

Business Plan 2018–21

Municipal Affairs

Accountability Statement

This business plan was prepared under my direction, taking into consideration our government's policy decisions as of March 7, 2018.

original signed by

Shaye Anderson, Minister

Ministry Overview

The ministry consists of the Department of Municipal Affairs, Special Areas Board, seven Improvement Districts, Safety Codes Council, Municipal Government Board, New Home Buyer Protection Board, Surface Rights Board, and Land Compensation Board.

Municipal Affairs assists municipalities in providing well-managed, collaborative, and accountable local government to Albertans, including the administration of municipal grant programs and the preparation of designated industrial property and equalized assessments. The Special Areas Board manages public land and provides municipal services in the province's three Special Areas. The ministry provides limited administrative services to seven Improvement Districts, which are located primarily in the National Parks.

The ministry manages the network of municipal and intermunicipal library boards and library system boards to provide province-wide access to high-quality public library services for Albertans.

Municipal Affairs administers a safety system that helps ensure the construction and maintenance of buildings and equipment meet appropriate safety standards. An important component of the safety system is the Safety Codes Council, which provides advice to the Minister on safety codes policy and directly supports the administration of the *Safety Codes Act*. The ministry also administers the *New Home Buyer Protection Act*, which requires that all new homes built in Alberta are protected under warranty and all new home construction is performed by a licensed homebuilder.

The ministry's Alberta Emergency Management Agency leads the co-ordination, collaboration, and co-operation of all organizations involved in the prevention, preparedness, and response to disasters and emergencies in the province.

The ministry's four independent and impartial quasi-judicial boards – the Municipal Government Board, New Home Buyer Protection Board, Surface Rights Board, and Land Compensation Board – provide fair and timely decisions on assessment, compensation, and land planning matters that impact Albertans and the municipalities in which they live.

A more detailed description of Municipal Affairs and its programs and initiatives can be found at www.municipalaffairs.alberta.ca.

Strategic Context

The outcomes and key strategies identified in this business plan are aligned with the strategic direction of the Government of Alberta.

Overall, Alberta has a strong municipal sector, and the Government of Alberta continues to implement new innovative initiatives aimed at further strengthening our communities and making life better for Albertans. Implementation of a renewed *Municipal Government Act*, new city charter agreements with the province's two largest cities, and improvements to the province's emergency management framework highlight work underway in the ministry to ensure municipalities have the tools to remain resilient today and adaptable to future needs.

Alberta's economic growth continues to exceed expectations, with gains in jobs, housing, exports, and other areas. Despite the improved economic outlook, however, significant fiscal challenges continue to impact the ability of the Alberta government and municipalities to meet changing local needs and to plan for sustainable growth.

Alberta's population continues to grow. Urban centres continue to experience the strongest growth; Calgary, Edmonton, and Lethbridge are three of Canada's five fastest growing metropolitan areas. This continues to create unique challenges for the province's cities.

In addition to the province's growing population, citizens and stakeholders expect a high level of engagement and service delivery from the Government of Alberta and municipal governments. The ministry is expected to work proactively in partnership with Albertans, communities, and stakeholders to address challenges and implement changes.

The ministry and municipal governments are vehicles for achieving key provincial objectives, including economic development, climate change leadership, increased engagement with Indigenous groups, and the development of a provincial cannabis framework.

Local governments are expected to work together and collaborate on matters including smart growth, infrastructure investment, service delivery, and disaster response activities. To this end, municipalities will be required to adopt intermunicipal collaborative frameworks to address service delivery and funding, and intermunicipal development plans to address future land use and development. Growth management boards will be required in the Edmonton and Calgary metropolitan areas.

In response to severe disasters which occurred globally, governments worldwide are focusing on disaster and climate risk management. The United Nations Sendai Framework for Disaster Risk Reduction recognizes governments have the primary role to reduce disaster risk, but that responsibility should be shared with other stakeholders including, local governments, the private sector, and individuals. In Alberta, recent widespread disasters demonstrated the need for the province to play a leadership role in emergency response and disaster recovery. Municipal Affairs will continue to lead this effort, and provide tools for municipalities and other stakeholders to be better prepared for emergencies and disasters.

In recent years, nearly twenty per cent of Canada's housing starts took place in Alberta, reflecting an expanding population. Municipal Affairs will provide enhanced direction and oversight of safety by fostering expertise of safety codes officers, adopting timely code changes, delivering mandatory new home warranties, and implementing a new builder licensing program.

Advancing gender equality is a priority for the Government of Alberta. Gender equality is intrinsically linked to social and economic growth and is vital to the realization of human rights for all. Municipal Affairs is promoting awareness of Gender Based Analysis Plus (GBA+) principles and tools. The department is facilitating training for staff on using GBA+ as a mechanism to better understand, monitor and address the various impacts that the department's internal and external policies, programs, legislation, and actions have on all Albertans.

Outcomes, Key Strategies and Performance Measures

Outcome One: **Albertans live in viable municipalities and communities with responsible, collaborative and accountable local governments**

The ministry supports the viability of municipalities by providing grants and other financial support, administering the Municipal Internship Program, providing training opportunities, conducting municipal reviews and inspections, and undertaking other advisory activities. The ministry also provides support through the Municipal Sustainability Strategy, which helps improve the long-term viability of municipalities across the province. Further, the ministry oversees the property assessment and taxation system, including the preparation of designated industrial property and equalized assessments.

Key Strategies:

- 1.1 Work with municipalities to strengthen regional planning and service delivery through implementation of new mandatory growth management boards in metropolitan regions and intermunicipal collaborative frameworks in other areas of the province.
- 1.2 Support municipalities in adapting to new *Municipal Government Act* provisions for strengthening accountability, transparency, planning, and sustainability.
- 1.3 Work collaboratively with municipalities and industry to complete the transition to a centralized model for designated industrial property assessment.
- 1.4 Work in partnership with the cities of Calgary and Edmonton to implement city charters that reflect the unique circumstances of these major metropolitan centres and provide the necessary tools to govern efficiently and effectively over the long term.
- 1.5 Provide funding to municipalities to help them meet their strategic long-term infrastructure needs.
- 1.6 Enhance Albertans' access to public library resources by continuing to provide operating grants and invest in the province-wide library network.

Performance Measure	Last Actual 2015	Target 2018-19	Target 2019-20	Target 2020-21
1.a Percentage of municipalities deemed to not be at risk based on financial and governance risk indicators	n/a ¹	90%	90%	90% ²

Notes:

- ¹ Last actual data is not available as this is a new performance measure. The measure will be reported on a calendar year basis to align with municipal operating timelines. As the legislated reporting deadlines for municipal information do not align with the Government of Alberta's fiscal year, the actual data will be reported with a one-year delay.
- ² As this is a new measure, targets are based on the ministry estimation from available information. Going forward, targets may change based on additional actual data in future years and trend analysis.

Linking Performance Measures to Outcomes:

- 1.a This measure provides information on ability of municipalities to meet their legislated obligations and serve the needs of their communities, based upon a series of indicators developed by the ministry in consultation with key stakeholders.

Outcome Two: **A comprehensive system of standards ensuring quality infrastructure so that Albertans are safe in their homes and communities**

In order to help ensure Albertans are safe in their homes and communities, the ministry oversees a safety system that includes the development and implementation of modern safety codes, local delivery of fire and rescue services, and the administration of the *New Home Buyer Protection Act*.

Key Strategies:

- 2.1 Work to harmonize safety codes with national and international codes and ensure they are adopted in a timely manner.
- 2.2 Provide the safety codes system with enhanced strategic direction and oversight through a quality assurance framework.
- 2.3 Implement the Fire and Search and Rescue Strategy for Alberta.
- 2.4 Implement a builder licensing program within the province that will hold builders accountable and improve the integrity, transparency, and overall safety of residential construction.

Performance Measure	Last Actual 2016-17	Target 2018-19	Target 2019-20	Target 2020-21
2.a Number of safety codes delayed more than one year before coming into full force	4	0	0	0

Linking Performance Measures to Outcomes:

- 2.a This measure provides information on how well the province is doing in terms of strengthening the system of standards by adopting codes in a timely manner.

Performance Indicator	Actual 2013	Actual 2014	Actual 2015	Actual 2016
2.a Loss (in dollars) per capita, to fires in a calendar year	127.47	103.64	138.96	575.43 ¹

Note:

- ¹ The result for 2016 includes the May 2016 fire in the Regional Municipality of Wood Buffalo. When the Wood Buffalo fire is removed from this capita loss, the number is \$168.21.

Outcome Three: **Alberta is well prepared for disasters and emergencies**

To help Alberta's municipalities and communities better manage emergencies and disasters, the ministry provides a range of supports. Through the Alberta Emergency Management Agency, the ministry maintains and staffs the Provincial Operations Centre to co-ordinate the Government of Alberta's response to emergencies and disasters. The ministry also works with Albertans impacted by disasters to assist in their recovery by completing and closing residential Disaster Recovery Program applications, as well as working with affected communities to support their long-term recovery. Further, the ministry continues to develop and enhance the capacity of its emergency management partners to plan for, and respond to, emergency and disaster events through policy development, outreach activities, and by providing training.

Key Strategies:

- 3.1 Strengthen the provincial emergency management system by modernizing the legislative framework.
- 3.2 Improve Alberta's emergency preparedness and response capability through the support and development of regional incident management teams and a state of the art Provincial Operations Centre.
- 3.3 Improve community and individual resilience by promoting disaster preparedness and risk awareness for Alberta municipalities and individual Albertans, with public awareness sessions and in-person and online training opportunities.
- 3.4 Improve the province's capacity to assist communities' and Albertans' recovery from disasters by continuing the transformation of provincial disaster recovery activities and programs.
- 3.5 Improve resilience within the Government of Alberta by strengthening the Government of Alberta's business continuity program.

3.6 Ensure provincial 911 and emergency public alerting programs are in place and are able to meet future technological challenges.

Performance Measures	Last Actual 2016-17	Target 2018-19	Target 2019-20	Target 2020-21
3.a Percentage of communities (municipalities, First Nations, and Metis Settlements) that have been visited by an Alberta Emergency Management Agency field officer and had their Community Emergency Management Plan reviewed annually	86.4%	90%	90%	90%
3.b Percentage of residential disaster financial assistance files that have received 90 per cent of its estimated funding within 90 days of being determined eligible for Disaster Recovery Program compensation	96%	90%	90%	90% ¹

Note:

¹ This measure includes a “percentage achievement” target that commits to a high standard of expected performance at the set rate of 90 per cent, taking into account the unpredictability around the type, frequency, and severity of extraordinary disaster events. Other factors that add the variability in performance are the volume and complexity of individual applications received.

Linking Performance Measures to Outcomes:

- 3.a This measure will provide information on how well the province and communities have partnered to create local emergency plans – where it is the local authority’s responsibility to have emergency management plans in place and the AEMA’s responsibility to have reviewed and provided feedback – that decrease a community’s exposure to risk should an emergency or disaster occur.
- 3.b This measure provides information on how well the province is doing in terms of providing timely disaster financial assistance to impacted Albertans.

Outcome Four: Albertans and municipalities receive fair, timely and well-reasoned decisions on matters before the ministry’s quasi-judicial boards

The Municipal Government Board, New Home Buyer Protection Board, Surface Rights Board, and Land Compensation Board deliver fair and impartial quasi-judicial dispute resolution processes for assessment, compensation, land planning, and other matters in Alberta.

Key Strategies:

- 4.1 Deliver effective dispute resolution processes for subdivision appeals, inter-municipal disputes, annexation applications, designated industrial property complaints, and other matters.
- 4.2 Deliver effective dispute resolution processes on compensation matters involving right of entry orders, surface leases, and land expropriations.
- 4.3 Deliver an effective dispute resolution process for appeals under the *New Home Buyer Protection Act*, including owner-builder authorization, compliance orders, administrative penalties, determination of building status, builder licensing, and other matters.
- 4.4 Provide board members and support to municipal Composite Assessment Review Boards.
- 4.5 Provide training and certification for Assessment Review Board members and clerks.
- 4.6 Continue with the administrative amalgamation in support of the Municipal Government Board, the New Home Buyer Protection Board, the Surface Rights Board, and the Land Compensation Board to reduce duplication and ensure efficiency.

Performance Measure	Last Actual 2016-17	Target 2018-19	Target 2019-20	Target 2020-21
4.a Percentage of parties to Municipal Government Board appeals who are satisfied or neutral regarding the Board's performance of services in support of planning, annexation, linear, and equalized assessment appeals	89%	88%	88%	88% ¹

Note:

¹ This measure includes a “percentage achievement” target that commits to a high standard of expected performance at the set rate of 88 per cent.

Linking Performance Measures to Outcomes:

4.a This measure provides information on parties' satisfaction levels, which is thought to be most influenced by parties' perception of the fairness, timeliness, impartiality, independence and quality of Municipal Government Board proceedings and decisions.

Performance Indicator	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016
4.a Percentage satisfied or neutral regarding Municipal Government Board support to Municipal Composite Assessment Review Boards	97%	99%	100%	100%	100%

Risks to Achieving Outcomes

Municipal Affairs has identified the following risks that could impact the ministry's ability to achieve its outcomes:

Municipal capacity to manage change (linked to Outcome 1): Changes made to the *Municipal Government Act* and its associated regulations, will result in new requirements and new ways of operating for municipalities. To this end, Municipal Affairs will lead a proactive and collaborative approach to change management to help ensure municipalities have the information, tools, and advisory support required to implement changes.

Public safety and system capacity for administration (linked to Outcome 2): As the province grows and technology continues to advance, there is a risk that the safety system may not have the administrative capacity necessary to appropriately ensure buildings and associated systems are safe. Those pressures can be manifested by several challenges, including a higher requirement for technical knowledge to become a safety codes officer and a greater reliance on third party certification processes to ensure buildings and associated systems are safe. Municipal Affairs continues to monitor the impact of the pressures and to introduce policies and programs to address associated challenges, with a focus on improving information and data systems as part of the quality assurance framework.

Emergencies and disasters (linked to Outcome 3): Recent large scale disasters, including the 2016 Regional Municipality of Wood Buffalo wildfire, demonstrated the challenges governments and Albertans face in ensuring the scalability of emergency response and recovery activities. The capacity and resilience of the provincial government, communities, emergency responders, and Albertans would be challenged if multiple disasters were to take place in a relatively short period of time. Municipal Affairs will continue to work with community partners, including local governments, industry and the public, to build resilience in Alberta's communities.

STATEMENT OF OPERATIONS

(thousands of dollars)	Comparable			2018-19 Estimate	2019-20 Target	2020-21 Target
	2016-17 Actual	2017-18 Budget	2017-18 Forecast			
REVENUE						
Transfers from Government of Canada						
Federal Gas Tax Fund	218,799	222,036	223,482	229,516	229,516	229,516
Disaster Assistance	469,017	-	-	-	-	-
Other	37,133	15,500	15,500	8,400	5,000	-
Premiums, Fees and Licences	33,022	35,425	32,490	32,829	33,100	33,544
Investment Income	565	120	120	150	120	90
Other Revenue	49,778	11,480	14,207	17,320	17,747	16,858
Ministry Total	808,314	284,561	285,799	288,215	285,483	280,008
Consolidated Total	808,314	284,561	285,799	288,215	285,483	280,008
EXPENSE						
Ministry Support Services	9,999	11,078	11,721	11,126	11,112	11,097
Municipal Services and Legislation	10,855	12,249	12,249	11,766	11,766	11,766
Municipal Assessments and Grant Administration	13,959	25,233	21,239	28,780	29,206	28,318
Municipal Sustainability Initiative	1,216,708	1,211,000	2,007,300	668,000	677,000	1,087,000
Federal Grant Programs	293,070	253,036	254,482	246,316	239,516	229,516
Grants in Place of Taxes	52,454	59,287	49,387	58,662	58,662	58,662
Alberta Community Partnership	19,629	18,500	18,500	18,500	18,500	18,500
Public Safety	15,945	18,736	15,848	17,245	16,660	16,610
Alberta Emergency Management Agency	32,668	33,556	52,226	33,253	33,253	33,253
Quasi-Judicial boards	4,337	6,991	6,991	7,246	7,246	7,246
Library Services	36,538	49,684	49,684	36,968	36,968	36,968
Safety Codes Council	11,048	11,553	11,553	10,821	11,040	11,393
2013 Alberta Flooding	18,052	-	-	-	-	-
2016 Wood Buffalo Wildfire	709,600	2,478	6,421	1,063	-	-
Ministry Total	2,444,862	1,713,381	2,517,601	1,149,746	1,150,929	1,550,329
Inter-Ministry Consolidations	(232)	-	-	-	-	-
Consolidated Total	2,444,630	1,713,381	2,517,601	1,149,746	1,150,929	1,550,329
Net Operating Result	(1,636,316)	(1,428,820)	(2,231,802)	(861,531)	(865,446)	(1,270,321)
CAPITAL INVESTMENT						
Municipal Assessments and Grant Administration	-	3,000	-	3,000	1,000	1,000
Public Safety	360	420	1,109	911	-	-
Alberta Emergency Management Agency	-	4,000	4,000	2,000	1,800	-
Safety Codes Council	403	2,191	917	1,318	570	3,723
Ministry Total	763	9,611	6,026	7,229	3,370	4,723
Consolidated Total	763	9,611	6,026	7,229	3,370	4,723