

ALBERTA MUNICIPAL AFFAIRS

**A MUNICIPAL INSPECTION
OF THE
MANAGEMENT,
OPERATION
AND ORGANIZATION
OF THE
MUNICIPAL DISTRICT
OF
CLEAR HILLS No. 21**

REPORT BY GEORGE B. CUFF & ASSOCIATES LTD.

JULY 2002

George B. Cuff & Associates Ltd.

Management Consultants

July 31st, 2002

The Honourable Guy Boutilier
Minister of Municipal Affairs
227 Legislature Building
Edmonton, Alberta
T5K 2B6

Dear Minister:

Thank you for the opportunity to provide assistance to Alberta Municipal Affairs through serving as an Inspector under section 571 of the Municipal Government Act in conducting an assessment of the affairs of the Municipal District of Clear Hills. This has been a very interesting and challenging assignment and we appreciate the opportunity to be of service.

We were pleased to provide the services as outlined in the Schedule A Terms of Reference. More specifically, we were asked:

- **Purpose of the Study**

- To determine if there are issues of irregular, improper or improvident conduct by Council, individual Councillors or the municipal staff of the Municipal District of Clear Hills
- To examine and make recommendations regarding issues identified by the Council, Councillors, administration and residents relating to the management, operation and organization of the MD.

- **Project Requirements**

- To act as an inspector under section 571 of the Municipal Government Act
- To provide a report to the Minister of Municipal Affairs summarizing input from all participants in the inspection and outlining the

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inspector's findings regarding the issues that were identified by the participants

- To make recommendations to the Minister of Municipal Affairs regarding directed changes in policy, management, operation and organization of the MD that are required to make the MD more effective in achieving the objectives of the Council and the residents they represent.

- **The Contract Requirements**

These called for us to:

- Develop instruments which are used in conducting interviews and gaining the feedback of the staff with regard to the issues
- Conduct interviews with Council, current and immediate past CAO, all departmental staff, representatives of the public who made this request, and any other interested bodies representing the business and community organizations
- Report any irregular, improvident or improper management of the MD to the Minister

Yours very truly,

George B. Cuff, CMC
President
George B. Cuff & Associates Ltd.

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1.0 Background to this Review

The Minister of Municipal Affairs received a request from the Council of the Municipal District of Clear Hills No. 21 by way of a letter (dated March 21st, 2002) signed by the Reeve requesting the Minister to undertake an inquiry into its affairs. This latter was subsequent to a motion of Council (at a regular meeting of March 19th, 2002) which states

“Moved by Councillor Burrell to invite the Minister of Municipal Affairs to conduct an inquiry into the affairs of the Municipal District of Clear Hills No.21.”

This motion was reportedly the culmination of ongoing concerns which had been raised by the public as well as by members of Council and the administration. While some of these concerns appear to have been challenging the organization’s ability to function for quite some time, they became increasingly public over the months since this Council was elected (in October 2001) resulting in appeals to Council by Municipal District (MD) citizens requesting that steps be taken immediately to determine whether or not the Council was acting appropriately.

The initial key contributing issues, as we were given to understand, appear to be related to the following:

- Oft-repeated concerns by members of Council relative to over-involvement in the work and responsibilities of the administration
- The release of a former head of the Public Works department by the Chief Administrative Officer
- A meeting in April 2001 between Council, members of the public and a representative of Alberta Municipal Affairs wherein Councillors were

- advised as to their expected roles and responsibilities and which advice was reportedly rejected by a portion of Council
- The investigation into the decisions of the MD relating to the change in a water course which is not permissible according to the Federal Fisheries and Oceans department
 - The expressed desire by some members of Council to change the current decision-making system from that of Council as a whole to a portfolio system wherein individual members of Council would oversee individual administrative areas of responsibility
 - A significant and publicized split within Council regarding the decision to retain the former Public Works official to act as the contractor for Council (instead of accepting the administration's proposal to tender the review of options relating to the "northern link" road, through the Chinchaga reserve to the resource-rich areas in the northern sector of the MD)
 - The reported involvement of individual Councillors in matters wherein they were perceived to be in a conflict of interest situation e.g. supervision of family members involved in road maintenance, supply and trucking of gravel
 - Decisions of Council either not being acted upon by the administration due to the split nature of Council on certain issues or else being regularly referred back to Council by either Councillors or members of the administration to see if Council was prepared to reverse an earlier decision.

2.0 Methodology

As per our proposal to Alberta Municipal Affairs, we:

- Reviewed all available background documentation
- Met with Council to discuss the nature of our appointment
- Interviewed each member of Council individually and confidentially
- Interviewed each member of the administration individually and confidentially
- Held private interviews with 30 members of the public who responded to a publicized opportunity to meet with us and share with us their concerns
- Provided some interim guidance to the CAO on the process for handling issues
- Conducted a survey of all permanent employees of the MD
- Provided an interim briefing to the department relative to our findings to date
- Submitted this Report to Alberta Municipal Affairs.

Part 1 – An Inspection of the M.D. of Clear Hills No. 21

3.0 Input from All Participants

3.1 Summary of Comments from Councillors

- The view of some members of Council that some of the motions being made have been pre-determined by a portion of Council
- Lack of appropriate process resulting in poor decisions
- Evidence of poor personal relationships crowding into how decisions are being made
- Poor relationship evident between Council and certain staff members and an overly friendly relationship with other staff
- The expressed desire by some members of Council to become more involved with the administration
- Decisions regarding road construction causing some of the mistrust
- Most members on Council recognize the very real potential for a conflict of interest to occur; some have family members directly involved with the MD
- Some members of Council not confident that the administration providing it with the full picture
- Some of the view that the Reeve should be elected at large; would have more confidence
- Questions voiced regarding the need to re-draw ward boundaries; current wards far too small in terms of population represented
- Some members of Council believed that the community not prepared to accept an engineering study; should use our own resources
- Comments during the interviews revealed considerable focus on local gossip; Councillors too ready to accept such comments
- Some members feel that Council has been lead too much by staff
- New CAO appears to be well accepted by the Councillors

- ❑ Meetings of Council drag on too long; no real focus; tension obvious
- ❑ Belief that we may need a different approach to decision-making; suggestion by a few that a portfolio system might work
- ❑ Several felt that Council as a whole should be dismissed if it is doing anything wrong
- ❑ Councillors do not disagree over every issue
- ❑ Council has discussed priorities at their retreat; good sense of making progress until issue of hiring local individual on the northern road project came up; not supported by several members of Council
- ❑ View that administration did not act on Council decisions unless they (the administration) agreed
- ❑ Councillors too open to listening to the grader operators rather than their own staff
- ❑ Issues allowed to become too confrontational and personal

3.2 Summary of Comments from Administration

- ❑ Some Councillors content to run things based on rumour and innuendo; decide first and then ask staff for their version of the events in question
- ❑ Council was reluctant to pay for interview or relocation expenses for a senior staff and yet are aware of how difficult it is to find quality people for senior positions; need for clear, consistent policies in this regard
- ❑ Tension noticeable at meetings of Council
- ❑ Need to re-establish trust both internally (i.e. between Councillors; between Council and the administration) and externally (i.e. with the public and with the Government)
- ❑ Councillors too involved in the details; far too concerned about the roles of administration and thus do not provide effective leadership; evidence of Councillors involved in directing staff contrary to the directions given by their own supervisors; at times this is dependent upon whether or not the family of a Councillor is involved

- ❑ Concern that some Councillors not on Council for the good of the community but rather to either gain some financial advantage themselves or ensure that their family does
- ❑ Issues not thought through very well; not altogether Council's fault; some of this is also due to a lack of advice from the administration
- ❑ Poor decision-making process; Council does not seem interested or willing to hear the advice of their CAO and senior staff
- ❑ Councillors not following the chain of command; Council involved in the hiring of staff; insisted on being involved in the performance review of the Superintendent of Public Works
- ❑ Councillor submitted low bid (by quite a margin) on a project and then went in to the senior staff to seek concessions from the staff
- ❑ Goals and objectives set for Public Works by the Council
- ❑ No one on staff with formal finance training and yet Council refused an earlier request to fund such a position

3.3 Summary of Comments from Public

- ❑ If nothing is done as a result of this inquiry, what message will that send?!
- ❑ Councillor has interfered with the implementation of a recommended action by Alberta Environment
- ❑ MD tendering process need to be investigated
- ❑ Turnover of Public Works Superintendents suggests major problems in terms of the interference of Council members in their work
- ❑ Advised that MD employees have to play politics in order to survive
- ❑ A Councillor was involved in the Roestler Road project and yet denied it
- ❑ Constant stream of Councillors in a conflict situation; appoint a trustee
- ❑ We have passed the point of no return; whole group should be removed; if nothing is done, that is like endorsing their behaviour to date
- ❑ Councillors acting to further the interests of their sons
- ❑ Inability of Councillors to work together as a team

- Need to have a Council which is open to the public; we elect them and then never hear from them
- Why have our good staff left?
- Councillors trying to get rid of their grader operator so that they can hire their own people
- Councillor instructing a staff member relative to work which he is doing for the MD
- Why is a Councillor allowed to attend a bid opening in which he is personally involved?
- Councillors have access to information regarding pending projects and then are free to bid on them; is this not a conflict of interest?
- Concern that this Council will find a way to pressure the new CAO to leave if he goes against their wishes
- Issues brought to Council are frequently not acted on quickly and are then re-visited; poor decision-making; Council frequently second-guessing their own decisions
- Why would we be hiring back someone who has got us into trouble with Fisheries and Oceans regarding an illegal water diversion
- Based on a history of personal rivalry; nobody can tolerate their neighbour doing well; the local culture seems to say that the other fellow cannot have a larger farm or a bigger calf!
- Council chose to do nothing when advised by their lawyer that one of their own members was in a conflict; what message does that send?
- Tremendous anti-Government sentiment; we do things our own way here
- Councillors feel that they are untouchable; the Government will be afraid to do anything
- Councillors want someone they can manipulate (e.g. former Superintendent of Public Works)
- Get rid of them (Councillors) and start over
- Council members just shrugged off the briefing by Tom Roberts (AMA)

- Councillors regularly release information which is confidential; staff members concerned that the families of Councillors know about decisions before anyone else
- Policies are routinely violated
- Councillors discussing the concept of a portfolio system which would give them more unfettered power than ever
- Reduce the number of wards and elect a Reeve at large
- Staff propose projects and Council seems to change them without any thought; prime example is the Northern Link road which staff recommended be reviewed by external expertise to see what option(s) made sense; Council threw that out because they wanted to hire Bill Baker who would ensure that their families got the work
- Rumours drive this Council
- Staff lack the support of their Councillors
- Councillors told people to watch what they say to the Inspector because this could end up in Court.

4.0 Observations

We offer a number of observations relative to how we see the present situation as it pertains to the MD of Clear Hills. These are all relevant and interdependent given that we do not see one aspect of the MD improving unless the whole is also addressed. Our general observations follow and are then further supplemented by our in-depth analysis of how the organization should function (according to the legislation and reasonable practices); what is happening at the moment; and, finally, our assessment of the changes which we feel are essential in order for the residents of the MD to be properly served.

4.1 Observations Regarding Administration

- ▶ Examination of accounts payable files showed that many purchase orders were issued when invoices were received, and not at the time that the goods or services were ordered. This decreases the protection to the Municipal District as the conditions on a purchase order (currently minimal) are designed to protect the interests of the Municipal District.
- ▶ Staff report that volunteer firefighter training has not been standardized and not all volunteers have basic training.
- ▶ Not all fire hydrants installed in hamlets are adequate for the provision of NFPA standard fire flows.
- ▶ Equipment in playgrounds does not comply with current CSA standards and poses a liability risk to the municipality.
- ▶ Road signage, particularly on curves and roads with no exit, is incomplete and no single standard has been implemented across the Municipal District.
- ▶ At the time of the inspection, Improvement District Orders and Municipal District Bylaws were kept separately and there was no single index of valid Improvement District Orders and Municipal District Bylaws. This has resulted in a number of Improvement District Orders not being rescinded by

subsequent bylaws, an example of this was Improvement District Order No. 21-93-09 appointing Agricultural Service Board members.

4.2 General Observations

□ The Culture of this Council

- We were advised, and witnessed, an attitude of “whatever we decide to do is acceptable because we are in charge”
- This notion of a “frontier mentality” permeates how the Council does business; there is, as a result, little regard for administrative advice or counsel, particularly on road-building and maintenance projects as several Councillors view themselves as the experts.
- One primary example of this mentality surrounds the Clear River Diversion project wherein Council agreed without motion to ignore the action of their own staff member who proposed diverting a water course without the necessary approvals of the federal department of Oceans and Fisheries; the philosophy seemed to be that their staff member who volunteered to do it on his own could get it done quickly without the approvals and that it would be less costly; the fact that Council knew this to be contrary to the law was thus ignored.

□ Roles and Responsibilities of a Council

- These have never been fully understood (or accepted) by Council regardless of the information made available to Council by the administration and by Alberta Municipal Affairs.
- It is our observation that this lack of understanding of the expectations of a Council has been a fundamental contributor to the problems facing this Council.
- It is also our observation that some of the members of this Council are not interested in observing any “normal” roles of a Council if

that conflicts with their preference to make their own rules along the way.

- Issues become too confrontational and personal due a lack of respect for each other.
- Local gossip becomes too readily accepted to the point that Councillors appear to view their own staff as the outsiders.
- Some members of Council act as though this will be yet another attempted intrusion into their affairs by the Government which they will simply rebuff.
- Additional observations on the role of Council have been provided in Section 8.5 of this Report, and these include observations regarding:
 - Divisiveness on this Council only mirrors that which also plagued the last Council.
 - Council, in 1997, chose to work on the development of a Mission Statement, goals, objectives and priorities. This process was viewed as helpful by Council.
 - A few members of Council stated that they were so involved in the administration because the staff had proven to them that they could not be trusted; and that the staff were not competent at managing projects of that size.
 - Council members have been focusing their views on personalities.
 - The Council agenda does not allow sufficient time to deal with the more significant issues.
 - There is inadequate opportunity for all members of Council to be properly briefed as to the issues.
 - Councillors appear often to be unwilling to follow any reasonable or due process of decision-making.

- Councillors complain of too much management, but yet attempt to contract out individual project management.
 - The sequence of the Council meeting agenda does not reflect the role of the Chief Administrative Officer.
 - Council has, at times, made immediate response to delegations, and sometimes decisions, without seeking input from administration.
 - The Reeve has not always ensured that all members of Council clearly indicated their vote on each issue.
 - Councillors and delegations do not address their comments through the Reeve, thereby not allowing the Reeve to chair the meeting effectively.
 - Council has lacked reports from administration on many issues on the agenda.
 - The use of the PowerPoint projector to place motions under debate on the screen provides a positive focus for debate within Council.
 - The present layout of the Council Chamber does not include a gallery for the public.
- **Respect for the Role and Responsibilities of the Chief Administrative Officer**
- The legislated requirements of this position appear to be largely a mystery to some members of Council.
 - Some members of Council believe that the CAO is simply there to carry out the bidding of Council, and not to be providing leadership to the administrative organization.
 - The advice of the former CAO was not sought nor heeded on a regular basis which, over time, minimized the intended impact and value of a CAO.

- The new and current CAO has been better received by this Council but has been walking a very thin line based on his attempt to provide this Council with administrative direction on the issues. The ability of Council to suspend or terminate the CAO with little or no evidence of wrongdoing leaves the incumbent in an untenable position.
- Council has requested that it be directly involved in the hiring and firing of the Superintendent of Public Works. This mandate has been ascribed to the CAO but that is not the will of the Council. Council was involved in doing a performance assessment on the last Public Works Superintendent and decided to offer to extend his probation for 6 months. He subsequently accepted an offer to work in a similar position in a neighbouring municipality.
- Council has had some guidance on roles as a result of an orientation session by Mackenzie Municipal Services Agency and at the AAMD&C Conference; this was supplemented by the session with a representative of Alberta Municipal Affairs. His advice on what the role of Council is was not well received by several members.
- Additional observations on the role of the Chief Administrative Officer have been provided in Section 9.5 of this Report, and these include observations regarding:
 - Council, in January of 2000, approved Bylaw No. 50 for the purposes of establishing the position of Chief Administrative Officer.
 - This Council entered into an agreement with the incumbent CAO on March 5th, 2002 for a three year term of employment.
 - Council has not been requesting the input of the Chief Administrative Officer on all issues before it.

- Past minutes included incomplete notes on Council discussion, and did not consistently record when Councillors left and returned to the room other than when a pecuniary interest was declared.
 - Some Councillors have directed the CAO as to who to hire for specific positions.
 - Councillors appear to have leaked confidential information on a personnel matter on which they were briefed in confidence by the Chief Administrative Officer.
- **Respect for the Roles and Responsibilities of the Administration**
 - Most of Council appear to involve themselves in administrative matters on a fairly regular basis.
 - The aspects of the administration most impacted by this degree of involvement are linked to transportation/public works functions.
 - Members of Council discount the advice of the administration simply because the advice is not of their own choosing; staff members are ridiculed for taking a position which is at odds with that proposed by Councillors.
 - Councillors refuse to follow the chain of command even when advised that this is expected of them.
 - Even the process for choosing the current Reeve was disputed in an open Council session by a Councillor who felt that there must have been some way by which the CAO and her assistant had doctored the process so as to result in the ultimate selection.
 - Councillors have been too open to listening to the grader operators rather than their own supervisory staff.
 - Poor personal relations often appear to influence Council's decision-making.

□ **Direct Involvement by Council in the Prerogatives of the Administration**

- Council provides direction to senior staff as to who to fire and hire; resisted advice relative to the need for a Treasurer and Development Officer; the latter because of who it was.
- Members of Council routinely direct employees of the municipality in terms of the performance of their work, both in person and by cell phone.

□ **Council's Decision-Making Process**

- Decisions have been made by Council without adequate staff input.
- When the former CAO did offer written advice, she was advised that Council did not want her leading them.
- Decisions sometimes have the appearance of having been discussed by certain members prior to the meeting; sense by other members of being excluded from the process.
- Council does not appear to understand or make use of a policy-making approach to its decisions; as a result, virtually all decisions appear to be "one-offs".

□ **Who Speaks for the Public**

- The lack of a Reeve at large is felt particularly keenly here given the over-emphasis on ward politics.
- The MD should be presented with the facts as to the advantages and disadvantages relative to a Reeve at large and asked to vote on this matter prior to the next election.
- Ward boundaries are presently too small which contributes to the present difficulties; a study done by the Mackenzie Municipal Services Agency in August 1997 noted that the MD was divided into 7 wards with a population ranging from 180 people to 492; these numbers indicate a very small electoral base which may give rise to single issue candidates who only need to capture a very

small number of supporters to be elected to a very responsible position.

- There are various other rural jurisdictions in Alberta with equally small numbers of people.
- This jurisdiction could be either combined with another or re-constituted to reflect fewer wards and a Reeve at large.

4.3 Demographic Analysis

Slide 1 of Appendix C “Executive Summary” shows that over the past 10 years the population of the Municipal District of Clear Hills has declined by 4.5%. This is significant when compared to the rest of Alberta where population grew by 16.9% over the same period. The chart of the 1996 population by age on the slide show shows that population in the 20 to 49 age groups is lower than the Alberta average. This will impact the economic viability of the area as this includes most of the employable population age groups.

On the positive side, Slide 1 also shows a higher than average population in the 0 to 24 age groups, which may provide future opportunities to increase population in the area provided that employment opportunities are available.

Slide 2 of Appendix C “1996 Population” provides a more detailed analysis of the breakdown of the 1996 population by age groups for the Municipal District of Clear Hills, Hines Creek, Alberta and Canada. Again this shows a younger population, but lower than average numbers in the 30-44 age group. This analysis supports the need for additional employment within the area.

4.4 Financial Analysis

Slide 3 of Appendix C “Revenues: 1995 to 2001” provides an analysis of operating revenues for each year during this period. Revenues are strong with an increase in net tax revenues of 288% (or \$5.1 million) over this period. This

additional revenue of \$5.1 million per year has not had the impact on improving service levels that would have been normally expected. This increase in revenue is largely based on increases in linear and machinery & equipment property taxes.

Slide 4 of Appendix C “Expenses: 1995 to 2001” also shows an increase parallel to that of revenues, but not to the same extent. While expenses have increased by \$4.1 million over this period, revenues have increased by \$5.1 million. As can be expected in any rural municipality in Alberta, a majority of expenses are committed to transportation and utilities. In the case of the Municipal District of Clear Hills, this is at a level of 76.3% or \$5.5 million per year (as of 2001). Expenditures in transportation and utilities fluctuate from year to year due to projects funded by grants from the provincial and federal governments.

Slide 5 of Appendix C “Equalized Assessment: 1995 to 2001” shows that the total equalized assessment for the Municipal District of Clear Hills increased 41.9% during this period. This was made up of increases in Machinery and Equipment (69.2%), Linear (39.1%), Non-Residential (35.3%) and Residential and Farmland (9.7%) assessment. The increase in Residential and Farmland equalized assessment represents on 3.4% of the total increase.

4.5 Roadblocks Questionnaire

Slide 6 of Appendix C “Roadblocks Questionnaire (1 of 2)” provides an analysis of the results of a Roadblocks Questionnaire given to employees. There were 12 questionnaires returned and an analysis was completed based on these questionnaires.

The categories of Low Motivation and Confused Organization each received the highest score of 69. That is, Low Motivation and Confused Organization are seen to be more of a roadblock than the other categories.

The category of Inappropriate Management Philosophy received the lowest score of 24, suggesting that Management Philosophy is not a roadblock. Similarly, the categories of Poor Training and Lack of Control, which received scores of 38 & 39, are not significant roadblocks. The six employees who perceived more roadblocks generally identified 50% more statements as being broadly true than the six that perceived fewer roadblocks.

Slide 7 of Appendix C “Roadblocks Questionnaire (2 of 2)” identifies the 12 questions where over three-quarters of the respondents responded with “broadly true”. These questions were:

#	Question	Category
2	Some of our staff act as if lines of responsibility are unclear.	B - Confused Organization
25	We do not seem able to reward people for special efforts.	E - Low Motivation
35	I believe that some people feel exploited.	E - Low Motivation
75	At the junior supervisory level, there are symptoms of general frustrations.	E - Low Motivation
10	There is not adequate time devoted to planning for the future.	J - Unclear Aims
80	Priorities do not seem to be clearly understood throughout the organization.	J - Unclear Aims
100	Our decision-making processes seem to take too long.	J - Unclear Aims
49	People do not know what our organization has in mind for them in the future.	I - Lack of Succession Planning & Management Development
31	Too many newcomers leave quickly.	A - Inadequate Recruitment & Selection
71	We have made some serious errors in hiring people.	A - Inadequate Recruitment & Selection
27	People in our organization do not seem prepared to say what they really think.	G - Poor Teamwork
34	Most of our necessary skills to do the work are learned on the job.	D - Poor Training

5.0 The Essence of the Inspection

5.1 *Issues of irregular, improper or improvident conduct*

Our contract required us to report on matters which we believed fell within the guidelines of “irregular, improper or improvident conduct by Council, individual Councillors or by municipal staff”.

The terms irregular, improper and improvident may not be familiar to the reader in this context. *Black’s Law Dictionary* provides the following definitions:

“Irregular	Not regular; not according to established law, method, or usage; not conformable to nature, to rules or moral rectitude, or to established principles; not normal, disorderly.”
“Improper	Not suitable; unfit; not suited to the character, time and place.”
“Improvvidence	As used in a statute excluding one found incompetent to execute the duties of administrator by reason of improvidence, means that want of care and foresight in the management of property which would be likely to render these estate and effects of the intestate unsafe, and liable to be lost or diminished in value, in case the administration should be committed to the improvident person.”

These irregular, improper and improvident matters have been recorded on Incident Reports and have been provided in Appendix A of this report.

These key issues have been summarized under the following categories:

5.1.1 Irregular Conduct

- Councillor Blue Hale was recorded in the minutes of the July 9, 2002 MD Council meeting to remain in the room and abstain from voting on motions regarding the tendering of grader contracts. This action contravened Section 172 of the Municipal Government Act.
- Councillor Burrell was recorded in the minutes of the May 28, June 25 and July 9, 2002 MD Council meetings to vote on a number of motions regarding road construction. Councillor Burrell had previously declared that he had a pecuniary interest in this area as he was contracted with the MD to haul gravel. This action contravened Section 172 of the Municipal Government Act.
- Councillor Blue Hale was observed by our Senior Associate at the June 25, 2002 MD Council meeting to re-enter the room while a matter was being discussed that was a pecuniary interest (his sons' bids on grader contracts) for him, and without making any declaration of a pecuniary interest was observed to sit in the public gallery. This action contravened Section 172 of the Municipal Government Act.
- Councillor Blue Hale was observed by our Senior Associate at the June 25, 2002 MD Council meeting to return to the Council table, and while not yet seated to vote on a motion to "not accept any of the grader beat tenders". This action contravened Section 172 of the Municipal Government Act.
- Councillor Dave Ross was observed at the June 25, 2002 MD Council meeting by our Senior Associate to leave the room at the commencement of discussion on re-gravelling due to a pecuniary interest as his gravel company was supplying part of the gravel, without declaring the general nature of his pecuniary interest. This action contravened Section 172 of the Municipal Government Act.

- Councillor Dave Ross was recorded in the March 5, 2002 MD Council meeting minutes to vote on a motion regarding the provision of gravel to the MD. Councillor Ross is the operator of a gravel pit in the MD and therefore had a pecuniary interest. This action contravened Section 172 of the Municipal Government Act.
- Councillor Blue Hale was recorded at the January 28, 2002 MD Council meeting as remaining at the Council table during a motion to receive the grader contract and performance review report for information. As his sons were included in this report, this action represents a pecuniary interest to Councillor Hale. This action contravened Section 172 of the Municipal Government Act.
- Councillor Ross at the January 8, 2002 MD Council meeting did not declare a pecuniary interest and leave the room on being nominated as an alternate member of the Grimshaw Gravels Aquifer Management Plan Committee. This action may have contravened Section 172 of the Municipal Government Act, and the Minister may require legal advice on this matter.
- Councillor Telford Burrell was recorded in the approved MD Council minutes as supporting the amendment of a contract on October 1, 2001 with Amarillo Contractors, wherein Councillor Burrell subsequently was sub-contracting to Amarillo Contractors on the work covered by the amendment, and therefore had a pecuniary interest. This action contravened Section 172 of the Municipal Government Act.
- Councillor Telford Burrell was recorded in the Council-approved minutes of the September 11, 2001 MD Council meeting to vote on a motion regarding the award of roads projects to Amarillo Contractors, while Councillor Burrell was sub-contracting to Amarillo Contractors and therefore had a pecuniary interest. This action contravened Section 172 of the Municipal Government Act.

- Councillor Telford Burrell was recorded in the April 11 and April 25, 2000 MD Council meeting minutes to vote on a motion regarding the hiring of gravel trucks. This occurred after Councillor Burrell had advised Council members and staff that he was going to purchase a gravel trailer, and in the case of the April 25, 2000 meeting, after the submission of a “Contractor Pre-Qualification Information” form by Councillor Burrell to the MD. This action contravened Section 172 of the Municipal Government Act.
- Councillors Burrell, Hale and Ross have abstained from voting on payments to accounts where they have a pecuniary interest, but the minutes do not show that they have disclosed the general nature of their pecuniary interests. These actions have contravened Section 172 of the Municipal Government Act.
- Interference in the decisions of administration with regard to the management of grader beat contractors by Councillor Blue Hale has been reported by members of Council, staff, and members of the public. This has related directly to grader beats where his sons are involved and he has a pecuniary interest. Staff have been pressured by Councillor Hale not to supervise the grader beats his sons are contracted to, and, with the example of six Public Works Superintendents dismissed in five years, staff provide little or no supervision on these grader beats. A review of complaints filed show that there more complaints regarding these grader beats than on other grader beats.
- The MD Council has determined the design, sequence and contracting of projects without obtaining input from the CAO or staff.
- Minutes of the MD Council meetings do not record when members of Council leave or return to the room. It has been observed that members of Council have been out of the room for a vote but no record of this is included in the minutes.

5.1.2 Improper Conduct

- The MD Council has undertaken the appointment, supervision and performance review of staff required to report to the Chief Administrative Officer under the Municipal Government Act. A particular incident regarding the performance appraisal of the Public Works Superintendent by Council has been noted.
- Council members (Polukoshko and Davis) have been observed in a Council meeting by D. Plamping to not indicate their vote for or against a motion, remaining in their seats and not declaring any abstention or pecuniary interest. Additionally, the Reeve did not take steps to ensure that each member of Council did vote on a motion.
- AGROC (the operator of a private gravel pit), in which Councillor Dave Ross has a pecuniary interest, has not complied with the conditions of the contract for the supply of crushed gravel for 2002 projects. Although we were advised that staff are aware of the issue, staff advise that they are reluctant to take any action as they believe that it would lead to their dismissal.
- Invoices from grader beat contractors have not been appropriately examined by the organization prior to payment, and invoices were found that billed for hours greater than that shown by the start and stop times, billed for lunch and other breaks where no work was being undertaken, and billed for time where equipment was broken down.
- Councillor Ross submitted a tender on or before April 4, 2002 for the supply of gravel, which was not date stamped by administration. All other tenders were date stamped by administration.

5.1.3 Improvident Conduct

- Tenders for grading of gravel roads over a 5 year period received by the MD Council at its June 25, 2002 meeting were presented with concerns

from administration that tenders received represented an almost doubling of costs (increasing the MD costs by approximately \$3.8 million over the next 5 years), that the lump sum pricing eliminated direct supervision by the organization, and that in four of five grader beats no competitive bids had been received. Councillor Burrell tabled a motion, without discussion, for the acceptance of all tenders received (votes for were Councillors Allen, Burrell and Davis, votes against were Councillors Maxwell, Polukoshko and Ross; the tied motion was defeated as Councillor Hale was not in the room at that time).

At the end of the day, we do not believe that this Council will be able to provide effective and ethical representation for its public. Even during our inspection, we do not sense that their attitude is one of wanting to correct any problems or deficiencies but, rather, one of waiting us out so that they can proceed with “business as usual”. While we have gained a measure of respect for a few members of Council, there is not enough of them to ensure good government. The decision-making process is so loose that someone with a particular “agenda” can be successful in achieving their personal aims. It is our opinion, based both on our observations and on the written documentation, that this is not a body which should be continued as the leaders of this community.

Ironically, the administration is reasonably sound. While there is much room for improvement, we have been impressed by the calibre of many of the staff. They are looking expectantly to the Government to provide closure to this course of action and to properly direct their Council. They are reluctant to stick their necks out as they need their jobs. Those who are in a position to run counter to the irregular behaviour of some members of the Council are encouraged to work elsewhere. The community is of such a small size that those who are viewed as opposed to the preferences of certain members of Council are singled out in the community to the point of being excluded.

6.0 Overview of the Key Issues

In summary, we view the following as the key issues which will certainly need to be addressed by Council:

- ***The need for a complete break with the current style and practices of this Council***

It is our view that this Inspection and Review will be successful to the extent that there is complete break from the problems which the current Council has encountered and which it has chosen to continue. While not all members of Council are necessarily involved in practices which will bring them into conflict with the legislation pertaining to conflict of interest, there is sufficient ill-will between the various members to render any major adjustment in conduct and style highly unlikely. As a result, and based on comments which we received independently from many members of Council and the public, it is our view that this Council would be well-advised to offer their resignations and pave the way for the changes which we are recommending herein. While we realize that this advice may not be considered acceptable to Council on first blush, it is our hope that their desire to serve the public to the best of their abilities will over-ride any other consideration.

Whether or not this advice is deemed to be acceptable by the Council, we would advise the Minister to appoint an Official Administrator subsequent to the Municipal Government Act.

- ***The leadership and policy roles of Council***

The MD of Clear Hills needs to develop a clear picture of its role as providing policy direction to the community and administration and its role in setting forth the priorities to be addressed. This is in direct contrast to its present focus on the

details of how the system works and its involvement in matters which are, quite frankly, beyond the scope of its powers and authority.

For a number of reasons, many of which we have identified herein, the Council has been limited in its focus as a result of the differences which have sprung up between its members and with its senior management. This has not been healthy to the well-being of the residents of the MD nor to its future direction.

It is our view that the MD will not achieve anywhere near the results which it should without a strong commitment by its elected officials to work together in a cooperative spirit and to move away from the internal bickering and bloc voting which has characterized this term.

If Council is to be seen by its residents as an effective, trustworthy body, it should be capable of reflecting certain core features or attributes. These include the following:

- a sense of **Council direction**, as noted by frequent reference to its goals and objectives;
- a strong and unwavering commitment to **ethical leadership** by the adoption and practice of the highest possible ethical standards
- **strong decisive leadership** by Council on difficult issues;
- Council meetings which are noted for their attention to **process and decorum** and which result in sound decisions;
- a reasonable, thorough yet prompt **decision-making process**;
- a willingness to **abide by decisions** even when there is considerable opposition;

- **obvious respect** between Council and its administration; a willingness to delegate both responsibility and authority to those who are charged with the duty of implementing Council's policies;
- **sound policies** and appropriate, responsive procedures;
- a Reeve who understands her role and who is held in **respect** by the rest of Council;
- a degree of comfort and **respect in the relationship** between Council and its Chief Administrative Officer;
- a clearly defined **Business Plan** and budget process which includes some opportunity for planned public input; and
- a **corporate sense to issues** including an understanding of their implications and priority.

□ ***The question of a Reeve (or Chief Elected Official) at large***

While we are aware that the Act permits the Council to choose its chief elected official by a vote of solely the members of the Council, we are also aware that Council and/or the residents can choose to place this issue before the voters of the Municipal District to decide. It is our firm belief that the residents of this and any municipality can be trusted to exercise their collective judgment as to who they wish to have as **their** chief elected official. This is not an issue which we feel is best resolved by elected representatives of the constituent wards/divisions on the basis of:

- who do I think will serve my interests the best; or
- who will most readily listen to me; or
- who will vote according to my sense of what is right.

It is our view that the leadership of the Reeve is one of the elements of a successful Council. The majority of rural governments across Alberta have retained the “weak leader” model of local government wherein the chief elected official is chosen from amongst the Council as a whole. This model obviously has both positive and negative attributes depending whose views are being sought. We summarize some of these as follows:

- In Favour of the Reeve being Chosen from within Council
 - *The other members on Council see the performance of all members most frequently and therefore are in the best position to judge who is most capable of leading Council*
 - *If the Reeve is perceived by the rest of Council as not doing his/her job, they can remove him/her a year later at the annual organizational meeting of Council*
 - *If the Reeve is not doing his/her job but is elected at large, Council will have to wait for the next election and hope that the public choose someone else*
 - *The MD is so large that it would be difficult for anyone to campaign for the job; further, it might prove to be costly and we do not pay the Reeve enough to enable that person to recoup their campaign costs*
 - *The Reeve’s position would gain in perceived power and thus the rest of Council will be viewed as lesser positions*
 - *If we elect the Reeve at large, we will need to re-configure the MD’s boundaries thus ensuring that Council is not saddled with an even number of members and thus the potential for more evenly split votes*

- In Favour of the Reeve being Chosen by the Public

- *The Reeve is the chief elected official for all residents, therefore all residents should be able to choose who will be their CEO*
- *Democracy is all about allowing the people to choose for themselves; the choice of Reeve (or Mayor if there is a decision to change the title) should be made by ALL the people and not by only the seven people in a Council chamber*
- *The Reeve should be accountable to all the residents, not simply to his/her colleagues on Council*
- *There will be no cost difference to the MD in having a Reeve elected at large (i.e. this will not necessarily necessitate a change in the level of compensation)*
- *We need someone who can speak for the residents as a whole and not be swayed by the need to constantly appeal to the residents of only one ward/division*
- *Internal politics around the Council table should not be allowed to determine who our chief elected official; the people should decide when to change the person holding the position of Reeve*
- *If the MLA can represent 32,594 people and the MP represents 121,957 people, why can't the Reeve represent 2,772; the degree of campaigning required does not put this position out of reach for anyone*
- *The Reeve is already recognized as the most important position on Council; choosing this position at large will not change this perception in the minds of most people*
- *The Reeve may or may not come from the most populated area simply because of the votes in one area vs. that of another; plus, the Reeve will need to identify with all of the areas of the MD if he/she wants to be re-elected*

- *The Reeve's position is already viewed as the leader of the Council; how will being elected at large change that perception to any great degree*
- *Regardless of choosing a Reeve at large, the Reeve still only has one vote, the same as everyone else.*

Having outlined the foregoing, our own view is that of supporting the Reeve at large, simply based on the notion that the public should be directly involved in choosing its elected leaders. We do believe this to be of sufficient significance to warrant further public debate. Thus, we recommend that Council pass a bylaw requiring the Reeve to be elected by all electors within the municipality.

□ ***The redistribution of Municipal District wards (i.e. divisions)***

As noted earlier, the MD had a review done as to boundaries and ward size. This review by the Mackenzie Municipal Services Agency stated that the comparison of other Municipal Districts in the Province of Alberta indicates that the average number of persons per Councillor was 795 people as compared to the MD average of about 412.

It is our view that this low population per ward contributes to some, though not all, of the issues facing the Municipal District. It would at least provide a larger base from which to choose elected representatives. While we are aware that the geography of Clear Hills lends itself to a sparse population, this is not logical reasoning as to why the status quo should prevail.

□ ***The separation of governance (i.e. the work of Council) from management (i.e. the work of the administration)***

It is apparent that the MD has an inadequate understanding of what is meant by the concept of "role clarity". We found repeated instances of Council being directly involved in responsibilities delegated to the administration either by the

prevailing legislation or by policy and procedures. In some instances, this degree of involvement has become expected and, indeed may be invited or encouraged by the actions or inaction of management.

This has had the impact of effectively negating any real sense of accountability. The Chief Administrative Officer should be held accountable for decisions he/she is entitled by law to make. This has not been the case as this Council has become involved in matters outside of its jurisdiction, such as:

- terminating both senior management and supervisory personnel
- hiring both senior management and supervisory personnel
- directing management as to which people they are to hire and/or contract.

Council is to set the direction; determine the priorities; approve the Business Plan; approve the annual budget; approve the policies which guide administrative actions; respect the authority and responsibilities of the CAO; have trust in the CAO to do his/her work effectively and without interference.

□ ***The leadership of the administration***

The responsibility for leadership of the administration has been assigned by legislation to the chief administrative officer (CAO). This is a significant requirement and obligation and one which conveys the expectation that the CAO will actually lead his/her administration. It is our view that an administrative head of an organization will:

- Ensure that the services of the organization are clearly defined and are in concert with the expectations of the residents

- Develop an organization structure which allocates staff to the required functions/service areas
- Ensure that the structure is current and clearly defined
- Create position descriptions which reflect actual and current duties to be provided by each of the personnel
- Empower the supervisory staff to take action on their areas of responsibility
- Provide ample support for staff in the face of any criticism from the public or from the Council; take corrective action vis-à-vis poor performance where that is justified
- Coordinate the efforts of the administration through regular meetings with the department heads; ensure that they are meeting regularly with their own staff and communicating issues/plans and discussing/resolving problems
- Provide performance feedback on a regular basis to those senior staff reporting directly to the CAO
- Encourage ongoing and relevant training for senior staff (and through them for the other members of the administration)
- Ensure that the compensation plan and personnel policies are appropriate and fair for all employees.

The question which needs to be asked, however, is “has this been done?” It is our view that these practices have not been fully discharged for some time due to the lack of role distinction between the Council and CAO. While some degree of “grey area” is normally expected in this relationship, the complete breakdown of roles in this municipality is of considerable concern. The MD of Clear Hills will not

be run effectively as long as Council is allowed to be intimately involved in the discharge of policies. Whether or not the present CAO is able to perform his duties as expected will depend in large measure on how much space and consideration Council affords him. Regardless of his good intentions, which we view as authentic, he will need the assurance that his exercise of his powers and authority will be respected.

It is our assessment that the practices of the MD of Clear Hills have not contributed to a transparent and fair compensation plan nor policy approach due in some measure to the lack of consideration by Council to the former CAO, and in part to the style of Council which places emphasis on projects which they want to complete but little attention to the treatment of their employees. Our interviews reveal that:

- Whereas responsibility has been conveyed, authority to act has not.
- Staff do not feel that their capabilities are well-regarded by Council, nor is unfounded criticism from Council refuted.
- Decisions, which have been made by Council, have generally not been fully communicated to the staff.
- Staff and senior management have not felt supported during the compensation review conducted by an experienced external firm.
- Many staff do not feel empowered; every decision appears to be open to criticism or will need to be taken to Council; policies are not adhered to or are not considered.
- Staff sense that they can be dismissed on the basis of public criticism voiced to a Councillor which may or may not be valid; this has greatly reduced the level of morale throughout the organization.

□ ***The need to focus on the development of clear policies***

Local governments are guided by the legislation, regulations, bylaws, policies and resolutions. Only the last three are the mandate of a Council. Bylaws are created on those issues which require bylaw authority by the legislation, for example, land use issues, whereas policies and resolutions may be utilized for a much wider variety of decisions. Whereas resolutions are used to indicate Council's direction on many topics which come before Council on a regular basis, policies are drafted for those issues which are perceived to be either major or repetitive or both. Policies represent a thoughtful, step-by-step approach to decision-making by ensuring the use of research into the issue(s) and the consideration of the longer term expected impacts of approved policies.

Policies represent the 'what we do' of an organization. They provide certainty to the residents in terms of how an issue will be handled and assurance that other situations of the same or even similar nature will be treated with a measure of consistency. It is the **role of Council to approve policies** and even, at times, to suggest where a policy might be useful. It is the **role of a forward-looking administration to recommend policies** on repetitive and major issues without necessarily having to be prodded into action by its Council. It is then the mandate of an administration to enforce the policy in a manner consistent with the intent of Council.

If the administration is to be able to function effectively, there must be a clear understanding of what actions and decisions are permissible and which are beyond the scope of their authority. This suggests that policies will be established with regard to hiring, firing, training, recruitment, purchasing, use of equipment or facilities, vacations, sick leave, payment of utilities, investments,

Some of the policies which need to be drafted or re-drafted:

- *Business Planning*
- *Budget process*
- *CAO Title*
- *CAO Performance Review*
- *Cheque signing*
- *Committees of Council*
- *Distribution of Agenda Materials*
- *Expenditure limits*
- *Follow-up to staff suggestions*
- *Hiring of personnel*
- *Honoraria*
- *Involvement of Council in Directing Staff*
- *Mechanical repairs (lowest cost/closest location)*
- *Meeting Dates*
- *Processing and Signing for Payment of Invoices*
- *Reports to Council*
- *Respecting the Confidentiality of In Camera Meetings*
- *Road maintenance priorities*
- *Tendering process*
- *Treatment of the public; responsiveness to complaints*

□ ***Managerial practices and training***

With regular and ongoing interference by Council in the work of the administration and the tolerance of a climate of perpetual intimidation, the CAO and his administrative organization have not developed a strong senior management team. Senior staff who are willing to work at developing their skills

will see little future in this style of organization, and will see that the development of their management skills and career will require their movement to another organization.

With limited delegation of management authority, the development of management skills within the organization has received little priority and investment in management training has been low. This lack of focus on management skills will prove to have a negative impact on the capacity of the MD to respond to challenges both now and in the future. The CAO needs to feel confident that the priorities for his administration will not be unduly hampered by Councillors who want to unilaterally set their own agendas.

It is our view that, in order for the organization and the community to be properly served, that real administrative authority and accountability must flow from Council to the CAO and to the department heads. This can be accomplished by:

- Clearly stating managerial responsibilities and accountability in revised position descriptions
 - Outlining appropriate powers of department heads in policies
 - Designating responsibility for staff supervision in position descriptions and clearly outlining such in the organization chart
 - Providing suitable training opportunities for department heads in management skills
- ***Participating in the ongoing process of Business Planning.***

“Business planning” is a relatively new jargon for a practice whose importance has long been recognized. It refers to the essential components of:

- Defining what business we are in

- Outlining a process of determining goals, objectives and priorities
- Determining how and when the community will be invited to provide input
- Establishing corporate and community goals
- Defining short and long term objectives
- Establishing Council priorities
- Converting goals, objectives and priorities into annual and long term budgets.

There needs to be a clear understanding by the organization of the goals and objectives of Council on the current and future strategic directions by the MD of Clear Hills. This is the duty of the Council, acting with the support of the Chief Administrative Officer and the senior management team, to undertake this process on a regular basis.

□ ***Communication Practices***

Effective communication consists of several components. Each of these are inter-related and essential to the sound operation of any organization. We view these components and their key elements as:

- Internal Communications
 - *A Communications Strategy (what we want to accomplish; who are the key audiences; what are the key messages; what forums will we use; who is most responsible; what assessment will be done)*
 - *Regular Staff Meetings*
 - *Regular Management Meetings*
 - *Communications Tools*

- *Communications Policies*
- *Identifiable Targets*
- External Communications
 - *A Communications Strategy (what we want to accomplish; who are the key audiences; what are the key messages; what forums will we use; who is most responsible; what assessment will be done)*
 - *Opportunities for Public Input and Involvement*
 - *Identifiable Targets*
 - *Role of Councillors in Conveying Key Messages*
 - *Use and Frequency of Ratepayers Meetings*
 - *Use of an MD Web Page*

It is our understanding that the MD has not developed a formal communications strategy. Both the Council and administration need to recognize that one of its most significant tasks is to communicate effectively with its public. This will require more frequent formal methods of ensuring that the residents are being made aware of the key issues facing Council and the key decisions being made. The coordination of this service should be assigned by the CAO to one employee with direct access to the relevant information.

□ ***A Reporting Protocol***

There are several matters relating to how people report to each other and how communication is presently handled. These relate directly to the relationship of the Council to the CAO and to impediments to ongoing communication. The following changes are recommended:

- Council should respect the chain of command and direct its inquiries through the CAO

- The CAO should direct any Council or public complaints to the respective department head and request that these be placed in an order of importance which reflects their significance and importance in relation to current staff deployment
- A new policy and format should be developed which ensures that Council always receives a full briefing on the issues and a clearly worded administrative report on what actions are recommended
- Any complaints or comments either received by or initiated by individual staff should be immediately referred to the CAO for his/her review and possible action; all staff are to be made aware that this protocol will be followed
- The CAO will advise Council of actions taken by the CAO on significant issues which are within current policy or approved budgets.

□ ***Organizational Restructuring***

It is our view that changes to the present organizational structure will enable the MD administration to function much more effectively. The changes, which we have identified within this report, take into account the relatively small population of the MD and thus the need to expect certain staff at least to be multi-functional and thus cover off a variety of duties. The proposed organizational structure will reflect the following characteristics:

- Defined chain of command
- Clear reporting relationships
- Staff reporting to those supervisors who are most involved in their duties

- Clusters of service recognizing the advantages of shared services
- Clear reporting line of authority between the Council and the CAO, which will support the current legislation wherein the CAO is Council's only employee who reports directly to Council

In our revised structure, department heads will be delegated authority to undertake management duties and carry out the following functions:

- leadership to the department through a clear sense of direction based on plans, targets, deadlines, policy and procedures
- maintenance of a high level of morale within the department
- consistent, strong and clear, upwards and downwards communication
- performance standards for the department and staff; provision of regular feedback
- clear and up-to-date job descriptions
- high priority on training and safety
- fair recruitment process with effective orientation of new staff
- collaboration and cooperation with other departments and external organizations.

7.0 Recommendations to the Minister

1.0 Direction to Council

- 1.1. We recommend that the Minister appoint an Official Administrator subsequent to section 575 of the Municipal Government Act.**
- 1.2. We recommend that the Minister of Municipal Affairs direct Council to conduct a forensic audit of its affairs since the inception of this Council in October 2001 to account for each contract for services rendered by individuals or firms identified as having a pecuniary interest with any councillor. The forensic auditor shall determine whether the services and materials billed and paid for are correct, and if not, what action should be taken.**

2.0 Ward Boundaries

- 2.1. We recommend that Council (and/or the Official Administrator) take those necessary legal steps to reduce the number of wards to 4 prior to any subsequent election of members of Council, and that the population within each ward not vary from more than 25% of all other ward populations.**

3.0 Reeve at Large

- 3.1. We recommend that Council pass a bylaw requiring the chief elected official (Reeve) to be elected from the electors of the municipality (as per section 150 (2) of the Municipal Government Act).**

4.0 Pecuniary Interest

- 4.1. We recommend that Council, pursuant to section 171 (a) of the Municipal Government Act shall pass a bylaw requiring a statement of disclosure from each councillor and the Chief Administrative Officer shall compile and distribute a list of names as provided for under section 171 (b). The adoption of the**

disclosure bylaw is subject to the approval of the Official Administrator. Each councillor shall make full disclosures as required by the Disclosure Bylaw.

5.0 Council Roles

- 5.1. **We recommend that a full orientation be provided by an external facilitator for Council relative to their roles and responsibilities and, further, that such an orientation be required by Council policy within 15 days of every successive municipal election.**
- 5.2. **We recommend that Council be fully briefed as to the legislated roles of the Chief Administrative Officer and that Council be directed not to be involved in any process which would inhibit or constrain the CAO in fulfilling these responsibilities.**
- 5.3. **We recommend that a full orientation process with regard to the roles of a Council be provided as well for all employees by an external facilitator.**

6.0 Policy Approach

- 6.1. **We recommend that the CAO lead his administration in developing policies on key and/or repetitive issues for the approval of Council and that these policies be presented to Council as each one is ready for the approval of Council.**
- 6.2. **We recommend that the policy format and approach as recommended by this consultant be adopted as the method by which policies will be presented, adopted, assembled and made publicly available.**

7.0 Authorities

- 7.1. **We recommend that the powers and responsibilities of Council as contained in the MGA and as supplemented by this report be accepted and respected.**
- 7.2. **We recommend that the powers and responsibilities of the CAO and designated officers be accepted and respected.**

- 7.3. **We recommend that any Councillor who directs or attempts to direct the actions of any individual staff member, other than the CAO in the context of a regular or special meeting of Council be asked to resign his or her position and that the Council advise the Department of Municipal Affairs as to any such instance.**
- 7.4. **We recommend that Council by recorded vote, ensure that no Councillor or committee of Council has any delegated authority to make any decisions. Any existing motions of Council to that effect shall be rescinded immediately. Committees may only make recommendations to Council where all decisions must be made.**
- 7.5. **We recommend that Council shall only give direction to, or communicate with, staff or contractors regarding their job responsibilities by resolution of Council giving such direction to the Chief Administrative Officer.**
- 7.6. **We recommend that Council, and all individual Councillors, ensure that all advice from the CAO, including engineering advice, staff advice, and recommendations/advice from administration, is considered prior to any resolution of Council being decided and that if the advice of the CAO is not going to be followed, Council must document as part of the minutes the reasons for not following such advice.**

8.0 Decision-Making Processes

- 8.1. **We recommend that Council adopt a “committee of the whole” model of decision-making and that all key policy issues be referred by the CAO through the Policies and Priorities Committee prior to being considered by a formal meeting of Council.**

9.0 Tenders

- 9.1. **We recommend that the CAO bring forward for Council's approval, a new Tendering policy which requires tenders to be called for any goods or services exceeding \$10,000.**

10.0 Power to Authorize Expenditures within the Approved Budget

- 10.1. **We recommend that the CAO be delegated the authority to expend those funds approved within the annual approved budget to the limits authorized by the Council tender policy.**
- 10.2. **We recommend that the CAO be authorized to sign off on all purchases made by the MD which are approved by the budget and which do not exceed \$10,000.**

11.0 Organization Structure

- 11.1. **We recommend that the organization structure as described herein be adopted by Council.**

12.0 Need for Appropriate Resources

- 12.1. **We recommend that administrative changes be made, as per the advice and analysis contained in our Report.**

13.0 Use of Expert Advice

- 13.1. **We recommend that the CAO advise Council whenever expert advice is required to assist Council in coming to an appropriate decision on a matter or whenever the CAO finds that the use of external advice would be beneficial to the discharge of reasonable actions by his administration.**
- 13.2. **We recommend that the Council, acting on the advice of the CAO, review the appointment of its legal counsel, auditor and engineer who are acting on a contract and/or retainer for the provision of ongoing advice.**

14.0 Public Communication

- 14.1. We recommend that the administration (with the assistance of external public relations expertise draft a quarterly “News and Updates from the MD of Clear Hills” publication for the approval of Council to distribute to the residents of the Municipal District.**

Part 2 – Roles and Responsibilities

8.0 Roles of Council

One of the key issues as we have noted which has resulted in this review and inspection being undertaken relates to the inadequate understanding of the appropriate roles of a Council which has been allowed to develop in Clear Hills. Whether or not this is due to a poor or inadequate orientation process or simply a refusal by Council to hear the message is likely open to question. However, at the end of the day, it is clear that community governance and the effective delivery of service depends upon both Council and its administration assuming their respective responsibilities with professionalism and integrity.

This overview is based on a philosophy of effective municipal government presented by our firm in courses, seminars and presentations to various groups. That is, while we present the message somewhat differently in various settings dependent upon the local circumstances, the core themes do not alter. The Municipal Government Act enunciates the key elements of what a municipality and a Council are to do. The public and common practice will, over time, “fill in the gaps” by encouraging Council to provide publicly-supported services and to exercise an ethically-based leadership style and practices.

8.1 The Purposes of a Municipality

According to the Act, Section 3:

The purposes of a municipality are:

- ❑ to provide good government,
- ❑ to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality, and

- to develop and maintain safe and viable communities.

How these purposes are played out is not defined. This is based and decided by a Council which is attempting to act in the best interests of the people it serves. There are, however, some basic principles which do apply to all municipalities and these, we describe throughout this Report.

8.2 *The Duties of Councillors*

Section 153 of the Municipal Government Act outlines the duties of Councillors as follows:

- a) to consider the welfare and interests of the municipality as a whole and to bring to Council's attention anything that would promote the welfare or interests of the municipality;
- b) to participate generally in developing and evaluating the policies and programs of the municipality;
- c) to participate in council meetings and council committee meetings and meetings of other bodies to which they are appointed by council;
- d) to obtain information about the operation or administration of the municipality from the chief administrative officer or a person designated by the chief administrative officer
- e) to keep in confidence matters discussed in private at a council or council committee meeting until discussed at a meeting held in public;
- f) to perform any other duty or function imposed on councillors by this or any other enactment or by the council.

8.2.1 *The Community as a Whole*

The Municipal Government Act (Section 153 (a)) states that a Council is expected

- to consider the welfare and interests of the municipality as a whole and to bring to Council's attention anything that would promote the welfare or interests of the municipality.

This sub-section of the legislation is central to the well-being of any municipality. It points out that a Council has an obligation to consider issues from a "community as a whole" point of view. That is, the members of Council should be prepared to give equal weight to opinions and input gathered from all quarters (or ward divisions) of the community and not over-emphasize those from a particular vested interest or from a specific area of the Municipal District .

One of the key tenets of local government is the fact that power is vested in the Council as a whole as opposed to its individual members. Thus, no one member of Council has any legislated authority to commit Council to any particular action. Power is wielded by Council who meet as a group to discuss the issues placed on the agendas which are subsequently adopted by Council as a whole for its consideration.

8.2.2 Participation in Policies and Programs

Secondly, the Municipal Government Act (Section 153 (b)) states that a Council is expected

- to participate generally in developing and evaluating the policies and programs of the municipality;

Thus, while the CAO is generally responsible for recommending policies and programs to Council, it is up to the elected officials to determine what is in the best interests of its residents and what can be realistically incorporated into the municipal budget. The second aspect of this requirement is to evaluate the present policies and programs to ensure that they are still relevant and that they are providing the results which the Council initially intended.

8.2.3 Participation in Council and Committee Meetings

Thirdly, the Municipal Government Act (Section 153 (c)) states that a Council is expected

- to participate in council meetings and council committee meetings and meetings of other bodies to which they are appointed by council.

All members of Council are entitled to participate equally at all regular meetings of Council. This does not mean that each needs to speak as frequently as their colleagues but, rather, that each recognizes that he/she could if they so desired. Further, this sub-section of the Act indicates that each member is “expected” to participate in meetings which, in our view, requires that each be reasonably prepared to take part. This requires reading the background materials provided to Council by the CAO as well as asking questions of the CAO (or, through the CAO, to the department heads) where there are unresolved issues which may not have been clear in the background materials. In some instances, the member of Council may see the need to drive by the site mentioned in a report (e.g. a troublesome intersection or poor stretch of road) in order to see first hand what the issue is about. While this can be appropriate from time to time, a member of Council should be clear that the motivation should be to seek clarification as opposed to give any staff direction. The latter is a designated responsibility of the CAO.

Each Councillor needs to be aware of the need to understand the expectations of his/her participation as a member of committees to which he/she has been appointed by Council. Unless otherwise stated, a member of Council is expected to be a liaison on behalf of Council as a whole. This will likely require taking messages from Council to the committee and voting on issues at committee meetings as the member believes Council would have him vote. Where there is uncertainty as to the position of Council relative to an issue, then the member

should so indicate that their opinion is a personal one and not necessarily the position of Council as a whole. It should also be noted that members of Council should never feel that they are to become the advocate for a particular body to which they have been appointed. That should be the role and responsibility of the chair of that body. Councillors are to be advocates for the community as a whole and not for a particular group.

8.2.4 Importance of Seeking Information from the CAO

Fourthly, the Municipal Government Act (Section 153 (d)) states that a Council is expected

- to obtain information about the operation or administration of the municipality from the chief administrative officer or a person designated by the chief administrative officer.

This directive to members of Council places the onus on both Council and the CAO to ensure that there is an open communication system between the two so as to inhibit the spread of misinformation. Such a flow can be achieved through comprehensive yet concise background reports from the CAO to Council; through questions and responses at an actual Council meeting; through a CAO report to Council highlighting the key issues; through Council enquiries on either a verbal or written basis to the CAO; etc.

8.2.5 Need to Keep Confidential Matters Confidentially

Finally, the Municipal Government Act (Section 153 (e)) states that a Council is expected

- to keep in confidence matters discussed in private at a council or council committee meeting until discussed at a meeting held in public

While most of what a Council deals with is expected to be open to the public on a regular basis, matters arise which ought to be treated in a confidential fashion. These are generally referred to as the three “Ls”— land sales and purchases by the Municipal District ; legal advice provided by the Municipal District ’s solicitor to the Municipal District Council; and labour relations or personnel matters. If the Council has any questions relative to such issues, then a call to the Municipal District ’s legal counsel by the CAO would be in order.

While there are various other sections of the Act which speak (in addition to the foregoing) to the responsibilities of Council in certain circumstances, those which appear to be particularly central to our review follow:

Section 180

- (1) A council may act only by resolution or bylaw.

Section 181

- (1) A bylaw or resolution of council is not valid unless passed at a council meeting held in public at which there is a quorum present.

Section 183

- (1) A councillor attending a council meeting must vote on a matter put to a vote at the meeting unless the councillor is required or permitted to abstain from voting under this or any other enactment.
- (2) The council must ensure that each abstention and the reasons for the abstention are recorded in the minutes of the meeting.

Section 201(1)

A council is responsible for:

- (a) developing and evaluating the policies and programs of the municipality;

- (b) making sure that the powers, duties and functions of the municipality are appropriately carried out;
- (c) carrying out the powers, duties and functions expressly given to it under this or any other enactment.

Section 201(2)

A council must not exercise a power or function or perform a duty that is by this or another enactment or bylaw specifically assigned to the chief administrative officer or a designated officer.

Section 202(2)

Only a council may pass bylaws.

Section 205

- (1) Every council must establish by bylaw a position of chief administrative officer.

Section 205.1

- requires council to give the chief administrative officer an annual written performance evaluation regarding results with respect to the chief administrative officer's responsibilities under Section 207.

The foregoing provisions of the Act clearly spell out both authorities and responsibilities accorded to Council as well as obligations and constraints imposed on Council. In particular, we note that Council is responsible for ensuring that the appropriate policies and programs for its municipality are put into place for the betterment of the community. As well, Council has the obligation of ensuring that its decisions are carried out within the context of Council's decisions. This role is normally delegated to the CAO to discharge the policies of Council with Council serving as a check on how well the CAO performs his/her role in seeing to it that such decisions are followed through promptly and effectively.

Further, it is worthy of note that the Act expressly forbids Council from performing the responsibilities which it has assigned to the CAO or which is outlined as a

requirement of the CAO by this Act. To do so has the effect of weakening the administration and casting into question their confidence in their chief officer. In this respect, a Council is expected to function much like the Board of any public or private sector corporation. It is to set the course, monitor the progress, make mid-course adjustments, provide the policy leadership and ensure that the appropriate checkpoints are in place.

While the foregoing sets out the legislated obligations of a Councillor, it is our view that these duties have been redefined to encompass a much broader scope of responsibilities. These, we believe, include the responsibility:

- *to work together as an elected body in order to provide sound leadership to the residents of the MD of Clear Hills and to the organization;*
- *to determine the wishes, priorities and requirements of the citizenry of the MD, and to represent these views to their colleagues on Council;*
- *to advise the public on how they might become involved in the political process; to ensure that there are avenues available for useful and timely input by the public;*
- *to pass bylaws providing for public safety and good government;*
- *to respond to public complaints in an appropriate manner; to encourage a “customer first” focus;*
- *to seek the advice of the chief administrative officer (CAO) on all policy matters and other key issues;*
- *to advise staff and all Council through work on the various committees, commissions and boards; to act as a liaison on behalf of Council to such groups and to represent the views of Council (when known) at such meetings;*
- *to facilitate and encourage the administration (through the office of the CAO) to deliver the best level of service possible within policy and budget constraints;*
- *to monitor the performance of the administration through casual observation, attendance at meetings and community feedback; to pass along any*

feedback, positive or negative, to the CAO for his/her dissemination to the appropriate staff and his/her handling in whatever way he/she deems to be appropriate;

- to understand and monitor the fiscal health of the MD through an awareness of key fiscal indicators; to establish the key fiscal policies and approve a Business Plan and annual budget in order to ensure the appropriate fiscal direction of the MD;*
- to review and approve the annual budget (estimate of expenditures & revenues) and ensure that the CAO has in place the steps necessary in order that the staff monitor their spending accordingly; to receive any requests for significant budget amendments and to review the legitimacy of such changes;*
- to support the CAO in bringing forward new ideas which will potentially benefit the residents through improved or enhanced services;*
- to support the CAO in his/her development as a senior manager and, through the CAO, to support the development of other staff on an ongoing basis where appropriate and as approved by budget;*
- to ensure that all reasonable background information is being made available to Council to aid it in its decision-making process; to be prepared for all meetings; and*
- to approve policies, bylaws and resolutions which provide clear direction to the public as well as to the administration as to Council decisions.*

These duties are significant and central to the effective governance and administration of any municipality. They are listed herein as a complement to those specific duties indicated in various sections of the Act. If each Councillor approaches these duties with a desire to do the right thing in each instance, then the residents of the Municipal District will be well-served. The residents are thereby assured that the "job" is being done as completely as is practical within the constraints of this being a part-time commitment and not a full time obligation.

As a result of our work here and in virtually every other community which we have served across Canada, we are convinced that one key failure of most is the absence of a sound orientation process for all members of Council immediately after assuming office.

If Council is to be able to make good progress in addressing the key issues and in providing good leadership, it is essential that all members begin with the same (or equal) base of knowledge as to what this new job entails. We stress that this applies equally to those who have been elected for the first time and to those who have served for several terms.

Such an orientation process should involve a detailed review of the respective roles of Reeve, Councillor, CAO and department heads (preferably conducted by an external facilitator); a review of current issues facing the community; an introduction to each department head; a tour of key community facilities and potential problem areas; a review of legal requirements (by the District's solicitor); etc.

8.3 Key Elements of the Roles Played by Council

8.3.1 Leadership

The Reeve is generally regarded by Council and the administration alike as the chief spokesperson for Council, both to the public as well as to the administration. The Reeve should be able to act as the rudder of the ship of state in guiding Council towards reasonable decisions regardless of the fact that the Reeve has no more individual authority than any other member of Council. The Reeve has, however, informal authority which is accorded to the position by both the public and administration alike as might be expected for anyone holding the position of chief executive officer. If Council is able to rally around the Reeve and show support for his/her leadership and policy suggestions, then Council as a

whole benefits. If the position is weakened through in-fighting and innuendo, then the very attributes which add to its value will be minimized or negated.

The role of the Reeve is particularly important if Council is to be successful in completing the tasks it places before the organization. We have attached an appendix providing a detailed guide on the role, to act as a resource to those elected or appointed to the position.

One of the keys to governing and managing a community effectively and efficiently lies in the extent to which roles are clear and well-understood. It has been our experience that many of the problems experienced by municipalities stem from issues pertaining to a poor conception of the basic roles leading, in turn, to duplication, misunderstandings, resentment, and upward delegation. While much of what follows is generic to other municipalities as a whole, and has been authored by this firm for others, we have endeavoured through our editing to make it as relevant as possible to Clear Hills.

Councils are elected to provide leadership to the business of governing and managing municipalities. While many of the day-to-day matters can be handled quickly and expeditiously by the staff, the decisions which they make need to be within the overall policies and direction established by the Council. These decisions by Council are at times very complex and difficult to render and, at times, very straightforward and simple. They require choices to be made on the basis of what is best for the residents of the community.

This is a challenging task. Several alternate views exist on most issues. At times, a few may sound quite acceptable. In difficult and perhaps urgent situations, the Council may struggle with determining which mix of views represents the best strategy. Thus, regardless of the fact that various options may appear to have at least some merit, it is the duty of Council to make its determination based on

what it believes to be the best choice for its residents. Leadership is all about making difficult choices in often a stressful environment.

Governance also requires the resolution of conflict between various interests within the community. Part of the obligation placed upon Council is the expectation that it will strive to reconcile conflict. Many of the issues coming before Council require decisions which may appear to favour one part of the community vis-à-vis that of another or which may not be initially viewed as understandable or supportable. The public expects Council to review the facts and resolve in favour of the majority in the community. At times, such decisions will elicit considerable criticism from vocal elements of the community.

Critical to difficult decisions being acceptable to the majority of the public is the process used to make such choices. If Council is successful in adopting a step by step process of decision-making, then its decisions will more often than not be in accordance with the wishes of the community. Inappropriate decisions often result from hasty actions or requests presented to Council at the last minute and without sufficient administrative analysis or recommendation as to the potential implications to the community as a whole.

Thus, we believe that the Municipal Government Act empowers the Council to lead-to take charge. Council can only do this if it clearly recognizes the issues; understands its own sense of what is best for the community; seeks public input on the key issues; and is prepared to stand firm on what it believes to be the right course.

8.3.2 Building Relationships

A second key relationship and role is that of the CAO and Council. The Chief Administrative Officer plays a very primary role in terms of acting as the link-pin between Council as the policy-makers and the staff as the administrators of those policies. The CAO thereby champions the decisions of Council to the staff

and the advice of staff to the Council. He/she provides a quality control function in that any advice going before Council for a decision needs to meet his/her scrutiny as to completeness and accuracy. Further, the CAO also acts as the advocate for the opinions of the administration and ensures that the Council has the full picture of all salient points in any decision. This does not mean that the CAO has to be personally aware of all of the nuances of a report say from the Finance department, but must be able to articulate the key arguments before referring the matter to his/her head of that department for responses to more detailed questions. This also requires that Council is reminded to keep its questions focused at the policy level and that it has the trust and confidence in its administration to carry out its will effectively.

The ongoing relationship between the Reeve as chief executive officer and the Chief Administrative Officer is also critical to the overall functioning of the Municipal District. The Reeve symbolizes Council authority and legislative leadership. He/she may be able to bring to each situation Council's perception of the political issues confronting the community. He/she should be in an ideal position to advise and counsel the Chief Administrative Officer with regard to the direction which they feel is appropriate for Council as a whole to take.

If the Reeve is attuned to the will of Council, he/she will be particularly helpful to the Chief Administrative Officer in being able to relate Council's concerns with regard to the issues. As well, the Reeve's relationship with the Chief Administrative Officer should be such that they are able to pass along any concerns which they hear being expressed by their colleagues on Council vis-à-vis the performance of the Chief Administrative Officer. In this respect, the Reeve's role is preventative in nature in that frank discussions about perceived problems may result in their early resolution.

8.3.3 Setting Direction

Leadership is all about identifying choices which impact the future. It is the business of determining what is on first base and what is on second. It is centred around picturing the future and trying to apply that sense of future vision to present day decisions.

This is what a Council is charged with doing. A Council, with the input and guidance of its administration, must set the course-it must steer the ship in the right direction so that the efforts of those charged with rowing are not futile. Without someone, however, guiding the way, the ship will drift badly and time and resources will be lost.

How does this come about? Well, normally the CAO will recommend to the Council that time be set aside for a session of goals and priority setting, preferably making use of an external facilitator. This is recommended as it is highly unlikely that the session will stay on track without someone who is experienced and external to the actual business ensuring that discussions do not become a repeat of the last Council meeting.

The expected outcomes of such a process include the following:

- A statement of vision
- A statement of values
- A listing of Council goals
- A series of key issues facing the Council and a prioritized list of those which Council has identified as essential to their preferred course of action.

8.3.4 Making Policy Decisions

The decisions of a Council effectively become the policies of it. That is, whether the Council decides by way of resolution or by bylaw, its decisions taken together, constitute the policy bank of the municipality. While policies should preferably be presented to Council according to a set format, the key to an effective Council is the recognition that its decisions become the standard upon which the administration functions and makes decisions.

We believe that the CAO and his administration should be bringing forward to Council key policy issues for Council to resolve which will provide the administration with clear guidance as to how such issues are to be decided in the future. Policies should be developed on issues which are either repetitive or major. That is, if the administration notes that not only a certain matter needs a Council decision but that there will likely be several other matters of a similar nature which will also require a similar policy framework, then a policy should be drafted. If the issue is significant, it too should undergo the same rigorous analysis and review which policies are also subject to.

8.3.5 Resolving Issues of Conflict

Council also has a role in resolving matters which may either currently be in conflict on the community or which are likely to result in dispute. Although such matters are often considered by a Council so delicate as to warrant an in camera discussion, they often do not meet the criteria of confidential issues but are, rather, controversial. Regardless, such matters still require that Council's guidance be sought and a decision rendered.

In most instances, it has been our experience that the public is prepared to support its Council in whatever decision it makes provided that the Council has followed a process which is thoughtful and thorough.

8.3.6 Ensuring Appropriate Programs and Services for the Community

Other than any such requirements for services identified in legislation, it is Council's responsibility, in the final analysis, to determine which programs and services will be made available and in what areas to what citizens. Thus, where there is a hamlet or acreage subdivision, the standard set by Council may require the municipality to provide potable water and sewage disposal. Council may choose to staff the fire department or to provide some funds to the rural firefighters association on the basis of a quasi-voluntary service. Council may become involved in funding the direct provision of recreation programs or it may simply fund various community associations and voluntary sport groups to offer programs which the public wants.

8.3.7 Making the Best Use of Public Resources

The role of a Council has often been described as that of a steward. That is, one of the fundamental principles of a local governing body is that it will ensure that the resources of the municipality are being utilized wisely and in accordance with the budget and Business Plan as well as any policies and procedures which may apply.

Ensuring that Council has made the best use of resources requires that it:

- Establish clear policies relating to the recruitment and treatment of personnel
- Identify potential risks in the use by the public of municipality-owned facilities and equipment
- Establish a comprehensive tender policy and procedures
- Identify potential suppliers of goods and services.

8.4 Council Decision-Making

There should be a clear definition and understanding of the respective roles of Reeve, Councillor, Chief Administrative Officer and department heads and obvious respect for the responsibilities which each role entails. That is, the system will only function successfully and at an optimal level when there is a willingness to understand the protocols associated with each role and to abide by the rights which each must maintain in order to be mutually supportive.

With role clarity comes an increased sense of accountability and a higher level of productivity.

8.4.1 Decision Making Process

The process by which decisions are made impacts how the organization conducts its business. That is, the organization will be perceived as either open or closed; user friendly or difficult to impact; convoluted or simple; empowering or insecure. The fact that this is a local government would seem to indicate that the determination of the Council and the administration would be to conduct the business of the municipality in the following manner:

- as open and publicly transparent a manner as possible
- as straight-forward a manner as practical
- in a step by step sequence so that the process leads to its intended result
- involving the right players
- communicating the results efficiently and promptly.

One of the basic purposes of a review of this nature is to ensure that Council has at its disposal the appropriate systems, techniques and methods of local

government which will enable it to make appropriate decisions on policy matters. By inference, it is necessary to ensure that the style of local government currently practised does not in any way inhibit good decision-making, but rather contributes to it. This, therefore, necessitates a review of the Council meeting procedures and decision-making techniques.

One of the key components of an effective municipality is the components of its decision-making processes. These components must be established so that quality decisions can be regularly made based upon clear access to comprehensive and unfettered advice and a step-by-step decision-making process. Such a process should provide for:

- Discussion of the issues facing the community
- Development of a consensus on what constitutes the priorities of the day
- Development of a decision package by the administration for the consideration of Council
- Review of the policy implications of any recommended action
- Referral to any appropriate advisory body for their consideration of a matter which falls within their mandate
- Input by the public when and if appropriate
- Decision by Council.

The key to such a process is to ensure that this Council has an appropriate governance model which enables it to have all of the relevant information at its disposal prior to making a decision. This would be implemented using a “committee of the whole” model where there would be one standing committee

where every member of Council is a member, in this case called the **Policy and Priorities Committee**.

We believe that the decision-making processes of Council can be improved through:

- incorporating the decision-making process into a written policy statement and procedures
- making the process as publicly transparent as is practical
- developing an inclusive model which provides for focused and timely public input
- developing clear terms of reference and operational guidelines for the new “Policies and Priorities Committee”
- ensuring that all key issues are channelled through the appropriate process
- eliminating any in-camera sessions which do not deal with legal matters, personnel or public lands or other matters which the MD’s solicitor advises.

8.4.2 A Policies and Priorities Committee

Our proposed model of Council’s legislative involvement limits the number of standing committees to one – the proposed Policies and Priorities Committee. All members of Council are the invited participants with the CAO (and, at his/her request, members of the management team) acting in an advisory capacity. It is our view that there would be some advantage in having the role of Chair rotated amongst all members (unless they decline). Rotating the chair’s role among all members of Council would enable each to:

- understand the leadership requirements of the chair position;
- enable the Reeve to consider issues from a somewhat less restrictive role than that of chair; and
- provide opportunities for each member of Council over the course of a term of office to act as chair and thus see things from that perspective.

Agenda items should include:

- those submitted by the administration (and which require Council's policy review and approval)
- those which Council members agree to place on this agenda for review
- those which external boards/agencies believe require the policy guidance of Council before they can take a particular course of action.

These issues will likely be “higher order” those of considerable significance rather than the mundane (e.g. the impact of new resource development on the community vs. awarding a tender). The focus of the Policies and Priorities Committee would be on the development of policy and the development of vision, mission, values, goals and priorities for the organization. This type of discussion is more productive in a less formal atmosphere than a Council meeting, and this informality should only exist when the committee cannot make decisions or commit Council.

Policies and Priorities Committee meetings generally have both a public and private component. Issues in the latter category would largely be restricted to those pertaining to legal matters, confidential MD land purchases and sales (if any) and personnel issues. According to prevailing legislation, these are the only matters deemed to warrant a Council withholding them from public view.

The **advantages** of what is commonly referred to across Canada as a “committee of the whole” model are as follows:

- Council's focus is geared toward policy issues
- The administrative analysis and advice can readily be orchestrated through the CAO's office
- All of Council can participate in the policy debates
- All of Council is concurrently informed and involved; no one member or group of members has more access to power or information than another
- Allows policy issues to be surfaced at this step and thus provides for a time of reflection prior to formal consideration at Council.

□ ***Principles***

The following principles would apply to this revised model of governance:

1. That new policy issues will first be considered by the Policies and Priorities Committee prior to consideration by Council.
2. That any member of Council may request a matter to be discussed at a Policies and Priorities Committee meeting and that such a matter will be voted on by the Committee as to whether or not the item will be added.
3. That the Policies and Priorities Committee meeting will be advisory in nature with recommendations forwarded to Council by resolution.
4. That the CAO has the liberty to re-draft items for Council approval based on the feedback received at a Policies and Priorities Committee meeting.
5. That the public has the right to attend any portion of the Policies and Priorities Committee meeting with the exception of any portion wherein the Policies and Priorities Committee decides on a majority vote to go in camera.
6. That the agenda items be circulated to all members of Council at the same time and no later than 48 hours prior to a meeting.

7. That the committee meet no less than once every 2 weeks except during the summer months when the committee may stand adjourned except to meet at the call of the chair.
8. That the Reeve will choose who will chair this committee and may rotate the chair once every 3-6 months. The Reeve shall designate which member of Council will serve as Acting Chair in the event that the Chair is absent.
9. Delegations will be granted an audience with Council who may decide to refer the delegation to the next Policies and Priorities Committee meeting for further discussion.

□ ***Decision-Making Model (Steps)***

The revised model of governance being proposed suggests certain changes to current decision-making processes and steps. Our model envisages the following:

- Step One** Issue surfaced by a staff member or a member of the public or a Councillor and is referred by the CAO to the appropriate department
- Step Two** Issue is researched and drafted within the department or through discussion with other departments; if it is a policy issue, an appropriately-worded policy will accompany the staff report
- Step Three** The department head vettes the report; requests changes if necessary; signs it off when department head is satisfied as to completeness, accuracy and quality
- Step Four** The department head refers the issue to the CAO if item is beyond the scope of authority of the department head (otherwise it may be sent forward as information only)
- Step Five** The CAO reviews the report and places it on the Senior Management Team (SMT) regular meeting agenda. The Senior Management Team reviews report(s) and makes suggestions for sake of clarity, etc. The report may be withdrawn by a department

head for a period not to exceed two weeks. Regardless of the reservations of the other members of the SMT, the department head may ask that the report be submitted by the CAO “as is”. If acceptable to the CAO, the report is signed off by the CAO; if not acceptable to the CAO, he/she may wish to attach a covering memo to the departmental report.

Step Six The CAO forwards the report to the public Policies and Priorities Committee for review and referral to the Council.

Step Seven The new Policies and Priorities Committee reviews the report; may refer back to CAO for more information; or refer on to a regular meeting of Council (particularly where it is a broad policy-oriented issue).

Step Eight Council decides at a regular or special meeting of Council.

Step Nine CAO ensures that the administration implements decision; if a policy is approved or amended as a result, then new policy (or revision) is circulated to all holders of a policy manual.

In this process:

- The Committee is intended principally as a forum for discussion rather than as a decision-making arena. This enables all of Council to review and discuss key issues without the perceived if not felt pressure of having to decide.
- The Committee may refer an item to the CAO for more information or clarification but must move the issue forward to Council for its consideration and decision upon receipt of the clarifying information. In other words, the referral process if used is intended to be brief (yet thorough).

- The principal advisor to the Policies and Priorities Committee is the CAO. Whether or not other management (or other staff) is in attendance is the prerogative of the CAO.
- Further, we believe that each report or minutes from boards and committees should also be referred to this process so that there is some degree of consistency as to how each is treated by the Council.
- Final reports or recommended actions should be placed on the agenda of the regular Council meeting and be subject to the discussion and debate of the Council at that time.
- We view the regular Council meeting as the principal decision-making forum of any municipality. This is where the major issues of the day need to be aired, debated and decided. As a result, it should not be viewed as a “rubber stamp” of the discussions aired at the Policies and Priorities Committee meeting.

□ ***Timing and Schedule of Meetings***

Based on Council's present schedule of meetings, which includes a Council meeting every 2nd and 4th Tuesday of each month, we recommend that the Policies and Priorities Committee meet every 3rd Tuesday of each month. If Council deems it necessary, the Policies and Priorities Committee could also meet the 1st Tuesday as well. At the moment, we do not see the need for a second Policies and Priorities Committee meeting on a monthly basis.

8.4.3 Meetings of Council

The meetings of Council are critical to the decision-making process as it is at these meetings that final decisions are rendered. As a result, careful thought should be given to their planning, intent, procedures and follow-up action.

Meetings of Council are intended to not only enable Council to "get its business done" but also to provide the public with an opportunity to view the process and participate where desired or possible. Regardless of the activities and actions leading up to regular meetings, the gathering together of Council members to debate the merit of issues and then to decide their resolution is essential to the process of local government.

8.4.4 Agenda Building

Quite simply, meetings are controlled by their agenda. While many municipalities overlook the importance of the agenda to good Council decision-making, we believe that an agenda is central to the process of local government and one of the key instruments by which Council controls the decisions which impact upon the District.

As a result, we believe that the agenda should be seen as your instrument in making sound decisions and for ensuring that important issues are constantly kept in the forefront of Council. Although the physical preparation of the agenda is the responsibility of the CAO (who may delegate that to other staff), the agenda itself should still be seen as Council's decision-making tool.

Rather than solely being a list of issues derived by management based on its need for certain answers, or responses to correspondence from the public and others, the agenda should also contain any issues which arise which are of concern to members of Council.

Any staff report intended for Council should be directed to the Chief Administrative Officer and thus becomes his/her report. It is through the Chief Administrative Officer that all members of staff report. If his/her reports are authored by someone else, then that name should also be shown on the "request for decision" covering page to which we have alluded earlier together with the name and signature of the appropriate department head.

It is ultimately the Chief Administrative Officer's responsibility to check each report to Council in light of the following:

- does this issue need to be decided by Council?
- is this issue of considerable political interest?
- has the appropriate format been followed?
- if the information complete?
- is it well-written?
- do I agree with the recommendation(s); if yes, have I signed it off; if not, have I attached my own report?

In the final analysis, it is the responsibility of the Chief Administrative Officer to ensure that any reports which are to be presented to Council meet his/her standards of quality and completeness. This does not necessitate that the Chief Administrative Officer defer or dismiss reports which he/she may not fundamentally agree with but, rather, that he/she ensure that his/her own opinion, if contrary to that of the writer, is presented to Council as the covering document. In some instances, the Chief Administrative Officer might wish to request Council to defer or delay a decision until the management has had further opportunity to study the issue(s).

The minutes should then simply reflect the motion, the mover, and its disposition. There is no need for any accompanying comment as that would be largely contained in the report. The key is to ensure that Council and the public understand the nature of the issue, the recommendation and the alternatives.

8.4.5 Background Preparation

There are really two separate components to the issue of background preparation. One relates to the degree of preparedness for each meeting by the administration. The other reason relates to the amount of pre-meeting work by Council members.

The administration is expected to determine which issues cannot be resolved at their level and why. If the reason relates to a lack of policy, one should expect that a policy would be drafted for this and future instances. It is our observation that frequently this does not happen. If the issue is perhaps neither major nor repetitive, then the case could be made that a thoroughly researched background report and resulting recommendation would likely resolve the issue. This requires homework and careful, anticipatory thought. It also implies that the Chief Administrative Officer will scrutinize such issues carefully and develop a suitable resolution or recommendation which Council could review and likely approve.

Further, we presume that Council members will be inclined to fully read the agenda package and formulate any questions in advance. Questions of detail should be directed to staff a day or so before the meeting. Questions of substance (i.e. policy issues) should most likely be raised during the actual meeting.

There is also a need to ensure that Council members attending outside meetings with other jurisdictions are fully briefed as to the nature of the matter(s) under discussion. Council does not want to be embarrassed by attending meetings where others are well briefed and the Municipal District representatives attend without any advance preparation.

8.4.6 Confidential Matters

Given that public business is to be dealt with publicly, there should be a genuine desire to handle most issues in a public Council forum. The only time that an audience should be encouraged or requested to leave is when Council, by a majority vote, decides that the nature of the item is "confidential". This is commonly termed an "in-camera" meeting.

In order to qualify for "in-camera" or "special meeting with the public excluded" status, an item should be reviewed carefully by the Chief Administrative Officer who will recommend to Council if it deals with:

- a personnel matter;
- a legal issue (a matter between your solicitor and the Municipal District);
- a property matter (where the Municipal District is discussing whether to buy or sell a property, or to propose re-zoning to accommodate a desirable development).

Subject to the Municipal District solicitor's advice, such matters may be considered confidential.

A separate agenda and report on those issues should then be prepared by the Chief Administrative Officer and presented to Council as a recommended list of confidential matters. Council should then decide whether all or some of the issues warrant being dealt with in-camera. As in all matters such as this where there may be a legal issue at stake, further advice from the Municipal District's municipal solicitor should be sought if there are further questions.

8.4.7 Pecuniary Interest

The main sections of the MGA dealing with pecuniary interest are sections 172 through 174. Of direct interest is section 172 as below:

172(1) When a councillor has a pecuniary interest in a matter before the council, a council committee or any other body to which the councillor is appointed as a representative of the council, the councillor must, if present,

- (a) disclose the general nature of the pecuniary interest prior to any discussion of the matter,
- (b) abstain from voting on any question relating to the matter,
- (c) subject to subsection (3), abstain from any discussion of the matter, and
- (d) subject to subsections (2) and (3), leave the room in which the meeting is being held until discussion and voting on the matter are concluded.

(2) If the matter with respect to which the councillor has a pecuniary interest is the payment of an account for which funds have previously been committed, it is not necessary for the councillor to leave the room.

(3) If the matter with respect to which the councillor has a pecuniary interest is a question on which, under this Act or another enactment, the councillor as a taxpayer, an elector or an owner has a right to be heard by the council,

- (a) it is not necessary for the councillor to leave the room, and
- (b) the councillor may exercise a right to be heard in the same manner as a person who is not a councillor.

(4) If a councillor is temporarily absent from a meeting when a matter in which the councillor has a pecuniary interest arises, the councillor must immediately on returning to the meeting, or as soon as the councillor becomes aware that the matter has been considered, disclose the general nature of the councillor's interest in the matter.

(5) The abstention of a councillor under subsection (1) and the disclosure of a councillor's interest under subsection (1) or (4) must be recorded in the minutes of the meeting.

(6) If a councillor has disclosed a pecuniary interest at a council committee meeting and council considers a report of the committee in

respect of which the councillor disclosed a pecuniary interest, the councillor must disclose the pecuniary interest at the council meeting and subsection (1) applies to the councillor.

Section 172(1)(a) requires a Councillor to "disclose" the general nature of the pecuniary interest. This has to be a public statement to the Reeve (or chair) which has to be noted in the minutes, along with the fact that the Councillor left the room (if required). Section 172(6) requires that a Councillor disclose the pecuniary interest at a Council meeting (or any other committee meeting) even if it was declared at a previous meeting.

8.4.8 Council as One Voice

When Council does make a decision, regardless of whether or not it is unanimous or the result of heated debate and thus a split vote, the result is the same. Council has made a decision. It is expected that all members of Council will then support the basic underpinnings of democracy and support the decision of Council, regardless of how each person voted.

Thus, when the Reeve speaks to a decision of Council, the Reeve must be careful to speak in support of Council's decisions and not how he/she personally feels. This requires recognition by all members of Council that the views of each are worthy of a good hearing and that the decisions of the Council as a whole are what drives the subsequent actions of the administration. This should always be in the form of motions and not simply as a result of discussions at the Council table.

The Reeve, of course, has a double obligation. He/she is not only the chief elected official charged with representing all of the citizens of the Municipal District, he/she is also a division Councillor who is expected by "his/her" voters to vote for whatever he/she perceives reflects the will of the majority of "his/her" residents. This is an almost impossible duty to completely fulfill at all times given that the best interests of the Municipal District as a whole may not be mirrored by

what the residents of a particular division feel are in their best interests. It is also an issue which we address elsewhere in this Report.

8.5 Observations on the Role of Council

- ▶ We were advised that the divisiveness on this Council only mirrors that which also plagued the last Council as well; the split was different due to some Councillors not being returned to office but the Council was nonetheless quite divided
- ▶ Council in 1997 chose to work on the development of a Mission Statement, goals, objectives and priorities; while this work appears to have been done with the best of intent and while an experienced external facilitator was engaged (Mackenzie Municipal Services Agency), there does not appear to have been much done to implement this worthwhile initiative. The only attempt to set priorities by this Council occurred as a result of a road tour which involved both Council and some members of the senior administration. This was viewed as helpful by Council.
- ▶ A few members of Council stated that they were so involved in the administration because the staff had proven to them that they could not be trusted; these same Councillors also felt that the MD was being over-charged on projects because the staff were not competent at managing projects of that size.
- ▶ Council members are not focusing their views on the opinions of others but rather on the personalities.
- ▶ The Council agenda does not seem to allow the Council sufficient time to deal with the more significant issues as these are presented, at times, at the close of the day.
- ▶ There does not appear to be an adequate opportunity for all members of Council to be properly briefed as to the issues nor to have the opportunity to

discuss these without the tension of the need to make a decision which is the case of a regular meeting of Council.

- ▶ Councillors appear often to be unwilling to follow any reasonable or due process of decision-making. They seem to prefer to make decisions on the fly, particularly when the roads are concerned.
- ▶ Councillors complain of too much management and then suggested that the Public Works Superintendent should only be concerned with the paper flow and leave the management of the actual roads to more of road builder/supervisor.
- ▶ Minutes of Council meetings refer to the Councillors as “Members” when recording those present. This should be stated as “Councillors present” as Council is no longer a Board (as was the case when this was an Improvement District).
- ▶ Municipal Planning Commission meetings have been held in a closed office without any provision for the public to attend. These meetings are required to be held in public as required by the Municipal Government Act.
- ▶ The sequence of the Council meeting agenda does not reflect the requirements of the Municipal Government Act. As the Chief Administrative Officer is responsible for all administration matters within the organization, agenda sections dealing with individual department should be eliminated. Agenda sequencing has had a long history of development and the following sequence has been adopted by many municipalities: call to order, approval of the agenda, approval of minutes, items arising from the minutes, public hearings, delegations, old business, new business, in-camera and close.
- ▶ It was observed that Council, at times, made immediate response to delegations, and sometimes decisions, without seeking input from administration. Wherever possible, the Chief Administrative Officer should be asked to comment on input from any delegation, and should be granted time to submit a full report to the next Council or Policies and Priorities Committee meeting where Council would consider any recommended action.

- ▶ At the June 25th, 2002 Regular Council meeting it was observed that the Reeve did not always ensure that all member of Council clearly indicated their vote. It is the role of the Reeve to ensure that a complete vote is taken as the consequence of a member of Council not voting is, under Sections 183 and 174(1)(f) of the Municipal Government Act, that the member of Council is disqualified from Council.
- ▶ Councillors were observed to not address each other through the Reeve, thereby not allowing the Reeve to chair the meeting effectively.
- ▶ Delegations were observed to address and debate with Councillors directly without going through the Reeve. This allowed the presentations to move off topic and time was wasted on areas not directly under consideration.
- ▶ Council has lacked reports from administration on many issues on the agenda, particularly those added at the start of a meeting. This was observed to lead to lengthy discussions on those issues and significantly longer meetings.
- ▶ The use of the PowerPoint projector to place motions under debate on the screen provided a positive focus for debate within Council, and informed the public on the current resolution being debated. This practice would be a positive addition to many other Council Chambers.
- ▶ The present layout of the Council Chamber does not include a gallery for the public. This leads to the public being seated behind the Reeve and Councillors, where the public is not able to observe all of the interaction between Council members. The Council Chamber is large enough to allow 2 or 3 rows of public seating behind the presentation table and this should be implemented.
- ▶ The ratification of cheques has always been completed in accordance with M.D. of Clear Hills policy. On February 26, 2002 two cheques were not processed at that meeting or any subsequent meeting.
- ▶ Council has approved motions that conflict with existing policy. An example of this is the direction to staff on plowing of senior's driveways in the minutes of

the Council meeting on December 11, 2001, which conflicted with existing policy 32.3.

9.0 Role of the Chief Administrative Officer

9.1 Background

We view the role of the Chief Administrative Officer as extremely important and central to how the entire system functions. Where there is a clear recognition of the various responsibilities of a CAO and an appreciation as to how these can be best utilized, then the overall legislative-administrative system will function best. We begin this section by describing in summary terms these roles. We then describe them in greater depth.

- Leadership Functions
- Key advisor to Council on all policy issues
- Recommends new initiatives
- Recommends legal counsel as appropriate
- Spokesperson to the administration
- Communication Functions

9.2 Legislated Authority

The authority of a CAO is as delegated through bylaw and as specified in the Municipal Government Act. These duties, as listed in the Act, are as follows:

207 The chief administrative officer

- (a) is the administrative head of the municipality;
- (b) ensures that the policies and programs of the municipality are implemented;
- (c) advises and informs the council on the operation and affairs of the municipality;

- (d) performs the duties and exercises the powers and functions assigned to a chief administrative officer by this and other enactment's or assigned by council.

Performance of major administrative duties

208(1) The chief administrative officer must ensure that

- (a) all minutes of council meetings are recorded in the English language, without note or comment;
- (b) the names of the councillors present at council meetings are recorded;
- (c) the minutes of each council meeting are given to council for adoption at a subsequent council meeting;
- (d) the bylaws and minutes of council meetings and all other records and documents of the municipality are kept safe;
- (e) the Minister is sent a list of the councillors and any other information the Minister requires within 5 days after the term of the councillors begins;
- (f) the corporate seal, if any, is kept in the custody of the chief administrative officer;
- (g) the revenues of the municipality are collected and controlled and receipts are issued in the manner directed by council;
- (h) all money belonging to or held by the municipality is deposited in a bank, credit union, loan corporation, treasury branch or trust corporation designated by council;
- (i) the accounts for authorized expenditures referred to in section 248 are paid;
- (j) accurate records and accounts are kept of the financial affairs of the municipality, including the things on which a municipality's debt limit is based and the things included in the definition of debt for that municipality;

- (k) the actual revenues and expenditures of the municipality compared with the estimates in the operating or capital budget approved by council are reported to council as often as council directs;
- (l) money invested by the municipality is invested in accordance with section 250;
- (m) assessments, assessment rolls and tax rolls for the purposes of Parts 9 and 10 are prepared;
- (n) public auctions held to recover taxes are carried out in accordance with Part 10;
- (o) the council is advised in writing of its legislative responsibilities under this Act.

(2) Subsection (1)(a) to (d) and (o) apply to the chief administrative officer in respect of council committees that are carrying out powers, duties or functions delegated to them by the council.

The role of the CAO must also be established by bylaw (see Section 205.1).

9.3 The Expected Results

An effective Council-CAO system could be said to exist when the following results are in evidence:

- *Clear and forthright policy advice to Council to aid in its decision-making; well-researched opinions on the key issues and apolitical advice on how such issues should be handled;*
- *A sound team concept amongst all members of staff; coordination of all staff so that the needs of the community supersede all other considerations;*

- *Discipline throughout the organization; acceptable behaviour within the Council's approved rules; enforcement of policies as authorized by the CAO's bylaw or by Council policies;*
- *Effective use of staff resources; the avoidance of any unnecessary duplication; combining job duties as necessary;*
- *Strong fiscal management systems; a solid grasp of the MD's finances; ongoing advice to both Council and to the department heads; assistance to the other staff so as to improve their financial management skills;*
- *Positive administrative leadership and the ability to instill a good work ethic in all staff; a sense of "mentoring" of solid administrative and management skills;*
- *New techniques and ideas; the encouragement to come forward with better ways of doing the work which needs to be done;*
- *Well-trained and motivated staff; appropriate personnel policies; a balanced, comprehensive compensation policy;*
- *Enhanced employee morale through a better sense of purpose and vision;*
- *A more interdependent system with teamwork evident between staff; and*
- *A strong mandate for Council which concentrates on the need to set political direction; and the expectation that staff will be properly guided in carrying out the will of Council.*

9.4 Key Functions

9.4.1 Leadership Functions

The role of a CAO is critical to the successful functioning of the Council. Upon it hinges the internal credibility as well as much of the external credibility of the organization. A CAO is chosen on the basis of his/her administrative skills and his/her experience in dealing with the complex issues which face this and any similar municipality. As the Act describes it, the role is deemed essential to the

decisions which Council will be required to make. One of the leadership roles played by the CAO is that of policy advisor to the Council.

In order for this relationship of policy advisor to policy maker to work effectively, there must be a high level of trust between the two. Where that ebbs or fails, the expected relationship shifts and Council begins to exercise authority in both arenas. Council no longer turns to the CAO as its first source of advice but, rather, looks either to other department heads or internally to other members of Council. Further, decisions which would, as a matter of course, be made by the CAO or other senior employees begin to flow upward to Council who begins to become involved in a level of decision-making normally the purview of the administration.

As we have stated previously, we view the position of CAO as critical because of two central aspects to this role:

- 1) It is a **policy advisory function** which is essential if Council as the policy-maker is to have all of the information it needs to make sound decisions. The CAO as chief policy advisor is charged with ensuring that all of the policy options have been identified and properly balanced prior to recommending that which appears to make the most administrative sense. This, then, leaves to Council the obligation of determining the proper political choices to be made.

This function of a CAO also helps to separate the policy and administrative roles. It might be likened to the narrow portion of the hourglass where information is channelled in both directions but where there is some degree of control (and protection) over the administrative resources such that this function is maintained as distinct from that of those charged with setting policy.

- 2) It is also an **administrative guidance function** wherein the members of the management group receive direction from someone schooled in local

government administration who has a broad understanding of the issues as well as a good appreciation of what a CAO is expected to do. The CAO acts as the main contact with the political level and, when necessary, as a buffer between the departments and the policy-makers. The apolitical nature of staff is thereby protected and the administration is left to be managed according to sound management principles rather than by political whim regardless of how well-intentioned.

If this is functioning as intended, the administration is at liberty to research issues; delve into the options; assess and weigh those of most merit; and recommend to the policy body (i.e. the Council) the option which appears to have the greatest merit.

A second key leadership function of the CAO is to be able to initiate new ideas and measures designed to improve certain aspects of the organization. The CAO is expected to be the lead player in encouraging his/her subordinate staff to propose better ways of doing business and then taking a lead role in determining whether or not these ideas can be made to work.

Thirdly, the CAO needs to have an appreciation of the legislation so that he/she is able to advise Council as to whether or not it is in danger of over-stepping the law. Where the CAO has made that assessment, then he/she is obliged to advise Council of this and to ensure that it has access to the written opinion of its legal counsel.

Further, the CAO has an obligation to act as the spokesperson for the administration. He/she is expected to be familiar with the issues facing his/her staff and capable of not only articulating the essence of those issues but also defending his/her staff where the situation so warrants. Thus, the CAO needs to ensure that he/she is well-versed in the issues of concern to each of his/her department heads and sufficiently familiar so as to lead the presentation of such

matters to the Council, either in committee or at a regular meeting of Council. That is not to suggest that the CAO is to be the technical expert on all such matters. Rather, that the CAO is to be familiar with the key points and then comfortable enough with the department head in question so as to refer such matters to the department head for further clarification or responses to the questions of members of Council.

9.4.2 Communication Functions

The CAO also plays a very important role in acting as the conduit between the Council and the administration. The CAO is expected to ensure that the messages of Council are communicated quickly and comprehensively to the senior staff immediately following a meeting of Council. While certain logistical aspects of this role may be delegated, it is still up to the CAO to ensure that this has been done.

In some cases this may be achieved by way of circulating the minutes of the Council meeting to all department heads and perhaps even to all staff. In other instances, and depending on the significance of the issues under review, the CAO may wish to hold a department heads meeting right after Council meets to inform the others who may not have been in attendance the essence of the decisions taken by Council. As we note in our Report, the key meeting for a CAO to hold with the senior staff is the one he/she should be scheduling before the meetings of Council wherein the business issues to be placed on the Council agenda are thoroughly discussed and vetted by the department heads.

We view the CAO's position in the organization as second only to that of the Reeve and Councillors in terms of potential impact on how things get done. The CAO represents Council's main link with the rest of the organization and is expected to act as the channel through which the administration reports. The role is also central to Council in that the CAO is expected to be the principal policy

advisor to Council and thus the source of considerable wisdom and experience based on an extensive background in local government.

The CAO should also be aware of the need to ensure that key decisions by the Council are, in fact, communicated to the public. This is not the role or the responsibility of the media. Steps should be taken which result in the public being made aware of the key decisions of the Council including the goals and objectives of Council given that these have just recently been articulated. This might also be a good time to introduce all members of Council to the public by providing a thumbnail sketch of each in one or more issues of such a public newsletter. Other ways of ensuring public awareness of these issues could probably be garnered through discussion with other rural and urban communities around Alberta.

9.4.3 Monitoring Functions

The CAO also has a significant role in monitoring the organization. This includes the expectation that the CAO will, on an ongoing basis, assess the calibre of the staff who work in a direct reporting relationship to him (as well as those who are in subordinate positions in other capacities throughout the organization via discussions with their supervisor). The formal assessment of those who are not in a direct report capacity should, of course, be the responsibility of the immediate supervisor. It is our position that the CAO has an obligation to conduct both informal and formal appraisals of his/her own direct reports on a regular basis, including an annual assessment which is tied in to the compensation system.

Any such assessment by the CAO needs to include both subjective as well as objective criteria. That is, there will always be some degree of subjectivity involved in a performance review but this must be complemented by a review of actual specified deliverables as well. These should form a part of the MD's performance assessment system.

Similarly, the CAO must also be familiar with the goals and priorities of the organization in order to deliver their assessment of the results being achieved on an annual basis. These should be spelled out as targeted deliverables by the CAO with assessment factors built in to the target setting process. Then, at year-end, the CAO should set in place a process of review which focuses on the targets and the results. This is a critical aspect of good governance and thus the results should be made available to the Council on an annual basis.

One of the aspects of any comprehensive review should be an assessment of the machinery, facilities and equipment of the MD. A policy(s) needs to be established which ensures that all machinery, equipment and facilities are being carefully monitored so that any upgrades can be accomplished on an appropriate basis. Further, the MD needs to ensure that it has in place a policy which requires the municipality to set aside funds on an annual basis to replace all equipment and machinery at the end of their projected normal life-span.

A monitoring function, which may not be as readily apparent to the organization, is that of maintaining an ongoing pulse on the morale of the administration. This is often accomplished simply by being a good listener and observer as to what the staff are saying during meetings as well as during informal encounters. In order to produce effective results, the administration must be confident that their concerns are being heard and that action is being taken as quickly as possible.

This is a requirement not only of the CAO but also of the other senior staff as well. Each department head and supervisor acts as a mentor to their subordinates. The question is whether or not the roles being modeled as well as the attitude being displayed are those which the supervisor wants to see replicated.

The CAO has a major role in acting as the senior bureaucrat in the system and thus as the potential mentor of his/her colleagues and other supervisors in the organization. While it may not always be apparent, the rest of the organization

receives their “message” as to appropriate style of management and decision-making from the CAO. Thus, the CAO who is prepared to take some calculated risks in order to move the organization ahead will influence others to adopt a similar attitude and style. The CAO who is personable and outgoing will end up attracting others of a similar attitude. Conversely, the CAO who is reticent and adverse to risk-taking will engender the same or similar attitudes and style amongst his/her colleagues and subordinates.

The CAO is expected to act as the ‘front man’ for his/her department heads before Council in terms of report presentation and policy advice. Thus, regardless of the matter under review by Council, the CAO should have been sufficiently briefed so as to put his/her name on the report going to Council (as a clear indication of what action he/she is prepared to recommend to Council) and be able to initiate the discussion of the matter. Once the issue is introduced to Council, the CAO should then feel free to refer the rest of the presentation over to the department head in question to provide the details needed to achieve a level of understanding by all members of Council. This process is not recommended as a means of exercising control over all and sundry. It is, however, essential that the accountability for such matters be clearly resident with the individual charged with overall responsibility for such matters (i.e. the CAO). This whole system is based on a clear distinction of authority.

As CAO, one of the principal functions is to provide both a directing and coordinating role vis-à-vis other staff. The CAO is to be responsible for the functions and activities carried out by subordinate staff with particular emphasis on the department heads. While it is apparent that the CAO will need to know something about each of their areas of responsibility, it is equally evident that the CAO will need to rely upon the expertise and academic training possessed by each of these individuals. It is certain that any CAO will have some understanding about all key functions with an in-depth knowledge about those disciplines with which he/she has had hands on experience. Being the CAO does

not require one to be the expert. That is what the CAO hires. However, the CAO must be able to develop a broad understanding of the language of their department heads so as to be able to converse on an intelligent basis.

It is also up to the CAO to draw out of the senior staff the best that they are capable of producing in terms of policy advice to be presented to Council and their ability to coordinate and direct their own staff. This necessitates a close working relationship and the ability to perceive individual strengths and needs. It also requires a spirit of empowerment whereby the CAO is able to assure his/her team that he/she is confident in their individual and collective abilities to represent themselves with confidence knowing that the CAO will back-stop their efforts.

The CAO will also have some degree of profile with the public due to the importance of his/her role and the visibility attached to it. In fact, it will likely be the CAO who will reflect to the public the image of an administration who are eager to be of service. Because so much of what a municipality is mandated to do is expected to be public in nature, the actions and decisions of a Council and its CAO will be open to the scrutiny and feedback of its public. Given that the purpose of municipal government is to provide those local services which individuals cannot reasonably provide for themselves, and given that there is a direct correlation between the degree and amount of service and its cost, the fact that there is an ongoing dialogue between the Municipal District and its public is not only anticipated, but desirable. It is our view that the public wants its civic services and decision-makers to be visible and accessible.

9.4.4 Decision-Making Functions

Not only does the CAO have an obligation to advise the Council as to appropriate policies and resolutions, he/she must also ensure that those same decisions are being carried out within the context of Council's formal direction as espoused through its policies, resolutions and bylaws. This requires the CAO to delegate

the implementation of the Council decisions to his/her senior staff and then to monitor their performance.

The CAO must be attuned to the individual needs of staff and develop the relationship with each accordingly. This presumes that the CAO will work with the staff rather than letting them work in isolation. The CAO needs to be aware of their strengths and shortcomings and be able to support and work with each as the need indicates. This is a delicate balance to achieve. The CAO will want to be able to delegate responsibility and authority at a sufficiently high level so as to encourage senior level decision-making. At the same time, the CAO needs to monitor the decision-making abilities of each department head and provide prompt feedback as appropriate.

One of the ways by which the CAO acts as the gatekeeper of the organization is through his/her review and approval of all management reports which are to go to Council. It is our view that this is one of the most significant roles played by a CAO given the impact which such reports can have on Council decisions. A policy should be drafted which requires the CAO to have reviewed and signed off all administrative reports and to have seen and commented on all other matters to be presented to the Council. This would include the reports of advisory bodies as well as any delegation reports, correspondence which calls for some action to be taken, and any other request to Council for a decision. Such a policy is essential if the CAO is to act as the chief policy advisor to the Council. Whether or not the Council accepts the recommendations of the CAO is another matter!

It should also be clear that the CAO is Council's primary advisor with regard to financial and budget matters as well. While we respect the role played by the chief financial officer, the actual policy advice with regard to financial matters must be presented to Council by the CAO if that position is to be seen as the Council's chief advisor on all policy matters. Further, the CAO should also be the one who advises the other department heads as to any changes which are

needed in their preliminary budget submissions. The chief financial officer, recommended title of Director of Corporate and Community Services, should be considered the primary advisor to the CAO on all fiscal matters. The Director of Corporate and Community Services will also be asked by the CAO to make presentations to Council on either the budget or other financially-related matters, but again, it must be clear that the CAO is guiding the work of the administration, and not the Council. To do otherwise would be to act in a contrary fashion to the Municipal Government Act.

It is obviously essential that Council and the Chief Administrative Officer have a solid relationship based on mutual trust and respect. This is necessary if the Council is to be able to make good decisions and feel confident that the CAO is able and willing to carry these out.

The ongoing relationship between the Reeve as chief executive officer and the CAO as chief administrative officer is also one of the keys to a sound system. The Reeve symbolizes Council authority and legislative leadership. He/she is expected to communicate Council's perception of the political issues confronting them. The Reeve should be in an ideal position to advise and counsel the CAO with regard to the directions which she feels are appropriate for Council as a whole to take.

If the Reeve is attuned to the will of Council, he/she will be helpful to the CAO in being able to relate Council's concerns with regard to the issues. As well, the Reeve's relationship with the CAO should be such that he/she is able to pass along any concerns which he/she hears being expressed by his/her colleagues on Council vis-à-vis the performance of the CAO. In this respect, the Reeve's role is preventative in nature in that frank discussions about perceived problems may result in their early resolution.

In this instance, the Reeve and CAO have not seemingly been able to develop a solid working relationship. The reasons for this are not clear and may not be that important. In any event, there is an onus on both parties to develop a workable relationship for the sake of the productivity of the staff and Council and in order to promote a sense of confidence amongst the residents.

Obviously, at the end of the day, it is essential to the CAO's tenure that he/she develop a positive relationship and gain the confidence of the Reeve and Councillors.

We expect the Reeve to act as the conduit between the Councillors and their chief administrative officer. The Reeve is presumed to have a somewhat closer relationship as a result of more frequent contact with the CAO. This will occur given the need for the Reeve to drop by to sign cheques or to discuss the agenda. If the Reeve becomes aware of any concerns as voiced by a member of Council, then the Reeve has an obligation to pass this along as quickly and accurately as possible so that the CAO might take any necessary corrective action.

We do see the need for the CAO and Reeve to establish a regular schedule of meetings so that the CAO can update the Reeve (at least once weekly). This time should be set based on the Reeve's schedule given that the CAO is expected to be at the office. Such meetings should be held behind closed doors so as to permit frank discussion of the issues (including any comments relative to personnel problems).

While the Reeve and CAO are expected to have a somewhat closer relationship than that which is reflected between the CAO and Council as a whole, the CAO is still to be accountable to Council as a whole. As a result, certain basic rules of governance need to be established. Among these should be a statement of protocol vis-à-vis members of Council contacting staff for information. Where the

Councillor is contacted by the public on a particular matter which simply requires clarification of an existing policy, the Councillor should refer the matter to either the CAO for a response. The CAO should be able to determine the degree of urgency of the request. The information should then be provided to the Councillor, or at his/her request, directly to the ratepayer. Where necessary, the CAO may have to contact the Public Works Superintendent for the answers but this should be the call of the CAO and not that of the Councillor. Where the request will result in a change of policy, or the development of a report, or a lengthy investigation, or a change in work orders, then the request should be channelled to the Council for a motion as to the appropriate direction. If it is the opinion of the CAO that the request will result in a change in priorities, the Council should be apprised of the request before any action takes place.

It is well to remember that the administration is to report through the CAO to the Council as a whole. That is, the fact that one Councillor requests a certain action does not mean that the administration should respond as requested. Where the CAO has any uncertainty as to whether the request reflects present Council policy, it should be referred to a regular meeting of Council.

We note that the relationship between the CAO and Reeve has been described by both as being quite healthy albeit in its formative stages. The CAO is quite aware of the fact that the Reeve is under constant pressure and scrutiny from within her own Council due, in large measure, to the issues which we have identified herein. The Reeve, in turn, also recognizes the pressures being brought to bear on the CAO as a relatively new member of the administration and the expectations which Council as a whole have of him and his position.

The relationship which the CAO and Reeve are expected to have needs to reflect:

- Respect for the legislated role that each is to play

- ❑ The need to allow each other to hold differing views on the issues but yet an open sharing of those opinions with one another
- ❑ Concurrent sharing of relevant and/or key information
- ❑ The mutual sharing of advice on how the organization can most effectively respond to the needs of the residents whom it serves.

While a good relationship between the two is not something that can be legislated, it most certainly is expected and is essential if the system as a whole is to function smoothly.

If the Chief Administrative Officer is to be accountable to Council as a whole, then certain basic rules of protocol need to be established. Among these should be:

- ❑ a statement of protocol vis-à-vis members of Council contacting staff for information
- ❑ the manner by which any direction is to be presented to any member of staff
- ❑ the manner by which any comment or criticism is to be channelled to the appropriate department and/or staff
- ❑ how advice and reports are to be presented to Council at any regular or special meeting
- ❑ how staff at all levels are to be recruited, assessed, promoted and or terminated
- ❑ how tenders are to be opened, assessed and approved or recommended to Council for approval.

The Chief Administrative Officer is expected to act as the 'front man' for his/her department heads before Council in terms of report presentation and policy advice. Thus, regardless of the matter under review by Council, the Chief Administrative Officer should have been sufficiently briefed so as to put his/her

name on the report going to Council and be able to initiate the discussion of the matter. Once the issue is introduced to Council, the Chief Administrative Officer should then feel free to refer the rest of the presentation over to the department head in question to provide the details needed to achieve a level of understanding by all members of Council. This process is not recommended as a means of exercising control over all and sundry. It is, however, essential that the accountability for such matters be clearly resident with the individual charged with overall responsibility for such matters (i.e. the Chief Administrative Officer. This whole system is based on a clear distinction of authority.

Where the Councillor is contacted by the public on a particular matter which simply requires clarification of an existing policy, the Councillor should refer the matter to either the Chief Administrative Officer or the department head in question for a response. The department head or Chief Administrative Officer should be able to determine the degree of urgency of the request. The information should then be provided to the Councillor, or at his (or her) request, directly to the ratepayer.

Where the request will result in a change of policy, or the development of a report, or a lengthy investigation, or a change in work orders, then the request should be channelled to the Chief Administrative Officer for response. If it is the opinion of the Chief Administrative Officer that the request will result in a change in priorities, the Council should be apprised of the request before any action takes place. It is well to remember that the administration are to report through the Chief Administrative Officer to the Council as a whole. That is, the fact that one Councillor requests a certain action does not mean that the administration should respond as requested. Where the Chief Administrative Officer has any uncertainty as to whether the request reflects present Council policy, it should be referred to a regular meeting of Council.

9.5 Observations on the Role of the CAO

Our review commenced after the completion of the term as CAO served by the previous incumbent and shortly after the hiring of the new CAO. It is our understanding that he came to the MD of Clear Hills with prior experience in a similar capacity in the Province of Quebec. He agreed to a three year contract with the Council. He is aware of the tension between members of Council and appears keen to try and make a difference in how Council and the administration functions. His newness to the Alberta scene requires that he immerse himself in the legislation and the issues to ensure that any action, which he may propose to take, is within the parameters of the Municipal Government Act and his bylaw.

The CAO has been meeting with the staff and encouraging them to persevere in their commitment to the municipality. The feedback which we have received from members of staff indicate to us that they are supportive of his approach to date and his willingness to seek out their advice prior to acting. If this revamped system is to work, the CAO will need the full support of the administration and their commitment to abide by the protocols put into place which ensure that there is a clear line of accountability through the CAO.

The CAO has begun to act as their advocate to Council and appears to us to be keenly aware of the need to establish a firm handle on the flow of administrative responsibilities and communication. While this appears true for many of the staff, others continue to confide in members of Council directly. While this is entirely inappropriate, it has been a long established practice. The CAO needs to take steps to stop this practice as it undermines the credibility of the organization as a whole.

We also note that:

- ▶ Council, in January of 2000, approved Bylaw No. 50 for the purposes of establishing the position of Chief Administrative Officer as per section 205 of the Municipal Government Act.

- ▶ This Council entered into an agreement with the incumbent CAO on March 5th, 2002 for a three year term of employment (March 18, 2002 to March 18, 2005) with a three month notice of contract continuation being required.
- ▶ Council and the CAO agreed to abide by provisions of Section 207 of the Act which are also attached and form Schedule C of the Employment Agreement.
- ▶ Council has not been requesting the input of the Chief Administrative Officer, and through the Chief Administrative Officer the administration, on all issues before it. Council must respect the role of the Chief Administrative Officer under the Municipal Government Act and seek input before making its decisions.
- ▶ Under Section 208 of the Municipal Government Act, the Chief Administrative Officer is responsible to ensure that “all minutes of Council meetings are recorded in the English language, without note or comment”, and “the names of the councillors present at council meetings are recorded”. It was noted that past minutes included incomplete notes on Council discussion, and did not consistently record when Councillors left and returned to the room other than when a pecuniary interest was declared.
- ▶ Council members continue to attempt to control many of the key personnel decisions and some members have directed the CAO as to who to hire for specific positions, at subordinate levels to department heads. This is contrary to the requirements of the Municipal Government Act.
- ▶ Council members appear to have leaked confidential information on a personnel matter on which they were briefed relative to a position to be filled. An employee who was passed over for a position confronted the CAO the next day asking why he was passed over and quoted a Councillor as his source. Again, this type of behaviour is completely unacceptable and will have to be monitored by the CAO.

10.0 The Council-Administration Interface

Communication is the lifeline of any organization. This is particularly true of an organization which has as its main mandate the provision of service to the public. An effective organization ensures that its messages and policies are regularly and widely communicated internally to those charged with carrying out its day-to-day business and externally to those who are intended to receive such messages and be aware of the policies.

10.1 The Importance of Setting Direction

Corporate planning must be a feature of any organization which wants to stay on top or ahead of the issues. Such planning focuses not only on the typical planning and land use issues but also on the broad range of issues which face every municipality from time to time. Such an exercise attempts to put such diverse issues as transportation services and leisure programs into an appropriate context as part of the broad umbrella of services and issues at work in a municipality. It examines such questions as:

- What are the long term spending needs for the maintenance of our existing roads?
- What roadway improvements do we believe to be the priorities at the moment?
- What criteria can we establish to prioritize our capital projects?
- Do we wish to formally target a rate of growth, population and/or economy, or are we content to let market forces dictate this issue?
- What are our priorities with regard to recreation facilities and their long term feasibility? Can we combine certain uses to make such projects more affordable and more accessible? etc.?

10.2 The Significance of Fiscal Planning & Management

The Municipal District requires first-rate fiscal management and planning policies and practices. Such policies and practices need to include:

- A step by step budget process
- Regular reports to Council
- Comprehensive reports to Council
- Variance reports to each department
- Trend analyses of key trends
- Comparative reporting vis-à-vis similar municipalities
- Risk management report
- Investment reports
- Debt management reports
- Capital works reports
- Audit report.

10.3 The Organization Structure

The structure of any organization conveys several significant messages. These include: status, reporting requirements, communication patterns, promotional potential, monetary level, etc. Structure is largely determined by the organization's understanding as to what levels of employees with what expertise are required to get the job done. As such, it impacts the productivity and efficiency of the system.

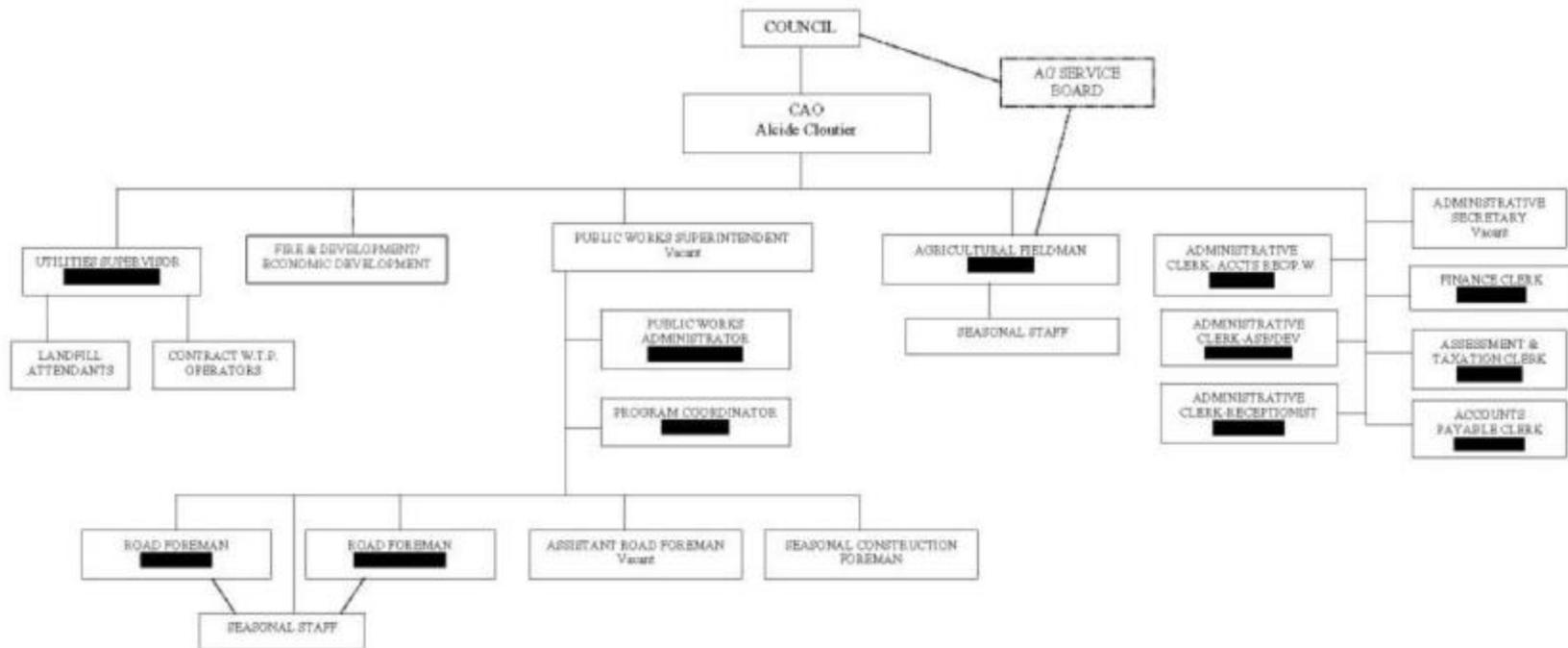
The empowerment of an administration occurs through legal statute and through policy approved by Council, enabling the organization to deliver services compatible with community resources and the community culture.

The present organization structure, see Exhibit 1 "Existing Organization Structure", reflects a number of staff reporting to the CAO who have not been

defined into departmental areas. The proposed organization structure, Exhibit 2 “Proposed Organization Structure”, provides for clear roles, a division of all the municipal service areas within their scope, and greater accountability and/or responsibility on the part of the senior management team.

Exhibit 1 - Existing Organization Structure

**Municipal District of Clear Hills No. 21
Organizational Chart
Interim 2002**



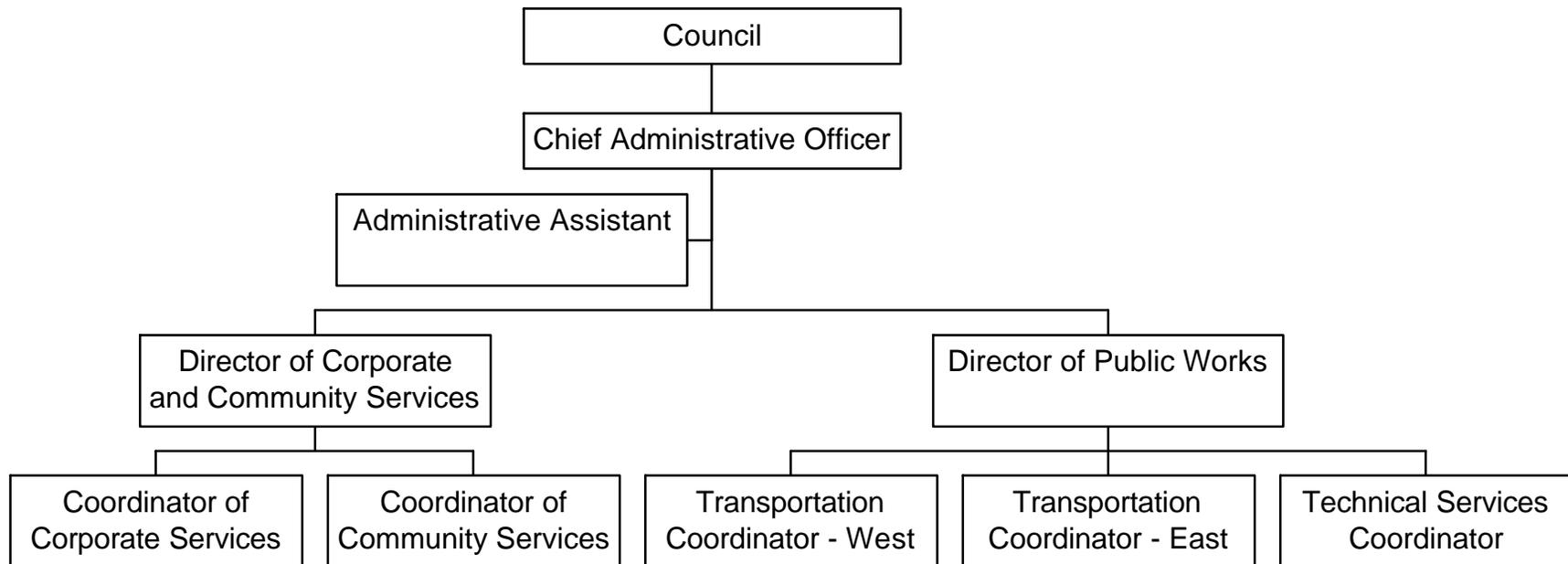
*NOTE - THE FIRE & DEVELOPMENT/ECONOMIC DEVELOPMENT PORTION TO REMAIN VACANT BUT KEPT FOR FUTURE CONSIDERATION BY COUNCIL.

REEVE

CHIEF ADMINISTRATIVE OFFICER

Exhibit 2 - Proposed Organization Structure

Municipal District of Clear Hills No. 21
Proposed Organization Chart
(showing 3 senior levels only)



10.3.1 Proposed Organizational Changes

As noted elsewhere in the report, there is a need to improve the management abilities of the organization in a number of key areas. In particular this relates to the rapid rotation of past Public Works Superintendents due to a number of reasons but primarily conflicts with Councillors when they attempted to undertake the duties of the Superintendents. To attract qualified candidates in the future the organization needs to present clear roles and responsibilities for each position within a strong organization structure built around a team of senior managers.

The Chief Administrative Officer and the Director will need to have clearly defined areas of responsibilities that cover all aspects of the municipal government services provided or supported by the MD.

The level of service provided currently is consistent with normal municipal operations and there are no significant changes required in the number of staff employed by the Municipal District of Clear Hills. The most significant change required is in the structure of the organization. Proposed organizational changes will, we believe;

- provide for a senior management team that will provide mutual support in both their regular duties and on special projects.
- increase the level of ability and professionalism within the organization
- improve the quality of staff recommendations received by Council
- provide for a higher levels of accountability for management and staff
- allow for the improvement of effectiveness and efficiency in the provision of municipal services
- provide greater value for the taxpayer's dollar through higher levels of service with the same budget
- improve staff morale.

10.3.2 Proposed Organization Structure

In designing organization structure, it is essential that the future needs of the corporation, the future demographic and economic trends, perceived present organizational deficiencies, and perceived organizational areas for improvement are taken into account. While many organizations, including the Municipal District of Clear Hills, have areas of accomplishment in the past, an organization needs to position its resources to serve it in the future.

Organization structure need to be optimized and designed to encourage greater organizational flexibility, minimal supervisory layers, shared use of municipal resources, and provision of needed expertise. The organization structure also needs to respond quickly to Council and public demands for changes in service levels, and to provide leadership to the allocation of resources.

10.3.3 Proposed Structural Changes

We propose various changes in the organizational structure and individual duties based on and including the following directions:

1. An enhancement of the role of the Chief Administrative Officer, clarifying that role through an enhanced bylaw and job description.
2. Restructure the present staff so as to clarify the leadership they receive, the allocation of responsibility for the delivery of municipal services, and the creation of a senior management team. We recommend creating the following structure under three management positions:
 - Chief Administrative Officer
 - Director of Corporate and Community Services
 - Director of Public Works

3. Change the reporting lines to incorporate the two department structure, including:

➤ CHIEF ADMINISTRATIVE OFFICER

- moving the Administrative Secretary position under the Chief Administrative Officer, re-titling the position as the Administrative Assistant (and Clerk to Council), and providing in a revised job description that the position provides executive and confidential support services to the Chief Administrative Officer and all Directors.
- providing through the Administrative Assistant, Council and committee secretariat services.

➤ DIRECTOR OF CORPORATE AND COMMUNITY SERVICES

- aligning the staff in the department under two positions: Coordinator of Corporate Services, and Coordinator of Community Services, with both positions including direct functional duties.
- the Coordinator of Corporate Services shall supervise all administrative services, including: elections, FOIP, records management, telephone systems, information technology services, finance, taxation and assessment.
- the Coordinator of Community Services shall supervise all community services, including: development control, bylaw enforcement, recreation services, cultural services, fire services, ambulance services, policing, agricultural services, FCSS programs, and economic development. The Agricultural Field Services Officer will continue to report to the Agricultural Services Board for policy decisions within their mandate.

➤ DIRECTOR OF PUBLIC WORKS

- placing all public works, utilities, drainage, bridges, waste management, transportation, and facility and open space maintenance services within this department. Placing all department services under three coordinator positions.

- the Transportation Coordinator–West: shall supervise all road maintenance, facility and open space maintenance, and transfer station activities in the west half of the MD.
- the Transportation Coordinator–East: shall supervise all road maintenance, facility and open space maintenance, and transfer station activities in the east half of the MD.
- the Technical Services Coordinator: shall supervise all technical services supporting transportation and utilities, schedule and manage capital projects, maintenance and operation of utilities, radio communications, and maintenance of mobile equipment.

Within these changes the following roles should be designated by bylaw with each Director, in addition to the Chief Administrative Officer, being a designated officer:

The Chief Administrative Officer, should be responsible for:

- undertaking all duties required by the Municipal Government Act
- implementing the policies approved by Council, and providing procedures in support of those policies
- implementing the programs approved by Council through the Business Plan and the Operating and Capital Budgets
- advising Council on current and future policies, programs, use of resources and personnel requirements
- coordinating the Municipal District's usage of specialized or contractual services
- providing leadership to the Senior Management Team
- directing all senior staff and ensuring that their work is in accordance with Council policies and generally accepted management and supervisory practices
- examining all municipal operations on a regular basis to ensure that maximum efficiencies are being realized
- coordinating the decision-making process; ensuring that Council receives the best possible advice

- managing the key issues and priorities of Council; delegating the work as appropriate
- advising Council on a corporate planning process and providing the necessary input
- ensuring that the resources and roles of the various boards and committees are maximized through addressing their resource requirements (e.g. staffing, expertise, space, equipment, etc.)

The Director of Corporate and Community Services, should be responsible for:

- advising the Chief Administrative Officer (and through the Chief Administrative Officer - the Council) regarding policies, programs, issues and resources as they pertain to this mandate
- providing the Chief Administrative Officer with clear options and a recommended course of action on all issues pertaining to this department
- directing the provision of the Municipal District's "corporate services", including elections, budgeting, financial management, personnel services, information technology services, records management and retention
- directing the provision of the Municipal District's "community services", including development control, bylaw enforcement, recreation services, cultural services, fire services, ambulance services, policing, agricultural services, FCSS programs, and economic development
- managing the department within the budget provided; directing all subordinate staff and being accountable for their conduct; resolving any work flow balancing problems; delegating special project work
- coordinating office space needs; ensuring that the telephone system is adequate to the needs of the Municipal District as a corporate body
- coordinating the preparation of the budget; advising and assisting other department heads
- distributing all financial information in a timely manner
- providing the Chief Administrative Officer with useful comparative data and trend reports on financial issues (e.g. debt; expenditure/revenue changes,

- investments, etc.) and community issues (e.g. demographic trends, economic data, etc.)
- advising on needed policy development or upgrading of current policies
- providing back-up assistance to other departments

The Director of Public Works, should be responsible for:

- advising the Chief Administrative Officer (and through the Chief Administrative Officer - the Council) regarding policies, programs, issues and resources as they pertain to this mandate
- providing the Chief Administrative Officer with clear options and a recommended course of action on all issues pertaining to this department
- directing the provision of the Municipal District's "hard services", including road maintenance, facility and open space maintenance, transfer station activities, technical services, scheduling and management of capital projects, maintenance and operation of utilities, radio communications, and maintenance of mobile equipment.
- managing the department within the budget provided; directing all subordinate staff and being accountable for their conduct; resolving any work flow balancing problems; delegating special project work
- coordinating the use of the main yard and satellite storage facilities adequate to the needs of the Municipal District as a corporate body
- providing the Chief Administrative Officer with regular reports on activities within the department, especially during periods of severe weather and during the summer construction season.
- advising on needed policy development or upgrading of current policies
- providing back-up assistance to other departments

10.3.4 Impact on the Existing Organization

We recognize that any change, such as that proposed above will be of concern to both present employees and Council. The focus needs initially to be on structure, and then later on personnel. It may well be, and typically is, that most of the present personnel

will be required under any re-structuring. We propose that the system needs to be improved and thus re-structured. The obligation of Council is to govern the organization in an effective and efficient manner that provides the best value to residents and taxpayers.

The existing management structure, as shown in Exhibit 1 “Existing Organizational Structure”, reflects a broad structure that is not efficient or effective in the use of the Municipal District’s resources.

The proposed management structure as shown in Exhibit 2 “Proposed Organization Structure” includes the changes necessary to implement the comments given above. The result of the restructuring is to provide a clear organization structure, with the necessary accountability to provide support to Council in carrying out both bylaw and policy decisions. The staff complement has been maintained at current levels (with currently vacant positions included in the count) with the addition of the Director of Corporate and Community Services position.

10.4 Managerial Practices

It is apparent that one of the elements which impacts whether or not the system functions effectively is that of managerial practice. Where the system is constantly focused around the development and training in “best practices”, the existing limitations imposed by current and historical practices of decision-making recede in their impact. That is, the energies of the administration are directed towards the search for continual improvements. This requires, of course, a senior management group which models effective practice and which strives to communicate a readiness to hear input on how the status quo can be made better.

At the same time, we realize that all organizations also consist of those who cannot believe that any change would improve current practice as well as those who are more caught up in the theory of best practice without putting it in shoe leather. Fortunately, most systems also reflect those who can see a better way and are prepared to throw out an old practice and try something quite different. For example, many supervisors now recognize that those who are working on the front lines often see a better way of

doing something quicker and with more clarity than the supervisor whose contact may necessarily be more limited.

As we have mentioned in previous reports, we believe that certain basic management practices are common to all organizations - large or small. We outline these as follows:

10.4.1 Planning

Planning, from a management perspective, involves those activities that outline what needs to be done, why and in what order of priority. Planning includes the development of a clear sense of purpose, mandate or mission - and the establishment of actual priorities to support the organization's goals and priorities. It ensures that the staff understand why the department is involved in particular activities and how they are viewed as an integral component of the success or failure of the mandate.

In the absence of goals and priorities by Council as the legislative body (which is not the case in this instance), we believe that management is still obliged to develop with staff a departmental outline of yearly objectives.

10.4.2 Organizing

The term "organizing" refers to that process which conveys expected reporting and accountability relationships. While it often begins with the establishment of a formal organization structure, it is supplemented by the assignment of work to individuals or teams. It results in senior staff meeting to decide how best to tackle problems or emergencies as a corporate body without regard to which department is impacted directly.

Today's organization requires people who see the need for integration as well as communication. The necessity of viewing the organization as one body is clearly communicated to all employees so that the needs of the MD take priority to those of any individual department.

10.4.3 Staffing

Staffing refers to the role of a CAO in recruiting, orienting, training and rewarding employees. It underlines the need for clear position descriptions which outline the basic

tasks expected of that individual. Staffing also relates to the CAO's role in ensuring that a proper orientation process is in place such that the employee can be briefed as to the nuances of how this organization functions and who holds what roles which are likely to overlap with this employee's work expectations.

Training is also an important component of this category. While each new employee may bring to the table some of the basic requirements of the position, there will always be certain functions which are not as well understood or which may be handled differently from other yet similar organizations. The department head must assume the primary responsibility to vet the employee's development and ensure that he/she has access to the necessary skill training to be successful.

Staffing activities are critical to the ability of any organization to deliver quality services as they also include the supervisor's role in recruitment and selection. This role, though often overlooked, will determine in many respects whether or not the department is operating to its optimum or not. Personnel problems begin with who is hired. Inadequate attention to this part of the process dictates in many ways whether or not the department is able to achieve its objectives.

10.4.4 Collaborating and Coordinating

These activities get to the heart of what a CAO is to do on a day to day basis. This includes the work of a supervisor in providing guidance to the employees on tasks to be performed; level of quality expected; deadlines established; and other departments which are to be involved. Part of the responsibility of a public sector CAO is to ensure that the full resources of the corporation are being effectively utilized. This requires the desire and managerial encouragement to integrate and to cooperate with other departments.

It is incumbent upon the supervisor to ensure that employees have a clear understanding of how to successfully achieve their expected tasks which maximizes the resources of the entire system. This collaboration has to be witnessed at the most senior levels or it will not become part of the normal business practices of the department.

10.4.5 Evaluating and Reporting

Every supervisor recognizes that their ability to get a job accomplished is heavily dependent upon the quality and calibre of those employed in the system. Each has an obligation to inform staff on how well they are doing and to provide advice on what can or must be improved. Similarly, this includes the opportunity for supervisors to outline the training needs of the employee and to establish a training plan which meets the needs of the employee and the organization.

The results of such discussions should then be recorded, shared with the employee, and entered into a personnel file established for that purpose.

We believe that a sound municipal organization will have a system for measuring and providing feedback to its employees on the performance of their duties. We also believe that such a system should be adhered to by all levels of the organization because each employee will recognize the critical role such a system plays in how well the organization functions. We further believe that separate systems are needed for each level of the organization such that the review of the CAO is separated from that of the department heads and that of the front-line staff.

Any decisions thereafter with regard to termination, training needs or promotion should rely to a considerable extent on the results of performance review sessions.

10.4.6 Communicating

All of the foregoing basic management activities include an element of communicating. Every supervisor has to maintain ongoing contact with his/her subordinates in order to provide direction, counsel and feedback. Further, supervisors and department heads will recognize the importance of regular meetings to ensure that each employee is cognizant of the overall game plan, target dates, problem situations or new direction from Council as the governing authority.

Inevitably, this requires meetings. While some things can be done one-on-one, other issues require contact with people in other departments (or in other sections of the same department) and thus the need to meet as a group. Further, supervisors will also recognize the value in getting a group of subordinate staff together just to discuss assignments, deadlines, linkages to other departments, performance problems, etc.

10.4.7 Developing Policies and Procedures

We are convinced that many of the ills of the present decision-making style relate to the MD's former lack of commitment to an ongoing process of policy development. While a properly understood and utilized policy process will not completely separate Council from what we describe as "administrivia", such a process would serve to clarify for Council the distinction between bigger issues and those of lesser significance. It would also enable the administration to make the day-to-day decisions fully confident of Council's support for such actions.

Policies are very valuable to any organization in that they:

- serve to maintain the separation of elected official charged with setting policy and staff who are expected to carry-out policy;
- reduce uncertainty on behalf of Council, staff, boards and committees as to what constitutes the "policy" of the day;
- promote continuity, stability and consistency of decision-making; and
- save time and effort; the small issues, which are within an existing policy(s), are appropriately handled by staff.

Policies represent the 'what we do' of an organization. They provide certainty to the residents in terms of how an issue will be handled and assurance that other situations of the same or even similar nature will be treated with a measure of consistency. It is the role of Council to approve policies and even, at times, to suggest where a policy might be useful. It is the role of a forward-looking administration to recommend policies on repetitive and major issues without necessarily having to be prodded into action by its Council. It is then the mandate of an administration to enforce the policy in a manner consistent with the intent of Council.

If the administration is to be able to function effectively, there must be a clear understanding of what actions and decisions are permissible and which are beyond the scope of their authority. This suggests that policies will be established with regard to hiring, firing, training, recruitment, purchasing, use of equipment or facilities, vacations, sick leave, payment of utilities, investments, handling of funds, etc.

Where such policies do not exist, the Council should be able to expect senior staff to initiate the process and bring forward draft policy statements for Council approval and, subsequently, for staff implementation.

10.4.8 Observations

As noted in several areas of our Report, we believe that an enhanced administrative style is essential to system and performance improvements. That is, the role of the CAO and his staff are central to how the organization must address some of the issues which we identified in the course of our review.

We find that:

- The new and proposed structure must be adopted and then given some time to prove its worth in adapting to the present situation and capacity.
- Updated position descriptions are required such that all will conform to the new structure.
- The principles of conducting performance reviews need to be communicated across the organization and training provided to those supervisory staff who will be expected to perform such reviews.
- All department heads need to understand the importance of holding regular meetings of departmental staff. This has to become a part of the new organizational culture and thus embraced by all staff. The CAO should seek the input of his senior staff as to the format for these meetings. We will provide a template which could be refined or replaced with a more suitable alternative.
- Management meetings must focus on the key issues such as forecasting and planning how to tackle the 'big picture' issues.
- Discipline problems, which are known to the organization, should be identified and dealt with in a systematic and logical fashion. Again, this must become a part of the culture of this organization such that staff understand that there will be repercussions for inappropriate behaviour.
- The CAO is currently working on improvements to the agenda process and has also begun a Council "request for decision" format as recommended by the consultants. This should improve accountability for the handling of agenda items.

- It is obvious that there is a need for training for all staff in the area of public relations and how to create a positive reflection of the MD staff in the eyes of the MDs residents. A communications/public relations plan should be developed by the administration, under the guidance of the CAO.
- Empowerment is a known management jargon which appears to just now becoming an actual reality. Lead by the CAO, the senior management needs to find ways of delegating appropriate levels of authority to other employees as appropriate.

10.5 Policy Development

Council leadership is expressed through policy development, with that policy being activated by a qualified, sensitive and effective administration. While it is Council's role to resolve conflict in the community and to foster a vision of its preferred future, it is the administration which must translate that policy into effective action.

Effective implementation of policy will occur with a well-developed body of procedure which guides the staff in the delivery of municipal services. The CAO and the management team are responsible for the development and the monitoring of the efficacy of such procedures. If policies are outdated, too few or too cumbersome, the system will fail.

10.6 Observations

- ▶ Council has expressed concern on the follow-up from motions by Administration. Although a list of motions is currently submitted, this does not provide sufficient information on the status of any action on that issue. Administration needs to expend the present information format on issues to address the action being taken and any deadline for completion.
- ▶ Council has directly interfered in the supervision of the grader contractors on a continual basis. Pressure from Council or Councillors was clearly intended to indicate to staff that their jobs were on the line if they did not back off from their legislated duties. This has included:

- preventing administration from placing additional graders within a contractors grader beat in order to restore public access after severe weather conditions.
 - pressuring administration staff not to supervise contract grader operators.
 - pressuring staff not to provide comments on, or negative ratings on, the performance of contract grader operators. This has reached the extent that staff will not make physical inspections in some grader beats.
 - encouraging grader contract operators to go to Councillors directly to obtain instructions not to follow direction from administration.
 - pressuring staff not to question the invoices submitted by contract grader operators. A number of problems with invoices were found including billing of lunch and coffee breaks, mathematical errors, billing for periods when equipment was not operating due to breakdowns, not identifying roads that had been graded. Additionally the total number of hours billed per grader beat is questionably high as one grader contract operator billed 2,463 hours in one year (based on 22 working days per month this equals 9.33 hours per day) on a grader beat of 134 miles. After allowing for summer construction contracts and time for lunch and coffee breaks, this level of hours billed is 50% to 100% higher than for municipal grader beats in other municipalities.
 - contractors were permitted and supported by Councillors to use inefficient maintenance methods (such as graders in tandem on narrow gravel roads), and to be obstructionist to staff in sabotaging Municipal District operational standards (including use of safety signage, snow windrowing standards, maintaining speed curve super-elevations, conduct with the public, winter snow clearing schedules, and road maintenance priorities).
 - backed contracted grader operators in their refusal to use wings in snow control operations as had been directed by staff.
- Section 208(1)(g) of the Municipal Government Act requires that “the revenues of the municipality are collected and controlled and receipts are issued in the manner directed by council”. Currently there is no comprehensive direction on this issue by Council in the form of a bylaw or policy. A policy should be developed along with appropriate procedures by administration.

- ▶ Section 208(1)(h) of the Municipal Government Act requires that “all money belonging to or held by the municipality is deposited in a bank, credit union, loan corporation, treasury branch or trust corporation designated by council”. Current policies or procedures on this area need to be expanded to include the handling of cash received and petty cash accounts.
- ▶ Section 213 of the Municipal Government Act requires that minutes, bylaws, agreements and cheques be signed by a staff member who is a designated officer. Currently the bylaws of the municipality that were reviewed only show the Chief Administrative Officer as a designated officer. The present practice of having other staff sign agreements and cheques needs to be discontinued until other staff have been appointed as designated officers by bylaw.

**MUNICIPAL INSPECTION
OF THE
MANAGEMENT, OPERATION
AND ORGANIZATION
OF THE
MUNICIPAL DISTRICT
OF
CLEAR HILLS**

Appendices

Appendix A – Incident Reports

Incident Title	Councillor Hale Remained in the Room
Councillors Impacted	Councillor Blue Hale
Initial Date of Incident	July 9, 2002
Description of Incident	During the discussion of tenders regarding grading contracts, for which his sons had submitted tenders and intend to submit further tenders, Councillor Hale did not leave the room.
References from Council Minutes	<p>July 9, 2002 Council Meeting – Various Motions</p> <p><i>“Councillor Hale abstained from discussion and voting on the following three motions due to pecuniary interest as he has sons that currently have grader beat contracts with the Municipality.</i></p> <p><i>Councillor Maxwell left at 2:15 p.m. Councillor Polukoshko assumed the chair in her absence.</i></p> <p><i>542-21(07/09/02) MOTION by Councillor Ross to reduce the bid bond in the grader contract tender to \$500 per bid and the Performance Security for the successful contracts to remain at \$15,000 per contract. CARRIED.</i></p> <p><i>543-21(07/09/02) MOTION by Councillor Burrell to change the minimum Comprehensive General Liability insurance requirement in the grader beat contract to \$2 Million. CARRIED.</i></p> <p><i>544-21(07/09/02) MOTION by Councillor Ross to accept the grader beat tender document as presented and amended. CARRIED.”</i></p>
References to other documents	

Incident Title	Councillor Hale Remained in the Room
<ul style="list-style-type: none"> - Date - Description & Contents 	
Our Findings	<p>We find Counsellor Hale to have acted improperly in abstaining when the Municipal Government Act did not permit that action, and in remaining in the room as he had a pecuniary interest in the matter being discussed.</p>

Incident Title	Voting on Road Construction
Councillors Impacted	Councillor Telford Burrell
Initial Date of Incident	May 14, May 28, June 25 and July 9, 2002
Description of Incident	Following the approval of a contract for provision of a gravel truck from Burrell Farms, owned by Councillor Telford Burrell, as a part of the core group of gravel truck contractors, Councillor Burrell has voted on a number of road construction projects where he has a pecuniary interest.
References from Council Minutes	<p>May 14, 2002 Council Meeting Motion 394-21</p> <p><i>“Councillors Ross and Burrell left the meeting due to conflict of interest. Councillor Burrell owns a gravel truck and Councillor Ross owns a gravel pit and a loader.</i></p> <p><i>REGRAVEL PROGRAM The tentative budget for the regravel program is set at \$1.2 million, for approximately 600 kilometers. Council is asked if they wish to proceed with the program as planned or make changes.</i></p> <p><i>392-21(05/14/02) MOTION by Councillor Allen to hold a Special Meeting about the Regravel Program on the evening of May 23, following the road tour. CARRIED.</i></p> <p><i>393-21(05/14/02) MOTION by Councillor Polukoshko to table the regravel program agenda item presented here to the May 23, 2002 special meeting. CARRIED.</i></p> <p><i>Councillor Ross entered the meeting at 2:56 p.m.</i></p> <p><i>GRAVEL TRUCKS Council is asked to review the process for hiring gravel trucks. The present process we have now is cumbersome to administer and two potential methods are presented for Council’s consideration.</i></p>

Incident Title	Voting on Road Construction										
	<p>394-21(05/14/02) MOTION by Allen that a Core Group of Gravel trucks be developed from the trucks used at the end of the 2001 gravel haul and only hire additional trucks as needed.</p> <p>Councillor Maxwell requested a recorded vote:</p> <table border="0"> <tr> <td>In Favour</td> <td>Against</td> </tr> <tr> <td>Councillor Hale</td> <td>Councillor Maxwell</td> </tr> <tr> <td>Councillor Davis</td> <td></td> </tr> <tr> <td>Councillor Allen</td> <td></td> </tr> <tr> <td>Councillor Ross</td> <td>MOTION CARRIED.</td> </tr> </table> <p>SALE OF PRODUCTS POLICY</p> <p>Council had requested that the draft Sale of Products policy be revised to address sale of soil currently stockpiled by the M.D. and brought back for review prior to the 2002 Construction Season.</p> <p>Councillor Burrell entered the meeting at 3:16 p.m.”</p> <p>May 28, 2002 Council Meeting – Various Motions</p> <p>Councillor Burrell was present in the room and voted on the following motions (just the motion text has be given below) in spite of having a pecuniary interest.</p> <p>“425-21(05/28/02) MOTION by Councillor Ross to receive for information the Canfor road preliminary survey, road design and cost estimate.</p> <p>430-21(05/28/02) MOTION by Councillor Ross to cancel the construction of the farm land access (Verbicky Road) between Section 26 and 27-86-9-W6M to access NW 26-86-9-W6M because the municipal district does not want to purchase additional right-of-way to construct a forced road</p>	In Favour	Against	Councillor Hale	Councillor Maxwell	Councillor Davis		Councillor Allen		Councillor Ross	MOTION CARRIED.
In Favour	Against										
Councillor Hale	Councillor Maxwell										
Councillor Davis											
Councillor Allen											
Councillor Ross	MOTION CARRIED.										

Incident Title	Voting on Road Construction
	<p><i>allowance.</i></p> <p><i>431-21(05/28/02) MOTION by Councillor Polukoshko to cancel construction of the Drouin farmland access to Section 7-85-2-W6M through WSW 8-85-2-W6M due to the cost of the creek crossing.</i></p> <p><i>432-21(05/28/02) MOTION by Councillor Burrell to investigate E. Weber's request for a grazing lease access to (land location) and look at during 2003 budget preparation.</i></p> <p><i>433-21(05/28/02) MOTION by Councillor Allen to investigate S. Vatur's road request for possible construction of a land access road in 2002.</i></p> <p><i>434-21(05/28/02) MOTION by Councillor Davis to deny the following road construction requests due to adequate existing access, according to M.D. policy:</i></p> <p style="padding-left: 40px;"><i>Garry Hoover SE 19-84-5-W6M</i></p> <p style="padding-left: 40px;"><i>Ron Proctor Btwn 22 & 23-87-8-W6M</i></p> <p style="padding-left: 40px;"><i>618793 Alberta Ltd. Btwn 20 & 21-83-4-W6M</i></p> <p><i>435-21(05/28/02) MOTION by Councillor Burrell to brush the road allowance between S 3-85-11-W6M and N 34-84-11-W6M to provide the Wolf Creek Grazing Association access to their grazing lease without crossing onto neighboring farmland to move livestock.</i></p> <p><i>436-21(05/28/02) MOTION by Councillor Burrell that administration develop a cost estimate for the David Thompson connector between NE 5 & NW 4 and SE 8 & SW 9-84-3-W6M built to Local Road standard for the 2003 budget discussions.</i></p> <p><i>437-21(05/28/02) MOTION by Councillor Burrell to proceed</i></p>

Incident Title	Voting on Road Construction
	<p><i>with construction of the road allowance between Sec. 23 & 26-85-9-W6M to Local Road standard in 2002 to decrease bus route distance.</i></p> <p><i>441-21 (05/28/02) MOTION by Councillor Burrell to proceed with the Road Reconstruction Program focusing on locations where roads usually run-over during spring run-off and heavy rains.</i></p> <p><i>442-21 (05/28/02) MOTION by Councillor Hale to hire Bill Baker immediately to look after the Running Lake Slide and provide a cost estimate on the David Thompson (NE 5 & NW 4 and SE 8 & SW 9-84-3-W6M) connector road and the Hines Creek pit (15&10-84-3-W6M) connector road.</i></p> <p><i>443-21(05/28/02) MOTION by Councillor Davis to have administration prepare a cost estimate for the Hines Creek Pit Road on Township Road 842 between (14 & 15 and 10& 11-84-3-W6M) for possible construction in 2002, and if too high, concentrate on reconstruction of the road east of the David Thompson Hall (Twp Rd. 840)."</i></p> <p>June 25, 2002 Council Meeting Motion 499-21</p> <p><i>Councillor Burrell was present in the room and voted on the following motion (just the motion text has be given below) in spite of having a pecuniary interest.</i></p> <p><i>"499-21(06/25/02) MOTION by Councillor Burrell to stand by the existing Policy 32.1, Road Construction, and not construct a farmland access road between Sections 26 & 27-86-9-W6M."</i></p> <p>July 9, 2002 Council Meeting Motion 558-21</p> <p>Councillor Burrell was present in the room and voted on</p>

Incident Title	Voting on Road Construction
	<p>the following motion (just the motion text has be given below) in spite of having a pecuniary interest.</p> <p><i>“558-21(07/09/02) MOTION BY Councillor Burrell to hire a consultant and proceed with construction of the Canfor road on a piece work basis.”</i></p>
<p>References to other documents</p> <ul style="list-style-type: none"> - Date - Description & Contents 	<p>A list of “Trucks on Gravel Haul in 2001”, undated, was made available to all members of Council at the May 14, 2002 Council Meeting. As item number 20, this list identified the company as “Burrell Farms”, the truck number as “0121”, and the owner as “Telford Burrell”.</p>
<p>Our Findings</p>	<p>Councillor Burrell correctly identified at the May 14, 2002 Council Meeting that he had a pecuniary interest as the owner of a gravel truck and correctly left the room during the discussion of the regravelling program and the hiring of gravel trucks.</p> <p>Subsequently Councillor Burrell has voted on numerous motions regarding road construction where he has a pecuniary interest.</p> <p>We find that the actions of Councillor Burrell were improper and improvident, and that Councillor Burrell be considered to have had a pecuniary interest in this matter.</p>

Incident Title	Motion on Awarding Grader Contracts
Councillors Impacted	Councillor Blue Hale
Initial Date of Incident	June 25, 2002 Regular Council meeting
Description of Incident	<p>Councillor Blue Hale was observed at the June 25, 2002 MD Council meeting to leave the room and subsequently re-enter the room while a matter was being discussed that was a pecuniary interest without making any public declaration of a pecuniary interest.</p> <p>Councillor Hale was also observed to return to the Council table, and while yet standing touching his chair, to vote on a motion 517-21 to “not accept any of the tenders for grader beat maintenance”.</p>
References from Council Minutes <ul style="list-style-type: none"> - Date - Motion No(s) - Quotation 	<p>June 25, 2002 Council Meeting Motion 513-21</p> <p><i>“Councillor Hale left the table at 2:30 p.m. due to pecuniary interest in the next item, because one of the tenders submitted is from a business owned by his son.</i></p> <p>PUBLIC WORKS GRADER BEATS</p> <p><i>Council was presented with the tender results for the Cleardale, Eureka River, Worsley, Bear Canyon and Montagneuse beats that closed on June 17, 2002 opening.</i></p> <p><i>513-21(06/25/02) MOTION by Councillor Burrell to accept the low tender on each grader beat.</i></p> <p><i>Councillor Burrell requested a recorded vote.</i></p> <p style="text-align: center;"><i>In Favour Against</i></p> <p style="text-align: center;"><i>Councillor Davis Councillor Ross</i></p> <p style="text-align: center;"><i>Councillor Burrell Councillor Polukoshko</i></p>

Incident Title	Motion on Awarding Grader Contracts
	<p style="text-align: center;"><i>Councillor Allen Councillor Maxwell</i></p> <p style="text-align: center;"><i>MOTION DEFEATED.</i></p> <p><i>Member of the Public C. Hale entered the meeting at 3:04 p.m.</i></p> <p><i>514-21(06/25/02) MOTION by Councillor Ross to retender the five beats, deleting the requirement for bid bonds and security, and adding a clause that allows a contractor to tender up to all five beats. DEFEATED.</i></p> <p><i>515-21(06/25/02) MOTION by Councillor Polukoshko to retender 4 grader beats by the hour and the M.D. purchase one grader for the grader beat that received no bids.</i></p> <p style="text-align: center;"><i>DEFEATED.</i></p> <p><i>516-21(06/25/02) MOTION by Councillor Allen to retender the 5 grader beats by the hour, with oneway plows not compulsory; and negotiate with the current contractors for maintenance in July. CARRIED.</i></p> <p><i>Members of the Public R. Hale, W. Stanley and D. Gellings left the meeting at 3:35 p.m.</i></p> <p><i>517-21(06/25/02) MOTION by Councillor Polukoshko to not accept any of the tenders for grader beat maintenance that were submitted. CARRIED.”</i></p>
<p>References to other documents</p> <ul style="list-style-type: none"> - Date - Description & Contents 	<p>Councillor Hale’s sons had two bids on grader contracts included in the tenders to be reviewed by Council at that meeting.</p>
<p>Our Findings</p>	<p>Councillor Blue Hale was observed to enter the room, to sit in</p>

Incident Title	Motion on Awarding Grader Contracts
	<p>the public gallery in the Council Chamber under the above circumstances, without making a public declaration of his pecuniary interest at any time during the Council meeting. This action contravened section 172 of the Municipal Government Act.</p> <p>We find that the actions of Councillor Hale were improper, and that Councillor Hale be considered to have had a pecuniary interest in this matter.</p>

Incident Title	Vote on Regravelling Contracts
Councillors Impacted	Councillor Dave Ross
Initial Date of Incident	June 25, 2002 Regular Council meeting
Description of Incident	Councillor Dave Ross was observed at the June 25, 2002 MD Council meeting to leave the room at the commencement of discussion on regravelling due to a pecuniary interest as his gravel company was supplying part of the gravel, without publicly declaring the general nature of his pecuniary interest.
References from Council Minutes <ul style="list-style-type: none"> - Date - Motion No(s) - Quotation 	<p>June 25, 2002 Council Meeting Motion 519-21</p> <p><i>“Councillor Ross left the meeting at due to pecuniary interest because he owns Agroc.</i></p> <p><i>REGRAVEL PROGRAM</i></p> <p><i>Council was requested to hire the Tri-S and Agroc loaders for loading gravel in their pits.</i></p> <p><i>519-21(06/25/02) MOTION by Councillor Polukoshko to proceed with Option 1, approve hiring Tri-S and Agroc loaders in their pits at \$0.50 per tonne. CARRIED.</i></p> <p><i>Councillor Ross entered the meeting at 3:37 p.m.”</i></p>
References to other documents <ul style="list-style-type: none"> - Date - Description & Contents 	
Our Findings	Councillor Dave Ross was observed to leave the room without making a public declaration of his pecuniary interest at any time during the Council meeting. This action

Incident Title	Vote on Regravelling Contracts
	contravened Section 172 of the Municipal Government Act. We find that the action of Councillor Ross were improper, and that Councillor Ross be considered to have had a pecuniary interest in this matter.

Incident Title	Opening of tenders
Councillors Impacted	Dave Ross
Initial Date of Incident	April 4, 2002
Description of Incident	Dave Ross has an interest in Agroc a supplier of gravel. On April 4, 2002 tenders for gravel supply were opened. While all other tenders were date stamped, the Agroc tender was not date stamped.
References from Council Minutes <ul style="list-style-type: none"> - Date - Motion No(s) - Quotation 	April 9, 2002 Council Meeting Motion 294-21 <i>"Motion by Councillor Hale to award the tender for the supply of gravel in the central portion of the M.D. to Agroc and for the supply of gravel on the east end to TRI-S Concrete(96) Ltd."</i>
References to other documents <ul style="list-style-type: none"> - Date - Description & Contents 	
Our Findings	We find that the actions of Counsellor Ross to be improper. The tender for Agroc should have been submitted and date stamped in a consistent manner with other tenderers.

Incident Title	Hagen Cabin Gravel Pit
Councillors Impacted	Dave Ross
Initial Date of Incident	March 5, 2002
Description of Incident	Councillor Ross remained in the room during the discussion and vote on a potential gravel pit.
References from Council Minutes	<p>March 5, 2002 Council Meeting, Motion 175-21</p> <p><i>“MOTION by Councillor Ross to accept the following additions to the agenda</i></p> <p><i>12d) Hagen Cabin Pit</i></p> <p><i>9c) Alberta Transportation at 11:00 a.m.</i></p> <p><i>CARRIED.”</i></p> <p>March 5, 2002 Council Meeting, Motion 209-21</p> <p><i>“HAGEN CABIN GRAVEL PIT - Alberta Sustainable Resources would not approve the C&R Plan of the Hagen Cabin Pit until further testing was completed. Testing was approved in June 2001, commenced on February 21, 2002 and was subsequently halted due to Councillor concerns regarding authority to perform the testing, The matter is presented for Council’s review and decision.</i></p> <p><i>209-21(03/05/02) - MOTION by Councillor Allen to proceed with Option 1 in the Hagen Cabin Gravel Pit: continue with testing, finalize the C&R Plan, and have the pit available for extraction, if required. CARRIED.”</i></p>
References to other documents	None
- Date	

Incident Title	Hagen Cabin Gravel Pit
<p>- Description & Contents</p>	
<p>Our Findings</p>	<p>Councillor Ross remained in the room and did not declared a pecuniary interest regarding the discussion or vote on the Hagen Cabin Gravel Pit on March 5, 2002. Councillor Ross operates gravel pits which supply gravel to the Municipal District.</p> <p>We find that the actions of Councillor Ross were improper, and that Councillor Ross be considered to have had a pecuniary interest in this matter.</p>

Incident Title	Counsellor Hale not leaving room for grader appraisals
Councillors Impacted	Counsellor Hale
Initial Date of Incident	January 28, 2002
Description of Incident	Counsellor Hale stayed in the meeting while grader appraisals were being discussed. Counsellor Hale has two sons who grade for the municipality.
References from Council Minutes <ul style="list-style-type: none"> - Date - Motion No(s) - Quotation 	January 28, 2002 Council Meeting Motion 80-21 <i>"80-21(01/28/02) MOTION by Councillor Allen to receive the grader contract and performance review report for information. CARRIED"</i>
References to other documents <ul style="list-style-type: none"> - Date - Description & Contents 	
Our Findings	<p>Counsellor Hale did not declare his pecuniary interest in his sons grading businesses and failed to leave the room.</p> <p>We find Counsellor Hale to have acted irregularly as he had a pecuniary interest in this matter.</p>

Incident Title	Council Involvement in Public Works Superintendent Performance Appraisal
Councillors Impacted	All
Initial Date of Incident	January 8, 2002
Description of Incident	Council discussed and undertook the Public Works Superintendent performance appraisal in the meeting of January 8, 2002.
References from Council Minutes	<p>January 8, 2002 Council Meeting – Various Motions</p> <p><i>“02-21(01/08/02) MOTION by Councillor Burrell to change agenda order to address 16 a) PWS Performance appraisal and 12 c) CAO Competition first and adopt the January 8, 2002 agenda. CARRIED.</i></p> <p><i>PUBLIC WORKS PWS PERFORMANCE REVIEW</i></p> <p><i>The end of probation performance review is now due for Kent Perry, Public Works Superintendent.</i></p> <p>- Date</p> <p><i>03-21(01/08/02) MOTION by Councillor Polukoshko to go in-camera at 9:18 a.m. CARRIED.</i></p> <p>- Motion No(s)</p> <p><i>Audrey Bjorklund left the meeting at 9:18 a.m.</i></p> <p>- Quotation</p> <p><i>04-21(01/08/02) MOTION by Councillor Polukoshko to come out of camera at 12:20 p.m. CARRIED.</i></p> <p><i>05-21(01/0/02) MOTION by Councillor Hale to extend the probationary period for Kent Perry in the position of Public Works Superintendent, for a further six month period, to July 17, 2002. CARRIED.”</i></p>

Incident Title	Council Involvement in Public Works Superintendent Performance Appraisal
References to other documents <ul style="list-style-type: none"> - Date - Description & Contents 	
Our Findings	<p>This is in accordance with their policy contained in the Human Resources Policy Manual which states,</p> <p><i>“The Municipal District of Clear Hills No. 21 will employ two key personnel who will each answer directly to the Municipal Council. These two positions will be the Public Works Superintendent and the Chief Administrative Officer.”</i></p> <p><i>“The relationship between the Chief Administrative Officer and the Public Works Superintendent will be one of Dual Management, as noted in Motion No. 125-21(02-27-96). The Chief Administrative Officer will have no responsibility for supervision or evaluation of the Public Works Superintendent.”</i></p> <p><i>“In the case of the Chief Administrative Officer and the Public Works Superintendent, Council conducts the review.”</i></p> <p>We find that the Council has followed the Human Resources Policy however they may have acted contrary to the Municipal Government Act. Section 201(2) of the Municipal Government Act states that Council cannot do anything assigned specifically in the Act, to the Chief Administrative Officer. We believe there could be an implicit direction that the Chief Administrative Officer should evaluate the Public</p>

Incident Title	Council Involvement in Public Works Superintendent Performance Appraisal
	<p>Works Superintendent-implicit from the title itself.</p> <p>Section 205.1(2) says that Council can make one or more persons the Chief Administrative Officer and call them what they like but they need to specify their powers in a bylaw. Council has only specified the powers of an individual not a joint position in Bylaw 50. The position title is Chief Administrative Officer.</p> <p>The current contract for the Chief Administrative Officer states in Section 2.1, "The Employee shall serve as the Administrator (referred to as the Chief Administrative Officer in the Municipal Government Act) of the Municipality and shall be responsible and accountable to the Council of the Municipality for the administration of the Municipality." Appendix C of the contract also states "The CAO....shall be responsible to....be the administrative head of the municipality"</p> <p>In conclusion, Council may have the policy in place to evaluate the Public Works Superintendent, but that should not be the role of Council. It should be the role of the Chief Administrative Officer. There is support for this argument in section 210 of the Act when it speaks about designated officers. Even these people have to report to the Chief Administrative Officer.</p> <p>The Minister may need to get legal advice on this interpretation.</p>

Incident Title	Roessler Road Project Amendment
Councillors Impacted	Telford Burrell
Initial Date of Incident	October 1, 2001
Description of Incident	Councillor Burrell voted on projects on which he had a pecuniary interest as a sub-contractor with one of the bidders.
References from Council Minutes	<p>August 28, 2001 Council Meeting Motion 512-21</p> <p><i>“PUBLIC WORKS SUPERINTENDENT’S REPORT - Public Works Superintendent, Kent Perry had the following additions to his written report.</i></p> <ol style="list-style-type: none"> <i>1. The widening/vertical line of site project is being surveyed this week for the Bannow road. Construction should commence September 10th.</i> <i>2. The Klemchuck road project will also be commencing shortly.</i> <i>3. The Roessler road project is also be surveyed for construction. He requested additional funds and a revised scope of project to construct 1400 meters of road and link with an existing local road versus 200 meters of construction for land access.</i> <p><i>512-21(08/28/01) MOTION by Councillor Klassen to proceed with construction of the Roessler road between Section 25-84-10-W6M and Section 30-84-9-W6M to connect with the local road to the north, to a maximum budget of \$87,500.00. CARRIED”</i></p> <p>October 9, 2001 Council Meeting Motion 537-21</p> <p><i>“A concern was brought forward that the top-soil being stockpiled on the Roessler road project may have some peat</i></p>

Incident Title	Roessler Road Project Amendment
	<p><i>moss mixed in with it. It was also suggested that the contractor be requested to provide more night signage on the Bannow hill project.</i></p> <p><i>537-21(09/11/01) MOTION by Councillor Radzick to award the Bannow Hill, the Klemchuk Road and the Roessler Road projects to Amarillo Contractors for the tendered price of \$31,800.00, \$41,300.00 and \$64,400.00 respectively.</i></p> <p><i>CARRIED”</i></p>
<p>References to other documents</p> <ul style="list-style-type: none"> - Date - Description & Contents 	
<p>Our Findings</p>	<p>Councillor Burrell voted on the Rossler Road project when he was aware and had previously advised that he had a pecuniary interest as a sub-contractor with one of the bidders.</p> <p>We find that Councillor Burrell had a pecuniary interest in this matter.</p>

Incident Title	Road Construction Projects
Councillors Impacted	Telford Burrell
Initial Date of Incident	September 11, 2001
Description of Incident	Reeve Burrell remained in the room during the discussion and vote on three road construction projects where he had a pecuniary interest.
References from Council Minutes <ul style="list-style-type: none"> - Date - Motion No(s) - Quotation 	<p>September 11, 2001 Council Meeting, Motion 537-21</p> <p><i>“537-21(09/11/01) MOTION by Councillor Radzick to award the Bannow Hill, the Klemchuk Road and the Roessler Road projects to Amarillo Contractors for the tendered price of \$31,800, \$41,300 and \$64,000 respectively. CARRIED”</i></p> <p><i>“Reeve Burrell abstained from discussion regarding the gravelling portion of the Clear Prairie Resource road due to a pecuniary interest.”</i></p>
References to other documents <ul style="list-style-type: none"> - Date - Description & Contents 	<p>One of the contracts related to the Roessler Road construction. There was a \$45,000 addendum to the contract that related to moving topsoil that was excavated. The intention was to sell the topsoil. Reeve Burrell exerted influence over the Public Works Superintendent and Chief Administration Officer to ensure this was done. As a result, Amarillo Contractors had more hauling business. The soil was supposed to be tested but Reeve Burrell said that this would not be necessary. The topsoil turned out to be peat moss and was not able to be sold.</p>
Our Findings	Although Reeve Burrell abstained from discussion regarding a part of one contract being awarded, he remained in the room. Further, he did not disclose the general nature of his

Incident Title	Road Construction Projects
	<p>pecuniary interest in that he has a business relationship with Amarillo Contractors.</p> <p>We find that the actions of Councillor Burrell were improper as they were not in accordance with Section 172(1) of the Municipal Government Act.</p>

Incident Title	Vote on Hauling Gravel
Councillors Impacted	Councillor Telford Burrell
Initial Date of Incident	February 7, 2000
Description of Incident	<p>Early in 2000 Councillor Telford Burrell advised members of the M.D. of Clear Hills Council and staff that he intended to purchase a gravel trailer for hauling gravel during summer months. At the February 7, 2000, April 11, 2000 and April 25, 2000 meetings of Council discussion and/or voting took place on the payment to contractors for gravel hauling.</p> <p>On April 20, 2000 Councillor Burrell submitted a “Contractor Pre-Qualification Information” form to the M.D. of Clear Hills on his road equipment including a gravel trailer.</p>
References from Council Minutes <ul style="list-style-type: none"> - Date - Motion No(s) - Quotation 	<p>February 7, 2000 Council Meeting, Motion No 73-21</p> <p><i>“Councillor Klassen left the meeting at 1:02 p.m.</i></p> <p><i>Discussion regarding a spring gravel haul and the use of non-local trucks continued.</i></p> <p><i>73-21(02/07/00) MOTION by Councillor Burrell that for the Spring 2000 gravel program, only one set of trucks be used to haul from the crusher. CARRIED.</i></p> <p><i>Councillor Klassen returned to the meeting at 1:28 p.m.”</i></p> <p>April 11, 2000 Council Meeting, Motion 222-21</p> <p><i>“Councillor Klassen abstained from discussion on the following issue due to a pecuniary interest and left the meeting at 1:16 p.m.</i></p>

Incident Title	Vote on Hauling Gravel
	<p><i>GRAVEL TRUCK & EQUIPMENT HIRING POLICY - A meeting was held in Hines Creek on April 5, 2000 to get input from the contractors on this issue. A summary of the comments and concerns from that meeting were provided for Council's review.</i></p> <p><i>222-21(04/11/00) MOTION by Councillor Bass that Administration draft a policy implementing the recommendations brought forward at the contractors meeting and based on 100% of the Alberta Road Builders rate.</i></p> <p>CARRIED.</p> <p><i>Councillor Klassen returned to the meeting at 1:50 p.m."</i></p> <p>Councillor Burrell was recorded in the minutes as being in the meeting during this discussion.</p> <p>April 25, 2000 Council Meeting, Motions 260 and 261-21</p> <p><i>"Councillor Burrell abstained from discussion on the following issue due to a pecuniary interest and left the meeting at 11:48 a.m.</i></p> <p><i>TRANSPORTATION - HIRING OF EQUIPMENT POLICY - Administration was directed at the April 11, 2000 Council meeting to draft a policy implementing the recommendations brought forward at the contractors meeting and based on 100% of the Alberta Road Builders Association guide.</i></p> <p><i>An amended copy of the Hiring of Equipment Policy 32.26.1 was provided for Council's review.</i></p> <p><i>260-21(04/25/00) MOTION by Councillor Bass to adopt Hiring of Equipment Policy 32.26.1 as presented. CARRIED.</i></p> <p><i>261-21(04/25/00) MOTION by Councillor Davis to set the rate for hauling gravel for the 2000 season at [.73 blf + .112 tkm].</i></p> <p>CARRIED.</p>

Incident Title	Vote on Hauling Gravel
	<i>Councillor Burrell returned to the meeting at 12:10 p.m.”</i>
References to other documents <ul style="list-style-type: none"> - Date - Description & Contents 	<p>April 20, 2000 - “Contractor Pre-Qualification Information” form submitted to the M.D. of Clear Hills on Councillor Burrell’s road equipment including a gravel trailer.</p>
Our Findings	<p>Councillor Burrell was present at the April 11, 2000 Council Meeting during the discussion and vote on directing administration to draft a policy setting gravel hauling rates at 100% of the Alberta Road Builders rate.</p> <p>This occurred after Councillor Burrell advised Council members and staff that he was going to purchase a gravel trailer, and immediately before Councillor Burrell registered that gravel trailer with the M.D. of Clear Hills on April 20, 2000.</p> <p>We find that the actions of Councillor Burrell were improper and improvident, and that Councillor Burrell be considered to have had a pecuniary interest in this matter.</p>

Incident Title	Payment of Accounts
Councillors Impacted	Councillors Burrell, Hale and Ross
Initial Date of Incident	Occurring in 2002 and 2001 regular Council meeting minutes examined which contained the payment of accounts where pecuniary issues occurred.
Description of Incident	In the section of minutes dealing with the payment of accounts, the typical notation in the minutes is that " <i>Councillor (name) abstained from voting on the following motion</i> "
References from Council Minutes <ul style="list-style-type: none"> - Date - Motion No(s) - Quotation 	<p>Example from April 2, 2002 Council Meeting:</p> <p><i>"ACCOUNTS PAYABLE - Council was requested to ratify the expenditures for the Municipal District for the period of March 12 to April 4, 2002, in the amount of \$370,554.61.</i></p> <p><i>288-21(04/09/02) MOTION by Councillor Polukoshko to ratify the expenditures for the Municipal District of Clear Hills No. 21 for the period of March 12 to April 4, 2002, with the exception of cheque No. 08319 to Montney River Construction and cheque No. 08320 to Rod Hale Enterprises Ltd. for a total of \$348,388.83. CARRIED.</i></p> <p><i>Councillor Hale abstained from voting on the following motion.</i></p> <p><i>289-21(04/09/02) MOTION by Councillor Ross to ratify the expenditures for the Municipal District of Clear Hills No. 21 for the period of March 12 to April 4, 2002 to Montney River Construction and Road Hale Enterprises Ltd. in the amount of \$19,160.49. CARRIED.</i></p> <p><i>Councillor Ross abstained from voting on the following motion.</i></p> <p><i>290-21(04/09/02) MOTION by Councillor Burrell to ratify the</i></p>

Incident Title	Payment of Accounts
	<p><i>expenditures for the Municipal District of Clear Hills No. 21 for the period of March 12 to April 4, 2002 to Agroc in the amount of \$3,005.29 CARRIED.”</i></p>
<p>References to other documents</p> <ul style="list-style-type: none"> - Date - Description & Contents 	<p>The Municipal Government Act provides:</p> <p><i>“172(1) When a councillor has a pecuniary interest in a matter before the council, a council committee or any other body to which the councillor is appointed as a representative of the council, the councillor must, if present,</i></p> <p><i>(a) disclose the general nature of the pecuniary interest prior to any discussion of the matter,</i></p> <p><i>(b) abstain from voting on any questions relating to the matter,</i></p> <p><i>(c) subject to subsections (2) and (3), leave the room in which the meeting is being held until discussion and voting on the matter are concluded.</i></p> <p><i>(2) If the matter with respect to which the councillor has a pecuniary interest is the payment of an account for which funds have previously been committed, it is not necessary for the councillor to leave the room.”</i></p>
<p>Our Findings</p>	<p>These actions do not comply with the requirements of Section 172 of the Municipal Government Act which provides that it is <i>“not necessary for the Councillor to leave the room”</i>, but nevertheless requires the Councillors <i>“disclose the general nature of the pecuniary interest prior to any discussion of the matter.”</i></p> <p>While it is reasonable to expect that all Council members and those staff present are aware of the general nature of the pecuniary interest occurring for each Councillor, the current</p>

Incident Title	Payment of Accounts
	<p>statements recorded in the Council minutes do not meet the requirements of the Municipal Government Act.</p> <p>We find that the actions of Councillors Burrell, Hale and Ross were irregular and did not comply with the requirements of the Municipal Government Act in the disclosure of a pecuniary interest.</p>

Appendix B - Role of the Reeve

Based on our reviews of other municipalities in Alberta and elsewhere in Canada, we recognize that the Reeve, as chief executive officer of the corporation, can have a significant impact on how both Council and management are perceived by the public. The Reeve has considerable power, albeit largely informal, and can exercise this influence over the conduct of the business of the municipality.

This does not ignore the fact that the Reeve has only one vote on all matters and is, in many respects, co-equal with his/her colleagues on Council. Rather, it reflects the fact that the public and media often tend to pay more attention to the Reeve than to others on Council. The Reeve must therefore be very prudent in his/her use of this power and exercise it for the good of the community as a whole.

The image of the Reeve as an effective leader is highly dependent on the willingness of the rest of Council to follow the lead of the Reeve and to work together. This does not dispute the right of individual Council members to have independent views on all topics. Rather, this observation reflects the need of Council to receive leadership from the chair and to respect the right of the Reeve to provide such leadership as best as he/she is able to do so.

That leadership is expected to draw the Council together as a cohesive group which has a commonly-chosen gameplan. It is also expected that the Reeve will encourage Council to view accepted policy from a "Council as one unit" perspective rather than individually.

Chief Executive Officer

The Municipal Government Act describes the Reeve as the chief executive officer. As such, the Reeve is expected to preside at all meetings of Council whenever he/she is present; to cause the laws governing the municipality to be executed; to communicate measures to Council which will improve the quality of governance; and so on.

There is considerable inherent value to the community in the role of the Reeve providing that this role is clearly understood and providing that the incumbent has the presence (or force) to maximize its potential. Without acting as one with dictatorial powers, the Reeve can establish a significant presence in the region and with the Province by identifying and leading a change (or reinvigoration) process. The Reeve must lead – and this requires a sense of personal vision for the future of the community.

In recognizing that the Reeve is expected to be the political not the administrative leader, the legislation provides Council with the authority, and requires it, to delegate the day-to-day "administration" of the organization to the office of the Chief Administrative Officer. This is based on two premises:

- a) The Council is to hire a qualified administrator (CAO) who is capable of managing the corporation and community services within Council's guidelines and policies; and
- b) The Reeve is elected as a political leader and as a representative of the people. He is not expected to have any training as a municipal administrator. The Reeve needs to be able to understand community issues and concerns and to be able to lead the Council toward a successful resolution of the key issues.

There is no question but that the manner and style in which the Reeve's responsibilities are discharged will be largely dependent upon the individual nature of the incumbent. Some incumbents may be experienced in local government as a Councillor and thus may feel "at home" with the daily operation of the municipality. Others may be more familiar with a governance role and more certain about delegating administrative responsibilities to the CAO. Each Reeve will approach the job somewhat differently in terms of their style of leadership, although there are certain common expectations and duties. Central to the role, however, is the need to recognize its political base and the fact that there is no expectation for the Reeve to be involved in a day-to-day manner in the work of the staff.

This requires, of course, that the Reeve understands this role of elected leader and that he/she and his/her colleagues on Council have the requisite confidence in the Chief Administrative Officer to administer Council's policies.

Expected Roles of the Reeve

In addition to those responsibilities set out in the Act, the Reeve's anticipated roles include that of:

- Chairperson of Council;
- Consensus seeker amongst members of Council;
- Liaison with the Chief Administrative Officer;
- Advisor to Council;
- Ex-Officio on various boards and committees;
- Ceremonial responsibilities;
- Liaison with other levels of government.

(a) Chairperson of Council

This role is perhaps that which is seen the most frequently by the public and Council alike. Its visibility and importance is enhanced even more so by the presence of the media during high profile issues.

The Reeve is expected to chair each meeting of Council and ensure that the business of Council is handled expeditiously and effectively. This requires the Reeve to be aware of meeting protocol, the needs of his/her Council members, the personalities of Councillors, and the issues to be determined at that meeting. He/she needs to be comfortable with power and with dispensing authority with clarity and equality.

The Reeve needs to be well-briefed by the Chief Administrative Officer with regard to each and every agenda issue. The Reeve should understand the basics of the issue;

what is expected by the administration; the advantages and disadvantages of each presented optional course of action; those who are most likely to be impacted; and what sort of public participation will be expected.

(b) Consensus Seeker

Likely one of the most difficult tasks of any Reeve is the expectation that he/she will be able to find the common ground amidst the sea of diverse opinion. This task is daunting at times due to the disparate positions, which may be vigorously held, of other members of his/her Council. As the leader of Council, the Reeve is, however, expected to draw the views of his/her colleagues together and to point out a reasonable compromise if one exists. The Reeve needs to retain his/her impartiality on the issues until the issue has been presented to Council and until it is appropriate for the Reeve to voice his/her personal views on the issue. While the Reeve is not expected to compromise his/her principles, most issues have within them the potential for agreement providing that people are prepared to see each other's point of view. The difficulty, of course, is convincing everyone that some degree of compromise is needed to reach a reasonable solution.

(c) Liaison to Staff

In part due to his/her position as leader of Council and in part due to the more frequent presence, the Reeve is expected to be Council's main spokesman to the administration. This role is particularly important as a means of ensuring that the views of Council as a whole are understood at the senior levels. The Reeve needs to be able to advise the Chief Administrative Officer and senior staff as to his/her Council's anticipated view of a matter or to clarify a policy position or explain a particular grievance as expressed by Council.

The Reeve needs to be careful, however, that his/her actions do not lead the rest of the organization to conclude that he/she is the administrator. The Reeve, like all members of Council needs to defer to the Chief Administrative Officer on staff issues or run the risk of severely damaging and undermining that office. This is one of the reasons why the Reeve needs to be careful in how accessible he/she is to other members of staff

other than the Chief Administrative Officer, unless such meetings are held with the agreement of the Chief Administrative Officer or at least with his/her advance knowledge.

(d) Advisor to Council

The Reeve is often expected to be in a position to bring issues and concerns to the attention of his/her colleagues on Council. This derives from the Reeve's increased contact with the public, organizations and other levels of government e.g. the Government of Alberta.

As an advisor, there is an implied expectation on behalf of Council that any information to which the Reeve becomes privy will be shared with his/her colleagues on Council as early as is realistic. Otherwise, certain members of a Council may perceive that important information is being withheld for questionable motives.

In some instances, advice from the Reeve may be presented informally while, in other instances, the advice could be shared by way of memorandum and/or remarks at a committee meeting of Council.

(e) Ex Officio to Boards and Committees

The Reeve, by virtue of his/her office, may be appointed to various boards and committees. These bodies are often appointed by Council and may consist, at least in part, of public citizens who are asked to advise the municipality on one or more key functions (e.g. planning, recreation, tourism). To ensure ongoing support by Council, to increase the likelihood of Council being informed as to the issues and to gain an insight at least into how Council may react to a particular recommendation, the presence of the Reeve is often considered to be useful.

It needs to be made clear, however, that the Reeve's role is to reflect the views of Council (as they exist in terms of policy, resolutions, bylaws and informal debates/discussions) to the external agency. If the advisory agency presumes that it is hearing the word of Council, only to find out that the Reeve's opinion was very much a

minority viewpoint, problems of credibility will result. As well, the role of the Reeve as a liaison rather than that of advocate must be made apparent to the advisory agency.

(f) Ceremonial Responsibilities

Every Reeve across Canada is expected, from time to time, to perform certain ceremonial duties. Such duties will likely include such special occasions as civic day, Remembrance Day, annual parade, high school graduation, business openings, special meetings, etc. Perhaps a noted former leader passes away - and the Reeve is called upon to deliver the eulogy. A sports team may win the provincial or national championship - and the Reeve hosts a special civic dinner.

Unless the Reeve is otherwise committed, he/she is expected to be present and carry the civic colours. This tends to build a real sense of community pride and accomplishment and thus the importance of this role should not be diminished.

While these events are important, not all need to be attended to by the Reeve. Depending upon availability, size of the event and other demands of the Reeve's office, the Reeve may want to delegate such an appearance to another member of Council. This delegation to individual Councillors needs to be regularly rotated to avoid any appearance of favouritism

(g) Liaison with Other Jurisdictions

The Reeve is also expected to be the key representative of Council in meetings with other municipalities (unless delegated to another member of Council) and the Provincial and Federal governments. Any liaison on a political level should normally be conducted through the Reeve's office. When another level of government is pondering new legislation or a new regional or local project, they expect to receive the opinion of Council when dealing with the office of the Reeve. While that role may be delegated on occasion to another member of Council, or a committee, it should as a matter of protocol, be voiced and/or co-ordinated through the office of the Reeve.

Leadership

The vast majority of the power of the Reeve's office is more implied than it is stated. That is, the office of the Reeve carries with it considerable perceived clout in the community given the status and respect which most people accord to that office. While it may not have much additional formal power than that of any other member of Council, the Reeve is expected to be the leader of the community and to be capable of taking charge of the issues. As we have outlined, the Reeve is expected to play a significant variety of roles which all form a composite part of the office. Depending upon the circumstances of the day, one or more of those roles may be more important than the others in given circumstances.

As a leader, the Reeve is expected to be capable of "rallying the troops" around a particular issue(s) or a particular course of direction. The direction, however, must be that established by the full Council rather than the Reeve individually. Thus, in some instances, the Reeve may be obliged to pull the full Council together towards a particular direction which he/she may not have supported at the outset. This obviously requires someone with the ability to lead based on decisions established by consensus rather someone who can only lead if the consensus reflects his/her own opinion. While this is a difficult matter, the Reeve is nonetheless one individual who must be able to draw disparate views together and enable a consensus to be reached.

While we recognize the additional powers and prestige of the office of the Reeve, these powers are only effective when supported by the rest of Council. This serves as a useful check upon the authority of not only the Reeve but Council as a whole. There needs to be a genuine recognition of the value of working together and finding consensus on the issues. This will require respect for the right of each other to hold views which are at variance with others on Council.

This respect should be conveyed not only at the Council table but publicly as well. That is, the public and staff of the Municipal District should not hear a Councillor or the Reeve publicly deride one of their colleagues regardless of the circumstance. That would be unprofessional and not serve any constructive purpose.

Due to the prominence of the office, the Reeve may often be briefed on issues prior to the rest of Council. Such a briefing will generally come via the Chief Administrative Officer and in some instances by virtue of the Reeve's greater degree of access to other provincial officials and even the public. This additional access to information places the Reeve under some obligation to ensure that the rest of Council receives a full briefing of such issues so that they are cognizant of all the relevant concerns and potential remedies. It is not wise for the Reeve to ever withhold such information if he/she expects his/her Council to want to work together under his/her leadership. Thus, the Reeve and the Chief Administrative Officer will need to establish a mechanism that ensures that all members of Council are equally and concurrently advised of the issues as they develop.

It is not the Reeve's responsibility to guide the agenda process. While the Reeve can request that certain items be placed on the agenda, as can the rest of Council, the Reeve ought not to be in the position of screening agenda packages and determining what can or cannot appear before Council at the subsequent meeting. This is an obligation of the Chief Administrative Officer whose job it is to ensure items which require the direction and resolution of Council are placed before Council in a comprehensive yet expedient fashion.

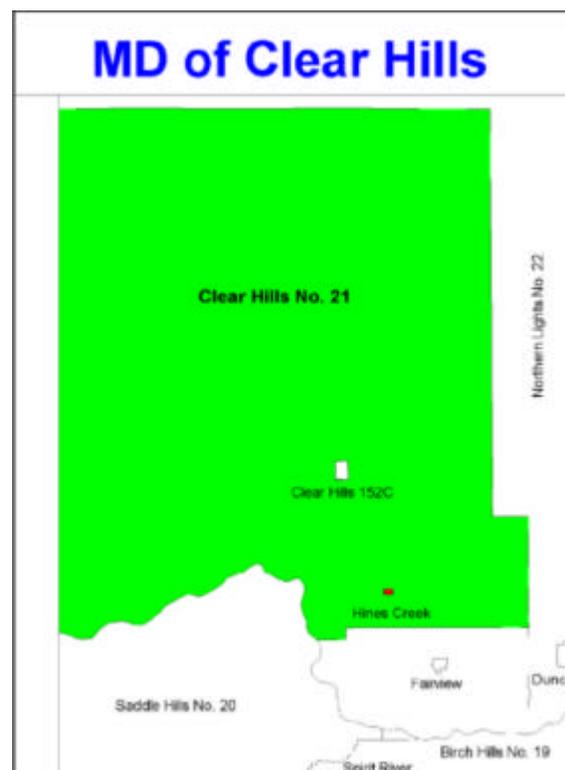
As the official representative of the community, the Reeve will more frequently be in a position of being the host of visiting groups and delegations. This will require the Reeve to have some latitude in that any expenses incurred by the Reeve in hosting such organizations, delegations or individuals should be legitimately picked up by the Municipal District. This will result in the Reeve having the obligation to ensure that each month's expenditures are properly documented and accounted for. This should be handled in a manner as advised by the Municipal District's external auditor. A reasonable budget needs to be established for this purpose on an annual basis.

With regard to the appointment of Council members to boards and committees, it is normally deemed to be a prerogative of the Reeve to recommend the appointment of Council members on an annual basis. This prerogative needs to be limited by two caveats. First, the Reeve should consult with all members of Council prior to any

recommended appointments being placed before the full Council. Secondly, Council as a whole should approve these appointments by a majority vote (unless as otherwise delegated to the Reeve by policy e.g. standing committees).

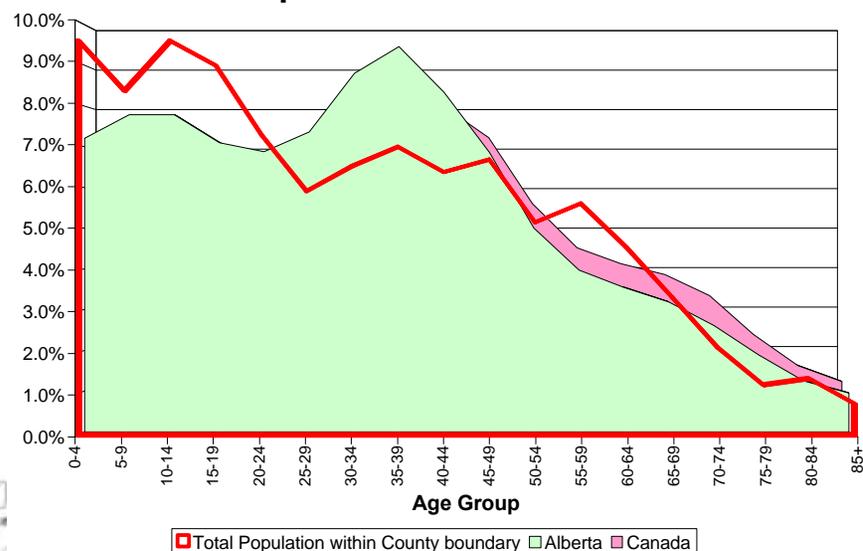
This can be perceived as a fairly significant issue and sometimes an emotionally charged issue given the desire by Council members to serve on particular boards and organizations with which they have personally some degree of affinity. It is our bias, on the other hand, that all members of Council should be considered to be generalists on all issues and thus should be eligible for appointment to all boards and committees. In this regard, we believe it is wise for the Reeve and Council members to reconsider this list of appointments each year and ensure that some degree of rotation occurs during the course of a Council term.

Appendix C – Slides



Executive Summary

Population - 1996 Census



Geography	Population of Statistic Canada's Census Subdivisions (CSDs)			Percent of Total 2001	Percentage Change 1991-01
	1991 Census	1996 Census	2001 Census		
MD of Clear Hills	2,903	2,886	2,772	86.8%	-4.5%
Hines Creek	423	437	437	13.2%	3.3%
Total Population within County boundary	3,326	3,323	3,209	100.0%	-3.5%
Alberta	2,545,553	2,696,826	2,974,807		16.9%
Canada	27,296,859	28,846,761	30,007,094		9.9%

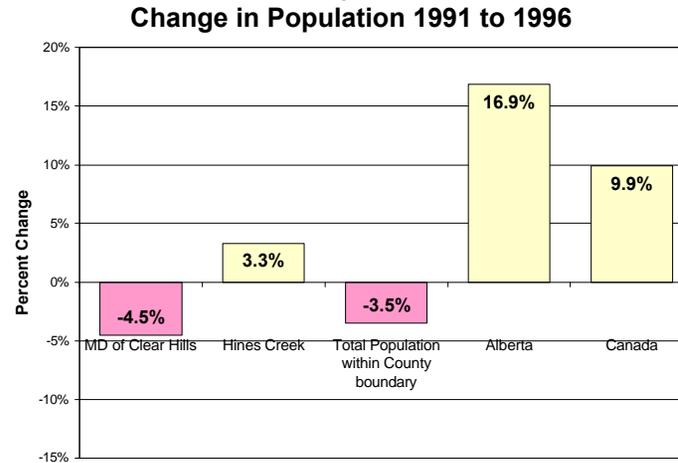
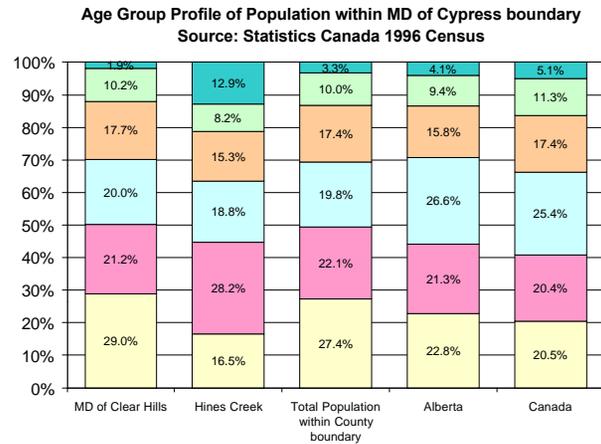
- The 2001 population within the boundaries of MD of Clear Hills is 3,209 people.
 - ✓ 86.8% of the population, or 2,772 people, resides in the MD of Clear Hills.
 - ✓ 13.2% of the population, or 437 people, reside in Hines Creek.
 - ✓ No population numbers are available for Clear Hills 152C.

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Slide 1

1996 Population

Population within MD of Clear Hills Boundary



Geography	1996 Population based on Age						
	Total	0-14	15-29	30-44	45-59	60-74	75+
MD of Clear Hills	2,880	835	610	575	510	295	55
Hines Creek	425	70	120	80	65	35	55
Total Population within County boundary	3,305	905	730	655	575	330	110
Alberta	2,696,825	614,495	575,700	717,105	426,795	252,390	110,350
Canada	28,846,760	5,901,275	5,887,850	7,329,940	5,012,105	3,249,685	1,465,910

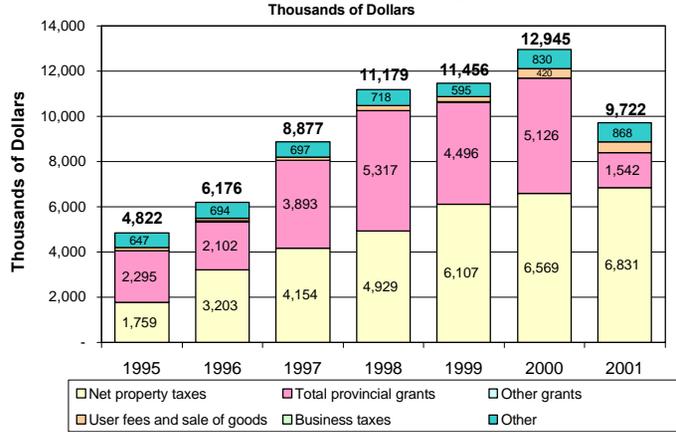
- The MD of Clear Hills has a younger population. Half of the population is under the age of 30. This compares to
 - ✓ 44% in Alberta, and
 - ✓ 41% in Canada.
- The population of the MD has decreased by 4.5%, or 131 people, over the past 10 years. This compares to increases of
 - ✓ 16.9% for Alberta, and
 - ✓ 9.9% for Canada.

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Slide 2

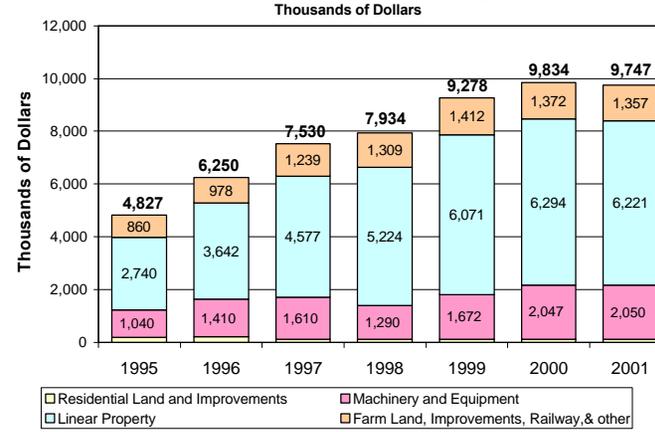
Revenues: 1995 to 2001

Total Revenues by Object



Revenues (000's)	1995	1996	1997	1998	1999	2000	2001	Change	Percent
Net property taxes	1,759	3,203	4,154	4,929	6,107	6,569	6,831	5,073	288%
Total provincial grants	2,295	2,102	3,893	5,317	4,496	5,126	1,542	(754)	-33%
Other grants	-	71	-	-	37	-	-	-	-
User fees and sale of goods	120	106	133	215	222	420	481	361	301%
Business taxes	-	-	-	-	-	-	-	-	-
Other	647	694	697	718	595	830	868	220	34%
Total Revenues	4,822	6,176	8,877	11,179	11,456	12,945	9,722	4,900	102%

Total Tax Revenues (prior to Requisitions)



Property Taxes	1995	1996	1997	1998	1999	2000	2001	Change	Percent
Residential Land and Improvements	187	220	104	111	124	120	118	-69	-36.8%
Machinery and Equipment	1,040	1,410	1,610	1,290	1,672	2,047	2,050	1,010	97.1%
Linear Property	2,740	3,642	4,577	5,224	6,071	6,294	6,221	3,482	127.1%
Farm Land, Improvements, Railway & other	860	978	1,239	1,309	1,412	1,372	1,357	497	57.8%
Total Property Taxes And Grants-In-Lieu	4,827	6,250	7,530	7,934	9,278	9,834	9,747	4,920	101.9%
Net Requisition Transfers	3,068	3,047	3,377	3,005	3,171	3,265	2,915	-153	-5.0%
Net Municipal Property Taxes And Grants-In-Lieu	1,759	3,203	4,154	4,929	6,107	6,569	6,831	5,073	288.4%

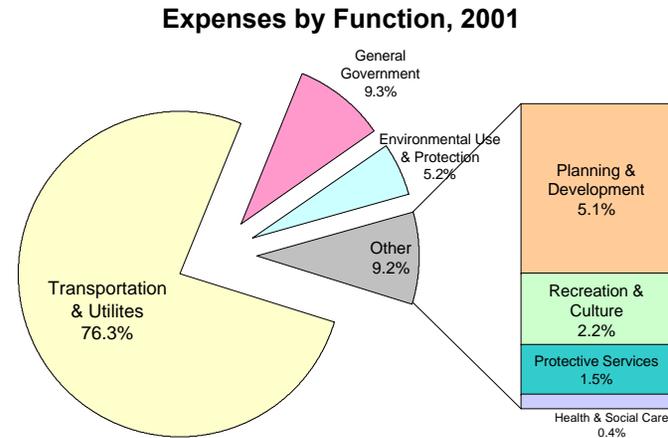
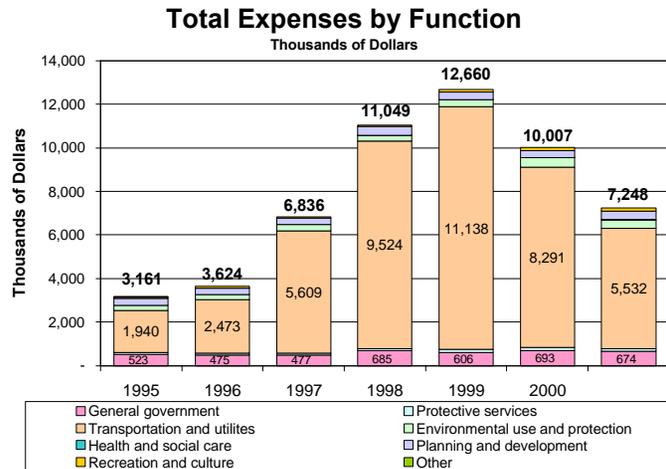
➤ Total Revenues have doubled since 1995, increasing by \$4.9 million (102%) from 1995 to 2001.

✓ The greatest increase occurred in Net Property Taxes, which increased by 288%, or \$5.1 million.

➤ Net Tax Revenues have increased by \$5.1 million (288.4%) from 1995 to 2001.

✓ The greatest increase occurred in Linear Property Taxes, which increased by 127.1%, or \$3.5 million.

Expenses: 1995 to 2001



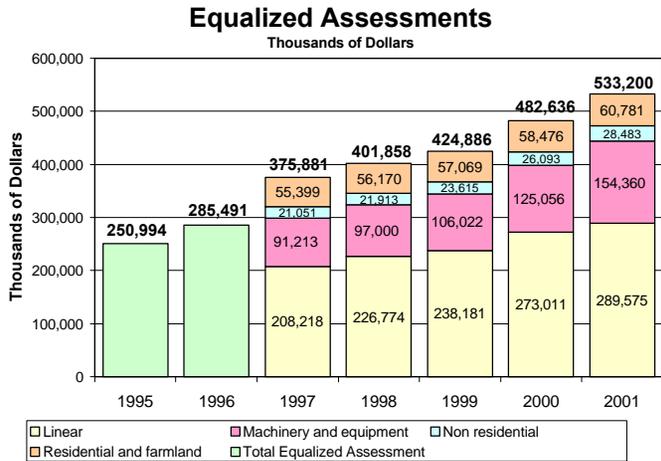
Expenditures (000's)	1995	1996	1997	1998	1999	2000	2001	Change	Percent
General government	523	475	477	685	606	693	674	152	29%
Protective services	74	92	84	90	139	125	109	34	46%
Transportation and utilities	1,940	2,473	5,609	9,524	11,138	8,291	5,532	3,593	185%
Environmental use and protection	218	226	293	265	310	445	377	159	73%
Health and social care	1	1	1	1	13	4	29	28	5700%
Planning and development	335	293	295	403	345	324	370	35	11%
Recreation and culture	64	66	76	82	109	127	157	92	144%
Other	7	-	-	-	-	-	-	(7)	-100%
Total Expenditures	3,161	3,624	6,836	11,049	12,660	10,007	7,248	4,087	129%
Excess (deficiency)	1,660	2,552	2,042	130	(1,204)	2,938	2,474	813	49%

- Total Expenditures have increased by \$4.1 million (129%) from 1995 to 2001.
 - ✓ The greatest increase occurred in Transportation & Utilities, which increased by 185%, or \$3.6 million.
- The largest expenditure category is Transportation & Utilities, which accounts for 76.3% of total expenses.
- The municipality has had a surplus in six out of seven of the past years.
 - ✓ The accumulated operating surplus was \$1.1 million on December 31st, 2001.

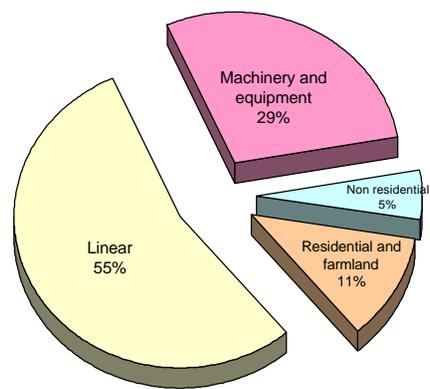
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Slide 4

Equalized Assessment: 1995 to 2001



Equalized Assessment, 2001



Equalized Assessment (000's)	1995 to 2001						1997 to 2001		
	1995	1996	1997	1998	1999	2000	2001	\$	%
Linear			208,218	226,774	238,181	273,011	289,575	81,357	39.1%
Machinery and equipment			91,213	97,000	106,022	125,056	154,360	63,147	69.2%
Non residential			21,051	21,913	23,615	26,093	28,483	7,433	35.3%
Residential and farmland			55,399	56,170	57,069	58,476	60,781	5,382	9.7%
Total Equalized Assessment	250,994	285,491	375,881	401,858	424,886	482,636	533,200	157,319	41.9%

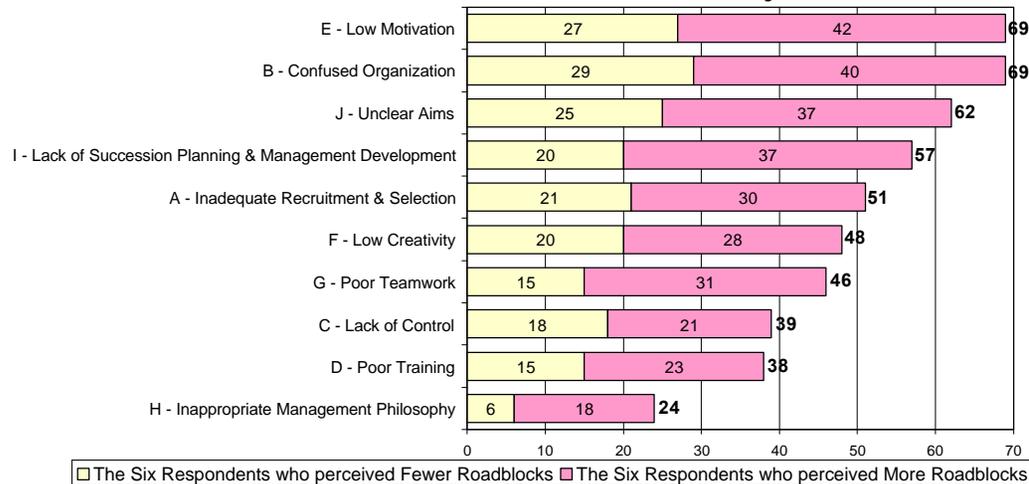
- Total Assessment Values have increased by \$282 million (112%) from 1995 to 2001.
- Over the period 1997 to 2001
 - ✓ Machinery & Equipment has increased by the greatest percentage amount, 69%, or \$63.1 million.
 - ✓ Linear Property Assessments have increased by the largest dollar amount, \$81 million, from \$208 million in 1997 to \$289 million in 2001.
- Machinery & Equipment and Linear Property Assessments account for 84% of total assessment values.
 - ✓ Residential & Farmland accounts for 11% of total assessment values.

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Slide 5

Roadblocks Questionnaire (1 of 2)

Total Count of Statements that are "Broadly True"



- Twelve employees completed the Roadblocks Questionnaire.
 - ✓ Each questionnaire consisted of 100 statements, therefore the maximum possible count of statements that could be identified as "broadly true" is 1200. The twelve employees that completed the questionnaire identified 503 statements (42%) as being "broadly true".
 - ✓ Low Motivation & Confused Organization each received the highest score of 69. That is, Low Motivation and Confused Organization are seen to be more of a roadblock than the other categories.
 - ✓ Inappropriate Management Philosophy received the lowest score of 24, suggesting that Management Philosophy is not a roadblock. Similarly, Poor Training and Lack of Control, which received scores of 38 & 39, are not significant roadblocks.
- The 12 employees were sorted as to the total number of statements that they identified as being "broadly true".
 - ✓ The six employees with the **highest scores** were classified as "The Six Respondents who perceived **more roadblocks**."
 - ✓ The six employees with the **lowest scores** were classified as "The Six Respondents who perceived **fewer roadblocks**."
 - ✓ The six employees who perceived more roadblocks generally identified 50% more statements as being broadly true than the six that perceived fewer roadblocks.

Roadblocks Questionnaire (2 of 2)

#	Question	Category
2	Some of our staff act as if lines of responsibility are unclear.	B - Confused Organization
25	We do not seem able to reward people for special efforts.	E - Low Motivation
35	I believe that some people feel exploited.	E - Low Motivation
75	At the junior supervisory level, there are symptoms of general frustrations.	E - Low Motivation
10	There is not adequate time devoted to planning for the future.	J - Unclear Aims
80	Priorities do not seem to be clearly understood throughout the organization.	J - Unclear Aims
100	Our decision-making processes seem to take too long.	J - Unclear Aims
49	People do not know what our organization has in mind for them in the future.	I - Lack of Succession Planning & Management Development
31	Too many newcomers leave quickly.	A - Inadequate Recruitment & Selection
71	We have made some serious errors in hiring people.	A - Inadequate Recruitment & Selection
27	People in our organization do not seem prepared to say what they really think.	G - Poor Teamwork
34	Most of our necessary skills to do the work are learned on the job.	D - Poor Training

- Over three-quarters of the respondents (i.e. 10 or more employees) identified the 12 questions listed above as being “broadly true.”
- The categories of Low Motivation & Unclear Aims account for one-half of questions.