

LAMONT COUNTY
CORPORATE REVIEW
FINAL REPORT

Report by George B. Cuff & Associates Ltd.
September 2004

September 28th 2004

Reeve Roy Bryks and Councillors
Lamont County
General Delivery,
Lamont, Alberta
T0B 2R0

Dear Reeve Bryks and Councillors:

We are pleased to enclose our **Final Report** of the Corporate Review of Lamont County. This culminates a fairly extensive process that began with our appearance before Council in response to a request for consulting assistance made to our firm by Alberta Municipal Affairs on behalf of Lamont County.

This process has included interviews with all members of Council and the administration as well as extensive document review of issues deemed pertinent to our review. We have not reviewed any matters facing the County that may be a part of any current or ongoing legal matters or any matters that pertain to past employees, unless such matters were deemed to be key to compliance with our terms of reference.

Lamont County has been experiencing a period of considerable change with the departure of the former chief administrative officer and other staff and the subsequent process of recruiting a new CAO, which has just been completed. Further, we have met with Council to discuss the draft Report that we issued earlier and have communicated steps that Council needs to consider in terms of ensuring that it exercise appropriate governance and leadership.

Our work and subsequent Report needs to be viewed as a snapshot in time of the County as an organization. Its focus is largely on what we see as needing improvement and thus not on those successes that the County feels it has had over previous years. Thus, while we make no apology for the nature of the Report, we realize that there are many good people working diligently for the County and that the residents are being served by elected officials who are trying their best to provide good decision-making and leadership.

George B. Cuff & Associates Ltd.

We appreciate this opportunity to provide our advice to the County and look forward to acting in an ongoing advisory process to the new CAO and new Council as they work towards the full implementation of this Report.

We want to commend this Council and the administration of the County for their cooperation throughout this process.

Yours very truly,

A handwritten signature in black ink, appearing to be 'G. B. Cuff', with a long horizontal stroke extending to the right.

George B. Cuff, CMC
President

c.c. Doug Plamping, Senior Associate
Del Dyck, Associate

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1.0 BACKGROUND TO THE REVIEW

A Corporate Review of a municipality such as Lamont County reflects a desire on behalf of the municipality to take stock of what the organization is doing and to seek any necessary improvements. It does not suggest that the County is in any particular difficulty but, rather, that it wants to continuously seek improvement and learn how to better serve the residents in a responsible fashion. Considerable taxpayer resources are being expended through the annual municipal budget. Both the Council and the administration alike need to focus their attention on how the County can provide a good level of service in an effective and efficient manner. Our independent review as professional and experienced consultants is directed towards recommendations that we believe will positively impact the capacity and ability of the organization to respond to its residents.

As a brief historical overview we find that:

- The settlement of what is now referred to as Lamont County began in the late 1800s.
- The settlement was first established as an Improvement District in 1912.
- It evolved into a Municipal District in January 1944 and later changed to County status in January of 1968.
- Its most recent change in status occurred in January 2000 when the name was changed from the County of Lamont to Lamont County.
- The County's population has changed little over the past five years dropping slightly from 4212 in 1999 to 4167 in 2003 with a geographic area encompassing 27 townships.
- The County maintains 1973 kilometres of roads and provides service to 1816 dwelling units. Five urban communities co-exist within the County's boundaries: the Town of Bruderheim, Town of Lamont, Town of Mundare, Village of Andrew and the Village of Chipman. There are also five hamlets including Hilliard, Whitford, St. Michael, Wostok and Star.
- Lamont County is a largely agricultural community although its proximity to the industrial heartland has resulted in some industrial development as well. With 47

churches in the County, Lamont has been described as the “Church Capital of North America”.

The Council of Lamont County consists of five members including the Reeve, a position that members of Council select amongst themselves during their annual fall organizational meeting. All five Councillors represent individual electoral divisions/wards.

While the 2001 election did not result in any change in elected officials, the previous election (1988) saw four of the five members being new to Council. Thus, the current Council has had some time to gain experience in their roles and time to develop an appreciation of the complexities of the work involved.

Governing a municipality poses considerable challenges to any Council and Lamont’s elected officials have found that to be so. As a body, they are keen to do a good job of reflecting what they believe to be in the best interests of the majority of their constituents. The administration as well is concerned that it develops the appropriate skills and structure to handle their responsibilities effectively and responsibly.

Our Report will hopefully provide both Council and the administration some of the tools to assist in that endeavour.

2.0 AN ORGANIZATIONAL OVERVIEW

2.1 ORGANIZATIONAL OBSERVATIONS

Our Report is intended to address the terms of reference and to create a basis for improvements to the manner by which services are being delivered by the County. In providing our observations and recommendations, we recognize that there may be disagreement as to the significance of certain issues and their suggested importance. However, we were retained to advise Council and the administration what, in our professional opinion, needs to be done to ensure that the County is functioning in accordance with generally acceptable principles and practices.

□ Council Governance

- The role of Council members has been described in the Municipal Government Act as the policy-makers and leaders and not that of the managers of the system. More attention needs to be placed on the leadership

- functions of Council (e.g. policies, priorities) and less on responding to issues that could be dealt with by the administration within a properly established policy framework. There has been too much attention paid by Council to what would be considered day-to-day administrative issues in other similar communities. This may have been due to the absence of a chief administrative officer for a period of time. With the hiring of a new CAO, Council members will need to realize that any involvement by members of Council in matters delegated to the CAO by law will and should be resisted.
- If Council is to be expected to provide good leadership to the residents and to respond fairly to any outstanding issues, then Council needs to be well informed by its administration on a consistent and fully transparent basis. This has not always been apparent.
 - While Council members do not have to agree unanimously to any particular course of action, having a motion passed by the majority constitutes the decision of the Council. It is not necessary for the Reeve to seek full agreement to any course of action proposed by one or more members or by the administration. A decision of Council IS a decision of Council, provided that the Council has made the decision by motion at a duly called meeting. Council cannot make decisions without doing so in an appropriate forum.
 - It is not expected that all members of Council will necessarily agree to resolutions on a unanimous basis. The fact that members do not agree over a proposed course of action is not unexpected. What is expected, however, is recognition by all members that a 3-2 motion is still a democratic decision.
 - It is expected that when a Council disagrees over a particular course of action that all the members will accept the decision as having been made and thus the need to move on. It would be preferable to be unable to predict what members will vote in the affirmative and in the negative, otherwise the suspicion might arise that the members had made up their minds prior to Council's debate on the matter.

□ **Council Leadership**

- A Council provides leadership in a number of ways. It does so through reviewing current policies and establishing new ones; articulating its priorities for the coming year; reviewing and approving an operational and capital budget and business plan; passing resolutions and bylaws; resolving differences between its residents and its administration. In each instance, it should only act when it feels that it has all of the relevant information at hand and when it feels that sufficient time has been spent reviewing the options as outlined. Due to a variety of circumstances, this Council has not established a clear set of goals and priorities for this term of office nor does this appear to be the pattern of previous Councils.
- The absence of Council priorities and goals results in the perception that much of what the staff do is independent of the direction of Council. This matter needs to be addressed very early in the next term of office. Council needs to engage an external facilitator on an annual basis to assist it in setting its priorities.
- Council and administration have not been engaged in any strategic planning over the past term. Individual departments have tried to set some goals, which are then circulated to Council. The approach is not at all clear and the commitment to such goals might be described as “hit and miss”. The only longer term planning involvement of both Council and administration was with regard to the Municipal Corporate Plan (2002-07) which was presented to Council in September 2002 and the AMEC Transportation Plan.
- There are a number of planning issues that pressing issues in the Planning/Utilities functions that will require the attention of the Council and CAO over the coming months. Chief among these is expected to be a Comprehensive Residential Feasibility Study that will be critical in guiding the County’s plans for such development. This will necessitate a public communication process as well as seeking the input of neighbouring municipalities. As well, the County will need to ensure that it has established guiding area structure plans and development agreements (and standards).

- Further, the County will need to ensure that it has a well thought out game-plan in mind relative to how it plans to attract additional industrial/commercial developments and the services which it will need to have in place to accomplish a balanced approach to its own fiscal commitments.
- **Council Preparation**
 - The quality of any Council meeting is often determined by how well the members of Council are prepared for the issues to be resolved and how well the CAO and his administration prepare the materials and advice to go to Council for their review and decision.
 - Lamont County needs to ensure that it schedules sufficient Council meetings so as to avoid the necessity of special meetings except in unforeseen circumstances.
 - It has not been possible for all members to be as prepared as they would have liked due to the frequent need for special meetings (i.e. those beyond the normally scheduled monthly meeting).
- **Expectations of the Administration**
 - We have been made aware of examples, both past and present, that would suggest that both Council and senior management need to be made aware of what is expected of a competent senior administrator and policy advisor. The new CAO has to be viewed as Council's principal linkage to the organization and not the confidant of individual members of Council. The CAO has to maintain strict neutrality in his dealings with individual members of Council, including the Reeve. His allegiance is to Council as a whole.
 - There may be times when Council members do not agree with the advice or actions of the CAO. Council should still be able to respect his right to offer the best advice that he can regardless of whether or not Council members agree with the advice.
 - All staff should be made aware that they report through their supervisor or department head (and through that person to the CAO) and not direct to Council. The only employee reporting direct to Council is the CAO. Alternately, Council members need to guard against friendships with any

member of the administration as that has the potential of impinging upon their good judgment in assessing any administrative action or feedback.

□ **Involvement with the Administration**

- It is, of course, natural that members of Council will have reason to be in touch with members of the senior staff of the County. There may be complaints to pass along or questions from members of the public. From time to time throughout this term of Council, however, various Council members have provided very specific and direct guidance to members of the administration. While this may be the result of the departure of the CAO, it will not result in a healthy Council-administrative relationship if continued.
- Council members should not find it necessary to spend much time in the County office. This is not their place of employment but, rather, like a board of directors, a place where they convene to make governance decisions. Unfortunately, whenever a Councillor offers suggestions or insights to the staff, they are often “heard” as directives. The CAO will need to ensure that all the staff are aware that their day to day guidance comes directly from either their department head or from the CAO.

□ **Relationship to Ratepayers**

- Council members are very aware of the need to be responsive to the expectations and requests of their ratepayers. This is why they have run for office and it is expected that Council members will continue to be attuned to the wishes of their ratepayers.
- At the same time, however, there is a danger in listening to the voices of the few rather than seeking out the opinions of the majority.
- Council members need to view all citizens regardless of tenure in the County as equals. The reaction of Council to any request should be made regardless of location, length of residence, friendships or past involvements.

□ **Involvement in Political Issues**

- There needs to be a clear demarcation between the role of staff members as those who carry out the decisions of their Council and becoming involved in offering political advice based on what they think their Council members want

to hear. Some members of staff have become involved in political matters and this needs to be corrected. The new CAO may need to develop a series of protocols governing this matter and ensuring that all staff members clearly understand the message.

□ **Staff Morale**

- The level of staff morale is the result of a series of related issues and is often a matter of delicately balancing the needs of the organization and the wishes, expectations and aspirations of the staff.
- The morale of the County's administration has been impacted by the style of the organization under prior Councils and the previous CAO, as well as the fact that the County has been managed under an interim CAO for the past several months. What is needed is increased stability that will occur as a result of the arrival of the new CAO in October 2004.
- Staff members need to know what is expected of them and what behaviour will not be tolerated. Poor attitudes have been tolerated for too long and the perception that staff simply need to maintain close relationships to individual Councillors in order to avoid the repercussions of any inappropriate behaviour needs to be addressed by the Reeve and the CAO.
- The demeaning comments by individual members of Council relative to the worth of employees needs to stop; this has had a negative impact on the morale of employees.
- There is a need to ensure that team attitudes are rebuilt such that all staff can be made to feel that each is important to the well being of the County. Staff members feel that the morale is not likely to improve until there is more stability in the organization by completing this review, filling the position of CAO and adding in one or two senior department heads

□ **Staff Organization**

- This is a relatively small organization. As a result, all of the staff should be expected to pitch in and support each other in the carrying out of their responsibilities. Department heads need to identify how each position will be

backed up and by what position. Appropriate training for these positions and their back-ups needs to be provided, with any updates carried out promptly.

- The County has suffered under a poorly designed organizational model for some time. The duties of CAO and treasury need to be separated. The public works department needs someone devoted to overseeing their responsibilities.
- The CAO, working in conjunction with the department heads, should have sufficient latitude to bring in added resources as required. There may be a spike in the demand for services during a particular season of the year (e.g. tax time) or temporary absences that could easily be filled by a temporary replacement. If dealt with by according sufficient authority to the CAO by bylaw or policy, this type of matter should not ever have to come to the attention of the Council. It is only when the CAO sees the need to alter the budget allocation that a briefing of Council would be required.

□ **Communication**

- The degree of communication within the organization appears to us to be totally inadequate. Staff members are not well informed and so tend to rely on rumour and innuendo. Gossip is allowed to proceed in an unhindered fashion, which does not serve this County well.
- Department heads and the CAO need to ensure that regular meetings are held so as to pass along key messages and to act quickly to dispel any rumours. Anyone caught up in disseminating rumours should be approached immediately and requested to desist or face defined consequences.

□ **Office Environment**

- Lamont County's office should be treated with great respect. The public should be able to view the office as a professional environment where staff members are dressed appropriately and where the language used is courteous, respectful and beyond reproach. Foul language and off-colour humour should not be allowed.

□ **Management Practices**

- The management systems within the office have been inadequate. (We note that there has been considerable progress since the arrival of the interim Director of Corporate Services).
- Management meetings have not been held regularly in the past although the Acting CAO did schedule some meetings during his tenure. It is noted that certain departments do hold meetings with their staff but not on a regularly scheduled basis.
- The payroll system must be accurate, timely and consistent with Council policies. Considerable progress is being made in this regard.
- Performance reviews must be conducted regularly, confidentially and with reference to planned expectations and updated position descriptions.
- Business planning needs to be pursued in accordance with Council priorities (which also need to be developed on an annual basis).
- Authority levels of supervisory staff are unclear with some sensing that the office staff have more decision-making clout than does a supervisor relative to workers' hours.
- The expectations of each department need to be made more clear; otherwise the supervisory staff believe that they need more staff to live up to the often unwritten expectations, some of which they apparently hear second hand.

□ **Human Resource Policies and Training**

- HR policies must be regularly updated and recorded in a consistent fashion.
- Compensation decisions must be made in such a manner that all of the administration are dealt with fairly and within approved policies. The seemingly unilateral changes to the compensation grid system have caused considerable consternation amongst some departments based on a sense of unfairness.
- Little emphasis has been placed on the need for a planned program of human resource development and policies.
- There has not been a planned approach to staff development and ongoing training. As a result, staff need to request approval for attendance at courses

and conferences on an individual basis. Staff training is however encouraged and can be paid for by the County up to a maximum amount per employee in any given year. To assist Council in seeing the value of their training dollars, the CAO should place before Council a comprehensive listing of courses and conferences to which he proposes to send the staff during the course of any given year and the budget dollars that will be needed to accomplish the training goals.

- Most staff members appear unaware of any succession planning. This has not been but should be an issue of significance in the organization.
- Position descriptions are not consistent across the organization and no process has been developed to ensure that position descriptions are up to date. This has an impact on performance appraisals as the lack of an accurate position description impacts this process. (It is noted that a start has been made in reviewing position descriptions and that some revisions are underway).
- There does not appear to be any clear process with regard to the hiring of personnel; the administration is not aware of who is appropriate to be involved and whether or not Council members should be consulted.
- Additional training is needed on the County software pertaining to such aspects as the Gravel Report Programming.
- **Orientation of Staff**
 - The orientation of new staff appears inconsistent. This has not been approached in a planned manner in order to ensure that any new members of staff are made aware of key policies, the way the County does business, and with the roles of other personnel.
- **Financial Reporting**
 - There is a decided lack of appropriate quarterly financial reporting to Council. This matter is now being addressed and such a practice will need to be sustained.

3.0 THE KEYS TO AN EFFECTIVE LOCAL GOVERNMENT: AN OVERVIEW OF WHAT WORKS

Before presenting our observations relative to Lamont County and what changes we believe are required by both Council and the administration, we believe that the first step is to clearly identify some of the basic building blocks of effective governance and administration so that a “plum line” is drawn by which the actions and decisions of the County can be measured.

While many of these are generic to other municipalities, we have described them in a manner directly applicable to Lamont. These elements are both complex and interdependent. That is, they cannot be tackled as “one offs” by either Council or the administration but, rather, must be viewed by both as essential.

3.1 THE KEY ELEMENTS OF A SOUND SYSTEM

These elements, which we will then further define, are as follows:

- ❑ Effective Legislative Leadership
- ❑ Role Clarity
- ❑ Clear and Consistent Administrative Leadership
- ❑ Trust between the Elected and Administrative Arms of this Organization
- ❑ Council Preparation for Meetings
- ❑ An Effective Decision-Making Structure
- ❑ Sound Administrative Principles and Practices
- ❑ An Organizational Model Based on Need
- ❑ Openness to Change
- ❑ Communication Practices
- ❑ Organization Culture
- ❑ Financial Practices
- ❑ Equipment and Office Space
- ❑ Performance Measures
- ❑ Information Access Systems

3.1.1 EFFECTIVE LEGISLATIVE LEADERSHIP

If this Council is to provide effective legislative leadership then the following key elements must be addressed:

- There should be a clear understanding of the objectives of the Council with regard to the present and future direction of the County. That is, it is the duty of a Council to articulate its expectations and concerns vis-à-vis the course of direction being proposed or followed by the organization and then to ensure that it has a mechanism in place to assure itself that these objectives are being pursued.
- Council leadership must be expressed through a process of ongoing policy development. Policies need to be established on matters which are either likely to be repetitive or deemed to be major. Such policies must then be honoured and followed by the CAO and his administration.
- Effective implementation of policy will occur with a well-developed body of procedure that 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.
- Council must provide leadership on all significant matters within the authority of a Council to establish. This is to be done as a body and not by individuals on Council or by the Reeve and the CAO acting independently of the Council. This Council must get back to a clear understanding of the limits of individual authority and the pre-eminence of the Council as a body corporate.
- Leadership is all about setting a clear course; involving others in the process; communicating the expected results; monitoring what happens; and providing feedback. Corporate planning must be a feature of any organization that wants to stay on top or ahead of the issues. Such planning focuses not only on the typical road maintenance, planning/land use issues but also on the broad range of issues that face every municipality from time to time. Such an exercise attempts to put such diverse issues as protective services and leisure programs into an

appropriate context as part of the broad umbrella of services and issues which face Lamont County.

3.1.2 ROLE CLARITY

Lamont County requires:

- A clear, written role statement for the positions of Reeve, Councillor and Chief Administrative Officer as well as a similar defined statement for each of the department heads. This is a minimum requirement.
- There needs to be a thorough discussion following on the heels of the next election wherein all members of Council are made aware of their roles and some of the key “do’s and don’ts” of municipal office. 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.
- It is essential that all levels understand the full meaning of accountability. The CAO needs to understand and be familiar with those areas which he has been delegated by position description, bylaw and most importantly, by legislation.

3.1.3 CLEAR AND CONSISTENT ADMINISTRATIVE LEADERSHIP

Lamont County must raise the bar in terms of what it expects from its CAO. This person is and should be central to what happens administratively in response to Council’s policy direction.

This is what we believe and have observed appears to work:

- The person chosen to fulfill this key role must be someone who is able to earn and hold the respect of both the Council and the administration. This can only happen when the CAO has a full grasp of the nuances of the position and is respected as an unbiased, competent professional.
- An administrative vision statement which has been produced by a collaborative effort on behalf of the members of the administration and which flows from the vision statement of Council and which is treated seriously by both Council and the administration.

- A series of administrative goals which are consistent with those of the Council and which are utilized by the administration to set the stage for specific targets for the following year.
- An ongoing effort by the CAO and the administration to develop for Council approval guiding policies that direct the administration to take certain actions in anticipated circumstances.

3.1.4 TRUST BETWEEN THE ELECTED AND ADMINISTRATIVE ARMS OF LAMONT COUNTY

One of the essential elements of any effective organization is the existence of a high level of trust. This enables those working in the system to function without continually looking over their shoulders or with a sense of “may I?”

- Confidence between the Council as the chief policy-makers and the Chief Administrative Officer as the chief policy advisor is essential to the good government of the County. Such confidence enables the system to function effectively given that the roles and powers of each are respected. Thus, the Council is able to make sound decisions with the advice of the Chief Administrative Officer in hand and, having made such decisions, to be confident in knowing that the decisions are going to be carried out expeditiously and in the manner intended by Council.
- Respect for the role of chief administrative officer will generally be reflected in the desire of Council to seek his advice and its appreciation of that counsel as noted by the frequency by which such advice is reflected by the final resolution of the matter.
- There needs to be a sense of respect between members of Council and its administration whether in Council chambers or in the environs of the office or worksite.
- Council should be able to have complete faith in the word of the CAO such that when he states that something has or will be done, Council members do not see the need to check up to see if there was suitable follow-through.
- There ought to be positive comments exchanged at the Council table between members of Council and the administration with appropriate courtesy being followed

3.1.5 COUNCIL PREPARATION FOR MEETINGS

If this Council is to be effective and consistent in its decision-making, then it must be prepared to make decisions on the matters which come before Council at its meetings.

This requires:

- ❑ A basic understanding of the County procedural bylaw
- ❑ A willingness and commitment to review agenda packages in a thorough manner prior to all Council meetings
- ❑ A commitment to be briefed by the administration prior to attendance at the meetings of any external boards and committees.

3.1.6 AN EFFECTIVE DECISION-MAKING STRUCTURE

Council needs to ensure that it has in place a decision-making process that supports Council's desire to make quality decisions.

- ❑ There should exist a properly articulated decision-making process which is clear to all parties including the Council, management, staff, and the public. Such a process needs to be publicly transparent and reliable so that decisions that are rendered are supportable.
- ❑ The process should be designed so as to reflect those steps deemed to be necessary to ensuring Council has access to quality advice and the opinion of the public where that is appropriate.
- ❑ A careful and comprehensive step-by-step decision-making process is in place and is effectively utilized by Council and by the administration.
- ❑ The public are provided with access to Council's decision-making process at the appropriate time and on issues of some significance.
- ❑ Debate by Councillors is encouraged and the presence of competing points of view is treated as normal given the diversity of backgrounds the Councillors bring to the table.
- ❑ A comprehensive and timely orientation process that is appropriately balanced between providing Council with a clear picture of its roles and ensuring that Councillors have a broad understanding of what roles the administration performs.

- Council is focused on making the right decisions for its residents evidencing fairness and impartiality.
- Council seeks out the most comprehensive advice and best analysis possible prior to making a decision.

3.1.7 SOUND ADMINISTRATIVE PRINCIPLES AND PRACTICES

If the administrative system is to be of real value to Lamont County and its Council, then increased attention is needed to some basic aspects of good management. Organizations that are able to function well do so because their people pay close attention to what author Tom Peters (In Search of Excellence) referred to as “sticking to the knitting”. That is, regardless of what other demands are placed upon the Chief Administrative Officer and his administration, they still need to plan, organize, recruit, train, supervise, lead, assess and communicate. These have been amongst the fundamentals of management for a long time and while the language of management has changed somewhat today, the key aspects are strikingly similar to the early management classics.

The related literature over the past decade contains much with regard to managerial practices essential to a sound organization. We expect to find the Chief Administrative Officer and his senior management team employing these within the context of a municipal organization. Good management is good management anywhere, regardless of the context within which such practices must function.

At the same time, we realize that all organizations are made up 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.

Lamont County would be described as having an effective and proactive grasp on its managerial responsibilities if:

- New staff are properly oriented to the organization, its history, mandate and people

- ❑ Staff who require added skills are provided with ample opportunities to receive training which is applicable to their duties; if they are incapable of adjusting to the new realities, they are replaced
- ❑ All staff regardless of their position or degree of perceived influence were truly valued
- ❑ The opinions of all staff would be sought and actually listened to in the context of “how can we make this place function somewhat better?”
- ❑ Messages would flow easily up and down the organizational chart with all staff made aware of the emerging issues, the challenges and the successes
- ❑ Meetings were held regularly in each department; agendas were developed; minutes of action items kept and followed up; complaints recorded and a commitment made to see what remedial action might be possible
- ❑ Sexual harassment or poor attempts at humour would be quickly reported and corrective action taken
- ❑ Personnel issues are dealt with quickly and within the prevailing laws
- ❑ An administrative mission statement would be produced by a collaborative effort on behalf of the members of the administration, reflecting the broader guidance of the vision statement of Council
- ❑ A series of administrative goals and priorities would be developed which are consistent with the key result areas of Council and which are utilized by the administration to set the stage for specific targets for the current and following year (key elements in a corporate Business Plan)
- ❑ These goals and priorities would be translated into specific work tasks and deadlines would be established to accomplish these; administrative guidance would be available on request while interim feedback is also provided
- ❑ Work would be organized appropriately within clusters of activities such that delegation is effective
- ❑ Integration of tasks and systems would be encouraged so as to take maximum advantage of limited resources; the necessity of viewing the organization as one body would be clearly communicated to all employees so that the needs of Lamont County take priority to those of any individual department

- The performance of staff would be assessed on an annual or more frequent basis
- A compensation plan would be developed which provides some linkage between compensation and performance such that excellent work or above standard effort is rewarded
- There would be an ongoing effort by the CAO and his administration to develop for Council approval guiding policies which will enable the administration to take certain actions in anticipated circumstances
- The administration would be focused on making the right decisions for the residents which evidence fairness and impartiality and which follow Council policy
- The CAO and the rest of the administration would seek to provide the most comprehensive advice and best analysis possible prior to advising Council as to a preferred decision or, where appropriate, prior to making a decision
- The briefing materials made available by the administration would be intentionally comprehensive and appropriately analysed; complete administrative impartiality
- The administration would carefully assess the input of various departments on any given matter before determining the best advice to present
- Staff would be encouraged to make decisions within their ambit of authority
- Staff would be trained and developed on an ongoing basis so as to be current with the latest developments in their field.

3.1.8 AN ORGANIZATION MODEL BASED ON NEED

The organization model needs to reflect the “businesses” which the Council and County are in and the resources necessary to deliver on promised or expected services. While municipalities want to be viewed as streamlined, there is also the need to ensure that there is sufficient management to provide the employees the direction needed and the skill level to assure staff of adequate backup.

The structure of any organization conveys several significant messages. These include: status, reporting requirements, communication patterns, the opportunity for promotion, 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 number of positions reporting directly to the CAO should be manageable
- ❑ Similar functions should be grouped so as to bring about a reasonable degree of synergy
- ❑ The organization design should permit flexibility and yet provide a measure of clarity and structure
- ❑ The organization structure should facilitate decisions to be made rather than acting as an inhibitor

3.1.9 AN OPENNESS TO CHANGE

Every organization deals with systemic change. Although the pace of change has increased in recent years, change does not have to be disruptive to the organization. There are two types of change that affect organizations: incremental and fundamental.

- ❑ Incremental change occurs when minor changes in service levels, either increases or decreases, require corresponding responses in the organization. These can be absorbed through reallocation of staff, training of new employees, attrition and other methods, all of which can lessen the impact on the organization and its staff.
- ❑ Fundamental change occurs when major alterations occur in the fiscal or policy environment, or when significant changes in service levels occur. Fundamental change need not be disruptive as proactive planning can lessen the impact of change to the organization and its staff. Techniques such as appropriate corporate-wide early retirement programs, retraining programs and hiring restrictions all act to lessen the negative impact of change.

However, if an organization has not been adapting to changing community and fiscal needs, then the impact of change is likely to be more severe. Each year that change is ignored will result in a corresponding increase in the severity of change when it does occur. Across Canada, the mandate for municipal governments and the expectations of their residents and business communities continues to change at an ever-increasing pace. Both Council and the municipal organization must be able to recognize these

changes, whether obvious or subtle, and to respond appropriately to these changes. Lamont County needs:

- ❑ An attitude of receptiveness and responsiveness to change on behalf of both the Council and the administration.
- ❑ A desire to try new ways of doing the same business
- ❑ A willingness to determine whether or not old familiar “businesses” are still needed.

3.1.10 COMMUNICATION PRACTICES

Most of the studies that we have conducted across Canada reveal that organizations have not paid sufficient attention to how they communicate their messages both within the organization as well as to the external audience. In particular, Councils and, at times, their senior staff do not communicate well internally thereby leaving fertile ground for rumours to abound.

Communication is the lifeline of any organization. This is particularly true of an organization that has as its main mandate the provision of service to the public. An effective County organization:

- ❑ understands the need for ongoing contact with its administration and the public
- ❑ develops a policy on communication
- ❑ 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
- ❑ does its best to correct any misinformation or rumours
- ❑ ensures that the directives of the Council are communicated to the staff within 24 hours of any Council meeting
- ❑ ensures that there are established vehicles/linkages for receiving input from the public
- ❑ develops a protocol for corresponding with the public which includes:
 - how messages are recorded
 - to whom they are referred
 - how soon the sender receives a response from the administration

- who responds officially on behalf of the municipality
- and so on.

3.1.11 ORGANIZATIONAL CULTURE

The culture of an organization is a composite reflection of several aspects of how an organization functions. It embodies the history and past practices and reflects the personalities of the leading players over the years. Lamont County has, over the years, developed an informal culture that, although not regularly referred to or spoken, impacts how the business of the County is to be done. The culture speaks to such issues as:

- how decisions are made
- who is advised of decisions and on what level
- the responsiveness of the administration to the public
- a sense of who is in charge, both politically and administratively
- the mores of acceptable behaviour
- the patterns of communication; etc.

Organizations need to be aware of the expectations that the culture conveys as well as the limitations which culture can impose, often without the leaders being aware of the factors at work. Lamont County needs to ensure that:

- The County has a fairly clear process established by which decisions are made
- The County has current policies which place a decided emphasis on the need to treat all residents with great respect and thus to treat their requests promptly and with courtesy
- The policy issues are referred to Council, including all members as concurrently as possible; the administrative issues are dealt with in accordance to the powers and authorities granted to the CAO and as delegated from there.

3.1.12 FINANCIAL PRACTICES

In order to ensure that the resources of the County are expended in a respectful manner that is in keeping with sound business principles and generally acceptable accounting practices, the County needs to ensure that it has established the appropriate policies and practices, as well as ensured that staff have an adequate level of understanding of how the County's financial practices are to be handled.

The County requires first-rate financial management and planning policies and practices. Lamont needs to ensure that:

- Appropriate policies and practices include:
 - A step by step Business Planning and budget process
 - Regular and 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.
- Long-term plans and goals for the financing of operational and capital expenditures have been established.
- Policies have been established on the purpose and use of each reserve.
- Financial reports are focused on the exceptions to approved financial plans and budgets.

3.1.13 EQUIPMENT & OFFICE SPACE

An effective organization needs to have up-to-date equipment and technology in order to be capable of meeting the expectations of a demanding and increasingly active public. Further, the administration should be housed in suitable office and working space which is designed to enhance productivity and not hinder it nor the public's access to service. This requires that:

- A municipal office designed in such a way as to offer services effectively and efficiently; space which promotes a sense of collaboration rather than separation
- An appropriately signed office space so as to encourage ease of transactions for the public
- An exterior parking lot which is well-lighted so as to discourage vandalism and encourage the degree of safety for both staff as well as those utilizing the County office during the after business hours

- ❑ An office that is up to the requirements of the applicable provincial building code including the provision of handicapped accessible facilities (which do not exist at the moment in the County and result in staff receiving tax payments out in the parking lot.
- ❑ Appropriately sited office space so as to permit ease of access to the greatest number of current and future residents
- ❑ Technology which keeps pace with the requirements of the industry and is maintained promptly and in accordance with properly scripted performance standards and manuals
- ❑ An equipment and building replacement or enhancement plan regularly updated.

3.1.14 PERFORMANCE MEASURES

If work is to be more than just ongoing activity, and is to actually be focused around the achievement of certain goals, then the organization must be capable of establishing what those goals are to be. In order to accomplish this, the County needs to ensure that:

- ❑ General goals, yearly objectives and key priority areas have been established by Council with the input of administration on a yearly basis
- ❑ Specific and measurable targets are established at the outset of a year
- ❑ Expected deliverables have been identified
- ❑ Performance results are measured at the end of each year or performance period
- ❑ Results are reported to Council and via Council to the public.

3.1.15 INFORMATION SYSTEMS

The County may be investing considerable dollars in office automation technology over future years. This is a normal factor for any municipal government and one that can have a significant impact on organizational effectiveness.

Information management should be an integral part of these systems. Information is essential in the effective working of any municipal organization and needs to be easily accessible, placed on the system promptly and carefully maintained to ensure that the most current version is available. Lamont County thereby needs to ensure that:

- An information management system has been established which is governed by a comprehensive plan and policies
- Ongoing improvements to the system as deemed necessary to meet the needs of the residents in a timely, expeditious manner form a part of every budget
- The system is protected by a timely and responsive maintenance system.

4.0 KEY THEMES

In a study of this nature, it is almost impossible to collect all of the observations to which we have been privy and reflect these back to the organization. In some respects, this would not be healthy given that certain comments are very specific to certain key individuals or are “one offs”; that is, they may be of concern to one of the staff but not to others. It would not be productive for us to place our emphasis there, but rather, on the key issues that we believe need to be addressed before the organization can move forward.

Key Theme # 4.1: Council’s Governance (Our Findings)

There are a number of issues stemming from Council’s governance. We highlight these as follows:

- A Council is expected to lead the community through a variety of mechanisms. It is to set clear policies; to provide the residents with a sense of what it sees as the key priorities to be tackled; to resolve disputes that involve the municipality; to determine the programs and services to be offered and what portion of the costs of doing so are to be charged to the residents as part of the general tax levy; and so on. These responsibilities are set out in the Act (see Section 201). Because the responsibilities for day-to-day management are charged to the Chief Administrative Officer (see Section 207,208), the Council is expressly directed to not carry out those functions and responsibilities delegated to the CAO (see Section 201(2)).
- This Council was not provided with a comprehensive orientation relative to their roles as a governing body. This has contributed in our opinion to a Council that has not had a strong policy leadership role and has, instead, found the need to focus on

more of the day-to-day operational issues. While the Council has been lead to believe that this role is appropriate, such is not the case.

- Council's involvement with the administration to the degree that it is has been due in large measure to the departure of the former CAO and the fact that she is only just now being replaced (October 2004). The slow response to the first event (i.e. the departure of the former CAO) was justifiable given the advice Council received from its solicitors. Further, some time has elapsed as a result of the recruitment process and the timing of the arrival of the new CAO.
- For whatever reason, this Council has struggled in developing a healthy working climate and has had difficulty in moving past some contentious issues and statements. While Council has still been able to make decisions on behalf of its constituents, it has done so in a somewhat fractious atmosphere.
- The members of the administration sense this division and find it somewhat difficult to handle requests from all members of Council based on their concern as to how that information will be utilized and whether or not their own independence will be compromised.
- Conversely, we are also concerned that one or more members of the administration take it upon themselves to contact members of Council without following the normal protocol of going through their own supervisors with the information. This information may be treated as completely balanced and accurate when in fact it may not be. Encouraging such contacts does little to assure those supervising that their own advice is being treated as fair and impartial.
- We are concerned that issues have been presented to Council by the administration often with little background and often not until members are actually at the Council meeting. This does not afford Council with sufficient lead-time to make informed decisions or to be fully aware of the implications of the recommendations. As a result, most issues are considered as unique, one-time events when in fact many of them may replicate issues presented weeks or months earlier for which there may have been a different decision rendered. (We note that the administration have now been advised to utilize an RFD provided by the Interim Director of Corporate Services and derived from a sample provided to her by this

firm. This is an important step and should be of significant value in addressing our concerns on this area).

- The issue of Council policy is somewhat of a mixed bag. We are aware that certain policies have been developed albeit some do not appear to be followed (e.g. Policy Development Committee of Council, Finance Committee). The policy with regard to Delegations provides that “No Council or committee decision shall be rendered during the delegation/presentation” and yet we are advised that this has occurred.
- While there is evidence that this and former Councils have taken policy into account on some matters, we believe that it is the responsibility of the CAO to ensure that Council is made aware of the policy implications of all matters taken to Council for a decision. This has not always been the case and Council has been asked to make decisions without consideration for overall policy impacts. Thus, many issues are viewed as a “one off”. While Council will from time to time discuss its policy with regard to a particular matter, this has not become part of the Council’s decision-making culture. We believe that it would be useful to have a full review of policies undertaken shortly after the CAO is retained in order to ensure that both Council and the CAO are confident in what the policies say.
- The lack of consideration of policy leaves the administration too frequently in a position of trying to guess what Council would prefer them to do in various situations. Instead of consistency being the order of the day, the response by the administration has often appeared to be based on who asked the question.
- Job descriptions currently are (but should not be) a part of the Policy Manual. These should be dealt with separately within Council policy and by the CAO who has to ensure that he has the appropriate jobs being done by the best-equipped people. We also believe that the CAO needs to have sufficient latitude built into the budget and into his bylaw to permit him to respond to particular staffing needs regardless of whether or not the actual position was a part of the current staff complement. Thus, and for instance, it should not take a Council discussion or decision as to whether or not the County should retain temporary assistance in the front office. Having Council involved in such a discussion speaks volumes with

regard to its confidence in the administration to make a minor administrative decision.

- Council members need to be reminded with regard to the conflict of interest provisions in the Municipal Government Act. If there is any question with respect to whether a Council member is in a conflict position or not, and the matter is made aware to the administration before the meeting, then the administration should suggest that the councillor consider seeking a legal opinion on the matter.
- The role of the Reeve is often misunderstood and to some extent, misused. The Reeve is not to be the confidant of the CAO nor the champion for one side of Council or the other. The Reeve is the chief elected official and as such is expected to provide leadership to the full Council and to the community. He is to act as Council's spokesperson to the public and to other levels of government and is expected to seek the middle ground or consensus position between the varying views on Council.
- The Reeve should also refrain from becoming intimately involved in matters that lie within the sphere of administrative authority. Too frequently the Reeve has been briefed on personnel matters regarding specific members of the administration and in the absence of a CAO, has been encouraged to accept views that may not be supportable by fact. Such matters should be held in abeyance until the CAO can review them himself from an unbiased viewpoint.
- The fact that the Reeve is chosen from within Council on an annual basis reduces the influence of the position and inhibits the Reeve from truly reflecting the will of all residents. Lamont County needs to consider whether or not having the most significant locally elected position chosen from within Council results in the best governance model or not, in terms of fully reflecting the wishes of its citizens. This issue should be placed before the citizens of Lamont County at the time of the next civic election. Section 144 of the Municipal Government Act requires 180 days between when the bylaw has been passed and the next municipal general election. We firmly believe that a reeve-at-large to be a much preferred model and one that will assure the citizens that someone elected by the citizens as a whole is trying to exercise leadership on the broader issues.

Key Theme # 4.2: Administrative Leadership (Our Findings)

There are a number of issues stemming from administrative leadership. We highlight these as follows:

- The position of Chief Administrative Officer is a central component of any local government. Having someone of experience in this key role is vital to good government and essential to any Council intent on providing the best leadership to its residents. While Council is always encouraged to challenge the recommendations of the CAO, having someone experienced in senior leadership of a local government will be a real asset to the new Council.
- A competent and experienced CAO is also not afraid to stand up to the Reeve and Councillors on issues wherein he believes that Council is pursuing an inappropriate (or perhaps even illegal) course of action. This is essential to good government as a prudent Council will want to be made aware of any instance wherein they may be acting in such a way as to bring the Council as a whole into question by its residents.
- We have been made aware of examples, both past and present, that would suggest that both Council and senior management need to be made aware of what is expected of a competent senior administrator and policy advisor. This matter needs to be addressed within the context of the orientation for the next Council.
- It is our view that Lamont County needs to restructure its senior management organization in such a way as to provide a much stronger sense of leadership, a broader base of qualified people who will be instrumental in leading the rest of the staff, and a clear separation of some of the principal duties and responsibilities e.g. Finance, Public Works, Planning, Community Services, Agriculture, etc.
- It is abundantly evident to us that the presence of the new head of Corporate Services has had a very positive impact on the professionalism of the organization. This position, regardless of whether it is contracted or made into a full-time permanent employee, is absolutely central to the ongoing health of the County's administration.

- It would appear to us thus far that the need to follow Council policy may not have always been readily understood and thus the new CAO will need to address this issue with the rest of the administration. The sense that such policies could be applied at times and not at others needs to be corrected and the organization advised of the precedence of bylaws and policy for decision-making. Policies also in many cases are out of date or non-existent.
- The appearance of favouritism of certain staff has lead to a loss of teamwork in the organization. Partly this is due to the lack of guiding policies and partly to the lack of a strong management team.
- It is clear to us that some staff members feel threatened in their current environment due to undermining statements and actions and the recent release from employment of one of their colleagues. While the latter instance can occur in any organization, the fact that it did occur when there is no CAO in place and while the organization is being reviewed has provoked considerable concern.
- All of the senior staff members should be trained in what constitutes good management. Some of the senior staff members appear unable to treat their staff with the respect they deserve nor to provide effective assessments without undermining the employee's morale and desire to continue serving the County. A course in what it means to be "professional" would likely be of considerable help in restoring an improved morale in the office as well as throughout the organization.
- The CAO has to ensure that any feedback to his employees vis-à-vis their performance is done so on the basis of what the supervisor sees in terms of the employee's performance and not what an individual Councillor may believe is happening. Often the latter comments are based on the perceptions of one or more residents but may not be a fair assessment given their limited understanding as to what the employee is supposed to be doing at that moment nor the policies that are guiding their duties. At present, significant personnel decisions can be made based on limited input by an individual member of Council and may not be an accurate assessment of the employee's overall performance. The department head and CAO are expected to be the defender of their employees and not prone to input which, upon further review, is found to be baseless.

- Employees must be afforded the opportunity to be involved in establishing the objectives that affect their position. This enables a better degree of “buy in” and a stronger effort to ensure that the objectives have been completed satisfactorily.
- The lack of an effective grievance procedure further complicates this issue. All employees should be aware of their right to appeal their supervisor’s performance assessment or other forms of discipline.

Key Theme # 4.3: Decision-Making Practices (Our Findings)

There are a number of issues stemming from decision-making practices. We highlight these as follows:

- Like any other organization of a similar nature, Lamont County needs to ensure that it has a solid approach to the development of policy on issues that the organization considers major or repetitive. A more proactive and step-by-step approach to policy development would give the organization a sense of confidence relative to the certainty of its actions
- It is our observation that the absence of a clear and consistent approach to policies has resulted in decisions being taken which are not founded on a thoughtful policy-driven approach but rather an approach based more on what seemed to be right at that moment. This style of governance and leadership leads to rudderless direction and drift.
- Council does not receive on a consistent basis first-rate advice (due in large measure to the lack of senior staff resources). Reports that we have reviewed do not give Council the type of administrative insights that Council would view as valuable and that would assist Council in making decisions that would be generally acceptable to all members of Council.
- The organization reflects the existence of a Finance Committee which appears to exist on paper but according to the County the Committee has not been utilized in recent years. The list of County organizations and special purpose bodies needs to be updated as soon as possible.

Key Theme # 4.4: Communication Practices (Our Findings)

There are a number of issues stemming from communication practices. We highlight these as follows:

- ❑ Members of the staff expressed concerns relative to the lack of communication both corporately and between departments. Staff report that they often become aware of issues from the newspaper, rather than from management. Recently minutes have been forwarded to the shop, but a greater degree of proactive communication is required.
- ❑ Seasonal staff members report that they have not historically been involved in all staff and safety meetings, and report poor communications in the past. These same employees note that the Acting CAO has made some improvements in this regard.
- ❑ For such a small organization, it is surprising to us to find such a lack of ongoing communication. Holding meetings with staff members within departments should not be viewed as either an onerous or unnecessary part of managing effectively. Meetings of senior management should be held weekly and should be chaired by the CAO. These need to be planned for with an agenda and expected follow-up outlined. Department heads should also schedule regular (perhaps bi-weekly) meetings.
- ❑ There has also been a lack of communication to the administration in terms of what Council expects of them. The CAO has the principal responsibility of ensuring that the administration is kept fully informed as to the decisions of Council.
- ❑ Staff members should be made aware of the types of information that their supervisor feels is essential that he/she be made aware of on an ongoing basis. This may take the form of internal communications or at regularly scheduled staff meetings. We note that, as one example, the Director of Public Works has developed a Projects Bulletin which he asks his supervisors to complete so that the Director is aware of the current issues and projects.
- ❑ Scheduling quarterly meetings between members of the Corporate Services and Public Works departments would also be very beneficial and would help to break down some of the historical enmity.

- Communication with community organizations and the general community was widely viewed as ineffective and not meeting the needs. The current reliance on newspaper media to communicate issues and background information has been largely ineffective and is, quite frankly, not the responsibility of the media.
- Trust in any system of governance, new or ongoing, is often a reflection of the degree of attention paid by those in charge to the ongoing need for both disseminating information and receiving input. The communication process cannot be one way nor can it be "hit and miss." It should also be noted that an effective communication system does not rely on one or several individuals to do the communicating. This has to be included as a key component of the organization culture. Its importance cannot be stressed too much.

**Key Theme # 4.5: Management and Administrative Practices
(Our Findings)**

There are a number of issues stemming from management and administrative practices. We highlight these as follows:

- There are many employees within Lamont County who love their work and support the basic aims of the organization. While there is a mix of longer-term employees and those who are reasonably new to Lamont County, many have had prior contact with the organization as local residents.
- At the same time, Lamont County reflects a culture of compartmentalization. Departments have been allowed or encouraged to see themselves as separate organizations. Staff observed that the organization had fractured into two departmental groups (office vs. public works) and that this was reflected at times in the patterns of staff socialization.
- The systems within the office are inadequate. Payroll needs to be addressed and the problems noted herein acted upon; business planning is non-existent; accounting requires strong consistent direction; performance reviews are conducted with little if any planning or thought; staff have been promoted or appointed to positions with little consideration given to others; salary and benefit adjustments have not been viewed as fair.

- Staff report that certain positions were created without Council's formal approval or dissolved without notification or Council approval. Further, we were advised that certain other staff were given promotions without regard for other similarly qualified staff or any posting of the position and that others may have received an increase in salary which were not afforded to others.
- Seasonal staff report that they do not receive any form of performance review even though they are expected to return each year, some for over 15 years. Some seasonal staff have been placed in the past on a "no rehire" status without being informed of that status or the reasons behind the decision.
- For some staff the performance review two years ago consisted of them filling out the forms and submitting them, and last year, of receiving a completed form without any possibility to comment. Other staff did have a discussion with their foreman, sometimes in the truck on the job site.
- Based on reports that we received, allegations were made relative to minutes of Council and committee meetings being changed or requested to be changed by someone in senior administration. The minutes are an extremely important part of the business of the County and should be the purview of the person charged with that responsibility. The minutes, where possible, should only reflect the motion and Council's approval or disapproval, and not a summary of what the recording secretary thought they heard during the ensuing discussion. Any conditions that are a part of the decision of a Municipal Planning Commission, for example, should be clearly specified at the time of the meeting and then recorded as such.
- Where advice is being presented to Council, it is incumbent upon the CAO to ensure that the senior staff has conducted adequate research to ensure that the information going forward to Council is based on fact and not on supposition. At times, there may be substantial impacts upon the County if commitments are made that are based on faulty or out-dated information.

Human Resource Services

It is apparent that the County needs considerable improvement in the functions broadly described as "human resources". This is based on our observation that:

- ❑ No one at the senior level has been assigned responsibility for this central function
- ❑ Insufficient attention has been given to ensure that the organization structure is reviewed on a regular basis and is current in terms of the needs of the County
- ❑ Position descriptions are not kept updated
- ❑ There are inadequate policies impacting such key topics as recruitment, retention, succession planning, training and “on call”
- ❑ The organization lacks a Staff Training Plan; the current training seems ad-hoc and very limited in some cases
- ❑ The performance assessment system is out of date and not uniformly applied; senior staff need to be trained in how to provide performance feedback effectively and in such a manner as to encourage improvement in performance and not based on any mean-spirited attempt to undermine or demoralize an employee; if an employee is failing at their position, relocation to another position may be necessary or dismissal if the conditions so warrant
- ❑ Staff orientations are not well-planned
- ❑ Compensation decisions appear inconsistent and without adequate or accurate background data; the current pay grid has 60 levels while the norm for municipal organizations is 8 – 12; annual increments vary from 2% to 8% plus inflationary impact (in 2004 for example an exceptional employee could have received 8% plus 5.3% for a total of 13.3% overall)
- ❑ There is a general suspicion that the salaries paid and adjustments made are sometimes based on factors other than job functions, level of decision-making or experience; this unfairness has had a negative impact on office morale
- ❑ The County has to address the issue of designating an employee(s) as “on call” based on the needs of a County which has become more complex through the construction of major plants and the potential of seeing further development of this kind; this role is now played by the PW Superintendent apparently exclusively which is neither fair nor good management of resources
- ❑ Further, the distribution of various job functions under each of the administrative staff needs to be reviewed and in some cases reassigned, i.e. the Assessment

Review Board should not be under the Tax/Assessment Clerk as where it sits currently may be seen as a conflict

- An effective program and training for employees in the work of other employees is needed in an organization the size of Lamont County. Such cross-training could be an effective motivational approach for employees who wish to learn more and become more valuable in other work situations.

Other issues also need to be reviewed and adjustments made as recommended:

The remuneration policy needs to be reviewed and updated based on a comparative survey of similar municipalities, and this should be undertaken to ensure equity and reasonableness every 3 – 5 yrs. All of the County's current rates appear to us to be very high. This includes:

- Subsistence rates at \$60.04 daily for three meals
- Mileage rate at .42 per km
- A personal allowance of \$120.14/day is intended to cover meals, dry cleaning and gratuities. This does not cover hotel/motel accommodation which is expected to be billed separately.
- The rate for the use of private accommodations at \$11.66/night seems low in comparison to other municipalities
- The rate for taxi transportation at no greater than \$9.61 per ride without receipt may be reasonable.
- Annual adjustments of remuneration by the CPI may be adequate however there needs to be a comparative survey of similar municipalities from time to time to ensure equity and reasonableness (i.e. every 3 – 5 yrs.).
- Public Works staff were advised that they should not discuss any work related issue with a Councillor or a ratepayer or they would be summarily dismissed. Staff report that some staff were dismissed without warnings or notice as required by human resource policies.

Council, in the past, have not been aware of complaints originating from the public and staff. There does not seem to have been any mechanism developed whereby Council members would at least be advised of the key issues of concern to ratepayers and the actions being taken in response to any complaints. While it should not be expected that

members of Council become involved in individual circumstances wherein complaints are voiced, the Council should be made aware of what steps are taken by management to investigate such concerns and to ensure that any employees found accountable for unreasonable service or treatment of the public will be dealt with according to the disciplinary policies.

PAYROLL AND BENEFITS

- Staff report that the payroll grid does not recognize performance when they reach the top of the grid. The large number of long-term employees means that a significant number of staff are at the top of the grid. Additionally staff report that some new employees have been hired near or at the top of the grid. This needs to be reviewed and confirmed.
- Benefits are a sensitive issue for staff as in the past they appear to have been provided on a selective basis. This area needs to be reviewed to ensure that all staff who are eligible receive the benefits as provided for in the County policies.

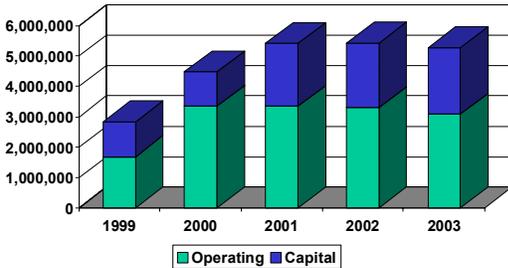
<p>Key Theme # 4.6: Financial and IT Management (Our Findings)</p>

FINANCIAL OVERVIEW

The following content provides a financial overview of Lamont County. Where appropriate the slides show a 5 year trend from 1999 to 2003 and are as of December 31 of each year.

SLIDE 1 RESERVES

Reserves

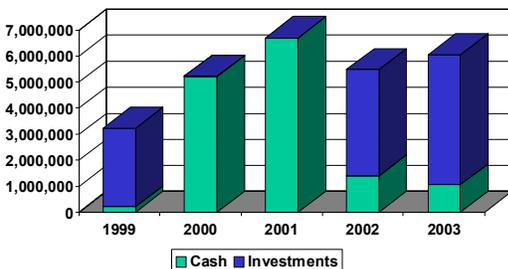


This slide shows the reserve balances from 1999 to 2003. This slide notes that:

- reserves have built up from just under \$3 million in 1999 to approximately \$5 million in 2003
- this build up is mainly as a result of increases in the Road Construction, Future Expenditures and Public Works reserves

SLIDE 2 CASH AND INVESTMENTS

Cash & Investments

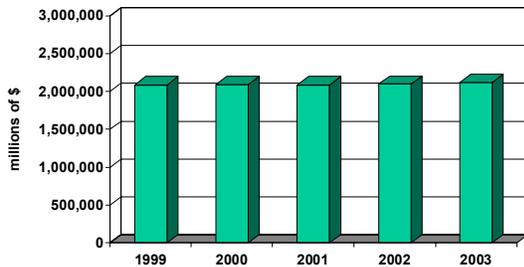


This slide shows both the cash balances and investments for the County over the past 5 year period. This slide notes that:

- cash balances have increased from just over \$3 million in 1999 to approximately \$6 million in 2003 mainly due to the buildup of County reserves
- investments December 2000 and 2001 were almost non existent indicating forgone investment income, all investments are based on very short terms

SLIDE 3 SURPLUSES

Accumulated Surplus

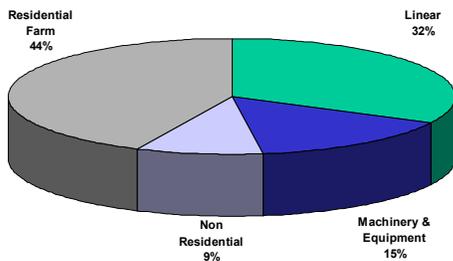


This slide shows the accumulated surplus from 1999 to 2003. This slide notes that:

- accumulated surplus has remained at approximately \$2 million from 1999 to 2003

SLIDE 4 ASSESSMENT

2003 Assessment

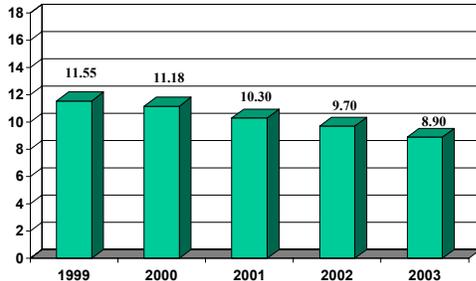


This slide shows the make up of the County's assessment base. This slide notes that:

- the County has a very strong assessment base with 56% attributed to non residential assessment, 44% to residential assessment
- the County has a good mix of non-residential assessment with linear at 32% and machinery and equipment at 15% and all other commercial at 9%

SLIDE 5 MUNICIPAL TAX RATES – RESIDENTIAL/FARMLAND

Municipal Tax Rates
Residential/Farmland



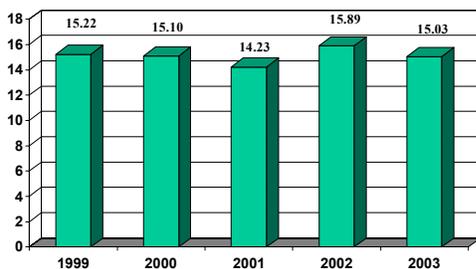
This slide shows the trend in municipal residential tax rates from 1999 to 2003.

This slide notes that:

- with a strong Capital Region economy and property values increasing with inflation, you would expect to see tax rates decreasing to offset market value growth in assessments as indicated by this slide
- the municipal residential tax rate has decreased from 1999 to 2003 by 23%

SLIDE 6 MUNICIPAL TAX RATES – NON-RESIDENTIAL

Municipal Tax Rates
Non-Residential

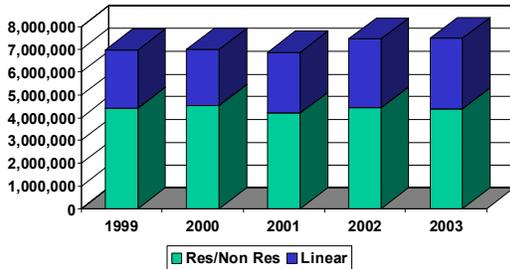


This slide shows the trend in municipal non-residential tax rates from 1999 to 2003. This slide notes that:

- the municipal non-residential tax rate has remained fairly consistent

SLIDE 7 TOTAL PROPERTY TAX REVENUE – MUNICIPAL AND REQUISITIONS

Property Tax Revenue
Municipal & Requisitions

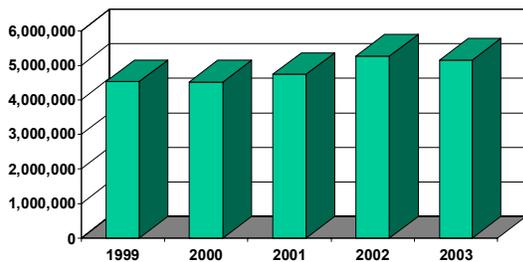


This slide shows the trend in total property tax revenue from 1999 to 2003 and includes both municipal and requisition taxes. This slide notes that:

- total property tax revenues have increased from approximately \$7million in 1999 to \$7.5 million in 2003 an increase of 7%
- the residential and non-residential portion have decreased over this period by 7% while the linear portion has increased by 20%

SLIDE 8 TOTAL PROPERTY TAX REVENUE – MUNICIPAL PURPOSES ONLY

Property Tax Revenue
For Municipal Purposes Only

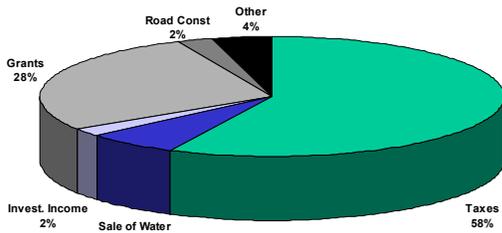


This slide shows the trend in tax revenue levied for municipal purposes only from 1999 to 2003. This slide notes that:

- total property tax revenue for municipal purposes only has increased over this 5 year period from \$4.5 million to \$5.1 million, a 13% increase or approximately 2.6% per year

SLIDE 9 OPERATING REVENUES – BY SOURCE

2003 Operating Revenues
By Source

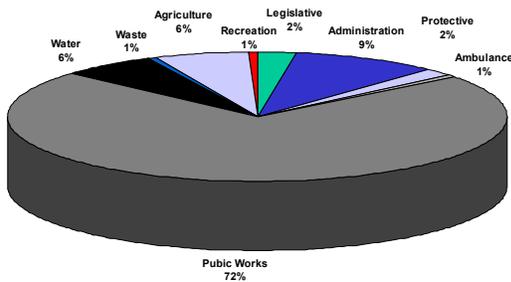


This slide shows operating revenues by source. This slide notes that:

- operating revenues are made up as follows:
 - Property Tax 58%
 - Grants 28%
 - Sale of Water 6%
 - Investment income 2%
 - Road Construction 2%
 - Other 4%

SLIDE 10 OPERATING EXPENDITURES – BY DEPARTMENT

2003 Operating Expenditures
By Department

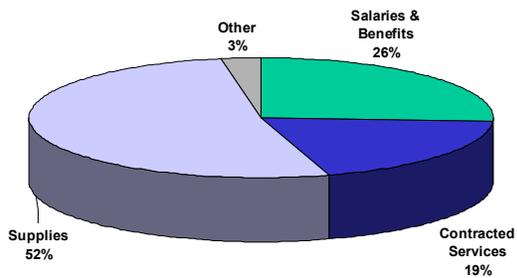


This slide shows operating expenditures by type. This slide notes that:

- operating expenditures are made up as follows:
 - Public Works 72%
 - Legislative and administration 11%
 - Agriculture 6%
 - Water 6%
 - Other 5%

SLIDE 11 OPERATING EXPENDITURES – BY TYPE

2003 Operating Expenditures
By Type.



This slide shows operating expenditures by type. This slide notes that:

- operating expenditures are made up as follows:
 - Materials, goods, supplies and utilities 52%
 - Salaries, wages and benefits 26%
 - Contracted services 19%
 - Other 3%

FINANCIAL PRACTICES

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

- A step by step centralized budget process using consistent reporting formats
- Regular comprehensive financial reports to Council
- Variance reports to each department
- Trend analyses of key trends
- Comparative reporting vis-à-vis spending patterns by function
- Risk management reports
- Investment reports
- Debt management reports, where applicable
- Capital works reports
- External and internal audit reports.
- Increased frequency and depth of reporting to Council.

Within the local government context, Financial Reserves are a very important financial tool used to stabilize tax rates, set aside monies for the eventual replacement of capital assets and to set aside monies in some cases for new growth items. While the Public

Sector Accounting Board is moving towards the requirement to amortize assets as in the Private Sector, local governments at this point are not required to amortize assets. Municipalities choosing to establish reserves in effect are amortizing those assets addressed by reserve funding.

The following observations were made regarding the financial practices:

- Council should use a Committee of the Whole to advise and monitor revenues and expenses and all matters relating to fiscal management. Any reporting to Council should require a formal reporting format as defined by policy (see the sample RFD)
- There is no formal reporting process on a monthly or quarterly basis to Council or department heads. The former and current CAO used an F9 report which staff has been unable to locate for our review. The County needs to establish a policy that provides:
 - Monthly reporting process to administration
 - Quarterly reporting process to Council
 - Reporting to include variance analysis
- That administration develop a new quarterly reporting format to be presented to Council to include at minimum the following:
 - Revenue and expense comparison to budget and variance explanations
 - Reserve opening/ closing balances and transfers to and from
 - Capital projects listing, progress to date and status compared to budget
 - Investments schedule outlining the investment, institutions, rates and maturity dates
 - Additional information as from time to time appraises Council of financial information such as property tax collection rates etc.
- That administration develop monthly financial reporting to department heads to ensure that they are able to monitor and control operating and capital expenditures.
- The Budget is Council's primary tool to carryout its mandate, provides direction to administration for programs and services to be provided to the public and provides accountability to its public. The Budget Process for the County has been

completed by the CAO in past years. Department heads are not involved in the budget process nor do they have any idea of what is included in their approved department budgets. The Budget format for the most part resembles a Trial Balance with prior years budget and actuals added. There is no information at the administrative level that outlines any details within the budget document nor is there any trend charts to outline where the County has come from and projections into the future. The Budget presentations and deliberations are limited to Council and the CAO and in some instances the assistant accountant and therefore there is no interaction between department heads who manage the programs and Council who sets policy.

- The organization needs to implement by policy a formal budget process and timelines for that process. The following timing should be considered as it allows for a budget to be implemented prior to the program/calendar year thereby allowing staff to plan and deliver programs as per Corporate Plan:
 - Feb – Mar – Corporate Planning
 - Apr – May – Establish and distribute Budget guidelines
 - Jun – Aug – Departments develop detailed budgets
 - Sep – Oct – Administration consolidates budget input and reviews
 - Nov – Dec – CAO and department heads present budget
 - Dec – Council deliberations and approval
- Department heads are currently unaware of budget details and new staff have no documentation of budget details. An administrative system needs to be developed to support the budget process.
- While the County has approximately \$5.3 million in operating and capital reserves no policies related to reserves were identified. At December 31, 2003, the County held the following two short term GICs: \$4 million in a 1 year GIC at 2.55% maturing December 31, 2004, and \$1 million in a 1 month GIC at 2.65% which matured January 31, 2003. Administration needs to review the County's existing reserves to determine the need for and purpose of each reserve and to develop individual policies specific to each reserve that sets out the following:
 - Reserve name

- Operating or Capital
 - Sources of Funding to increase the reserve
 - Approved applications for the use of the reserve
 - Plan Ceiling – where required
 - Whether a separate bank account is required
 - Whether the reserve earns interest or not
 - A ten year plan for the Source and Use of funding
- The County has a 10 year Equipment Replacement Plan and should supplement that by a Council policy that sets aside monies annually in reserve for the replacement of all vehicles and equipment. Such a plan and policy needs to be connected to a broader long range County plan.
 - Council should consider allocating the accumulated surplus to reserves for specific purposes.
 - On Audited Financial Statements, Lamont County prides itself on being one of the first municipalities to complete filing of its statements with the province.
 - It is recommended that audit services be put to tender with an increased level of services required. The past three years of management letters resulted in limited issues being brought forward that would result in improvements to reporting, controls or accountability; in spite of the number of financial control issues noted by this consultant. The current auditors have been in place for approximately 14 years and therefore the County should consider tendering the process for 2004.
 - Staff indicated that expenditure controls were maintained by the previous CAO who would monitor the bottom line and issue a directive to halt spending as the County reached its overall budget.
 - In order to ensure that resources are being used wisely the organization needs to develop a Performance Measurement System based on the development of long-term plan, such as the following and as noted elsewhere in this report:
 - Equipment Replacement Plan
 - Offices Systems Replacement Plan
 - Capital Program with funding
 - Financial Reserves 10 year Plan

- ❑ Long term plans should include estimates of amounts to be set aside in reserves to ensure that funds are available when replacements are required, not dissimilar to amortization in the private sector
- ❑ The following financial policies require review:
 - Cheque signing policy. The County's existing cheque signing policy is out of date and lacks proper controls and accountability to ensure that checks are signed properly and signature use accounted for. At the current time a rubber stamp is used to sign cheques with no mechanical controls to ensure a record of its use.
 - The payroll register should not be approved by the Finance Committee (we note that this function is currently being undertaken by Council)
 - Accounts should not be signed by a Finance Committee member
- ❑ The Investment Policy needs to be updated. Currently investments are held in short term GIC's. The County should develop an investment policy to guide administration investments and should consider investing in longer terms to match cash requirements.
- ❑ An investment policy needs to be based on a Cash Management Policy, which will provide for the review of deposit processes to ensure limited balances on site, establish a process for idle cash, and establish minimum cash requirements.
- ❑ The 5 year contract with Compass Assessments was due for renewal during the term of our review and was put out to tender.
- ❑ A monthly property tax payment plan can be implemented to enhance customer payment options

A review of current Business Planning practices found:

- ❑ The County needs to implement by policy a Business Planning Cycle
- ❑ A County Corporate Plan was developed in 2002 for 2002 to 2007. The plan talks about the process as being "a continuous process" however the plan has not been updated since 2002. The plan identifies 3 phases: Corporate Planning; Operations

Plan; and Budget. A review of the current business plan indicates the pieces are there, but the plan has not formally been implemented. It does not drive the budget process.

INFORMATION TECHNOLOGY PRACTICES

If Lamont County is intent on making the best use of its IT resources and systems, then it will ensure that its information technology functions include:

- ❑ development of a comprehensive IT plan supported by a business plan
- ❑ appropriate involvement of each department or functions in hardware/software selection
- ❑ appropriate access to budget and measurement information
- ❑ key documents readily available
- ❑ efficiencies sought and identified
- ❑ user training program in place; and
- ❑ appropriate availability of back-up staff.

The information technology changes for all organizations have been significant. This area must be well managed and planned if the organization is to be both effective and efficient. Such management and planning needs to include:

- ❑ Long term fiscal support for this function
- ❑ Long term strategic planning for the use of information technology
- ❑ Short term technical plans for the implementation of information technology (planning beyond three years is not useful due to the rapid changes in hardware and software)
- ❑ Maintenance and replacement of server hardware and software
- ❑ Maintenance and replacement of workstation hardware and software
- ❑ Support, maintenance and replacement of laptops for out-of-office use
- ❑ Training for new staff and upgrading for existing staff
- ❑ External “help desk” support.

The IT function of the County has not developed comprehensive long and short term IT plans. This has impacted the effectiveness and efficiency of the entire organization.

- ❑ The organization needs to develop a Computer Replacement Plan that identifies IT hardware and software with annual contributions to reserve for replacements

- The organization needs to develop an IT Policy Handbook which includes: computer usage rules; how data is handled; a Disaster Recovery Plan (to ensure that the County may continue to meet its payroll, payables and other processing requirements should a disaster strike); identifies mission critical processes; identifies offsite location for software; identifies hardware access.
- The County Website needs to be redeveloped. It was noted that its functionality is very limited (almost non-existent, and content was out of date). A new site format is recommended.
- Financial application software needs to be enhanced. It requires a security level review. We are concerned that staff having read-only access to data may be able to change data and therefore introduces data integrity issues.
- The organization needs to review the implementation of E-commerce applications. Some of these applications are available through the current Diamond Software financial software package. Implementing the Interact System will enhance customer payment options.
- The current server should be updated given added loads (e.g. Great Plains Accounting) and the need to update the current operating system. As well, the current approach to a firewall should also be re-assessed given improvements in this regard and reduced costs. A new Virus protection program also needs to be installed.
- A Fleet Maintenance Program needs to be implemented. We were advised that the organization was implementing fleet maintenance software (WEB Works), but that this has stalled due to no one spearheading this process. Current manual processes are excessive in their time consumption.
- A customized solution to managing weed control has begun to be developed during the summer 2004 season. There are a number of features still required to complete this project.

Key Theme # 4.7: Public Works / Operational Services (Our Findings)

There are a number of issues stemming public works / operational services practices. We highlight these as follows:

PROJECT PLANNING

- Projects have not been well-planned with staff often in a crisis mode as a result. Gravelling of roads within the County is being undertaken on a rotation, but it is not clear what written assessment process is used to designate that a road due for re-gravelling requires it. Decisions appear to be made on an ad-hoc basis. With the selection of projects in the spring, the development of projects is done on a crisis basis with staff attempting to complete surveying and purchases of land, rights-of-ways and easements before a project starts. Due to this there is no planning for project sequence through the summer and fall months resulting in lower efficiencies and higher costs.
- Gravel roads projects appear to be determined on a year-by-year basis. The budget process as reported consists of a list of projects being submitted by Public works staff to a Council budget meeting where Council revises and changes the list. Selection of projects does not appear to reflect any long term gravel road development planning.
- Reconstruction of roads has been undertaken in some instances in one mile segments. This is uneconomic and Council should determine a three year plan of 3 or more mile segments of road for reconstruction at the beginning of each Council term based on a Council approved long term plan.
- Changing use of gravel roads, where compact cars and B-trains can originate from the same farmyard, require a more focussed approach to the long term maintenance and development of gravel roads. It is not fiscally possible to upgrade all gravel roads to meet new demands so it is necessary for the County to focus on the development of a number of major arterials (also called market roads and heavy hauls routes) where through traffic will be focussed. This has been done to a

degree, but only on an ad-hoc basis, and without the guidance of a Council approved long term plan.

SUPPLY OF GRAVEL

- The supply of gravel forms a significant portion of gravel road maintenance and construction costs. In order to maintain lower costs and protect the County from escalating gravel costs in the Edmonton region, Lamont County needs to ensure a long-term supply of gravel (40 years as a minimum) through long-term contracts/leases or ownership of gravel resources. Current supplies in the gravel pit in the far northeast corner of the County are estimated by staff to last for only 13 years of operations with no other gravel resources currently controlled by the County.

WORK PRIORITIES AND USE OF RESOURCES

- Following a snow storm, current operations and equipment are based on a policy of opening up all roads using grader mounted “V” plows, and completing the work in three 14 hour shifts. Graders would then follow up to complete snow control on roads.
- The current service policy on clearing snow from roads, where residents may not be able to travel for 3 days, does not meet the needs of those who need to travel from their farm or residence to daily employment and should be reassessed by Council.
- The current Shop Foreman reportedly spends 85% of his day on “paperwork” (i.e. clerical functions including making up work orders, recording maintenance completed, obtaining quotes, processing invoices, and receiving and stocking parts). There is a current request to hire a 2nd year Apprentice Heavy Duty Mechanic so that more mechanic shop time is available. The administration was requested to place a hold on advertizing this position as other options should be considered. The size of shop operation observed normally has clerical support as it is more effective to place the Shop Foreman (who is a Heavy Duty Mechanic) on the shop floor for 6 to 7 hours out of each day, and have clerical support undertake all the clerical functions except for approvals.

- The landfill (on the road between Star and St. Michael) is operated by the Lamont County Regional Solid Waste Commission. The Commission meets two or three times per year at the County office and is made up of one Councillor from each Council. The Director of Public Works acts as the Secretary Treasurer for the Commission. There are no transfer stations. The Commission advertises operating hours 4-6 times per year and asks the respective member municipalities to do the same in their newsletters.
- Gravel road maintenance is over-responsive to complaints received from the public and staff were often observed to direct grader operators and construction staff by radio or cell phone to change locations resulting in increased travel times, lower efficiencies and higher costs. Staff need to be instructed on a process, and Council need to support such a process, where the public are advised that non-emergency issues will be dealt with on a planned basis, with staff and equipment responding when its is effective and efficient to do so.

GRAVEL INVENTORY

- The gravel inventory module of the financial software from Diamond Software is not working and will not produce accurate reports causing staff to run duplicate systems with spreadsheets. However this software has been observed at other County and M. D. offices and is being successfully utilized at those locations.
- A similar problem appears to occur in the oiling/dust control program with supervisors directing staff by radio or cell phone to change locations during working hours resulting in increased travel times, lower efficiencies and higher costs. This may be partially the result of not enforcing the deadline for the submission of oiling/dust control applications.

SAFETY

- Regular monthly toolbox meetings are postponed in summer months as staff are “too busy”, and it is reported that three months may occur between safety meetings. It was our perception that safety meetings are not seen as a priority by Public Works supervisory and management staff.
- Staff report that “work alone” procedures in County policy are not being followed, for example, grader operators have no process to check in at the end of the day

and there is no process whereby Public Works can be aware of a stranded/injured operator.

- Safety bonuses were clawed back to a lower level after the initial program was started. This situation is similar to others in that it shows a lack of long term planning and consideration of the long term fiscal impacts of decisions.

Key Theme # 4.8: Council Meetings (Our Findings)

The meetings of Council are critical to the decision-making process as it is at these meetings that key issues are reviewed and decisions are rendered. As a result, careful thought should be given to their planning, intent, procedures and follow-up action. Regardless of the activities and actions leading up to regular meetings, the gathering together of Committee members to debate the merit of issues and then to recommend their resolution is essential to the process of Council governance.

- Quite simply, meetings are controlled by their agenda. While many organizations overlook the importance of the agenda to good decision-making, we believe that an agenda is central to the process and one of the key instruments by which the Council should control the decisions which impact upon the organization.
- 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. Council members should be able to ensure that issues of concern to them are added to the agenda and dealt with once the CAO has reviewed the matter and provided all of Council with a background report.
- Council meetings are held the second Tuesday of each month, with no meetings scheduled for July unless the need has been shown to hold such a meeting.
- The Executive Secretary and CAO prepare a draft (skeleton) Agenda for a Council meeting; this is distributed to all supervisors approximately 2 weeks prior to the Council meeting for any additions/deletions and for further input.
- Approximately 1 week prior to a Council meeting, the Executive Secretary finalizes the agenda for review by the CAO.

- The CAO may discuss any items on the agenda with the supervisors for clarification or changes and then a final copy is prepared for distribution to each Councillor. Reports have not traditionally been signed off by the CAO.
- Prior to a Council meeting, the Reeve attends at the County Office (often Fridays) to go over the Council Agenda with the CAO. When the latter deems it necessary, he may also brief the Reeve on any matters he considers to be sensitive.
- Concerns have been voiced with respect to Council and committee minute-taking. This is a serious matter given that the minutes of Council and its committees represent the official record of the business of the County. These minutes cannot be altered unless by Council resolution. The responsibility for taking the minutes should be accorded to a staff member other than the CAO or the senior staff member in attendance at committee meetings.
- Decisions of Council are to be made at meetings of Council. It is not permissible for any member of Council to make commitments to individual ratepayers simply because they do not like the impact of a particular County decision on their business or personal property. Where a member of Council is confronted by a resident because of a matter or decision they want reversed by the County, the resident should be asked to put the matter in writing and it will be dealt with by either the administration if it is within County policy or by Council if it is an appeal against policy.
- The decisions of Council are to be made at meetings of Council, not determined beforehand. Council members should come to all meetings prepared to discuss matters-not already convinced of a decision. This affords each member an opportunity to express their views and listen to the advice of their CAO and senior staff.
- Although the designated responsibility for preparation of the agenda is the responsibility of the Chief Administrative Officer, the agenda itself should still be seen as the Council's decision-making tool. Rather than solely being a list of issues derived by the senior management, committees or commissions based on their need for certain answers, the agenda should also contain any issues which arise which are of concern to members of the Council.

- Any staff report intended for Council should be directed to the Chief Administrative Officer and thus becomes their report. It is through the Chief Administrative Officer that all members of staff should report. If any 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 or staff member. It is ultimately the Chief Administrative Officer responsibility to check each report to the Council in light of the following:
 - does this issue need to be decided by the Council?
 - is this issue of considerable 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 presented to the Council meet his standards of quality and completeness. This does not necessitate that the Chief Administrative Officer defer or dismiss reports which he may not agree with but, rather, that they ensure that his own opinion, if contrary to that of the writer, is presented to Council as the covering document. In some instances, and where time considerations do not preclude otherwise, 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). We did not find much evidence of a strong leadership or strategic approach to these agendas. The policy implications are not identified and there is little if any indication of the impact on the approved or proposed budget.

We recommend the continued use of the "Request for Decision" format. We believe that Council and staff have already recognized the value of this standardized approach. This format requires some key elements:

- firstly, that the issue be presented succinctly;
- secondly, that the proposal be clearly enunciated;

- thirdly, that the impact on budget and current policy be described;
- fourthly, that the advantages and disadvantages of the key options are available to the reader; and
- finally, that the Chief Administrative Officer sign off all recommendations noting any comments or concerns he may have, for the benefit of the Council

The rationale for this degree of involvement by the Chief Administrative Officer is not that of trying to establish absolute control over all aspects of the organization. Rather, we believe that Lamont County needs to insert a much higher degree of accountability into the organization based on good management principles and effective stewardship. Ultimately, the Chief Administrative Officer is (or should be) accountable for all that transpires within the administration. They are not entitled to have the position and whatever perquisites it entails without also understanding that this is a position of significant accountability. The information which flows to the Council, for instance, should reflect the highest standard possible in terms of its authenticity and comprehensiveness. Financial information should be clear, understandable to the layperson, accurate, comprehensive and reflective of solid accounting principles. Committee or Council members should not be left gasping for clarity or grappling with meaningless numbers and disjointed budgets.

A Chief Administrative Officer needs to focus some of their energies on the agenda preparation and ensure that it reflects the finest quality of information and policy consequences such that all Council and Committee members can readily grasp what is being requested or reported and the strategic framework being impacted.

The Chief Administrative Officer is not simply a coordinator or the mouthpiece of others. He needs to be a true executive leader.

Key Theme # 4.9: Organization Structure & Resources (Our Findings)

One of the keys areas upon which the County will expect our advice pertains to the organization structure. We have reviewed the present structure and find that:

- ❑ The current structure is not adequate to meet the County's needs today. The structure concentrates control in a very few positions which results in limited access by Council to senior level expertise; having only one other senior staff position, even for a relatively small organization, is highly unusual and again results in the County having extremely limited access to sound supervision of employees and very limited expertise available to the Council.
- ❑ The role of the Chief Administrative Officer as the key advisor to Council on all policy issues is absolutely critical. He will have a comprehensive portfolio in your organization given the "linchpin" function between the legislative nature of Council and the array of administrative tasks throughout the rest of the organization.
- ❑ The CAO needs to be visible in the community as well as to the organization (both inside and outside employees). A key aspect of his role is that of building solid relationships with key allies and partners locally and regionally in addition to his role in acting as the principal advisor to Council. While some of these duties can be delegated, the role of "principal policy advisor" cannot. None of the suggested organizational changes is intended in any way to diminish these responsibilities.
- ❑ Having the CAO also responsible for the financial function is not in the best interests of the organization from a checks and balances viewpoint.
- ❑ The junior staff do not have clear guidance to their work as a result of not having someone to turn to who has additional expertise that comes from both advanced training as well length of experience.
- ❑ When one of the current senior positions was absent, the organization essentially drifted given that so much of the responsibility and authority was lodged with one person.
- ❑ The direction of the organization has never been clear to those out in the field and appears to be more presumed than spoken.

- The proposed Director of Corporate Services position needs to have the necessary resources to perform those functions effectively. This position should oversee the important Human Resources functions. Whoever takes on this role will need training in all aspects related to this function including: compensation planning, benefits administration, orientation of new employees, employee assistance issues, personnel policy matters, etc.
- The position of CAO needs to have the position of Executive Assistant filled by someone of their choosing. The current senior secretarial position has indicated a desire to work more in the economic development and tourism functions and we believe that this would likely be a good match, perhaps with some ongoing training in this field.
- The CAO's role includes the right to hire and terminate employees within prevailing policies and Provincial legislation. The CAO may determine to delegate to his designated officers (normally the department heads)(see Section 209 of the Act) the right to hire and release employees depending upon their seniority, training and the level of the employee. These issues will need to be dealt with by policy and will need to be in accordance with the CAO's bylaw.

EXPECTATIONS OF THE ROLE OF CHIEF ADMINISTRATIVE OFFICER

If this role is to be maximized, the following are essential:

- a position description which outlines in clear terms the basic position expectations of the Chief Administrative Officer;
- a protocol which describes the reporting relationship of the Chief Administrative Officer vis-à-vis the Reeve, the members of the Council, any committees (or commissions) of the Council and the administration;
- coordination of a comprehensive orientation process for all Council members immediately upon assuming their offices which identifies, among other topics, the basic roles of a CAO and the powers granted to that position by bylaw;
- a protocol which defines the Chief Administrative Officer expected role vis-a-vis any partners, stakeholders and community organizations;

- clearly worded policies and resolutions which convey the Council's intent in policy areas and which set the parameters for the Chief Administrative Officer to function; and
- a reporting process, which ensures that the Chief Administrative Officer's position is respected and not undermined.

The Chief Administrative Officer is essential in implementing the changes recommended by this Report which will strengthen Lamont County in the long term and enable it adapt to change on a continuing basis. To do so, the Chief Administrative Officer will need to exercise strong managerial leadership to the new structure and the senior management team. He will be expected to set clear boundaries for behaviour for all employees and then stick to those same boundaries as well. The CAO needs to carefully plan team meetings; establish reporting protocols; ensure top-down and bottom-up communication; grow the talent within the organization and find top calibre people to fill new or vacated positions. In effect, they need to be a change agent and one who approaches each day with a desire to make a positive difference for the organization.

Key Theme # 4.10: Council Leadership Changes (Our Findings)

A NEW MODEL OF GOVERNANCE AND ADMINISTRATION

If the Council of Lamont County is committed to making real progress in moving ahead as a Council on behalf of this community, then it must face the fact that certain changes are needed. It is not simply a matter of changing administrators or adding a Finance expert to the employee roll. Nor can this Council expect that all the staff will immediately begin to perform at increased levels of productivity if the appropriate culture of openness and encouragement and trust is not re-established.

Council cannot expect quality performance when individual members of Council can jerk senior staff around as though they were their personal assistants. Nor can the Council

act as a corporate body when the Reeve is able to make decisions in the office of the CAO without discussion with the rest of Council and a resolution passed on the matter.

This organization will only be effective in the longer term if it is prepared to consider some rather fundamental changes to how it does its business. Thus, while our analysis points to the need to change the administrative structure, of at least equal importance is the need for competent and confident leadership and governance.

Central to any proposed changes “taking hold” is the role of the Council. This requires the adoption by the Council of a different approach to governance rather than adherence to the present practices. If the leadership of Council is to improve, and we believe that is required, then the following steps are essential:

- Council members need to treat each other with respect-both in the Chambers and outside.
- Issues that do surface should be addressed by members of Council in camera and then left there; carrying these forward serves no useful purpose.
- Council needs to show respect to all members of staff and where there are concerns with regard to staff performance, then that should be taken up with the CAO.
- Council should view its role as providing the clarity of policy direction that enables the administration to get on with getting their work done with as little interference as possible.
- Wherever Council believes that it or one of its members may be in a conflict of interest, the Council should request that their legal counsel be consulted. Unless very good reason can be shown that would contradict such advice, that opinion should be followed.
- Council needs to be questioning its administration as to the policy consequences of recommendations; of the precedent which may be set of a certain course of action is followed. It needs to be comfortable tabling a matter if sufficient information is not available upon which to base a clear decision.

This Council should establish a Committee of the Whole (Policies and Priorities) meeting on a monthly basis to enable it to discuss matters of importance and to enter

into discussions with its ratepayers. Such meetings (that are open to the public) could be more informal and focused on the emerging issues of the day or focused on matters facing the Provincial agricultural economy that Council feels are of significance to its own residents.

5.0 ORGANIZATION STRUCTURE

We have provided Council and the administration with our proposed organization structure (Appendix Lamont County Functional Organization and Lamont County Position Reporting). These two charts are extremely important to how this Report will be implemented from an administrative standpoint and critical to the effective delivery of services to the ratepayers of the County. It is essential in our view that the County adopt a realistic assessment of the resources that it will require to function effectively on behalf of the citizens of Lamont County. Such resources will need to be positioned such that the changing needs of the County can be responded to quickly and with reasonable flexibility.

PRINCIPLES

Our model reflects the following principles in providing a re-structured organization that is:

- ❑ Acceptable to the ratepayers of Lamont County as being both necessary and within the resources of the County
- ❑ Responsive to the leadership of Council and the Chief Administrative Officer
- ❑ Committed to providing a decision process that is open and understandable; effective use of the senior management team structure
- ❑ Effective in its use of resources through co-ordination and collaboration of like services
- ❑ Places all financial resources under the mandate of one department
- ❑ Ensures the allocation of all organizational costs spread across the organization based on clear principles and criteria as agreed to by the Chief Administrative Officer

- ❑ Ensures that the County is capable of being managed in an efficient and effective manner by retaining on a permanent basis only those staff who are deemed to be essential for the ongoing management of the County
- ❑ Places under service umbrellas those staff deemed necessary for the effective delivery of services within that field; provides for the addition of future staff as deemed necessary by the CAO and supported by the Council
- ❑ Ensures that the Council and CAO are afforded access to senior level expertise deemed essential to responding effectively to the demands of provincial legislated requirements.

ORGANIZATIONAL RESOURCES

At the same time, the County needs to re-stock its talent pool with the right positions and personnel. This requires the following senior level responsibilities:

Chief Administrative Officer

- Executive Assistant/Legislative Secretariat
- Legal Counsel (contract)
- RCMP Services
- ❑ Director of Public Services
- ❑ Director of Corporate Services
- ❑ Director of Infrastructure Services
- ❑ Tourism/Economic Development Officer
- ❑ Agricultural Services Fieldman

Director of Public and Emergency Services

This position will be responsible for the following functions:

- ❑ Planning
- ❑ Development
- ❑ Building Inspection Services
- ❑ Bylaw Enforcement Services
- ❑ Community Adult Learning
- ❑ FCSS
- ❑ Recreation/Parks
- ❑ Fire and Emergency Services

Director of Corporate Services (Finance)

This position will be responsible for the following functions:

- ❑ Reception and Front Counter Inquiries
- ❑ Accounting/Taxation/Collections
- ❑ Payroll and Benefits
- ❑ Human Resources
- ❑ Audit
- ❑ Reserves
- ❑ Assessment
- ❑ Information technology
 - IT/GIS Coordination

Director of Infrastructure Services

This position will be responsible for the following functions:

- ❑ Road Maintenance
- ❑ Road Construction and Safety Officer
- ❑ Engineering Services
 - (need to add a CET here for GIS and surveying)
- ❑ Fleet Maintenance
- ❑ Facility Management and Maintenance
- ❑ Utilities/Drainage

Rationale and Implications

The foregoing description and supporting exhibits (see Charts 1 and 2 in the Appendix) reflect what we believe to be the most appropriate and rational distribution of administrative resources. The key elements and/or changes are as follows:

1. The County senior administration should consist of the CAO and three department heads-Public Services, Corporate Services and Infrastructure Services.
2. The other staff members reporting to the CAO are at an “officer” level and while not considered department heads, are best positioned in a direct relationship to the CAO.

3. The CAO's Executive Assistant, besides handling any administrative and clerical functions delegated to that role by the CAO should also be responsible for all of the legislative requirements flowing from the Council including correspondence for the Reeve, Council minutes, committee minutes (unless as delegated), Council policy book and its updates, the orientation manual and ongoing updates, booking travel and or attendance at special events by members of Council and the CAO, etc.
4. The responsibility for tourism and economic development could be handled directly by the CAO or as delegated to the Director of Public Services.
5. The Agricultural Fieldman should report directly due to his relationship to a board of Council and the specific responsibilities assigned to that role by the Province through the Agricultural Service Board Act, the Weed Control Act, the Agricultural Pests Act and the Soil Conservation Act. There is a fairly direct relationship required as well with Alberta Agriculture, individual farmers and other provincial departments (e.g. Alberta Environment, Alberta Transportation). The fact that there is also a direct relationship between that role and the members of Council add to the similarity that this position shares with the three department heads.
6. The Director of Public and Emergency Services has a full range of duties including: Planning, Development, Building Inspection Services, Bylaw Enforcement Services, Community Group Liaison (Special Events), FCSS, Recreation/Parks, and Fire and Emergency Services. These responsibilities are both significant and broad and directly impact the ability of the County to coordinate and direct their involvements in these functions. While some of these functions may be shared with the urban settlements or may be contracted out to the private sector, there are substantial dollars involved and significant implications for the decisions being made. The type of individual that would best fit this role may need to have a strong background in planning and development and an ability to

coordinate and relate to disciplines that are more specific to other functions, for example fire services.

7. The Director of Corporate Services is presently being filled on an interim basis through a contracted position. This is a significant responsibility and should be separated from the role of the CAO, who will not have the time to do justice to this function if he is adding the value to the County he could and should be in fulfilling the very important responsibilities of the Council's senior advisor and the manager of all staff resources and responsibilities. As the chief financial officer the Director will need to be on top of all financial decisions including the budget, internal controls, audit, accounts payable/receivable, as well as the ongoing reporting requirements to the CAO, department heads and Council.
8. The Director of Infrastructure Services is the third department head position that we are recommending. (Those reporting to this position should be referred to as "Superintendent"). The responsibilities of this department are also significant given the importance which Lamont places on the condition of its roadways and related infrastructure. These responsibilities include: Road Maintenance, Road Construction and Safety, Engineering Services (including GIS and surveying), Fleet Maintenance, Facility Management and Maintenance, and Utilities/Drainage.
9. With regard to Fire/Emergency services, the County needs to enhance its position with regard to the provision of fire services. At the moment the County's fire protection relies upon the coverage provided by the local fire departments (Towns and Villages) whose boundaries lie within that of the County. These services are provided by volunteer departments and the costs are shared with the County under an agreement that expired on May 21st 2004. This agreement is currently under review. According to the information provided by the County, its related costs include a \$9,000 grant to each of the five fire departments. The total fire fighting costs for 2003 were \$31,021.68 (which does not include the grant). Preliminary

discussions with the surrounding municipalities suggest that the proposed costs will rise significantly.

The County could gain value from having employing a Fire and Emergency Services Chief whose principal work would lie in ensuring that the residents of the County have adequate fire coverage for their properties. This may (or may not) necessitate a County volunteer crew, who could be used to supplement the work of the other departments.

A Fire and Emergency Services Chief could:

- Coordinate the work of the surrounding fire departments insofar as the requirements of Lamont County are concerned
- Respond to any concerns raised by residents relative to the County's response to fire protection
- Ensure that the County administration is aware of the long term capital requirements for fire fighting and suppression
- Encourage safe fire prevention practices on farms and in residential/commercial/industrial buildings
- Ensure the dissemination of any relevant information from the Fire Commissioner's office
- Provide the County with updated emergency measures information and assurance that emergency plans are kept updated
- Review any budget requests from the other volunteer departments and prepare the County's fire budget.

The Fire Chief could also be helpful in terms of ensuring that the County and its resources are being used effectively, given the amount of money the County has invested in new fire-fighting equipment.

A Council decision will be needed in this regard, and should be based on an independent review undertaken by the CAO. It is our understanding that Lamont County may be undertaking a comprehensive review of regionally- shared services (of which fire is but one) and thus this decision by the CAO may need to await that report.

SENIOR MANAGEMENT TEAM

As the Council has recognized, the organization cannot simply be run by one employee regardless of how gifted and multi-functional that person may be. To do so simply places too much burden and expectation on the one person while ignoring the fact that this is expected to be a management team approach.

If the County administration is to begin afresh, then a whole series of measures will need to be incorporated almost immediately. Many of these challenges will be placed on the CAO as the senior administrative individual and the person to whom Council will turn for advice.

The CAO will also need to be advised by people who he grows to respect for their abilities, education, experience in the County and capability as a senior manager.

We are thus recommending that the CAO work with his senior staff (referred to herein as the Senior Management Team). This group (as identified by the CAO) will be instrumental in helping the Lamont County in helping Council identify its key goals and priorities, addressing key systemic issues, working collegially on financial management issues, addressing the concerns of the auditor's reports and managing their departments in a collegial fashion.

The proposed new Senior Management Team (SMT) will have as its responsibilities:

- ❑ Meeting weekly with the Chief Administrative Officer
- ❑ Providing input on all departmental matters of a significant nature
- ❑ Sharing ideas amongst the group with regard to resource sharing and collaboration
- ❑ Developing new skills in the areas of policy development and fiscal planning
- ❑ Sharing information on new service concepts and issues
- ❑ Ensuring that all programs are coordinated with clear targets identified and information bases developed (or enhanced)
- ❑ Reviewing any reports which are intended to be presented to any commissions, committees or task forces
- ❑ Providing the Chief Administrative Officer with advice on these and any other matters referred to the SMT by the Chief Administrative Officer.

6.0 COUNCIL AND ADMINISTRATIVE EXPENSES

We have reviewed Council policy # 3101 as amended and suggest that the following key changes be made:

- **Honoraria:** (no other than an annual cost-of-living adjustment as per any administrative COLA change unless as recommended by a citizens' review committee established on a tri-annual basis just prior to the next municipal election)
- **Mileage:** As per policy at \$0.42 per kilometer as calculated from and back to place of residence for members of Council and from back and back to the County office(s) for the staff
- **Subsistence as per receipts or to a maximum of (including gratuity):**
 - Breakfast \$12.00
 - Lunch \$15.00
 - Dinner \$25.00
 - Any alcoholic beverages shall be at the cost of the Council member or employee and is not reimbursable
 - Meals shall only be charged for where the participation required travel during those hours or actual attendance at the convention or seminar (a copy of the event schedule should be filed with the expense claim)
- **Travel Expenses**
 - Mileage as per rate noted above and as amended from time to time by resolution of Council
 - Cost of air travel (economy class) at the actual cost of the ticket as receipted
 - Cost of taxi fare (as receipted or a maximum of \$10.00 per ride)
 - Costs for parking (as receipted or a maximum of \$10.00 per day)
 - Accommodation as receipted or a maximum of \$15.00 for private accommodation
 - Registration costs for Council-approved conventions and seminars
 - A \$20.00 per day allowance for gratuities and miscellaneous expenses

- **Adjustments**
 - The CAO will advise Council a maximum of once annually prior to the approval of the budget of any necessary adjustments to the foregoing based on his survey of like municipalities or any necessary adjustment based on the Edmonton and area COLA
- **Approvals**
 - The CAO will sign off on the expense claims of the administration, including department heads
 - The Reeve (or Deputy Reeve) will sign off on the expense claims of the CAO
 - The Reeve will sign off on the expense claims of the members of Council
 - The Deputy Reeve or a designate member of Council will sign off on the expense claims of the Reeve

7.0 WHAT CHANGES DO WE RECOMMEND

While we will follow this with a series of recommendations on all matters covered by our Report, a summary of the recommended areas for change include:

- A Council focused on making the right decisions which evidence fairness and impartiality for all residents of the County
- A Council who seeks to not only abide by the letter of the MGA but also by the intent of the Act in seeking to produce a level playing field for all citizens of the County (i.e. that decisions are not only right but are also seen to be right)
- A Council who makes decisions by resolution and not agreements behind closed doors or in the absence of good administrative advice
- A Council who seeks from its CAO the most comprehensive advice and best analysis possible prior to making a decision
- Meetings of Council that are properly prepared for by the administration with advice on each and every policy or business issue on the agenda before the agenda has been distributed to members of Council

- ❑ A Council and Chief Administrative Officer who ensure that they are adequately prepared for all meetings by being briefed in advance and by perusing those briefing materials made available
- ❑ A defined and clear role statement for the Reeve and for members of Council which can be referred to as necessary throughout the term of office
- ❑ A revised policy respecting allowable expenses to be charged by either the Council or administration while on County business
- ❑ A new Chief Administrative Officer who comes from outside the organization and in whom Council has placed its faith to manage the administration in a responsible fashion with the support of the Council and a commitment to non-interference
- ❑ An identified degree of accountability for the CAO commensurate with his responsibilities
- ❑ Protocols which guide how each role is to interface with the other so as to ensure effective communication and inhibit role confusion
- ❑ A comprehensive and timely orientation process for Council members following a general election (or by-election) which is appropriately balanced between providing the members of Council with a clear picture of their roles and ensuring that those governing have a broad understanding of what roles the administration performs
- ❑ A thorough orientation process for all new members of the administration within 48 hours of each new person coming on the payroll of the County
- ❑ Any necessary revisions to the procedural bylaw to incorporate the changes recommended herein
- ❑ Organizational meeting decisions accepted by all members of Council as being within the intent of the Municipal Government Act
- ❑ Rotation of members of Council to various committee appointments on a regular basis.

At the end of the day, the Council should sense that it has:

- A reasonable degree of comfort with its own role and its requirement to lead the organization rather than simply respond to the items placed before it by the Chief Administrative Officer and his administration

- A grasp of the “big picture” issues which need the leadership and guidance of the Council
- Recognition of the key day-to-day issues which, while likely the authority of the Chief Administrative Officer to take in hand, may benefit from the policy guidance and/or input of the Council
- Clear understanding that without a proper focus on policy the tendency to make decisions based on single (yet related) issues will continue to undermine the organization
- A sound understanding of how to utilize “governance-style” questions to effectively control the system while emphasizing the commitment of the Council to delegate administrative matters to the Chief Administrative Officer.

We see this being accomplished through several inter-related processes. These are:

ORIENTATION ON GOVERNANCE

- ❑ An extensive hands-on session on effective governance offered at a minimum on a tri-annual basis to all Council and committee members.
- ❑ Training on the respective roles of the Council and the Chief Administrative Officer.
- ❑ Orientation on the key issues facing the Lamont County on an annual basis by the Chief Administrative Officer (and the SMT)

CORPORATE STRATEGIC PLANNING

- ❑ An intensive process of establishing goals, objectives and prioritized issues based on the development of a vision for the organization and current key result areas (we offer as a suggestion that contact be made with Kneehill County relative to the excellent work that the Council and administration have done in setting out their goals, objectives and priorities)
- ❑ The involvement of the County ratepayers in reviewing current progress on any significant projects and priorities and in identifying new thrusts.

POLICY DEVELOPMENT

- ❑ Training for senior management in how to draft policy statements for Council review and approval.
- ❑ Advice to Council on its role in this process.

GOVERNANCE QUESTIONS

- Advice on what constitutes a “governance” kind of question vis-à-vis those which are focused more on procedures; establishing the distinction between steering the boat and rowing it.

EFFECTIVE COUNCIL MEETINGS

- Improved guidance to Council agendas through a process of determining the key governance issues and when they should appear on agendas; outlining the revised policies to come before the Council for approval; any matters arising from the committee meetings

PERFORMANCE ASSESSMENT OF THE CHIEF ADMINISTRATIVE OFFICER

- A revised format and Council process for the review of the Chief Administrative Officer.

PERFORMANCE ASSESSMENT OF COUNCIL

- A format and process for the review of the Council’s own performance and their objectives.

8.0 RECOMMENDATIONS

ACCEPTANCE AND ACTION ON THIS REPORT

1. We recommend that acceptance of this Report by Council “in principle”.
2. We recommend that Council set aside one special meeting to review all recommendations in this Report and make separate motions with regard to each recommendation or section of recommendations.

COUNCIL STRATEGIC BUSINESS PLAN

3. We recommend that a “Council Corporate Business Plan” be developed by Council with the assistance and cooperation of the administration. An external facilitator should be retained to assist with this critical and essential process. Such a plan should be developed within 60 days of the 2004 election.

COUNCIL LEADERSHIP

4. We recommend that Council ensure that an orientation is planned and scheduled for all Council members immediately following the 2004 municipal election (and every municipal election thereafter).
5. We recommend that Council direct the administration to share Appendix B “Roles and Responsibilities” with those people picking up nomination papers for the October municipal election.
6. We recommend that Council direct the administration through the CAO by policies, resolutions and bylaws and not by way of comments by individual members of Council.
7. We recommend that Council ensure that it act always in ways that it perceives would be of benefit to the residents of the County as a whole.

MEETINGS OF COUNCIL

8. We recommend that Council develop a Council Protocol that outlines how members of Council will treat each other while in public office.
9. We recommend that Council agree to a Council-CAO Covenant which outlines how Council members will treat the CAO and how the CAO will treat members of Council.

10. We recommend that the CAO review the current Procedural Bylaw and agenda process and ensure that both are consistent with a strong governance approach for Council.

CONFLICT OF INTEREST

11. We recommend that the 2004-07 Council bring in experienced legal counsel to brief all members of County Council on potential areas of conflict of interest and on a code of conduct for members of Council.
12. We recommend that any member of Council who believes that he/she is (or may be) in a conflict of interest situation request the CAO to advise Council on the situation and refrain from voting on the issue(s) if his/her personal legal counsel or counsel on behalf of the County perceives that a conflict of interest as described in the MGA exists.
13. We recommend that all members of Council abide by the legislation in not seeking any external legal, audit or consulting counsel without the express Consent of the Council as expressed in a resolution of Council; and that all such requests be directed to external legal counsel by the Reeve or by the CAO acting on behalf of Council.

REVIEW OF POLICIES/DEVELOPMENT OF NEW POLICIES

14. We recommend that Council and the CAO review the current policy framework; identify what current policies may exist that are not incorporated into the current policy manual; eliminate non-policy issues from the Manual; and prepare a process of soliciting the input of the administration into a comprehensive review.
15. We recommend that Council direct the development of any new policies it feels are not within the current policy bank and that the CAO on behalf of the administration bring forward new policies on an ongoing, as needed basis.
16. We recommend that the CAO ensure that all policies are followed unless any prior approval to change policies has been granted by Council by resolution.

POLICY AFFECTING THE REIMBURSEMENT OF EXPENSES

17. We recommend approval to the recommended changes (as identified in this Report) to the current policy respecting reimbursement for expenses incurred by members of Council and the administration while on the business of the County.

HUMAN RESOURCES

18. We recommend that the Director of Corporate Services be assigned principal responsibility for this function and that:
 - a. An external firm with experience in this area be retained to undertake a comprehensive review of personnel policies and the compensation structure
 - b. All position descriptions be reviewed and updated as necessary in the context of the organization structure contained herein being approved
 - c. New policies be drafted regarding recruitment, retention, succession planning, and on call
 - d. A comprehensive staff training plan be developed and brought forward for review by the CAO who will, in turn, present the same to Council in the context of the annual operating budget
 - e. A comprehensive staff orientation program be developed
 - f. All positions, where applicable, be provided with sufficient orientation to one other position so as to assure the County of adequate back-up
 - g. Ensure that all benefits are being applied in a fair and consistent manner
19. We recommend that the CAO develop a policy with regard to the County's grievance process and the establishment of a grievance committee.

CHIEF ADMINISTRATIVE OFFICER

20. We recommend that Council provide the CAO with at least an annual review of his performance as close to the latter's anniversary date of employment as possible.
21. We recommend that members of Council ensure that any direction to the CAO be provided at a Council meeting by resolution or bylaw and that members of Council agree to support the CAO in his efforts to guide the administration effectively within that direction.
22. We recommend that the CAO hold regular meetings with his senior staff on a weekly basis; with the employees of the County on a bi-monthly basis (or more frequently as the need arises), and ensure that the department heads are meeting formally with their staff at least bi-weekly.

23. We recommend that the CAO direct the agenda building process so that Council is presented with all of the relevant information it requires to make good decisions.
24. We recommend that the CAO ensure that each issue being presented to the Council (whether by the CAO and his staff or by those external to the organization) be accompanied by a “Request for Decision” which clearly outlines the advice of the CAO on the issue.
25. We recommend that the CAO ensure that all minutes of meetings of Council are faithfully and accurately recorded and that minutes of all committee and board meetings at which the County appoints the recording secretary are also similarly recorded.
26. We recommend that the CAO develop a comprehensive staff training plan and policy.
27. We recommend that the CAO develop an orientation process and package of information for all members of the administration.
28. We recommend that the CAO stress the need for accountability of actions by all members of the administration.

INFRASTRUCTURE PRIORITIES

29. We recommend that Council develop a 3-5 year “road paving and capital improvements plan” with the advice of external engineering consultants based on criteria to which members of Council and administration have provided input.
30. We recommend that Council request from the CAO his advice regarding any annual updates to the “road paving and capital improvements plan” by September 30th of the year preceding the planned work; and ensure that these projects are publicized in the available local media in the 30 days prior to any resolution by Council to have them included in the annual paving program; and that any changes to the proposed paving program not be considered until they have been reviewed by the administration to ensure that the consideration of such roads and capital projects are of general benefit to residents of the County.

ORGANIZATION STRUCTURE AND RESOURCES

31. We recommend that the Council endorse the functional and position organizational charts as provided in the Appendix of this report.
32. We recommend that the CAO provide Council with the proposed impact on the annual operating budget, the potential impact on taxes, and his recommended approach to recruiting to any proposed positions and that Council endorse the advice of the CAO in this matter.
33. We recommend that the County request the CAO to review the County's need for a Fire and Emergency Services Chief and volunteer Fire Department.
34. We recommend that the Agricultural Fieldman report direct to the CAO for operational direction and provide advice to the ASB on policy issues. We recommend that the Agricultural Fieldman ensure that any such advice that is to be presented to the ASB be first provided to the CAO for his input.

FINANCIAL POLICIES AND PRACTICES

35. We recommend that the CAO ensure that long-term plans and goals for the financing of operational and capital expenditures be established.
36. We recommend that the CAO recommend to Council policies on the use of reserve accounts.
37. We recommend that financial reports become focused on the exceptions to approved financial plans and budgets.
38. We recommend that the CAO recommend forward to Council a policy that provides for:
 - Monthly reporting process to administration
 - Quarterly reporting process to Council
 - Reporting to include variance analysis
39. We recommend that the CAO recommend to Council a new quarterly reporting format which includes at minimum the following:
 - Revenue and expense comparison to budget and variance explanations
 - Reserve opening/ closing balances and transfers to and from
 - Capital projects listing, progress to date and status compared to budget

- Investments schedule outlining the investment, institutions, rates and maturity dates
 - Additional information as from time to time appraises Council of financial information such as property tax collection rates etc.
40. We recommend that the CAO ensure the development of monthly financial reporting to department heads to ensure that they are able to monitor and control operating and capital expenditures.
41. We recommend that the CAO develop and recommend to Council a policy that establishes a clear-cut formal budget process and timelines for that process.
42. We recommend that the CAO review the County's existing reserves to determine the need for and purpose of each reserve and to recommend for Council's approval policies specific to each reserve that sets out the following:
- Reserve name
 - Operating or Capital
 - Sources of Funding to increase the reserve
 - Approved applications for the use of the reserve
 - Plan Ceiling – where required
 - Whether a separate bank account is required
 - Whether the reserve earns interest or not
 - A ten year plan for the Source and Use of funding
43. We recommend that the CAO recommend to Council a policy that sets aside monies annually in reserve for the replacement of all vehicles and equipment.
44. We recommend that Council consider allocating the accumulated surplus to reserves for specific purposes.
45. We recommend that audit services be put to tender with an increased level of services required.
46. We recommend that the CAO develop a Performance Measurement System based on the development of long-term plan, such as the following and as noted elsewhere in this report:
- Equipment Replacement Plan
 - Offices Systems Replacement Plan

- Capital Program with funding
 - Financial Reserves 10 year Plan
47. We recommend that long-term plans should include estimates of amounts to be set aside in reserves to ensure that funds are available when replacements are required, not dissimilar to amortization in the private sector.
48. We recommend that the following financial policies be reviewed:
- Cheque signing policy.
 - The payroll register
 - Signing of accounts
 - Investment policy
 - Cash management policy
49. We recommend that a policy be drafted for Council's approval regarding the tendering of assessment services.
50. We recommend that a monthly property tax payment plan be implemented to enhance customer payment options.
51. We recommend that the County implement by policy a Business Planning Cycle.

INFORMATION TECHNOLOGY

52. We recommend that the organization develop a Computer Replacement Plan that identifies IT hardware and software with annual contributions to reserve for replacements.
53. We recommend that the organization develop an IT Policy Handbook which includes: computer usage rules; how data is handled; a Disaster Recovery Plan (to ensure that the County may continue to meet its payroll, payables and other processing requirements should a disaster strike); identifies mission critical processes; identifies offsite location for software; identifies hardware access.
54. We recommend that the County Website be redeveloped.
55. We recommend that the financial application software be enhanced. It requires a security level review.
56. We recommend that the organization review the implementation of E-commerce applications.
57. We recommend that a Fleet Maintenance Program be implemented.

58. The current server should be updated given added loads (e.g. Great Plains Accounting) and the need to update the current operating system. As well, the current approach to a firewall should also be re-assessed given improvements in this regard and reduced costs. A new Virus protection program also needs to be installed.
59. We recommend that the administration continue work on developing a customized solution to managing weed control.

OPERATIONAL POLICIES AND PRACTICES

60. We recommend that a written assessment process be used to determine whether or not roads previously scheduled for re-gravelling still in fact require it.
61. We recommend that long term planning for project sequences through the summer and fall months be required from staff, with the aim of increasing efficiencies and reducing costs.
62. We recommend that the selection of gravel road projects be scheduled at least 5 years in advance, with larger projects being undertaken each year to reduce the cost per mile on projects.
63. We recommend that Council review and develop policies on the construction and maintenance of gravel and paved roads in light of the changing use of roads, where compact cars and B-trains can originate from the same farmyard.
64. We recommend that, In order to maintain lower costs and protect the County from escalating gravel costs in the Edmonton region, Council ensure a long-term supply of gravel (40 years as a minimum) through long-term contracts/leases or ownership of gravel resources.
65. We recommend that Council change current service policies on clearing snow from roads, where residents may not be able to travel for up to 3 days, and target services that provide for movement of traffic within 24 hours.
66. We recommend that additional staffing provided to fleet maintenance functions consist of a specially qualified clerical support position.
67. We recommend that Council reinforce the organization's emphasis on safety by undertaking a review of safety policies, and the level to which the organization has responded to those policies.

APPENDIX A: THE PRINCIPLES OF GOVERNANCE

- **Note: The basis of this information is derived from articles and a book by this same author on these concepts.**

A sound governance/administrative model encompasses a wide range of issues and systems. In order to function as intended, however, it must accept and closely follow certain basic principles. These include:

PRINCIPLE #1 CLARITY OF MANDATE

Effective governance and administration requires the presence of a clearly established mandate. Thus, the mandate of the Council to be ultimately responsible for the direction and actions of the Lamont County's business must be clearly understood. In turn, there must also be a clear definition of what authority is to be delegated to any committees of Council.

Further, the powers of the Reeve and the mandate of that key position must also be clear if that authority is to be exercised with real effectiveness.

Similarly, this principle should be applied to the management of the Lamont County. While we need to emphasize the leadership roles of the Reeve and Council members, the supporting role of the Chief Administrative Officer and the rest of the administration must also be stated with clarity and be based on principles which guard their professionalism and independence.

PRINCIPLE #2 CLARITY OF AUTHORITY

In addition to understanding the mandate of the General Council, Executive Committee, Reeve, commissions and Chief Administrative Officer, the degree of authority of each of those roles must also be made clear. This authority has, in part, been conveyed by the Constitution and bylaws and has been supplemented by the Lamont County policies.

The authority of the Council to set and/or revise policy should be clearly outlined. The role of the Reeve, any commissions or advisory committees and the administration to advise on those policies and to carry them out should also be conveyed with clarity. Key areas requiring clarification for management include:

- ❑ Power to hire or release management employees
- ❑ Power to require work to be done; policies and resolutions to be carried out
- ❑ Power to delegate
- ❑ Power to approve expenditures and to what levels
- ❑ Power to alter a Council-approved budget
- ❑ Power to appoint people to committees, and for what term
- ❑ Power to change the reporting relationships of departments or to alter the structure.

PRINCIPLE # 3 COUNCIL ACCOUNTABILITY AND RESPONSIVENESS

There is an inherent requirement on a body such as Lamont County to ensure that it is accountable to its residents on a regular basis.

Further, the fact that there should always be some sense of accountability by the Chief Administrative Officer and his staff to the Council. Such reporting provides a regular means of advising the Council as to its goals, objectives and strategies and, subsequently, a report on how effectively those targets have been met.

PRINCIPLE #4 CLEAR SENSE OF PURPOSE

A clear sense of direction is required by any organization wishing to understand its purpose and objectives and to be accountable for achieving its targets. This process, often referred to as corporate or strategic planning, needs to involve not only the Council and the administration, but also input from the public or those sectors of the public deemed to be most impacted by the future direction of the Lamont County.

The key outcome should be a Council-endorsed plan, which reflects a commitment to certain short term and long-range targets. These should be stated clearly and, where appropriate, include measurement criteria. Such a plan, in order to be effective, needs to not only address the lofty aims of the Lamont County but should also outline with considerable specificity what objectives are to be attained and when. Further, any plan which hopes to be more than rhetoric has to point out specific responsibilities and a realistic timeline so as to ensure appropriate action.

PRINCIPLE #5 FULL DISCLOSURE

A basic principle of sound governance is access by the governing body (i.e. Council) to the necessary information which it must have in order to make informed decisions. This

is one of the components of a sound decision-making process and is central to the level of confidence exhibited between the Council and its Chief Administrative Officer.

Thus, the Council should be provided with:

- ❑ Ongoing advice on the stated goals and targets of the Council
- ❑ The best options available to resolve any business matter placed before the Council or one of its standing committees
- ❑ Updated reports on the handling of key issues
- ❑ Current, comprehensive and understandable advice on the fiscal health of the organization
- ❑ Status reports on any significant matter referred to the solicitors for action
- ❑ A report on any significant matter wherein the employment standards or security of the Lamont County may have been breached.

PRINCIPLE #6 SENSE OF INTEGRATION

One of the basic principles of a sound system is the notion that, given the fact that the Lamont County has limited resources and is relying upon the community to provide their funding, there needs to be appropriate recognition of the need for all component elements of Lamont County to work in a cooperative, collegial manner.

The Lamont County is a significant organization. It is involved with many issues and “businesses”. It has the very real potential of reflecting and integrated approach to its mandate or else confusion in purpose given its breadth of scope. An important principle of sound governance is that the corporation (and its associated entities) must all be viewed as operating from the same page. That is, each must be clear as to key functions, accountability, reporting relationships, use of resources, achievement and reporting of results.

This notion implies that someone, generally the Council as the governing body and its Chief Administrative Officer, are responsible for setting the tone and modeling a real sense of integration. This should result in a broadly based approach to linkages with others in the mix (or at least a sincere and ongoing effort to engage each player). Further, the Council and its Chief Administrative Officer needs to encourage a high degree of sharing of information and resources so as to avoid the misuse of resources in an environment focused on results.

**PRINCIPLE #7 SOUND RELATIONSHIPS BETWEEN THE GOVERNING BODY AND
THE CHIEF ADMINISTRATIVE OFFICER**

The relationship of Council and the Reeve to the Chief Administrative Officer is critical to how well the overall system is run. This relationship must reflect:

- ❑ A clear understanding of the role of each player in the process
- ❑ A respect for the mandate and authority of each other
- ❑ Trust in commitments made
- ❑ Confidence in the word of each other including the ability to handle confidential information appropriately
- ❑ A sincere desire by the administration to help the governing body fulfill its mandate
- ❑ A willingness to implement decisions of the governing body promptly even when those decisions do not reflect the advice of the administration
- ❑ A recognition by the governing body of the professionalism of the administration and its ability to get the job done within the constraints established by Council policy
- ❑ Full disclosure of necessary information to the Council which enables the Council to make clear decisions
- ❑ Non-interference in allowing the Chief Administrative Officer to undertake the administrative tasks.

PRINCIPLE #8 INDEPENDENCE OF THE GOVERNING BODY

While the Council may receive input from a wide variety of sources, the act of governing is its clear and sole responsibility. And while the Council may decide to delegate certain of its responsibilities to a committee, the onus is still clearly on the Council to ensure that the organization is being governed appropriately. Thus, the policies and resolutions of the Council are the mechanisms used to bring about a certain action or course of direction.

This implies a degree of independence being exercised by the Council. It must have the authority to seek alternate sources of input; to meet privately with independent advisors; to call in specialists from time to time to examine a certain matter; to be briefed by the auditor on the financial status of the Lamont County; etc.

The Council should not feel constrained in any way in terms of exerting this degree of independence. Similarly, if the system is functioning as it should, the administration should be comfortable supporting this approach.

PRINCIPLE #9 ORIENTATION AND SUCCESSION PLANNING

This principle reflects two related and necessary components of sound governance. At the outset of any Council term, its new members should receive a thorough briefing as to expected roles, relationships, powers, key issues, an overview of the operations and mandate of the Lamont County, etc. The importance of this issue of orientation has been outlined earlier in our Report.

Similarly, the Council as the governing body, should also be aware of the need for planned continuance. This requires it to develop a succession plan regarding its own turnover of members as well as in the event of the departure of its Chief Administrative Officer and other key personnel.

PRINCIPLE #10 ONGOING PERFORMANCE ASSESSMENT

Any system or model of governance (and administration) must include a mechanism or process to ensure that the organization is performing as anticipated and, if not, that corrective steps are being taken. While it may be difficult for any governing body to conduct a self-assessment, it is not impossible nor all that unusual. This Council could and should utilize a written evaluative format at least once annually to serve as a “health check-up”.

Further, the Council could commission independent reviews (such as this one) from time to time to ensure that the system is functioning as intended and to obtain an outside perspective on the challenges facing the organization. This type of analysis is often “easier” for an external body to do given their access to a broader range of contacts and a differing range of expertise. In part, this is at least partially accomplished through the role of the external auditor whose mandate it is to examine the financial system for inadequacies and needed improvements and to work with the administration to achieve required upgrades.

Such an overall assessment should monitor and report on the:

- ❑ Understanding of the Council’s mandate and authority
- ❑ Role and effectiveness of the office of Reeve

- ❑ Role and effectiveness of the Chief Administrative Officer
- ❑ Risk management plans and coverage
- ❑ Business plans and the adherence to the approved budget targets.

APPENDIX B: ROLES AND RESPONSIBILITIES

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 but left to each elected council who is attempting to act in the best interests of the people it serves. There are, however, some basic principles that do apply to all municipalities and these, we describe throughout this Report.

It is our view that, in order to fully appreciate what changes we feel are necessary to improve various aspects of how the County's functions, a description of key roles and responsibilities is required.

Council as One Unit

Regardless of council's own strengths and weaknesses, it is absolutely fundamental that it provide leadership to the County and to the administration through the establishment of appropriate policies and its unwavering support for decisions once they have been made. This council will be viewed as effective to the extent that it:

- ❑ views itself as one single entity
- ❑ does not capitulate on decisions to individual members but which maintains its focus on the directions which are supported by the majority
- ❑ acts as a group rather than a series of nine individuals
- ❑ seeks to understand issues fully prior to making a decision
- ❑ agrees to involve the public in advance on issues of considerable importance

- seeks the input of the CAO on any and all issues of significance; and
- strives to hear the minority views prior to making a decision which clearly reflects a majority view.

It is not intended by legislation nor by this document that council members should forsake their individual viewpoints in order to be viewed as a “board of directors.” Indeed, we would expect councillors to, at times, disagree quite strongly on particular issues or policy changes. This independence of thought and speech should always prevail. Rather, we see the need for councillors to be able to articulate their individual views prior to a decision being made although, once made, to not undermine the democratic will of council.

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.

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.

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 the opinions and input gathered from all quarters of the County and not over-emphasize that from a particular vested interest or from a specific area.

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 that are subsequently adopted by council as a whole for its consideration.

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 that the council initially intended.

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 subsection of the Act indicates that each member is “expected” to participate in meetings that, 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 other staff available at a council meeting) where there are unresolved issues that 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 participation as a member of committees to which he 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/her 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 and not for a particular group.

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.

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 County; legal advice provided by the County’s solicitor to the County council; and labour relations or personnel matters. If the council has any questions relative to such issues, then a call to the County’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 that role in seeing to it that such decisions are followed through promptly and effectively.

Further, it is worthy to 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.

Role of the Reeve

The Reeve is recognized in legislation as the chief elected official of the municipality. This position is an important one to single out because of the significant influence the person holding this position can exercise. Much of what follows is based on earlier work done by this author across Canada and draws from a wide array of experience in situations quite similar to that found in the County.

The Reeve has considerable power, albeit largely informal, and can exercise this influence in a positive manner with regard to 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 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 the use of this power and exercise it for the good of the community as a whole.

The Reeve should be able to chair meetings of council without attempting to be the only voice heard at the table. The public has a right to hear what all members think on a particular issue (if they care to voice such an opinion) without being interrupted or pre-empted by the Reeve. The council should afford the Reeve the opportunity to comment on matters at the conclusion of the debate and the Reeve should be careful not to over-extend this privilege.

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 appropriate direction.

Chief Elected Official

The Municipal Government Act describes the Reeve as the chief elected official. As such, the Reeve is expected to preside at all meetings of council whenever he 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 the positive thrust of it maximized.

The Legislated Role

Section 154 (1)

- “A chief elected official, in addition to performing the duties of a councillor, must
- preside when in attendance at a council meeting unless a bylaw provides that another councillor or other person is to preside, and
 - perform any other duty imposed on a chief elected official by this or any other enactment or bylaw”.

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 CAO. 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 municipal 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 may feel more "at home" with the daily operation of the municipality. Others, due to a corporate

background or prior involvement with a governance board, 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 the day-to-day work of the staff.

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 Municipal Manager;
- 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 public and perhaps also the media at meetings of council.

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 council members, the personalities of councillors, and the issues to be determined at that meeting. He needs to be comfortable with the authority and esteem associated with his office.

The Reeve needs to be well-briefed by the CAO with regard to each business matter on the agenda of every council meeting. 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 and/or reaction will be expected. A thorough discussion

of these issues should be held between the Reeve and CAO prior to the meeting itself possibly the Friday morning or afternoon prior to the meeting next week.

(b) *Consensus Seeker*

Albeit not particularly well understood, the chief elected official is the most logical person to act as the conciliator for all of council and that person most likely to find any common ground between sometimes polar opposite points of view. The Reeve should attempt to draw the views of his colleagues together and to point out a reasonable compromise if one exists. The Reeve needs to retain his impartiality on the issues until the issue has been presented to council and until it is appropriate for the Reeve to voice his personal views on the issue. While the Reeve is not expected to compromise his principles, most issues contain 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*

Although the role of a Reeve is to be the political leader of the council, it is also often the case that both the council and administration expects the Reeve to provide a linkage between the legislative and administrative arms of government.

In part due to his 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. The Reeve needs to be able to advise the CAO as to his 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 actions do not lead the rest of the organization to conclude that he is the administrator. The Reeve, like all members of council needs to defer to the CAO on administrative and operational 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 is to other members of staff other than the CAO.

(d) Advisor to Council

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

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 colleagues on council as early as is possible and realistic. Otherwise, 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 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. The role of the Reeve must be that of a liaison rather than that of advocate and this should 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 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. Discussions on an administrative level should, on the other hand, be carried out by the CAO.

Some Additional Thoughts

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 County and to be capable of taking charge of the issues.

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 CAO 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 expects his council to want to work together under his leadership. Thus, the Reeve and the CAO will need to establish a mechanism that ensures that all members of council are equally and concurrently advised of the issues as they develop.

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 CAO whose job it is to ensure items that require the direction and resolution of council are placed before council in a comprehensive yet expedient fashion.

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 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.

Role of the Chief Administrative Officer

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 other staff report. The role is also central to council in that the CAO is expected to be the principal policy advisor to 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. Otherwise, decisions which would, as a matter of course, be made by the CAO begin to flow upward to council which begins to

become involved in a level of decision-making normally the purview of the administration.

It is our view that the CAO should:

- ❑ take forward to council any issues which he/she is not familiar with and which is not a matter which is subject to a current council policy or bylaw
- ❑ provide his/her advice to council in written form relative to any such issue, clearly outlining the key elements of the issue and including her recommendation as to the appropriate action by the council
- ❑ hearing the concerns of the residents and advising council as to the essence of any concerns and what he/she has been doing about them
- ❑ ensure that the services of the organization are clearly defined and are in concert with the expectations of the residents
- ❑ create position descriptions which reflect actual and current duties to be provided by each of the personnel
- ❑ empower staff to take action on their areas of responsibility
- ❑ provide 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; provide confidential performance feedback to staff on an annual basis
- ❑ coordinate the efforts of the staff through regular (preferably at least once bi-weekly) meetings
- ❑ encourage ongoing and relevant training for staff; advise council which courses are available and which are applicable and appropriate to which member of staff
- ❑ ensure that the compensation plan and personnel policies are appropriate and fair for all employees.

We have studied this relationship in over 300 municipalities across Canada. It is apparent to us that there must be mutual confidence between the council and the CAO or this system simply does not work very well. This confidence is based on a clear understanding of roles; a desire by both parties to not interfere unduly in the role of the other; and a belief that the CAO can competently fulfill all of the key aspects of the position.

Legislated Requirements of the CAO

The basis of the role of a CAO should flow from the following documents:

- ◆ the Municipal Government Act, Sections 207 and 208 particularly
- ◆ the bylaw of Council used to appoint this position
- ◆ the position description of the CAO which should be appended to the bylaw
- ◆ the contract between the Council and their Chief Administrative Officer.

The authority of a CAO is as delegated through bylaw and as specified in the MGA.

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.

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).

Relationship To Council as a Whole

It needs to be made clear that the role of a CAO is set out in legislation as being subservient to the council as a whole. These respective roles are important to note because both the CAO and members of council can presume that the CAO and Reeve will begin to establish a particularly close relationship due in large measure to their more

frequent contact in the office. Thus, it is clear in the legislation that while the CAO may receive guidance by the Reeve, this should only be as per the policy direction of the council and not simply what the Reeve thinks the council may decide to do. Unfortunately, the notion that the CAO will meet more frequently with the Reeve due to the ongoing need for coordination of the administrative and political agenda is sometimes mistaken as direction to the CAO to assume that the primary relationship is to be with the chief elected official.

If the CAO is to be accountable to council as a whole, then 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 a councillor is contacted by the public on a particular matter requiring clarification of an existing policy, the councillor should refer the matter to 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 (or her) request, directly to the ratepayer. 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 important 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.

APPENDIX C: DEPARTMENT HEAD SUPERVISORY RESPONSIBILITIES

(Sample Format)

- Participate in the development of Lamont County corporate business plans, including goals and priorities. Provide input to the Chief Administrative Officer and, through that position, to the Council.
- Guide the development of departmental business plans within the framework and policies of the corporate business plan.
- Guide the preparation of the annual and long-term operating and capital budgets.

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- Plan and execute measures for the most effective utilization of departmental personnel, physical facilities, equipment and supplies.
- Prepare and submit for approval the departmental budget.
- Act as the primary communication linkage to departmental employees relative to departmental and organizational (corporate) goals, objectives, plans and priorities.
- Assist with the formulation and effective discharge of departmental procedures and policies in a manner directed towards the achievement of overall Lamont County objectives.
- Maintain responsibility for departmental personnel matters, including selection, training, supervision, evaluation, scheduling and dismissal of personnel, within existing personnel policies and applicable legislation. Provide input to the Chief Administrative Officer.
- Act as a role model and mentor for the departmental staff and staff of other departments with whom he/she has contact. Provide effective coaching on expected performance and guides direct reports in fulfilling their position expectations.
- Provides advice and input to other department heads and staff in order to maximize the use of shared resources.
- Represents the Lamont County as requested (and as authorized by the Chief Administrative Officer) in such a way as to ensure that the key messages of the organization are being conveyed on behalf of all members and employees.
- Acts as the key advisor to the Chief Administrative Officer on all matters affecting the operation of this department. Carries out all other responsibilities as assigned to this position by the approved position description.

APPENDIX D: COUNTY SERVICES

AN OVERVIEW OF COUNTY SERVICES

As a part of our work for the County, we requested an outline of the service areas that the County is involved in so that we had a better understanding from the County's perspective of what functions are important and those that need to be embraced within the County structure. What follows reflects the information we received from the County's administration:

□ Agricultural Services

Weed Inspection/Control

Seasonal employee is hired in the spring of each year. The Program is in place from beginning of May to end of August in each year. The cost to the municipality is \$9,754.00. These services are not cost-shared with other municipalities.

Pesticide Applicator

Seasonal employee is hired in the spring of each year. The program is in place from beginning of May to end of August. The County budgets approximately \$85,000. These services are not cost-shared with other municipalities

Corner Brushing & Hydroaxing, Weed Control

These services are provided by ASB employees. Information on areas that require corner brushing/hydroaxing/weed control is gathered from Councillors and grader operators. The cost to the municipality is \$30,000 (2004 budget). These services are not cost-shared with other municipalities.

Alberta Environmentally Sustainable Agriculture (AESA)

This service is provided by an AESA Technician at a budget which is funded by grants. The County pays half the cell phone and laptop costs. This is a joint service with the County of Beaver.

Other:

Equipment rentals; Roadside seeding; Problem wildlife (coyote/gophers); Grasshopper control; farm Beautification & Trees - includes Farm Beautification Tour, Shelterbelt Tree Distribution; ASB Custom Work; Strychnine Distribution

□ **Ambulance Services**

This service is provided by Medicare Ambulance Services Inc. There is an agreement in place. The current cost to the County is \$54,000 (per capita requisition of \$12.38). Medicare provides ambulance service to all areas of the County except the Town of Mundare. Note: The Province will be taking over ambulance services on April 1, 2005.

□ **Animal Control**

No animal control services provided, i.e. no dog-catching services

□ **Bylaw Enforcement**

A Special Constable has been appointed with an annual Budget of approximately 20,000.

□ **Cemetery**

No specific cemetery services. Some minor projects as may arise.

□ **Community Adult Learning Council**

Lamont County has entered into a Legal Host Agreement for this service - no term. The contractor is the CALC Coordinator; CALC Council is in place. Cost to the municipality - reduced rent, percentage of telephone charges. Salary is paid through Alberta Learning.

□ **Economic Development**

This service is provided by Lamont County with two employees sharing this responsibility-one doing largely community economic development while the other has been focused on major projects. A Regional Partnership Grant received from Municipal Affairs in 2003 (\$75,000) for the two-part "exploration" program: Economic Development and Regional Services. The Economic Development "exploration" component is complete, and all town and villages have agreed to participate in Lamont Economic Alliance Partnership (LEAP).

Total LEAP Budget is \$30,200. Split with the towns and villages based on assessment - the County will be paying 77% (\$23,254). Municipal Affairs has approved reallocation of budget monies unspent in the economic development component for further exploration under the regional services area.

□ **Emergency Services**

○ **Municipal Emergency Program**

The County Manager is the Director of Emergency Programs. The County works with Disaster Services Division, St. Paul. A Municipal Emergency Hand Book is in place. There is no specific agreement in place. There is also no cost to the municipality.

○ **911**

This service is provided by Telus through the Strathcona County Emergency Services Dept. There is an agreement for services - no specific term. The cost to the municipality is \$118.57 (for County phones). All municipalities except Chipman have access to 911 services.

□ **FCSS**

This program is new in 2004. This service is provided through the FCSS Board. There is an agreement for services:

- a) April 1 - December 31, 2004 with Children's Services
- b) Agreement with Mundare and Chipman to set up an FCSS Board, hire a Program Coordinator, etc.
- c) Agreements being formulated with non-participating municipalities to give them a portion of County money to provide FCSS services to rural ratepayers. The contractor is TBA. The cost to the municipality is \$17,250 for 2004, with provincial grant funding of \$69,902. For a full year, the cost will be \$23,000.

□ **Fire Protection**

This service is provided by Town & Village Volunteer Fire Depts. There is an agreement for services. The agreement expired May 21, 2004. Currently negotiating new agreement. The cost to the municipality was \$9,000 grant per fire department (5). The total fire fighting costs for 2003 were \$31,021.68 - not including the grant. These services are cost-shared with the following municipalities - all in County.

□ **Garbage Pick-Up**

The Town of Mundare provides garbage pick up services for the Hamlet of Hilliard. There is no written agreement for services. The cost to the municipality is \$174/month.

□ **Library**

This service is provided by the Towns and Villages. There is no written agreement for services. The cost to the municipality was \$4,364 in 2003:

Andrew	224	x	4	\$ 896.00
Bruderheim	109	x	4	\$ 436.00
Lamont + Chipman	614	x	4	\$ 2,456.00
Mundare	144	x	4	<u>\$ 576.00</u>
				\$ 4,364.00

□ **Parks**

The provision of parks services is provided by the towns and villages albeit there is no agreement for such services. The County has installed a park around the County Office (2001). There is a verbal grass cutting agreement with the Town of Lamont that it will cut all grass in south portion at no cost. The County custodian has a contract to cut the front and side grass.

□ **Policing**

This service is provided by the R.C.M.P. (4 detachments - Fort Saskatchewan for west area, Tofield for south of Hwy 16, Vegreville for Mundare and Two Hills for Andrew & area). There is no agreement for services. The municipality has contributed \$1,000 to Two Hills to assist with administrative costs.

□ **Public Works**

Dust Control

Cost to ratepayer for dust control by residence is \$425.00 for 400' strip of dust control (Policy 5101).

Gravel Sales

The County sells crushed gravel (\$8/cu.yd) and pit run (\$2/cu.yd) to ratepayers (Policy 5102)

Road Construction

Road construction is a service provided by the County utilizing its own equipment and personnel. The cost to the municipality is the purchase price of equipment, operating costs, wages to personnel, engineering, and surveying. Along with right-of-ways, land

disturbance payments to landowners, miscellaneous cost such as fencing, culverts, and equipment rentals (2003 costs \$641,306.91). These services are not cost shared with any municipalities. Major road widening/upgrade projects are contracted out and are on a cost share basis with various provincial/federal grant programs. The road construction budget for 2004 for Twp Rd 580 is \$1,660,000 (\$1m from province)

Road Maintenance

The cost to the municipality is \$574,004 (2004 budget), includes the following:

- dust control (\$100,000)
- gravel crushing (\$200,000)
- culverts & bridge materials (\$225,000)
- road signs - repair and maintenance (\$5,000)

Snowplowing/Grading of Driveways

Ratepayer signs approval agreement. Flag system - cost to ratepayer is \$25 for one snowplow/grading of driveway (road to residence).

Water Supply

This service is provided by Lamont County Public Works. Lamont County holds the approval from Alberta Environment to supply potable water to the Hamlet of St. Michael. There is an agreement for services. Upgrading of the water treatment facilities and placement of new water well in 2003 was funded 75% by Alberta Transportation and remainder of the cost to be funded by the St. Michael Water Co-op. The cost to the municipality is daily operation of the water treatment plant. The Hamlet of Hillard does not have a water distribution system but they have access to water reservoir statuary, which has a truck and bucket fill. The cost to the municipality is the daily monitoring of the water system. There is also a new water loading station located by St. Michael. These services are not cost shared with any municipalities.

□ Recreation

This service is provided by the Towns and Villages. There is no agreement for services. The cost to the municipality was \$10,910 in 2003:

Andrew	224	x	10	\$ 2,240.00
Bruderheim	109	x	10	\$ 1,090.00
Lamont	614	x	10	\$ 6,140.00

Mundare	144	x	10	<u>\$ 1,440.00</u>
				\$10,910.00

Note: The recreation item is under review. Under the Regional Partnership Grant program we have \$43,400 allocated to review "Regional Services".

Also Note: The County receives \$8,000 every year from the Alberta Special Recreation Parks & Wildlife Foundation for the Drahomanow Society, a park/campground south of Mundare. This money is forwarded directly to the Drahomanow Society.

□ **Sewage Disposal**

The sewage lagoon on NW 7-56-18-W4 is operated and owned by the Landfill Commission. The lagoon will be closing on January 1, 2005. The County is negotiating to purchase 2.47 acres of land on NW 7-56-18-W4 to construct a new sewage lagoon - looking at cost recovery from area residents. Provincial funding is available for the lagoon facility at 75:25 split.

□ **Solid Waste Disposal**

This service is provided by the Regional Solid Waste Commission. There is an agreement between all municipalities in the County. The cost to the municipality is \$56,900 - 2004 requisition. These services are cost-shared with the following municipalities - all in County.

□ **Tourism**

This service is provided by Lamont County. There is no agreement for services. Costs are included in the LEAP Budget. These services are cost-shared with the municipalities in the County.

□ **Water Supply - Industrial Users**

The County is a member of the Capital Region Vegreville Water Corridor Water Services Commission. The waterline runs parallel to Hwy 15. The County is the owner of the Hilliard to Andrew waterline. Water is also supplied to Heartland Industrial Area (Nexen & Erco Worldwide); a new water supply line was recently completed to Triton Industries (\$100,000 budget for 2004) Triton to pay 25% of the costs of the waterline, including engineering. County engineers, EXH, is undertaking a feasibility study to determine the location of a new water reservoir, pump station and fill station for the Heartland Industrial Area to be constructed and operational by May, 2006.

APPENDIX E: PERFORMANCE ASSESSMENT SYSTEM

Lamont County

Performance Assessment System

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Management Consultants

**Performance Assessment
of the
Chief Administrative Officer**

Name of the Chief Administrative Officer:

Date Appointed to Position: _____

Date of Appraisal Meeting: _____

Salary Range (if applicable): _____

Current Salary: _____

Date of Last Revision: _____

PERFORMANCE ASSESSMENT OF THE CHIEF ADMINISTRATIVE OFFICER

Rate each factor according to your perception of the performance of the Chief Administrative Officer in the past year.

Provide narrative comments or examples to illustrate.

RATING CRITERIA:

1. Outstanding
2. Above Standard
3. Standard
4. Below Standard

I. Leadership Style

a) Strength of administrative leadership and decision-making ability (e.g. decisiveness, quality of decisions, approachability and responsiveness).

Rating: _____

Comments:

b) Quality of advice, guidance and direction given to the Council for the development of its decisions and policies.

Rating: _____

Comments:

- c) Assistance to the Council in setting the budget and annual Business Plan; involving the governing bodies at the appropriate stages and in a meaningful way.

Rating: _____

Comments:

- d) Guidance to the administration in setting the Business Plan; involving the administration at the appropriate stages and in a meaningful way.

Rating: _____

Comments:

- e) Provides clear and ongoing advice to Council relative to the appropriateness of the current policy direction.

Rating: _____

Comments:

II. Relationship With the Council

- a) Understanding of the Council's mandate and responsibilities in relation to that of the Chief Administrative Officer. Degree of respect for the primary governance role of the Council.

Rating: _____

Comments:

- b) Quality of communication with the Council. Ability to present reasonable, professional and comprehensive advice and opinions in a straight-forward yet pleasant manner.

Rating: _____

Comments:

- c) Assistance to the Council in the discharge of its governance functions. Advice to the Council on ways by which their governance roles could be strengthened. Assistance to the Council members in the conduct of their duties.

Rating: _____

Comments:

- d) Willingness to respond promptly to the guidance of the Council as expressed by their resolutions and policies.

Rating: _____

Comments:

III. Relationship to the Administration

- a) Communicates to senior staff the goals, objectives, priorities and decisions of the Council. Ensures that all staff receive adequate and regular briefings from their senior department head.

Rating: _____

Comments:

- b) Delegates appropriate responsibilities and authority to senior staff. Provides follow-up assistance as necessary. Encourages their growth as individuals.

Rating: _____

Comments:

- c) Provides good leadership to senior staff; senses the need for direction and provides a good example; acts on problem areas promptly and decisively.

Rating: _____

Comments:

- d) Involves the department heads in the decision-making processes of the Council.

Rating: _____

Comments:

iv. Relationship to the Lamont County Community

- a) Connects well with the Lamont County community at large and presents a positive image on behalf of the County.

Rating: _____

Comments:

- b) Identifies issues which inhibit the growth and development of the Lamont County Conference and recommends ways to address these issues.

Rating: _____

Comments:

Objectives

(These should be developed by the Chief Administrative Officer and reviewed with the Reeve and the Council). This reflects a proposed format only; the actual list of objectives should be attached to this format.

Key Objectives	Results

Overall impression of performance and results achieved.

VI. Key Areas for Improvement (Rank in order of importance 1-7)

1. Policy advice to the governing bodies; development of new initiatives.

2. Overall direction of the administration

3. Budgetary advice and control

4. Relationship to the Reeve and governing members

5. Responsiveness to the input of the Lamont County community and any other stakeholders

6. Achievement of results; completion of Council objectives

7. Leadership Style

VII. Feedback Received from Colleagues

Optional: In the space below or in an attached memo, the Council may wish to list the feedback received from the colleagues of the Chief Administrative Officer. This should be done in such a way as to preserve the confidentiality of the respondents and to achieve a reasonable balance as to what was submitted to Council for its review. This should be assembled by the Reeve (or their designate) on behalf of the other Council members with the final draft of these comments signed off by all members so as to ensure a balance is achieved.

VIII. Follow-up

Indicate those measures or steps which should be taken by the Chief Administrative Officer over the course of the next appraisal period (or within a reasonable timeframe) in order to improve the performance of the Chief Administrative Officer e.g. types of external or internal development courses/seminars, changes in management practices, etc.

IX. Sign Off

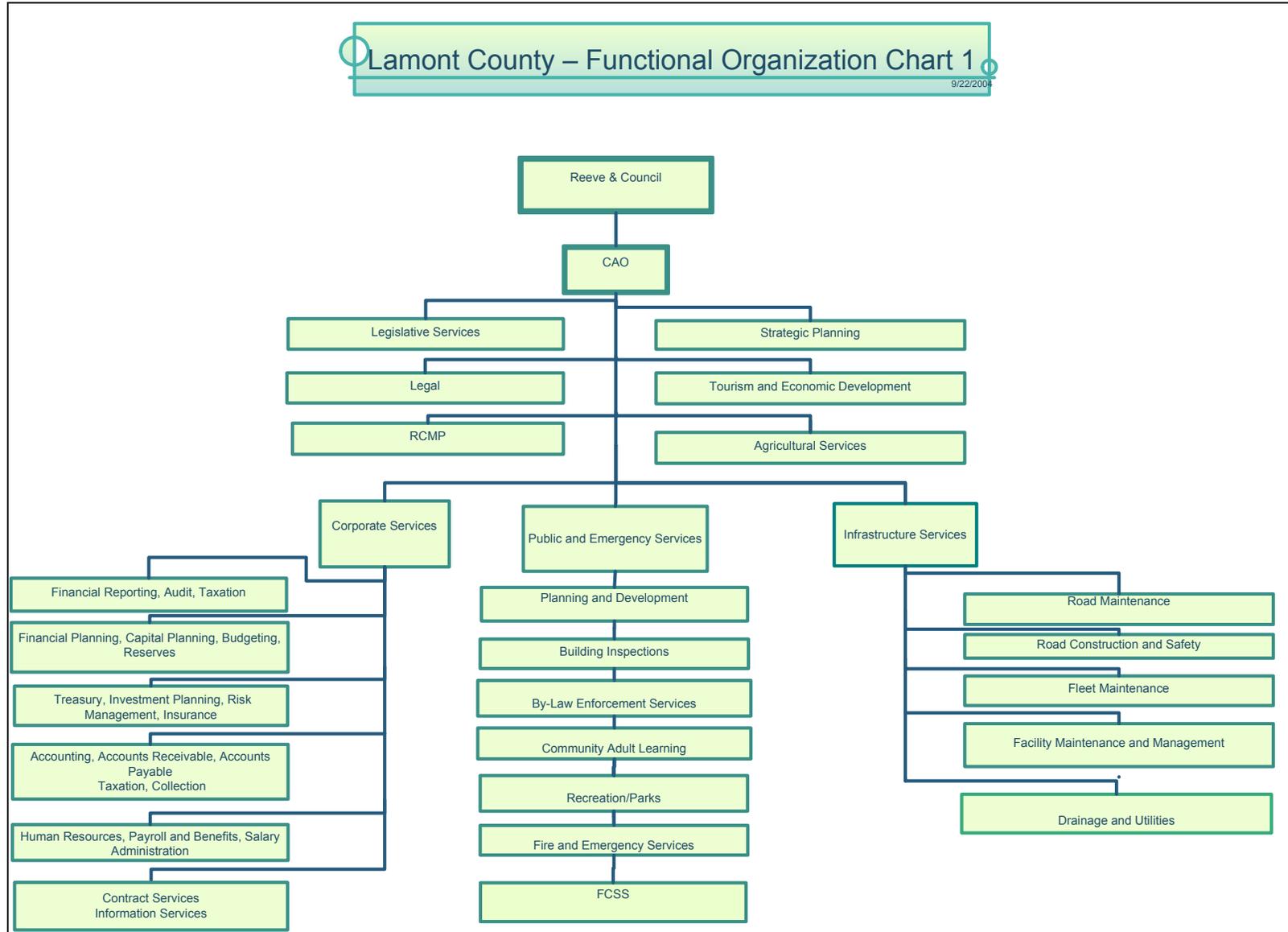
The Performance Assessment should be signed off by the Reeve as representing the Council and by the Chief Administrative Officer. This is to signify that the review has been done and is not intended to indicate that the Chief Administrative Officer agrees with the comments included in this assessment by the Council. Where the Chief Administrative Officer does not agree, he should so indicate in a separate memo to the Council.

Signature of the Chief Administrative Officer

Signature of Reeve (or Deputy-Reeve)

Date

APPENDIX F: LAMONT COUNTY - FUNCTIONAL ORGANIZATIONAL CHART 1



APPENDIX G: LAMONT COUNTY - POSITION ORGANIZATIONAL CHART 2

