



Legislative Assembly of Alberta

The 28th Legislature  
First Session

Standing Committee  
on  
Resource Stewardship

Ministry of Municipal Affairs  
Consideration of Main Estimates

Wednesday, April 17, 2013  
7 p.m.

Transcript No. 28-1-23

**Legislative Assembly of Alberta  
The 28th Legislature  
First Session**

**Standing Committee on Resource Stewardship**

Kennedy-Glans, Donna, Calgary-Varsity (PC), Chair  
Anglin, Joe, Rimbey-Rocky Mountain House-Sundre (W), Deputy Chair

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Barnes, Drew, Cypress-Medicine Hat (W)  
Bikman, Gary, Cardston-Taber-Warner (W)  
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Blakeman, Laurie, Edmonton-Centre (AL)  
Calahasen, Pearl, Lesser Slave Lake (PC)  
Casey, Ron, Banff-Cochrane (PC)  
Fenske, Jacquie, Fort Saskatchewan-Vegreville (PC)  
Hale, Jason W., Strathmore-Brooks (W)  
Johnson, Linda, Calgary-Glenmore (PC)  
Khan, Stephen, St. Albert (PC)  
Kubinec, Maureen, Barrhead-Morinville-Westlock (PC)  
Lemke, Ken, Stony Plain (PC)  
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Sandhu, Peter, Edmonton-Manning (PC)  
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\* substitution for Pat Stier

**Also in Attendance**

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## **Standing Committee on Resource Stewardship**

### **Participants**

#### Ministry of Municipal Affairs

Hon. Doug Griffiths, Minister

Mike Leathwood, Assistant Deputy Minister

Anthony Lemphers, Assistant Deputy Minister, Corporate Strategic Services

Colin Lloyd, Managing Director, Alberta Emergency Management Agency

Michael Merritt, Assistant Deputy Minister, Local Government Services

Ivan Moore, Assistant Deputy Minister, Public Safety

Paul Whittaker, Deputy Minister



7 p.m.

Wednesday, April 17, 2013

[Ms Kennedy-Glans in the chair]

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

**The Chair:** Welcome, everyone. Note that we are considering the estimates for the Ministry of Municipal Affairs for the fiscal year ending March 31, 2014.

The mikes are operated by *Hansard*, not you.

We'll go around the table for introductions. I'll start with my deputy.

**Mr. Anglin:** Joe Anglin, MLA, Rimbey-Rocky Mountain House-Sundre.

**Mr. Webber:** Len Webber, Calgary-Foothills.

**Ms Calahasen:** Pearl Calahasen, Lesser Slave Lake.

**Mr. Sandhu:** Good evening. Peter Sandhu, Edmonton-Manning.

**Mr. Khan:** Good evening. Stephen Khan, St. Albert.

**Ms L. Johnson:** Linda Johnson, Calgary-Glenmore.

**Ms Fenske:** Good evening. Jacquie Fenske, Fort Saskatchewan-Vegreville.

**Ms Kubinec:** Maureen Kubinec, Barrhead-Morinville-Westlock.

**Mr. Bilous:** Deron Bilous, MLA, Edmonton-Beverly-Clareview.

**Ms Blakeman:** Laurie Blakeman. I'd like to welcome each and every one of you to my fabulous constituency of Edmonton-Centre. Thanks to the minister, and thanks particularly for bringing the guy in the back with the answers. I really like that. Thank you.

**Mr. Merritt:** Mike Merritt, assistant deputy minister of local government services, Municipal Affairs.

**Mr. Griffiths:** Doug Griffiths, MLA for Battle River-Wainwright.

**Mr. Whittaker:** Paul Whittaker, Deputy Minister of Municipal Affairs.

**Mr. Leathwood:** Mike Leathwood, assistant deputy minister, housing division, Municipal Affairs.

**Mr. Stier:** Pat Stier, MLA, Livingstone-Macleod.

**Mr. Rowe:** Bruce Rowe, Olds-Didsbury-Three Hills.

**Mr. Barnes:** Drew Barnes, MLA, Cypress-Medicine Hat.

**Mr. Hale:** Jason Hale, MLA, Strathmore-Brooks.

**Mr. Donovan:** Ian Donovan, Little Bow.

**Mr. Casey:** Ron Casey, Banff-Cochrane.

**Mr. Lemke:** Ken Lemke, Stony Plain.

**Mrs. Dacyshyn:** Corinne Dacyshyn, committee clerk.

**The Chair:** Thank you, everyone.

Five hours have been allocated to consider the estimates for this ministry, and we completed two hours this morning. I'll probably

call a five-minute break near the midpoint, just depending on where we're at.

Committee members, ministers, and other members who are not committee members may participate. Members' staff and ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee.

As noted earlier, I'd like to remind all members that during main estimates members have seating priority at all times. If additional members arrive and there are no seats available, staff will have to move.

If debate is exhausted or we're exhausted prior to five hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn; otherwise, we will adjourn at 10 o'clock.

Points of order will be dealt with as they arise, and the clock will continue to run.

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

Vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 22, 2013.

There is one amendment being proposed by the Wildrose caucus. Are there any other amendments being proposed? Okay. I'll just comment on the amendments. An amendment to the estimates cannot seek to increase the amount of the estimates being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount.

Vote on amendments, as I said, is deferred until Committee of Supply on April 22, 2013.

Written amendments must be reviewed by Parliamentary Counsel prior to the meeting at which they are to be moved, which I understand is the case here. Twenty-five copies of amendments must be provided at the meeting for committee members and staff.

I'm just going to remind everyone where we are in the process. We have Mr. Casey from the PC caucus. He began briefly the 20-minute block of time allocated to the PC caucus. Mr. Casey, you have exactly 18 minutes and 22 seconds remaining in your back and forth with the minister. After that we are going to move to the 10-minute speaking blocks, where any member can speak under 59.01(6)(e). I will talk to that rotation, and it will be consistent with what we've been doing since the beginning of these estimates for this committee.

With that, I will turn this over to Mr. Casey. I assume you want to continue with the back and forth.

**Mr. Casey:** Yes, please. I'll try not to use the time up with a rant.

Item 6.5, tank remediation program. I know you've already had a question on this. The operational has gone from \$345,000 to \$435,000, so up by \$100,000. The capital, on the other hand, has gone from \$2 million to \$6 million last year and to \$4.9 million. I'm always curious when the operational expense doesn't seem to follow the capital expense because logic would tell you that if you were having more work to do, you would need more help to do that, and in years when you don't, you don't. I'd just like to understand that.

**Mr. Griffiths:** I appreciate the question. I'm going to ask Ivan to come up and provide some details. The tank remediation program has been exceptional for people who want to remediate property. Though we're not taking new applicants, we do have a few years where we're phasing in the completion of the projects we have. I

know that's where the numbers will come from, but Ivan will provide some specific details to that.

**Mr. Moore:** The change in the manpower estimates in the operational budget is related to enhancements or changes to a computer program and changes in the salary due to the normal increases in salary for staff. The change in the capital program is because this is the last tranche of the capital approved by government for this program. That \$4.9 million this year is the remainder of the funding to finish the work on the remaining sites in the program. The profile on the capital allotments over the last number of years has been based on what availability through the budget process has been. That changes because it's the last bit of money that we're going to be putting into the program.

**Mr. Casey:** Thank you very much.

Just to that, your business plan, for example on page 60: because the program is ending, is that why it doesn't show anything about tank remediation? Where would I find that in your business plan?

**Mr. Griffiths:** Yes, that's because it's the final year of the program. So there won't be anything going forward unless we have a policy decision to renew the program, but that's why it disappears.

**Mr. Casey:** Okay. I'm curious just because that is somewhat different than other ministries, where they showed previous years and then showed that it simply zeroed out over the next three.

**Mr. Griffiths:** Yeah. I think that in those circumstances maybe there's no budget for those programs, but they plan on reintroducing them. There's been no plan to reintroduce this program or re-fund it, which is why it just disappears as a line item.

**Mr. Casey:** Okay. Line 7.4 of your estimates, page 182, disaster recovery. Again, I'm struggling with the \$244 million down to \$27 million. How did that come about?

**Mr. Griffiths:** We have the budgets for disaster recovery, but Slave Lake still gets factored into there from the past, and that was quite a significant contribution to help rebuild much of that community, which is why the number seems skewed. We continue to support disaster recovery, but the total dollars set aside, which includes the disaster recovery components from Municipal Affairs, from Environment and Sustainable Resource Development, from the other ministries, is one budget item that we have a component of. But our previous year's numbers include Slave Lake as we transition the last year of that.

**Mr. Casey:** Okay. My question would be, then: in Sundre for example, where they had issues with flooding and had to rebuild the banks and so on and so forth, where does that money come from?

**Mr. Griffiths:** The money for . . .

**Mr. Casey:** For the actual work. Yes. Where is that found?

**Mr. Griffiths:** You know what? That particular one I'll let Mike answer in a second. It does get a little challenging because we're responsible for the full costs on a \$1 per capita initiative, which takes us to about \$3.1 million based on the previous agreement with the federal government. After that they start to ramp up their contribution for disaster recovery. I wouldn't have been sure if

that one flowed through us in Municipal Affairs or if, because it was a bank of a river, it would have flowed through Environment and Sustainable Resource Development. Mike indicates that it came through . . .

**Mr. Merritt:** Two years ago \$2.4 million came through the regional collaboration program for the bank stabilization in the Sundre area.

**Mr. Griffiths:** That was for mitigation, not for recovery, correct?

**Mr. Merritt:** Right.

**Mr. Griffiths:** So those are two different – the program that I'm referring to is about disaster recovery when a disaster has taken place. We also are continuing to work with the federal government on disaster mitigation and risk mitigation because, frankly, as these disasters become, it seems, more frequent but definitely more costly, it's going to be cheaper in the long run to continue with mitigation. Since with the federal government the larger the disaster, the more they pick up, we're trying to work with them to get them to support more of our mitigation efforts so we don't have the disasters in the first place.

7:10

**Mr. Casey:** Where would I see the dollars, then, that are set aside this year for that program?

**Mr. Griffiths:** They'll be in Treasury Board and Finance, I believe, under the sustainability fund.

**Mr. Casey:** All right. So it's nothing to do with Municipal Affairs?

**Mr. Griffiths:** No. All of Municipal Affairs, ESRD, and the other departments are under one general disaster recovery fund – that's my understanding – which is under Treasury Board and Finance.

**Mr. Casey:** Okay. Thank you.

Housing. It's tough for me to figure out what's going on with housing here because there are programs that are dropping off, obviously, and there are other programs that are being added. It's hard to get a handle on it. Under section 10, housing, what exactly is included in that section? I mean, obviously, Alberta Social Housing is, but what else is in there?

**Mr. Griffiths:** Well, just about everything we have to do that's nonmedically related in housing falls under Municipal Affairs. Whether it is social housing, seniors' housing, seniors' self-contained, the lodges, the rent supplement programs, all of it falls under housing. I'll let Mike flesh out a little bit more of the details for you, but all of that falls under housing.

**Mr. Casey:** It might be easier if we just looked at 10.2 – I'm just curious about that line – housing capital programs, for example. Maybe just explain to me what that line is.

**Mr. Leathwood:** Actually, that line there is just the staff costs. Those first four lines – divisional support, housing capital programs, stakeholder relations, housing funding and accountability – are the staff costs within the department which support the Alberta Social Housing Corporation. You'll see that all the other funds are transferred from the department to the Alberta Social Housing Corporation, and then we deliver the programs through our housing management bodies through the corporation.

**Mr. Casey:** So there are roughly \$9 million of staffing costs, then, to handle housing. Is that right?

**Mr. Leathwood:** That's right.

**Mr. Casey:** Okay. That was a good one. Who knew? Well, it's always nice. It's just like Christmas, you know. You think you're getting one present, and there comes another.

Alberta Social Housing Corporation. I know there are some changes going on there this year and some shifting around. Maybe you can explain that to us. It's really difficult to figure out what's going on when you're just trying to look at the dollars.

**Mr. Griffiths:** Again, Mike can give some details, but the Alberta Social Housing Corporation was created over 40 years ago. Its function was very robust years ago, and it hadn't done anything except manage the existing portfolio of housing resources that were owned by the province of Alberta, which is approximately 26,000 housing units around the province.

We decided to reinvigorate the corporation. There is a little over \$260 million in the corporation that has been accumulated cash in the bank on managing those assets, but a lot of those assets are becoming older. They're not as functional as we would like them to be or don't meet the needs of the seniors' population that would utilize them now. So we're utilizing the corporation, rejuvenating it so that we can do a long-term real estate strategy to make sure that the housing portfolio we have, whether it grows or whether we shrink it in some areas and expand in others, meets the needs of people today and for the next 20 years. It takes a lot of long-term strategic planning to make sure the portfolio does that.

Mike, do you have any details you'd like to lay out there?

**Mr. Leathwood:** No. Actually, you summarized it quite well. I can touch very briefly again on the line items. The assistance to the Alberta Social Housing Corporation debt repayment is the transfer from the government to the corporation for the principal portion of remaining outstanding debt that sits within the corporation. Some of that will be retired shortly, others longer term.

**Mr. Casey:** Sorry. I don't want to interrupt you, but rather than us going back to that point, can you just give us a number as to how large that debt is?

**Mr. Leathwood:** Yeah. The current debt will be as of March 31 about \$172 million. As the minister said, the corporation was originally set up over 40 years ago, and along the way it took on general revenue fund debt and debt with the federal government to develop housing. One of the reinvigorations we're looking at is, again, whether the corporation should take on debt again as a mechanism to lend to management bodies and reinvest from the portfolio going forward. There is still outstanding debt to be retired through the corporation.

The supports to housing providers, \$6.6 million, I touched on earlier. That's money that is transferred into the corporation to offset operating subsidies that are paid to management bodies who operate seniors' apartments and community housing units. We also recover about \$50 million from the federal government that goes into the corporation towards that.

The \$52 million that is transferred into the department for rent supplement is also provided to management bodies who actually provide the rental assistance. They work with the clients off their waiting lists and provide the rental assistance. We transfer the money to the corporation and then out to the management bodies.

The money that's transferred over for the seniors' lodges is operating support as well that is transferred back out to the management bodies through the corporation for operating assistance to the seniors' lodges.

There is a small amount of money that's also transferred over for our special-needs program through the corporation to assist about 1,600 people.

So there are about 50,000 households across Alberta that are assisted through the corporation as well as the maintenance and renewal of 26,000 housing units around the province.

**Mr. Casey:** Thank you.

Just a last couple of questions on housing here. I just need to find the line again. I shouldn't have taken my eyes away. Special-needs housing went from \$800,000 last year to \$5.8 million this year. That's on page 191 under Alberta Social Housing Corporation, statement of operations. I'm assuming that's a good-news story. So I'd like to know where that \$5 million is going to be utilized.

Lastly, I'd like to understand the relationship of Alberta Social Housing. What is the governance model that they have, and how does that relate to the province? Are they a stand-alone corporation with their own board of directors, or are they interconnected? If they are a stand-alone, then I'm curious about the \$9 million of staff time. Over in section 10 I'm curious about the \$9 million of staffing there.

Anyway, if we can work in reverse order there. The special needs: I'm curious about that \$5 million increase.

**Mr. Leathwood:** I'm trying to think of the line item. Yeah. A very good question. It's within the corporation; again, a move we made this year. The special-needs program in previous years was paid directly out of the department. We moved it into the corporation, so the \$800,000 that you're looking at was the previous expense in the corporation for a small part of the special-needs program. The other part of the \$5 million was actually in the department in previous years. We've moved it into the corporation to be consistent with program delivery.

The \$5 million is subsidy assistance that we provide to nonprofit operators who provide special-needs housing. We recover \$3.8 million, or 70 per cent, of that from the federal government, so it's only a cost to the province of \$1.7 million. But it is a good-news story because it provides affordable, safe, secure housing for special-needs people around the province.

**Mr. Casey:** Does that recovery come to Municipal Affairs, then, or go to Alberta Social Housing?

**Mr. Leathwood:** It goes to the Alberta Social Housing Corporation.

**Mr. Casey:** I'm just curious, then: under their operation line, under their revenue, where would I see that \$3.8 million coming back?

**Mr. Leathwood:** Well, it's consolidated in the top. You see transfers from the Canada Mortgage and Housing Corporation, \$72 million?

**Mr. Casey:** Yeah.

**Mr. Leathwood:** It's in that amount. You'll see the money coming for special needs. You'll see the money coming for social housing operations. There is some money that's also contributed

towards the debt payment. We could get you a full breakout if necessary of each one in that revenue number.

**Mr. Casey:** Okay. And just on the governance model?

**Mr. Griffiths:** On the governance side we have other ministry representatives, too, because, of course, the Alberta Social Housing Corporation covers the seniors' self-contained, rent supplements, affordable housing, the lodges. So we have representatives from other ministries, too, because housing overlaps other ministries. We talk about that all the time. Our deputy minister and our ADMs sit on there as well as myself so that we can make sure we have co-ordination between departments.

**Mr. Casey:** Are there public members or any housing providers on that board?

**Mr. Leathwood:** There are. Again, the board of directors is clearly outlined in the Alberta Housing Act. It says right in the Alberta Housing Act because that controls the operations of the corporation. The minister is the chairperson, the deputy is the president, and it names the officials who can sit on it. There is an authority, if the minister wanted to look at it, to expand that, but as it sits in the legislation, it's not specifically named.

7:20

**Mr. Casey:** Just to be clear, it's set up as a corporation. Why? I know it was 40 years ago or whatever, but why is it set up as a separate corporation and not just a function of Municipal Affairs?

**Mr. Griffiths:** Well, it's hard for me to go back 40 years, but my projection now would be that instead of simply being a function of Municipal Affairs, the corporation affords the opportunity for other ministries to sit on there, to do formal business plans, to have statutory borrowing powers. Those sorts of things would fall under a corporation rather than directly with Municipal Affairs because, of course, we can't borrow. That's what I would suggest, but I don't know why Peter Lougheed set it up 40 years ago.

**Mr. Casey:** No. I'm just curious as to why we keep it going that way, but the answer is because of the crossministry.

**Mr. Griffiths:** Well, right now I can tell you that part of the reinvigoration for the Alberta Social Housing Corporation is that it has a unique and exceptional opportunity to partner with our regional housing authorities, to be an intricate partner with them on developing long-term plans for housing on a community-by-community basis. They have the ability right now to do a lot of things that you simply can't do within the Ministry of Municipal Affairs: like I said, having the ability to borrow and to lend and to be that partner that can bring local priorities into the picture better than the ministry can, I think.

**Mr. Casey:** Okay. Thank you.

By the way, my experience locally, anyway, is that it's worked very, very well. We've always had good experiences with it. I'm just curious about the way it was being reported here.

**Mr. Griffiths:** My deputy just wanted to add one more comment.

**Mr. Whittaker:** Your question about the \$9 million in staff costs: that's actually the housing division. The corporation itself has no staff. It's not allowed to by legislation.

**Mr. Casey:** Okay. I'm just a little curious, then. We do have \$190 million worth of operational expense, and if we have no staff in

there, then I'm curious about what the \$190 million worth of operational expense is in Alberta Social Housing.

**Mr. Griffiths:** The \$190 million is all the transfers to the other local authorities and our partnerships going forward. It's not staff. I think the legislation said no staff because, frankly, we didn't want the corporation to build itself a bureaucracy.

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

Thank you, Mr. Casey.

We're going to now go to the less prescribed part in the standing orders. Individual members will speak for five minutes maximum, and the minister's response is five minutes, and you can combine your time for 10. You can't share your time with another member.

I will go through what I've got for my list right now. It may change if people want to withdraw or move different individuals in, but this is what it looks like right now: Rowe, Sandhu, Donovan, Johnson, Blakeman, Lemke, Bilous, Kubinec, Rowe, Calahasen. Then it stops, but we can keep going if you need to. I assume that Ms Blakeman and Mr. Bilous will always take their rotations.

We'll start with Mr. Rowe. Do you want to combine your time with the minister's, back and forth?

**Mr. Rowe:** Yes.

**The Chair:** Okay.

**Mr. Rowe:** Thank you, Madam Chairman. At this time I would like to file a notice of amendment, and it reads as such. I move that

the 2013-14 main estimates of the Ministry of Municipal Affairs be reduced as follows:

- (a) for the minister's office under reference 1.1 at page 182 by \$339,000,
  - (b) for the associate minister's office under reference 1.2 at page 182 by \$285,000,
  - (c) for the deputy minister's office under reference 1.3 at page 182 by \$110,000,
  - (d) for support services under reference 1.4 at page 182 by \$824,000,
  - (e) for major legislative projects and strategic planning under reference 2.1 at page 182 by \$1,255,000,
  - (f) for municipal services under reference 2.2 at page 182 by \$1,736,000,
  - (g) for grants and education property tax under reference 2.3 at page 182 by \$1,353,000,
  - (h) for assessment services under reference 2.4 at page 182 by \$883,000,
  - (i) for Municipal Government Board under reference 8 at page 182 by \$178,000
- so that the amount to be voted at page 181 for operational is \$402,375,000.

Can I carry on with my questions now?

**The Chair:** Absolutely.

**Mr. Rowe:** Thank you.

This question comes from my colleague from Rimbey. As you know, housing authorities have the ability to enter into mortgages. If these housing authorities can obtain a mortgage to invest in new infrastructure, this in turn will help stretch your dollar by partially funding projects. This will provide additional funds for new infrastructure. Will you give housing authorities access to the Municipal Financing Corporation, ACFA, and when can we expect this fund to be opened up to authorities other than municipalities?



**Mr. Griffiths:** Stay tuned.

**Mr. Rowe:** I think that's good news.

**Mr. Griffiths:** Stay tuned. You know, we hear from a lot of municipalities about the challenges that they have. Their housing authorities oftentimes get limited by what the borrowing capacity of the municipality is, and then the municipality winds up in a quandary, choosing between really necessary housing within the community and whether or not they're going to fix the water or sewer. It puts them in a tough position.

We are exploring what sort of options are available while still ensuring that we have the accountability back to the taxpayer so that poor business decisions aren't being made and there is some oversight and authority. We're working on some solutions, and I still anticipate and hope they'll be coming soon.

**Mr. Rowe:** Thank you.

I'd like to go back to the regional collaboration program. There has been a substantial increase in funding for the regional collaboration program in this budget. You've said that less money in MSI but more in regional collaboration means municipalities will still be receiving around the same amount from government. Why the change? With this change will each municipality still be receiving the same amount they would have if MSI had been increased or only the municipalities with projects you approve under the regional collaboration program?

If I could just continue. In, I believe, your fiscal plan, page 41, under honour Alberta's communities, you state:

The budget for this program will increase by \$20 million in 2013-14, to \$29 million. By 2015-16, another \$35 million will transition from MSI operating grants to this program to support greater intermunicipal and regional collaboration.

That's kind of worrisome for me because, to me, if you're reducing the MSI operating grants by \$35 million to fund this program, that means less money going to all of the other municipalities. That's the way I interpret this, so could I get your response to that?

**Mr. Griffiths:** Yeah. It's not just about the same; it's actually \$20 million more because the MSI operating remains the same this year at \$50 million. We have \$20 million extra going into regional collaboration to support what I've said before, transformational-type initiatives to get more partnerships and co-operation together.

I know there have been questions about the reduction in MSI operating and the dollars going directly over to regional collaboration. It will mean that municipalities won't automatically get the money to help with their operating. They will be eligible to receive the funding when they come up with innovative collaboration projects to help make sure they're sustainable. Everything – everything – our department has been doing and that I've been talking about for two years is about ensuring long-term prosperity and sustainability for communities.

The idea is that to carry on with MSI operating, that in essence props up communities that don't have the tax base to deal with their operating, if we can instead transition the funding over so that they can find ways to collaborate and partner to ensure their long-term prosperity 20 years from now so they're not dependent on a provincial government program that pays for their operating – heaven knows; what if another party or another government comes along and decides they want to cut billions out of the budget and says that MSI is the first one to go? That would put every municipality in an immediate quandary. We want to make sure we have a transition plan to put them in a prosperous place for generations to come without reliance on the provincial government.

**Mr. Rowe:** I promise we won't do that, Minister.

**Mr. Griffiths:** Thank you.

**Mr. Rowe:** I've still got a few minutes, have I?

7:30

**The Chair:** You have four more minutes. Yes.

**Mr. Rowe:** Thank you.

The disaster recovery programs are, rightly so, an important part of what Municipal Affairs provides. However, as some of my colleagues have raised in the House regarding the Medicine Hat flash flood of 2010, it can be difficult for claimants to receive information and assistance from government officials. Will you commit to increasing transparency for disaster victims by informing them in plain language of how compensation is calculated?

**Mr. Griffiths:** I have to disagree a little bit. Out of the over 3,000, I believe, claims that went through, we're down to maybe 40 that aren't satisfied. I think it has been very transparent. It's easy for people to say that it's not transparent when they don't like the results in the calculations. We always endeavour to improve the transparency and make sure everyone knows what's there, but it is written in pretty plain language. It's just that some people will disagree with what the settlement may be. The entire intent of our disaster recovery programs is to replace the infrastructure at the value that it was, not so that anyone can profit. These are taxpayer dollars we have to be very considerate of.

**Mr. Rowe:** Okay. The capital funding for disaster recovery has been reduced significantly, and I have to ask why. Will you be coming back to supplementary estimates and ask for increases, as has happened before?

**Mr. Griffiths:** Yeah, we will if we have more disasters. The sharp decrease is because we're moving out of the Slave Lake disaster, so the funds are going down. It is so hard to budget for disasters, which is why it's all moved into Treasury Board and we don't have money set aside for it. We saw a dramatic increase in 2010, the need for a disaster claim. In 2011 it increased even further. In 2012 there was a decline. Our anticipation is always that we hope we don't need it. The impression about budgeting in Municipal Affairs on what it's going to cost us would make people nervous in that that's the only money we have available.

Really, when we have a disaster, we're obliged to be there with resources to help support Albertans. That's why we leave it over in Treasury Board, and I'm sure that that's where it is. We don't have a specific budget except for the disaster recovery programs we already have in place where we're providing funding. You know, if the disaster happens in the summer, it's not done by the fall. Sometimes it takes two or three years to do the full assessment and to pay out the claims and deal with everybody. That's the budget that you see there.

**Mr. Rowe:** Okay. Thank you.

Am I about out of time?

**The Chair:** You have another minute.

**Mr. Rowe:** Ah. Can you provide a breakdown of how much of \$59.4 million will be spent on the disaster recovery program and how much will be spent on the municipal wildfire assistance program? I hope that's clear enough because it's only half of the original question.

**Mr. Griffiths:** Colin will read the breakdown for you.

**Mr. Rowe:** All right. Thank you.

**Mr. Lloyd:** In terms of 2012-13 there were 15 disaster recovery programs. In terms of flooding . . .

**Mr. Griffiths:** Colin, read fast.

**Mr. Lloyd:** Oh, faster. All right. Okay.  
For municipal wildfire it is \$620,000.

**Mr. Rowe:** Thank you.

**Mr. Griffiths:** Thanks, Colin. We can send the numbers to the committee so you can get the full breakdown.

**Mr. Rowe:** That would be great. Thank you.

**Mr. Griffiths:** Yeah. You're welcome.

**Mr. Rowe:** Okay. I'm done?

**The Chair:** You are done now. Thank you. But I don't think you're done, Mr. Rowe.

Mr. Sandhu, would you like to go back and forth with the minister?

**Mr. Sandhu:** Yes, please. Thank you, Madam Chair.

Thank you, Minister and your staff. I want to start. You know, you're doing a very good job. Talking about the new-home warranty program this morning, MLA Bruce Rowe asked a question about the home warranty program, and you made the comment "shoddy builders." Mr. Minister, I'd just like to explain to you that I'm sure there are not many shoddy builders out there, but there are a lot of shoddy nonticket trade individuals out there. Especially when short of labour, builders do use those people. Is there any regulation in place to protect home builders or consumers from the poor work done by the nonticket people working in the trades like concrete finishers, roofers, stucco, siding, many more? I would say that about 31 nonticket trades work in the home industry.

**Mr. Griffiths:** Sorry. I'm not sure what you were asking. I don't deal with the trades. It doesn't fall under Municipal Affairs. My reference to shoddy builders was a general term. It could be the carpenter. It could be any of the trades, whoever is doing a poor job and not meeting the building codes. I quite frankly don't care who it is. They shouldn't be building in Alberta, and the new-home warranty is intended to make sure that they don't because it's the largest purchase that most people make in their entire lives, and they deserve to have a quality product and warranty if it's not.

**Mr. Sandhu:** So what are you doing to improve the quality of residential construction?

**Mr. Griffiths:** We have building codes that lay out quality construction, and most of the challenges that we've had, whether it's the leaky condo syndrome or poor-quality houses or building envelope issues, exist because building codes have not been met. The quality of our codes should ensure the quality of our buildings. Providing the new-home warranty will make sure that those who are building homes are meeting those codes, and that should help ensure that we have quality homes.

**Mr. Sandhu:** Well, it's not your ministry. I don't know who you're going to refer it to. The only way you're going to get the

quality construction work is if you have good trades. No builder out there intentionally does some bad stuff or builds bad condos or bad houses that will leak. So we need to put controls on these nonticket trades. Either your ministry or the ministry of advanced education or whatever needs to educate those people.

**Mr. Griffiths:** Well, the trades don't fall under this ministry, so I'm afraid I can't comment on that.

**Mr. Sandhu:** Okay. I'll go to the next one.

As a part of your mission in your ministry the role is to support municipalities and their communities. I see new families with young children going to communities in new residential areas. Is there a portion of your budget that has money to build playgrounds for the families in the new neighborhoods?

**Mr. Griffiths:** No.

**Mr. Sandhu:** Okay. Mr. Minister, building playgrounds in the old days only cost you about \$80,000 to \$90,000. In new areas if you're building these new playgrounds or parks, it costs you about half a million and up. My question to you: is there any way that when any builder building in new areas – if lot prices are about \$100,000, they can easily add another \$1,000 to the price of the lot, and that \$1,000 levy is set to the side for when a community wants to build a park or playground, whatever.

Let's say that, for example, you've got 100 lots. You've got \$100,000 sitting already, so you can start that process rolling. My communities out there like Brintnell and Hollick-Kenyon: the communities are older, like 15 years, and they don't have a playground. They are starting to raise money to finish their playground and finish their work, but it's very hard to sell enough \$1 burgers or hot dogs to raise half a million dollars.

I know that Strathcona-Sherwood Park has some kind of monthly levy system. They put \$1,000 aside for each lot, and for 100 lots they get \$100,000. Then CIP or CFEP can kick into those, so they start with \$200,000. Can we do that in the big city all over, the northeast, southeast, west? We have a growing problem with the new big cities.

7:40

**Mr. Griffiths:** Well, I'm the Minister of Municipal Affairs, but I'm not the mayor of every community. Right now we already in the MGA have off-site levies available for municipalities. When they're doing a development, they charge a levy to developer to cover costs like that specifically. In fact, I've heard from some developers – whether it's accurate or not, I have yet to have time to do any research on it – that have suggested that they get criticized by members of the public that they're not paying for a playground when, in fact, they are being charged an off-site levy, but it's not necessarily being used to build the playground by the municipality.

So this does fall completely within the discretion of a municipality. They have the capability because of what's written in the MGA.

**Mr. Sandhu:** Mr. Minister, before I ask you a question, I've already gone to the mayor and councillors for the last four years. We had, I think, two or three meetings regarding this. They said: "We cannot do it. You have to go to the Minister of Municipal Affairs." Correct it. That's true. I can tell you the dates when I met those councillors and the mayor of the city of Edmonton. It's a circle, right? As the communities are growing, if you can look at the northeast, southeast, it's very hard with today's money. We just need your help, whatever. You're not mayor of the city, but

we need your department to look at how we can help the growing demands.

**Mr. Griffiths:** The municipality has the power in the MGA to do it. I have half the people ask me all the time to leave municipalities alone because they're autonomous, mature bodies that can manage their affairs, and the other half of the time everybody wants me to step in and tell the city or town what to do when they don't like what they're doing. They have the ability – they have the power – to levy it. They can pass the buck all they want. I can show you where it says it in the MGA and where they have the ability and the power. I can even probably have a few communities volunteer to show you where they have issued the levy and used it to build a playground.

**Mr. Sandhu:** I think it will be best, Minister, if you and the mayor and councillors get together to figure out where that paper is written so, you know, we can clarify that stuff.

My next question is on the arena, the new arena in Edmonton, hundreds of millions of dollars. Many still want the province to pay for the gap. Can you once again make it clear what the province's position is on the notion?

**Mr. Griffiths:** MSI. We have MSI that we provide to municipalities so that they can make the decisions on what the priorities are for the people they represent. It doesn't matter what community it is. That's where the resources come from for municipalities from the province of Alberta.

**Mr. Sandhu:** A leading question, city charters. You already said in the House that there is new legislation coming this fall.

**Mr. Griffiths:** No. I didn't say legislation. We're still working it out with the municipalities. I know I'd like to have something for everyone to review now. It's still spring, so I'm still hopeful we can do it. This charter is not something that's just up to me. I'm not the only signatory on it. We continue to work with the other two municipalities until we have something that we can present.

I still assert that most of it is about what we've discussed so far, our relationship and how we're going to work together going forward, whether it's our relationship in dealing with the federal government or our relationship in dealing with agencies, boards, and commissions or relationships in dealing with other departments and how we're going to share the roles and responsibilities we have.

Trust me. Out of all the things that we undertake, 90 per cent of the services provided to Albertans are not exclusive to the provincial government or exclusive to a municipality. They're shared responsibilities. It's mostly about our relationships. I'm not sure how you can legislate relationships. Some of the stuff we'll need to change in other pieces of legislation. There will probably be changes to the Local Authorities Election Act or the Municipal Government Act, but a lot of it isn't something that can necessarily be legislated.

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

**The Chair:** Thank you, Mr. Sandhu.

Mr. Donovan, do you want to go back and forth with the minister?

**Mr. Donovan:** Sure, if that's okay with the minister.

**Mr. Griffiths:** Sure.

**Mr. Donovan:** Thank you. I just want to thank you and your staff for being here tonight. I know you've laid out quite a few times that it's not the funnest job to have. Having been on council for 16 years, I know the other side of it, too, of how many times you go to ask Municipal Affairs for guidance on what's going on. In saying that, the accountability. I was glad to hear earlier today you talk about streamlining the MSI funding and the paper trail for that. I hear that from a lot of the communities in my area. That was always a challenge, trying to get that done, especially for a lot of the smaller villages and towns that just don't have the administration capability to do all that, so that's a positive. I was glad to hear that.

One of the big challenges in one of the counties in my riding, the county of Lethbridge, is that they have large service feedlot areas, so there's a lot of heavy truck traffic through there. The MSI funding doesn't, I guess, tie into how it works for them. Do you have any plans in this budget where they would be able to work with a municipality like that, where they have a lot of heavy road traffic? They can't tax a feedlot, nor do they want to. It's a challenge trying to help out the poor farmers in these economic crises sometimes. Is there anything out there? I believe they've been in contact with you on trying to balance out how to do that. I'm just wondering if you had anything in this budget, if there's a line item where they could pull a little extra money out to help Little Bow.

**Mr. Griffiths:** Well, I know that in Transportation – and I know we've had budget challenges – there are things like the resource road program, but that generally seems to apply to oil and gas. It's more common in oil and gas wealthy municipalities that deal with it, typically more common. We have the ability for municipalities to enter into road use agreements that are designed to specifically deal with the truck traffic in isolated circumstances and the rebuilding of the road going down. So they do have the ability to explore that.

I'm probably going to get myself into trouble – I usually do – but I know that a lot of people have had discussions about the difference between typical agriculture and industrial agriculture, intensive livestock operations, that they're taxed at the same level, but because of the intensity it's suggested by some people that they should be taxed at an industrial level. I know that they wouldn't like that very much. Nobody wants to be taxed more.

Those are some of the issues that I know will come up when we talk about taxation on the Premier's council on municipal and provincial taxation. I highly doubt that there's going to be one single issue of taxation that won't come up because it's about the municipalities of the province identifying: we're all pulling from the same place; how can we make sure that we do it intelligently?

I know the challenges down there. There are some unique challenges. I would suggest the road use agreements to start with and then to keep watch for the long-term discussion as we go forward. Twenty-four per cent of the MSI currently is being directed towards roads and bridges for municipalities. I know that doesn't address the question because you're asking about more funding. I would start with the road use agreement.

**Mr. Donovan:** The resource road program was cut to zero this year. I know that's not your department; that's out of Transportation, I believe. It's just one of the challenges.

Mr. Sandhu talked about the building codes and stuff a bit. Just on the training on that, I have people in the riding, good builders, small builders that do five, six, 10 houses a year. It just depends. When the codes get changed, sometimes they have a hard time. Is there any conversation in your department on having training on

building codes, say, at SAIT and NAIT, where you could go once a year or every two years to catch up on the new codes? I think it's a bit of a challenge for some builders when the building codes get changed. I hadn't thought of it until I heard that question. It kind of tweaked me a bit.

**Mr. Griffiths:** I'd actually be really surprised if there wasn't. In some cases it would probably just be a day course to update somebody on the codes.

**Mr. Donovan:** I don't know if you have that or not.

**Mr. Griffiths:** I would guess that the Safety Codes Council should have some sort of manual update program or course that they could take.

Ivan, do you want to . . .

**Mr. Moore:** Yeah, if I may. Thank you. The Safety Codes Council initially provided training for safety codes officers, but they have begun providing similar courses for industry. The first one that you've seen has been the one that they developed over the last year around building envelopes specifically. Certainly, we will make sure that the demand is filled out there when the code changes.

**Mr. Griffiths:** We'll continue to watch that because that should be something . . .

**Mr. Donovan:** Thank you for that. It was just one of the things that had been brought up.

Do you use Service Alberta for your IT services?

**Mr. Griffiths:** Yes.

**Mr. Donovan:** How much do you line item for that every year? I saw a couple in here, but, I mean, there are different sections. One of them is technical services, 6.3, on page 182.

7:50

**Mr. Griffiths:** I know we have a government strategy to move every department to – it would help with information sharing and resource sharing instead of having little departments of IT in every single ministry. It makes sense. I'm not sure about the line item, though. It's coming.

**Mr. Donovan:** Yeah. One line item I just saw here, technical services: I didn't know if that was just all IT or not. It went up half a million dollars. All those things tend to keep climbing.

**Mr. Griffiths:** If you want to go on to another question, I'll have them pop up when they get that.

**Mr. Donovan:** Yeah. Now, back last spring there were some fires in the county of Lethbridge that came in from the west side, and it was definitely, again, challenging. Lots of constituents had some fire damage that they applied for through the emergency side that wasn't covered under insurance: yards, for instance. Some people down there, you know, had some very nicely landscaped yards. They bought the acreage with a nicely done yard, with rail ties and all the rest. The fire came through and didn't take out any buildings, which are insurable, but their yards got quite a bit of damage, I guess, trees and stuff like that. There was one situation where one of the ranchers had some cattle down. The animals didn't get killed, but their udders got burned, stuff like that.

There seems to be a challenge in there on what's uninsurable, or they didn't have it insured, so they're out the pocket money. Nobody ever really came to take the blame. Insurance companies

are finding out who they'll pay because they have to have a claim, who to blame for something, who's at fault. I guess nobody really was at fault on it. Is there a way you can sit and challenge any of those when they apply to get money through those funds and they get turned down? Is there a recourse system that you can go through, I guess an appeal system for those?

**Mr. Griffiths:** Well, we still may be partway through the process on this one. You're referring to the downed power line that started the fire.

**Mr. Donovan:** That's what's believed to have caused the problem, yes.

**Mr. Griffiths:** Right. So the investigation gets done, and the way our DRP system works is that if there is a responsible party, it's expected that they're supposed to pay the compensation. If there isn't a responsible party and all those avenues have been exhausted, then the DRP comes in to cover off things that cannot be insured, not if you don't have insurance but if you can't insure for that particular thing. We may still be partway through the process when it comes to that particular example about whether or not there is fault and who the liability rests with. I know that, personally, it's challenging to have the province jump in too fast if there is another party because it is taxpayers' dollars, and then it lets them off the hook, and it could set a precedent.

We're still in the midst of reviewing that case, aren't we?

**Mr. Lloyd:** Yes, we are still in the process. Everything the minister has said is correct, but one thing that needs to be cleared up is that if a person doesn't insure it but insurance was reasonably and readily available, then it is unlikely that it would be covered under the disaster recovery program. But as the minister says, the recourse is with the responsible party, and we've provided information about how to gain access to that responsible party.

**Mr. Griffiths:** We can get you some detailed information about that because I still think they're going through that process.

**Mr. Donovan:** Sure.

**Mr. Griffiths:** Did you guys have an answer for the other question?

**Mr. Lemphers:** The question that I heard was around what the IT spending is, but then when you finished off your question, you made reference to item 6.3 on page 182, technical services. Technical services isn't related to IT. Technical services is all about implementing changes to the safety codes and working with the Safety Codes Council. Is that really what your question was about?

**Mr. Donovan:** No. The IT was what it was. I was clarifying whether the technical services was part of the IT or not. A farmer, you know.

**Mr. Lemphers:** The ministry spends \$4.6 million centrally to support IT.

**Mr. Donovan:** Okay. Great. Thank you.

**The Chair:** Thank you very much, Mr. Donovan.

Ms Johnson, do you want to go back and forth with the minister?

**Ms L. Johnson:** Yes, I'd like to go back and forth.

Thank you, Minister. Thank you, officials, as well. I want to go back a minute on the budgeting for disasters. I have a constituent that I think I've had three conversations with now about that line item in the provincial government budget. As a member of a condo board he's suggesting that the provincial government consider setting aside annual amounts just like a condo association would have done. We have historical information that whether it's an unfortunate fire in Slave Lake or it's flooding in southern Alberta, it seems every couple of years there's something humongous that happens. So I'm asking the minister if that's ever been considered by your department.

**Mr. Griffiths:** Actually, although disasters fluctuate, there is a continuity, an increase, so if there is some ability to backfill and to fund disasters in different ways, whether it involves, perhaps, reinsurance or self-insurance or budgeting differently, we are evaluating that.

**Ms L. Johnson:** Okay. Thank you. I will send him a copy of your comments.

**Mr. Griffiths:** We're not evaluating it very vigorously because we have a lot on the books, but we have that in our head as something that we're going to continue to look at going down the road.

**Ms L. Johnson:** I'll be sure to put him in contact with you when he's next in town.

I'm going to move on to library services now. I find it quite intriguing that it's your department that has that. There are literacy programs across several different ministries, but the facilities are funded by Municipal Affairs. Actually, our colleague from Calgary-Hawthwood was telling me over dinner that whether it's an immigrant population or people coming from other parts of the country, the first two public services that new people to Alberta use are public transit and then our public library system. I think we have to remember that as we look at that budget, making sure that it's in place.

There's a reference to the Alberta public library electronic network, which is line 9.2. Thankfully, there's some growth in that. With our expected population increase, is that going to be enough?

**Mr. Griffiths:** Frankly, probably not. I have to tell you that 10 years ago I wrote the rural development strategy, and one of the key things that we discussed was the value that libraries have as a community hub. It doesn't matter if it's a farmer who identifies a weed and wants to know what it looks like or a senior who is looking for a book or a young person who is coming in to look for some resources and wants to use a computer or newcomers that are coming in for information about provincial programs or federal programs. I mean, it is the hub in every single community that we have.

Now, the reason why library services is in Municipal Affairs is because it is a shining example of the provincial-municipal partnership in shared services. I'd say that 90 per cent of all the services that we deliver don't fall under the confines of the province or a municipality. They're always shared in some way, and this is a fantastic example. They're municipally created entities. We provide some resources per capita to the libraries. We provide a tremendous number of services for the regional sharing of resources and the backbone of the system that helps make sure that it doesn't matter whether you're in Cold Lake or Canmore or Fort Macleod or Fort McMurray; you have access to every other

resource that could possibly be available in the province. That's where we spend a tremendous amount of our library resources.

It will continue to be a partnership between the province and municipalities because it's such a valuable resource. I always advocate that I hope that municipalities and the province continue to realize how valuable the service is as an information hub and a point of contact for so many people in the community and that we continue to endeavour on both sides to fund it.

**Ms L. Johnson:** Okay. Thank you.

In line 9.1 the number is going down. We're at \$1.7 million for 2012-13, and for '13-14 it's \$1.3 million for library services operations.

**Mr. Griffiths:** The man with the answers, Anthony. He knows libraries in and out. He's our man in libraries, so I'm going to have him address that.

If you don't mind, Anthony. Thank you.

**Mr. Lemphers:** There was a \$447 million reallocation from line 9.1, library services operations, to line 9.2, provincial library network. Thousand; sorry. A \$447,000 reallocation.

**Ms L. Johnson:** It would be nice.

**Mr. Lemphers:** I was thinking big there for sure. I apologize. A \$447,000 reallocation from library services operations to the provincial library network.

You'll notice with 9.1 that the actual spending under 2011-12, which was really mainly for the nine staff that are in the public library services area, was in the \$1.22 million range in 2011-12. The increase to \$1.341 million in 2013-14 deals with the salary increases. We had to reallocate the money to deal with the extra interlibrary loan costs that we pay for delivering the library materials across the province. So that's the reason for the transfer.

8:00

**Ms L. Johnson:** So we still have a high library usage in Alberta?

**Mr. Lemphers:** We still have a high library usage. Our performance measure on public libraries in the business plan shows almost 2 out of every 3 individuals use public libraries, 62 per cent, and we have other statistics which aren't in the business plan which show there were 40 million pieces of library resources circulated throughout the province the past year. So it's huge. Yeah, usage is high.

**Ms L. Johnson:** Okay. Thank you very much. Back to page 182, though. Anthony, you may want to stay there. Under the 2011-12 column it totals to \$31,760,000, but the department's website under funding has \$18.6 million for municipal operating grants and \$7.4 million for the library system. That totals to \$26 million, but this is \$31 million.

**Mr. Lemphers:** Yes, I can take that.

**Mr. Griffiths:** Thanks.

**Mr. Lemphers:** The other \$5.1 million mainly relates to three other areas that the province supports for all public libraries. We pay for SuperNet access for all of the libraries, \$2.2 million for SuperNet access across the province. We pay for interlibrary loan delivery, like I talked about. That's \$1.4 million that we pay to help deliver the 1.3 million to 1.6 million library resources across the province. We pay \$1.5 million to support public library

technology initiatives that help benefit the whole provincial library network.

**Ms L. Johnson:** Okay. Thank you.

In our community learning network set-up, which I know is another ministry, it's individuals, communities in locales across the province. The Internet ability, videoconferencing: is that part of the library system, or is that Agriculture now? Sorry. There was a videoconferencing system available through – and I think it was supported by Community Learning Network.

**Mr. Griffiths:** Yeah. I think that was actually a grant that they got from the Alberta rural development fund to help set up some of that. That wasn't through our department.

**Ms L. Johnson:** Okay. So it's not on any of the pages I can go to?

**Mr. Griffiths:** No.

**Ms L. Johnson:** Let's see. We've got that, and we've got that. I'm good. Thank you very much, Minister and Anthony.

**The Chair:** Thank you, Ms Johnson.

Ms Blakeman, would you like to go back and forth with the minister?

**Ms Blakeman:** Yes, please. Thank you very much.

Happily, a number of my questions have been answered while I listened to my colleagues ask questions, and for the most part the minister and his staff answered them, so thanks for that. Just let me go back on a few things. I think it was when we were talking about the MSI funding and the additional \$20 million that the department had put in for regional collaboration. At some point the minister talked about four mitigation programs that were removed. The question – oh, no. If you don't remember, we're hooped. I'm wondering how many of these mitigation programs remain on the list. I think it's associated with goal 1.2.

**Mr. Griffiths:** I don't recall talking about four mitigation programs, but we did have a mitigation program in the education portion of property taxes.

**Ms Blakeman:** You know what? I'm going to go back and pull it from *Hansard*, and I'll mail it to you. [interjection] I don't know. I've just followed the notes, and it's following along the stuff. I will pull it from *Hansard* and mail it to you, and we can do it that way rather than guessing.

The tank remediation. It's winding down, there are no new entrants, and it's not in the cities, so it's rural only. My question is: how many of the sites are yet to be remediated? As you wind the program down, will you have remediated every single tank site outside of the major cities?

**Mr. Griffiths:** I can tell you we will not have. There will still be a lot to do. We're working with Environment and Sustainable Resource Development on what sort of policy we should have to deal with brownfields because there still are a lot of them.

**Mr. Rowe:** Huge liability there.

**Ms Blakeman:** Yeah, there's a lot of liability to that. Yes, indeed.

I mean, we have chronic noncompliance in this area. They just raise their middle finger and walk away, and that's the end of their side of the discussion here. So why are you winding down the

program if we know there are still sites out there that need to be addressed, and we know that there are chronic noncompliers?

**Mr. Griffiths:** Well, that's why we're working on a policy right now. We know it needs to be addressed. The issue, though, I mean, for all the sites that I've ever seen in rural Alberta, the idea that they're chronic noncompliers . . .

**Ms Blakeman:** No, no. Not all. Some. Occasional.

**Mr. Griffiths:** But you know what? I wouldn't even go that far because every site that I've seen is usually from a gas station that shut down 20 years ago. No one knows who is around to hold the liability anymore. It's not as though they're walking away and saying, "I'm not paying for it" in these circumstances. When someone else owns the property and does development, the program was created so that it could help them remediate it. It's almost as though there's no fault. I mean, when a gas station closed down 20 years ago, it's hard to identify and say, "It's your fault and you have to clean it up" even if you can find the individual or find the company. Personally, I do believe that we're going to have to re-address this program. When we get this brownfield policy sorted out, it will help us figure out what we're going to do going forward.

**Ms Blakeman:** Okay. I know that's a frustration for many Albertans, that we can't find the original owners. You're right; there are not very many chronic noncompliers, but there are a lot of people that walked away, and now we don't know who they are, so it ends up being the taxpayer that foots the bill. I guess the point I'm trying to make here is that they didn't create the problem.

**Mr. Griffiths:** Yeah. Agreed.

**Ms Blakeman:** Okay. So you're going to keep working on that.

The housing plans. This is under vote 10, either operational or capital. You said that you have 6,300 units in the pipeline, and the grants are already allocated, so the money is not showing up. They're still building it. Where are these units? Are these units affordable housing? Are they social housing which is run by the government? Are they part of the homeless strategy? What are these units that are in the pipeline?

**Mr. Griffiths:** Yeah. It was \$1.15 billion that went out over five years to address homelessness. It was part of the homelessness strategy to deal with housing. A lot of them went to not-for-profit organizations that were either still looking for partners for the rest of the funds or were still working on fundraising or were still waiting until, quite frankly, there's capacity in the construction market. We anticipated to build 12,000 units. We're on target for 13,000. There are still 6,300 left. So the money is actually sitting there for those partners to come along.

**Ms Blakeman:** And collect their allocation.

**Mr. Griffiths:** Yeah. It's there.

**Ms Blakeman:** Okay.

**Mr. Griffiths:** If you wanted a breakdown – these are current – of the 11,636 units for affordable housing 4,775 are for family homes, 1,833 for the homeless strategy, 2,763 individual self-contained, 1,473 seniors, and 792 special needs. That's as of 2011. It's quite a mixture.

**Ms Blakeman:** Yeah. That is. Okay. All right. Thanks for that.

Goal 4.3, page 59, safety codes for energy efficiency and water. Is this a new program? I don't remember there being much about this before.

**Mr. Griffiths:** Sorry, which one was that?

**Ms Blakeman:** It's 4.3.

**Mr. Griffiths:** "Develop innovative safety codes in areas such as energy efficiency and water conservation." That's the one you mean?

8:10

**Ms Blakeman:** Yeah. Is it new? What programs is this covering? How long are they going to be in place? Are there performance measurements?

**Mr. Griffiths:** Yeah. This is new code development.

**Ms Blakeman:** New code development. Okay.

**Mr. Griffiths:** It hasn't typically been addressed in very many jurisdictions. I'm a big fan of finding ways that we can safely use grey water so that we can find efficiencies. We don't really have guidelines around that.

**Ms Blakeman:** Okay. You get a gold star for that.

**Mr. Griffiths:** Oh. Thanks.

**Ms Blakeman:** You do. Grey water is very important, and we're not doing anything about it.

**Mr. Griffiths:** There are a lot of people who want to try to include new technologies and development, but we don't have anything around safety codes so that they know what's going to be required of them when they do it. We're working on developing those right now.

**Ms Blakeman:** Okay. Then is the funding that's allocated to this essentially policy development or big brains in a room trying to figure this out?

**Mr. Griffiths:** No. When Ian asked about the technical fund that wasn't for technology, that's what it's for. It's around developing the codes.

**Ms Blakeman:** Oh, yeah. It's technical expertise.

**Mr. Griffiths:** Yeah.

**Ms Blakeman:** Okay. It's not really including – no, it's not. Okay. I'm not even going to ask you that. I'm just going to move on. Congratulations on that one. I'm very pleased to hear it. My latte-sipping constituents will be very happy to hear it as well because they are very environmentally conscious in their high-rise condos as they peer down on you.

**Mr. Griffiths:** They'll be able to sip from grey water sometimes.

**Ms Blakeman:** Yes. Well, I don't want them to drink it, but I would sure like them to use it, you know, to shower the dog or something.

Okay. The seniors' lodges, vote 10.8: that is a reduction. This is coming under the Alberta Social Housing Corporation. I'm wondering what the expectations are about where the cuts would be implemented. If you cut the funds, you must have had an idea

of where you were going to have them cut. There's a finger being raised at the end of your table there. Sorry; not a rude finger. A happy, helping finger.

**Mr. Griffiths:** From 2012 to 2013 it's actually a flatline, but you're probably referring to 2011-2012. From last year to this previous year we just finished, it's a decline.

**Ms Blakeman:** You know what? I usually go from the forecast because that's what you actually spent, and that's where I'm seeing it.

**Mr. Griffiths:** Ah. Okay.

**Ms Blakeman:** It's not a lot, but it's there.

**Mr. Leathwood:** Well, the base amount of \$35 million, again, is the operating subsidy that's transferred into the corporations to support the operations of the lodges. The difference in both those years is that there was also a little bit of capital money given in those years as a capital grant, so there's a base operating grant. In previous years there was also a little bit of capital money given to the lodges. Again, this year we announced we're trying to do much more on the capital side and invest in lodges. That comes out of the corporation's retained earnings in other areas, right?

**Ms Blakeman:** Oh, right. Okay. [A timer sounded] Please put me back on the list. It's agony not having enough question time. Thank you.

**The Chair:** I will. Thank you.

I'm just going to run through the list again just to remind everybody. We've got Mr. Lemke next, Mr. Bilous, Ms Kubinec, Mr. Rowe, Ms Calahasen, Mr. Rowe again, Ms Fenske, Ms Blakeman, Mr. Bilous, and the PC caucus. We'll have to figure out who's going to speak, if anybody, from the PC caucus. Okay? We'll figure it out as we go. You don't need to decide now, and you may choose to not do that.

**Mr. Lemke:** I'll be going back and forth.

**The Chair:** Thank you.

**Mr. Lemke:** Thank you, Madam Chairman. Thank you, Mr. Minister and staff for being out here tonight. I'm going to touch on probably a number of subjects, starting with new home warranty, libraries, Capital Region Board, and I'm going to end with forced amalgamations. Regarding the new home warranty I just want to know what happens in the event that somebody takes the new home warranty, they've been involved with the shoddy developer, the shoddy developer goes out of business or leaves the country . . .

**Mr. Sandhu:** Shoddy tradesman.

**Mr. Lemke:** Tradesperson, whatever. What happens when that company is no longer . . .

**The Chair:** The questions are just to the minister – okay? – just to be clear here.

**Mr. Lemke:** I'm talking to the minister. I'm looking at him eye to eye. I'm wondering what happens to that warranty if that business goes out of business.

**Mr. Griffiths:** Presuming that someone bought a house, has a warranty on the house – the company that constructs it has to get a

warranty in order to build the house – and then the builder goes out of business, they retire, they move somewhere else, whatever happens, it's the warranty company that actually is responsible for the warranty, which I think makes an exceptional system. The warranty company will first approach the builder and say: fix what you've done wrong to honour the warranty. But if they're not there, the warranty is still valid. It's still held by the warranty company, much like vehicle insurance. If you buy a vehicle of a certain make and model and something goes wrong and needs to be fixed, your vehicle insurance can fix it if you have an accident. Right? It's not necessarily the person that built the house. It's the person that holds the warranty, which will be a separate company typically.

**Mr. Lemke:** Is the new homeowner obliged to purchase that warranty?

**Mr. Griffiths:** No. The way we are currently working on it – we're still doing the consultations with all the relevant parties to get prepared for this fall – the anticipation is that in order to get a building permit to build a house, the construction company will have to have a warranty. In that way, if no warranty company will give them a warranty, we'll sell them one. If they do shoddy work, then they won't get a building permit, and this makes sure that they're a quality builder to begin with. Then the warranty will be included in the house when you purchase it, of course.

**Mr. Lemke:** I really applaud that initiative. I think that's something that's long overdue in this province. Obviously, you've recognized the need to protect that homeowner, and you and your department are to be congratulated for that.

**Mr. Griffiths:** I just want to add that our department has been exceptional in that they have consulted and looked at other examples and found what works and doesn't. It's from great leadership by people like Ivan Moore, who have created what I think is the best warranty program in the entire nation.

**Mr. Lemke:** Thank you. I wanted to touch on libraries. Certainly, from my background, from municipal politics, libraries have been a source of increasing expenses for municipalities. I'm glad you brought your library guru with you because I wondered what the per capita contribution from the province has been the last three years. Has it been significantly increased over the three years?

**Mr. Griffiths:** I don't think that I need Anthony to answer that it hasn't. It's remained fairly stable on the individual library funding. The support we provide to the provincial system, the SuperNet, the regional library systems has been exceptional, but the funding to individual libraries I don't believe has increased much at all.

Anthony, do you want to add any specifics to that?

**Mr. Lemphers:** Thank you, Minister. In 2009 there was a big increase when the Premier announced enhanced support to public libraries. Since then, in the three fiscal years subsequent to that, there were modest adjustments. The per capita grant is based on the grant rate multiplied by the population at the time. Based on the funding availability, we determine whether or not we have the funding to be able to increase to the next year's population base.

We had for four consecutive years increased the public library operating grant to adjust for population changes. Last year we didn't adjust the population, but we adjusted a modest increase to the actual grant rate. This year, with the financial situation, we

were able to hold the grants the same as they were in 2012. This was the first year that we didn't do a budget increase.

**Mr. Griffiths:** It's important to note just for information, too, that of the MSI that the province provided to municipalities, the municipalities allotted \$78 million of that MSI funding to go to libraries.

**Mr. Lemke:** Thank you very much.

The Capital Region Board. I was one of the original members in 2008, and one of the things that concerned some of us when we started down that road was that we did not want that board to become a de facto planning commission. I have not been on that board now since 2010, but it seems to me, looking from the outside in, that it's appearing to become that way.

**8:20**

Certainly, if I recall, funding for that board was set at \$3 million initially, back in 2008. I assume that that amount has continued over the years.

Another observation I would make is that most of the money now seems to be, from the outside looking in, spent on consultants consulting on whatever. You've been very public on your assessment of the board and what the board needs to do. I guess I'm just looking for you to expand on your thoughts.

**Mr. Griffiths:** Yeah. Well, I have nothing against consultants – everyone has got to make a living – but I agree that spending money on more papers and more plans doesn't always serve us tremendously well either. You know, when I went and talked to the CRB, I was very clear. One of the four principles I always remind people of is that there is no us versus them; there's only us. To have smart development doesn't mean we have to eliminate the technical municipal boundaries that separate us, but it means we can't hold them up between us to keep us apart.

We keep talking about municipalities and cities having to grow up instead of growing out. I have an agriculture background, and I don't want every good piece of agricultural land paved over. It doesn't do any good if we force municipalities or encourage them to do that. They take the initiative, and then right across the border the neighbouring municipality builds right on their border. That undermines the whole intent.

I think I said it this morning, and I've said it at AUMA and AAMD and C. I'm sorry, but I don't give a damn about municipal boundaries that were drawn up a hundred years ago. This is about communities. This is about partnerships. Most of the fights that I see happening happen because someone is trying to protect their legal boundary. Well, you know, those are arbitrary lines. We're all Albertans, and we want to make sure that the entire capital region is growing strongly. My kids' future is going to depend on it. I expect people to come together and be able to work out a solution. Quite frankly, all the division that I see is just based on some lines in the sand that are irrelevant to the real purpose at hand that we all got elected for.

**Mr. Lemke:** Well, I'm delighted to hear that, actually, because I think that often, again from my municipal background, we do tend forget that we are Albertans first and residents of a municipality second.

I was delighted to hear you talking about collaboration between municipalities and trying to come up with a program that rewards that kind of collaboration. As you probably are aware, I was also one of the founding members of the initiative to get the trifacility going in Spruce Grove, where we brought three municipalities together under very diverse circumstances to get that building



built. It's never easy to take taxpayers' money out of one municipality and put it into another – that was very difficult – but the reward for doing that is great. I'm wondering what sort of projects you might have in mind that would qualify for those kinds of initiatives.

**Mr. Griffiths:** Well, when it comes to the regional collaboration program, there isn't enough money in there to be a capital fund. I don't want it to go to another study from another consultant on what we should do. I want it to be real transformational change. With that, it means it's going to have to be pretty broad and pretty open. I'm not going to pigeonhole municipalities, who are going to try and fit into the program. I want the program to fit what they find is the right solution for their partnerships.

**Mr. Lemke:** Thank you very much.

**The Chair:** Thank you, Mr. Lemke.

Mr. Bilous, would you like to go back and forth with the minister?

**Mr. Bilous:** Yes, I would. Thank you. Forgive me for this morning, not thanking you, Minister, and your staff for being here today.

**Mr. Griffiths:** I was going to be here whether you thanked me or not.

**Mr. Bilous:** I'd just like to start with the seniors' lodge assistance grant program at 10.8. I know my colleagues had mentioned that there's been a cut of 4 per cent this year. From 2011 it's about a 16 per cent cut. I'm just wondering if you can initially comment on how you foresee municipalities coming up with the funding shortfall to operate these seniors' lodges.

**Mr. Griffiths:** This is just another example of how there are very few programs that are strictly provincial or strictly municipal. It's about partnership. When I get done, when we've gone through these roles and responsibilities and the resources or revenue side, then we're going to come up with some pretty strong collaborative initiatives for addressing this.

We're still going to have some challenges because the province has budget guidelines it has to meet, and you have to be tough somewhere. You're never going to have a perfect system. If one municipality says, "We need increases to our lodges, so we're going to have to be requisitioned more," that's their choice and their priority. Some may say: no, we want to put our resources to libraries. Others may say: we want to put our resources to the family and community support services.

It doesn't matter what line item you look at in the budget. You can always say that we're downloading services to municipalities. They upload some services to us, some costs to us. As we go along, we're going to have to partner together to talk about seniors because the population is going to grow substantially over the next generation, and we have to be partners in meeting that growth.

I don't have an explanation on where they're going to come up with the resources until after the discussion about the roles and resources is complete.

**Mr. Bilous:** Just to follow up on that, prior to '94 the province and municipalities split the deficit costs 50-50 for operating seniors' lodges. Is the government prepared to return to that 50-50 cost-sharing agreement between the province and municipalities, as the AUMA has called for?

**Mr. Griffiths:** That will probably come up in some of the discussion when we talk about the roles and responsibilities and

resources. Right now I'm not contemplating it. I think it needs to be a broader discussion rather than just on cost sharing or splitting the costs. It's managed by the local authority, so what if the municipality is managing it so that the costs go through the roof and we have no control over it? There might be other partnerships we can explore where we deal with the capital and funding for the individual and they deal with cost overruns, like it runs now. We might find out that is the best partnership we have, and there's more we can do to build capital.

We are reviewing the lodge assistance program right now with the AUMA and the AAMD and C to make sure that it's still meeting the needs of communities now – there are unique challenges between smaller and larger centres – and whether or not the funding is enough and if it's distributed in the right form. They're playing a very active role in the expanded committee to review that program.

**Mr. Bilous:** Okay. With the \$30.9 million announced yesterday, will any of those funds go toward renovating lodges to include more barrier-free or accessible units?

**Mr. Griffiths:** Well, you know what? There's a circumstance where we don't tell them what they need to spend their resources on. It works out to about \$3,000 a door to the authority for their funding, but that doesn't mean they have to spend \$3,000 on every unit or that it all has to be distributed between the number of lodges they have. It could be focused on one lodge, it could be focused on paint and doing roofs, or it could be focused on replacing flooring, heating ducts, and on barrier free. They're in the best position at the local level to make those determinations, and I'm sure many of them will make those determinations.

**Mr. Bilous:** I'm happy to hear that.

I'm going to jump to the libraries as well. It's line item 9. Out of the \$32.5 million allocated to libraries, I'm curious to know: what's the total amount is that will be devoted for equitable and accessible library materials for Albertans with print disabilities?

**Mr. Griffiths:** I'm going to ask Anthony to come up and deliver some details.

**Mr. Bilous:** I was just looking at him.

**Mr. Griffiths:** Yeah. I know.

You know what? I know that we have had meetings nationally to talk about what we're going to continue to do for accessibility for persons with unique abilities and what they need to access resources. I have to tell you – Anthony is going to lay out some details – that I'm incredibly proud of what we've done at the provincial level and of the partnerships we have with regional library systems and libraries like the Edmonton public library. They are leaders in implementing this in their systems. Anthony is going to give you some details, but I'm very proud of the stuff that we're doing.

**Mr. Bilous:** Can I give a second question, that pairs with that?

**Mr. Griffiths:** Sure.

**Mr. Bilous:** Do you know how much funding will be devoted to initiatives to create that? I think you alluded to a national digital hub for library materials. I don't know if you have a number on that or a figure.

**Mr. Griffiths:** That, I think, we're still discussing with our provincial counterparts in the federal government, but Anthony can lay out the details.

**Mr. Lemphers:** That's correct, Minister. With respect to what public libraries spend to support accessible materials for the print disabled, those are local decisions that each of the libraries make. Right now the municipalities provide operating grants to support those libraries. The province provides \$26 million to support libraries, and they make the decisions around what they are using to acquire access to resources to support the print disabled and to address any of the other needs that are in their local areas. The province provides a provincial library network that shares the resources across the province and delivers them as well.

8:30

The CNIB is proposing a national digital hub, and as the minister said, that's still being considered across the entire country. There is a provincial-territorial committee that is looking at the national digital hub that the CNIB is proposing compared to other options that are also being proposed. That decision hasn't been made yet.

**Mr. Griffiths:** With some of the leadership stuff like what the Edmonton public library has done, that they share with the rest of the province through the support that we provide, we don't want to duplicate services either, so that's why we're working with our counterparts across the country.

**Mr. Bilous:** Okay. I'll do a quick follow-up. Speaking of the CNIB, their partner program provides Albertans with public libraries access to an over 80,000-volume digital collection, allowing Albertans with print disabilities to access a wealth of materials through their 227 public libraries. But the Alberta government this year stopped funding that program. CNIB has continued to offer this initiative despite no provincial funding. They asked the government for \$306,000 to continue the program but were denied. I'm just wondering, again, if you could explain to the committee how you expect CNIB, which is a reputable charitable organization, to fund the important service for Albertans with print disabilities when the government is not supporting it? Or are you saying the funds have moved?

**Mr. Griffiths:** No. The federal government has approved some funding, but we're not quite sure what exactly they've approved it for. We have incredible services that have been developed by the Edmonton public libraries that can be shared provincially. Our challenge is trying to find out how they're going to co-ordinate. We've asked CNIB how they're going to co-ordinate. There's no point in spending the money to duplicate services that are outside the library network, this great library system we have around the province, and to develop them so that we can't share them and they're simply sitting in a resource at CNIB. We've got to make sure that those resources are accessible for everyone with those unique abilities around the province and make sure that with taxpayer dollars we don't duplicate that service. If they're insisting that they need their own stand-alone program, it's going to be challenging for us to find a way to fund that if it's just going to mean two parallel systems.

**Mr. Bilous:** Right. Fair enough.

I'm going to switch gears. I know Anthony is back there – thank you – but I just want to talk very momentarily because I believe I only have a couple of minutes left, Madam Chair.

**The Chair:** You have a minute and a half.

**Mr. Bilous:** Okay. I'll try to talk quickly. I want to talk a little bit about CLEA and the access to CLEA. I mean, this is a

discrepancy that needs to be addressed. Urban municipalities bring in about 6 per cent of revenue from CLEA whereas rural municipalities bring in 94 per cent. In 2010 the urban share of CLEA was about \$1.5 million. The rural share was \$1.3 billion. You know, to put it another way, CLEA revenue per person is \$28 in urban centres and \$1,930 in rural areas. This disparity is a contributing factor for cities and towns taking on higher levels of debt, and you can see that when you look at the debt load of Calgary, Edmonton. They're the two largest in the province. Then we go to cities and towns, down to MDs, that have the lowest amount of debt load.

My question is that because of this revenue source for municipal districts and counties, they have the ability to set their tax rates so low that it's almost impossible for cities and towns to compete or to attract industry, which is what I was trying to allude to this morning. I'm just wondering: are you prepared to address this gross disparity?

**Mr. Griffiths:** Well, as I said before, you're talking about one form of taxation, and I think that we need to have a conversation about all of it collectively. I know it will all come up in the Premier's council on provincial-municipal fiscal arrangements. It'll be between municipalities and the province in the full understanding that we all derive our revenue from the same place. It's not about us versus them; it's about making sure we all have the resources we need.

**The Chair:** Thank you, gentlemen.

Ms Kubinec, would you like to go back and forth?

**Ms Kubinec:** Back and forth, please.

Thank you, Minister. I always find this process very, very interesting. I also want to compliment the staff on the great work that they do. It's a pleasure to be here, and it's a real learning experience.

I have two topics that I want to cover, one being the MSI funding and some strange things that happened in my constituency, and then also the education property tax and the changes that have happened there. We'll start with the MSI. One of my towns is in this very unfortunate position where, probably as a result of the most recent census, which was very poorly done in their community, their numbers went down officially. It has resulted in \$200,000 less in MSI funding for them when they were expecting and budgeting for the full amount. I wonder if you have any advice that I might pass on. I realize that budgets are very, very tough things to do, and when the dollars are finite, it's difficult. I know that if they were to do their own census – that's something that they could do – that would cost them more dollars, and they are already \$200,000 short.

**Mr. Griffiths:** Yeah. I mean, we can continue to discuss this later if you'd like, but I know it's a challenge. I know of one particular municipality where their census count was done, and it was going to impact the amount of grants that were available – and it was a federal census that was done and the grants available from them – so they did their own census. They came up with an even lower number, so they went with the first number because they didn't like that.

I know that everybody has their challenges around that. I'm not sure why or how the census would have been done poorly, but it is possible. Especially when the MSI formula is 48 per cent based on assessment, 48 per cent based on population, and then 4 per cent based on roads, I know it impacts it. It will be nice as MSI continues to grow that there will be more money available, and

then we'll see fewer declines despite whether or not assessment or population changes have occurred.

But I can do some investigating into that if you like. I don't know just how valid or invalid the census was.

**Ms Kubinec:** All right.

**Mr. Griffiths:** Mike, do you want to . . .

**Mr. Merritt:** Yeah. In Municipal Affairs not only do we provide a manual on how to do a proper census; we also provide training. I'm not sure if they accessed that training or not, but they should have . . .

**Ms Kubinec:** It was the federal census.

**Mr. Merritt:** . . . to do their own municipal census.

**Ms Kubinec:** Yeah. Okay. Thank you.

Now I want to just talk briefly about the education property tax and the changes that have occurred. I applaud you for trying to level the playing field, but it has left some communities with significant increases in their property tax. I wondered if you wanted to comment on that.

**Mr. Griffiths:** Well, you know, when it's . . .

**Ms Blakeman:** It goes with the mitigation.

**Mr. Griffiths:** Yeah. That's what I'd say. That's what I'd ask.

The mitigation formula that we had meant that about 11 in particular – I think it was about a third of the municipalities in the province – had very significant mitigations, which meant that because we didn't collect less education property tax, the other two-thirds of the municipalities, specifically 54 or 57 I think it was, wound up making up the difference and paying more than their fair share of the education portion of property taxes. So we eliminated that mitigation formula, but we found that there were four municipalities that would have substantial increases in one year. We are mitigating the elimination of the mitigation formula for those four municipalities so that the average home doesn't receive more than, on average, a \$400 increase.

What it means essentially is that municipalities like Calgary and Edmonton, that typically paid more than their fair share, will see a decrease. I think it's \$40 in Calgary and \$20 in Edmonton on average. That means that on a similarly valued house, a similarly assessed house, you'll pay a similar education portion of property tax regardless of where it is in the province, which is really the fair thing to do.

**Ms Kubinec:** Good.

Those are all my questions, Madam Chair.

**The Chair:** Thank you, Ms Kubinec.

Okay. Mr. Rowe, do you want to go back and forth?

**Mr. Rowe:** Back and forth, please.

**The Chair:** Okay. I'll note, too, just quickly that we've got an hour and 20 minutes remaining, so after your series of questions I think I'll call a five-minute break.

**Mr. Rowe:** Minister, with \$172 million of debt for the ASHC, running the numbers published on pages 183 and 187, it indicates that there is about a five- or six-year repayment schedule at an interest rate of about 7 per cent or thereabouts. Two questions come out of that. One, would you consider refinancing for a lower

interest rate at this date; and second, who is the \$172 million debt owed to? I'm going to pray that it's not ACFA.

**8:40**

**Mr. Griffiths:** Mike, would you address that?

**Mr. Leathwood:** Sure.

**Mr. Griffiths:** We always look for lower interest rates at the opportunities available, but it's like a mortgage. Sometimes you have to wait until you come up for refinancing.

Mike can answer that in detail.

**Mr. Leathwood:** Okay. There are two sources of debt, as - mentioned earlier. One is back to the Canada Mortgage and Housing Corporation. Again, that relates to long-term agreements. And the current interest rate, I believe, is in our annual report. It's about 9 per cent. We are in negotiations with CMHC on trying to change a number of things within the current agreement, and that is currently one of them.

The other debt that's owed is actually back to the general revenue fund. The CMHC debt doesn't expire until about 2030, long-term, long-standing agreements. The general revenue fund debt does retire in 2016, and that's at a current rate of, I believe, just over 5 per cent. As you've pointed out, we're looking at recapitalizing the corporation. Clearly, trying to refinance the debt and get lower interest rates is something we want to look at. Absolutely.

**Mr. Rowe:** Okay. Thank you. That's encouraging.

Minister, you've been doing a pretty good job here tonight. I've enjoyed our discussion, which leads me to a question.

**Mr. Griffiths:** Thank you. I feel like there's a but.

**Mr. Rowe:** No, no, no.

Why does your department need a minister and an associate minister? It would save taxpayers money if cabinet was made leaner and associate minister positions were eliminated. That's no reflection on Mr. Weadick. Maybe you could direct those savings towards MSI.

**Mr. Griffiths:** Well, despite the rumours, I don't get to pick cabinet. We take the jobs that are assigned to us.

I have to say that I agree with always trying to be lean, but I can't emphasize enough how valuable it's been, with 120 housing authorities and 349 municipalities from Zama City in the north to Fort Macleod in the south, to have Minister Weadick in the south to continue to consult with the municipalities, to be around to hear them. Everybody wants to see me as often as possible, and I love travelling around the province, but it's almost impossible to be everywhere, so it's been incredibly valuable. I think – no, I know – that Minister Weadick has been worth every single penny that he's been paid in what it's cost the taxpayers for that job.

**Mr. Rowe:** Thank you. I'm sure that's true.

I realize you won't be able to answer this question this evening as time is marching on, but can you tell me what the income threshold to qualify to get into ASHC housing or local partner housing is for the following locations? I'll list them, and then you can get back to us later: the regional municipality of Wood Buffalo, Cold Lake, Edmonton, Calgary, Olds, Three Hills, Beiseker, Lethbridge, Peace River, and Crowsnest Pass. That can be just sent to my office at some point in time.

**Mr. Griffiths:** Well, I think we'll send it to the committee anyway so everyone can have access to the information. I know that those are set by the local housing authority based on supply and demand thresholds and what the market rate would be so that we can make sure that it's set at – and we let the local markets set that.

**Mr. Rowe:** Okay. Thank you.

I'd like to touch on the education property tax as well. There certainly has been a lot of discussion about the changes to the education property tax, and we know that the 11 municipalities in particular have been especially hit hard by this tax increase. As minister I'm sure you understand that if the municipal councils want to lessen the tax burden the government is placing on their citizens, municipalities will have to lower their own mill rate to compensate for that. Are you concerned that by implementing this change without allowing the affected municipalities time to ease into the tax increase, it may not only gouge the taxpayers but also the municipalities' own budgets?

Just before you answer that, I'd like to reflect back on my time on the AUMA board, when we lobbied – gosh, I think it started back as far as Mr. Klein and Mr. Stelmach and so on – to hold that total education property tax requisition, to keep that down to allow municipalities to adjust their rate to pay for their infrastructure problems. At the time it was promised that it would be held at \$1.4 billion. We're now at almost \$2 billion total. It's 1.9-something billion dollars; I don't have the figure. Anyway, if you could address those issues, I'd appreciate it.

**Mr. Griffiths:** Yeah. Well, first, the decision to go to 32 per cent of the cost of education was to make sure that property owners became partners when it came to education costs. I know we've had many discussions for several years about the value of property taxes and whether it's regressive tax or progressive tax, but nonetheless it is a form of taxation that both the municipality and the province rely on.

I understand what you mean about municipalities perhaps having some huge costs. Just for an example, Chestermere is one of the four municipalities that's being mitigated right now on the elimination of the mitigation formula. I know that means that the maximum on an average house that they will pay will not exceed \$400. It's still an average, right? But in Chestermere an average-valued home paid \$770 in education taxes, and in 2012 a very similarly valued property in Calgary paid \$1,212. I know the people in Chestermere are saying: that's a big hit. But there's such a marked difference because they've been mitigated for so long. That's why we're still mitigating the transition.

I know it can sound like a lot of money, too. In Bonnyville the total requisition went up by 19 per cent. That sounds massive, but it works out to \$16 a year, \$1.33 a month. There are people who are saying, "Oh, it went up by 50 per cent," but in some of those communities it's a matter of a few dollars because there isn't a massive assessment.

Regardless, I know the challenges municipalities have. It just wasn't fair to have many taxpayers around the province paying more than their fair share to subsidize others in fast-growing neighbourhoods, and we had to remedy that.

**Mr. Rowe:** Thank you. I can well appreciate that. I just think the mitigation process could have been out longer, three to four years out or whatever. It's just an awful hit at one point in time.

Anyway, moving on to the Capital Region Board and the Calgary Regional Partnership, Edmonton and area municipalities were forced, legislated into the Capital Region Board. Calgary and

area municipalities voluntarily belong to the Calgary Regional Partnership, but not all municipalities are participating, and some municipalities are planning to pull out of the CRP. Should membership be mandatory or voluntary?

**Mr. Griffiths:** What do you think?

**Mr. Rowe:** No. I'm asking the questions here.

**Mr. Griffiths:** Well, that's a matter of opinion. You know, I didn't mandate the Capital Region Board, I didn't create the Calgary Regional Partnership, but I think regional collaboration is critical, going forward, to proper planning. So we need to make sure we have those co-operative measures in place. I guess we'll see as we go along. I'm curious what your opinion is and whether or not you think they should be mandated or turned loose.

I'm going down to speak to the Calgary Regional Partnership tomorrow just to remind them of how important these partnerships are in order to build strong regions. We're not competing. Edmonton is not competing against Calgary and Calgary is not competing against Edmonton and Fort Macleod is not competing against Fort McMurray. We're all competing on the global stage, and we need to work together to make sure we're all prosperous.

**Mr. Rowe:** I would agree with that statement.

If municipalities continue to leave the voluntary Calgary Regional Partnership, are you going to have the province step in and make it a mandatory regional board as you did in Edmonton? I guess it's much the same question.

**Mr. Griffiths:** It is a good question. It's a valid question, but right now we have a mediator in place, and they have the message that they need to work this out. We'll see how that unfolds.

**Mr. Rowe:** Okay. Thank you for that.

Under municipal transportation and water/waste-water grants this budget has resulted in some significant reductions in support for critical municipal infrastructure and programs. The basic municipal transportation grant and the strategic transportation infrastructure program and grants for water and waste water were all reduced. Now, I know some of these fall under your colleague the Minister of Transportation, but they do directly affect municipalities. Are you concerned about how municipalities will be affected by these changes, especially considering that they have not received the amount for the MSI that they would have if it had been kept up?

**Mr. Griffiths:** I'm always concerned about municipalities and the challenges they face. Even if they got more money, I'd still be concerned about the challenges they face because we all have infrastructure challenges. I can't speak particularly to transportation, though.

**The Chair:** Thank you, Mr. Minister.

Thanks very much, Mr. Rowe.

I'm just going to note that you'd referred a couple of times, Minister, to filing written information or materials with me as the chair or with the committee. For the benefit of all members of the Assembly you're asked to file it with the Assembly.

We'll take a five-minute break, and we'll start back with Ms Calahasen.

Thank you.

[The committee adjourned from 8:50 p.m. to 8:55 p.m.]

**The Chair:** Ms Calahasen, would you like to go back and forth with the minister?

**Ms Calahasen:** Absolutely.

First of all, Mr. Minister, I want to say a very special thank you to all your staff, especially those with the POC. They did an outstanding job during our tragedy, not really that bad of a big thing, losing a bunch of homes and stuff like that. You know, without them it wouldn't have been possible to be able to carry out what we have done, and I would like to say a special thank you to everybody who was involved in that. I think they deserve a big hand. They did awesome.

**Mr. Griffiths:** If I can add, they did do an incredible job in what was the largest disaster in Canadian – I mean, it was absolutely incredible. You know, as much as the emergency management team came together and the Provincial Operations Centre, a lot of people had to move over to help, and everyone in the department pulled other people's loads to make sure that – so every single person in the department. I can never thank them enough, either. They are impeccable, and I think that's why I believe we have the absolute best staff in all of government here.

**Ms Calahasen:** I think you do, too.

**Mr. Griffiths:** These are true public servants.

**Ms Calahasen:** I know that my communities, especially the ones that were impacted, the three communities, just can't say enough thanks to the people who have done such an incredible job of being able to pull it together, and they're still there.

What I want to talk about today is the fact that I know you're making sure you oversee everything that's happening, all of the challenges that even the tricouncil is dealing with. There are issues that are still outstanding, and I want to make sure that we continue to monitor that and continue to evaluate what needs to be done because I know that there are some residual effects as a result of the fires. I just want to make sure that you continue to make sure that your staff are there for us as we move forward.

**Mr. Griffiths:** You know, I said it when I first got appointed: a tragedy of that magnitude could be equated to a death in the family. It's great when everyone is around for a few weeks to attend the funeral and to bring over lunch and stuff, but it's the support at Christmas and at holidays and at birthdays, where you remember the loss that you've experienced, that's so important. That's why we'll continue to be there to help.

**Ms Calahasen:** Thank you very much.

On page 59 of the ministry business plans you have goal 5, and 5.2, to "work collaboratively with other ministries and stakeholders to develop a coordinated public safety system that supports legislative authority and timely decision-making," as well as alerting people, 5.3. You know, one of the biggest problems we experienced during that fire, during that disaster, was the fact that we couldn't notify anybody. All the systems were down. There was no TV, and there was no radio. What we had was an inability to be able to contact people so that they could escape safely. We're amazed that there were no deaths, and I'm just so thankful for that. However, I'm just wondering what it is that you're going to be doing and who you are going to be working with to make sure that there's going to be an alert system that will be able to be accessed by all people should something like this happen anywhere else.

**Mr. Griffiths:** I know that our Alberta emergency alert system –

we actually have won two international awards as being global leaders for having such a great system. We incorporate and collaborate with our public broadcasting system, with our private broadcasting system: radio, TV, the social media. In a circumstance like what happened in Slave Lake – I mean, there are circumstances where those networks all go down, and it really comes down to communication on the ground and going door to door. There's not much we can do except make sure that we have the information in everybody's hands as fast as possible so they're prepared in advance of when they may have to evacuate and what may be required.

Colin, I don't know if you'd like to supplement that.

**Mr. Lloyd:** Thank you, Minister. We were in an analog system during Slave Lake, and we've transitioned into a fully digital system. We've made a significant investment, and the reach of it has broadened so much now – over Twitter, over Facebook, having a dedicated website for alerting – so it's completely transformed. We've made a significant investment in it, and we now have a text-to-speech engine that is able to warn people. It's actually the leading system in North America.

**Mr. Griffiths:** Yeah. It's the only one of its type, right?

**Mr. Lloyd:** That's absolutely right.

**Ms Calahasen:** Thank you. Fantastic. I'm so glad to see that and hear about that.

Let me move on to something else now. On page 57 of the same business plan, 2013-2016, at 1.4 under goal 1 there is the municipal internship program. That is a program, I think, that has not been touted enough. It's great learning for people to be able to know what needs to be done, and I know a lot of people have taken advantage of it. My question is: where are you targeting the people to come from, and how are they chosen? What criteria is used to choose who should be using that municipal internship program?

**Mr. Griffiths:** That's a really good question, that I think Mike can answer. I do want to point out that we've had 190 young people go through the internship program, which is exceptional. I got to personally meet this last crop of interns. We sat down and had a meeting, actually, in the Carillon Room in the Legislature to talk about just how we should attract new people to the program, what we should do. We talked about doing a video where they could talk about the value of the program and what they're going to do. It was their idea, and we're working to implement it now, and we're going to try and capture them before they're done with this internship so that we can capture their experiences. They're an incredibly tight-knit group that constantly communicates. I like to celebrate them every chance we get. The video will also help us not just with recruitment but let other municipalities know exactly how great this investment is in young people.

Mike, do you want to supplement with some details?

**Mr. Merritt:** Yes. We go to universities, community colleges, planning institutes to basically try to attract the best people to consider a career in municipal government. From that, we usually get quite a bit of interest. A number of resumés come. It's the individual municipalities that are selected each year that actually do the hiring. They're the ones who basically do the interviews so that they get the people that they want. We do the culling of getting 30, 50, 60 people in who basically want a job with the municipalities through the internship program, but it's the actual municipalities that do the hiring.

**Ms Calahasen:** Thank you. I think it's an awesome program, but that's just a personal view of someone whom I've seen go through it.

I want to now go to goal 3, which is talking about housing, and I know a lot of people have talked about housing. There are going to be in 2013-14 200 housing units approved. My question would be: where are those going to be occurring, and what criteria are used to determine need so that we address the issue of need for housing? In northern Alberta, of course, you can't rent in some places, and you need to have housing. I'm just wondering: how are those going to be taken into consideration?

**Mr. Griffiths:** I'll let Mike deal with that. Remember that there are 6,300 units yet to come on, and those have already been allocated to different places, but as we go forward, it's a really good question on how we're going to allocate those.

I had said that to a federal colleague once – I'm not going to name names – who kind of snickered and said: "It's Alberta. You guys are prosperous. Why do you need affordable housing?" I indicated that in Alberta, because of our economic prosperity and the growth of the economy, it actually can make it tougher for people to get into housing, which makes it a more acute problem in Alberta probably than anywhere else. There are very few communities that don't feel that crunch. There will be challenges with how we're going to allocate it with limited resources, but I think there will be very few communities where we can't argue that they do need some affordable housing.

Mike, do you want to add?

**Mr. Leathwood:** No. That sounds good.

**Ms Calahasen:** I'm really thankful that you're looking at not only accelerated-growth communities and the challenges that they do face. I'll give you an example. In Fort McMurray I know we do, but I'm talking about Wabasca, the next area where there's going to be huge, huge, huge development. I'm really concerned about the fact that we might not have the capability to be able to address housing shortages. I'm just wondering if you're into P3s in order for us to be able to address that issue so that we can maximize the dollars that we do get.

**Mr. Griffiths:** We're going to look at a couple of kinds of P3s, public-private partnerships but also public-public partnerships, where if we receive federal funding, we can partner at the local level to make sure that we address those challenges, and straight-out projects, where in some communities you're not going to draw in enough federal money to make it economical or even private-sector partners, so we're going to have to look at other options. But we know how much of a challenge this is going to be, and we're going to use every option available to us.

**Ms Calahasen:** Thank you very much. Glad to hear that.

Now I want to talk about the municipalities. I'm sure you've got this, Provincial Municipal Link. They're talking about: "Municipalities lost nearly \$200 million in key municipal grants." There are so many needs in northern Alberta relative to water.

**The Chair:** Thank you, Ms Calahasen.

Mr. Rowe, would you like to continue to do back and forth?

**Mr. Rowe:** Back to me already? As you can tell, it's getting pretty thin.

**The Chair:** We can always end early. Just a thought.

**Mr. Rowe:** We'll find something.

Minister, can you explain in more detail line item 4 under the operational spending on page 182, the grants in place of taxes? Are these essentially the equivalent of property taxes paid to municipalities because municipalities cannot tax another, higher order of government?

**Mr. Griffiths:** That's exactly right.

**Mr. Rowe:** That was too quick. That was way too easy.

**Mr. Griffiths:** That's exactly right. Well, you did sum it up: you can't tax another order of government. We still know that services have to be provided to that building, so we pay grants in place of taxes because they can't tax us.

**Mr. Rowe:** Can I ask how those grant amounts are determined?

**Mr. Griffiths:** You certainly can. It would be the same as a municipality, by the assessment grade, I'm sure, because it's an equivalent amount.

**Mr. Merritt:** We do assessments. Basically, we use that and the tax rates used by the municipalities.

**Mr. Rowe:** Okay. Is it true some public-sector professionals making good salaries in the regional municipality of Wood Buffalo qualify for social housing because the income from workers in the oil sands plants just eclipsed the public-sector employee wages?

**Mr. Griffiths:** Some of our employees?

**Mr. Rowe:** Public-sector professionals making good salaries in the regional municipality of Wood Buffalo actually qualify for social housing because the income from workers from the oil sands plants is just, basically, too high.

9:05

**Mr. Griffiths:** Not that I'm aware of. I've heard that story about people who live there making very good salaries because other people working in the oil patch make huge salaries. I have yet to find an example of that, so I'm not sure. In Fort McMurray the cut-off for a bachelor is \$59,500; for a one-bedroom, \$68,000; for a two-bedroom, \$82,000; for a three-bedroom, \$94,000. I can't see anybody like that qualifying, but I could be wrong.

**Mr. Rowe:** Okay. Thank you.

The MGA. How do you see the review of the Municipal Government Act, specifically the review of property tax and assessment, unfolding?

**Mr. Griffiths:** With a lot of consultation and discussion. The reason why we're going to do the consultation – and this is going to be an extensive review – is because there are going to be many and varied opinions. I don't know how things should sort out, and I don't think it would be fair, even if I had a sense of what I think some of the changes could be that come down the road, to lay them out. It would, I think, prejudice the open consultation. Luckily, I don't have any bias or prejudice. I just want to hear what everybody has to say and see if we can come to some conclusion, and that's where we're going to start from.

**Mr. Rowe:** Okay. The municipal audits show how the MSI funding will be spent, I'm assuming. Have you seen any problems that have come up that are reoccurring with municipalities on the use of the funds?

**Mr. Griffiths:** No. We use the audits to check how the funds have been spent. Still in the process on the capital side, they fill out a form that says what they're going to spend, and then I sign a letter that I send to them that says: you got approved for this funding. We actually keep track on the front end, not audit on the back end. We have a pretty good database. We're still working on how we're going to remove some of the paperwork. I'm going to get arthritis in these fingers just signing the papers that I have to do.

The challenge, I explain to people, is that if we go to a system where we don't track anything, like a fully unconditional grant where we don't track any of the information, it makes it harder for the province to justify what the money is being spent on. That's how Mike is able to say that \$78 million was spent on library stuff. We're able to track that stuff so that we can explain how valuable MSI is, and we, to my knowledge, have not tracked any sort of challenges with municipalities. They use that money very wisely.

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

Madam Chairman, I'll give up my time. I'll come back.

**The Chair:** Thank you.

Ms Fenske.

**Ms Fenske:** My turn? Thank you.

**The Chair:** Would you like to go back and forth?

**Ms Fenske:** Oh, yes. Definitely. Thank you very much. Since everybody is giving kudos, let me pass on my kudos as well. Thank you for being here at 9, whatever time it is, and answering our questions.

I'd like to talk about first response, first of all. I know that in the business plan at 4.4 certainly there's: "Support the development and implementation of best practices for safety, policy and training in the fire and search and rescue disciplines." That's really great because they do respond to a lot of calls. Where in the budget would I find that they get reimbursed for that?

**Mr. Griffiths:** Who gets reimbursed?

**Ms Fenske:** Our emergency response, the volunteer fire departments that often have to do that. I mean, right now they're bearing the brunt. I think it was a rhetorical question that it's not in there.

**Mr. Griffiths:** We do provide some money for retention and recruitment, which can apply to training and awareness. But you're right. Municipalities are responsible for fire services, whether they're paid or voluntary. One of the challenges we have, especially in small voluntary fire detachments, is that for the volunteer firefighters, where the community comes up with the funds to do some of the training, it can be a deterrent to being a volunteer. That's why we're exploring this going forward. It's why I have Minister Weadick working on 911 co-ordination: first responders, volunteer and trained fire departments and how they integrate into our health system and how they provide their services and how we can continue to work on recruitment and retention. I agree with you.

It won't fall just to the province for that responsibility. Again, it will be one of those services where there has to be a co-ordination between the province and the municipality to make sure that that service is there. Like I say, everybody in every community doesn't care who provides the service. They just want it to be there, and it's up to us to come up with how that's going to work.

The staff here have just reminded me that Alberta Health Services pays for the medical call-outs, so it becomes a source of revenue when first responders go out. Whether or not that covers the courses and the costs that go along with it, that's another discussion.

**Ms Fenske:** And some of the supplies. Thank you.

I would just like to support 1.2, your associate minister and his department, because, as you said, with a lot of the housing foundation needs it is a huge portfolio in itself. I'd like to say, you know, that it's difficult enough to get a meeting with you, but getting a meeting with him has been a great asset to some of the foundations in my constituency. I'm quite sad that there's an amendment that wants to remove that position totally. I just wanted to mention that while we were here.

I know that in my constituency there's been a review of a municipality and the function of it and how they're functioning. I don't know if you'd call it an audit. Under what line would those types of items come up? You know, sometimes you'll get a special call from a municipality. Someone mentioned Cremona at one point in time and how it has changed or what it's going through. That was earlier in our estimates. That's an example. I know I have one in my municipality that your department has been reviewing and has done a report on. Under what sort of line would that fall?

9:15

**Mr. Griffiths:** That's a good question because it's not terribly obvious. That would be page 182 of the budget under section 2.2, municipal services, which falls under Mike Merritt's section. They do those reviews.

**Ms Fenske:** Does that happen quite regularly? I mean, I see the difference in the actual from 2011-12 to the increase in your budget in 2013-14. I know that municipalities have become much more complex. I also see that there is an amendment to try to remove dollars from that particular line as well. If could you comment on some of the things that might fall under that.

**Mr. Griffiths:** Well, we have six inspections that are in the process right now. You know, in the last couple of years it seems to me that we've done more than I anticipated. Whether or not there's been an increase in those – it's been a short time. Mike has been here since Municipal Affairs was knee-high to a grasshopper.

Mike, do you want to talk about – I'm just bugging you. Mike has a lot of corporate knowledge because he's been in the department for a lot of his public career, so he can tell you about the history and the trend with inspections.

**Mr. Merritt:** Inspections tend to be on average about three or four a year. The six we have this year is a little bit high. It tends to be just before a municipal election cycle that they do go up. We had seen it spike about three years before this and three years before that. Inspections do come when a sufficient petition is reached by the ministry and it's validated that citizens want an inspection or the council itself votes for an inspection, to have their municipality inspected.

**Ms Fenske:** Thank you.

One other area that I would like to go back to is library services. MLA Johnson is sitting next to me and noting how many minutes we're spending on libraries. She's finding it quite amazing, and it is, but it's a very important service. I know that in Strathcona we often called it the living room of our community, and certainly it

is in many communities. I've seen some great work in making our libraries welcoming.

I want to talk about a couple of things. First, I'd like to make the comment that Northern Lights library – a large portion of my constituency belongs to Northern Lights. They certainly have encouraged me to ensure that they remain under your ministry. They must just love you. There are other reasons, but certainly that's got to be one of them. One of the things that they're finding is – now, I think it was a \$1.4 million delivery amount that Service Alberta charged to your ministry to move all those books and all those items around the province, yet Service Alberta does go out to those communities every day with other types of courier-type services. Maybe I should have asked Service Alberta. Do you feel that that's a fair amount that you're having to pay to another department that's already doing all of that work?

**Mr. Griffiths:** Hmm. That's a good question. I think we get very good value for our money. I'm not surprised about that. Service Alberta says that we're responsible for most of their volume and the amount of stuff they have to move, which is good. You hear people say: "Well, why do you need to still fund libraries? They're becoming obsolete. You can get everything online." It's a clear indication that that's completely not accurate and not true. Albertans utilize libraries as extensively as ever. I think partly because of our support for the regional systems and the ability to move resources around, they're using them more than ever. They can get those resources fast, hands-on, so they utilize access to libraries more. I think we get value for the money, very much so.

**Ms Fenske:** Good. Thank you.

**Mr. Griffiths:** We haven't done a specific audit to check, but I'm not quite sure how you would audit that to check about value for money. I think we utilize our resources as efficiently as possible.

**Ms Fenske:** Well, there may be no other efficient way to move that volume around the province.

**Mr. Griffiths:** And there's no real comparable to match it against.

**Ms Fenske:** So one doesn't know.

I know that the STIP, strategic transportation and infrastructure program, does not fall under your department, but when we did ask the Minister of Transportation a question about STIP, he did refer to Municipal Affairs, saying that it was important to keep the MSI funding grant intact, and therefore that was something that he had to look at giving up. I know you work hand in hand, but the reduction of that grant or the elimination of that grant certainly is affecting our municipalities and their ability to serve residents.

**Mr. Griffiths:** Yeah. I know that currently 24 per cent of the requested allocations by municipalities for their MSI funding is going to roads and bridges. [A timer sounded] Personally, I do believe that municipalities are very mature, and I'd like to see increases in MSI rather than directed programs that are targeted to specific projects. I'd like to just see the money left to the municipality to make their strategic choices.

**The Chair:** Thank you. I wait till you take a breath, but, boy, that was a long breath.

Okay. Ms Blakeman, do you want to go back and forth?

**Ms Blakeman:** Yes, please. Thank you very much. Thank you for still being here at 20 after 9. Under vote 7.4, which I think is disaster recovery – I've been tracking LandLink for some time.

Can you confirm whether their original five-year contract is set to expire in 2013?

**Mr. Griffiths:** May 2014.

**Ms Blakeman:** May 2014. Oh, okay.

Now, they were the only respondent to the original RFP that was put out. Some people, not me, have said that it was maybe designed for them. I have checked the lobbyist registry. There is no record of LandLink having lobbied anybody in the government unless they did it under some other name. But I'm wondering if there is going to be another RFP put out, or is there going to be an automatic renewal of this particular contract?

**Mr. Griffiths:** No. I can assure you that as long as I'm minister we'll be putting out another RFP. I want to make sure that we're getting value for money. Quite frankly, we're going to do a full assessment to make sure that that's still the right strategy going forward, whether or not it's best to be in the department or it's best to utilize a company like that. There are advantages to both. Inside the department it's fully under our management. Outside the department their costs become eligible for the federal reimbursement.

If we're paying for staff – so \$3.1 million, \$1 per capita, after that we start to get reimbursement from the federal government, and the larger the disaster, the more the federal government pays, up to 90 per cent. The costs for LandLink get incorporated into that factor, so we can actually get reimbursed from the federal government for the costs for LandLink, while if it's staff, we can't.

So we're doing an assessment on whether it's still the best system. If we decide that's still the best process to go through – I know; I didn't make the rules for that – then we'll still do an RFP process to make sure we've got the best system.

**Ms Blakeman:** Okay. So just let me confirm that you are going to do an assessment or an analysis of the service that was provided specifically by LandLink.

**Mr. Griffiths:** Yes.

**Ms Blakeman:** Okay. Good. Glad to hear it.

Moving on to my next one, performance measurements. You know, they can be a really good tool for the department, for the managers, and for the minister, but my assessment of performance measurements is that often they're not renewed or reviewed. This government was really a leader in establishing performance measurements way back when, which would be close to 20 years ago, but it doesn't seem like anyone moved beyond the initial establishment of the performance measurements.

Looking back on them now, I do find a number of them that are pretty amateur. It's evaluating or going off a customer satisfaction survey, which is not a useful tool for the managers. I'm wondering if you have a review process in place for your performance measurements. We're not seeing all of the performance measurements in this budget document. I would like to see them. So could you circulate them to the committee, please?

9:25

**Mr. Griffiths:** We served on Public Accounts together, and I always asked about performance measures because I always thought they were weak. You're right. There are the satisfaction surveys, and you can measure outputs, but the real meaningful measure is outcomes and the difference that you're making to Albertans.



**Ms Blakeman:** And those are difficult to write.

**Mr. Griffiths:** They are.

**Ms Blakeman:** They require a stepping-up of the actual concept behind them.

**Mr. Griffiths:** Exactly. I've challenged the department to come up with some new performance measures. I mean, anything that's a percentage is about satisfaction. You know, I don't know if that necessarily means that what you're running is doing the outcomes that you want or it's just a satisfaction survey. So I've challenged the department, and we're reviewing right now every single one. We didn't get them done for this business plan, and I'm not even sure that they'll be ready for next business cycle because they take baseline measures and it does take an entirely new way of thinking to create them. But I have challenged them that we need to write them differently, write them better, measure stuff that's actually more meaningful than satisfaction surveys.

**Ms Blakeman:** Okay. I'd still like to see the ones that you have.

**Mr. Griffiths:** The ones we have are in our business plan.

**Ms Blakeman:** This is it? That's the performance measurements you guys are working with, what's in here?

**Mr. Griffiths:** That's what we have. That's why I challenged them to do better and come up with better measures.

**Ms Blakeman:** Okey-dokey. Oh, Anthony is standing.

**Mr. Lemphers:** Sorry, Minister. The publicly reported performance measures are in our business plan. There are performance indicators which don't fall in line with passing all of the standards that the minister talked about in terms of having baseline measures. The Auditor General sets out strict criteria for having performance measures that would be publicly reported. That is what's in our business plan, and that's what the minister has challenged us to make sure that we review and make sure we have better ones in place.

**Ms Blakeman:** Oh, no. You don't have secret performance measurements, please.

**Mr. Lemphers:** No. But there are other measures that you might not have all the baseline data for there, that might not pass all of the individual criteria.

**Mr. Griffiths:** I think what he means is that you have to – there are certain criteria before it's allowed to be publicly reported. It wouldn't be secret.

**Ms Blakeman:** Okay. I'll still take anything you can give me besides what's in here.

**Mr. Griffiths:** Okay.

**Ms Blakeman:** I'll keep it secret. I promise. [interjections] I try so hard to be entertaining for you all.

Okay. Policing and RCMP costs continue to be a point of some consternation, particularly because – and I'm never quite clear how much of this is rolled into the MSI and how much of it is coming under another department. But I know that based on the population, some are not paying for policing costs and others are. Supposedly when the MSI was created, all of the different funding grants that were coming from the government to the municipalities

were lumped together and handed over as MSI so the municipalities could decide themselves how they wanted to allocate it. Is there an eye to reviewing the way the grants are allocated? Or is that not you?

**Mr. Griffiths:** You're right. We went from 88 grants just before I got in there down to 21, so there are still 21 different grants that run through transportation and environment and water and waste water and stuff. My understanding, if I recall – it doesn't fall under me – is that municipalities under 5,000 have their policing paid for them, but over 5,000 the municipality is responsible, and some would access their MSI or whatever revenue source they want to pay for that policing. It's not currently under review that I know of, although it doesn't fall under my department.

Again, this is an example of what I talked about, that it's a responsibility that's shared by the province and by the municipality. So some way we've got to make sure that we're on the same page because we're all drawing from the same revenue source. You know, we'll pay below this line and above that line: that isn't necessarily always the best way to do things.

**Ms Blakeman:** Well, as soon as you draw a line, you're going to have people just over it or just under it.

**Mr. Griffiths:** By two people. Right.

**Ms Blakeman:** Sorry. Just to be clear with everyone listening intently at home and reading *Hansard* following this, we're talking about 5,000 in population, not \$5,000.

But, yeah, if you're just over or just under, that's where the problems always come.

**Mr. Griffiths:** Oh, yeah. Paul was just reminding me that we're doing the results-based budgeting, which is reviewing all the remaining programs for municipalities. It's not about changing the program necessarily but getting value for money and what we can do to make sure that they work. So it might not be reviewed in the way you're asking.

**Ms Blakeman:** Well, I'll put in a plug for reviewing that one. Even if it's not your problem, it kind of is.

I'm concerned about the lost capacity that has happened with the abolition of the STEP program, which affected a lot of municipalities. Now, you have an interim program in place that you support and that is very useful, but that's high-level jobs. The STEP program got used by municipalities for, you know, assistance in the libraries and on the playgrounds and in the town hall and in a number of other places. What, if anything, has this department done to try and make up for the loss of that capacity in the municipalities? Is there the creation of a new program that's anticipated, or are we just going to dump this baby?

**Mr. Griffiths:** Well, I mean, what this department has done is fight like hell to make sure MSI is still available for municipalities to use. We don't really have the resources available to create another program to replace it. It's unfortunate, I know. But as the minister responsible always says, you have to make some tough choices, so that was one that had to go.

**Ms Blakeman:** That was, if I may say so, a bad choice. [A timer sounded] Oh, boy. Put me back on the list, please.

**The Chair:** Thank you.

Mr. Casey, do you want to go back and forth with the minister?

**Mr. Casey:** Yes, please.

**The Chair:** After you, next on my list is Mr. Donovan.

**Mr. Casey:** Back to our favourite topic, the Calgary Regional Partnership. The Calgary metropolitan plan was submitted, I believe, to Municipal Affairs a year or so ago. Is that right? It was submitted to your department?

**Mr. Griffiths:** Yeah, it was submitted. There were requests by the previous minister to update it more and answer some of the more strategic questions, and then the next draft, the final draft, was submitted to us. Yes.

**Mr. Casey:** Okay. Thank you.

My question really has to do with where you see – that plan is in your department, and the understanding, I believe, is that your department will issue some level of acceptance, approval, whatever on that plan because it was submitted to you, but it ties into the South Saskatchewan regional plan, which, of course, is Environment and SRD. So who exactly will have the final approval on that plan? Timingwise, if this is meant to be a subregional plan, can it be approved before the South Saskatchewan regional plan? My understanding is that under the act all other plans have to be consistent with the act. So there's an expectation that the Calgary metropolitan plan will in fact be approved, but if that can't be approved till after the South Saskatchewan regional plan is approved, for consistency reasons, then I think that would be an important thing to relay to people so there isn't an outstanding angst and expectation there.

**Mr. Griffiths:** You're right. In summary, it's interesting how this is going to unfold, and it continues to be a work-in-progress. We have relayed to the members of the Calgary Regional Partnership that their plan is being reviewed right now not just by Municipal Affairs but by Environment and Sustainable Resource Development and Transportation because a plan is comprehensive and it's everything together. So we need to have it properly reviewed by all the stakeholders involved and other ministries to make sure that everything jibes.

I don't see the Calgary metropolitan plan being approved after the South Saskatchewan River plan because I see it rolling in and being a component of the South Saskatchewan River plan, which is why we're in this process right now of running it through other ministries to make sure that it's all kosher and that either we resolve what we're going to do or have them resolve what they're going to do to make sure everything jibes. They're all aware that we're reviewing it. It would be premature to say, "Yeah; okay; it's approved," without going through that process and making sure that everybody understands what's at stake and what the process, what the plan has been.

Again, I think ultimately it's going to be a significant player in forming the South Saskatchewan River basin plan, which is why I've been very adamant that all the players, rurals included, need to get involved in the Calgary Regional Partnership and help make sure that that plan is formed and that they play an active role in there, or they might wind up, you know, having a plan that rolls into the South Saskatchewan and then they're going to wonder where they get their say. They have a place to make their say and to help make sure it's a smart plan, and I still encourage them to do that.

9:35

**Mr. Casey:** I think one of the issues that we have around the Calgary metropolitan plan is the fact that... [interjections]

Excuse me, guys. I need to hear the minister. Thank you. One of the problems we have with the Calgary metropolitan plan is that we... [interjections] I'll just wait for the fun here to end, and then I can carry on. Are you done, Mr. Donovan? Okay. Good.

One of the problems we have with the Calgary metropolitan plan is that, in fact, the participants there don't understand where it will fit into the South Saskatchewan regional plan, and if there is an expectation that that plan is going to form that portion of the South Saskatchewan plan, I think that's a different understanding than having a plan approved and the South Saskatchewan regional plan approved and one having to fit within the other. But if the expectation is in fact that that plan is going to form that arm of the South Saskatchewan regional plan, then that's a different conversation. So I guess I would encourage your department and ESRD to sit down and come up with some determination of how this thing is going to mesh together, because I think it will make a difference as to how the negotiations go overall with all those municipalities.

**Mr. Griffiths:** Well, like I said, this is a work-in-progress. I can find very few other jurisdictions around the world that have taken as much time and dedicated as much work with as many partners to build from the ground up a plan like this. I'll be able to communicate tomorrow when I go down to Calgary just how important it is that this plan is going to be part of – look, when I say part of, I don't know if they're just going to draw a line around the Calgary metropolitan plan and say that it fits in like a puzzle piece, because I don't know if it'll necessarily all jibe. When the two form, how they mesh into each other: I don't know. This is going to be a work-in-progress, but it's important that everybody be at the table to discuss it and realize that this feeds from the ground up. So I'll make sure that that's communicated tomorrow, how important the work they're doing is.

**Mr. Casey:** Thank you.

**The Chair:** Thank you, Mr. Casey.  
Mr. Donovan.

**Mr. Donovan:** Thank you.

**The Chair:** Are you going to go back and forth with the minister?

**Mr. Donovan:** Sure, if the minister is happy with that still.

Now, all over Alberta there are lots of towns and villages with aging infrastructure. We've seen it all over, you know, water and sewer lines and stuff. Most of them haven't put away the money and not through bad management; it's just they didn't maybe foresee what it was going to cost to redo a lot of these things going along. Do you have any plans? I think there's probably going to be needed either some loans given out there – and not just through MSI money. I think some of them are already strapped for that. Do you foresee having a bailout program of any sort for some towns and villages? I think a lot of them are getting to where there are some major blow-ups on main pipelines, say, on a main street, and it costs them \$200,000 to pave it, not even just the main fixing of it but to ever get that street back into shape. Does your department kind of foresee those things coming down the tunnel at you?

**Mr. Griffiths:** Yeah. It's a challenge because to have a loan program means that the province would actually incur more debt, and there seem to be groups out there that say that we shouldn't have any debt. So it makes it challenging.

But you're right. There are many communities that have infrastructure challenges, and the question is whether or not they're going to be able to handle them. There was a very significant price difference but also a requirement on the – maybe it's safety guidelines. When you put in water and waste water 80 years ago, it was a lot different than putting it in today, and the cost can be substantial, the water treatment systems.

Some of that infrastructure can become unbearable for municipalities, which is one of the reasons why we're moving – it might be one of the most significant reasons – from the devolution process that's divisive to a viability review process where we're talking about the financial assets and the resources and the tax base and assessing the infrastructure and the long-term costs for replacing that infrastructure. You may have a municipality that appears viable because it's got enough tax base to pay for its costs and it runs efficiently and effectively, but lo and behold they're not going to have enough revenue over the long term to replace that aging infrastructure, some of the critical infrastructure, and that can impact their viability. So what we're doing is being proactive in assessing some of that infrastructure challenge in the viability review. What it's going to look like and how it will drill down, we'll see.

Regardless, budget aside, discussions about debt and deficit and saying that we're not going to run a debt and we're sorry; you're on your own: it just means that we're going to have an infrastructure debt that's going to build and lead to a disaster. We've got to be practical about trying to come up with solutions with municipalities, and I think the viability review process will help us identify those challenges going down the road so that we can come up with a long-term plan in partnership with municipalities.

**Mr. Donovan:** Okay. Thank you for that.

The Member for Edmonton-Centre brought up policing. I have one municipality in my riding that's just over that 5,000 mark. It's a definite challenge. I believe 25 or 30 per cent of their actual tax base for their municipality goes towards policing, and I know it's a challenge. Now, in the new MGA that's going to be coming out sometime, is that one of the things that you're going to identify in that, where you're going with that?

**Mr. Griffiths:** Well, that policing program, paying for it under 5,000 but not over 5,000, isn't in Municipal Affairs. But the big discussion – okay. I'm going to just take a minute, okay?

I know I say that 90 per cent of the things that we provide can't be identified as just provincial or municipal and we have to work together: policing, fire, housing, when we talk about lodges or we talk about affordable housing. But most people don't think about education. I mean, we own the property. We turn it over to a municipality, but then they have to identify the school as a school board, and then we have to pay for it. You build a hospital or a doctor opens a clinic: we're responsible for that health care for the hospital, but the community is responsible for attracting a doctor. So there is nothing that doesn't get paired.

Policing is the same way. I tell everyone, and maybe it's just me, that the most important thing we're going to do is write that MGA appropriately because – it doesn't matter. It's going to impact every ministry, every department, and every community in this province. I think if we do it right, it's going to help this province grow for the next two generations. If we do it wrong, it's just going to continue with some of the challenges we have and the fighting. So it's incumbent upon us to get it right.

**Mr. Donovan:** I know there's money in the budget here – so I can tie it back to that – for the new MGA and the rollout of it. What are some of the key things, I guess, that my municipality should be looking for that's going to come out in the new MGA? What are some of your visions on it? I mean, we like to have the conversation about what we're going to do, so it's always nice to have that ahead of time so they can have a rough idea of what's coming down the pipe.

**Mr. Griffiths:** Yeah. If it was a general summary, I envision the new MGA being less prescriptive – so it doesn't tell you when you have to do your year-end; we don't need all of that stuff in there – more empowering to municipalities so that they can make some of their own decisions, and clearly defining the role and relationship between the province and the municipalities because they're going to play a key role going forward. They're going to have new abilities and new powers, and the question is what they're going to do with them and how they're going to ensure accountability to the people they represent for both the decisions that they make and the money that they use.

**Mr. Donovan:** That's interesting. I like the local autonomy side. I know the juggling act is always – we've heard numerous times in the House and out of the House that some want full control, they want the government to stay out of it, and some want government in it.

**Mr. Griffiths:** Sometimes it's the same one that wants both.

**Mr. Donovan:** Well, you know, if you talk to most of your caucus, you could get that straightened out one day.

**The Chair:** Mr. Donovan, I would remind you that we're looking at the budget, okay? Thank you.

**Mr. Donovan:** Yeah. One of the line items in the budget was the MGA, going over the new drawing of that, so I just wanted to ask, I guess, where you see that going, drawing up a new one. So I'm happy to hear about that stuff.

Also, levels of service of what's expected: this goes back to – I know it's not an exact line item in your budget, but with fire departments and levels of service that are expected, that falls back on the municipality, which goes back to that they have to figure out how to fund it. We get into a lot of those growth areas, one of them the MD of Foothills, close to Calgary there, where they have to set up a fire department and have it fully manned.

That's coming into some huge costs, which a lot of municipalities – and I know at the end of the day it comes back onto your floor because if they can't afford it, they're going to be coming back, cap in hand, to your department. What do you see going forward? What do you see looking forward on how to deal with that? I don't think that everybody caught on to the burden that it's going to cost to have those levels of services that high where they have to have a manned house.

9:45

**Mr. Griffiths:** Well, we don't prescribe that they have to have a manned house. It's their own decision to do some of that. I think it's going to fall under the roles and the responsibilities and the resources discussion. I would still like to ensure that municipalities make those decisions at the local level.

You know, I'll bet you that you could go back seven or eight years and hear the same discussion around this table when it came to ambulance with municipalities saying: "We can't afford the ambulance. We need you guys to take it over." We take it over,

and then they don't like the service provisions: "Why did you take it out of local hands?" I have yet to see a municipality that would want it back.

Fire services, to me, is one of those things that I think is best managed at the local level. So the roles and responsibilities and the resources that go with it I think are going to be paramount in helping to address the costs that go with it, the service provisions. Of course, Minister Weadick is doing some exceptional work on those volunteer fire departments, the paid fire departments, the first responders, 911. I think by fall we're going to have a very co-ordinated strategy on what to do that's going to support municipalities going forward as partners.

**Mr. Donovan:** I think that's good, Doug. I think we all want vibrant municipalities and to be able to work together on stuff, so all parties are in that same direction. I think we could all definitely say that.

Now, my colleague Mr. Rowe brought up the regional plans and the CRP. Now, way back in the day, I guess, you know, when we were budgeting on that – if that all blows up, do you have a line item in there for how to get everybody back to the table? Minister Danyluk, I believe, was kind of the one who rolled that out back in the MSI funding days and got that all started. Thoughts were good. Mr. Casey brought it up, too. Actually, no. Ken had brought it up about the challenges of bringing everybody to the table.

It goes back to: do you force them to the table, or do you let them decide on their own, the autonomy on that side of it? There's been a lot of money put into those plans and where they're at. Then if everybody is going to step away from the table, what would your next step be on that with, I guess, your big-city charter ideas?

**Mr. Griffiths:** It's hard to forecast what to do until you find out exactly what the situation is going to be, but I've been very clear that failure is not an option.

**Mr. Donovan:** Thank you.

**Mr. Griffiths:** You're welcome.

**The Chair:** Thank you, Mr. Donovan.

My list has two names remaining on it. Mr. Rowe, you have a question, and, Ms Blakeman, I'm sure you have questions.

Mr. Rowe, do you want to go back and forth?

**Mr. Rowe:** Thank you, Madam Chairman. As this will be my last chance to speak, before I get to a few questions I have now, I just want to say thank you, Minister, for this whole process. It's my first go at it, and it's been a very good rapport. I would agree with you about your staff. You have a phenomenal staff. Good on you. If I could give you one word of advice: don't let Anthony go. Thank you. It's been a great time, Minister.

The regional collaboration program. I'll just give you a very, very brief history of a situation that my home village of Beiseker is in. As mayor of that village for eight years we've tried to become part of the regional Rocky View county fire department. It's been a lesson in frustration. It's gotten down to the point now where what we've agreed to do between the county – or what the village has agreed to; I keep thinking I'm part of it. They want us to bring our equipment up to their standards, and at that time we will then sign a mutual aid agreement and start the departments working together again, leading to an actual merger of the two systems. The problem is that they have to buy a new fire truck. My question to you is: with the regional collaboration program

funding would there be funds available to help purchase that fire truck?

**Mr. Griffiths:** Well, that's a good question. I think I said before: \$20 million for the initial boost and then the rest of the MSI operating moves over. It's still not a large amount of money to spend when you're talking about capital projects. That gets eaten up very quickly. That said, besides the internship program and the support to the CRP and the CRB, a lot of the rest of it goes to do studies. I'm not spending \$20 million on more studies. It's got to be something that's transformative. I'm not going to exclude capital, although we may have to. I mean, you can spend all the money on capital in 15 minutes. It's going to have to be something that helps get those partnerships over the edge. I won't exclude that. I just don't know quite what we're going to do. We're exploring right now what the program would look like going forward because it's going to have more resources in it, and it needs to be fundamentally transformative to make sure that those partnerships get realized.

So I don't have an answer for you on whether it will or it won't, but it has to be open ended enough so that when municipalities come to solutions that can be transformative, the program doesn't work against them but works perfectly for them.

**Mr. Rowe:** Okay. Well, that's somewhat hopeful.

**Mr. Griffiths:** Okay.

**Mr. Rowe:** Do you have any input or say in the allocation of GreenTRIP grants?

**Mr. Griffiths:** No. It falls under Transportation.

**Mr. Rowe:** All under Transportation?

**Mr. Griffiths:** Yes.

**Mr. Rowe:** Okay. That's leads to another question, then. Could any efficiency be gained by transferring some of these cross-municipal areas like Transportation and Municipal Affairs?

**Mr. Griffiths:** Actually, the results-based budgeting process is exploring those sorts of things: if every program is as efficiently run as possible, if it's meeting the needs that it met when it was originally created, if it's in the right place, and if there are ways to find efficiencies in administration and operating. This first review is on municipal programs from all sorts of departments, and I think the report is coming sometime later this spring or this summer.

Do you know when it's due?

**Mr. Whittaker:** Any day now.

**Mr. Griffiths:** Any day now. It will be exploring that sort of stuff because there may be great opportunities there.

**Mr. Rowe:** Okay. Thank you.

The rural municipality of Wood Buffalo is in need of land to be released for expansion of residential, commercial, and industrial areas. Many GOA departments are involved in this. What seems to be the holdup in making that happen?

**Mr. Griffiths:** Actually, I know that Fort McMurray-Wood Buffalo gets a lot of the public attention, but we have a lot of municipalities in the province that are in need of land. The biggest challenge for Fort McMurray-Wood Buffalo, just like these other municipalities, is that they're in the green zone, so it's publicly

owned land. How you release it, how you assess the value, what you do with it to get the best value for the money, for the public and to make sure that it's going to the best use – we don't want every other municipality in northern Alberta to become a microcosm of what Fort McMurray has become, so we're working on a strategy going forward, on a policy for releasing land so that we can make sure that municipalities don't get in that crunch before we act. We're going to act first. I anticipate something should be coming in this fiscal year.

**Mr. Rowe:** All right. Thank you.

**Mr. Griffiths:** I'm not meaning that it's a fiscal situation, but in this timeline I expect we'll have some sort of policy in place.

**Mr. Rowe:** All right. Water is the lifeblood of any community, as we all know. How many municipalities have subpar water and/or waste-water systems?

**Mr. Griffiths:** That's a good question. I'm not sure if we even have the data. When we're doing the viability review process, part of that is doing the assessment on the infrastructure – what needs to be replaced, its age, what its replacement value would be – to check the viability of the municipality. I'm not sure if we even have access to that data yet. That's one of the things that we're pushing in the viability review process.

**Mr. Rowe:** Okay. The CRISP talks about at least two new towns in northern Alberta, north of Fort MacKay and north of Wabasca. How is this rolling out, and how is the whole development of these towns coming?

**Mr. Griffiths:** Well, we named them already. We've got Roweville, and it's across from Weadick-town. No. I'm just joking.

I'll have to get back to you on that. I don't know.

Mike, do you?

**Mr. Merritt:** It's not our ministry that leads it.

**Mr. Griffiths:** Yeah. It's not under us.

**Mr. Rowe:** Well, I like the Roweville thing.

You said that 24 per cent of MSI is being directed to roads and bridges. Can you provide any percentages for other types of infrastructure that MSI is funding?

9:55

**Mr. Griffiths:** You bet we can. Let's see. We've got 24 per cent for roads and bridges, 1 per cent for stormwater, 2 per cent for waste water, 3 per cent for water, 1 per cent for ambulance and first aid, 5 per cent for fire, 1 per cent for disaster and emergency management, 9 per cent for general government administration, 1 per cent for libraries, 3 per cent for other community and recreation. Parks, recreation, and sports facilities is 15 per cent. Public health and welfare is negligible. Police is 4 per cent. Public transit is 26 per cent. That covers most of the big ones. We can send the pie charts.

**Mr. Rowe:** All right. Thank you.

How much time do I have left?

**The Chair:** Two minutes.

**Mr. Rowe:** Okay. I'd like to just touch on that policing thing. A number of years ago there was a whole study done around the province on police funding and how that was going to roll out and

everything else. That report, as far as I know, is sitting on a shelf somewhere. We did raise that level to 5,000 and over. There were some things that I saw put on the table – I sat on that as an AUMA board member – where everybody agreed, even the small villages, that everybody should pay. That was the resounding issue that came out of that whole study, but nothing has happened on that. As we know, urban municipalities are paying. MDs and counties are not paying anything. Is there any way we're going to level that out?

**Mr. Griffiths:** That's a good question. I'd have to check on that report again. It's been a long time since it was written.

**Mr. Rowe:** It's quite a while that it goes back. Rob Anderson, when he was PC, was on that committee, so that's how far back it goes.

**Mr. Griffiths:** Yeah. I know. I'll check into that.

As I said, this is something that I know is going to come up in the larger discussion about not even just the municipal-provincial relationship but the municipal-municipal relationship. I know that I hear that some rural municipalities wind up not paying but still get some of the police service. This discussion about roles and responsibilities and resources is going to happen between municipalities as much as it's going to happen between municipalities and the province. It's going to be a good discussion, and I know it will come up.

**Mr. Rowe:** All right. Thank you.

**The Chair:** You have 28 seconds.

**Mr. Rowe:** Okay. All right. Then I won't ask another question. Again, I just want to say thank you very much for the whole process. Congratulations to you and your staff.

**Mr. Griffiths:** Just in case I don't get a chance – I'm sorry, Laurie – I just want to thank the staff for coming. They are exceptional. I think they're some of the best in government. I'm very proud and honoured to work with them, and I just want to get the chance to say that on the record before we go.

**The Chair:** All right. Ms Blakeman, you get the last word here. We have got two minutes.

**Ms Blakeman:** Thanks. I just have four questions, and I'll put them on the record. Maybe you could respond through the clerk.

The first is that I'd like to know the state of the municipalities emergency plans, particularly around business resumption. You've told me many times that there are 349 municipalities. If you'd like to tell me where each of them is, I'd be happy to receive that information. If you can't tell me all of that, I'll take what you've got.

The second thing is: do you have a commitment to prioritize for the libraries when you do receive more money back? That is coming, as we know. It's always the poor cousin. It always gets the cuts. Occasionally it gets a bump up, and then it continues to stagnate. I want to know on the record if there's a priority there.

I'd like to know if you as the minister or the department has a surplus plan. That seems like a stupid question today, but you will have a surplus. This is a cyclical economy. I've been through two and a half of them. I want to know what your surplus plan is. Where would you invest the money, what would you dump, and where would you increase, et cetera?

I'd like to know how far along on the analog to digital you are with other municipalities or with your whole disaster plan.

The regional boards we had before. One of your predecessors – I believe it was Steve West – disbanded them.

**Mr. Griffiths:** The regional planning commissions?

**Ms Blakeman:** Yeah. They all existed. They were all doing a pretty darn good job, and they got dumped. Now I'm watching you desperately struggle to get back to the same point. Given that you've got some institutional memory, you might want to look into what they were doing before. Just a happy hint.

I think I'm timed out. It's 10 o'clock, isn't it? Yes. She's holding the timer up.

**The Chair:** Thank you, everyone.

Minister, it's up to you to decide whether to respond to those queries or not.

I'm delighted. I've never seen a three-star evening, but this takes the cake for us in our committee. Your team is very, very impressive. The candidness of the answers and the rigour of the questions, folks, were excellent. I'm really grateful to this committee. The work you've done over the last two weeks, three weeks, four weeks is amazing, so thank you.

[The committee adjourned at 10 p.m.]



