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# Municipal Affairs

BUSINESS PLAN 2005-08

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## ACCOUNTABILITY STATEMENT

The business plan for the three years commencing April 1, 2005 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of March 21, 2005 with material economic or fiscal implications of which I am aware have been considered in preparing the business plan.

The Ministry's priorities outlined in the business plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this business plan.

*[Original Signed]*

Rob Renner, *Minister of Municipal Affairs*  
March 24, 2005

## THE MINISTRY

The Ministry of Municipal Affairs consists of two main Divisions: Local Government Services and Public Safety, as well as five support branches.

Major responsibilities include helping municipalities provide accountable, well-managed, responsive, and effective local government for Albertans; administering a safety system that promotes fire protection and strives to ensure buildings and equipment are constructed and maintained to safe standards; and managing provincial emergency management programs and supporting municipalities, so they are prepared to deal with major emergencies and disasters.

The Ministry also includes the Municipal Government Board, an independent, quasi-judicial board that conducts hearings on matters defined in the *Municipal Government Act*; the Special Areas Board that provides municipal services and long-term land management for three special areas in southeast Alberta; and National Park Improvement Districts that provide limited municipal services.

Primary clients and stakeholders include municipalities and their related organizations and associations, organizations accredited under the *Safety Codes Act*, and industry-based safety and emergency management groups. The Ministry consults and works with the local government sector, delegated authorities, the public, industry, and other provincial and federal government departments as an integral and ongoing part of its activities.

## VISION

*Viable, responsive, and well-managed local governments and a public safety system that results in safe buildings, equipment and facilities, and effective emergency management.*

## MISSION

Municipal Affairs works in partnership with Alberta's municipalities, other provincial government departments, our federal partners, local authorities, various organizations focused on local matters, and the private sector to ensure Albertans live in safe, well-managed communities and are served by open, effective, accountable and well-managed local governments.

## VALUES

As a Ministry, we value and support honesty, fairness, professionalism, and accountability, while focusing on exceptional service for our clients. We value our staff and their contributions of innovation, creativity, collaboration and open communication. These elements are key in achieving our Ministry's vision.

## LINK TO THE GOVERNMENT OF ALBERTA STRATEGIC BUSINESS PLAN

This plan supports the following goals in the three-year Government of Alberta 2005-08 Strategic Business Plan that are aligned with Opportunity 4: making Alberta the best place to live, work and visit.

- Goal 8: Alberta will have a financially stable, open and accountable government.
- Goal 9: Alberta will have strong and effective partnerships with local, provincial, national and international governments.
- Goal 10: Alberta will be a fair and safe place to work, live and raise families.

This plan also directly supports two Government of Alberta medium-term strategies that are aligned with Opportunity 4: making Alberta the best place to live, work and visit:

- **Minister's Provincial/Municipal Council on Roles, Responsibilities and Resources in the 21st Century:** This strategy examines how provincial and municipal governments can best work together to improve municipal financial sustainability and build municipal capacity to provide efficient and effective services.
- **Alberta Security and Public Safety Strategy:** This strategy is jointly led by Municipal Affairs and the Solicitor General to mitigate and prevent the security risks to Alberta posed by intentional acts of violence or destruction by terrorists.

Municipal Affairs also supports a number of other medium-term strategies and cross-ministry initiatives indirectly.

## SIGNIFICANT OPPORTUNITIES AND CHALLENGES

Municipal Affairs strives to be vigilant and responsive in fulfilling its mandate to ensure that Albertans live in safe, well-managed communities.

Rapid growth, shifting demographics, reliance on technology, and the vulnerability of a resource-based economy all impact local government operations. Industry clustering, potential threats to security, complex regulatory frameworks and compliance requirements, and a shortage of skilled labour are challenges that impact Municipal Affairs' business activities.

The Ministry business plan includes strategies to respond to Albertans' priorities. Three categories of opportunities and challenges have been identified that may affect business plan outcomes:

**Relationships with Partners:** Increased clarity in partner roles, responsibilities and resource commitments will provide opportunities to better serve Albertans. A key priority for the Ministry is to work with municipal partners to refine the roles and responsibilities of municipal governments and their relationship with the provincial government. The Ministry is also working with Alberta's fire service to develop a framework to assist in better coordinating fire service operations across the province. This will provide communities with the option of choosing service standards most appropriate to meet local needs.

**Challenges of Growth:** Municipalities continue to face financial pressure to repair or replace existing infrastructure. Some municipal property tax assessment bases are declining. Other municipalities face rapid growth pressures. Municipalities continue to indicate that current funding levels and revenue sources may not be adequate to meet service or infrastructure demands. Municipal Affairs has the opportunity to work with its municipal partners and assist in the development of strategies to enhance services provided to Albertans.

**Public Safety and Security:** The safety of Albertans continues to be a priority. A variety of partners are working together on issues such as emergency and business continuity planning – as well as critical infrastructure identification to enhance our collective ability to prepare for, respond to and recover from any major emergency or disaster. Safety codes and standards also continue to be reviewed and revised in response to industry innovation to ensure that buildings and equipment are constructed and operated safely.

With the ongoing support of partners, the Ministry is committed to addressing new opportunities and challenges, accommodating new technologies, and developing effective solutions to meet the changing needs and priorities of Albertans.

## STRATEGIC PRIORITIES 2005-08

- 1. Provincial/Municipal Relationship**  
**Linkage: Goal 1**

A key priority for the Ministry is to work with municipal partners to reassess and better define the roles and responsibilities of municipal governments and their relationship with the provincial government. Subsequently, the most appropriate funding vehicles that affect these roles and responsibilities will be determined. Increased clarity regarding roles and responsibilities will enable each order of government to more efficiently and effectively deliver the services for which it is responsible.

Objective: An understanding that clearly delineates which order of government is best suited for delivering which services, as a result of the Ministry working with municipal partners and the municipal associations.
- 2. Emergency Management**  
**Linkage: Goal 5**

World events have emphasized the need to enhance existing provincial government emergency management and develop provincial and local capabilities to deal with major emergencies and disasters.

Objective: Alberta has in place an effective emergency management system and partnerships to ensure its citizens and infrastructure are protected.
- 3. Land Use Policies**  
**Linkage: Goal 1**

The Ministry is working with other ministries to keep land use policies current so they meet the challenges and needs of municipalities and Albertans in a way that balances the interests of all parties.

Objective: An updated set of land use policies that are coordinated with and supported by affected provincial ministries and municipal associations, as a result of the Ministry working with other ministries and municipal partners.

**4. Intermunicipal Partnerships**

**Linkage:**  
**Goals 1, 4, 5**

The Ministry continues to encourage and facilitate partnerships involving joint planning, innovation and common opportunities including shared resourcing in the delivery of services and programs. This approach provides opportunities to deliver services more effectively, making the most of limited resources.

Objective: An increase in the number of municipalities working cooperatively to improve service delivery as a result of the Regional Partnerships Initiative.

**5. Safety System Enhancement**

**Linkage: Goal 4**

Work is ongoing to introduce harmonized, objective-based codes in the building, fire and plumbing disciplines through national and international codes and standards. Safety legislation is undergoing review for currency and responsiveness to changing needs. The establishment of a unifying framework for the fire service in Alberta is one of the significant initiatives under way that will provide a strong foundation for innovation in the fire service.

Objective: Alberta will continue to meet national and international safety code standards and have a framework for delivering fire services that meets individual community needs.

## CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

### Core Business One: Local Government Services

*Providing support services, policies and legislation that enhance the development of an accountable, well-managed, responsive and effective local government sector.*

GOAL ONE

1

### An effective, responsive, cooperative and well-managed local government sector

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**What it means** Through partnerships, cooperation, and a legislative framework, the Ministry promotes Alberta's prosperity and the *Alberta Advantage* by encouraging the development of an efficient and responsive local government sector that provides the services and infrastructure Albertans and businesses need.

#### Strategies

- 1.1 Provide support systems, programs and partnerships that foster excellence in local governance, management and service delivery by:
  - working with and encouraging rural and urban municipalities to cooperate with their neighbours to develop and implement improved growth planning and more efficient service delivery,
  - assisting municipalities in addressing the challenges of climate change by supporting energy efficiency and conservation,
  - promoting the sharing of knowledge among municipalities to support a culture of improvement and the development of innovative strategies for more effective governance, administration, financial management and service delivery,
  - developing and coordinating education and information services that include training programs, online information and workshops for our stakeholders, and
  - providing management and administrative services for the Special Areas and National Park Improvement Districts.

- 1.2 Support resolution of local and intermunicipal governance and management matters by:
- providing governance, administration, financial management, and land-use planning advice to local governments and associated local service-delivery organizations,
  - supporting intermunicipal cooperation and self-directed dispute resolution through mediation and facilitation, and
  - supporting the local dispute resolution initiative to help municipalities resolve internal disputes with staff and citizens.
- 1.3 Encourage a coordinated provincial government approach toward municipalities by:
- supporting the Minister's Provincial/Municipal Council on Roles, Responsibilities and Resources in the 21st Century in reassessing and better defining roles and responsibilities of municipal governments and their relationship with the provincial government. Subsequently, the most appropriate funding vehicles that affect these roles and responsibilities will be determined;
  - improving the provision, coordination, and implementation of policies, programs, and services that enhance the effectiveness and efficiency of local services by working cooperatively with other ministries, municipalities, other provinces, Metis settlements, the federal government and other organizations, and
  - reviewing provincial land-use policies and their framework to improve their contribution to achieving mutually beneficial provincial, municipal and land-owner interests.
- 1.4 Act as an advocate for municipalities within the provincial government to improve provincial responsiveness to municipal issues and concerns.
- 1.5 Through an enhanced review of the *Local Authorities Election Act*, ensure that it is achieving desired results.
- 1.6 Facilitate a legislative framework that enables municipalities to operate successfully and meet the local needs of Albertans by developing changes to provincial legislation and regulations related to municipalities that support improved approaches to local governance, election processes, and service delivery. This will result in a more refined legislative framework.

| Performance Measure  | Last Actual<br>(2003-04) | Target<br>2005-06 | Target<br>2006-07 | Target<br>2007-08 |
|--|--------------------------|-------------------|-------------------|-------------------|
| 1.a Level of satisfaction with the Local Government Services Division's activities, services and programs, in enabling and promoting a cooperative and well-managed local government sector<br>(Calculates the percentage of the units within Local Government Services that achieved their individual performance targets. Unit performance is determined through a satisfaction survey of stakeholders.) | 88%                      | 80%               | 85%               | 85%               |

## GOAL TWO 2 Financially sustainable and accountable municipalities

**What it means** The Ministry contributes to the financial sustainability of local governments, which are responsible and accountable to their citizens, by providing financial support, advice and services.

**Strategies**

- 2.1 Work with Alberta Infrastructure and Transportation to provide significant new provincial funding to help with municipal infrastructure backlog.

- 2.2 Assist municipalities to meet the financial reporting and accountability requirements contained in the legislation and regulations by:
  - providing financial and procedural advice to municipalities, and
  - maintaining the Ministry's financial monitoring of municipalities.
- 2.3 Assist municipalities having serious sustainability or accountability problems by supporting them in examining and pursuing innovative approaches or restructuring that will address these issues.
- 2.4 Improve the self-sufficiency of municipalities by providing financial support to local government initiatives by:
  - administering the Unconditional Municipal Grant Program, the Municipal Sponsorship Program, the Grants in Place of Taxes Program, and other existing municipal grant programs, and
  - modifying existing grant programs and developing new grant initiatives where enhanced support for local government communities is appropriate.
- 2.5 Encourage and facilitate municipalities to consider sharing services, facilities and/or costs as a means of contributing to their financial sustainability.

| Performance Measure  | Last Actual<br>(2003-04) | Target<br>2005-06 | Target<br>2006-07 | Target<br>2007-08 |
|--|--------------------------|-------------------|-------------------|-------------------|
| 2.a Percentage of municipalities meeting Ministry's criteria of financial accountability as established in the <i>Municipal Government Act</i> | 99%                      | 97%               | 97%               | 97%               |

## GOAL THREE 3 **A well-managed and efficient assessment and property tax system in which stakeholders have confidence**

**What it means** The Ministry promotes a fair, reliable and transparent system of generating local and provincial revenue through taxation of property. The key result is an assessment and property tax system that is accurate, understandable, predictable, and timely.

### Strategies

- 3.1 Promote an assessment and property tax system that is accurate, predictable, transparent and timely by:
  - demonstrating leadership by exhibiting a high level of professional standards and good practice in assessment, while helping municipal officials and ratepayers to better understand and deal with the assessment system in Alberta,
  - administering assessment procedures and guidelines on an ongoing basis, and reviewing regulated assessment procedures and guidelines regularly,
  - developing and maintaining handbooks and guides and providing professional advice to ensure that assessment practices and methodologies are current, and
  - maintaining a comprehensive program of annual statistical audits and a five-year cycle for assessment procedure audits for each municipality.
- 3.2 Contribute to an effective and efficient system for assessment and taxation by:
  - providing timely and accurate linear property assessments,
  - providing timely and accurate equalized assessments and education tax requisitions, and
  - facilitating appropriate sharing of data to improve the assessment, equalized assessment, and education taxation requisition processes.

| Performance Measure  | Last Actual<br>(2003-04) | Target<br>2005-06 | Target<br>2006-07 | Target<br>2007-08 |
|--|--------------------------|-------------------|-------------------|-------------------|
| 3.a Percentage of municipal assessment rolls that meet provincial standards for procedures, uniformity, and equity | 97%                      | 95%               | 95%               | 95%               |

## Core Business Two: Safety Services and Fire Protection

*Administering the safety system – the aggregate of provincial programs, regulations, partnerships, codes and standards – that provides for safety in the areas governed by the Safety Codes Act and promotes fire protection throughout the province.*

### GOAL FOUR **4** A comprehensive safety system that provides an appropriate level of public safety

**What it means** Albertans are confident that the homes, buildings and facilities where they work, live and do business and the associated equipment, such as elevators and electrical, heating and plumbing systems, are constructed and maintained to safe standards. They are also confident that prevention programs and the fire service contribute to a reduction in fire incidents.

#### Strategies

- 4.1 Maintain appropriate codes and standards by working with the Safety Codes Council:
  - to conduct technical reviews and improve codes and standards, which includes adoption of new editions of the building, fire and gas codes and codes for elevating devices anticipated for 2005-06,
  - to harmonize codes and standards used in Alberta with national and international models, and
  - to implement objective-based codes for the building, fire and plumbing disciplines.
- 4.2 Support delegated authorities in effectively applying codes and standards by:
  - maintaining an appropriate administrative and regulatory framework including legislation on barrier-free accessibility and design,
  - working with the Safety Codes Council to implement the considerations of the *Safety System Review Report*,
  - monitoring the performance of accredited municipalities, corporations, agencies, and delegated administrative organizations (Alberta Boilers Safety Association, Alberta Elevating Devices and Amusement Rides Safety Association, and Petroleum Tank Management Association of Alberta),
  - instituting improved technical communications and advisory services and launching a public awareness campaign, and
  - enhancing relationships with stakeholder organizations.
- 4.3 Foster an effective fire service through initiatives that include:
  - establishing a unifying framework that defines the scope of Alberta's fire service and provides communities with the option of choosing service standards most appropriate to meet local needs,
  - compiling an inventory of province-wide fire service resources, and
  - recognizing first responders with the Alberta Emergency Services Medal.
- 4.4 Lead and support effective fire prevention programs by:
  - promoting public education through initiatives such as *Risk Watch*, *Alberta Fire News*, and targeted campaigns,
  - expanding partnerships with associations and industry,

- exploring the potential for corporate sponsorship of initiatives, and
- tailoring programs to address the needs of Aboriginal communities.

4.5 Monitor the Safety Codes Council's administration of outstanding grants to owners of sites remaining in the Phase I of the Underground Petroleum Storage Tank Site Remediation Program.

| Performance Measures  | Last Actual (year) | Target 2005-06                                       | Target 2006-07                                       | Target 2007-08                                       |
|---|--------------------|--|--|--|
| 4.a The percentage of assessed accredited municipal entities, corporations, agencies, and delegated administrative organizations administering the <i>Safety Codes Act</i> that achieve a satisfactory rating | 96%* (2002-03)     | 95%  | 95%  | 95%  |
| 4.b Fire deaths per 100,000 population (10-year moving average)   | 1.20 (2003-04)     | Less than or equal to 2004-05 10-year moving average | Less than or equal to 2005-06 10-year moving average | Less than or equal to 2006-07 10-year moving average |

\* Methodology changed from monitoring 80% of accredited municipal entities and accredited corporations each year to a defined 1/3 sample each year. Methodology for monitoring accredited agencies and delegated administrative organizations did not change. The previous methodology had last actuals of 97% in 2002-03 and 95% in 2003-04. Has been restated.

### Core Business Three: Emergency Management Alberta

*Managing provincial emergency management programs and supporting municipalities to ensure their preparedness to deal with major emergencies and disasters.*

GOAL FIVE

# 5

## An emergency management program that enables effective preparation for, response to, and recovery from major emergencies and disasters

**What it means** Alberta's communities and the provincial government, in collaboration with partners including all orders of government, the private sector and non-government organizations establish comprehensive emergency management.

### Strategies

- 5.1 Lead and coordinate Alberta's emergency and disaster mitigation processes by developing and maintaining:
  - emergency management policy and legislation,
  - early warning systems including the Alberta Emergency Public Warning System and the Alberta Emergency Notification System, and
  - provincial preventive initiatives, including the Alberta Counter-Terrorism Crisis Management Security Measures Best Practices Guide.
- 5.2 Coordinate and manage plans for major emergencies and disasters by:
  - developing and maintaining provincial emergency management plans,
  - supporting municipalities and First Nations in developing, maintaining and exercising their emergency management plans, and
  - supporting and developing partnerships to increase response capability.



- 5.3 Coordinate the provincial response to major emergencies and disasters by:
- assisting in municipal and First Nations activation procedures,
  - activating and operating the cross-government Emergency Management Alberta Operations Centre as requested,
  - coordinating information flow among all orders of government, the private sector and non-government organizations, and
  - conducting a comprehensive lessons-learned process, with all partners, to ensure that emergency plans and capabilities are constantly improved and maintained.
- 5.4 Lead provincial recovery activities in response to major emergencies and disasters by:
- activating disaster recovery procedures, including compiling information on the effects of major disasters, and developing disaster financial assistance programs,
  - coordinating activities such as payment of financial assistance and requesting federal assistance under the disaster financial assistance arrangement, and
  - coordinating the deactivation of emergency operations after the event, including the audit of all operations and programs as required.

| Performance Measures  | Last Actual (year) | Target 2005-06 | Target 2006-07 | Target 2007-08 |
|---|--------------------|----------------|----------------|----------------|
| 5.a Achieve a level of 100 per cent of claims where a member of the damage assessment team arrives on-site within 30 days of a claim being received       | 100%<br>(2003-04)  | 100%           | 100%           | 100%           |
| 5.b The level of preparedness as measured by the percentage of municipalities that have conducted an emergency management exercise in the last four years | 74%<br>(2003-04)   | 90%            | 95%            | 100%           |

**Note:**

2002-03 was restated to 55% to exclude summer villages from the population, reflecting the recent change in legislation.

**Core Business Four: Municipal Government Board**

*Providing independent, quasi-judicial adjudication on matters specified under the Municipal Government Act.*

GOAL SIX

**6**

**An independent system that administers appeals and issues timely and impartial decisions of high quality**

**What it means** An efficient, effective and responsive appeal system that is seen as being fair and impartial by all parties to a complaint or appeal. The key results are timely processing of appeals filed with the Municipal Government Board and high quality, independent processes, decisions and solutions.

**Strategies**

- 6.1 Ensure timely processing of appeals filed with the board by:
- redeveloping the board's databases to achieve the efficient recording, tracking, analyzing and managing of all appeal activity,
  - investigating advanced case management procedures for selected appeals to ensure timeliness in hearing and deciding appeals,
  - working with stakeholders to expedite the scheduling and hearing of appeals,

- scheduling, monitoring and tracking all decision-making and writing activities to ensure compliance with established timelines and procedures, and
  - reviewing and revising administrative procedures regarding withdrawals to ensure that resources are assigned appropriately.
- 6.2 Maintain an appeal system that provides high quality, independent processes, decisions and solutions by:
- providing ongoing training to strengthen adjudication skills for sustaining high quality, timely, consistent and independent processes and decision-making,
  - obtaining feedback from stakeholders on an annual basis to gauge board performance, areas of strength and areas requiring improvement, and
  - exploring, developing and piloting various processes for expediting appeals such as alternate dispute resolution methods, advanced appeal management, and one-member panels.

| Performance Measure   | Last Actual<br>(2003-04) | Target<br>2005-06 | Target<br>2006-07 | Target<br>2007-08 |
|---|--------------------------|-------------------|-------------------|-------------------|
| 6.a Considering the environment of board hearings in which 50 per cent of parties may receive an unfavourable decision, the board will strive to ensure that 80 per cent of parties who appear before it are satisfied or neutral regarding the board's services and processes. | 81%                      | 80%               | 80%               | 80%               |

## SUPPORT SERVICES

|  |   |
|--|---|
| <b>Financial and Information Technology Services</b> | Directs the Ministry's information-technology, financial reporting and budgetary activities, in a shared services environment, and ensures an accountability framework is in place to meet the obligations of the <i>Financial Administration Act</i> and the <i>Government Accountability Act</i> .  |
| <b>Business Services</b>                             | Manages business planning and performance measurement, environmental scanning, information access and privacy protection. Coordinates legislative planning, recommendations for orders-in-council and ministerial orders. Monitors and coordinates responses on activities of the Legislative Assembly that impact the Ministry. Provides central administrative services in a shared services environment with the Alberta Corporate Service Centre. |
| <b>Communications</b>                                | Provides strategic communications advice, consulting services, planning and communications support to the Minister, Deputy Minister and Ministry staff to help communicate effectively with stakeholders, the media and Albertans.  |
| <b>Human Resources</b>                               | Provides support in the human resource function to management and staff in achieving departmental priorities and the goals of the business plan. Some services are provided through a shared services approach in partnership with the Alberta Corporate Service Centre.  |
| <b>Legal Services</b>                                | Provides legal services to Municipal Affairs and its associated boards in a shared services environment.  |

## EXPENSE BY CORE BUSINESS

(thousands of dollars)

|                                     | Comparable<br>2003-04<br>Actual | Comparable<br>2004-05<br>Budget | Comparable<br>2004-05<br>Forecast | 2005-06<br>Estimates | 2006-07<br>Target | 2007-08<br>Target |
|-------------------------------------|---------------------------------|---------------------------------|-----------------------------------|----------------------|-------------------|-------------------|
| Local Government Services           | 110,241                         | 101,218                         | 103,718                           | 105,197              | 106,554           | 104,765           |
| Safety Services and Fire Protection | 11,801                          | 12,049                          | 11,539                            | 11,753               | 11,753            | 11,753            |
| Emergency Management Alberta        | 13,717                          | 6,307                           | 30,917                            | 6,922                | 6,922             | 6,922             |
| Municipal Government Board          | 3,236                           | 3,418                           | 3,418                             | 3,560                | 3,701             | 3,790             |
| <b>MINISTRY EXPENSE</b>             | <b>138,995</b>                  | <b>122,992</b>                  | <b>149,592</b>                    | <b>127,432</b>       | <b>128,930</b>    | <b>127,230</b>    |

## MINISTRY STATEMENT OF OPERATIONS

(thousands of dollars)

|  | Comparable<br>2003-04<br>Actual | Comparable<br>2004-05<br>Budget | Comparable<br>2004-05<br>Forecast | 2005-06<br>Estimates | 2006-07<br>Target | 2007-08<br>Target |
|--|---------------------------------|---------------------------------|-----------------------------------|----------------------|-------------------|-------------------|
| <b>REVENUE</b>                             |                                 |                                 |                                   |                      |                   |                   |
| Internal Government Transfers              | 40,000                          | 24,000                          | 24,000                            | 24,000               | 24,000            | 24,000            |
| Transfers from Government of Canada        | 762                             | 85                              | 12,085                            | 85                   | 85                | 85                |
| Premiums, Fees and Licences                | 383                             | 362                             | 386                               | 290                  | 290               | 290               |
| Other Revenue                              | 4,081                           | 1,687                           | 1,863                             | 1,781                | 1,781             | 1,781             |
| <b>MINISTRY REVENUE</b>                    | <b>45,226</b>                   | <b>26,134</b>                   | <b>38,334</b>                     | <b>26,156</b>        | <b>26,156</b>     | <b>26,156</b>     |
| <b>EXPENSE</b>                             |                                 |                                 |                                   |                      |                   |                   |
| <b>Program</b>                             |                                 |                                 |                                   |                      |                   |                   |
| Ministry Support Services                  | 10,796                          | 11,174                          | 11,174                            | 11,169               | 11,169            | 11,169            |
| Local Government Services                  | 104,323                         | 95,173                          | 97,673                            | 99,155               | 100,512           | 98,723            |
| Public Safety                              | 21,029                          | 13,738                          | 37,838                            | 14,059               | 14,059            | 14,059            |
| Municipal Government Board                 | 2,542                           | 2,707                           | 2,707                             | 2,849                | 2,990             | 3,079             |
| Valuation Adjustments and Other Provisions | 305                             | 200                             | 200                               | 200                  | 200               | 200               |
| <b>MINISTRY EXPENSE</b>                    | <b>138,995</b>                  | <b>122,992</b>                  | <b>149,592</b>                    | <b>127,432</b>       | <b>128,930</b>    | <b>127,230</b>    |
| Gain (Loss) on Disposal of Capital Assets  | -                               | -                               | -                                 | -                    | -                 | -                 |
| <b>NET OPERATING RESULT</b>                | <b>(93,769)</b>                 | <b>(96,858)</b>                 | <b>(111,258)</b>                  | <b>(101,276)</b>     | <b>(102,774)</b>  | <b>(101,074)</b>  |

## CONSOLIDATED NET OPERATING RESULT

(thousands of dollars)

|   | Comparable<br>2003-04<br>Actual | Comparable<br>2004-05<br>Budget | Comparable<br>2004-05<br>Forecast | 2005-06<br>Estimates | 2006-07<br>Target | 2007-08<br>Target |
|---|---------------------------------|---------------------------------|-----------------------------------|----------------------|-------------------|-------------------|
| Ministry Revenue                                | 45,226                          | 26,134                          | 38,334                            | 26,156               | 26,156            | 26,156            |
| <i>Inter-ministry consolidation adjustments</i> | (40,000)                        | (24,000)                        | (24,000)                          | (24,000)             | (24,000)          | (24,000)          |
| <b>Consolidated Revenue</b>                     | <b>5,226</b>                    | <b>2,134</b>                    | <b>14,334</b>                     | <b>2,156</b>         | <b>2,156</b>      | <b>2,156</b>      |
| Ministry Program Expense                        | 138,995                         | 122,992                         | 149,592                           | 127,432              | 128,930           | 127,230           |
| <i>Inter-ministry consolidation adjustments</i> | -                               | -                               | -                                 | -                    | -                 | -                 |
| <b>Consolidated Program Expense</b>             | <b>138,995</b>                  | <b>122,992</b>                  | <b>149,592</b>                    | <b>127,432</b>       | <b>128,930</b>    | <b>127,230</b>    |
| Gain (Loss) on Disposal of Capital Assets       | -                               | -                               | -                                 | -                    | -                 | -                 |
| <b>CONSOLIDATED NET OPERATING RESULT</b>        | <b>(133,769)</b>                | <b>(120,858)</b>                | <b>(135,258)</b>                  | <b>(125,276)</b>     | <b>(126,774)</b>  | <b>(125,074)</b>  |

