



Legislative Assembly of Alberta

The 31st Legislature  
First Session

Standing Committee  
on  
Resource Stewardship

Ministry of Municipal Affairs  
Consideration of Main Estimates

Wednesday, March 12, 2025  
7 p.m.

Transcript No. 31-1-16

**Legislative Assembly of Alberta  
The 31st Legislature  
First Session**

**Standing Committee on Resource Stewardship**

Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC), Chair  
Sweet, Heather, Edmonton-Manning (NDP), Deputy Chair

Al-Guneid, Nagwan, Calgary-Glenmore (NDP)  
Armstrong-Homeniuk, Jackie, Fort Saskatchewan-Vegreville (UC)  
Boitchenko, Andrew, Drayton Valley-Devon (UC)  
Ceci, Joe, Calgary-Buffalo (NDP)\*  
Calahoo Stonehouse, Jodi, Edmonton-Rutherford (NDP)  
Dyck, Nolan B., Grande Prairie (UC)  
Eggen, David, Edmonton-North West (NDP)  
Hunter, Grant R., Taber-Warner (UC)  
Renaud, Marie F., St. Albert (NDP)\*\*  
Yao, Tany, Fort McMurray-Wood Buffalo (UC)

\* substitution for Nagwan Al-Guneid

\*\* substitution for Jodi Calahoo Stonehouse

**Also in Attendance**

Kasawski, Kyle, Sherwood Park (NDP)  
Kayande, Samir, Calgary-Elbow (NDP)  
Miyashiro, Rob, Lethbridge-West (NDP)  
Wright, Justin, Cypress-Medicine Hat (UC)

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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

Brandy Cox, Deputy Minister

Shakeeb Siddiqui, Assistant Deputy Minister and Senior Financial Officer



7 p.m.

Wednesday, March 12, 2025

[Mr. Rowswell in the chair]

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

**The Chair:** I would like to call the meeting to order and welcome everyone in attendance. The committee has under consideration the estimates of the Ministry of Municipal Affairs for the fiscal year ending March 31, 2026.

I'd ask that we go around the table and have members introduce themselves for the record. Minister, please introduce your officials who are joining you at the table. My name is Garth Rowswell. I'm the MLA for Vermilion-Lloydminster-Wainwright. We will begin to my right.

**Ms Armstrong-Homeniuk:** Good evening, everyone. Jackie Armstrong-Homeniuk, MLA, Fort Saskatchewan-Vegreville.

**Mr. Yao:** Tany Yao, Fort McMurray-Wood Buffalo.

**Mr. Hunter:** Grant Hunter, MLA, Taber-Warner.

**Mr. Dyck:** Nolan Dyck, MLA for Grande Prairie.

**Mr. McIver:** Rick McIver, Minister of Municipal Affairs. With me are my deputy minister, Brandy Cox; our assistant deputy minister and senior financial officer, Shakeeb Siddiqui, financial services; Ethan Bayne, our assistant deputy minister, municipal assessment and grants; and Gary Sandberg, assistant deputy minister of municipal services. There are some other seniors and leaders and staff from my department, but I don't think you want – that's enough, right?

**The Chair:** Yup. You got 'er man.

**Member Kayande:** Samir Kayande, MLA, Calgary-Elbow.

**Mr. Kasawski:** Kyle Kasawski, MLA for Sherwood Park, where all roads lead.

**Ms Sweet:** Good evening. Heather Sweet, MLA for Edmonton-Manning.

**Mr. Miyashiro:** Good evening. Rob Miyashiro, Lethbridge-West.

**Member Ceci:** Good evening. Joe Ceci, Calgary-Buffalo.

**The Chair:** Thank you very much. I would like to note the following substitutions for the record: hon. Member Ceci for Ms Al-Guneid and Ms Renaud for Member Calahoo Stonehouse.

A few housekeeping items to address before we turn to the business at hand. Please note that microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of the meetings can be accessed via the Legislative Assembly website. We have no one participating online so we can pass that up. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the main estimates for the Ministry of Municipal Affairs shall be considered for three hours. Standing Order 59.01 sets out the process for consideration of the main estimates in the legislative policy committees. Suborder 59.01(6) sets out the speaking rotation for the meeting. The speaking rotation chart is available on the committee's internal website, and hard copies have been provided to the ministry officials at the table. For each

segment of the meeting blocks of speaking time will be combined only if both the minister and the member speaking agree. If debate is exhausted prior to the three hours, the ministry estimates are deemed to have been considered for the time allotted in the main estimates schedule, and the committee will adjourn. Should members have any questions regarding speaking times or rotations, please e-mail or message the committee clerk about the process.

With 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? Okay.

Ministry officials who are present, at the discretion of the minister, can address the committee. Ministry officials seated in the gallery, if called upon, have access to the microphone in the gallery area and are asked to please introduce themselves for the record prior to commenting.

Pages are available to deliver notes and other materials between the gallery and the table. Attendees in the gallery may not approach the table. Space permitting, opposition caucus staff may sit at the table to assist their members. However, members have priority to sit at the table first.

Points of order will be dealt with as they arise, and individual speaking times will be paused. However, the block of speaking time and the overall three-hour meeting clock will continue to run.

Any written materials 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.

Finally, the committee should have the opportunity to hear both questions and answers without interruption during the estimates debate. Debate flows through the chair at all times, including instances where speaking time is shared between a member and the minister.

I would now invite the Minister of Municipal Affairs to begin with your opening remarks. You have 10 minutes.

**Mr. McIver:** Okay. Thanks, Chair. Good evening, everyone. I'm here today to present the Budget 2025 highlights for Alberta Municipal Affairs and some of the details from our three-year business plan. It's my privilege to explain for a few minutes at a high level how Municipal Affairs intends to spend approximately \$1.37 billion to build stronger communities across Alberta. Our government is committed to meeting the challenges facing Alberta with responsible decisions to fund the priorities of today. One way we are doing this is through the local government fiscal framework, or the LGFF. Introduced last year, the LGFF is one of the most effective financial planning tools that municipalities have seen in years, and that's partly because municipalities largely designed it. It's pretty much exactly what they asked for.

After one year of operation we have seen how the new framework provides predictability for municipal budgets and sustainability for the Alberta taxpayer. The LGFF fosters a commitment to partnership through the revenue index factor, which ties provincial funding for municipal infrastructure to the province's overall revenue at a 1 to 1 ratio based on provincial revenue from three years prior. LGFF funding is increasing by 13 per cent, from \$722 million in last year's budget to \$820 million in Budget 2025, because of the revenue increase shown in the year-end financials of government's fiscal year '22-23. This change in LGFF funding reflects how Budget 2025 strengthens Alberta's resilience to external economic shocks while creating conditions for long-term prosperity in communities across the province.

Predictability is key. We finalized the LGFF funding formula in December 2023. Municipalities have known that the Budget 2025 LGFF number would be \$820 million, and they already know what their LGFF funding allocations will be in Budget 2026: a slight

decrease of about 2.4. It's up 13 per cent this year and down by about 2.4 per cent next year. We expect about a 9 per cent increase in 2027, but that's a preliminary estimate, which will likely change a bit once we have the year-end financials for the 2024 fiscal year for the government finalized. Bottom line: Budget 2025 shows almost \$2.5 billion in LGFF funding over three years to help fund local infrastructure priorities.

In addition to capital funding, Budget 2025 maintains \$60 million in LGFF operating funds – same as last year – for municipalities across Alberta, outside of Calgary and Edmonton. We doubled the operational funding when we introduced LGFF last year, and we are keeping it consistent.

Consistency is important for municipalities. Successful partnerships need to be open and transparent, which means we listen. We took that approach with our municipal partners as we created the LGFF, and the listening has not stopped since.

Many municipalities across Alberta have been telling us they need fair compensation for property tax value of provincial buildings in their jurisdictions. In Canada provincially owned assets are not subject to municipal taxes. Like most provinces Alberta provides grants in place of taxes, or GIPOT, to compensate municipalities for property tax revenues. In recent years Alberta's government reduced the amount of GIPOT it paid to municipalities to 50 per cent of the eligible municipal tax value of government properties. We took this step as a cost-saving measure for Alberta taxpayers, but municipalities have been very clear: the GIPOT reduction has impacted their capacity to deliver local services. They urged us to reconsider and, once again, we listened.

Budget 2025 increases the total amount of grants in place of taxes by \$17.2 million, from \$38.1 million to \$55.3 million, to cover 75 per cent of eligible municipal tax value of government properties across Alberta. Next fiscal year GIPOT will increase to cover 100 per cent of the amount that would be paid if, indeed, the properties were taxable.

Alberta's government remains focused on ensuring our province is the best place in Canada to live, to work, and to raise a family. That means helping municipalities cover the cost of municipal services while easing the tax burden on property owners right across Alberta. The phased approach we are taking to GIPOT is just one of the ways Budget 2025 will help us meet the challenges facing Alberta today.

Our other Budget 2025 decisions involve targeted strategic reductions in Municipal Affairs' overall operating expenses. For example, we made a calculated decision to eliminate funding for the growth management boards in both the Calgary and Edmonton regions. Provincial funding for these boards was never intended to be permanent. The \$2 million line item – that's \$1 million for the Calgary region and another \$1 million for the Edmonton region – has been, always, a year-to-year budget decision since the boards were founded.

#### 7:10

We are bringing an end to this funding and relying on those municipalities to collaborate without it. It is my hope – what I'll encourage and continue to encourage is that this regional collaboration will continue formally or informally without ongoing provincial operational funding.

One reason for the growth management board reduction was that the \$2 million investment only benefited a handful of municipalities in the Calgary and Edmonton regions. Alberta taxpayer dollars are better spent for the benefit of as many municipalities as possible.

Similar reasoning underlies our decision to discontinue the local growth and sustainability grant. We announced the LGSG, the local growth and sustainability grant program, as part of Budget 2024

with \$60 million spread over three years. We finalized program criteria in the fall and opened the program to a first round of applications. Those applications are still valid, and the \$20 million from Budget 2024 is still in place. We expect to notify successful applicants for their share of that \$20 million in the upcoming weeks, but the program ends there. We are eliminating the ensuing two years and saving \$40 million over two years by eliminating the LGSG part of our budget.

This is part of the renewed strategic approach we are taking with Budget 2025 and making responsible decisions to fund today's priorities. Budget 2025 is very much about making responsible decisions that are equitable and consistent, including between Alberta's two big cities. Building on a Budget 2024 commitment to assist revitalization efforts in downtown Calgary, we are helping to build a community rink near the Calgary event centre, and we are now making a similar commitment to help fund an event park in downtown Edmonton.

Budget 2025 includes a grant of \$80.5 million over four years and a commitment to continue supporting the community revitalization levy in Edmonton's downtown core. When Edmonton and Alberta invest in communities, the economic and social benefits, including improved public safety and renewed public amenities, extend throughout the province.

That counts for the community of Jasper as well. The Jasper wildfire is a fresh and painful memory. I won't go over everything that our government has done to support Jasper's recovery although we have already provided funding to help the municipality of Jasper stabilize its revenues. We anticipate they will need a little more help from Budget 2025.

On top of the \$3.1 million dollars announced in February, Budget 2025 allocates a further \$3.4 million for revenue stabilization in Jasper. We will keep working closely with Jasper as the community continues to recover and prepares for what I am sure will be a busy summer.

Municipal Affairs will continue co-ordinating and administering funding support from the federal government to local communities in Alberta. That includes a projected \$276 million from the Canada community-building fund and \$15.3 million from the investing in Canada infrastructure program. These federal programs will continue providing capital support to projects in Alberta communities.

Funding for other municipal provincial programs such as public libraries will also continue. We are maintaining the funding for public library operating grants at \$33.6 million which will help Municipal Affairs achieve our business plan goal of supporting access to well-managed library services.

Budget 2025 also provides \$8 million to support the work of the Land and Property Rights Tribunal, which remains focused on protecting property rights and resolving issues related to property assessment, land, and surface rights.

Our business plan also includes protecting Albertans in other ways, including oversight of the safety code system and new homebuyer protections. We will continue working with our municipal and industry partners to grow Alberta's reputation as one of the most affordable and reliable places in the country to build, buy, and own a home.

In closing, the Municipal Affairs voted expense will oversee an overall increase of \$100 million from Budget 2024, primarily due to the increase in LGFF funding. We are increasing grants in place of taxes to help ease the property tax burden for Albertans. We will administer federal funding for Alberta communities and maintain funding levels for other existing programs as we pursue the objectives of our business plan.

Mr. Chair, with all of that in mind, I would be happy along with my staff to answer any questions this committee may have about the Municipal Affairs budget for 2025. We will keep in mind as we do that the job is never over. The job is only over for now, and we will keep on working for Alberta municipalities.

**The Chair:** Thank you very much, Minister.

Before we proceed, I'll just get Member Wright to introduce himself.

**Mr. Wright:** Hi. MLA Justin Wright for the charming constituency of Cypress-Medicine Hat.

**The Chair:** Thank you very much. We will now begin the question and answer portion of the meeting. For the first 60 minutes members of the Official Opposition and the minister may speak. Hon. members, you will be able to see the timer for the speaking block both in the committee room and on Microsoft Teams.

Who will be starting? Member Kasawski. Would you like to share your time?

**Mr. Kasawski:** I would like to share my time, Chair.

**The Chair:** Minister, would that be okay?

**Mr. McIver:** Yeah. Let's try that sharing thing.

**The Chair:** Okay. All right.

**Mr. Kasawski:** I appreciate that.

**The Chair:** The block of shared time is 20 minutes, during which time you may go back and forth with questions, comments, and responses. However, neither participant may speak for longer than 10 minutes at a time.

Please go ahead.

**Mr. Kasawski:** Thank you, Chair. I'd like to just start off acknowledging the land in Alberta, which provides us all with life. We're here in Treaty 6 territory, and we are all treaty people with a duty to live together in a good way that honours the people who came before us, including the First Peoples of this land. We work every day on reconciliation and look ahead to make sure we're also taking responsibility for the generations that will follow us on this land.

Chair, if you'll indulge me a moment, I'd like to kick off this meeting with an acknowledgement of the great contributions made to the province of Alberta by former Member for Sherwood Park the hon. Iris Evans. She at one time was even Minister of Municipal Affairs, and before she was elected to provincial office, she played an important role as reeve of Sherwood Park, having Strathcona designated a specialized municipality. The designation is appropriate because Sherwood Park and Strathcona are definitely special places.

I'll start off the discussion in budget estimates with a look at the Municipal Affairs business plan. Minister, I appreciate your words to the members of the mid-sized cities who were visiting Edmonton last night. You said something to the effect of: we all have the same bosses, and they expect us to work together to build a better Alberta. I agree with you. I know that I hear that sentiment often from my constituents in Sherwood Park.

A lot has changed in Alberta since last year's budget. Alberta is facing increasingly difficult headwinds as our country faces a trade war with a formerly steadfast ally. We're living in a time of uncertainty. With a growing population and rising costs, municipalities need support now more than ever.

The catastrophic wildfires that you mentioned, that have been crossing the wildland-urban divide, are not once in a generation any longer. These events are something we're experiencing with fire weather on an annual occurrence, and Albertans have been displaced, traumatized, and are suffering for it. It's only March, and we already have seven active wildfires in Alberta. Slave Lake, Fort McMurray, Edson, and now Jasper are communities that have needed to evacuate in recent years. We can expect more communities in Alberta to have similar experiences like these going forward. We could not have predicted the fire that devastated Jasper, and we also could not have predicted the ham-fisted approach to helping the municipality of Jasper that the government undertook after the fire.

This government has weakened regional planning in the province by defunding the Edmonton and Calgary metropolitan regional boards. This move opens the door to unmitigated urban sprawl in this province and has created the burdensome administrative need for new intermunicipal collaboration frameworks that need to be negotiated. You have put an end, I think, to something that was working very well in the Edmonton region and starting to work very well in the Calgary region. The EMRB and CMRB put multigenerational, sustainable land-use planning in place in Alberta that is now at risk of being ignored or, at the very least, needs to be renegotiated.

Minister, since last year you've made an indelible mark on municipalities of Alberta with bills 20 and 18 and with the defunding of the regional boards, which brings us to Budget 2025. Who knows how things will go, Minister? Change is constant in government. This may be your last budget at Municipal Affairs. I hope it's your best one.

**Mr. McIver:** It might be my last day. It's up to the Premier.

**Mr. Kasawski:** It is. You serve at her pleasure, for sure.

The impression I get is that municipal leaders across the province believe you want to do right by municipalities but that you are unable to get the support of your cabinet colleagues to deliver for municipalities. Like you said, Albertans want us to be working together, especially in my riding of Sherwood Park but across Alberta. The deputy minister, I know, would probably agree that Sherwood Park is a great place to be from and live. She knows what thoughtful, engaged Albertans live in Sherwood Park, just like your hometown of Calgary. The citizens of your constituency and the rest of Alberta want us to work together to build a better Alberta.

My first question for you, Minister, is really quite simple and straightforward. Do you want to work together to make the 2025 budget better for Albertans and Alberta municipalities?

7:20

**Mr. McIver:** Well, we have been working steadily with municipalities and all Albertans, and we'll continue to do so.

I take some issue with some of your editorial comments, which you're certainly entitled to make, but that doesn't make them right. The fact is the funding, the temporary nature of the funding, for both the Calgary and the Edmonton regional boards was an NDP decision when the NDP created those boards, the fact that the funding would always be temporary. So the removal of the funding is completely consistent with what the NDP decided for those boards.

Now, one of the issues that – and the boards have done some good work together. Let me say this. I expect the municipalities will continue to do good work together. Great example: since the Calgary board has decided to not continue, the city of Calgary and

Rocky View county have signed an agreement for an inland port with CP Rail on the east side of Calgary. It'll be a major economic driver for Alberta for decades to come, and – I'm not sure – they call it the prairie economic gateway. The municipalities of Edmonton have made it clear they want to continue working together. I don't think there's any doubt. The fact is they worked together for 100 years before the CMRB and the EMRB were in place, and I'm sure they'll continue to work together. We will work together with them.

As of last night, you mentioned, we met with the mid-sized cities. We pretty much meet whenever they want. Last week we had the AB munis conference. I was there, and I spent lots of time with people there. Next week it'll be the Rural Municipalities of Alberta conference. We'll spend time with them again. So, yeah, working together is what we do here. I've got great support from my MLA team and the government side and my amazing staff here. Yes. We never stop working together, and we will continue to.

That doesn't mean that the decisions are easy. Some of the things I highlighted in my opening remarks. Sometimes you can give – the municipalities get more money, as shown through the LGFF, and sometimes we have to make difficult budget decisions. I think it's wrong for you to characterize it as not getting support from cabinet. Actually, you know, this budget: we're not happy about the fact that it has a \$5 billion deficit. But the fact is most if not all ministries had to take a haircut here and there. Municipal Affairs: we're on the team, so we had to do our part, yet we managed to come up with \$100 million more overall in funding for the municipalities, largely due to the LGFF, what we got there, and able to bring back the GIPOT to 100 per cent over two years. I would say my working relationship with cabinet is very good, and I expect it will remain that way.

**Mr. Kasawski:** Thank you, Minister.

Can you help me understand the latitude you have as the minister with the budget for Municipal Affairs? What can you decide on your own, and what do you need to take back to the Treasury Board? For example, for Municipal Affairs in the business plan, the statement of operations, your department estimates you'll be spending \$15 million this fiscal year on the Calgary events centre community rink and \$2 million on the Edmonton event park.

What latitude do you have as the minister to direct those funds to other capital investments? Could you take \$2 million from the Edmonton event park and convert it into a capital grant to the city for them to determine the highest and best use? Could you take \$15 million from the Calgary events centre community rink to do the same for the city of Calgary as a grant so they can determine the highest and best use? When do you have to take it to Treasury Board, and how do we help you be successful at Treasury Board?

**Mr. McIver:** Well, I would say this. The commitments in Calgary and Edmonton are commitments that we made. Our government tries to keep our commitments. It's our intention to do that and certainly not change it. I don't know why we would take \$2 million out of the Edmonton program and give it to municipal council. Municipal council voted for the MOU that was signed. They've already expressed through their council that they want the Edmonton program. The Calgary council voted in favour of the development in the infrastructure improvements around the Calgary Stampede grounds.

So I don't know why I would do those things. It would be breaking a commitment to the very communities that I think you're suggesting would be supportive. By breaking a commitment to them, I don't know how that's supportive.

But I'll ask Shakeeb to talk about – because I think the question was: what do you have to do to change it? So there are some legal limitations. One of them, as I think I know, is that if I spend money without budget permission, I either have to pay it back personally or risk going to jail, and that all sounds like a bad idea to me.

Shakeeb, could you?

**Mr. Siddiqui:** Sure. With respect to the minister's authority Municipal Affairs does have a voted appropriation. It's approximately \$1.3 billion for '25-26. The conditions under which the minister would have to go to Treasury Board: if we were to exceed that voted appropriation for any reason, that requires Treasury Board approval. The minister does have latitude to move money between programs notwithstanding signed agreements that are in place. However, moving money between programs in excess of \$5 million also requires Treasury Board approval.

**Mr. Kasawski:** That's great.

When I look at that \$1.37 billion – they have the number approximately, right? – I recognize that there's a big chunk there that's the federal grants program, but it is possible to imagine we could get to a \$1 billion starting point for LGFF with Treasury Board's approval within the allotment that we have? Getting it closer would be possible?

**Mr. McIver:** Well, Treasury Board also needs to go to the Legislative Assembly, which is what the whole budget process is about, to have an envelope of money that they're allowed to spend. If they wanted to spend more, of course, they'd have to go back to the Legislative Assembly for a supply bill to have a greater, bigger money supply.

What's important is that we make the budget as carefully as we can in the first place because adding money to it is no automatic, simple, or easy process, and I would say it shouldn't be. I think we all in government bear the responsibility of trying to make careful, good decisions.

Having said that, there are multiple circumstances over the years where different governments have had to go back for more money supply sometimes after a disastrous flood, fire, other circumstances that crop up. I suppose if the Legislative Assembly voted for it, there's no limit to the amount of money we could spend, but I'm not sure that always makes it a good idea.

**Mr. Kasawski:** Nor is it what I'm asking. I'm just saying: within your \$1.3 billion, do you have the latitude to get the LGFF up to a higher number? I'm hearing that it's possible, but there is work to . . .

**Mr. McIver:** Here's the thing. When you add money to a program, unless you go for more supply, you've got to take money away from somebody else. As you might imagine, the party getting more money is probably happier than the party losing it. The LGFF is based on an agreement with the municipalities where it goes up and down with the government's revenues. Boy, the municipalities asked for this, and it was a long time getting it done, and I would sure be reticent to go back on one of the biggest promises we've kept in municipalities, especially when they authored it, really.

**Mr. Kasawski:** LGFF is a robust policy.

**Mr. McIver:** Of course, the government had to action it, but it really was a direct request directly from Alberta's municipalities.

**Mr. Kasawski:** Okay. Thank you.



We'll switch gears a little bit. Unlike the income tax act, all Albertans with homes owned or rented will face an education property tax increase. I think in the fiscal plan tables on revenue there are increases that are set out from 2025 to 2028 for the education property tax. The government of Alberta is raising education property taxes to make up for revenue shortfalls, maybe due to personal income tax breaks or community revitalization levies or oil and gas property tax holidays.

It's an election year for municipalities. It is unfortunate that the province is increasing the educational property taxes that municipalities are mandated to collect for you at the same time of the year that they will have to go to the voters to ask for permission to have their job.

Maybe I'll just focus first on municipal property tax holidays for oil and gas. I know those are being ended or phased out, but those property tax holidays have shorted the collection of education property taxes. So we were giving a break to oil and gas companies that was then not being collected for revenue for education. How much of the education property tax did Albertans lose due to oil and gas property tax holidays that this government previously had in place?

7:30

**Mr. McIver:** Well, let me just say that the – I hate to say it, but the way you characterized the increase in property tax, that somehow money was lost somewhere else, is completely wrong. It is a matter of: education costs more. We've got a lot more children in Alberta than we had last year. It's part of the reason that our government – it's not part of my budget, but it kind of answers your question, which does touch on my ministry's budget – committed to \$8.6 billion to build schools. I think most Albertans, including the ones running municipalities, are severely in favour of that.

I'd ask you to bear in mind that with the education property tax, in this year's budget it pays for 31.6 per cent of education. The increase is not due to any other spending decisions; it's based on the amount to contribute less than one-third to pay for the education system. I think all Albertans want a great education system. They want more schools, they want more teachers, and they want more other staff, and most Albertans agree, once in a while, that the teachers and the other staff deserve a raise. So when you add all that up, you're still only at less than one-third of the Education budget, and the rest has to come out of other government revenues.

Now, let me say that you expressed concern about municipalities having to explain that when they go to the polls. When I talk to municipalities, I tell them: blame me. As they should. You know why? Because it's the truth. I always say to municipalities: just tell people the truth. That part of their property tax bill: the truth is that the government sets that tax rate, and the government makes – I know that doesn't sound like a nice word, but the government makes the municipalities collect it and remit it. They must. They're legally bound to do so. That was true when I was a municipal councillor, and it's still true when I'm the Municipal Affairs minister. When I talk to municipalities, I say: for goodness' sake, just tell them the truth.

In fact, we're in the midst of getting a letter together that some municipalities had, that I'll certainly sign my name to, explaining that the education property tax is a provincial government requisition, something we require the municipalities to collect and remit, and you shouldn't be blaming your council for that. The councils have their own explaining to do if they have a tax increase, and I'm sure most of them if not all are well able to do it, because they have many reasons why they need to do that, too.

I've just got to say, not trying to be unpleasant with you, that the way you've characterized it is almost completely incorrect. The

increase in the education property tax requisition is not because of any additional spending or tax cuts or anything else. It's a matter of: it costs more for education, and a certain percentage of that comes from property tax. I think everybody in Alberta pretty much knows that a lot of people have moved in here in the last year or two, including a lot of kids. It takes more schools, takes more teachers, and just the inflation on things.

Nobody likes to pay more taxes – I don't, you don't, nobody does – but we have to explain our piece. Municipalities have to explain their piece. And I always tell them: I'm very happy for you to tell people the truth about that the government made you collect this money.

**Mr. Kasawski:** Minister, what I like best about what you just said is that you said that education workers deserve a raise. I really agree with that. That sounds very good.

We'll move in a little bit here, and this is just asking for some clarity on a program that I think is expiring in the 2025-2026 year. That's the provincial education requisition credit, PERC. That impacts education funding, so this is just a genuine question. How does that cash flow work?

**Mr. McIver:** Ethan, can you kind of – I have in general terms. I think Ethan will give you a more technically accurate answer.

**Mr. Bayne:** The PERC program is the provincial education requisition credit. It provides municipalities with a credit for uncollectable oil and gas property taxes. It's actually, from a financial statement point of view, handled a little bit differently year to year. In the '24-25 fiscal year there's actually a reduction in the projected government revenues of \$3 million to account for the projected PERC amount, and the intention for the '25-26 fiscal year is that there's sufficient funding in what's called the net asset fund of the Alberta school foundation fund, which has essentially retained interest income in that fund to cover PERC without having an effect on the overall provincial revenue collected.

**Mr. Kasawski:** Okay. So then with PERC the education fund is not shortchanged. That's the benefit. Okay. Thanks very much.

**Mr. McIver:** If some oil and gas companies don't pay their taxes – and they all should; I think we all agree on that – the PERC makes sure the municipalities don't have to remit that part of the education tax. That's what the PERC does. But they do lose the direct municipal tax. It does cost them.

**Mr. Kasawski:** Okay. That's good to know. Will the minister be reviewing its usefulness in '25-26, that maybe it's something that helps make municipalities and education whole?

**Mr. McIver:** The PERC? Well, sir, we might not agree on everything, but we agree that we have to find a solution and keep working for a solution and that all oil and gas companies, even the ones that behave badly, have to pay their taxes. When we do that, the PERC will not be needed anymore.

**Mr. Kasawski:** Fair. Okay.

Let's move on to that, delinquent oil and gas property tax avoiders. Do we have an acronym for them? Just bad actors.

**Mr. McIver:** People that should be – listen. I've been clear. If a shoe store doesn't pay their taxes, somebody puts them out of business. If a restaurant doesn't pay their taxes, somebody puts them out of business. My opinion is that if an oil and gas company doesn't pay their taxes, they should also be put out of business.

**Mr. Kasawski:** Okay. We're going to lead to the – hopefully, I get to it through the right route. For the companies that have not or will not pay, I guess it's a multiple-part question. What will you do to get the minister of energy to enforce payment of property taxes by energy companies with mature assets? Will the government need to go to insolvency proceedings to collect unpaid education property taxes? Do you have plans to make municipalities whole for the unpaid property taxes from the bad actors, especially, I guess, given that PERC is going away?

**Mr. McIver:** I guess the short answer is no on that. But in your initial question about working together with people, in fact, really, in the last two days we've come to an agreement with the Rural Municipalities of Alberta and the energy minister and our ministries to work together in a working group to talk about the problem of unpaid oil and gas. The RMA acknowledges that we've done a lot of work for them, but they also say that it still hasn't fully solved the problem, so we are going to put our heads together with our municipal partners and with the ministry of energy and look and strategize together on how we might be able to put this problem to an end.

Certainly, RMA's media release made it clear that they are encouraged by the willingness of myself and Minister Jean to work to seek holistic solutions to the issue, to find a property tax accountability strategy. Again, I'll repeat my attitude. If you're not paying your taxes, somebody should put you out of business. If you or I were running a business and we didn't pay our taxes, someone would come and take our business away. I'm pretty sure of that.

**Mr. Kasawski:** For sure.

The RMA did put out their press release today on this. You've probably seen it. I think \$253.9 million is what they're measuring as outstanding as of the end of last year, December 31, 2024.

**Mr. McIver:** I'm not criticizing them for that. That's their number. I haven't been able to look in to see how much of that is hard taxes not paid and how much is penalties the municipalities have added on and added on and added on. I'm not criticizing that. The number you said is what is in their press release, okay?

**Mr. Kasawski:** They seem to have narrowed it down to 10 really bad actors that collectively owe about a third of that, it seems, but that's spread out across 38 different municipalities. Yeah.

**Mr. McIver:** Yeah. Well, you know what? Again, I'm not really fighting with you.

**Mr. Kasawski:** Nope.

**Mr. McIver:** I have 59, but the total is the same. I mean, if you're one of those municipalities, it means the world to you, but for our conversation here the unpaid money is the unpaid money, and it's got to stop being unpaid.

**Mr. Kasawski:** Right. The work is in progress, I guess, continually. It's something we've been on and on about, so I guess . . .

**Mr. McIver:** As RMA acknowledges, we made a number of efforts with them to make it better, and it's not better enough, so we're going to work together in a working group with my ministry and the energy ministry and RMA to strategize to try to bring this to a final end.

I think we're talking about trying to establish a mandatory condition with the Alberta Energy Regulator that property taxes are to be paid before approving well transfers and such. They can do

that now, but my objective is to make whatever it is fierce enough, harsh enough, final enough to make the nonpayment stop.

**Mr. Kasawski:** To the chair, to the other members in the room, I would just say that I think the minister is onboard with this, and we really need to make sure that you push the minister of energy to not write letters to the AER giving these companies a free walk. That is what I would say to the other members in the room.

7:40

**Mr. McIver:** I'm sure the minister of energy will have estimates if he hasn't had them yet, and I'm sure that somebody from your side and our side will have a whack at him, and I'm sure he'll do his best to answer those questions.

**Mr. Kasawski:** Thanks, Minister.

I'd like to talk about community revitalization levies. We've got about – when I went to the government website for Municipal Affairs, there are six CRLs currently in place on the Municipal Affairs website for the community revitalization levy. The challenge with these: I viewed a couple. It does shortchange municipalities. I think I understand it properly. It shortchanges education, the collection of education property tax, is part of how I understand it. Making sure I have that clarity right.

**Mr. McIver:** No, no. It gets collected. If a community gets permission from our ministry, actually, to have a CRL, there's a geographic area that it covers, so of course the education property tax that's paid goes to the CRL infrastructure development as does the municipal taxes. The municipality would collect that from the remainder of the municipality, the remaining property owners.

Depending on how big the CRL is – let me say this. In most cases it's a fairly marginal difference, but it is more money for the other taxpayers. But the fact is that the CRL, I think, is maximum 3 per cent of the property tax take, so if they can only have 3 per cent of the property tax take in the CRL, and that 3 per cent that doesn't get paid there gets spread out over the 97 per cent, it's a pretty small percentage increase, but it's an increase. I'm not downplaying it, okay? I'm not hiding it.

I'm just saying it gets paid, it gets spread out over the rest of the municipality, and in the municipality that has a CRL, to some degree – I don't like to use the word “gambling,” but they try to do good work in the CRL area in order to increase the usage, the value, and the quantity of the infrastructure and the number of buildings so that when the CRL is over, they potentially will start receiving forever, from that point, up 10, 20, 50 times as much tax from that area of dirt as they were getting before the CRL if it's done properly, if it's successful, if it goes as planned.

**Mr. Kasawski:** Okay. So I think an important thing is that education property tax isn't shortchanged. There was something in the tax plan on page 125, tax expenditure estimates, education property tax for community revitalization levy, that was \$21.6 million. It sounded like that was an expenditure, but I wasn't sure if that was keeping it away from education, the education fund. I just want to try to understand that.

**Mr. McIver:** Education, I believe, remains whole, but again, because I don't want to mislead you, I'm going to ask my staff to give you the technical answer there.

**Mr. Bayne:** No, that's correct, Minister. The overall amount of the education property tax requisition is set by Treasury Board as part of the budget development process. That then gets divided up into individual municipal requisitions, their share of that overall

provincial requisition, so if you have a CRL in your municipality, your property assessment base that's taxable for education purposes is a little bit smaller than it would be, so that tax is collected from every other taxable jurisdiction.

Where we do like to identify that portion of education property tax from a CRL – you'll hear it sometimes referred to as foregone education property tax revenue – that's to identify the value of the provincial contribution to the overall investment that goes into a CRL area although it doesn't actually mean that the education property tax revenue was reduced province-wide.

**Mr. Kasawski:** Okay. I think the important thing is that education is made whole still, but the other – I'm not going to call them ratepayers. I don't have a better name for it. The other taxpayers pick up the slack for the properties inside the boundary? Okay. Appreciate that.

**Mr. McIver:** And – no. One second.

**Mr. Kasawski:** That's okay. I'll take a break to breathe. Hold on. I'm going to give you a little bit of juice in your next direction, Minister, if I can get to the top of my page.

**Mr. McIver:** Don't wait for me. I can keep up.

**Mr. Kasawski:** You're doing great. You're doing great. Have a drink of water.

Next direction we're going to go, Minister: Calgary events centre community rink or the Edmonton event park. Which one do you want to do first?

**Mr. McIver:** They're both in the budget. They're both on an agreed schedule, both the result of an agreement with the local municipality, and in each case the local municipality voted for it. We intend to honour both those agreements.

**Mr. Kasawski:** Calgary or Edmonton first?

**Mr. McIver:** We're going to honour both agreements.

**Mr. Kasawski:** I know, but which one would you like me to talk about first and ask you some questions, through the chair?

**Mr. McIver:** You know, if you need my advice on that, you're in more trouble than I think you are.

**Mr. Kasawski:** All right. Well, why don't we go to Calgary first? Let's go to Calgary first.

All right. In Calgary you're using provincial dollars, I think, to fund; \$30 million of provincial dollars for a single sheet of ice. I think we clarified that last year. It's going to be a single ice rink. I think it's a practice facility for the Flames.

**Mr. McIver:** Most people call it an arena.

**Mr. Kasawski:** An arena, but it's a sheet of ice sometimes within – I don't know. I got into whether we call it a facility or arena, but let's call it an arena with one sheet of ice. The government is already contributing \$330 million towards the Calgary Flames NHL arena. I think the Calgary Flames club could probably find a way to pay for their own practice ice. There doesn't seem to be any shortage of demand for ice time in Calgary.

Minister, are you familiar with Silent Ice Centre in Leduc county or maybe the facility being built for the Sherwood Park Crusaders and the B.C. AHL team in Strathcona county?

**Mr. McIver:** Who?

**Mr. Kasawski:** There you go. You probably may not have heard of it.

**Mr. McIver:** The community rink would be primarily for public use and amateur hockey leagues and provide community amenities, gathering spaces for public use within the area. It's very much a public amenity.

**Mr. Kasawski:** Yep. I appreciate that.

Silent Ice Centre in Leduc county is two state-of-the-art NHL-sized rinks in one complex; let's call it an arena. The ice centre for Sherwood Park Crusaders hockey team is an \$86 million project being funded and developed by a private investor. We'll have four sheets of ice in that arena with seating capacity for 2,500 people. Through a 20-year agreement the county provided land and a \$4 million equity investment, which will be paid back by the hockey club. The county will spend almost a million dollars a year in support of operations of the facility, and they got a benefit of 2,400 hours of ice time that has been secured for minor hockey in Sherwood Park.

I bring these up, Minister, because given the situation in Strathcona county and Leduc county, in which private hockey clubs and businesses have been able to build world-class ice surfaces without provincial government financial contributions, would you have the latitude to divert the money budgeted for the Calgary community rink to a grant for the city of Calgary so they can put it to their highest and best use? Would you be willing to do that if you could?

**Mr. McIver:** I would say that the city of Calgary has already decided. They voted on this. They made an agreement that they wanted this to happen, and we agreed with them, and we intend to honour that agreement because that's what good governments try to do. I know there are extreme circumstances from time to time when municipalities or governments or companies can't always meet their things, but I think it's important for honourable people and governments to try to do that. We intend to do that.

Just for the record on the community rink, the public use programming is at a 15 per cent reduced rate to the market rate of ice rental at similar facilities. So there's even a greater than usual public benefit from that particular arena compared to even other public arenas.

City of Calgary voted to say that they're in favour of this, so I'm not sure why you and I would – certainly, I'm not going to. I don't know why you're suggesting that Calgary didn't know what they wanted or they made a mistake. They certainly voted on it, that they're in favour of this. You know what, I don't always agree on every decision that every municipality in Alberta makes, but they're duly elected, and they get to make them.

**Mr. Kasawski:** Well let's switch over to Edmonton. We're going to be referring a lot to this memorandum of understanding that I think was announced on March 7. I think that's when it came out. The government seems to insist on tying funding for municipalities to deals that benefit businesses before they benefit the rest of Alberta. That's how it feels with this memorandum of understanding.

I'll back up a little bit. When I look at funding for Jasper, property tax stabilization funding, which I know they're glad is in place now, for a while it was tied to the negotiation for long-term leases with Parks Canada that the government was hoping the town could arrange for them. The situation was quite dire in Jasper, and the municipality desperately needed this funding.

7:50

The negotiating approach by the government of Alberta was quite strong and insisted on getting a deal that was going to be a benefit so that down the road, in the version that you were hoping for, the interim housing could be turned around and sold as real estate in Jasper. It wasn't a good solution for Jasper, it's not what worked out in the end, but I know that that was the approach that was taken and you negotiated very hard for that.

So the provincial government, I know, can negotiate strongly at times, and when you're dealing with a business like the Oilers Entertainment Group, it feels a little bit like you somehow have rolled over and not negotiated as hard as you could or as well as you could for the benefit of all Albertans or Edmontonians or people in the Edmonton region.

**Mr. McIver:** Now, see, Edmonton council voted for this. Like, I don't know. I'm less anxious to tell Edmonton and Calgary that they don't know what they're doing. You seem more anxious to tell them they don't know what they're doing. I recognize that they're duly elected. Again, I don't have to like every decision that every municipality makes, but it's important that I, for me, and, I think, our government recognize they're duly elected and do the best they can. It doesn't mean I have to agree with every detail of every municipality's decision, but – golly – real Albertans really elected them, and they really have authority to make decisions. Your friend sitting two seats to your right will explain that to you.

**Mr. Kasawski:** I just will say that when you offer a \$330 million grant for the construction of a new arena, which I know Calgarians want – and, like I've said before, I want the Oilers to have a place that's really nice to beat the Calgary Flames in, and they'll have that in the future – but when you add on . . .

**Mr. McIver:** They could try.

**Mr. Kasawski:** . . . a little \$30 million grant for an ice sheet that I know could be funded without provincial funding, it's something I want to just take an issue with.

Then when I look at what's coming together for the city of Edmonton in your memorandum of understanding – we can go through each of the parts of it. It's a three part thing: the village at Ice District, the demolition of the Coliseum, and also the event park. When we break down each portion of that, the city of Edmonton wants revitalization. I think you want revitalization. I want revitalization of downtown Edmonton. I want to work together to find a way that, maybe with a memorandum of understanding, you say: "Well, look. We heard a little bit. We want to negotiate maybe a bit of a better deal for the benefit of Albertans and make sure it benefits Albertans before it benefits the business first." That's what I'm looking for from you. When we go into the breakdown, we can get into it, but the key thing is that I know the councils are doing this because they want something, but it feels like so much is tied together.

One question I would ask: if you could, would you be willing to break up the parts of the deal, the multiple parts of the deal, with the city of Edmonton so that we can make sure we have better use . . .

**Mr. Hunter:** Point of order.

**Mr. Kasawski:** . . . of the grant money coming from the government of Alberta?

**Mr. McIver:** If I could, I would . . .

**Mr. Hunter:** Mr. Chair.

**The Chair:** Excuse me. A point of order has been called.

**Mr. Hunter:** A point of order under 23(b). The member opposite is asking a question that's well outside of the scope of our work here. One of the reasons why I would say that is because I think that what he's asking is, you know, to have the minister negotiate this or that. Well, the member could always run for a Conservative position and form part of government and have that opportunity to be able to negotiate with the minister on these things. But when it comes to estimates, I am not sure what this has anything to do with the budget that we have at hand.

**Ms Sweet:** Well, thank you, Mr. Chair. This is not a point of order. The member has clearly demonstrated the line items that he's speaking to, where it is in the breakdown of the budget. All he's clearly asking, which is part of the budget process, is whether or not we can reorganize the way the funds are currently presented in the budget and whether or not they can be broken up into another piece. It's a fair question to ask the minister if there's an opportunity to do that and to adjust the line items. It's done all the time in budget estimates.

**The Chair:** Okay. I think the minister has answered it a couple of times. So if you could get to your point, I'll let you answer it one more time. We won't call it a point of order, but we can get to the point and get to the next subject.

**Mr. Kasawski:** So . . .

**Mr. McIver:** Listen, I don't want to cut you off, but, no, listen. Again, I respect Edmonton city council, the decision they made, the MOU that they voted for. I think it's important for our government to try to honour agreements that are made.

I'm not sure whether you don't like the affordable housing or the space that's going to be used for public space, that used to have tent cities where people were beaten up and raped and taken advantage of by gangs. I mean, it's revitalizing an area of downtown that desperately needs revitalizing, and it's going to make it, I hope, virtually impossible to have tent cities there in the future, where all that misbehavior and social disorder takes place. I think that there's a lot of rent that is going to be built for rental purposes for students, for low-income, and both affordable and attainable housing, all things that are positive, well within the purview of the city of Edmonton to want our government to contribute to; certainly, consistent with our government's objectives, to help deal with social disorder and have more affordable and attainable housing and more vibrant downtowns for not just our two big cities but all of the 330 municipalities in Alberta.

I don't know. Listen, my objective is not to renege on an agreement that our government has. I think that would hurt our government's reputation for every other agreement we try to make in the future if we were to back off on one, especially while the ink is essentially almost still wet.

**Mr. Kasawski:** In terms of the withdraw support for the Edmonton and Calgary regional boards – and I do think they did great in land-use planning – will there be some flexibility? Is there going to be any extra money set aside for ICF work that would be coming up and arising from the dissolving of those boards? I know that there's \$13.4 million budgeted for the Alberta community partnership grant program. Is this to support intermunicipal collaboration, capacity building, and asset management? That's just from your line. But is there extra in there to accommodate, or has that sort of

been flat from last year? What are you predicting in terms of the ICF work that's going to be coming up this year as a result of the elimination of those boards?

**Mr. McIver:** Well, listen, all the municipalities know that since they voted to dissolve the Calgary municipal regional board and the Edmonton municipal regional board they're going to have to all negotiate ICFs. We hope they'll be successful with it. I think we've made it known that we're going to – I think this session of the Legislature we're going to try to update and improve the rules around ICFs, which again is another example of us listening to municipalities. In the last round, while the vast majority of them went well, the ones that didn't go well really didn't go well. Working with municipalities, we've tracked a lot of those disagreements, fights, court cases, whatever, back to what we with the municipalities agree are shortcomings in how the ICFs are structured and either a lack of specific rules around them or a lack of limitations around them that lead to misunderstandings. We've worked really hard with municipalities to do that.

There are going to be some new, we hope – I think most municipalities will agree – better rules for ICFs. All the municipalities that are in the Calgary and Edmonton boards know they're going to have to renegotiate or negotiate ICFs with all their neighbours. It's a process that they've done before and many, many times. We hope that they won't need help, but, in some cases, it may turn out that there are a couple of cases where somebody needs help for a moderator or something, and it's ACP eligible. But until they have a chance to actually work together and get along, we won't know how many cases they'll need assistance from that program and how much of that program will be made available for them.

Municipalities typically ask for help, and we try to judge each request on its own merits and grant the funding, all parts or not depending on the merit and, you know, try to be fair to everybody and try to do what's right, bearing in mind that municipalities have a certain amount of responsibility to get along and sign an agreement. We try to make sense of that in partnership with municipalities. I think we've been reasonably successful at it generally, and we'll try to be reasonable or reasonably successful or more on it this time around.

**Mr. Kasawski:** Okay. This is going a little bit outside of your funding portfolio, but hear me out because I think it's worthwhile. It's coming from an important stakeholder.

8:00

The FCSS program is an 80-20 funding program, so that's flat, and recognizing a growth of over 400,000 people who have come to this province means that intervention support is tougher to come by and harder for municipalities to provide. Where do you recommend municipalities find the money in the budget for prevention? From a cabinet perspective with the AHS reform AHS has been funding a lot of prevention. When the funding is flat, where is the prevention going to come from in the budget? What is your commitment to investing in prevention? Maybe a more important question: what should be the role of municipalities in health prevention in this province?

**Mr. McIver:** Well, you started with FCSS, and I think you're going to have to direct those questions to the Minister of Seniors, Community and Social Services. I don't know if he has had his estimates yet or not, but you probably should ask those questions to that particular minister.

In terms of health: health is primarily a provincial responsibility. Municipalities, I guess, have through natural person power some

ability to contribute to that if they think it's important for their community. They each get to make those decisions whether they think it's a good idea or not and also make that decision based on what financial capacity they have in their municipality, of course, weighing it against all the myriad of other responsibilities. Running a municipality is a tough business.

One thing that we have done with the LGFF, compared to the MSI, is the operating envelope is \$60 million, where it used to be \$30 million a couple of years ago. They have the flexibility in that envelope to contribute to the things that they think will make their community successful and grow and all of that.

My opinion isn't really as important as the municipality's opinion. There might be 330 different answers for 330 different municipalities, and that doesn't mean any of the answers are wrong. That means that each of them, again, are duly elected, and they have the responsibility and the authority to make those kind of decisions, and I try to respect that authority that they have.

**Mr. Kasawski:** Thanks, Minister.

Now, looking back to Jasper, there have been a lot of bumps in the last few months. Jasper was worried that the province would not pay for the site servicing for the interim housing. I understand that those site servicing costs have now been approved. Is that correct?

**Mr. McIver:** They are DRP eligible, so they might get them that way. But remember, I wouldn't characterize the way you describe what happened in Jasper as accurate also. Listen, with Jasper we went in, and our intention was to – I think it was \$100 million plus – build a bunch of homes there. They wanted it built on the grounds that it was an emergency, which I think we can all agree that there was an emergency there. They preferred multifamily homes, but what we've felt, after shopping around: the homes that we could get in a fast enough time that you could call it an emergency were mostly single-family modular homes.

We were hoping to inspire Parks Canada to give us the leases so we could build those homes, and initially we tied that to the property tax support, but at the end of the day somebody other than us decided they wanted multifamily homes for sure, so they rejected our offer. So we changed our policy and gave them the tax support without having to build the home.

Fortunately, I guess, the federal government and Parks Canada stepped up to help, and I'm grateful for that to be clear, but part of the problem was they were pretty late to the game. We were working with Jasper while the fire was on and as soon as the fire was out, and we've been working with Jasper ever since. The Premier and I chair a committee that meets regularly and all we talk about is how to help Jasper. Basically, as it became apparent that they were not going to accept the housing we were offering, then we shifted gears, and we got them the support for the missing taxes.

You also mentioned about selling the homes. Yeah, that was an ambition of ours to actually maximize the help we were giving Jasper to provide homes that people could live in on an interim basis and rent while their home was being constructed and then leave those homes there permanently. What we wanted was a permanent lease from Parks Canada so that the homes could be sold to add to Jasper's housing stock, something Jasper desperately needs. There are people that would like to buy a home there that can't; there's none to buy. So we thought we could help solve part of that problem. At any rate, I'm not criticizing the town, but they decided to go another way, so we fairly quickly, I think, shifted gears and said: okay; well, we'll just give you the money for the tax relief because that's what we always intended to do. And we have delivered.

**Mr. Kasawski:** Great. Let's focus on the DRP. We're trying a new policy, as I understand, for a 90-10 split, and this is the first time it's sort of really been – it's not very new.

**Mr. McIver:** It's not the first time.

**Mr. Kasawski:** It's a relatively new policy and maybe hasn't dealt with such large amounts. I know that we're talking about the payback. The municipality is going to have to pay back, come up with, like, 7 and a half million dollars. Is that, my understanding, the return of the DRP funding?

**Mr. McIver:** I'm going to ask Ethan to jump on this.

**Mr. Bayne:** Yeah. I mean, the disaster recovery program is under Public Safety and Emergency Services ministry, but our understanding is that, based on the initial estimate for the Jasper program, roughly \$7 million would be their projected share. But bear in mind that those cost estimates for their program are updated all the time, and that was an initial estimate.

**Mr. Kasawski:** I don't know if, Ethan, I can ask a question to you through the chair. But, like, 7 and a half million is a pretty big amount to have to pay back, and maybe when the 90-10 split was conceived, it wasn't thought of that the payments would be this large.

**Mr. McIver:** Let me say that one of the contexts that the 90-10 split started with was to encourage people, when they build back, to build back in a less risky place. Now, it's not quite as straightforward with fires, but it's very much pretty straightforward with floods. If you're in a place and you're in a floodway in your home or your business and it gets flooded out and if you build back there in the same place and it gets flooded out and you build back there in the same place and it gets flooded out, I think most Albertans would say: "Well, that just doesn't make sense. Why wouldn't you incent people to build somewhere else?" And that's kind of one of the initial reasons for the 90-10.

In fact, when that came through, especially with the floods, we would say to people: "We're going to give you 90 per cent, and if you build back in the same place, we're never going to support you again. But if you build back in a place out of the floodway, then we'll support you again, next time there's a disaster." I think it makes sense. I think most Albertans would agree that what doesn't make sense is to build a home in the same place that's going to either flood again or burn down over and over and over again. No. I don't think anybody thinks that makes sense. So part of the 90-10 is to incent the reconstruction to happen where there's a lower chance of the structure being taken down again, because if you're in a floodway, you're still in the floodway.

**Mr. Kasawski:** Sure. But I don't think you're suggesting that they don't build back Jasper in the exact same spot.

**Mr. McIver:** No. I said that it's a little more straightforward with floods than it is with fires. I did think I said that out loud. Yeah.

**Mr. Kasawski:** Okay. I'm getting the impression that you might be coming – you know, you might have a municipality of Jasper coming to you in time and saying: we don't know where we're going to come up with our \$7 million because we used 100 per cent of the DRP.

**Mr. McIver:** Well, when Jasper comes to us, we will always listen to them and consider what we can do for them. We've made it clear. We'll be with them through their recovery, and it doesn't mean it's

a blank cheque, that they could have anything they want, but our objective – listen, what's good for Jasper is good for Alberta. What's good for Jasper is good for Canada. They're a crown jewel in Canada's tourism book and a crown jewel in Alberta's tourism book. We want them back. We want them back full. We want them back strong, and we'll work with them to try to help them, as we have been. No one's worked with them more than the government of Alberta, even before the fire was out. We've been there every day, every step of the way.

**Mr. Kasawski:** Thank you, Mr. Chair. I'm going to pass off to MLA Sweet now.

Thanks, Minister.

**The Chair:** Go ahead.

**Ms Sweet:** Thank you, Mr. Chair.

Back and forth, Minister?

**Mr. McIver:** Yeah.

**Ms Sweet:** Five minutes. I just actually want to get some clarity. The DRP funding is not found in Municipal Affairs, so can you walk me through line item 12, please, on page 175? That's the disaster and emergency assistance funding. What is the difference between the DRP – is this the municipal firefighters that were sent to respond? What is this money? I assumed that part of it was DRP.

8:10

**Mr. McIver:** Okay. All right. I think I have it here.

Shakeeb, rather than you say it and me repeat it, why don't you do it, if you don't mind, please?

**Mr. Siddiqui:** Sure. Just to clarify, you were inquiring about the disaster and emergency assistance funding that sits in our budget?

**Ms Sweet:** Correct. I thought it was DRP because it's at \$19 million on page 133 in the business plan. It's at about \$19 million, and then it decreases to about \$3 million. Then in the actual financials – it's listed on line 12 – it's only listed as \$3 million, so the contingency is in there somewhere, right?

**Mr. Siddiqui:** Sure. In '24-25 what Municipal Affairs funded was the \$19 million. The \$12 million, that was the matching Red Cross funding. There was the \$5 million approximately for revenue stabilization and \$2 million for transit assistance between Hinton and Jasper. That's what happened in '24-25.

In '25-26 we are continuing with revenue stabilization funding, and that's the \$3.4 million that you're seeing.

**Ms Sweet:** Can you walk me through what revenue stabilization funding would be?

**Mr. McIver:** They didn't get paid taxes by people that were not in their homes or not in their businesses.

**Ms Sweet:** Gotcha. Right.

**Mr. McIver:** But the community, the municipality, still has a budget, their own budget item that relies upon that. Since we all want Jasper to succeed, it's one of the ways in which our government assisted them.

**Ms Sweet:** I think it's great. Yeah. We were worried about that, where they were going to get the revenue from. I wondered what the carry-over – so most of this, though, came out of contingency and it transferred back? There's a contingency line item as well in

the budget, so I was just trying to figure out what the contingency fund was used for.

**Mr. Siddiqui:** Sure. In '24-25 the funding that was provided was out of contingency. In '25-26 it's in Municipal Affairs' budget.

**Ms Sweet:** Okay. So it's just a shuffle. Thank you.

We only have three minutes, so I'm not going to get too far into rural municipality stuff because I've got lots of questions on that. What I was wondering is if maybe you could give us an update. The RMA wildfire working group report has now come out. Members of your ministry sat on that as advisers and working partners with RMA. They're listed as working partners sitting on the advisory group. There are numerous recommendations directly to the Ministry of Municipal Affairs to support communities and wildfire response, training of staff, and crossministerial support.

Given what has happened in Jasper and given the fact that we did have to use contingency that was transferred to municipalities to help support, I'm just wondering, looking at the recommendations, if the ministry is looking at adopting those since they were sitting on the committee at the time?

**Mr. McIver:** I can tell you that we are doing a fire service review with the fire chiefs of Alberta. We're actually working on a couple different things with them. One is to the response gathered from the review. We're taking steps to enhance support for fire service, like establishing a provincial fire liaison committee with fire service stakeholders and partner ministries to support regular communication and collaboration.

This will establish a platform to share information, prioritize issues, and support predictable, regular, and co-ordinated communication and collaboration between the province and the fire service.

We provide a one-time funding increase for the '24-25 fire services training program grant to \$1 million from the usual \$500,000. This will provide grant funding to further support municipalities and deliver fire service training.

A lot of municipalities said that they got turnover, but a lot of municipalities have volunteer fire services, which actually would lead to more turnover because people are less – listen. No one is better than a volunteer firefighter, but when you're not getting paid for it, sometimes the reality of having to pay the rent means you can't always do your volunteering, which means there can be other people coming in. I certainly would not want to say anything but great things about volunteer firefighters. They're among the best among us.

There's also an \$85,000 grant to the Alberta Fire Chiefs Association for updates and maintenance to their core competency tool, which is a free online tool for fire personnel, and communities can use it to complete a risk assessment for the municipality. I've tried to answer your question. I'm not sure if I got exactly what it is, but we work pretty much hand in glove with the fire chiefs.

**Ms Sweet:** We only have 20 seconds. I just want to flag: are we looking at making sure that we're doing cross-training between wildland firefighters and municipal firefighters? That was the biggest risk and gap in Jasper. I'm not saying you have to answer the question. I'm just saying that, like, with all of this funding please make sure they're getting cross-training.

I love that the government agrees with me. Thanks. We'll end it on that note.

**Mr. McIver:** I think that might be with Alberta Emergency Management.

**The Chair:** Okay. Thank you very much.

That concludes the first portion of questions from the Official Opposition. Before we continue, I'll just get Member Boitchenko to introduce himself.

**Mr. Boitchenko:** Andrew Boitchenko, MLA for Drayton Valley-Devon and parliamentary secretary for Indigenous Relations.

**The Chair:** Thank you very much.

We will now move to 20 minutes from government caucus members. Member Yao, would you like to share your time?

**Mr. Yao:** Yes, please, if the minister is willing.

**The Chair:** Minister, okay? Okay.

You have 20 minutes. Go ahead.

**Mr. Yao:** Thank you so much.

Mr. McIver, thank you so much and your entire team for serving Albertans as well. When I speak with my friends up north, you give them great comfort knowing that an experienced man like yourself is in that position, especially trying to manage all the municipalities. As anyone can imagine, it's like herding cats, that many elected officials that you have to address and deal with. I give you kudos on that.

That said, I might be taking a slightly different tone than my good friends across the way. I am greatly concerned about the amount of spending that we're doing. I'm greatly concerned that we're increasing our debt and deficit. It's concerning to me, so I hope that you can really give me comfort in your answers as to the spending that we're doing and that it's responsible and logical.

That said, one of the things that municipalities have asked me about is the education property tax, if we could just start off with that. I can empathize with – well, we all can – us all being in this affordability crisis and the economic uncertainty, especially with our relationship with the Americans and this potential tax war, a tariff war that's on the horizon. I guess the question is if you could just explain a little bit more about the increase in the education property tax. Municipalities are starting to complain. They're the ones who have to collect it as you mentioned earlier. Can you communicate the reasons for why we're raising this and what you anticipate it being spent on?

**Mr. McIver:** You could say – and I will – that I think this is getting back to normal. You may not want to hear that, but I would say that traditionally the government collected about one-third of the cost of education through the property tax, about 33 per cent. I think in our budget it says we're heading in that direction in the next couple of years. This year is at 31.6, I believe.

That's the traditional way that we've always paid for about a third of education, K to 12 education in Alberta. With the municipalities – here's a great thing – we're trying to help them. We're sending them information to help them explain to their citizens that that part of the property tax bill, if people appreciate it, they can appreciate whoever they want, but if they want to blame somebody for it, they should blame the province for it. It's the government of Alberta that actually sets that number. It's the province of Alberta that forces – yes, forces – the municipality to collect it and to remit it to us to contribute towards education.

Now, I think most Albertans listening to this would say: well, education is important; like, we don't want to cut education funding. I'm not suggesting that anybody said we want to cut, but I'm just saying most people would say that makes sense. If you've got more kids, they need to be educated. You can have more teachers. We just committed \$8.6 billion to build the schools, and

by the time you added new schools, new teachers, new support staff, and general inflation, you need more money. That's one of the places it comes from.

I think it's easy to defend. But I've got to say, MLA, that I don't like paying more taxes. I think most people don't like paying more taxes, too. But I'll tell you what I do like: educating all the kids in Alberta from K to 12, because that's our future, and if we don't do that, I think we're going to be in a lot bigger trouble than a lot of other decisions we could make. I don't know that anybody has come up with a formula to make education less expensive, especially when there are kids moving in every year. We've got to try to keep up. We owe that to our children, I would say to you, and it comes at a cost.

8:20

**Mr. Yao:** Thank you so much for that, Minister. I greatly appreciate that answer.

I just want to go into the local government fiscal framework. As you obviously know – I can't remember if you drove it, but you were in the position before, in Municipal Affairs, a few years back when we were delivering these funds under the municipal sustainability initiative, the MSI. If I understand correctly, that evolved into this LGFF. It might have been you that had to negotiate a lot of these agreements and figure out . . .

**Mr. McIver:** I was on Calgary city council and on the Alberta Urban Municipalities Association board when MSI came into place, when dinosaurs roamed the land.

**Mr. Yao:** Then, you know, in the last few years we've switched over to the local government fiscal framework, another acronym you forced me to learn. I've heard mixed reviews on this. Can you explain if this has been a more accurate formula for addressing the needs of municipalities?

**Mr. McIver:** Listen, municipalities asked for this. I think I can correctly characterize it by saying that municipalities said to their provincial government: "Your revenue in the last 10 years went up by x per cent, and ours only went up by a lower per cent. We want your per cent." That's what they said: "We want your per cent. We recognize that if we're going to get your per cent increase over 10 years, that means that in some years, when your revenue goes down, we're willing for our revenue to go down, too, as long as we're on the roller coaster with you." The municipalities said – and they're not wrong – that historically, that doesn't guarantee the future, the province's revenues have gone up faster than what the province has dished out to the municipality.

We agreed. We said okay. That's why this year, you know, there's about a 13 per cent increase. It's going from \$722 million or \$724 million in the last fiscal year up to \$820 million in this fiscal year in this budget. So, it's almost \$100 million increase in one year. Now they're going to slide back by 3 per cent-ish next year, the year after that up by about 7, and the year after that they may slide back a little bit more. Those second two numbers, because the year-ends aren't final yet, we don't know those numbers for sure. So far it seems to be, I would say, working out better for them on average than the MSI did in terms of them keeping up with the provincial revenues.

**Mr. Yao:** Thank you for that minister. That said, you're right. That's a substantial, well a reasonable, increase, I guess: \$100 million. Some could argue that they need more. Others, folks like me, would wonder: can't they deal with less? That number, \$820 million, that doesn't even include things like the Calgary events

centre and the Edmonton event park that you and my good friend across the way were discussing earlier.

**Mr. McIver:** We're funding from other ministries that I'm not responsible to talk to you about. There's other funding.

**Mr. Yao:** Within that?

**Mr. McIver:** No. That's outside of that.

**Mr. Yao:** Okay. Are you referring to the bigger allocation of \$7.5 billion to support municipal infrastructure development?

**Mr. McIver:** Yes.

**Mr. Yao:** I'm wondering if you can tell us a little bit more about that. That's, again, a substantial amount of money, especially in a time when we're running a deficit, we're running up debt.

**Mr. McIver:** Well, listen, I don't think it's 100 per cent true, but it's almost 100 per cent true, the saying that everything that happens in Alberta happens in a municipality. There are a couple of areas of national parks that aren't quite within a municipality, but most things that happen in Alberta happen in a municipality. To a large degree that includes our entire capital plan, you know, almost \$9 billion a year over the next three years. I think it's \$28 billion over three years. Lots of stuff – schools, hospitals, roads, bridges, water, waste water – all the stuff that are provincial government capital things: most of it's outside of what my ministry does. Nonetheless, I guess where it touches my ministry is that everything that happens in Alberta, almost, happens in a municipality. There are all these other things to consider as well.

**Mr. Yao:** Okay. Again, just to clarify for my good friends that are watching, that \$7.5 billion in the capital plan, that's not distributed by yourself, but by Infrastructure, Education, postsecondary . . .

**Mr. McIver:** If it's schools it comes out of Education. If it's universities, it comes out of Advanced Education. If it's hospitals, it comes out of one of the health care ministries. It comes out of government, and municipalities benefit from the amenities that government builds there, you know, whether they're education or health care amenities or transportation amenities.

**Mr. Yao:** All right. That's good. Thank you so much. I really appreciate the explanations.

With that, I'm going to cede my time to my good friend from Drayton Valley-Devon.

**Mr. Boitchenko:** Thank you. Well, I would probably like to start with thanking the minister for the great work you do. This last couple of years we were faced with droughts in the south, floods up north or, I should say, up mid-north because it's dry up north as well. We had unprecedented wildfires in the province, in Jasper. In my own riding, Drayton Valley-Devon, we had a lot of fires. In my life I went through a fire myself, losing my house. You've been a pillar through all these disasters in your ministry. You're one of those guys that doesn't waiver. You come in. You sit down with the municipalities. You have a lot of respect in my riding, where municipalities say that the minister tells us we can make our own choice, and the minister says: "The better the choice you make, the less I have to do. If I have to make a choice for you, both of us are not going to like it." They appreciate and they respect that.

My questions today will be a little bit about fires. Some of the questions we already went through, but I just want to kind of run by and get some details. I'm going to start with the grants in place of



taxes, GIPOT. We've heard lots of talking in the media about grants in place of taxes. In fact, page 129 of the business plan mentions that "the Grants in Place Taxes program, which provides municipalities a grant in lieu of property taxes for properties in which the Government of Alberta maintains an interest, is being increased by \$17.2 million." This is very exciting news for the municipalities. I believe that Alberta municipalities have been vocal about the importance of GIPOT. In fact, I've heard that they passed a resolution asking for GIPOT funding to be increased to \$60 million.

A couple of questions on that topic here. Can you please tell the committee why it was important to increase GIPOT funding to \$55.3 million as defined on line 6 on page 174 of the estimates documents? That's the first question. I don't know if you want me to pause there.

**Mr. McIver:** Sure. I'd love to. Listen, the municipalities asked for it. It is common practice in provinces when the government owns a building to pay a grant in place of the taxes that would be paid by someone other than the provincial government. A few years ago when the government's finances weren't nearly as good, GIPOT got reduced from 100 to 50 per cent. They want it back at 100 per cent in this year's budget. It is going from 50 to 75 per cent this year and 75 per cent to 100 per cent in next year's budget. I think that municipalities are happy about that, but they're not all equally happy about that. What I mean is that it actually matters more to some municipalities than others because some have more government facilities.

Now, here's the interesting thing. Edmonton complained the most about it because they lost the most. What's really kind of interesting here – I've been explaining this to people over and over and over again for the last week – is I've actually heard some people say: well, why did you do such a big favour for Edmonton? Well, we didn't really do a big favour for Edmonton. Remember that when it got cut from 100 to 50, Edmonton took it on the chin. They took the biggest loss, way bigger than anybody else. So it's not like we're doing Edmonton a big favour. We're relieving them of the pain that was inflicted upon them, essentially, because they took the biggest loss when GIPOT went from 100 to 50. So it's not like we're doing Edmonton a huge favour. They're just recovering their overweighted share of the pain back when we cut that.

When we go from 75 to 100, they will get more, too. Again, it won't be a case of doing Edmonton a favour. It would be a case of restoring everybody probably to where they think they should be. Since Edmonton took the biggest loss in the first place, they get more of a gain as they're getting back to that equal amount of a grant compared to what would be paid in property tax.

8:30

Municipalities were very vocal. They passed motions at their municipal gatherings, as you rightly pointed out, MLA Boitchenko. It's nice when we can do something that makes them happy because we can't give them everything they want. But I thought this was a reasonable request, and I was pleased that we were able to. From the feedback I've got from municipalities, they seem to be quite happy, so that pleases me, too.

**Mr. Boitchenko:** Thank you for that. You know, you were talking about the city of Edmonton, that the city of Edmonton loses a little bit, so next question probably will be regarding the city of Edmonton. Actually, the mayor of the city of Edmonton claims that if GIPOT funding were increased, everyone's property taxes would decrease. My question would be on that, if that is a true statement

or not, and maybe if you can share with us a little bit how the GIPOT funding is calculated.

**Mr. McIver:** It's based on what property tax would be if somebody other than the province owned the property. Of course, Edmonton has a bigger share because the Legislature is in Edmonton. A whole bunch of government buildings are in Edmonton. That's a whole bunch of buildings that they've been getting 50 per cent of the property tax that they would get if they weren't government owned. Now they're getting closer back to what they would get, a full load of property tax payments to the municipalities to pay for their ongoing expenses.

Last year GIPOT was 1.7 per cent of the total tax revenue in Edmonton. I don't think the mayor of Edmonton would mind me saying, because he said it into a microphone when I was standing in front of him about five days ago, that we'll be able to reduce taxes with this extra GIPOT that's been restored to Edmonton. Based on the fact that he said it into a microphone, I don't think he'll be mad at me for saying he promised that.

**Mr. Boitchenko:** Coming back a little bit to the city of Edmonton here. The city of Edmonton received increased funding through the expanded grants in place of the tax funding mentioned on page 127 of the ministry business plan. The question is – I have a couple of questions here on that – can you please explain on the other municipalities, if other municipalities benefit like Edmonton would benefit from the expanded grants?

**Mr. McIver:** Yeah. Edmonton suffered more when the GIPOT went down, and they gain more when it comes back. Most municipalities will gain some, but it'll be comparatively a less important amount compared to their total budget, compared to Edmonton. Edmonton has so many government buildings because, of course, the Legislature is there and all the government office buildings and all that kind of stuff.

**Mr. Boitchenko:** Okay. Yeah. So it's about the real estate that they have.

**Mr. McIver:** You know, if you look at your typical rural municipality, they may have a government of Alberta building, but it might be one building, or it might be a building in a school or something, not nearly the large ground cover and large volume of buildings as in other places where government operations are centred in.

**Mr. Boitchenko:** Okay. Basically, what I was asking is that if they rely on it, how much would they rely on the GIPOT, you know, cities like Edmonton, Calgary? That is my question, the last question on the GIPOT: how much of the city is relying on that?

**Mr. McIver:** I think my deputy has got a bit of an answer here for you.

**Ms Cox:** Which Ethan may supplement, if that's all right as well.

I would say that Edmonton has a significant number of provincial buildings, as Minister has said. We definitely know that there are other municipalities where the grant in place of taxes is actually a more meaningful component of their tax revenue because they have a smaller tax base. As an example, the municipal district of Peace: the grant in place of taxes there is worth 15.7 per cent of their overall tax take. There were four municipalities that we have consistently paid 100 per cent of the bill for, even when the decision was to reduce GIPOT to 50 per cent, because it was such a

substantial component of their tax revenue: the municipal district of Peace, town of Vegreville, Big Lakes county, and town of Devon.

**Mr. Boitchenko:** Okay. Thank you.

I don't know if I have enough time to ask you another question here, but that would be coming back to the fires. You know, last year we had a devastating fire in Jasper, so my question is on that. The 2024 Jasper wildfires left scars, basically, on land, on community, and our hearts as Albertans, losing the town. This proved to be a test of resilience not only for Jasperites and Albertans, but they truly kind of succeeded with showing their resilience. In the face of such devastation we saw courage from the firefighters, community members, fundraisers, volunteers. In fact, I myself went to Jasper, actually, when I saw the devastation was happening to it and spent about three days helping fund raise there.

**The Chair:** Thank you very much. That concludes the government members' first block of questions.

It'll be at this point we'll take our five-minute break. We will come back at 8:41. See you then.

[The committee adjourned from 8:36 p.m. to 8:41 p.m.]

**The Chair:** Okay. If I could get everyone to grab your seats, we'll get on with the rest of the estimates for Municipal Affairs.

Now we move to our second round of questions and responses. Speaking rotations will be the same. We'll start with the Official Opposition and go over to the government group. I'm going to assume that we're going to share time. If that changes – what I'll do is I'll just get each of you to ask if it's okay to share time instead of me asking that question. If you're going to share time, it's 10-minute length, and you can't cede your time, so when you start talking, you got to finish that spot.

Okay. We'll start with the Official Opposition. Go ahead.

**Ms Sweet:** Thank you, Mr. Chair. Minister, I just wanted to follow up real quick. We were starting to talk about emergency response and firefighters. In outcome 3 and then key objective 3.4 it says: "Support Alberta's fire services through funding for training, and enhanced communication and collaboration with fire service partners." I appreciate that you were commenting already on the investment that your ministry has done.

One of the conversations that has repeatedly come back from many of the municipalities is those joint EMS firefighting teams and the fact that a lot of firefighters are responding to emergency situations for medical purposes and not fire, yet municipalities are having to use their firefighting budget to be able to compensate for that. I'm just wondering if there's been a conversation with your colleagues around how we can compensate municipalities when they're doing EMS services.

**Mr. McIver:** I would say to you that the conversations have been a little more around – when a municipality has this conversation with me, I try to just talk to the Health ministry and say: I've heard from this municipality that their firefighters are having to fill in, and can we see if we can get enough ambulances there so the firefighters don't have to fill in? I try to pass on those concerns so that they encourage us to do our best to have the ambulance coverage that's ideal for every part of the province.

**Ms Sweet:** And I appreciate that, Minister. I guess the concern is that it eats into the firefighters budget, and it also takes the trucks off the roads. So whether or not there's an opportunity to increase funding under the model that exists to ensure that if those services

are being provided for medical assistance and not for fire, the municipalities are being appropriately compensated, given . . .

**Mr. McIver:** That's a fair question, but I would say that I'm sure that will come out of the provincial fire liaison committee that we're working with the fire chiefs on. I think they'll end up having a number of requests for help, funding, improvements, whatever, and we're interested in all of it. I think you might see some recommendations from the fire chiefs come out of that. That's kind of the intention.

They seem, honestly, quite thrilled about having that table. One of your questions from your side is: working together. Well, it's just we try to work with everybody, including the fire chiefs. We've gone to, actually, I would say, strong efforts in the last couple years since I've been here doing this to try to raise our game in terms of communication and working together with our fire chiefs. They're invaluable. They all have separate needs, and the fact is that it's not one size fits all. If you look at the big cities, they've got a paid, professional fire service, and other municipalities have entirely or largely volunteer fire services. I won't say that one is better than the other because, boy, if you're working as a firefighter as a volunteer, then I just don't have enough good things to say about you. I just think those people are special.

**Ms Sweet:** A hundred per cent.

I think for the smaller communities, too, the interface with wildfires is becoming more and more frequent. I would say, again – this is my soapbox, Minister; you know this – that I would like training at the Hinton centre to be expanded to our municipal firefighters so that they can at least have that opportunity to work in collaboration with each other because they are working more frequently with each other.

**Mr. McIver:** If you don't mind me saying, one of the things that has probably helped our government to look at this in a holistic way was in Mr. Boitchenko's riding where the fire was in Brazeau county and it jumped over to the Devon area. You know, we realize that municipal firefighting units despite their best efforts can get overwhelmed. I know that our government kind of made a thing where we could take over, and initially municipalities were a little bit mad. They said: what are you doing bigfooting in? Then they came to realize we weren't bigfooting, that we were saying: rather than waiting until it's right out of control, we want to help.

I think that now they've come to the understanding that we're more helping than bigfooting in and that even when we do jump in with our more resources, we're sharing command wherever we can with the local fire chief. I think they're feeling a lot more comfortable, that they're not being ignored but, rather, are being included in the bigger firefighting effort when there's a bigger fire. Maybe we haven't got everything a hundred per cent right, but I think it's well accepted by most municipalities that we're on the right track, and they want to work with us on that.

**Ms Sweet:** Okay.

Moving on. I'm going to move to rural municipalities, also one of my focuses. I do want to talk a little bit about line 11 on page 175, which is the local growth and sustainability grant. I recognize that you did speak a little bit about this at the beginning. However, last year's budget did commit that it was going to be \$60 million over three years: year 1, year 2, year 3. My understanding from year 1, which was last year, is that it was oversubscribed and that many municipalities, especially rural municipalities, were interested in accessing the grant. Now I recognize that you have cut that grant. With an oversubscription and a recognition from rural municipalities,

especially around their infrastructure needs, I'm just wondering why the choice was made to eliminate that grant.

**Mr. McIver:** Well, you never like eliminating or reducing funding, but sometimes with the budget pressures you have and even with a deficit budget this year – listen. The one thing about it is that if you have to cut something, this makes sense simply because no municipality could legitimately say, “You screwed up my budget plans,” because it’s a grant-based fund. It’s not program funding where to the municipality it would have been said, “You get a half a million dollars next year,” and now you don’t and we messed up your budget. This is: you can apply and hope you get some, but there’s never any guarantee. If we cut that, at least it didn’t mess up their budget plans.

Now, I'm sure many municipalities had grand plans to get a piece of that growth and sustainability grant, and I'm sure they all had really legitimate, excellent reasons for it, but if you've got to cut something – again, it's no fun cutting anything, it is even less fun when municipalities can look you right in the eye and say: I had every reason to expect I was getting \$20,000, \$500,000, whatever the number is, and you took it away from me. That's a lot harder to deal with than: I was hoping to get some, but I wasn't guaranteed any, and now that hope is dashed.

We don't like dashing hope either, but the fact is that it is probably a more gentle cut than taking program funding away.

**Ms Sweet:** I appreciate that. I mean, all the municipalities have already put their budgets forward with their property taxes and adjustments, so I appreciate that you didn't want to change that. But what I would say is that local growth and sustainability grants result in a disproportionate share of the funding being allocated to projects in urban municipalities linked to population growth at the expense of projects in rural municipalities linked to industrial and nonresidential growth opportunities.

**8:50**

During a time where tariffs – and looking at economic growth opportunities for smaller municipalities, Lethbridge county, Lethbridge area specifically, that are going to be hit the most if we don't look at how we ensure that we're supporting municipalities on their economic and industrial areas, I guess I'm a little bit concerned about how you're going to support municipalities to off-set some of those missed opportunities.

**Mr. McIver:** Well, we will work with them with the grant funding that we have. Some of that stuff, support for new things may come from other ministries. I would say to you that Lethbridge has been in that area: pretty big investments in the last few years in expanding irrigation down in that southeastern part of Alberta. I know that's not everything, but our government has made a pretty sizable investment there in the last little while.

We try to facilitate pending industrial, commercial, and residential development. The first \$20 million is going to go out the door – \$40 million out of the \$60 million was cancelled – and the successful grant applicants should find out here in the next very few weeks. We are, obviously, going to try to choose the ones, the grant applications, that are going to have the biggest impact. You're not wrong in saying that it's oversubscribed, but with the money we are going to spend, we'll try to do the most good with it that we can.

**Ms Sweet:** Minister, only because I have 30 seconds, the one thing I also want to make sure to highlight for rural municipalities is that the rural municipality infrastructure deficit in Alberta is currently \$17.25 billion, and it's expected to grow to \$40.71 billion by 2028. We need to support municipalities with their infrastructure. We saw

what happened in Calgary when the pipeline broke and the water was gone. We know there are many rural municipalities that are facing that same water infrastructure struggle. Can you please provide some information about that?

**The Chair:** Okay. Thank you very much. We'll now go to the government side. Who's lined up?

Oh, okay. Member Armstrong-Homeniuk. Go ahead.

**Ms Armstrong-Homeniuk:** Thank you, Chair. Through you to the minister: are we sharing?

**Mr. McIver:** Let's share.

**Ms Armstrong-Homeniuk:** I like to share.

**Mr. Boitchenko:** It's in you to share.

**Ms Armstrong-Homeniuk:** Awesome.

Minister, on page 130 of the Municipal Affairs business plan under performance metric 2(a) I want to highlight the percentage of municipalities that met or exceeded the minimum performance targets for financial and governance risk indicators. As stated in the report, 93 per cent of all municipalities across Alberta do not face potential long-term viability challenges, which exceeds the target for 2025 through 2027.

That said, I've spoken to many municipalities across the province, including the ones in my constituency, and I have heard that viability is a concern. This is especially the case for towns and villages, small urban municipalities that are declining in population and ability to attract new growth. Minister, could you please explain to the committee how your ministry has been able to ensure almost all municipalities across our province do not face long-term viability challenges?

**Mr. McIver:** Well, I'm not sure I can guarantee that. We help where we can. To be clear, just in the last year there have been two or three cases where municipalities have amalgamated or dissolved and gone into the surrounding municipality. We try to help municipalities help each other. I can tell you there's a lot of rural municipalities that actually financially assist their small urbans within them. Like, there are a lot of municipal districts and counties that actually get money every year – sometimes it's like a million dollars or \$2 million – because it's less expensive to give that to the local town than it is to absorb the local town.

There's a lot of co-operation, and there are a lot of unsung heroes, really, in the municipalities that help each other, help their neighbours out. In some cases it does happen – that's part of the ACP grants we have for municipalities where they have to do viability reviews to decide whether they're viable or not.

We routinely send Municipal Affairs professionals out to work with them, help them evaluate how successful they are. We have a process where if they do a viability review, sometimes the council can say, “No; we think we can make it,” and they'll take some advice from us or one thing or another. Sometimes they take it to their citizens for a vote on whether they want to dissolve or keep going. We try to assist them. We try to give them good advice. Even if they do decide to dissolve, we try to broker an agreement with them. I mean, it's up to them to agree with their neighbours, but we try to assist in that. There is some funding – like everything else we do, it's never enough – that can make a difference in easing the pain when municipalities come together, and sometimes tough choices have to be made.

We have great staff in Municipal Affairs, people a lot smarter than me, that go out and talk to these municipalities and help them

work together and do that. I'm proud of the work that our people do in dealing with municipalities of all size and helping them deal with the bumps and wrinkles that they run into.

**Ms Armstrong-Homeniuk:** Thank you, Minister. Chair, through you to the minister: a few weeks ago I saw the Ministry of Municipal Affairs news release about the municipal internship program. It seems like a thriving program since there have been almost 400 interns so far. It looks like the program is mentioned on page 127 of the business plan. Minister, can you speak more about the cost of the internship program and if it has been an effective program for the ministry? Also, is your ministry planning to continue funding the internship program going forward?

**Mr. McIver:** Well, we're funding it this year, and I'll be asking to fund it again next year. We've got to go through Treasury Board and all that good stuff to make sure. But let me just say that I think it's a program we can rightly be proud of. Each of the 16 municipalities receives \$60,000 to assist in covering the cost of an intern's salary.

I've got to say that Alberta is riddled with former interns in responsible jobs in municipal government, so there's lots to be proud of. Many municipalities within Alberta are being managed in whole or in part by people that started their municipal career as an intern. They're well received. Their municipalities are thrilled to get them. More than half of the 400 participants in the program apparently are currently working in municipal government roles and many in leadership roles.

I think the program proves its value out in every municipality, but I think it's doubly good in rural Alberta because not everybody – listen, every municipality matters. Everybody knows where Edmonton and Calgary is. Not everybody knows where Milk River is or Lamont – they're all beautiful communities that I'm naming – but if you get an intern who lands in one of these communities, they could fall in love with the place and end up working their way up within the municipality to have a really great life, a responsible job, and have the satisfaction of making the community where they work better by being part of the management of that community.

I think there's a lot to be proud of. The people that are in the intern program this year are amazing, and the ones that have been in the past are proving their worth every day. I will sure be working to try to keep this program up and going as long as I'm here because I really think Alberta benefits as a whole from the intern program.

**Ms Armstrong-Homeniuk:** Thank you, Minister. Chair, through you to the minister: on page 130 of the business plan it mentions that the Alberta community partnership, or ACP, provides \$13.4 million in targeted funding to support intermunicipal collaboration, capacity building, and asset management. In this ever-changing economy it can be tough for these smaller municipalities to remain viable. We've seen a couple of villages amalgamate with their counties in the past year. Could you please explain how the Alberta community partnership budget can help support municipal viability going into 2025-26, and what are the steps and processes that the program can offer to these municipalities?

**Mr. McIver:** Well, it's kind of a wonder tool. It's kind of a Swiss Army knife of a program in that we can make it fit to the municipalities and make it fit to the municipality's needs. Sometimes if it's two municipalities that can't get along with their ICF negotiation, we'll help with a mediator or somebody to go in and help them come to terms. Sometimes if it's a matter of a municipality needing a viability review, maybe we'll help out with that, or even when they dissolve, there is some money that can help

the coming together of two municipalities. Maybe there's a critical piece of infrastructure that nobody can afford to fix.

It's not really made for infrastructure, but it can smooth over the coming together of a couple of municipalities or if they have some great idea where they can work together for some great economic development thing that's shared between more than one municipality. It's really meant to assist municipalities that are working together. You can only imagine with 330 municipalities all the different ways that they can work together, all the ways that they can work against each other. This sometimes is the grease that keeps the wheels going around so they can work together instead of apart. Sometimes it's part of helping really great initiatives that expand and improve both municipalities in some meaningful way.

9:00

That's why this, what I think of as a Swiss Army knife kind of a program, let's face it: we don't know how we're going to use it. If you're going to say: how are we going to spend our ACP program? We don't know. We don't know who's going to call us up tomorrow and say, "We're in trouble" or "We've got this great idea on how to bring a bunch of business into this area and improve the lives of our citizens" or "We're not getting along and we need guidance" or whatever it happens to be. I think it's invaluable. I think that Alberta and Alberta's municipalities would be much poorer if we didn't have this program to help out in those places that crop up all the time. Like I say, I never know what's going to come through the door or the phone or the e-mail or the fax, and sometimes ACP helps get through all that.

**Ms Armstrong-Homeniuk:** Thank you, Minister.

I'm going to talk real quick for this next question. Chair, to you, Minister: outcome 2 on page 130 of the '25-28 business plan involves helping Albertans live in viable municipalities. An incredibly important aspect of thriving viable municipalities involves contested elections, which are scheduled for the fall. Part of ensuring municipalities are ready for our election cycle is making sure all municipal residents have a place to cast their vote. Minister, could you explain to us how we are ensuring wildfire-affected Jasperites have the ability to run and vote in upcoming municipal elections?

**Mr. McIver:** Yeah. We are going to make sure through legislation that those people that lived in Jasper the day before the fire that say they intend to come back, because some of them won't be able to before then, will get to vote or even run in the election in Jasper. Now, there's a piece of the legislation that says that if you're temporarily away from your home you can run or vote there. But it's a risk because they could be gone so long that somebody could challenge it in court, and we're trying to get around that with . . .

**The Chair:** Thank you very much.

We will now go to the opposition side. Carry on. Who is it?

**Member Miyashiro:** MLA Miyashiro.

**The Chair:** Miyashiro. Sorry about that. I'll get your name down.

**Member Miyashiro:** Thank you, Chair.

To the minister: in your 2025-2028 business plan, specifically page 129 outcome 1, the plan states, "Municipalities are strong partners in supporting and enabling economic prosperity in their communities." The plan goes on to say, "The government supports municipalities in building the local economic conditions that foster vibrant and prosperous Alberta communities."

Minister, Lethbridge has been identified by the Canadian Chamber of Commerce to be in the top 10 communities in the country that will be most negatively affected by the Trump tariffs. Ninety-one per cent of our region's exports go to the United States, \$2 billion annually: live cattle and beef products, processed potato products, processed corn products, raw canola oil and canola oil products, processed vegetables, legumes, vegetable protein. The part of Alberta running from Lethbridge to Medicine Hat is known as Canada's premier food corridor. We have 178 companies that export goods to the U.S. If these tariffs are implemented, it will cause a 19.4 per cent reduction in our region's GDP, which is \$5,000, \$6,000 per person roughly. Can you explain to us or tell me: what measures has the minister or the ministry taken to assist Lethbridge and southern Alberta communities to cope with the devastation that may be caused by these tariffs? Where in this budget could the funding be to provide the support?

**Mr. McIver:** Well, some of the money in the budget may be from beyond Municipal Affairs. I will say that. I'm not really giving you a bad time when I say: what tariffs? What I mean by that is that the guy down south changes his mind every day. He's had more rollbacks than Walmart. I mean, one day tariffs are on. The next day tariffs are off. One day it's on aluminum. The next day it's on agriculture. My goodness. If you can keep up, you're smarter than me because I'm not sure.

That doesn't take away from the seriousness of your question, okay? Your question is really important, and our government is working hard to keep our eye on the ball and try to be as nimble as we can. I know the Premier gets criticized for it, but by golly, she's been down in the States trying to influence these decisions, talking to people who influence the President. I think she's doing an amazing job for Alberta. We get information from her and our other colleagues that go down there, and we should be thanking them for doing that. I think Alberta is leading the way in Canada in trying to figure out what's happening. I don't think anybody really knows. Seriously, the guy that's making these calls, I don't know how much he – whether he wakes up in the morning and makes a decision or whether he knows six days ahead that he's going to go: go, stop; go, stop; go, stop. I just don't know. I can't quite catch a pattern, that I can discern. But we'll be there. We'll be nimble, not just in my ministry but in other ones, too.

You're right to say that Lethbridge is important. A lot of the economic development fund is not necessarily in Municipal Affairs. So I'm not giving the answer. It's not my ministry. That's true. I could. But your question does actually apply to municipalities as well because they're part of it. While I can't give you a specific answer because none of those funds are in my ministry, I want to assure you that our government is on high alert and really working hard to try to figure out what's actually going to happen as opposed to what is said to be happening and try to have a good outcome. You're right. Lethbridge is a municipality that is probably more vulnerable to bad news and can capitalize more on good news than a lot of other places.

**Member Miyashiro:** Let me just redirect a little bit then. Given what you said, if the tariffs come in, your department then is prepared to advocate for a stopgap, assistance funding, supports for communities in southern Alberta that are affected.

**Mr. McIver:** A lot of what we do, when we hear from municipalities – and again it's not, obviously, during estimates when we're talking to municipalities. But if they say, "I need this," and it's not in our ministry, we try to act as a conduit into government for municipalities. If our ministry can't help, we try to

connect the municipality with economic development or transportation or Health or social services, whatever it is where they got the problem, even Justice, if it's a, you know, security issue. We try to be helpful to the municipalities. Even if we don't deliver the help, we try to connect them to where in government the help can be gotten.

**Member Miyashiro:** That's great. As Municipal Affairs that's good to hear.

**Mr. McIver:** Pardon me?

**Member Miyashiro:** I said: as Municipal Affairs that's good to hear.

On page 130 of the business plan, outcome 2. The plan states, "Albertans live in viable . . . communities with fiscally responsible, collaborative, and accountable local governments." Then further in this objective, "Municipal Affairs oversees the property assessment and taxation system." Just bear with me for a second.

The decision by this government to implement a regressive hand-counting ballot system for municipalities in the next municipal election will cost the city of Lethbridge at least \$665,000 while Red Deer and St. Albert estimate their costs for the system to be upwards of a million dollars. The minister has said before that the federal government uses hand counting, but that's usually one ballot with five or six candidates. In a municipal election in Lethbridge we require at least three ballots – mayor, councillor, school districts – plus any plebiscite questions. The 30 or so candidates for councillor, which we often have, and people are allowed to make up to eight choices, meant that in the last election, with the 35 per cent turnout, there would have been 165,000 votes cast for councillors alone, and adding in the mayor, school boards, and questions on wards in the Bridge, around 250,000 separate votes would have needed to be counted and logged. That amounted to something like – I don't know – 170 person hours or something and maybe even more.

The city of Lethbridge voted unanimously on Tuesday to ask your department and the government of Alberta to allow them to choose whether to use electronic tabulation or manual vote counting in the October election. I ask you, then: what collaboration, Minister, as stated in outcome 2, has the minister undertaken to reach this decision, that will cause municipalities to possibly raise property taxes or to have to cut necessary services?

**Mr. McIver:** Well, they shouldn't have to do that. You're talking about one day out of four years, essentially, when the election is. Frankly, this is about confidence in the election. You know what? You're a former municipal councillor, as is your friend to the right, and as I am.

**9:10**

What matters is that after the election people respect and have confidence in those that are elected and accept that they have the authority to pass bylaws that you've got to live by. When you've got, you know, a high percentage of people that don't trust machines, I think it's really important that the day after the day after the election people respect and accept who is legitimately elected and legitimately has the authority to make changes.

You talked about how many votes were cast in the last election; 28,000 people in Lethbridge, I believe, voted. At \$300,000 in additional expenses Lethbridge is thinking it's going to take \$10 to count every ballot. I know they want to make a point, but I think they might want to go back and revisit that. They also said in their thing, their words, not mine, that it will take – what did they say? That it will take four people 40 seconds to count each ballot. Sorry,

but to me to count a ballot doesn't seem to be that – at any rate, we're doing it, my friend.

You asked a question, and the straight-up answer is that the legislation is passed. In the same way that I expect people to respect the bylaws that a municipality passes, the municipalities are going to have to follow the provincial legislation when they run the next election.

**Member Miyashiro:** Understandably, Minister.

However, you repeatedly stated tonight that listening to municipalities is important and has been a consistent component of your ministry, so doesn't that mean that you're prepared to listen to the 85 per cent of municipalities that are opposed to this measure?

**Mr. McIver:** You know what? I have a responsibility to make sure that the results are accepted, and I take that responsibility seriously. Listening doesn't always mean that you agree. I think you would recognize that, and this is the place where I guess we disagree.

The other thing is that we need to listen to all Albertans, and about 40 per cent of Albertans don't trust the machines, and of the other 60, half of them aren't sure. The common boss between our government and the municipal government is those Albertans, where 40 per cent don't trust the machines and another 30 per cent aren't sure. Those are the other ones we have to listen to, as does the municipality, and we're doing our best to do that. Listen. Sometimes the municipality doesn't like the rules that the province puts in place, and they're free to complain, as Lethbridge did, but we will expect them to follow the rules.

**The Chair:** Thank you very much.

From the government side now, Member Hunter, go ahead.

**Mr. Hunter:** Thank you, through you, Mr. Chair, to the minister. I wanted to just bring your attention to page 129 of the ministry business plan, and under key objective 1.3 I can see that the ministry has been working on collaborative collaboration with municipalities to refine a legislative and regulatory framework that minimizes red tape and investment barriers across Alberta.

Being that I was one of the first to set up a red tape reduction initiative in this province, I applaud you for the work that you're doing. My question is: could you please explain to this committee what the process of collaborating with municipalities in order to minimize red tape and unnecessary barriers looks like, and how will this practice be kept going forward?

**Mr. McIver:** Well, that's a great question, but I've got to say that the answer might be different every day. Each municipality is at different stages of cutting red tape and making things simpler, but here's the thing. We're trying to work with municipalities now to cut housing and construction times. We have just, through a different ministry than mine, made a lot of permits, trying to get them to a place where it's an automatic yes, or a time limit before it's yes.

One of the ways for them to do it – and I talked about this to AB Munis last week when I had a speech and talked to them. One of my objectives – and I might not get there, and I acknowledged this to them – is that wouldn't it be nice if we could get to an automatic yes when somebody wants to build a home? We need probably a hundred thousand homes in Alberta now and another hundred thousand after that.

I challenged municipalities to work with me and my staff in the building industry. Look. If you as a municipality have a land-use bylaw, which you have the authority to do, and then you have zoning laws down to a certain lot where it says that on this lot we asked for our one home or whatever it is with specs about setbacks

from the sides and maximum height and all that kind of stuff – and I challenged municipalities. I want to work with them, and we will work with them on this, to say how much of this we could do. If somebody comes in and says, "I want to build a home, and it's exactly what you asked for in the zoning; no variations; no relaxations," the answer should be yes within about 24 hours. Just verify that, you know, if somebody wants a variation, they've got to justify the variation.

We might not get there, but I think by us starting our conversation with an aspirational goal like that, and maybe we'll even hit it in some places, I think it's going to be one of the many ways that will spur, as a team with municipalities, that ability to cut red tape, to be more efficient, to get those homes built that Albertans desperately need whether they're rich or poor. I mean, we need all kinds right now. We're short affordable housing; we're short big homes; we're short medium-sized homes; we're short all of it. We're going to try to be partners with the municipalities. We're going to try to help them get there. We essentially can't do it without them and industry, so we're going to try to bring everybody together to get to that.

That's one area. There are so many other areas where we can be more efficient with them, or they can be more efficient with us, and we'll keep trying to work with them.

**Mr. Hunter:** I applaud you and your team for getting to that point.

**Mr. McIver:** Your leadership got this thing on the rails, as I recall.

**Mr. Hunter:** Well, I appreciate you getting it past the goalpost there. That's great.

I want to turn to page 131 of the business plan and talk about the fire services training program grant. In 2025-26 this program is budgeted for \$500,000. I know that firefighters and stakeholders asked for this funding to be restored, and I know that in 2024 you were able to provide a one-time increase of \$500,000, effectively doubling the fire service training program so that it's now \$1 million for the training grants in one year. I can tell you that I have heard this from councils in my riding. They appreciate this. This is something that was tough for them, to be able to come up with the money that they had to do the training, so they appreciate this. On their behalf I want to thank you. Minister, could you please explain to this committee how successful the training grant has been for Albertans going through this 2025-26 reporting period?

**Mr. McIver:** Well, I'll only tell you secondhand because I hear from the fire chiefs and their opinion is way more important than mine is on this. They're pretty pleased with it. They tell me that they've got turnover in their firefighters. The ones with volunteer firefighters, of course, because, again, they get more turnover there sometimes because volunteer firefighters still got to eat and still got to make money to pay the rent and buy groceries and look after their families and all that kind of stuff.

When they get new people, nobody wants to send somebody out to look after a fire and not have them come back. Most important thing is that our firefighters come back to their families every single day, whether they're getting paid or whether they're volunteering. The best way to do that is to make sure they know what they're doing by giving them the proper equipment and the proper training. This isn't the whole thing. We still lean on the professionalism, the experience, and the knowledge of the fire chiefs and the senior firefighters to look after the new people. But even they sometimes need updating on their skills, maybe new technology, new science, so the training is important.

We bolstered, doubled this year what we normally do, and we'll look at it again next year to see what we have to do. Whatever decision we make will be in consultation with the fire chiefs

because I don't think we can do a good job of making those decisions without hearing from them and talking to them.

**Mr. Hunter:** Right. How many municipalities, First Nations, and Métis settlements are benefiting from this grant?

**Mr. McIver:** Sixty-three municipalities and First Nations apparently is what my notes say that are involved. That's, you know, a lot. I don't know how it ended up at that number. They're the ones that applied for it and received the funding. Maybe next year there will be different ones that apply for it and get it, or maybe it will be the same ones, but what's most important is that the fire chiefs and the fire departments themselves apply because they know better than I ever could when they need the training, and how much they need it, and how to apply it.

9:20

I will say that we have hired an assistant deputy fire marshal that works with the fire marshal, who is a former firefighter, who is the liaison that goes out to talk to those fire chiefs. I gotta tell you, having somebody from our ministry that goes out and talks the lingo of the firefighter, knows what's said on the firefighting floor and what happens in a building when it's burning and can communicate on that technical, high level with them as a colleague as well as a representative of government is really – I just get rave reviews from firefighters and fire chiefs about the fact that we send somebody out.

Listen, they know I mean well, but they also know I don't know anything. So we've got somebody that means well and knows lots. It's better for them to talk to somebody that means well and knows lots. It's been paying dividends, and we think it will continue to pay dividends.

**Mr. Hunter:** All right. Well, really quickly here for my last question, Minister. I notice that line 2.4 on page 174 of the estimates document talks about the library receiving a bump in their funding. I don't know if you know this but my wife, who came from a very broken home, very poor, attributes her ability to go to university by her going to the libraries when she was young, getting a love for the reading and books. She pulled herself out of poverty because of the love of books and getting into university. So I appreciate the work that you're doing in making sure that libraries are whole and that the funding is getting a bump. Can you just tell us what that library funding will be going towards?

**Mr. McIver:** Well, not dissimilar to my answer to you about – it's going to go to what the librarians decide that it needs to go on. That isn't meant to be a short shrift to your question. It's a super important question. But, again, the librarians and the people that manage it are the professionals. We know they're super valuable. Your wife's story is an inspiring one. So many other Albertans depend on libraries, from people that maybe have no other source of learning and training themselves, and people that are new to Canada, new to Alberta, who show up in town and they maybe don't have any friends and they need a source of information. The library is there where they can maybe find their way to health care resources, training resources, places to get a job, help to get homes. Libraries are so valuable. There's not much of an increase; it's slight. I would call it that. But in a deficit budget, we kept it whole and slightly better and we feel proud.

**The Chair:** Thank you very much.

We will next go to the opposition. Member Ceci, go ahead.

**Member Ceci:** Thank you.

Minister, just estimates questions on page 172, if I could. The local government fiscal framework operating grant. Let me just read it here; it's 4.1. "Replaces [MSI] and continues supporting municipalities with municipal planning, capacity building, shared administration, and municipal service delivery and support for nonprofit organizations." Can you just explain more around what shared administration, municipal service delivery, and support for nonprofit organizations is with examples?

**Mr. McIver:** Yeah. Thank you. Good question. I think the shortest answer for you is that most of the LGFF is for infrastructure, but this is for operating. A lot of municipalities said: We love the infrastructure funding, of course we do, not backing off on that, but sometimes, just with our tax base and what we get from property tax and whatnot, we end up in a real bind on operating. So when we went from, you know, the first \$30 million and then up to \$60 million on that, municipalities have told us in a very strong way that they appreciate that, that sometimes they need the help on the operating side to pay for administration and that kind of stuff.

I think it gives municipalities a little bit more control, where they have more flexibility on how to spend the money and they can make good decisions on behalf of their municipality on things that me sitting in Calgary and Edmonton may not be as aware of as they are.

**Member Ceci:** Sure.

Support for nonprofit organizations. Which kind of nonprofits would get that money? Any ideas?

**Mr. McIver:** That's kind of a decision for the municipality. Again, it's about the flexibility, MLA Ceci. Ten different municipalities may need to work with ten different nonprofits, or maybe twenty different between them all, but the point is that it's a local decision. It can be made by the local people. We try to respect their autonomy and, with this program, give them more of that autonomy to make good decisions on behalf of their citizens.

**Member Ceci:** I don't mean to be pedantic, but a shared administration sort of sounds like it's shared with Municipal Affairs.

**Ms Cox:** If I could?

**Mr. McIver:** Please.

**Ms Cox:** I'll give an example. I'm not saying that for sure we know municipalities have used their LGFF operating for this, but there are some municipalities that have, for example, a shared chief administrative officer. Summer villages, for example. I think there's one CAO that does five summer villages. We know that down south we've got, again, a village that has a contract CAO with another municipality, and so that shared administration could be supported by LGFF operating.

**Member Ceci:** Sure. Municipality. Municipality. Not shared with your department.

**Mr. McIver:** You know, the last thing I want to do is run 330 municipalities. I wouldn't wish that on my friend or my enemy.

**Member Ceci:** All right. We'll move on then.

The local government fiscal framework capital, LGFF, came from MSI. I remember well . . .

**Mr. McIver:** You and I were on city council at the same time when MSI came in.

**Member Ceci:** Yep. And Stelmach was the Premier, and Bronconnier and . . .

**Mr. McIver:** When dinosaurs roamed the earth.

**Member Ceci:** . . . Stephen Mandel were the two mayors that pushed that.

**Mr. McIver:** Dirt was young then. Yes.

**Member Ceci:** I like the way it's going up – \$820 million – I don't like the fact that it's going down, but I understand it's a dollar-for-dollar kind of thing and works on that formula, and then goes up to \$871 million. Can you tell me what Calgary's amount of money will be, say this year, potentially next, and then the year after that?

**Mr. McIver:** This year for Calgary LGFF is \$255 million. I've got somebody – Ethan, I think, is trying to look up next year's. I don't have that quite at my fingers.

**Member Ceci:** A little less. Yeah.

**Mr. McIver:** Next year, '26-27: \$248,559,000.

**Member Ceci:** Okay. What was '27? Sorry. I missed that.

**Mr. McIver:** Twenty-seven, the year after, is \$274,615,000. That's not a final number. That's an estimate.

**Member Ceci:** Yep. It's an estimate based on finalizing books. Got it.

Just back to number 11, the local growth and sustainability grant. I certainly get that the \$20 million is going to be fulfilled for that one year, and the discontinuing sounds like it's related to you having to shave your budget or the deficit.

**Mr. McIver:** Budget pressure.

**Member Ceci:** Budget pressure. Is there anywhere else in your budget where similar kinds of support will go to municipalities but not on that line item?

**Mr. McIver:** Well, I think, sir, you probably have to look at different ministries. I think we talked about the funding from my ministry, and I'm not being evasive here, but we talked about all that and the Canadian community buildings funds through the federal government. You know, we've negotiated what I think is a pretty flexible system for them. The feds tried to make it less flexible, and I was able to negotiate a more flexible system. But there is economic development stuff through jobs, economy. There are roads, bridges, and stuff through transportation. I guess I don't know all the other ministry supports, but there are other supports potentially available through different ministries.

**Member Ceci:** What kind of feedback have you heard from municipalities around the cutting of that grant?

**Mr. McIver:** Well, some people said: I really had a great thing I was going to apply for next year, and now I can't, and I'm pretty disappointed. Other people said: well, at least you didn't take it out of the budget that I planned for, so while I still don't like the fact that it was cut, at least you cut the thing that didn't mess up my plans right at budget time.

9:30

**Member Ceci:** Okay. Moving on to education property tax. Do you have a target in mind of where you want to see the percentage of operations come from with regard to that education property tax?

**Mr. McIver:** I think the government's target is around one-third.

**Member Ceci:** Thirty-three per cent.

**Mr. McIver:** Yeah. And this year it's 31.6. It got down to as low as, I think, 28 per cent at one point. Honestly, I'm not sure why. It's a funny thing for me to say. One-third is the traditional level. I think we should keep it at that level because it kind of manages expectations. It's not one of those things where if you give less money out of property tax to pay for education, you don't have to get it out of somewhere. You do. I'm a fan of it being more consistent. It's okay if you disagree with me, obviously, but I mean, in my view, consistency is a good thing. There are always going to be kids to educate.

**Member Ceci:** Yeah. Oh, there are always going to be kids to educate for sure. Thank God there is that responsibility and – anyway. Yeah. When we were government, we were kind of moving it down. You know, I think 30 per cent was where we wanted to get to, somewhere around there, and we got to that.

Just on the hand-counting ballots, is there any support in your budget for that? You've mentioned that municipalities have to probably take care of that themselves, but is there anywhere in your budget where there's support for municipalities to do that with the additional cost?

**Mr. McIver:** Nope. Municipalities have always had to be responsible for paying for municipal elections. That has not changed. That's their budget.

**Member Ceci:** Yeah. Did Municipal Affairs provide grants in the past through one of these budget lines with regard to buying ballot counters?

**Mr. McIver:** No, I don't believe so.

**Member Ceci:** Okay. They did that on their own.

I think that several times you've talked about the importance of contracts and following through for the downtowns around the arenas and agreements like that. A couple of years ago, when we were government – six years ago, I guess, when we were government – we made an agreement with Calgary with regard to the . . .

**The Chair:** Thank you. We'll be back to you in 10 minutes, sir.

**Mr. McIver:** I'll never know.

**The Chair:** Member Dyck. Go ahead.

**Mr. Dyck:** Excellent. Well, thanks, Minister. You're doing an awesome job here. Thanks for sharing some of your wisdom with us tonight.

I have a couple of questions here as per the job here. I'm going to focus my first couple of questions on the ministry business plan. On page 127 just under the fact sheet we can see that the ministry is collaborating with municipalities and builders to create conditions that will increase housing supply and address housing costs.

Just from my prior life of building a couple of homes, framing up some homes, doing some of that kind of stuff, and in construction, housing costs can also be influenced by expanded building codes over time and particularly sometimes more – and this would be more of a multifamily question. At times unclear codes can sometimes be left open to interpretation, causing increased costs. I have people in my riding who have spent up to a quarter million



dollars extra by interpretation of codes, unaware that that was going to happen halfway through the year.

**Mr. McIver:** You should call us if that happens. There's a guy named Shawn who works for us that works with the building codes, and I've got to tell you, we do this. We try to have the up-to-date building codes. We try to balance affordability versus, you know, environmental standards and all that stuff, but sometimes we don't get it exactly right. We try to listen to the people in the building industry when they say, "You're killing us" because you just added \$10,000 or \$20,000 onto the heating system or HVAC system of every home or the arc-fault breakers. While they're very safe, they're not very electrical either because they kick off all the time. That's when we have people – we have Shawn, who looks after the safety codes and the building codes. We routinely hear from builders, developers, municipalities, whoever about: the latest update to the building code, while it's well intended, is not working. We go back and revisit it.

We do have the authority to make variances from the national building code. We try to be as consistent as we can. I think it's important that people when they move across Canada get about an equal quality home as whatever they sold in another province or another part. On the other hand, if one of the codes just doesn't make it or the equipment attached to the code, can't always get it done same day, probably almost never the same day, but we're happy to investigate and work with industry and try to make ongoing improvements if indeed the timely adoption of the building code didn't turn out to be perfect.

**Mr. Dyck:** Yeah. I appreciate that response, Minister, because as we talk about this, this really matters, I think, to mid-sized cities. As they get builders, as I said particularly multifamily, trying to cost out these, those variances can really make a significant difference. So thanks for that.

I got a couple of other questions here. On page 178 – I'm going to jump to estimates here just for a sec – of the government estimates line 2 outlines other transfers from the government of Canada. I'm just curious. I believe we're down \$8.81 million in federal transfers going into 2025-26. What kind of programs did they cut? Was there something else that was happening there?

**Mr. McIver:** Good eye catching that. I understand that the difference comes down to the timing and completion of investing in Canada infrastructure programs projects. In '24-25 the ministry's forecast of expenditures was approved based on the estimated cash flow provided by grant recipients. Sometimes the construction goes faster or slower than what we thought the cash flow would be, and that will change the budget amounts from year to year. You'll find that probably in other industries, infrastructure and transportation, too, that if you think you're going to spend \$10 million on a building or a road or something and the construction company can only spend \$8 million of it, then you'd end up pushing it forward by another year, so you end up with variances like that.

**Mr. Dyck:** Okay. Just clarity on that: does that money automatically transfer to the next year?

**Mr. McIver:** No. It almost always happens, but we still have to go through some gymnastics.

**Mr. Dyck:** Oh, I see. Okay.

**Mr. McIver:** You have to go to Treasury Board and get permission typically to transfer it from this year's expenditures to next year's expenditures and occasionally to reach into next year's expenditures,

in rare cases would they ever allow that, to bring it forward. There'd have to probably in most cases be a special reason for that. What's more common is: we couldn't get all the work done because of weather, because the supplies didn't come in on time, couldn't get labourers, whatever it is, and push some of the expenditures into the next year so that whatever is being built by government can be completed.

**Mr. Dyck:** Excellent. Thank you for that, Minister.

Okay. I got a couple of other questions here just on the business plan. Thank you for being willing to jump back on it. Page 130 of the business plan, the residential protection program outlined under outcome 3: I've got kind of two questions on this. How does this program hold home builders accountable through the licensing system? Then expanding that, the second part of that: how is the government ensuring the Alberta advantage remains strong for new home builders and entrepreneurs entering the industry going forward? There is a cost associated, I believe, to that program. I just want to see how the accountability works. Also, for new builders trying to enter in: how does that process work financially to make sure they're viable?

**Mr. McIver:** Yeah. Well, let me say this. If a builder has a good track record, then their insurance will cost less and, to some degree, the inspections can be adjusted. If a builder has a lot of problems, they're going to be on a first name basis with the inspectors. On the other hand, if they do a bunch of construction and it's all good, they're going to get inspected, but they're going to get the normal inspections. Further than that, I would say that we try to give everybody a chance. We don't want to stop people from getting into the building. So even though there is a process to prove that you're capable of building a home, we allow people to start off with the assumption they can. You know, if they do a great job, it's good. If there are problems, somebody is going to be knocking at their door and say, "You can't continue unless you can prove that you're capable," which I think you would agree is a good idea.

9:40

**Mr. Dyck:** Absolutely.

**Mr. McIver:** But we still do our best to give people that want to start up in that business a running start and a chance to do well. Again, it's kind of up to them. The better job they do, the less they'll pay in insurance, the fewer times they'll see the inspector, and the fewer things they'll have to prove to the government, but if they do a bad job, they're going to have to prove competence to the government and they're probably going to pay higher, you know, insurance and see the inspectors more. Ultimately, we don't want to put people out of business, but we will if they are causing enough trouble out there.

**Mr. Dyck:** Yeah. Absolutely.

Kind of falling into that, it's on the next page, 131. Key objective 3.2 in the ministry business plan is to safeguard Alberta's interests during the development of national and international safety codes and standards for potential adoption into Alberta. How do building codes balance safety with affordability to ensure houses remain accessible to people in the future as well as safe? I think, chatting with industry sometimes, they can work together, but they also see some of the challenges of further building codes being added on.

**Mr. McIver:** Well, this is an important question. It's an area of constant tension. We send people down to the other parts of Canada for the discussions on the national building codes. Alberta is at the table as a full partner and a full player doing that. After the codes

are determined, updated, then they come back, and it's up to us to apply them. Then we look at them and say: is every one of those things helpful for Alberta or is it not? We actually have the authority to not include them if it's determined that they won't help Alberta or they'll give Alberta some disadvantage or if we just think it's a bad idea, so we do that.

Plus – I think I mentioned kind of earlier in our thing – we don't do it alone in a vacuum. We have a construction codes working group with industry, with our government established. It's also actively working to develop and propose solutions to housing affordability challenges through potential code changes, interpretations, which you mentioned. One of the things we run into: there are 330 municipalities, and a lot of them do the safety codes inspections. They will choose to interpret something different, and sometimes they don't get it right. That's what I say to people with complaints, like you first said: "Don't suffer in silence. If it looks like the interpretation is crazy, tell us, and we will talk to the municipality and try to get them on the same page as everybody else." I guess, on the other hand, if you're just not good at doing your job, we might say something about that, too. What we want to try to do is work with industry to make sure that housing is both affordable and modern and high quality.

**The Chair:** Thank you very much.

We'll go over to the opposition side. Member Kasawski, go ahead.

**Mr. Kasawski:** Thank you, Chair, and thanks, Minister. Before I go too much further – I just wish I would have done this at the beginning, Chair – I just want to thank all the staff, especially from the ministry, that are here today for providing us with all the answers.

I'm going to plant an idea that'll give you time to research, and it's on housing foundations and housing availability, and this comes back to the Municipal Affairs business plan outcome 1, key objective 1.4, work with municipalities to enable that you can have legislation and regulations that'll improve opportunity for increasing the housing stock. One of those ways we do that is with housing foundations locally. Some fast-growing municipalities have proposed an interesting idea, and it fits with an idea that's in legislation that's been brought forward by the government where now we will bring school grounds and hospitals and other health care facilities onto the books for the province. Park this thought and come back to me with the answer: can the government take properties for housing foundations onto their books to increase the ability for growing municipalities like, let's say, Airdrie to borrow more funding to expand the housing inventory for their housing foundations? That's an interesting question I want to get to.

**Mr. McIver:** Well, I think, actually, we'll get a little more meat on the bones on that. I think in the case of Edmonton, they're doing something like that now, using some of the school sites that they're in control of and trying to build affordable housing on them. I guess I can tell you now it's a partial yes, but we'll try to get you a bit more detail on the answer. How's that?

**Mr. Kasawski:** Good. Yeah, that's good.

GIPOT: the question has been asked, so I need to ask it. Why not 100 per cent right off the bat? What's holding us back? And was there any consideration of backfilling unpaid grants in place of taxes?

**Mr. McIver:** There wasn't any consideration by me of backfilling GIPOT. But you know what? We're under budget pressures. We

managed to get the 75 per cent through for this year and 100 per cent for next year. Yep. That's where we are.

**Mr. Kasawski:** Okay.

Actually, I'm feeling like I've had more time. I was feeling I had to be so rapid through this.

I'll go back to, you know, the Municipal Affairs business plan with the expenses and capital expenses for the Edmonton event park, in particular the village at Ice District and the demolition of the Coliseum and the Edmonton event park. We've talked about the memorandum of understanding, which we know you're committed to and council is committed to, but we are in uncertain times, and the business partner may back out again. We have a nonbinding contract right now. It's just a memorandum of understanding. I think that what we need to hear for the city of Edmonton's benefit and for all Albertans' benefit is that the revitalization and the funding and grants that are tied to these three projects are going to still be in place, especially the grants, if the Oilers Entertainment Group backs out so that we know the province is there with the grants.

I'll remind the minister. You were probably there when the Premier said that she's going to be ruthlessly fair with the cities of Edmonton and Calgary. So when we're looking at grants for these projects, will those grants be in place with or without the Oilers Entertainment Group?

**Mr. McIver:** I'm just not going to answer a hypothetical question. Right now there's an agreement. No one's backed out that I'm aware of. Our intention is to honour it. If the situation changes, we'll look carefully at it. But the last thing I'm going to do is tear apart confidence in an agreement that was just signed by saying: what if, what if, what if. I've heard no indication except from you that there's a party that might back out of it. I'm not sure you actually said they will. You're just saying: what if. I hope you'll forgive me, but I'm not going to play the "what if" game on you. If the circumstances change, we'll consider the new circumstances.

**Mr. Kasawski:** Yeah. I'm trying to bolster the confidence, Minister, which is saying that we're there with or without the Oilers Entertainment Group.

**Mr. McIver:** We're there with Alberta's communities – Edmonton, Calgary, and the other 228 Alberta communities – come what may, and we'll roll with the punches the best we can, try to be a good partner, try to support them, approve our budget so they can spend it to the best advantage of their citizens and their citizens' best interests. We get surprised all the time, and we just do our best to shift gears because that's what we do.

**Mr. Kasawski:** Okay. Fair. Fair.

The provincial budget has a lot of directed funding. Back to that LGFF, is it sort of the intention going forward that you'll be looking to put more money in future years into LGFF? Or will it be kind of a large portion going to directed funding, which is sort of provincial priorities versus those local priorities?

**Mr. McIver:** Listen, the LGFF funding is designed to go up and down with the provincial revenue. That's the plan, and that's what I hope to continue to do. You know, it's funny. Municipalities: one of the things they asked for is the flexibility to make their own decisions, and LGFF gives them that flexibility. I think it's the best way you can do it for them.

Of course, you're depending on municipalities making good decisions, but, again, they're all duly elected like we are, and sometimes if you're duly elected, that gives you authority to make

bad decisions. Now, we all hope that our government makes good decisions. We all hope that each municipality makes good decisions, but occasionally other decisions are made by municipalities. We try to help them when that happens, but we also respect the fact that they're duly elected. I don't know. Like you and me: whoever elected you elected you for four years, right or wrong; and when they elected me, they elected me for four years, right or wrong. So vote carefully is the lesson, I think.

**Mr. Kasawski:** Good advice.

Just looking at the estimates for Municipal Affairs. I think it's capital grants, investing in Canada infrastructure, rural and northern communities. I'm noticing that that's gone down. Considering the Member for Grande Prairie is here and Growing the North is a big focus, what was it that led to the federal funding going down for rural and northern communities? I hope the answer is not Bill 18.

9:50

**Mr. McIver:** No, it's definitely not Bill 18. The projects, apparently, that were approved are mostly complete is what I'm told. Seems to make sense, I think.

**Mr. Kasawski:** Okay.

We might as well get back to that infrastructure deficit that gets brought up by all the municipalities. The numbers are now ranging from \$17.2 billion currently to growing by the end of this business plan 2028 to \$40 billion. Is there a run-to-failure approach by this government? It seems to be how the municipalities are receiving it.

**Mr. McIver:** No. I don't think they are receiving it that way. I guess you may find an example or two where they say that, but I think there is some encouragement from our ministry to the municipalities. Not all of them have it, but we encourage them to have a capital replacement program to kind of keep track of where things are.

Now, run to failure is fine as long as it's on purpose. You know what I mean? If you say that, you know, the pipe is going to last 40 years, or the boiler is going to last for 23 years, so when year 22 or 23 comes up we're going to have enough money to buy a new boiler or fix the old one, I mean, that's planned. That's not blind run to failure, which I think is accepting: just let everything go till it breaks. We encourage municipalities to have a capital replacement program and try to keep track of what they own and try to be ready to repair it and to be surprised less.

But you and I both know that surprises happen all the time, right? You've got to buy, put a boiler in a building that should last 40 years, and it fails after 20. Life happens like that, and municipalities try to roll with the punches. We try to help them where we can. You know, even the major pipe failure in Calgary: they have a very substantial capital replacement fund, which was more than enough to fix that, but they were still surprised when it happened. Maybe because it didn't last as long as – I don't know. I guess I don't know all the ins and outs.

**Mr. Kasawski:** What I learned from that project is that the city was able to plan ahead and two years ago had ordered parts that were replacement parts which arrived just in time, so that's nice.

**Mr. McIver:** That's partially true, yeah, and partially they had help with somebody finding pipe down in the southern U.S. and put it on a truck and got it up, that they didn't have planned two years ago. But we work as a team with municipalities and try to assist.

**Mr. Kasawski:** Okay. I appreciate the time tonight, Minister and everybody here.

Thanks, Chair.

**The Chair:** Okay. The balance of the time will go to the government. Member Boitchenko, go ahead.

**Mr. Boitchenko:** Thank you. It's a long day here today, Minister, but you held up pretty good.

**Mr. McIver:** Hey. We could go more. Giddy-up. That's all I got to say about that.

**Mr. Boitchenko:** It looks like I can squeeze in a couple more questions here, which is much appreciated.

I understand that your ministry also administers federal funding to municipalities such as the Canada community-building fund, or as we call it, CCBF. This is line 5.1 of the government estimates documents. I know many municipalities were relieved this summer upon hearing that the province and the federal government were able to renew the agreement. It doesn't happen a lot that we agree on everything, but this time we agreed and can continue providing the much-needed funding to critical infrastructure such as water lines, which in our province we have to replace a lot of, and municipal roads. It also looks like the Alberta allotment increased from \$724 million from Budget 2024 to \$820 million on page 175 in Budget 2025.

**Mr. McIver:** Respectfully, the \$724 million to \$820 million is the LGFF, which increased by a hundred million dollars. The CCBF: we'll find the . . .

**Mr. Boitchenko:** How much was the CCBF?

**Mr. McIver:** Two hundred and seventy-six million.

**Mr. Boitchenko:** Two hundred seventy-six million.

**Mr. McIver:** That's, I think, \$10 million more than the year before. It went from \$266 million to \$276 million.

**Mr. Boitchenko:** Okay. Could you please explain and provide some details on how you guys came to an agreement with the feds on this?

**Mr. McIver:** Well, how a negotiation happens is a little hard to describe, but I will say in broad terms that the federal government has had a very flexible program for municipalities in the CCBF almost since the inception of it. It started out as the gasoline fund, again, back when I was a city councillor and dinosaurs roamed the earth. But they decided this year, the federal government, to put a lot more conditions on it and really narrow the scope of what municipalities could spend the money on.

I had conversations with the federal minister, and my staff had detailed conversations with the federal minister's staff, and we went back and forth enough times until – listen, I'm not happy that the federal government put more conditions on, but I'm very pleased that when we talked to them about what a problem it would be, they made it flexible enough that it was really useful for municipalities again. I would say, "I asked the minister." My staff did the heavy lifting. That's always the case. I take credit; they do all the work. We got back to something that we could sign off on, and we did, and municipalities are, I think, thankful and happy for it. I think municipalities will responsibly do a lot of good.

You know, we've heard people talking about the infrastructure deficit. Every time you get a couple of hundred million dollars, or \$276 million, that can put a dent, at least, in the infrastructure deficit. Municipalities are very good at trying to stretch those dollars and do those things.

**Mr. Boitchenko:** So they were trying to clip some wings, but you ended up getting a little bit more and a little bit more freedom, which is good.

Now, going on to 2025-26. Can you explain how this increase would determine the ongoing '25-26? Are we expecting to stay flat, or increase, or maybe . . .

**Mr. McIver:** No. I understand that Canada indexes that particular program at about 2 per cent per year.

**Mr. Boitchenko:** Okay.

**Mr. McIver:** I think that's where that increase comes from. We're grateful for that. I believe municipalities are grateful for that. Listen, Alberta sends a lot more money to Ottawa than comes back, so when we get a chance for something to come back, we like to grab it, and if it's for municipalities, we like to get it into municipalities' hands because they need it. They'll do good work with it. Albertans will benefit from it.

We're always pleased when we can come to an agreement with our federal government on this or others. To be clear, while we do feud with them on a lot of things, we actually agree with them on a lot of things, too. This is one of those examples, where it's a funding envelope that they wanted to distribute amongst Canadians and we were able to get them to agree with us that the flexibility was still needed there. We feel good about our role in it, and we feel, you know, happy about the fact that it's good for municipalities and happy for the fact that the federal government chose to work with us enough to get the agreement signed.

**Mr. Boitchenko:** Well, it was nice to see an increase there and that you managed to increase and get a little bit more latitude there as well.

If we can maybe touch a little bit, last minute, I guess, on the investing in Canada infrastructure community, culture, and recreation fund. I see on page 175 of the '25-26 government estimates under line 5.4 that the ministry is actually not expecting to receive funding from the investing in Canada infrastructure community, culture, and recreation program. I can also see that last reporting period, the ministry welcomed \$9.4 million to provide capital funding to items under the community, culture, and recreation stream. Could you please explain if they applied for any federal funding for the community, culture, and recreation program on that?

**Mr. McIver:** Just looking at this program here. Since 2018, 19 projects managed across multiple ministries, including mine, were approved and committed an entire \$140.3 million under the investing in Canada infrastructure fund's community, culture, and recreation stream. Of those projects Municipal Affairs really only saw one project under the community, culture, and recreation stream, the city of Red Deer's G.H. Dawe community centre expansion project. I think those that drive between Calgary and Edmonton or up and down that highway see that right beside highway 2.

**The Chair:** I apologize for the interruption, but I must advise the committee that the time allotted for consideration of the ministry estimates has concluded.

Thanks for the good job, everybody. Well done.

Minister, thanks for answering the questions.

I'd like to remind the committee members that we're scheduled to meet tomorrow, March 13, 2025, at 9 a.m., to consider the Ministry of Environment and Protected Areas.

Thank you, everyone. Meeting is adjourned.

[The committee adjourned at 10 p.m.]







