

# Municipal Affairs

BUSINESS PLAN 2015–20

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## ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of March 5, 2015.

*original signed by*

Diana McQueen, Minister

March 13, 2015

## THE MINISTRY

The ministry consists of the Department of Municipal Affairs and the Safety Codes Council. The ministry also includes the Municipal Government Board, the New Home Buyer Protection Board, the Special Areas Board, and seven improvement districts, which are accountable to the minister.

A more detailed description of Municipal Affairs and its programs and initiatives can be found at [www.municipalaffairs.alberta.ca](http://www.municipalaffairs.alberta.ca).

## LINK TO GOVERNMENT OF ALBERTA STRATEGIC DIRECTION

Programs and services delivered by the ministry were reviewed for relevance, effectiveness and efficiency in accordance with the Government of Alberta's *Results-based Budgeting Act*.

The desired outcomes and priority initiatives identified in this business plan are aligned with the strategic direction of the Government of Alberta and ministry mandates.

## STRATEGIC CONTEXT

The following issues, trends, opportunities and challenges frame the environment within which Municipal Affairs operates and impact the ministry's ability to achieve its desired outcome of viable, safe, and resilient municipalities and communities for an improved quality of life for Albertans.

### Population Growth and Shifts

Alberta's population is growing and shifting. In some parts of Alberta the population is declining. Low birth rates and greater life expectancy are creating an aging population. As well, the impact of the large baby boom group will accentuate the shift toward an older population. Consistent net-migration from across Canada and globally adds yet another dimension to the shifting population landscape. These shifts put pressure on municipalities to meet changing local needs and on the ministry to ensure municipalities have access to the necessary tools to respond to these needs.

### Safe Communities

Alberta's safety codes and standards system is critical for contributing to safe communities. Alberta, like all other provinces and territories, adopts national codes and standards with the goal of achieving a harmonized safety codes system across Canada. New technologies and industries are being developed at an exceedingly fast pace and are increasingly global in scope. The desire for renewable and more efficient energy systems is prevalent as the climate changes. The need to ensure our codes and standards keep pace with national standards is critical to successfully meet these challenges.

In addition, as the climate changes, floods, wind and wildfires are all occurring more often, having a significant impact on emergency prevention and mitigation, preparedness, response, recovery and safety services. At the same time, smaller municipalities are facing increasing pressures on their largely volunteer emergency response organizations.

The 2013 southern Alberta floods increased the ministry's awareness of the consequences of such events and continue to draw on the ministry's resources and expertise. These floods resulted in the largest natural disaster in provincial history and they were responded to with the largest disaster recovery program in Canadian history. Full recovery will take years. The ministry is supporting the flood recovery and mitigation efforts by helping put in place effective recovery resources and through its ongoing work with communities and emergency response partners. In addition, the ministry is providing safety codes and fire services advice and support and is working with federal, provincial and territorial governments to develop a provincewide, all-hazards risk assessment program that will include a flood risk component. The Government of Alberta will continue to work with community partners, including local governments, industry and the public, to build resilience in Alberta's communities.

### **Viability and Sustainability of Municipalities**

Across Alberta there are challenges to replace or repair aging infrastructure including roads, bridges, and recreation and cultural facilities. In addition, some smaller municipalities have insufficient capacity to provide core functions such as financial management.

To support municipalities and communities, the ministry provides a range of advisory services and delivers key programs such as the Municipal Sustainability Initiative and the Federal Gas Tax Fund, which provides municipalities with sustainable funding. Municipal Affairs is also working to increase access to public library information and resources for all Albertans.

Collaborative inter-municipal relationships continue to increase in importance. By planning and working together, municipalities can more effectively address broader regional issues such as infrastructure and public safety. The ministry will continue to support municipal efforts to maximize regional efficiencies and build partnerships to better serve Albertans.

### **Increasing Public Expectations and Stakeholder Engagement**

More municipalities and Albertans are increasing their expectations about the way that government operates. They are seeking greater access to information, more meaningful public engagement, improved responsiveness to questions and concerns, more funding, and better delivery of programs and services.

There are opportunities for the ministry to be more proactive in encouraging meaningful interaction and engagement with stakeholders and Albertans. The ministry works with its partners, clients and stakeholders to develop cooperative approaches on issues of mutual importance and to address challenges.

## **DESIRED OUTCOMES, PRIORITY INITIATIVES, AND PERFORMANCE MEASURES AND INDICATORS**

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

#### **Priority Initiatives:**

- 1.1 Complete the comprehensive review of the *Municipal Government Act*.
- 1.2 Enhance outreach strategies with municipal leaders.
- 1.3 Create a new partnership with big cities to ensure their capacity to manage growth.
- 1.4 Support the long-term recovery of municipalities affected by the 2013 southern Alberta floods, by supporting municipal capacity development, offsetting lost property tax revenues, and through locally led recovery and mitigation projects.
- 1.5 Provide funding to municipalities through the Municipal Sustainability Initiative and other grant programs to assist municipalities in meeting their strategic long-term infrastructure needs and encouraging innovative solutions to municipal service delivery.
- 1.6 Maintain an accurate, predictable, fair and transparent assessment and property tax system, through an effective legislative framework, accurate linear and equalized assessments, and a comprehensive audit and compliance program.

- 1.7 Enhance Albertans' access to public library resources by continuing to provide operating grants and invest in the provincewide library network.
- 1.8 Assist municipalities to build capacity and accountable municipal operations through the Municipal Sustainability Strategy, the Municipal Internship Program, training opportunities, financial management support, reviews, inspections and other outreach and advisory activities.

Performance Measures	Last Actual (Year)	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
1.a Average number of public library resources (e.g., books, DVDs, digital magazines, databases, etc.) accessed by Albertans serviced by public libraries	12.2 (2011) <sup>1</sup>	13.1	13.6	14.1	14.5	15.0
1.b Percentage of municipalities demonstrating financial accountability by meeting the ministry's criteria for financial reporting and borrowing	99% (2012)	98%	98%	98%	98%	98%
1.c Percentage of municipalities that meet provincial standards for municipal property assessment	100% (2012)	98%	98%	98%	98%	98%

**Note:**

1 The 2012 results will be reported in the 2014-15 Annual Report, which will be released in June 2015.

**Desired Outcome Two: Albertans are safe in the places they live, work and play**

**Priority Initiatives:**

- 2.1 Provide programs relating to safety codes and fire services support to municipalities and Albertans during emergencies and recovery from disasters.
- 2.2 Complete the review of the *Safety Codes Act*.
- 2.3 Provide monitoring and coaching assistance to municipalities, corporations, agencies, home warranty stakeholders, delegated administrative organizations and the Safety Codes Council.
- 2.4 Work with the Safety Codes Council and stakeholders to develop and adopt safety codes for the building, fire, accessibility, electrical, gas, plumbing, private sewage, pressure equipment, elevator, amusement ride and passenger ropeway disciplines.
- 2.5 Improve residential construction quality and protect new home buyers through regulated warranty standards.
- 2.6 Foster collaboration between municipalities to improve emergency response services.

Performance Measure	Last Actual 2013	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
2.a Fire deaths per 100,000 population (10-year moving average)	0.83	Less than or equal to prior year actual				

**Desired Outcome Three: Alberta is better prepared for disasters and emergency events**

**Priority Initiatives:**

- 3.1 Support the implementation of the Focused Agenda on Public Safety and Resilient Communities.
- 3.2 Support the ongoing 2013 southern Alberta flood recovery efforts and strengthen the Disaster Recovery Program.
- 3.3 Strengthen the prevention, mitigation and preparedness efforts of public safety partners and co-ordination of the provincial public safety and disaster management framework.
- 3.4 Continue to enhance the systems that support emergency and disaster response activities for the Government of Alberta, municipalities and other emergency management partners.
- 3.5 Work with partners to enhance public alerting and the integration of emergency data and information systems.
- 3.6 Work with federal, provincial, territorial and municipal governments to develop policy options for a provincial all-hazard mitigation program including investments in flood mitigation and erosion control.

Performance Measures	Last Actual 2013-14	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
3.a Percentage of claims where a member of the damage assessment team arrives on-site within 30 days of a claim being received	95%	100%	100%	100%	100%	100%
3.b Level of preparedness as measured by the percentage of municipalities that have conducted an emergency management exercise in the last four years	84%	90%	90%	90%	90%	90%

**Desired Outcome Four: Fair, timely and well-reasoned decisions are provided on matters before the Municipal Government Board and the New Home Buyer Protection Board**

**Priority Initiatives:**

- 4.1 Deliver an effective process for subdivision appeals, inter-municipal disputes, annexation applications, linear and equalized assessment complaints, disaster recovery program appeals and appeals from decisions of the registrar made under the *New Home Buyer Protection Act*.
- 4.2 Provide board members and support to municipal Composite Assessment Review Boards.
- 4.3 Provide training to Assessment Review Board members and clerks.

Performance Measure	Last Actual 2013-14	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
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	91%	90%	90%	90%	90%	90%

Performance Indicator	Actual 2010-11	Actual 2011-12	Actual 2012-13	Actual 2013-14
4.a Percentage satisfied or neutral regarding Municipal Government Board support to Municipal Composite Assessment Review Boards	100%	100%	97%	99%

## STATEMENT OF OPERATIONS

### Consolidated Financial Statements Basis

(thousands of dollars)	Comparable	<b>2015-16 Estimate</b>	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
	2014-15 Forecast					
<b>REVENUE</b>						
Building Canada - Communities Component	5,262	-	-	-	-	-
2013 Alberta Flood Assistance	(245,943)	-	-	-	-	-
Other Transfers from Government of Canada	-	<b>3,000</b>	20,000	20,000	25,500	25,500
Premiums, Fees and Licences	28,995	<b>32,245</b>	33,275	33,275	33,275	33,275
Investment Income	161	<b>208</b>	215	215	215	215
Other Revenue	446,229	<b>5,646</b>	5,491	5,615	5,615	5,615
Federal Gas Tax Fund	214,313	<b>208,654</b>	219,086	219,086	229,519	229,519
<b>Total Revenue</b>	<b>449,017</b>	<b>249,753</b>	<b>278,067</b>	<b>278,191</b>	<b>294,124</b>	<b>294,124</b>
<b>EXPENSE</b>						
Ministry Support Services	18,696	<b>18,694</b>	19,322	19,322	20,850	22,344
Municipal Assessments and Grant Administration	18,369	<b>18,296</b>	18,345	18,450	19,693	21,036
Municipal Services and Legislation	13,400	<b>12,552</b>	12,552	12,552	13,469	14,460
Municipal Sustainability Initiative	1,638,300	<b>879,623</b>	1,233,515	1,243,523	1,253,858	1,159,515
Federal Grant Programs	224,837	<b>214,654</b>	259,086	259,086	280,519	280,519
Grants in Place of Taxes	59,695	<b>64,695</b>	66,636	67,838	70,694	72,815
Alberta Community Partnership	48,839	<b>40,000</b>	38,059	36,857	36,857	36,857
Public Safety	17,344	<b>17,661</b>	17,661	17,661	18,590	19,594
Alberta Emergency Management Agency	66,260	<b>34,891</b>	34,891	34,891	36,031	37,264
Municipal Government Board	4,888	<b>4,622</b>	4,622	4,622	4,901	5,202
Library Services	32,515	<b>36,049</b>	36,049	36,049	36,260	36,488
Safety Codes Council	6,773	<b>6,394</b>	6,394	6,394	6,394	6,394
2013 Alberta Flooding	55,538	<b>25,052</b>	18,052	-	-	-
<b>Total Expense</b>	<b>2,205,454</b>	<b>1,373,183</b>	<b>1,765,184</b>	<b>1,757,245</b>	<b>1,798,116</b>	<b>1,712,488</b>
<b>Net Operating Result</b>	<b>(1,756,437)</b>	<b>(1,123,430)</b>	<b>(1,487,117)</b>	<b>(1,479,054)</b>	<b>(1,503,992)</b>	<b>(1,418,364)</b>
<b>CAPITAL INVESTMENT BY PROGRAM</b>						
Ministry Support Services	100	<b>95</b>	85	85	85	85
Municipal Assessments and Grant Administration	990	<b>940</b>	847	847	847	847
Municipal Services and Legislation	100	<b>95</b>	85	85	85	85
Public Safety	2,379	-	-	-	-	-
Alberta Emergency Management Agency	1,035	<b>9,000</b>	-	-	-	-
Safety Codes Council	104	<b>168</b>	168	168	168	168
<b>Total</b>	<b>4,708</b>	<b>10,298</b>	<b>1,185</b>	<b>1,185</b>	<b>1,185</b>	<b>1,185</b>