

## Budget 2016 Questions from AUMA

1. What is the breakdown of the provincial education tax requisition? As part of the response, please complete the following chart:

Education Property Tax Requisition (\$million)			
Fiscal Year			
	2015-16 Forecast	2016-17 Estimate	Per cent Change
Residential	1,359	1,470	8.2
Non-Residential	902	944	4.7
Total	2,261	2,414	6.8
Calendar Year			
	2015	2016	Per cent Change
Residential	1,338	1,444	7.9
Non-Residential	885	927	4.7
Total	2,223	2,371	6.7

2. How much funding is allocated to supporting communities in *Budget 2016* compared to *Budget 2015*? As part of the response, please complete the following chart:

Capital Grants To Municipalities (\$million)					
Capital	2015-16 Budget	2015-16 Forecast	2016-17 Estimate	Explain any Grant Formula Changes	Estimates Page
Municipal Sustainability Initiative	497.1	498.9	846.0	None	197
Basic Municipal Transportation Grant	349.8	349.8	359.5	None	197
Gas Tax Fund	209.3	209.3	219.1	None	197
GreenTrip	166.2	166.2	125.0	None	234
Small Communities Fund	56.2	56.2	74.0	None	197
Water for Life	30.0	30.0	80.0	None	234
Municipal Water Wastewater Program	25.0	25.0	50.0	None	234
New Building Canada Fund – National - Regional (Edmonton Valley Line LRT)*	30.0	30.0	-	None - see note	234
Strategic Transportation Infrastructure Program	18.7	18.7	-	None	234
Air Policy	0.6	0.6	-	None	107 (part of element 2.1 Air Policy)
Parks	0.5	0.5	-	None	107 (part of element 7.5 Parks Infrastructure Management)
Alberta Municipal Infrastructure Program	0.1	0.1	-	Program complete	234

Flood Recovery/Mitigation Grants	10.5 (Education) 50.5 (Environment and Parks) 14.2 (Municipal Affairs) 5.8 (Transportation)	10.5 (Education) 75.5 (Environment and Parks) 14.2 (Municipal Affairs) 5.8 (Transportation)	- 75.7 (Environment and Parks) 14.2 (Municipal Affairs) -		81 (Education) 107 (Environment and Parks – part of element 12.4 Community Stabilization) 197 (Municipal Affairs) 234 (Transportation)
<b>Total Capital</b>	<b>1,464.5</b>	<b>1,491.3</b>	<b>1,843.5</b>		

\* Reported as Municipal Transit Initiatives in *Budget 2015*.

Note: The province is still waiting for the federal government to approve Alberta's submission for the National-Regional component. All projects submitted will benefit select municipalities, however, it is important to note that the federal funding is not a supplement to funding approved in the Capital Plan but rather will be offsetting the costs of projects already approved in the Capital Plan.

<b>Operating Grants To Municipalities (\$million)</b>					
<b>Operating</b>	<b>2015-16 Budget</b>	<b>2015-16 Forecast</b>	<b>2016-17 Estimate</b>	<b>Explain any Grant Formula Changes</b>	<b>Estimates Page</b>
Family and Community Support Services	100.0	100.0	100.0	None	145 (element 10.2 – portion that are grants)
Grants in Place of Taxes	64.7	64.7	56.5	Starting in 2016-17, the Education Tax on GIPO properties will not be paid.	196
Police Assistance Grant	54.6	54.6	55.8	None	173 (element 7.7 – part of Policing Assistance to Municipalities)
New Police Officer Program	30.0	30.0	30.0	None	173 (element 7.7 – part of Policing Assistance to Municipalities)
Municipal Sustainability Initiative	30.0	28.2	30.0	None	196
Alberta Community Partnership	40.0	40.0	20.0	None	196
Community Housing – Municipally Owned Debt Subsidy	2.7	2.7	2.7	None	214 (part of Family Community Housing)
Canada Winter Games	3.0	3.0	2.3	None	62
Water Management Grants – Growing Forward 2	1.5	1.5	1.5	None	34 (element 3.1 – part of Irrigation and Farm Water)
Victims of Crime Fund – Municipalities-Direct Funding	1.1	1.1	1.1	None	182 (part of Assistance to Victims' Organizations)

Urban Aboriginal Initiatives	0.6	0.6	0.6	None	154 (program 2 – part of First Nations and Métis Relations)
Alberta Traffic Safety Fund	0.4	0.5	0.4	None	234 (program 3 – part of Traffic Safety Services)
Alberta Historical Resources Foundation's Heritage Preservation Partnership Program and Municipal Heritage Partnership Program	-	0.1	-	Heritage Preservation Partnership Program (HPPP) – not dedicated to municipalities.  Municipal Heritage Partnership Program - Program was eliminated in 2015-16 but outstanding grant commitments were paid out of the HPPP budget.	61
Flood Recovery/Mitigation Grants	7.2 (Education)  3.5 (see note) (Infrastructure)  15.6 (Municipal Affairs)	-(Education)  3.8 (see note) (Infrastructure)  15.6 (Municipal Affairs)	-(Education)  -(Infrastructure)  3.8 (Municipal Affairs)	None	80 (Education)  162 (Infrastructure) (element 7.1 – part of Floodway Relocation Program)  197 (Municipal Affairs)
<b>Total Operating</b>	<b>354.9</b>	<b>346.4</b>	<b>304.7</b>		

**Note:** 2015-16 Estimate and Forecast figures only reflect the grant funded portion of the Floodway Relocation program (i.e., purchasing of residential homes from floodways in affected southern Alberta communities which is categorized as grants to individuals). It excludes other costs such as demolition, reclamation, assessments, etc.

<b>Grants To Other Community Entities (\$million)</b>					
<b>Operating and Capital</b>	<b>2015-16 Budget</b>	<b>2015-16 Forecast</b>	<b>2016-17 Estimate</b>	<b>Explain any Grant Formula Changes</b>	<b>Estimates Page</b>
Housing Operating	149.2	149.2	152.0	None	214 (part of most Housing programs)
Community Facility Enhancement Program	38.0	38.0	38.0	None	51
Library Services Grant	29.5	29.2	29.9	Adjustment for Official Populations used to calculate annual per capita operating grants to public library boards	197 (part of Provincial Library Network)
Organized and Serious Crime (ALERT)	26.5	26.5	29.1	None	173
Communities Initiatives Program	24.6	24.6	24.6	None	50

Jobs, Investment and Diversification	21.3	-	40.4	New program. Previously Jobs Creation Incentive Program	68 (Balance of program funding is salaries, supplies, services.)
Red Deer College Multiplex	-	-	20.0	None	21 (part of element 6.1 Capital Expansion and Upgrading)
Irrigation Infrastructure Assistance	19.0	19.0	19.0	None	35
Agricultural Service Boards Grants	11.4	11.4	11.4	None	34 (excludes \$200,000 for administration costs)
Environmental Stewardship Program (Growing Forward 2)	8.5	8.5	8.0	None	34 (part of element 3.2 Environmental Stewardship)
Environmentally Sustainable Agriculture Grants	1.8	1.8	1.8	None	34 (part of element 3.2 Environmental Stewardship)
Major Fairs	15.3	15.3	15.3	None	50
Other Initiatives Program	2.1	2.1	2.1	None	50
Francophone Secretariat Grants	0.5	0.5	0.5	None	50 (part of program 4 Francophone Secretariat)
Alberta Historical Resources Foundation – Support for Provincial Heritage Organizations	2.1	2.1	2.1	None	61
Air Policy (capital grants)	7.0	7.0	-	ecoTrust Canada program ended	107 (part of element 2.1 Air Policy)
Family and Community Safety Program	19.8	19.8	4.8	None	145 (element 10.3 – portion that are grants)
Aboriginal Friendship	1.1	1.1	1.1	None	154 (part of program 2 First Nations and Metis Relations)
Youth Justice	0.6	0.6	0.6	None	173 (part of element 8.5 – Young Offender Community Correctional Services)
Victims of Crime Fund – Indirect Funding	13.7	13.7	13.8	None	182 (part of Assistance to Victims' Organizations)
Restorative Justice	0.4	0.4	0.4	None	182 (part of Assistance to Victims' Organizations)

Housing Capital Grants	10.2	10.2	10.0	None	214 (part of Seniors Community Housing)
Fire Services and Emergency Preparedness Program	0.7	0.7	0.7	None	196 (part of element 8.3 Office of the Fire Commissioner and element 9.6 Emergency Preparedness Grants)
Search and Rescue Grants	0.2	0.2	0.2	None	196 (part of element 8.3 Office of the Fire Commissioner)
Ad-hoc Justice programs	0.2	0.2	0.1	None	172 and 173 (1.4 Corporate Services, 7.1 Program Support, 7.4 Law Enforcement Standards and Audits, 7.5 Contract Policing and Policing Oversight, 8.4 Adult Community Correctional Services)
Summer Temporary Employment Program (STEP)	-	-	10.0	Program reintroduced	186 (Element 2.8 Summer Temporary Employment Program)
Alberta Historical Resources Foundation – Heritage Preservation Partnership Programs	-	0.9	-	None	61 (part of Heritage Preservation Partnership Programs)

Flood Recovery/Mitigation Grants	0.1 (Economic Development and Trade)  29.7 (Environment and Parks)  7.2 (Indigenous Relations)  0.5 (Seniors and Housing)	0.1 (Economic Development and Trade)  29.7 (Environment and Parks)  6.7 (Indigenous Relations)  0.5 (Seniors and Housing)	- (Economic Development and Trade)  17.8 (Environment and Parks)  6.6 (Indigenous Relations)  - (Seniors and Housing)	None	68 (Economic Development and Trade)  107 (Environment and Parks - Element 12.1 Infrastructure Recovery and part of 12.4 Community Stabilization)  154 (Indigenous Relations – Element 8.3 Administrative and Capacity Support)  208 (Seniors and Housing – Element 5.1 Housing Support)
<b>Total</b>	<b>441.2</b>	<b>420.0</b>	<b>460.3</b>		

**3. What has the Government of Alberta resourced through Budget 2016 to support the needs of our growing seniors population (e.g., “aging in place,” continuing care, transportation services, seniors housing)? As part of the response, please complete the following chart:**

<b>Program (\$million)</b>	<b>2015-16 Budget</b>	<b>2015-16 Forecast</b>	<b>2016-17 Estimate</b>
Senior Community Housing Capital Investment (Estimates page 214)	150.9	102.9	196.5
Seniors Community Housing – Operating (Estimates page 214)	68.3	68.3	74.1
Seniors Community Housing Capital Grants (Estimates page 214)	10.0	10.0	20.3
Family Community Housing Capital Grants (Estimates page 214)	0.2	0.2	9.7
Health Continuing Care Beds Capital Grants (Estimates page 129)	-	50.5	43.0

The Ministry of Seniors and Housing consolidated expense is budgeted at \$644 million in 2016-17 (excluding debt servicing costs). This budget includes \$357 million for the Alberta Seniors Benefit, supporting about 150,000 low income seniors. This budget also includes \$230 million for programs delivered by the Alberta Social Housing Corporation, with \$94 million for seniors housing and \$67 million for the rental assistance program.

Through the Housing Division of Seniors and Housing, the Lodge Program Renewal Committee continues to review the Seniors Lodge Program in partnership with the Alberta Urban Municipalities Association, the Alberta Association of Municipal Districts and Counties and the Alberta Senior Citizens Housing Association.

In the Ministry of Health, more work is needed to further expand continuing care facility capacity and this would be achieved through new spaces and refurbishment/replacement of aging long-term care capacity. The government is in the process of determining the best approach to address the continuing care capacity gap.

The Affordable Supportive Living Initiative has been merged with Health’s Continuing Care Beds program. Work is continuing on the 25 previously approved supportive living projects to deliver needed care spaces across the province. Each project offers a unique opportunity to help alleviate pressures on our health system and to allow more Albertans to age-in-place in their own communities.

4. How does *Budget 2016* support affordable housing and the elimination of homelessness? As part of the response, please complete the following chart:

Program (\$million)	2015-16 Budget	2015-16 Forecast	2016-17 Estimate
<b>Operating Support</b>			
Rental Assistance (Estimates page 214)	65.3	65.3	66.6
Family Community Housing* (Estimates page 214)	49.5	49.5	51.7
Special Needs Housing (Estimates page 214)	5.8	5.8	5.8
Homeless & Outreach Support Services (Estimates page 145):			
Homeless Support Outreach Services (Element 9.4)	86.4	86.4	87.4
Women's Shelters (Element 9.3)	49.0	49.0	48.9
Homeless Shelters (Element 9.2)	37.6	37.6	40.1
Program Planning and Delivery (Element 9.1)	4.9	4.9	4.9
<b>Capital Investment</b>			
Family Community Housing (Estimates page 214)	17.1	17.1	62.5

\*Excludes \$190,000 in 2015-16 and \$9.7 million in 2016-17 in Capital Grants.

The Government of Alberta remains committed to helping lower-income families and others find a safe and affordable place to live. *Budget 2016* provides operating support of \$51.7 million in 2016-17 for Family Community Housing, a 4% increase over 2015-16. In addition, \$62.5 million in capital investment is budgeted for Family Community Housing in 2016-17, a \$45 million (265%) increase over 2015-16.

There is \$181 million budgeted in 2016-17 for Homeless and Outreach Support Services. This will help house about 2,000 homeless Albertans this year and support nearly 3,200 spaces in 25 homeless shelters, 710 beds in 30 women's emergency shelters, programming in 11 second-stage shelters, and outreach supports to women and children leaving family violence. Since 2009-10, about 12,250 Albertans who were homeless have been housed.

5. How will the province address the shortfalls with the MSI program and what is intended when the program expires (i.e., if a new program is envisioned what will be its scope and formula)?

Since its creation in 2007, the Municipal Sustainability Initiative (MSI) has provided approximately \$7.6 billion (including 2016-17 funding) to Alberta's municipalities. The government recognizes the important role municipalities play in the province and is working hard to help sustain critical infrastructure projects during these challenging economic times and beyond.

The *Budget 2016* Capital Plan invests \$9 billion over the next five years to support municipal infrastructure. This includes \$6.1 billion under MSI, extending the program beyond its original 2017 end date. This demonstrates that the Government of Alberta is committed to supporting our municipal partners with their local infrastructure priorities.

We are aware that municipalities value predictability to support planning and flexibility to make local decisions and that these elements are important for a meaningful partnership and that is what we are focused on. The government will continue to engage in meaningful discussions with the associations that represent Alberta's municipalities to determine the most effective way to support infrastructure needs moving forward.

6. **If the Grants in Lieu of Taxes (GILT) funding is not reinstated, how will the Province address shortfalls that municipalities are experiencing as a result of the removal of this program and downloading of costs? How does this align with the Key Finding from the Results Based Budgeting report (page 12, November 2015) that states that, “Clients need support to stay in the community for as long as possible. Services provided in home and community settings produce better outcomes and are less costly on the public purse than facility-based care. Individuals’ needs and available supports are taken into account to determine the most optimal environment for care delivery”?**

*Budget 2016* maintains the stable funding for key public services, including health care, education and social services, which was reinstated with *Budget 2015*. At the same time, a number of cost saving measures have been or will be implemented in *Budget 2016*. Compared to *Budget 2015*, the operating expense budgets for 2016-17 and 2017-18 are about \$300 million lower in each year.

Although a difficult decision, the Alberta Social Housing Corporation’s Grants in Place of Taxes program was eliminated in *Budget 2015*. These grants were eliminated rather than reducing funding in other important areas such as tenant supports and property maintenance. We realize this decision affects municipalities, but we need to be fiscally prudent and maintain programs and services for the most vulnerable Albertans which will aid them in remaining in their communities. Alberta Seniors and Housing will continue to work with community housing partners to deliver services, meet growing waiting list demands, and find innovative solutions to spend money more wisely without compromising our work to assist those in need. *Budget 2016* will see an additional \$4 million for the social housing portfolio and rental assistance program, and a significant investment in capital projects.

As indicated in the answer to question 3, work is ongoing with supportive living projects to deliver needed care spaces across the province to help alleviate pressures on our health system and to allow more Albertans to age-in-place in their own communities.

Finally, as part of *Budget 2016*, the education property tax portion of the Grants in Place of Taxes program has been eliminated (See question 2, Operating Grants to Municipalities, Grants in Place of Taxes.).

7. **How will *Budget 2016* strengthen community first response (i.e. fire fighters, emergency medical response, etc.) compared to 2015 resourcing?**

As the build of the Alberta First Responders Radio Communications System (AFRRCS) approaches its completion date in 2016-17, *Budget 2016* provides operating funding (\$17.2 million in 2016-17) for establishing and running the AFRRCS support and maintenance team within the Ministry of Justice and Solicitor General. This team will work with first responders across the province to ensure that the system meets the anticipated availability, grade of service and coverage needs of law enforcement, fire and Emergency Medical Services (EMS).

AFRRCS is a province wide two-way radio network for public safety first responder agencies. It will provide these agencies with a common radio network to communicate that will:

- Improve the safety of Alberta first responders and all Albertans;
- Develop and implement a radio network that includes infrastructure to meet current and future needs of first responder agencies;
- Work with first responder agencies to provide effective and efficient emergency communications services; and
- Remove technical barriers to interoperability and facilitate inter-agency cooperation.

EMS call volumes have continued to rise year over year due to a growing and aging provincial population. EMS will continue to work with local communities and send the closest appropriate ambulance to every emergency.

8. **What is the financial impact on municipalities of any new or revised fees, charges or other costs under *Budget 2016*?**

There are no new or revised fees, charges or other costs that will affect municipalities.



**9. With the upcoming changes expected out of the Municipal Government Act (MGA) review, how will the province provide supports to help municipalities deal with the required changes? In particular, what changes have been made through *Budget 2016* as a result of the government's intention to strengthen municipal cooperation and collaboration and promote regionalization?**

*Budget 2016* does fund Municipal Affairs so that it continues to have the appropriate resources to prepare for and manage the new legislation, including the ability to share relevant information with stakeholders, collaborate with municipal stakeholders in the development of regulations to support the MGA amendments, and develop training tools and templates to assist municipalities in adapting to the new legislation once it comes into force.

For example, the Alberta Community Partnership encourages and enables municipalities to collaborate for more efficient planning, funding and delivery of municipal services. More specifically, funding to the Capital Region Board and the Calgary Regional Partnership will help ensure these vital organizations continue to support integrated land use planning and growth management in the province's largest metropolitan areas.

**10. How will the province change the current funding system so that the sharing of revenues links to infrastructure ownership and services and allows municipalities to be financially sustainable (e.g., AUMA called for reforms to property assessment and taxation, statutory grants, and greater ability to levy fees and charges)?**

As part of the *Municipal Government Act* review, a number of property assessment and taxation issues have been introduced and are currently being considered by government.

**11. How is the province supporting the viability of small urban municipalities through *Budget 2016* compared to *Budget 2015* (e.g., base grants, economic development, tourism, capacity building, etc.)?**

*Budget 2016* continues to support small urban municipalities with the Municipal Sustainability Initiative (MSI). Under the MSI funding formula, \$120,000 in base funding is provided to all towns and villages and \$60,000 in base funding is provided to all summer villages, in addition to funding allocated on the basis of population (48%), education property tax requisitions (48%) and kilometres of local road (4%). Despite budget restraint, the flexible support provided under the MSI operating program for all municipalities has been maintained at \$30 million. Small municipalities will continue to receive \$9 million in funding through Sustainable Investment (SI), which is part of the MSI operating budget allocated to municipalities with populations fewer than 10,000 and limited local assessment bases. In addition, small urban municipalities with less than 300 residents continue to receive base funding of \$8,000 and \$33.33 per capita from the former Basic Municipal Transportation Grant program, now part of the MSI program.

Small urban municipalities also continue to receive support through two components of the New Building Canada Fund, the Gas Tax Fund (GTF) and the Small Communities Fund (SCF). Under the GTF, towns and villages receive a minimum allocation of \$50,000 and summer villages receive a base allocation of \$5,000, in addition to funding allocated on a per capita basis. Under the SCF, only municipalities with populations under 100,000 may apply.

Even during these difficult economic times, the Alberta government remains committed to supporting regional initiatives for municipalities, encouraging collaboration and focusing funding to encourage all municipalities to work with their neighbours. Funding under the Alberta Community Partnership (ACP) will continue to support small urban municipalities to resolve conflicts with their neighbours, build capacity through municipal internships and to find more efficient and effective ways to deliver regional services. The 2016-17 ACP program budget is \$20 million.

In addition, Municipal Affairs offers a range of advisory resources and training opportunities to build municipal capacity. Support is provided in the areas of finance, governance and administration, land-use planning, property tax and assessment, municipal restructuring, dispute resolution, and local elections. In recent years, the ministry has supplemented its traditional training supports with a series of regional training sessions to enable administrators from smaller municipalities to receive practical training in or near their home community. In 2015-16, these sessions attracted 211 individuals from 127 municipalities.

Municipal Affairs also provides advisory and financial assistance to help assess infrastructure needs and explore inter-municipal opportunities for service delivery and resource optimization. Ministry staff works with municipalities to explore options for regional service delivery through Regional Service Commissions, of which there are now 71

across Alberta. Meanwhile, the Collaborative Governance Initiative provides support to help municipalities address conflict and develop inter-municipal agreements for service planning and delivery. The Municipal Restructuring Component of the ACP program may be used to fund infrastructure studies for municipalities undergoing a viability review process, assist with transition in cases of dissolution and pursue regional governance studies.

Municipal Affairs works in partnership with municipalities and municipal associations to conduct viability review processes that examine a community's strengths and weaknesses to identify opportunities to resolve viability-related challenges. A strong component of the Municipal Sustainability Strategy, these viability reviews include the use of a self-assessment toolkit by the municipality; an analysis of the municipality's administration, finances and services; a recommendation by a review team as to the state of the municipality's viability; and, where appropriate, the development of a viability plan.

Economic Development and Trade is leading implementation of the new jobs, investment and diversification package. Over two years, this \$250 million package will provide:

- \$190 million to support job creators with two new tax credits (valued at \$165 million) to encourage investors to support eligible small and medium enterprises in Alberta, and encourage businesses to make capital investments. There is \$25 million in new funding to be invested through the Alberta Enterprise Corporation to spur innovation and help grow companies and increase employment in areas such as clean technology;
- \$35 million to attract and support new businesses and pursue regional economic development initiatives; and
- \$25 million for new apprenticeship and training opportunities.

Culture and Tourism will continue to work with over 120 community and regional visitor information centres to provide seasonal training and other supports that help them to contribute to Alberta's visitor economy.

Small urban municipalities can continue to access and benefit from tourism development and marketing supports such as:

- the Tourism Highway Signage Program which covers the cost of renewal fees for signs. This program has a budget of approximately \$85,000 - \$100,000 per year; and
- the Tourism Entrepreneurship Program which helps small urban municipalities by engaging local citizens interested in either establishing a business or adapting their current business.

By promoting Alberta's tourism investment opportunities nationally and internationally, Culture and Tourism connects local business with new sources of capital for business expansion.

Travel Alberta's Cooperative Marketing Investment Program supports the growth of Alberta's tourism industry by investing in Alberta industry-led marketing initiatives to increase their marketing capacity, resulting in increased tourism revenues.

## **12. How will the province work with AUMA to implement asset management and Bill 20 financial planning requirements while identifying and managing the municipal infrastructure deficit?**

Asset management is a broader collection of practices and processes beyond the identification of anticipated capital property additions. Asset management includes processes to maintain asset inventories that addresses condition, estimated remaining useful life, and estimated replacement costs; to understand the municipality's financial position; to make informed decisions; to manage asset life cycles; and to set and maintain strategic goals that consider desired service levels and future demands. Asset management processes allow municipalities to manage infrastructure in a planned and integrated manner to maximize value to the community.

Municipal Affairs is committed to work collaboratively with the AUMA and other municipal associations to explore options for implementing better asset management practices in Alberta municipalities, while recognizing the capacity limitations of some municipal governments. AUMA is represented on the Municipal Sustainability Strategy Advisory Committee, which has developed the initial approach to asset management in Alberta to meet the requirements of our Gas Tax Agreement with the federal government. Updates on this approach are available at the following web address: <http://municipalaffairs.alberta.ca/federal-gas-tax-fund>.

Part of the committee's mandate is to raise awareness of existing capacity building tools and other supports among municipalities, including the need to assess possible requirements for new tools and products to support municipal implementation of asset management, and to leverage ongoing work within organizations where appropriate. A number of good resources are available to support implementation of asset management practices, including resources developed by AUMA, and new resources continue to be developed.

*The Municipal Government Amendment Act, 2015*, will require that municipalities prepare both a three-year operating plan and a five-year capital plan, updated on an ongoing basis. The requirement is intended to promote a longer-term outlook in anticipating and planning for infrastructure requirements. Many municipalities already take this long term approach.

**13. What does *Budget 2016* provide for transportation infrastructure funding (e.g., roads, streets and other transit infrastructure) compared to *Budget 2015* and funding committed to in fall 2015 for the rural bussing strategy?**

The *Budget 2016* Capital Plan provides \$1.4 billion in financial support to Alberta municipalities for transportation infrastructure. This includes \$914 million for the Green Transit Incentives Program (GreenTRIP), \$305 million for Municipal Transit Initiatives, \$100 million for the Strategic Transportation Infrastructure Program and \$120 million to match federal funding provided through the New Building Canada Fund for the Edmonton Valley Line LRT project – an additional \$30 million was included for this in 2015-16. The *Budget 2015* commitment for rural bus initiatives has been deferred.

Alberta Transportation is engaging with stakeholders and the public to inform the development of a provincial transit strategy and program criteria to determine how provincial funding for transit can best support municipal transit initiatives and rural bus service. The program criteria are targeted to be finalized later in 2016.

Alberta Transportation is also working with Alberta Environment and Parks to determine how to best allocate revenues collected from carbon pricing. A portion of collected revenues will be invested directly into green infrastructure including public transit. This spending will help support the government's goal of reducing greenhouse gas emissions as part of the Climate Leadership Plan.

In 2016-17, \$125 million is provided for GreenTRIP. GreenTRIP provides funding to municipalities to support local priorities for sustainable, affordable and environmentally sound public transit in their communities. The third call application deadline is August 31, 2016.

*Budget 2016* also includes more than \$7.1 billion over the next five years for Alberta's provincial highway network. This represents an increase of approximately \$350 million (excluding Parsons Creek Land Development Interchanges) compared to *Budget 2015* (2015-20) and includes new funding for shovel ready projects, twinning the Peace River bridge and new funding for slide repairs. These increases are offset by less funding required for twinning Highway 63 between Grassland and Fort McMurray, and the Northeast Anthony Henday Drive ring road, as these projects are slated for completion in 2016.

The \$7.1 billion over five years will provide:

- \$4.6 billion for Alberta's provincial highway network on projects like the Edmonton and Calgary ring roads, Highways 63 and 19, and twinning the Peace River bridge; and
- \$2.5 billion in maintenance and renewal on roads and bridges to extend the life of our infrastructure and enhance safety:
  - \$2 billion for provincial highway rehabilitation;
  - \$432 million for bridge construction; and
  - \$140 million for slide repairs.

In 2016-17, nearly \$1.4 billion will be provided for highway infrastructure benefitting communities:

- \$952 million for the provincial highway network:
  - \$527 million for the Edmonton and Calgary ring roads;
  - \$68 million for the twinning of Highway 63;
  - \$29 million for roadway improvements within the Urban Services Area of Fort McMurray; and
  - \$328 million for other projects throughout the province, including interchanges, intersections and twinning, widening and expansion projects.
- \$434 million for maintenance and renewal on roads and bridges including highway rehabilitation, bridge construction and slide repairs.

Under the Municipal Sustainability Initiative (MSI), funding can be used to support capital costs associated with transportation infrastructure including roads, bridges and public transit. To date, about 48 per cent of MSI funding has been committed by municipalities to roads and transit related projects.

**14. Given the recent increase in Alberta's crime, how does *Budget 2016* ensure that the Municipal Police Assistance Grant and the Alberta Law Enforcement Response Team (ALERT) are increased to reflect the costs of providing policing with urban municipalities (that are currently paying for police costs) and is fair for all types of municipalities? How will police funding move towards an outcome of crime prevention and safe communities?**

*Budget 2016* provides \$501 million for ongoing Public Security programs including policing, provincial sheriffs, enforcement, the Alberta First Responders Radio Communications System and ALERT, which increases by \$2.6 million or 9.9% to maintain a complement of 232 officers.

Also included is an increase of \$1.1 million or 1.4 per cent for the Municipal Police Assistance Grants. The increase is intended to address population growth in accordance with the population-based grant formula and is distributed fairly to all urban municipalities that are eligible. Further, municipalities will see an increase in their fines revenue resulting from the increase to *Traffic Safety Act* fine amounts in May 2015.

It should be recognized that every town, village and summer village that has a population of 5,000 or less, and every county, municipal district and Métis settlement (regardless of population) receive policing services from the Provincial Police Service (RCMP) which is provided by the province at no cost to these communities.

One of the government's objectives is for safe and secure communities and any provincial funding provided to municipalities is guided by that objective. The police funding grants are to be used for policing which includes law enforcement and crime prevention. All police services have the discretion to fund specialized programs for community crime prevention, including working with youth to prevent crime in the future.

**15. What does *Budget 2016* provide to support improved water and watershed management and how does this compare to funding committed to in fall 2015 for the water grants from Alberta Transportation?**

Transportation administers the funding for the Water for Life and the Municipal Water Wastewater Program. Environment and Parks supports Transportation in the review and prioritization of Water for Life funding requests. Over the next five years, \$595 million is available under these municipal water infrastructure programs. In 2016-17, the budget for Water for Life grants is \$80 million, an increase of \$50 million or 167 per cent, from 2015-16. In 2016-17, the budget for the Municipal Water Wastewater Program is \$50 million, an increase of \$25 million or 100 per cent from the previous year.

The Government of Alberta continues to address the 20 short term actions that will improve water and watershed management detailed in *Our Water, Our Future* (Action Plan). Funding for the water policy agenda has been budgeted at \$500,000 to support the Action Plan, other water policy initiatives and to support previous commitments such as implementation of the Wetland Policy. Additional spending will be undertaken by our partners at Alberta Innovates.

Examples of actions identified in *Our Water, Our Future* include:

- Enhancing lake governance systems to clarify role and responsibilities;
- Enhancing public awareness about lake management to further support Albertans in keeping lakes clean and healthy;
- Working with municipalities to identify opportunities to enhance the sustainability of municipal water systems;
- Developing a common approach for establishing source water protection plans to be used in all watersheds;
- Ensuring major water use sectors make concrete, measurable and demonstrative improvements in water conservation, efficiency and productivity; and
- Taking a provincial-level policy approach to water and wastewater re-use and support research into geographically distinct case studies in Alberta that will identify opportunities for flexibility in regulations to accommodate regional needs.

The development and implementation of regional water management frameworks are also accounted for in Environment and Parks' budget.

The Government of Alberta supports water management through funding partnerships with the Alberta Water Council and Watershed Planning and Advisory Councils. Funding for the Alberta Water Council in 2016-17 is anticipated to be approximately \$825,000, while funding for Watershed Planning and Advisory Councils is anticipated to remain at levels similar to previous years at approximately \$3.2 million.

The Government of Alberta is working with the Water Council to provide recommendations on enhancing lake governance systems to clarify roles and responsibilities; contributing to the development of a water literacy strategy; and measuring improvements made in water conservation, efficiency, and productivity.

In addition to the grant funding, Transportation will be investing \$46 million in 2016-17 for flood mitigation and water management infrastructure and another \$90 million in water management infrastructure in the following four years. For 2016-17:

- \$24 million is included for the Water and Wastewater Infrastructure Recovery program in response to the 2013 Alberta floods (Estimates page 235, element 15.2), and
- \$22 million is included for Water Management Infrastructure projects throughout the province (Estimates page 235, program 14).

#### **16. How is the province supporting urban municipalities regarding their social infrastructure, their arts and cultural community and their citizens' recreation activities and programs?**

Alberta's culture and tourism sectors contribute to the cultural, social and economic well-being of communities across the province. Both sectors will continue to play a prominent role with \$262 million over five years in the *Budget 2016* Capital Plan for parks, recreation and culture related projects to help diversify Alberta's economy and build strong communities for Alberta families.

The government is committed to ensuring Albertans have access to safe, affordable housing. The *Budget 2016* Capital Plan includes \$892 million to build more affordable housing and renew existing housing resulting in more people moving off waiting lists and into safe and affordable homes. The Capital Plan will also support housing for First Nations in support of the United Nations Declaration on the Rights of Indigenous Peoples.

The Capital Plan invests \$3.5 billion to continue to build the health infrastructure Albertans need. This includes \$1.2 billion to continue work on the Calgary Cancer Centre to meet the rising need for cancer care and \$500 million for future priority investments in health facilities across the province. There is \$400 million for a new clinical information system which will better integrate health care information systems throughout the province and support health care workers in making more informed decisions in delivering care for Albertans. The Capital Plan also includes \$365 million to expand access to continuing care to provide relief for families and ease the pressure on overcrowded hospitals.

The five-year Capital Plan also provides:

- \$940 million for post-secondary facilities – including Keyano College, Lethbridge College, MacEwan University, Mount Royal University, NAIT, NorQuest College, Red Deer College, the University of Calgary and the University of Lethbridge;
- \$3.5 billion for schools – including \$2.9 billion to complete 200 new schools and modernization projects and \$500 million for additional school projects in future capital plans.

In addition, there is \$4.4 billion in capital investment self-financed by Alberta Health Services (\$1.7 billion), post-secondary institutions (\$2.2 billion) and school boards (\$465 million) and for ancillary and other projects.

Culture and Tourism provides support to municipalities through customized services that enhance the capacity of community leaders, organizations and networks to achieve their goals, address community issues and make a positive contribution to the lives of their citizens. These services include facilitation and skill development in areas such as community and strategic planning, organization and board development, building community collaboration and partnerships, and public/stakeholder consultation. The support can be provided directly to municipal entities such as councils, boards, task forces and committees and also to non-profit organizations that work within the municipality to deliver services to citizens. Recent examples of support directly to urban municipalities include:

- City of Edmonton (McDougall United Church planning, Edmonton Police Service diversity recruiting project, and Suicide Prevention Strategy);
- Various services to Family and Community Support Services advisory boards (planning for the City of Leduc, Youth Advisory Council for the Town of Sylvan Lake);
- Board governance training (City of Red Deer, Town of Claresholm);
- Citizen engagement (City of Leduc Neighbourhood Conversations 2015);
- Facilitation training (Town of Stony Plain, Town of Cochrane);
- Organizational planning (Town of St. Paul Volunteer Fire Department); and
- Services to municipal public libraries and boards (Cold Lake, Edmonton, Lloydminster and the Town of Delia Library Board).

The Alberta Foundation for the Arts (AFA) exists to encourage and support the development of arts as a valuable contributor to quality of life in Alberta. Funding is one of the most direct ways that the AFA supports public access to the arts. Funding is provided to artists and arts organizations in all municipalities as well as project grants to organizations that do not have strictly arts mandates but provide arts programming.

Francophone project grants are provided where there is matched funding and a focus on services in French.

The Municipal Recreation Engagement Strategy (MRES) has been developed as a partnership between Culture and Tourism and the Alberta Recreation and Parks Association (ARPA). The strategy supports a coordinated approach to the implementation of the goals of the Framework for Recreation in Canada (endorsed by provincial/territorial ministers in 2015) and the outcomes of a more active Alberta at the local level throughout the province.

Although not directly targeted to municipal programs, operational and project grants are provided to recreation and physical activity organizations that are working towards outcomes of a more active Alberta. These provincial organizations often provide the super structure for organizations at the local level to provide services directly to Albertans.

Infrastructure supports social infrastructure in municipalities through projects such as the new Royal Alberta Museum in Edmonton and the expansion of the Royal Tyrell Museum of Palaeontology in Drumheller. The Royal Alberta Museum is scheduled for completion in the fall of 2016 and to be open to the public in the winter of 2017.

As part of the school capital planning process, Education has encouraged school jurisdictions to seek partnerships with municipalities and other community stakeholders in order to enhance services to the local residents, allow the schools to become a hub of the community and provide students the benefit of services that are compatible with schools. Stakeholders may be other school jurisdictions, municipalities and/or community organizations. Examples of arrangements that may benefit students and the community include increasing the size and height of the gym in

order to benefit students and adults during and after school hours. Other services that have been part of the hub include a public library, day cares and recreational centres.

The MSI capital funding component provides significant financial support to municipalities for infrastructure needs, including support for the construction, betterment, rehabilitation, or non-routine maintenance of sports and recreation facilities, playgrounds, parks, and trail systems, cultural or community centres, convention centres, performing arts facilities, museums and art galleries.

Through the MSI program, Municipal Affairs recognizes that the non-profit sector plays a key role in supporting social infrastructure and recreation in many communities. Since the inception of the MSI, municipalities have had the option of using their MSI funding to support local non-profit organizations. While the option to support the non-profit sector exists, it is not a requirement. Rather, this option was built into the program to allow greater flexibility for municipalities.

The province also supports urban municipalities by providing operating funding support to public libraries. In addition to providing direct operating funding support, the province funds SuperNet connectivity for libraries, manages and funds interlibrary loan delivery, funds access to two services for visually-impaired and print-disabled library users, funds and provides e-content online (world newspapers, television and music; language-learning software; e-magazines; and e-books) and provides support for libraries to deliver on early childhood literacy initiatives.

**17. How is the government moving forward with the recommendations the Brownfield Redevelopment Working Group submitted to the Province in 2012, particularly around updating the Remediation Certificate Program to bring it in line with the successful programs in other provinces? When and how will the AUMA and municipalities be re-engaged in this important initiative?**

A Brownfield Site is an abandoned, vacant, derelict or underutilized property where past actions have resulted in actual or perceived contamination and where there is an active potential for productive community use including reuse and full development. As brownfields impact community vibrancy and can pose a real obstacle to economic development in small and large municipalities alike, their redevelopment is key in supporting municipal sustainability. Redevelopment of underutilized properties in the inner core or mature areas can lead to the revitalization of these areas, improved walkability of neighbourhoods and vibrant community growth, among other things.

In May 2012, the Brownfield Redevelopment Working Group – comprised of Municipal Affairs, Environment and Parks, the AUMA, AAMDC, and the Cities of Edmonton and Calgary – delivered its recommendations for a brownfield policy to Municipal Affairs and Environment and Parks. The working group’s final report is available at [www.esrd.alberta.ca](http://www.esrd.alberta.ca). Recommendations from the Brownfield Redevelopment Working Group’s report regarding municipal tax alterations will be considered within the larger *Municipal Government Act* review.

Work on policy components that would support the intent of the recommendations have been undertaken by Environment and Parks (Contaminated Sites Policy Framework, Environmental Site Assessment Standard, etc.). Environment and Parks is currently assembling a Government of Alberta regulator steering committee that will work on scope and direction for the Contaminated Sites Review project. The project includes the review of the Remediation Certificate Regulation and the recommendations of the Working Group’s report. Technical working groups, with representation from external stakeholders including the AUMA, will be established to complete the work.

In order to better address redevelopment of municipal brownfield sites, the following eligible project cost definition was included in the Municipal Sustainability Initiative Capital Guidelines in 2015:

“Land betterment costs (i.e. rehabilitation, reclamation and remediation) on land owned by a municipality or eligible entity, where the land is intended for a specific, eligible capital asset; or land betterment activities intended to address/mitigate health and safety concerns with or without a resulting capital asset.”

Brownfield redevelopment is also eligible for funding under the federal Gas Tax Fund.

**18. How will the province ensure that the carbon tax is revenue neutral for municipalities and that municipalities impacted by the phasing out of coal-fired electricity are supported?**

With *Budget 2016* the Government of Alberta is implementing the Climate Leadership Plan, based on the recommendations of the Climate Change Advisory Panel. Under the Plan, Alberta will phase out emissions from coal-fired electricity generation and develop more renewable energy; implement an economy wide carbon price on greenhouse gas emissions; set a legislated limit on oil sands emissions and target a 45% reduction in methane gas emissions from Alberta's oil and gas sector.

To help encourage Albertans and Alberta businesses to reduce their greenhouse gas emissions, a carbon price of \$20/tonne effective January 1, 2017, increasing to \$30/tonne, effective 1 January, 2018, will be implemented through a carbon levy on purchases of transportation and heating fuels. The prices are applied to individual fuels and based on the amounts of greenhouse gas emissions that are released when the fuel is combusted.

To help Albertans and Alberta businesses adjust to the new carbon price, the Government of Alberta will:

- Implement a rebate for lower and middle income Albertans; and
- Reduce the small business income tax rate to 2% on January 1, 2017.

It will also support small businesses, First Nations and people working in the coal industry through the transition.

In addition, the carbon levy will be reinvested into municipalities through investment in green infrastructure like public transit, renewable energy programs and efficiency programs to help reduce their energy usage.

More specifically for municipalities and individuals impacted by the phasing out of coal, the Climate Leadership Plan will phase out coal emissions in a fair and balanced way that will help communities and Albertans through the transition. Over the coming weeks and months, we will be working with communities to develop specific transition and adjustment plans that will be custom fit for each situation.

**19. How will the province address the increased risk of abandoned energy infrastructure and orphaned wells so that they are remediated and do not become a burden on municipalities?**

The liability associated with energy infrastructure remains with the licensee in perpetuity. The Alberta Energy Regulator (AER) has a series of liability programs including: Directive 006 - Licensee Liability Rating (LLR) Program and Licence Transfer Process; Directive 024 - Large Facility Liability Program; Directive 075 - Oilfield Waste Liability (OWL) Program; and the Mine Financial Security Program (MFSP). These programs are designed to manage liability in the upstream energy sector by monitoring the ability of licensees to meet their regulatory obligations for closing their infrastructure and by collecting security deposits to ensure licensees have the necessary funds set aside to achieve this.

In situations where the licensees are no longer able or willing to meet their regulatory obligations, the AER will place infrastructure that requires closure work to be conducted with the Orphan Well Association (OWA). The mandate of the OWA is to manage the abandonment of upstream oil and gas orphan wells, pipelines, facilities, and remediation and reclamation of their associated sites. In times where there is an increase in infrastructure falling under the care and custody of the OWA, the OWA increases its annual levy of industry to accommodate. Therefore, there are mechanisms in place to ensure that this infrastructure does not become a burden on municipalities.

The budget for Orphan Well Abandonment, which nearly doubled to \$30.5 million in 2015-16, will be maintained at this level in *Budget 2016*.



**20. How will the province's actions on the UN Declaration of the Rights of Indigenous Peoples and the Truth and Reconciliation Report impact municipalities and what supports will be available?**

The Government of Alberta is committed to implementing the principles and objectives of the UN Declaration on the Rights of Indigenous Peoples. Specific ways in which this will occur will be developed through engagement with Indigenous leaders and organizations. It is anticipated that any impacts to municipalities from this commitment would be indirect, for example, there may be increased opportunities for municipalities to partner with Indigenous communities on mutual priorities.

There are many things all governments, including municipal governments, can do to improve relationships and foster partnerships with Indigenous peoples that don't require additional or special funding. Changing the way we talk to, listen to, and collaborate with Indigenous peoples is a fundamental principle of the UN Declaration.

The *Budget 2016* Capital Plan will support housing for First Nations in support of the United Nations Declaration on the Rights of Indigenous Peoples.

Finally, Culture and Tourism has programs to assist Indigenous people, including:

- A bursary program for professional recreation certification; and
- Some available grant funding is targeted toward programming for Indigenous populations. For example, the Lloydminster Native Friendship Centre received a project grant to assist with the development of the Women Warriors program as a unique model of delivery of activity and wellness programming for Indigenous populations in small urban and rural centers.