preferably.

The Chair: Go ahead, sir.

Mr. Carson: Thank you, Mr. Chair, and thank you, Minister. Now, under the previous government we negotiated a deal with the two largest municipalities to ensure that long-term, sustainable funding was in place to support our communities, a process that your caucus supported at the time and even campaigned on in the last election. Yet when you came into government, you pretty much immediately went back on that commitment. I'm hoping to find out if you're planning on going back to the table to create a new city charter or framework for our major municipalities. Can we expect to see a new round of consultations to ensure that that moves forward, or is it just completely off the table now?

Mr. McIver: I would say to you that at this point we did not anticipate that when we were in government, the energy costs would go to negative, to actually zero and less than zero, for one of the biggest revenue streams that the government has. We certainly did not anticipate COVID-19 and all the widespread and very deep damage to our economy and the government's revenue and all of

that and municipalities' revenue, for that matter, that has occurred. One thing I can say is that the LGFF piece, as is in the budget here and in '24-25, will be in place. Certainly, the government repealed the City Charters Fiscal Framework Act in 2019, which would have provided funding to Calgary and Edmonton but not for other municipalities. So, really, when you talk about that . . .

Mr. Carson: Thank you, Minister. I appreciate that, and I hope that you can also, I imagine, appreciate that you appealed this before we knew COVID was on the horizon. I think that we had, to some extent, an understanding of where energy prices were, so I think it's a little bit of – well, I don't know – I guess, a cop-out to say that we didn't see some of these things. I guess, more so, I understand where you're coming from when we look at the concerns on the horizon, but I think it's unfortunate that this happened in the first place. I think that this funding framework would have helped our major municipalities get through the pandemic, would have helped ensure that downtown Calgary was able to refill those businesses and the same thing in Edmonton now.

Just yesterday in your capacity as the Minister of Transportation you said that it was your role to ensure, I believe, something along the lines of maintenance and revitalization of provincial roadways. Now, today in your capacity as the Minister of Municipal Affairs the decisions you are making will have a lasting impact on roadways within our municipalities, and the MSI funding cuts that you are proposing in this budget will no doubt put important projects on hold. Looking to my own community in west Edmonton, this means important infrastructure like road widening of Winterburn Road, a major corridor through west Edmonton, as well as the Lewis Estates rec centre is going to be put on hold. There are conversations happening that these are directly impacted by the changes that you've made. First of all, do you recognize that going back, once again, on your commitment to support the city charters is negatively impacting our communities' major infrastructure needs?

Mr. McIver: Well, what I know is that if you knew energy prices were going to go below zero way ahead of time, then you're wasting your time as an MLA. You should be on Bay Street. You could be a rich, rich man in a very short period of time if you have that level of prediction of the future. You might have been the only one that knew that if you were sure, so I would encourage you to go get rich.

But while you're still here, let me just say that we will continue to work with municipalities within the fiscal constraints of 2021, within the money that we have available and that the taxpayers of Alberta can afford to pay. We think that's a responsible way to operate.

Mr. Carson: I appreciate that.

Mr. McIver: We think many municipalities actually agree that that's a responsible way to operate.

Mr. Carson: With due respect, Minister, I don't think that the city of Edmonton or the city of Calgary feel that this is, you know, the way that business should be done, so I take concern with that.

Moving forward, once again, last week a city of Edmonton councillor did put forward a motion to evaluate the cumulative impact of the budget that you've put forward, asking, among other things, for a breakdown of how many jobs will be lost because of budget cuts put forward by your government. One of the areas that will likely be evaluated is the adjustments to MSI funding, and we can expect that evaluation to come back next month to get a better picture. I'm wondering: does your department internally do an analysis to evaluate how your budget will affect things like

employment or infrastructure projects across Alberta? Why or why not? Or, I guess, more so, if you don't, why not?

9:30

Mr. McIver: Well, we do an evaluation on our spending because we know that the services that we provide to municipalities and the funding we provide needs to allow the municipalities to be sustainable. If we spend our brains out beyond what's sustainable, at some point there'll be a lot less for municipalities instead of the same amount. So we're using our best judgment to make sure that municipalities will continue to be able to provide the very important services to their citizens that they need, with the help of provincial funding, and that we'll be there to work with those municipalities and keep supporting them. We understand how important the work they do is . . .

Mr. Carson: Thank you, Minister. Once again, with all due respect, I don't think that moving the goalposts on something as important as city charters is what I would call sustainable.

With that being said, I would like to pass it off to my colleague Member Feehan. Thank you.

Mr. Feehan: Thank you, Minister. I appreciate the opportunity to chat with you this evening. I want to have a bit of an opportunity to talk a little bit about your business plan and the dramatic changes that have happened between the business plan last year and the business plan this year, a reduction just in sheer size by more than 50 per cent. It seems that a lot of things that were priorities at one time are not now, and I just want to have a sense from you about why things have become deprioritized.

I notice that in your changes one of the things that's happened is that you've identified that you're primarily focused on the reduction of what you refer to as red tape, with a goal of an approximate reduction of one-third by 2023. In fact, you've moved that particular section of the business plan up from where it was in the business plan to number 1, so I assume that would indicate that it is more important than the other pieces. I just want to ask if you can either direct me to or perhaps table the evaluation that was done that identified that the regulations that presently exist are one-third larger than they need to be.

Mr. McIver: The Associate Minister of Red Tape Reduction has worked with ministries across government, including in Municipal Affairs, and done an analysis of all the rules, the red tape, the cost to business, the cost to citizens, of all the paperwork, of all the requirements, of all the stuff . . .

Mr. Feehan: So was there a report on which you based your decision, Minister? Sorry. I just want to know: was there an actual report? Was there evidence gathered to demonstrate to you as the Minister of Municipal Affairs that presently the red tape is at a size one-third larger than it should be? Or perhaps you can tell me why it isn't 38 per cent or 31 per cent.

Mr. McIver: Do you want an answer? If you cut me off, I can't answer the question.

Anyways, Chair, we actually got elected on a promise to reduce red tape. The citizens of Alberta approved that promise when they elected us. This is a promise made, promise kept, so in order to keep . . .

Mr. Feehan: So I can take it that your answer, then, Minister, is that . . .

Mr. McIver: . . . that promise . . .

Mr. Feehan: Thank you, Minister. I understand that you want to go back and redo the election, but perhaps I can move on with some of the rest of my questions because we're running out of time. I understand that what you're telling us here is that the actual choice to reduce red tape is an arbitrary decision at this particular time, so I will accept that.

I also notice under your key objective 1.3 that you're indicating that you're implementing assessment tax incentives designed to encourage new investment in the oil and gas sector. I was wondering why you are highlighting the oil and gas sector and privileging it over other types of investment. For example, you're not privileging technology, you're not privileging health research, and you're not privileging secondary agriculture manufacturing. You seem to be dictating to the municipalities where you want their investments to go. This seems to be contradictory to what you've been saying all evening about wanting municipalities to make decisions. Can you tell me why you're privileging oil and gas over other possible ways of establishing economic recovery in municipalities?

Mr. McIver: The premise of your question is a hundred per cent wrong. Our government has worked very hard to work across every sector to grow the economy. You probably noticed that Infosys has just decided to move to Alberta. We're making large investments in agriculture . . .

The Chair: Minister, I'll have to interrupt you. I apologize for that.

We will now move on to a 10-minute block for the government caucus. Who is taking the lead on that? Mr. Loewen, are you still on the . . .

Mr. Loewen: No. We'll go to MLA Issik.

The Chair: Go ahead, Ms Issik.

Ms Issik: Thank you, Mr. Chair. Through the chair to the minister, on page 84 of the business plan 2021-2024 your ministry notes that "the Municipal Government Board, Land Compensation Board, New Home Buyer Protection Board, and Surface Rights Board . . . will amalgamate into the Land and Property Rights Tribunal on June 2 [of this year]." How will the ministry be adjusting its supports to these boards to better fit the new Land and Property Rights Tribunal structure?

Mr. McIver: Well, Municipal Affairs will continue to be responsible for the administration and the budget of the new tribunal. The amalgamation will not change that. The ministry will continue to provide administrative support to the tribunal such as finance, business planning, human resources, and other services while maintaining the tribunal's independent and impartial quasi-judicial processes, so in many respects it's business as usual. We'll support the administration, but since it's quasi-judicial, we, of course, won't mess with their decision-making process and the decisions that they make and the things that they bring forward because that would be improper. Essentially, everything that was done before will still get done.

There will be a single chair. Eliminating the vice-chair role, amongst other things, will have annual savings of about \$500,000. And quite apart from the cost savings, the Surface Rights Board in particular has benefited from a more robust management structure and a sharing of best practices. In fact, in my opening remarks you probably heard me talking about how a lot of files there were far behind, and there were some temporary staff brought in. Since a lot of those files are caught up now, actually, we're asking for \$600,000 less in this year's budget really because of the amazing

work of the staff in Municipal Affairs and the Surface Rights Board people that caught up a lot of files that many Albertans were unhappy about being far behind on.

All of the work will still get done, and it will still be arm's length in the case of the quasi-judicial board. So Albertans can have comfort that those important functions will still go on.

Ms Issik: Without belabouring this, can you just maybe get a little more specific on the overall benefit of the structural change and perhaps give an example or a hypothetical example of how, more specifically, this reduces red tape either for the boards or for Albertans?

Mr. McIver: Well, I would expect that it will result in a larger pool of board members appointed under one tribunal, which, hopefully, will provide the chair with greater flexibility to assign members to areas where the appeal volumes are highest and to where their particular skill sets are most well suited in the different areas. We hope that this will expand the capacity to hear and decide matters in a more timely way because a lot of the decisions – while Albertans wait, it's troublesome for them. The recent cross-appointment of 10 members earlier in 2021 shows that this has allowed the current boards to take on additional work at no additional cost such as providing training and certification for clerks and members of municipal subdivision and development appeal boards as well as hearing and deciding development appeals to the provincial regulator decisions.

We're hopeful that other efficiencies will be realized with consolidating the board member training initiatives, you know, consolidating, perhaps, seven different sets of rules of procedure. Some of this work is still to be done, but we're hopeful that the efficiencies and the savings from this red tape effort will continue to benefit Albertans now and into the future. And who knows, with this structure, what other efficiencies in red tape we'll be able to provide to give better service to Albertans and more timely service on some really important issues that are addressed with these quasi-judicial boards?

Ms Issik: Thanks, Minister.

I'm going to cede the remainder of my time to MLA Guthrie.

The Chair: Go ahead, Mr. Guthrie.

9:40

Mr. Guthrie: Thank you, and thank you, Minister. Just a couple of quick questions here on key objective 3.2, found on page 86 of the business plan. That key objective reads: to "represent Alberta and its policy interests, including the reduction of trade barriers, during the development of national and international codes for potential adoption in Alberta." How will the ministry ensure that they represent Alberta and its policy interests during the development of these national and international codes for potential future adoption in the province?

Mr. McIver: Well, in Canada provinces and territories have jurisdiction over codes, but the system itself is a collaboration with national bodies. This, we hope, ensures Alberta's autonomy but provides an opportunity to adopt codes developed by the National Research Council Canada and other national and international bodies. This approach allows Alberta to leverage the funding, research, and publication infrastructure of these bodies to continue to develop codes and provide free construction codes to the public electronically.

The development of national codes involves extensive public review and consultation. Alberta, through Municipal Affairs, is represented at the national code development tables to ensure that

our province's best interests are well represented. For example, Alberta chairs the Provincial/Territorial Policy Advisory Committee on Codes, so we clearly have influence. Provincial-territorial review occurs at all stages of the development process, allowing Alberta to address concerns that meet the needs of Albertans. For example, when a new edition of an existing code is published by the NRC, Municipal Affairs and the Safety Codes Council review that to determine if any Alberta-specific requirements are needed.

The Safety Codes Council is an organization under the Safety Codes Act which provides recommendations on public safety. The Safety Codes Council has broad representation from industry, the Rural Municipalities of Alberta, the Alberta Urban Municipalities Association, postsecondary institutions. So there's some pretty good mental horsepower, brainpower, here in Alberta that contributes to making sure the codes are suitable for our citizens.

Mr. Guthrie: Thanks for the answer.

In regard to trade barriers, mentioned in that key objective, how will the ministry work to reduce trade barriers during the development of these codes?

Mr. McIver: Well, Alberta is a party to the Canadian free trade agreement, which aims to strengthen our internal trade network in Canada. Also, we're members of a bunch of other trade agreements that we work with not only in Municipal Affairs, which is all I'll talk about now, but other municipalities are actively involved in that, too. Municipal Affairs, however, participates in the regulatory reconciliation and co-operation table, established under the Canadian free trade agreement, which tries to bring differences in standards together amongst provinces. Hopefully, if you do that, that will free up the ability to move goods and service and labour across provincial boundaries, which ought to create jobs and opportunities here in Alberta as well as the rest of the country.

Alberta is a signatory to the reconciliation agreement on construction codes, which, again, is trying to bring all those codes together so that a contractor working in Alberta can take on jobs in other provinces, knowing what the rules and regulations are, and vice versa. We won't be short on labour because we'd be able to bring in contractors from other places if indeed there's a shortage of certain skills in Alberta. All of this should work to control costs, to allow our economy to grow and thrive and create more jobs and opportunities for Albertans across all parts of the province.

The agreements that we make, we think, will move from the previous model of provinces and territories providing input into national code development to a governance model that places authority with Alberta, in some cases, and other jurisdictions to decide on the policy direction. We think that by being fully involved, it gives us more influence and gives us a greater opportunity, while we're, you know, making it better for everybody in Canada, to make sure Alberta shares in that growth, and it gives us an opportunity to have more jobs and opportunities right here.

Mr. Guthrie: A great answer. Thank you, Minister.

I think we're probably getting down on time, but I'm going to pass and cede my time over to MLA Singh, who is on the line.

The Chair: Go ahead, Mr. Singh. You have a half-minute.

Mr. Singh: Thank you, Mr. Chair, and thank you, Minister. Page 120 of the fiscal plan outlines \$10 million to assist elected authorities or other bodies to conduct a vote under the Alberta Senate Election Act and the Referendum Act. Can you please explain how holding Senate elections and referendums on the same day as municipal elections . . .

The Chair: Sorry to interrupt you, Mr. Singh, but your time is up. We will move on to five. Five and five again, Mr. Feehan, for the opposition caucus?

Mr. Feehan: Combined together. Thank you.

The Chair: I'd just like to point out that we're almost there, folks. I'd just encourage civil discourse, maintain – we've done a heck of a good job here tonight, so let's, please, go with that.

Mr. Feehan: Yes. But I have such little time. I'm trying to get to my questions, and long answers just waste the time.

I'm particularly interested in the changes between the business plan of last year and the business plan of this year, and I'd just like to ask you, Minister, about some of the things that you deprioritized. I'll stick with outcome 1 for the moment here. Previously they indicated – 2.4 in the previous plan was to develop new assessment models for wells, pipelines, machinery, and equipment, and I notice that this time it is not in the plan, so I'm wondering why you have deprioritized this assessment for wells, pipelines, and machinery.

Mr. McIver: I think that, as we talked about in previous questions and answers, we committed to moving the solution to that three years down the road. As I tried to express to your colleague and mine when they asked questions about this, I intend to start talking to industry representatives, our municipal partners, and other ministries within government here in the near future, to start having those discussions because I don't think the trick is to sit on our hands for three years and do it. It's a complex problem, so we want to start talking about it now so that we can be ready, before those three years are up, to know the people that are affected by the decision, how it affects them positively or negatively and actually try to come to something that actually works for everybody.

Mr. Feehan: Minister, I was very concerned that it was being kicked off for three years, and I hope to see that you actually bring it back in even though you've removed it from your business plan.

There are similar kinds of questions in a number of other areas. Just to try to get through them quickly, in outcome 2, which was outcome 1 last time, partly I'm wondering why you have decided that cutting red tape is more important than Albertans living in viable municipalities. It seems to be a change. But within that specifically there was previously a key objective to develop strategies to address unpaid linear property taxes and promote effective municipal asset management. Again, that has been eliminated. We seem to be on a trend of support for the oil and gas industry and eliminating anything that would be an actual examination of their relationship to the municipalities. Can you tell me why you have removed a goal to address the unpaid linear property taxes?

Mr. McIver: Again, your characterization of what we're doing is entirely incorrect. As I've explained to other people and I'll be happy to repeat for you, we have had and I'll continue to have discussions with municipalities. There is a large amount of unpaid taxes, according to the RMA's report about 255 million dollars' worth. As I've spent extensive time explaining to some of your colleagues, I have started and will continue to talk to RMA, the AUMA, individual municipalities, and industry to try to find that spot where we can get as many of those taxes paid to municipalities – that's really important because they spend the money wisely – and in a way that will allow the industry to thrive and continue. I would say exactly the opposite of what you said. We're actually looking for balance and supporting the economy across all sectors to the extent that we can with Municipal Affairs . . .

Mr. Feehan: It appears that you seem to have removed all of these things from your actual business plan. You've removed the ability for you to be accountable for doing the things you say you were going to do. You say that you value these things, yet all of these things have come out of this particular plan. It seems to be very revealing of your position as a government toward municipalities vis-à-vis their relationship with oil and gas.

9:50

But let me move on a little bit because of our time. Again, in outcome 2 you've eliminated the key indicator regarding the support for library networks. Now, I know you've indicated twice here this evening how much you value libraries in spite of the fact your government is killing the central library of the government, but again you've removed it from your plan. How are we to interpret all these things? If you remove them from your plan, you no longer feel that you are accountable either as a key indicator – and, of course, there are absolutely no performance metrics tied to any of these now.

Mr. McIver: Well, I think what's revealing is that your colleagues seem to find what we're trying to do with municipalities, to bring them together with the back taxes – and you somehow deny that that's an issue, so I guess the public can judge that for what they want. But the fact is that we can walk and chew bubble gum at the same time.

Mr. Feehan: The opposite of what I just said.

Mr. McIver: We don't have the luxury of doing just one thing at a time. We actually are required to do a lot of things at a time because there are in the neighbourhood of 340-odd municipalities in this province and . . .

Mr. Feehan: You're the one who has reduced the actual key indicators. It's not me that has taken these things out. You're the ones who have indicated through your business plan that you cannot walk and chew gum at the same time because you have eliminated as many of the things as possible so that you only have one thing to do, trying to focus narrowly, as apparently the Minister of Finance has said. It seems contradictory to what you're saying.

Let me move on a little bit because I am certainly out of time here in just a moment. Under outcome 3 . . .

Mr. McIver: Chair, the hon. member is choosing to misunderstand what is in the budget documents. His own colleagues have acknowledged that we're interested in doing all these other things, so he's not going to let them do a hit and run and try to mischaracterize this budget, which cares very deeply about municipalities. We have been and intend to work very closely with them. With the libraries we are providing \$30.5 million in direct operating grants, which is consistent with the years before. The hon. member can try to deny all these things and not give a chance for me to give answers, but I won't stand for it because I will not have our government's great efforts with municipalities . . .

Mr. Feehan: Transparency and accountability . . .

The Chair: Member and Minister, through the chair. We were very close here. But in one of my previous meetings I came very close to calling a member to order. You're very close to Standing Order 23(i), imputing false motives on this member, and I will caution you to use your time – you've got two minutes and 30 seconds – wisely.

Mr. Feehan: Thank you. I appreciate your direction, Mr. Chair. Well, as the minister said, we'll let the population of Alberta

determine whether or not removing it is indicative of a loss of priority.

In outcome 3, in 3.1 I notice that you have made a significant change as well and that you've indicated that you wish to align the safety system to a quality assurance framework that increases partner autonomy and accountability. Are we to understand from that that you will be shifting from the Safety Codes Act and the New Home Buyer Protection Act administration toward more of a self-policing by the home builder associations?

Mr. McIver: No. But Dale Beesley, our ADM of technical and corporate services, will be happy to put some meat on those bones for you.

Mr. Beesley: Hello. Good evening. Dale Beesley, assistant deputy minister, technical and corporate services. No. We have no plans to combine the Safety Codes Act with the New Home Buyer Protection Act. We have no plans to turn any of the regulatory issues over to any of the home builder associations. That said, the Safety Codes Council, the Alberta boilers association, the Alberta elevating devices association all act independently, and they do have memberships from, as the minister has said previously, the Safety Codes Council, RMA, AUMA, city of Edmonton, city of Calgary, industry leaders, and educational institutes. So, no. The national code process, as the minister described earlier, will continue. Yeah. That's what I have to say.

Mr. Feehan: While you're there, perhaps you could just fill in one small other piece. You also eliminated a reference to ensuring that all new-home construction is performed by a licensed home builder, and that is no longer in the new plan. Is that indicative of anything?

Mr. Beesley: Well, it's no longer the plan. The builder licensing program continues on to this day. There have been no changes. We are trying to, to the best of our abilities, eliminate all bad builders, run them out of town, and make sure the good builders are protected and that consumers are protected in the new building of homes as a home is the largest investment someone can make.

Mr. Feehan: Thank you.

I'm running out of time, so perhaps I will just ask a couple of questions that perhaps you could respond to later. I would like to know how much money the Métis settlements have received from MSI in the last year, if that information can be gathered and sent to me. I'd also like to know what resolution has been made with regard to the Paddle Prairie fire disaster relief and how much . . .

The Chair: Thank you, Member. I hesitate to interrupt.

We will now move on to the government caucus for the remaining three or four minutes that we have. Four minutes. Mr. Singh, go ahead.

Mr. Singh: Thank you, Mr. Chair, and thank you, Minister. I will go over my question again. Page 120 of the fiscal plan outlines \$10 million to assist elected authorities or other bodies to conduct a vote under the Alberta Senate Election Act and the Referendum Act. Please explain how holding Senate elections and referendums on the same day as municipal elections will increase efficiency.

Mr. McIver: Well, it just costs less to add on to an election that's already happened than to start one from scratch at the end of the – that's the shorter answer, and that's why we're doing it this way. Not only that, but we think it will bring more people out to the polls, engage more people in the municipal elections and the municipal

issues that elected people, the municipally running people, bring to the table.

As well, the municipal issues will actually bring more people to think about their Senate representatives in Canada and how they ought to be representing Albertans' interests, because that's the way it was designed, where the House of Commons makes decisions and the Senate is supposed to be a chamber of sober second thought with each province having representation. We want to assist that and to try to help to make sure that the Alberta Senators have a feel and a love for Alberta and have Alberta's back and defend Alberta when they're considering the changes that the House of Commons might make for our country and even to bring forward things that are good for Alberta. Our citizens need and deserve that, and our government is making efforts to try to help guarantee that that representation, that Alberta desperately needs, will actually happen in Ottawa. We are very proud of it, we campaigned on it, and it's a promise kept.

Mr. Singh: Thank you, Minister, for answering.

I'm happy to see that key objective 2.1 on page 85 of the business plan is about enhancing municipal service delivery. Can you please explain how the government plans to do this through the use of intermunicipal collaboration frameworks?

Mr. McIver: Well, thank you. It's a great question, and I appreciate your interest. Intermunicipal collaboration frameworks are fairly simple in principle. They're tools to ensure that municipalities who are neighbours share in the cost of services that benefit residents of both municipalities. They ensure that costs are shared by those who use and benefit from the services. I think it'll lead to and it has, in many cases, led to better co-operation of services, elimination of duplication.

I mean, if two municipalities – why would you pay for two fire halls when one could cover both municipalities? Why would you pay for two arenas if there are only enough people that need to use them to fill one arena? It gives the municipalities an opportunity to work together to pool their resources, to provide services for each of their citizens rather than build duplicates. Rather than have two arenas that are only half booked, that go broke because no one is using them, it's better to have one arena, in some cases, that's shared, that has a better chance of being around and providing better service because it's in better repair because it's more actively used.

At the end of the day, it's the good-neighbour policy in the same way that all of us might build a fence with our next-door neighbour rather than build two fences one inch apart. That's, frankly, not very smart. The smart thing is to co-operate with your neighbour to split the cost of the fence, to build it together. This is kind of the municipal version of that, and the municipalities get to decide what service, what piece of infrastructure they both need that they could share. It's just a smart way to combine resources and provide the best value for the system.

The Chair: I hesitate to interrupt, folks. I apologize for the interruption, but I must advise the committee that the time allotted for consideration of the ministry's estimates has concluded.

I would like to remind committee members that we are scheduled to meet tomorrow, March 10, 2021, at 9 a.m. to consider the estimates of the Ministry of Indigenous Relations. For health reasons, please remember to take your drinks and other items with you as you leave. Thank you, everyone.

This meeting is adjourned.

[The committee adjourned at 10 p.m.]

