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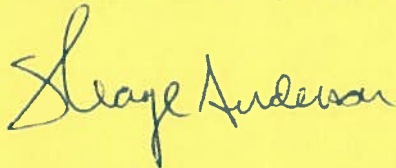
To: Aaron Roth
Committee Clerk of the Legislative Assembly
3rd Floor, Federal Building

Date: December 20, 2017

Subject: Responses to Questions Raised at Standing Committee on Public Accounts

As requested by the Chair of the Standing Committee on Public Accounts at the meeting on November 14, 2017, responses to the questions requiring a written reply have been prepared.

Please contact me if you have any questions on this matter.



Shaye Anderson

Attachment: Department response to questions

cc: Scott Cyr, Chair
Standing Committee on Public Accounts

Dr. A. Robert Turner, MLA for Edmonton-Whitemud

Question (Page PA-590):

How can we encourage municipalities to promote strong, sustainable development while ensuring the protection of lands for future generations?

Departmental Response:

- Both the *Alberta Land Stewardship Act (ALSA)* and the *Municipal Government Act (MGA)* provide municipalities with substantial flexibility to encourage sustainable development while also promoting the conservation of lands for future generations.
 - The province has put into place a number of voluntary stewardship and conservation tools. The voluntary nature of these tools ensures municipalities can access the conservation method most appropriate for their situational needs.
- A municipality must align statutory plans with any *ALSA* plan that applies to the region.
 - The newly created ability for a municipality to establish conservation reserves is one key tool within the *MGA* that will allow municipalities to better identify and protect critical landscapes, while also protecting the rights of property owners by ensuring they will be fairly compensated. A municipality may choose to use this tool to help align with an *ALSA* plan.
- Mandatory growth management boards in the Calgary and Edmonton regions are specifically tasked with ensuring more efficient use of land as part of their mandates. In addition, the requirement for intermunicipal development plans in the rest of the province, as part of the new intermunicipal collaborative frameworks, will help promote the same goal in other communities.

Mr. Derek Fildebrandt, MLA for Strathmore-Brooks

Question (Page PA-591)

Is there any internal discussion of policy regarding what the Ministry budgets and what it actually spends on average, every year, for disaster assistance?

Departmental Response:

- Disaster financial assistance is expensed primarily in the fiscal year the event occurs.
- The unallocated disaster emergency assistance budget in the Government of Alberta (GOA) fiscal plan is for the entire GOA and reflects a nominal reserve amount, knowing that a disaster, such as a wildfire, may occur.
- As this budget is for the whole of government and is typically utilized by Agriculture and Forestry for agriculture support and wildfire firefighting, Municipal Affairs does not influence budget development and planning for this contingency reserve.

Mr. Richard Gotfried, MLA for Calgary-Fish Creek

Question (Page PA-592):

With respect to benefit in the development of the off-site levies bylaw, and the provision in the *Municipal Government Act* for appeal of those levies, what kind of reasonableness, in terms of that appeal process, is expected to be put in place?

Departmental Response:

- Under the new Section 648.1 of the *Municipal Government Act (MGA)*, the off-site levy appeal process will only apply to those bylaws created for the new purposes – that is, bylaws created for new or expanded community recreation facilities, fire hall facilities, police station facilities, and/or libraries.
- Any person may appeal an off-site levy bylaw, subject to the Off-site Levies Regulation. All off-site levy bylaw appeals are made to the provincial Municipal Government Board.
- An off-site levy bylaw may be appealed only on the grounds defined in *MGA* Section 648.1(1). These grounds are that: the purpose of the off-site levy is unlikely to benefit future occupants of the lands; the principles and criteria for off-site levies are not complied with; the determination of the benefiting area is not done correctly; the levy is not for capital costs; the calculation of the levy is incorrect or inconsistent with the Off-site Levies Regulation; and/or the off-site levy was collected already.
- The appeal process will be generally consistent with other existing hearing processes employed by the Municipal Government Board, and the principles of fairness and natural justice will apply to those hearings. The person filing the appeal and the municipality will each have opportunity to present their respective cases to the board, present evidence and respond to the other's evidence, and make arguments. The board will issue decisions in writing and those are subject to appeal to the Court of Appeal.

Ms. Barb Miller, MLA for Red Deer-South

Question (Page PA-592):

The annual report indicates that Edmonton, Calgary, and the Province will sign the city charter and new fiscal framework agreement this year and that it will also be enacted by the end of the year. Is this still the same case? When can we anticipate this regulation being enacted?

Departmental Response:

- The City Charters include regulations and a collaboration agreement, as well as a fiscal framework which is currently under development.
- The cities of Calgary and Edmonton, and the province have agreed to a scope of work to develop a renewed fiscal framework that considers the following elements:
 - The province has agreed to work with the cities to replace the existing capital grants system with a funding formula based on provincial revenues.
 - This new system would provide predictability to both the cities and the province regarding funding levels, and recognize the important role cities have in making investments that support economic growth in Alberta.
- The three parties will explore options for improving the efficiency and effectiveness of existing municipal authorities. This will be limited to authorities that are currently authorized by the Municipal Government Act, and may include changes to the length and duration of Local Improvement Taxes. The three governments will also review eligible uses for special taxes to determine if the current list is appropriate for modern infrastructure projects.
- Opportunities to improve the administration of the existing voluntary destination marketing fee charged by some hotels are to be explored. The goal is to enhance the transparency and accountability of the revenue generated from the fee, which will continue to be directed towards tourism activities.
- The province and the cities have also agreed to develop options for increasing accountability of the cities for debt by allowing them to adopt stringent debt management policies, including the requirement to obtain a credit rating. This recognizes the capacity of the cities to manage debt.
- Work on the fiscal framework will continue into 2018.
- Stakeholder and public engagement is expected to occur as part of the development of the fiscal framework.

Mr. Rick Strankman, MLA for Drumheller-Stettler

Question (Page PA-592):

How is municipal wildfire management legislation applied in the Special Areas' jurisdiction?

Departmental Response:

- The municipality can apply to the Alberta Emergency Management Agency for assistance under the Municipal Wildfire Assistance Program (MWAP).
 - MWAPs are designed to provide financial assistance to municipalities who incur extraordinary incremental costs in the suppression of wildfires outside of Alberta's Forest Protection Area (FPA).

- MWAP guidelines that municipalities should consider when applying for assistance are as follows:
 - Section 1.2.1(a): MWAPs are intended to assist in helping reduce both the risk and losses associated with wildfires outside FPA.
 - Section 1.2.3: Only those losses and damages for which a responsible party cannot be determined at the time of the event are eligible for financial assistance.
 - Section 1.2.4: There is an underlying principle of cost share involved in the MWAP whereby once a municipality has incurred a cost of \$25 per capita, costs should be shared using the province's Sustainability Fund.
 - The provincial share has been set at 75 per cent of the total eligible amount.
 - The premise for this formula is based on the formula used in federal cost-shared disaster recovery programs.
 - Section 3.1(b) the municipality incurred wildfire suppression costs actioning fire(s) outside the FPA. Wildfires on unoccupied public lands are not eligible.

- The municipality must provide a copy of the fire report when requesting assistance under MWAP.

Mr. Christian E. Nielsen, MLA for Edmonton-Decore

Question (Page PA-592):

Why are there no performance measures to measure the Ministry's desired outcome for Albertans to live in communities with responsible, collaborative, and accountable local governments?

Departmental Response:

- The performance measure for the first outcome was discontinued after the 2014/15 ministry annual report due to the recognized limitations of the measure, which primarily focused on municipal financial viability.
- The previous measure had little correlation with the key measures developed in 2010 by the Municipal Sustainability Strategy Working Group (a partnership between the ministry and the municipal associations) to measure municipal sustainability across the categories of governance, operational and administrative capacity, financial stability, service delivery, regional cooperation, infrastructure, community well-being, and risk management.
- A new performance measure has been developed and is being proposed for inclusion in the 2018-21 Municipal Affairs business plan.
 - The new performance measure is based on 13 indicators designed to evaluate a broader set of financial and governance metrics which will provide a more comprehensive and meaningful result.
 - It is anticipated that the new measure will meet the ministry's commitment to provide a more comprehensive and meaningful performance measure.
 - The new performance measure has been developed in consultation with the municipal associations that were represented on the Municipal Sustainability Strategy Working Group, and will replace the key measures developed by that group for purposes of identifying and supporting specific at-risk municipalities.

Mr. Pat Stier, MLA for Livingstone-Macleod

Question (Page PA-592):

Regarding flood mitigation and the risk that is involved in developing in flood prone areas, what is the status of the development of regulations in this respect, when are new rules going to be announced, and what kind of foreseeable outcomes has the department put towards this initiative?

Departmental Response:

- A proposed regulation is being reviewed.
- The outcome for the regulation is to support building safe and resilient communities. The proposed regulation would aim to regulate new and existing developments in floodways mapped by Environment and Parks in order to help limit property damage and risks to public safety posed by future floods.
- As the regulation is prepared, care is being taken to ensure policy decisions strike an appropriate balance between public safety and respect for the investments made by property owners.

Ms. Marie F. Renaud, MLA for St. Albert

Question (Page PA-593):

The Alberta Safety Codes Authority received responsibility for “overseeing safety code compliance monitoring [with] all unaccredited municipalities on behalf of the Government” on page 12. Why was this done, and could you please explain how the Alberta Safety Codes Authority compliance model has improved accountability?

Departmental Response:

- In 2015, the Alberta Safety Codes Authority (ASCA) was established and granted the legislative authority for overseeing safety code compliance in unaccredited areas. The creation of the ASCA was the result of several issues that arose from private accredited agencies providing permitting and inspection services in unaccredited municipalities.
- Prior to the creation of the ASCA, private accredited agencies were delegated the authority to provide permitting and inspection services in unaccredited municipalities. The issues that arose with this framework were:
 - agencies would receive the fees up front before conducting their work. As a result, there was no financial incentive to complete the inspections meaning some agencies would not necessarily complete inspections in a timely fashion;
 - agencies would set permit fees in a competitive environment leading to the risk of a “race to a bottom” and increasing the risk of agency failure from cash flow issues; and
 - in the event of agency failure, the government would financially and operationally have to complete inspections – essentially a bailout.
- In 2009, Alberta Permit Pro, the largest agency operating in unaccredited municipalities, was unsuccessful in completing its contractual requirements. As a result, the government had to assume responsibility for over 1500 permit files. This issue was a key driver in developing a new accountability framework for permit and inspection services in unaccredited municipalities.
- The key policy shift that led to ASCA was to establish a new business model for agencies where permit fees would go to a government or delegated body that would then pay agencies as inspection work was completed. In addition, ASCA has:
 - established performance targets for agencies through a quality management plan leading to improved services to Albertans in unaccredited municipalities;
 - standardized permit fees so that agency competitiveness is driven by how effectively they deliver services and not permit fees; and
 - effectively eliminated the risk of agency failure requiring a government intervention as ASCA could complete inspections or pay other agencies with the permit fees that were collected.

Mr. Richard Gottfried, MLA for Calgary-Fish Creek

Question (Page PA-593):

How does granting the cities of Edmonton and Calgary the authority to amend the building code within their boundaries meet the department's goal to harmonize the building code with the national code?

Were stakeholders consulted on what the impact of allowing cities to amend the building code would be for the industries, particularly for builders operating across the province?

Was an economic impact assessment completed on the impact of allowing the two cities to amend their own building codes?

Departmental Response:

- Edmonton and Calgary have not been granted the authority to amend the Alberta Building Code or any other provincial code or standard adopted by regulation under the *Safety Codes Act*.
- Provincial codes like the Alberta Building Code set minimum standards that must be met across the province.
- While any person may choose to construct buildings to a higher standard, a person cannot be forced by the municipality to build to a higher standard than provided for in the Alberta Building Code.
- For example, in terms of City Charters, the objective as it relates to the *Safety Codes Act* is to help the cities to achieve environmental or climate change objectives. This enables the authority to develop additional standards on aspects that are not already regulated in the Alberta Building Code.
- These City Charter provisions provide assurance to the cities that they can pass bylaws on environmental activities like green roofs, which are not regulated by the energy efficiency standards in the Alberta Building Code, but the roof structure is regulated by the code, without contravening the *Safety Codes Act* and the Alberta Building Code.
- Alberta continues to have codes that apply to all municipalities, with the eventual goal of complete harmonization to national codes and standards.

Mr. Jonathan Carson, MLA for Edmonton-Meadowlark

Question (Page PA-593):

Regarding outcomes of projects approved for inter-municipal collaboration and funding: does this funding meet your objectives of strengthening service delivery, and do you have tangible examples of how this is going to save taxpayer money by being more efficient on service delivery?

Departmental Response:

- Intermunicipal cooperation correlates strongly with successful economies. Intermunicipal collaboration frameworks allow municipalities a forum in which to work more closely together to better manage growth and development, and will lead to greater efficiencies, economies of scale in the provision of services, resource optimization, and generally better access to services for all Albertans.
 - Strengthening intermunicipal collaboration will give businesses and industry looking to locate in Alberta a level of confidence that a given region in Alberta can support their needs.

- Municipal partnerships pursue intermunicipal or shared service arrangements in order to achieve a better level of operational cost efficiency or service quality compared to delivering services individually or without coordination.
 - The Intermunicipal Collaboration (IC) component of the Alberta Community Partnership (ACP) grant program assists municipalities to undertake intermunicipal service delivery planning projects and includes a focus on regional projects being undertaken by partnerships of two or more municipalities.
 - Intermunicipal service arrangements help local governments to leverage joint resources and capacity in delivering services to communities.

- One example includes a 2016/17 ACP IC grant of \$55,000 given to the City of Spruce Grove in partnership with the City of St. Albert and Strathcona County to establish the legal framework for a regional fire services recruitment and training authority.
 - All three municipalities employ full-time firefighters and had been recruiting through a regional partnership, but administered recruitment through their individual municipalities. This had resulted in inefficiencies due to challenges related to freedom of information and protection of privacy, as well as inefficiencies in working with three different collective agreements.
 - The formal regional training authority allows the municipalities to recruit and train firefighters regionally without the above challenges and provides more effective, consistent, and centralized evaluation of recruits.
 - The formal regional authority allows the member municipalities, which are mid-sized communities, to combine funding and leverage the reach of recruitment campaigns.
 - The municipalities found individually training one to four recruits per intake, per municipality was cost prohibitive. A regional approach to fire training operations allows the municipalities to combine recruit intakes between their municipalities into a more cost effective, in-depth training program of 8 to 12 recruits per intake.

- Another example includes a 2016/17 ACP IC grant of \$52,750 given to the Summer Village of Silver Beach in partnership with the Summer Village of Sundance Beach to review and harmonize bylaws and policies to aid in shared bylaw enforcement.
 - Each summer village has an independent council, but they share municipal administration.
 - Harmonizing bylaws allows for more efficient bylaw administration and consistent rules between the two summer villages. Further, the policy review will be critical in ensuring bylaws and subsequent enforcement remain relevant, compatible where appropriate, and enforceable for both municipalities.

- A 2016/17 ACP IC grant of \$30,000 was given to the Town of Canmore in partnership with the Town of Banff to conduct a shared governance information systems feasibility study.
 - Each municipality is in the early stages of developing information governance programs to meet legal, regulatory, and business requirements.
 - Exploration of common infrastructure between the two municipalities provides the opportunity to share resources and realize efficiency and cost-savings in records management processes, including electronic storage and back up of vital records, data recovery, records inventory, and management.
 - It is anticipated the project will produce a regional information governance service delivery plan that may be a model for other municipalities within the province.

Mr. Drew Barnes, MLA for Cypress-Medicine Hat

Question (Page PA-593):

Is the Department aware of how many municipalities, if any, have implemented the recommendation from the Flat Top report on the Slave Lake wildfire to ensure that there is a setback between the tree line and houses bordering forest areas?

Departmental Response:

- The Flat Top Complex report recommended that improved FireSmart education and awareness take place and that community-based fuel reduction and planning occur.
- The report indicated that as of 2011, 82 Alberta communities had wildfire mitigation strategies in place and 154 had wildfire prevention guides.
- As of 2017, 314 communities have wildfire mitigation strategies in place and 359 have wildfire prevention guides. This includes plans developed by communities with Forestry Research Innovation Association of Alberta (FRIAA) FireSmart funding, those directly funded by Agriculture and Forestry, and those who have self-funded these documents.
- Municipal Affairs, through the Office of the Fire Commissioner and the Alberta Emergency Management Agency, and Agriculture and Forestry work with FRIAA and other municipal and industry associations to promote the usage of FireSmart in community planning, fuel modification, and owner maintenance.
- Municipal Affairs continues to work within the National Model Codes Development System at the National Research Council to appropriately incorporate FireSmart and other resiliency initiatives into the national model building and fire codes.
- Municipalities may include provisions for setback from buildings to vegetation within their development bylaws. Steps have been taken in this direction by the Municipality of Crowsnest Pass, the Municipal District of Bighorn, and the Regional Municipality of Wood Buffalo. The Town of Slave Lake and the Municipal District of Lesser Slave River implemented a comprehensive community FireSmart program in 2011.