

**February  
2016**

**Town of Fort Macleod, Alberta  
Municipal Inspection Report**



Strategic Steps Inc.  
Sherwood Park, AB  
780-416-9255



February 29, 2016

The Honourable Danielle Larivee  
Minister of Municipal Affairs  
18th floor, Commerce Place  
10155-102 Street, Edmonton, AB, T5J 4L4

**Re: Town of Fort Macleod, Municipal Inspection Report**

Dear Minister Larivee:

An inspection has been conducted of the management, administration and operations of the Town of Fort Macleod, Alberta as directed by Alberta Ministerial Order No. MSL: 152/15 approved on October 2, 2015.

The findings of this municipal inspection are contained in the following report along with recommendations respectfully submitted for consideration.

Thank you for the opportunity to assist with this process. We remain available to respond to any additional questions you may have regarding the inspection findings.

Sincerely,

***Strategic Steps Inc.***

Ian McCormack, B.A.  
President, Strategic Steps Inc.  
Municipal Inspector, Town of Fort Macleod

Shari-Anne Doolaege, M.P.A., C.L.G.M.  
Associate, Strategic Steps Inc.  
Municipal Inspector, Town of Fort Macleod

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## 1 EXECUTIVE SUMMARY

The Town of Fort Macleod, Alberta has experienced dysfunctional municipal leadership that is best described as “a town against itself”. A lack of understanding of roles and responsibilities led to a division on council and the sanctioning of the mayor, who responded with an unsuccessful lawsuit against his fellow councillors.

The political issues and lack of cohesion among the town leaders caused widespread concern in the community and several citizens began to attend council meetings to watch what some described as the “gong show”. Residents expressed great disappointment and disbelief that citizens and elected officials would attack each other and bring their proverbial pitchforks to public meetings. Good governance left the scene as tension and power plays dominated council and administrative time.

Well intentioned officials received training and orientation at the start of the 2013 council term, but this learning was not consistently applied. Council members developed a pattern of attacking each other rather than policing each other respectfully. Council conversations were often provocative and untrusting between the mayor and fellow councillors. At times, council communication became threatening and led to RCMP involvement.

Administration and community groups could not dodge the political conflict. Mayor Rene Gendre used his position to forcefully disagree with the CAO during council meetings and, along with another councillor, was instrumental in leading the dismissal of the CAO in May 2015. Tension was also present between the town council and the local Economic Development Commission. Despite Fort Macleod’s political struggles, the town has a tremendous history and strong community involvement.

A March 2015 petition by electors of the Town of Fort Macleod requested the involvement of Alberta Municipal Affairs to conduct an “inquiry” into the mayor’s actions. The Minister of Municipal Affairs responded by ordering a municipal inspection into the management, administration and operations of the Town of Fort Macleod.

Breaches in legislative compliance were found, such as the *irregular* process of acting in the absence of council resolutions, attempting to sell land below market value without advertising, and failing to provide an annual CAO performance evaluation.

*Improper* human resource (HR) practices were found where staff were not always hired based on merit. Financial reporting to council was inconsistent for many years, with a typical financial report consisting solely of an accounts payable list. Town staff have a long history of bypassing the CAO and supervisors to share concerns directly with council members, who have enabled and often welcomed these conversations at their businesses and sometimes over beers.

*Improvident* management was found as local needs and project priorities suffered from the council's lack of political capacity to work together for the overall good of the community. For example, capital planning lacked attention as an excessive volume of water is lost through aged pipes each day and electrical system components are used well after their scheduled replacement. Town staff lacked policy direction in many areas, such as financial reporting, human resource management and bylaw enforcement. Additionally, council committee terms of reference were poorly defined and council decisions for financial contributions to community groups were inconsistent.

This municipal inspection report identifies some good intentions and actions from recent officials; however, the inspectors are of the opinion that the Town of Fort Macleod, Alberta has been managed in an irregular, improper, and improvident manner in recent years.

A series of recommendations are identified for governance, administration, operations and financial matters to assist the municipality in moving forward towards full legislative compliance and sustainability. Recommendations appear throughout the report in related sections and a full list appears in summary form in Appendix 2. Some of the more significant recommendations from this municipal inspection are presented below.

**Key recommendations include:**

**RECOMMENDATION ON ROLES AND RESPONSIBILITY TRAINING:** That all Fort Macleod council members attend regular (annual or semi-annual) Roles and Responsibilities refresher training opportunities to gain a proper understanding of roles and responsibilities for elected officials and how to work together as a council.

**RECOMMENDATION FOR STRATEGIC PLANNING:** That Fort Macleod council ensure that the town maintains a current Strategic Plan for the community in consultation with town citizens; and that the plan remains accessible to the public through the town website.

**RECOMMENDATION FOR PERFORMANCE EVALUATIONS:** That Fort Macleod council provide annual written performance evaluations of the town's CAO in accordance with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established in conjunction with the Strategic Plan/Municipal Sustainability Plan.

**RECOMMENDATION TO UPDATE PROCEDURAL BYLAW:** To update the procedural bylaw to ensure that council meeting decorum follows an appropriate, respectful process; that the informal Community Input sessions be discontinued immediately so that delegations to council can be heard with more formality; and that the presiding officer exercise proper skills to preside as chairperson during meetings to ensure that proper meeting decorum and respectful order is maintained throughout all council and committee meetings.

**RECOMMENDATION ON ELECTRICAL UTILITY:** That Fort Macleod council consider immediate options for the operations of the town's electrical system to ensure that a dependable system exists and to minimize the risk of failure of this critical infrastructure.

**RECOMMENDATION FOR CORE SERVICE REVIEW:** That the Fort Macleod council undertake a core service review to analyze and focus resources in key areas.

**RECOMMENDATION FOR COMMITTEES:** That the Fort Macleod council compile a comprehensive list of internal, external and intermunicipal committee appointments, along with terms of reference for each committee that includes related information such as the committee purpose, description, background, members, appointment terms, meeting dates, and reporting requirements; and pass bylaws as required to establish the functions of council committees in accordance with the MGA s. 145.

**RECOMMENDATION FOR ACTION ASSOCIATED WITH AUDITOR LETTERS:** That Fort Macleod council undertake a review of recommendations made by the town auditors in recent years and provide a response to the auditor to describe the actions taken, or proposed to be taken in response to the auditor's recommendations.

**RECOMMENDATION FOR CAPITAL PLANNING:** That Fort Macleod council approve a capital plan and establish specific capital reserves to allocate funds for current and future infrastructure needs; and continue to work with engineering services to identify and quantify the town's infrastructure deficit.

## 2 SCOPE OF MUNICIPAL INSPECTION

### 2.1 Legislative Basis for a Municipal Inspection

The Minister of Alberta Municipal Affairs ordered a municipal inspection in response to a March 9, 2015 petition from the electors of the Town of Fort Macleod. The petition from the electors was declared sufficient and the petition statement read as follows:

*“To undertake an inquiry into the conduct of Mayor Rene Gendre and the effect it is having on the Town of Fort Macleod.”*

The Minister of Alberta Municipal Affairs ordered a municipal inspection of the municipality, which is broader in scope than an inquiry into the actions of one official. Alberta Ministerial Order No. MSL: 152/15 was approved on October 2, 2015 where the Honourable Deron Bilous, former Minister of Municipal Affairs appointed inspectors to conduct an inspection of the management, administration and operations of the Town of Fort Macleod, pursuant to Section 571 of the *Municipal Government Act*<sup>1</sup> (MGA) as quoted below. Upon review of the inspection findings, the Minister may order directions upon a municipality pursuant to the MGA s. 574, also quoted below:

#### ***Inspection***

*571(1) The Minister may require any matter connected with the management, administration or operation of any municipality or any assessment prepared under Part 9 to be inspected*

*(a) on the Minister’s initiative, or (b) on the request of the council of the municipality.*

*(2) The Minister may appoint one or more persons as inspectors for the purpose of carrying out inspections under this section.*

*(3) An inspector*

*(a) may require the attendance of any officer of the municipality or of any other person whose presence the inspector considers necessary during the course of the inspection, and*

*(b) has the same powers, privileges and immunities as a commissioner under the Public Inquiries Act.*

*(4) When required to do so by an inspector, the chief administrative officer of the municipality must produce for examination and inspection all books and records of the municipality.*

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<sup>1</sup> MGA, (2015). *Municipal Government Act*. Revised Statutes of Alberta 2000, Chapter M-26. Edmonton: Alberta Queen’s Printer.



*(5) After the completion of the inspection, the inspector must make a report to the Minister and, if the inspection was made at the request of a council, to the council.*

### **Directions and dismissal**

*574(1) If, because of an inspection under section 571, an inquiry under section 572 or an audit under section 282, the Minister considers that a municipality is managed in an irregular, improper or improvident manner, the Minister may by order direct the council, the chief administrative officer or a designated officer of the municipality to take any action that the Minister considers proper in the circumstances.*

*(2) If an order of the Minister under this section is not carried out to the satisfaction of the Minister, the Minister may dismiss the council or any member of it or the chief administrative officer.*

For clarification, the following definitions are provided in reference to the above MGA sections:

**Irregular:** Not according to established principles, procedures or law; not normal; not following the usual rules about what should be done.

**Improper:** Deviating from fact, truth, or established usage; unsuitable; not appropriate; not conforming to accepted standards of conduct.

**Improvident:** Lacking foresight; taking no thought of future needs; spendthrift; not providing for, or saving for the future; not wise or sensible regarding money.

## **2.2 Provincial Mandate and Inspection Process**

Alberta Municipal Affairs called for proposals from qualified, independent consulting companies to conduct a municipal inspection of the Town of Fort Macleod through a competitive bid process. Strategic Steps Inc. was awarded the contract to provide inspection services of the town's management, administration and operations, including creating a report to the Minister with details of the inspection findings for Fort Macleod.

Research, interviews and data collection were largely completed during October-November 2015. After the research and data collection phase of the project, the inspectors followed local issues and remained available to receive further information from stakeholders until the final report was submitted to Municipal Affairs in February 2016. The municipal inspection process included the following tasks:

1. Conducting stakeholder interviews, including:
  - Elected officials
  - Staff
  - Members of the public
    - Residents
    - Business owners
  - External stakeholders
    - Auditor
    - Legal counsel
    - Provincial officials
    - Engineers
    - Various committee members
  
2. Research, review, and evaluate municipal records and processes, including:
  - Bylaws
  - Policies
  - Council committees
  - Organizational structure
  - Process and procedures used to prepare for council meetings
  - Council's understanding of their role and responsibilities
  - The CAO's understanding of their role and responsibilities
  - Attendance at and evaluation of the conduct of council meetings
  - The process for preparing and approving council meeting minutes
  - A review of recent minutes
  - A review of key planning documents
  - The financial status of the municipality
  - The process of financial reporting to council
  - The budget process
  - A comparative analysis of the property assessment and tax rates with similar municipalities
  - Public engagement and communication policies and procedures
  
3. Prepare a report to the Minister of Municipal Affairs on the inspection findings.
  
4. Present inspection report to the Town of Fort Macleod Council at a public meeting.

### **3 MUNICIPAL INSPECTION INTERVIEWS**

The inspection process included a series of over 100 stakeholder interviews conducted in order to gather *qualitative* data and to develop an evaluative understanding of the recent events and local dynamic that exists in Fort Macleod. Interviewees were asked consistent questions and approximately 80 questionnaires were completed by various stakeholders. Most questionnaires were fully completed, however, some interviewees did not answer every question due to applicability or personal choice. *Quantitative* data provided was used to assess and summarize information themes presented by a fairly representative sample of the community population.

#### **3.1 Internal Stakeholders**

Several internal stakeholders were interviewed, including past and present elected officials, CAOs, and staff. These stakeholders provided firsthand knowledge of the recent actions of local officials.

#### **3.2 External Stakeholders**

External stakeholders were interviewed, such as auditors, legal counsel, provincial department staff, engineers, and regional committee members. These external stakeholders provided professional knowledge of the recent occurrences in Fort Macleod.

#### **3.3 Local Residents and Business Owners**

Several Fort Macleod residents and business owners were interviewed. Local residents were invited to contact the inspectors to arrange an interview and the inspectors' contact information was made available on the municipality's website. The inspectors set up a designated email address specifically for this municipal inspection to allow residents and other stakeholders to easily contact the inspectors. Additionally, the inspectors were available for interviews on a drop-in basis at the local Family and Community Support Services (FCSS) office on November 19, 2015.

Several residents came forward to share information about Fort Macleod and the inspectors considered this as a convenience sample of readily-available subjects that may not be representative<sup>2</sup> of the general population. A snowball sample exploratory research method<sup>3</sup> was also used where interviewees were asked to provide the names of other individuals that may have knowledge of the management, administration, or operation of the municipality.

Inspection interviews also included a random sampling of selected residents and businesses in an effort to obtain a representative sample<sup>4</sup> of perspectives held by the local population regarding the management, administration and operation of the municipality. The random sampling was conducted through random geographical selection.

Random sampling is an important research method used to eliminate a self-selection bias of only interviewing individuals who want their position to be heard. The main benefit of the simple random sample technique is that each member of the population has an equal chance of being chosen. This provides a guarantee that the sample is more representative of the population and that the conclusions drawn from analysis of the sample will be valid.<sup>5</sup>

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<sup>2</sup> <http://statistics.about.com/od/HelpandTutorials/a/What-Is-A-Convenience-Sample.htm>

<sup>3</sup> <http://sociology.about.com/od/Types-of-Samples/a/Snowball-Sample.htm>

<sup>4</sup> <http://psychology.about.com/od/rindex/g/random-sample.htm>

<sup>5</sup> <http://sociology.about.com/od/Types-of-Samples/a/Random-Sample.htm>

# **MUNICIPAL INSPECTION FINDINGS**

## 4 LOCAL SETTING

### 4.1 Municipal Profile Information and Statistics

The Town of Macleod was established on December 31, 1892 under the authority of the North-West Territories Ordinance #29. The town was incorporated on February 16, 1912 and on April 1, 1952 the name was changed to the Town of Fort Macleod. The town is surrounded by the Municipal District of Willow Creek No. 26 as a rural neighbour,<sup>6</sup> as well as the Alberta First Nations Blood Tribe and Piikani Nation. Fort Macleod has a rich history dating back to 1874 with the arrival of the North West Mounted Police (NWMP), led by Colonel James F. Macleod, and the construction of the Fort as the first permanent police post in the British North-West.<sup>7</sup>

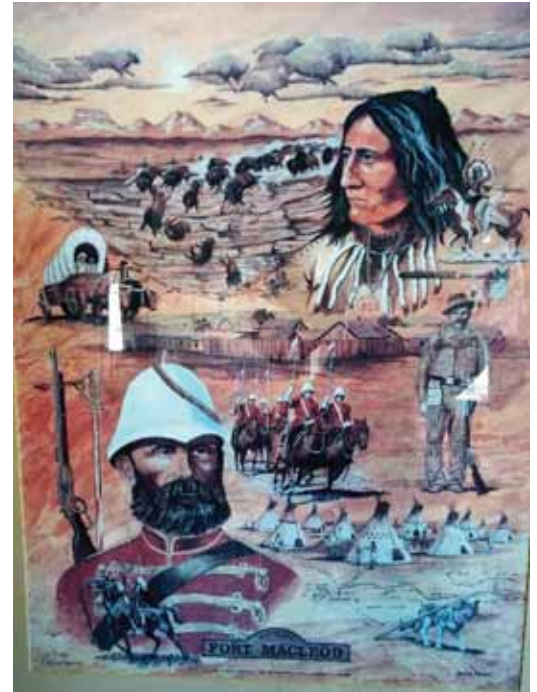


Photo taken of a local painting<sup>8</sup>

In the present day, Fort Macleod's municipal profile<sup>9</sup> shows the following statistics based on available data from 2013 and 2014:

- 7 Member Council
- 27 Full-time staff positions
- 3,117 Population
- 1,431 Dwelling units
- 2,331 Hectare land base
- 48 Kilometers of local maintained roads
- 46 Kilometers of water mains
- 37 Kilometers of wastewater mains
- 11 Kilometers of storm drainage mains
- \$13.7 Million in financial assets, including cash and temporary investments
- \$30.5 Million in tangible capital assets
- \$250 Million in residential assessment
- \$65.4 Million in non-residential assessment;
- \$8.8 Million in non-residential linear assessment
- \$1.6 Million in long term debt
- 9% of debt limit used

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<sup>6</sup> [http://www.municipalaffairs.alberta.ca/mc\\_municipal\\_profiles](http://www.municipalaffairs.alberta.ca/mc_municipal_profiles)

<sup>7</sup> <http://www.fortmacleod.com/221/HistoryHeritage>

<sup>8</sup> The above picture was taken of a painting by Kevin Adler located at the Fort Macleod town office

<sup>9</sup> [http://www.municipalaffairs.alberta.ca/mc\\_municipal\\_profiles](http://www.municipalaffairs.alberta.ca/mc_municipal_profiles)

## 4.2 Geography

The Town of Fort Macleod is situated in southern Alberta at the intersections of Highways 2 and 3; approximately 50 km west of Lethbridge, 170 km south of Calgary, and 90 km north of the Canada-United States border. Fort Macleod's main town site and original RCMP Fort are built on the south side of the Oldman River and the river runs through the municipality. The Canadian Pacific Railway also runs through the municipality on the north side of 12<sup>th</sup> Street, and an airport is situated in the southwest corner of the town as shown in the following maps:



Interviewees almost universally said that Fort Macleod is ideally situated geographically, and the historic nature of downtown, the N.W.M.P. barracks and the Fort all provide reasons for people to visit the town, and for some to make Fort Macleod home.

## 5 COUNCIL AND COMMITTEES

### 5.1 Council Structure

The Town of Fort Macleod is governed by a seven-member council elected at-large by a vote of the electors of the whole municipality in accordance with the MGA s. 147. The Fort Macleod council holds regular council meetings twice per month, and special meetings as needed. The mayor (chief elected official) is elected by a vote of the electors of the whole municipality in accordance with the MGA s. 150. Councillors are appointed by council resolution to fill the positions of deputy mayor (deputy chief elected official) and acting deputy mayor (acting chief elected official) in accordance with the MGA s. 152.

Regardless of official titles of elected officials, Alberta's local government system is egalitarian<sup>10</sup> where each council member has an equal vote. Elected officials have no individual power and a council can only act collectively by resolution or bylaw, in a public setting, with a quorum of members present in accordance with the MGA, as follows:

***Council Proceedings, Requirements for Valid Action  
Methods in which council may act***

*180(1) A council may act only by resolution or bylaw.*

***Requirements for valid bylaw or resolution***

*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.*

*(2) A resolution of a council committee is not valid unless passed at a meeting of that committee held in public at which there is a quorum present.*

***Voting***

***Restriction to one vote per person***

*182 A councillor has one vote each time a vote is held at a council meeting at which the councillor is present.*

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<sup>10</sup> <http://dictionary.reference.com/browse/egalitarian>



The *Local Authorities Election Act* (LAEA) specifies the qualifications of candidates seeking elected office, as follows:

**Qualification of candidates**

21(1) A person may be nominated as a candidate in any election under this Act if on nomination day the person

- (a) is eligible to vote in that election,
- (b) has been a resident of the local jurisdiction and the ward, if any, for the 6 consecutive months immediately preceding nomination day, and
- (c) is not otherwise ineligible or disqualified.

The October 2013 general municipal election resulted in the following candidates being declared elected in accordance with the LAEA s. 95; to a four-year term of office (s. 10):

- Mayor Rene Gendre
- Councillor Mike Collar
- Councillor Michael Dyck
- Councillor Brent Feyter
- Councillor Trish Hoskin
- Councillor Keith Trowbridge
- Councillor Gordon Wolstenholme

Six of the council members were new to municipal council in 2013, with Councillor Wolstenholme serving as an incumbent member.

The inspectors reviewed several years' worth of meeting minutes, listened to audio recordings of past meetings and attended the following council and committee meetings:

- October 26, 2015 regular council meeting held at the RCMP Centennial Library
- November 9, 2015 regular council meeting held in council chambers at the town office
- November 17, 2015 council committee of the whole meeting in council chambers

## 5.2 List of Committees

Fort Macleod council participates in a monthly Council Committee of the Whole meeting, previously called the Finance Committee according to the past council. Additionally, Fort Macleod elected officials participate in several internal, external, and intermunicipal committees such as the following list identified from the October 13, 2015 Organizational Meeting minutes:

1. Affordable Housing
2. Alberta Southwest Regional Alliance
3. CAO Review Committee
4. Crime Prevention Advisory Board
5. Chinook Arch Regional Library Board
6. Early Childhood Coalition
7. Economic Development Commission
8. Empress Theatre Society
9. Environment Committee
10. Facilities Committee
11. Family and Community Support Services
12. Fort Macleod Historical Association
13. Fort Macleod and District Community Hall Society
14. Fort Macleod and District Library Board
15. Fort Macleod Drug Coalition
16. Fort Macleod Playground Committee
17. Fort Macleod Interagency Board
18. Fort Macleod and District AG Society
19. Fort Macleod Subdivision and Development Appeal Board
20. Foothills Alcohol Action Society
21. Fort Macleod and District Community Initiative Association
22. Granum Development Appeal Board
23. Municipal Planning Commission
24. MD of Willow Creek Subdivision and Development Appeal Board
25. Oldman River Regional Services Commission
26. Regional Waste Management Facility Authority
27. Public Works Shop Committee
28. Santa Claus Parade Committee
29. Timesheet Committee
30. Traffic Safety Committee
31. Willow Creek Foundation (Pioneer Lodge)
32. Mayors and Reeves
33. Highway 3 Economic Development Committee

## 6 GOVERNANCE

Alberta municipalities are established under provincial authority and are required to follow provincial and federal legislation. The *Municipal Government Act, Revised Statutes of Alberta 2000, Chapter M-26* (MGA) is a primary piece of provincial legislation to provide order, authority and direction to municipalities. The MGA is very specific on many governance aspects, including the basic purposes of a municipality as follows:

### **Municipal purposes**

3 The purposes of a municipality are

- (a) to provide good government,
- (b) 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
- (c) to develop and maintain safe and viable communities.

Other key aspects of the legislative provisions in the MGA are that it:

- Specifies the powers, duties and functions of a municipality (s. 5);
- Gives a municipality natural person powers (s. 6);
- Gives a council general jurisdiction to pass bylaws (s. 7) affecting public safety, regulating services, setting fees, enforcement and other matters;
- Gives broad bylaw passing authority to councils to govern municipalities in whatever way the councils consider appropriate within the jurisdiction given to them (s. 9).

### 6.1 Broad Authority to Govern

The MGA gives broad authority to municipalities to govern their respective jurisdictions. The MGA also specifies the roles, responsibilities and limitations of councils in carrying out governance activities, such as:

- Each municipality is governed by a council, as a continuing body (s. 142);
- General duties of the chief elected official (Mayor) (s. 154) to preside at council meetings in addition to performing the duties of a councillor;
- General duties of councillors (s. 153) are to:
  - Consider the welfare and interest of the municipality as a whole;
  - Participate generally in developing and evaluating policies and programs;
  - Participate in council and council committee meetings;
  - Obtain information about the municipality from the CAO; and
  - Keep in confidence matters discussed in private at council or committee meetings;

- A council may act only by resolution or bylaw (s. 180);
- Councils and council committees must conduct their meetings in public (s. 197);
- Councillors are required to vote on matters at a council meeting at which they are present (s. 183);
- Councillors are required to disclose pecuniary interests, abstain from voting and leave the room until discussion and voting on matters of pecuniary interests are concluded (s. 172);
- A council must adopt operating and capital budgets for each calendar year (s. 242, 245);
- A council must appoint an auditor to provide a report to council on the annual financial statements (s. 280-281);
- A council must pass a land use bylaw that may prohibit or regulate and control the use and development of land and buildings in a municipality (s. 639-640);
- A council must appoint a chief administrative officer (CAO) (s. 205) and provide the CAO with an annual written performance evaluation (s. 205.1); and
- 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 CAO or a designated officer (s. 201).

## 6.2 Elections

The inspectors received some comments and concerns over recent election processes. Legislative provisions exist through the *Local Authorities Election Act*, such as the following section regarding the trial of an election in s. 126(1) below:

### ***Trial of an election***

*126(1) If the validity of an election of a member of an elected authority or the member's right to hold the seat is contested, or if the validity of a vote on a bylaw or question is contested, the issue may be tried by the Court.*

Since the 2013 election was not contested within six weeks and no judicial review was sought, it is assumed that the current Fort Macleod council members were properly elected in accordance with the provisions of the *Local Authorities Election Act* and the *Municipal Government Act*.

### 6.2.1 Election Campaign

The inspection found that the following four council members ran a common campaign for change prior to the October 2013 municipal election:

- Mayor Rene Gendre
- Councillor Mike Collar
- Councillor Michael Dyck
- Councillor Brent Feyter

These members attempted to team up before the 2013 general municipal election to develop "Our action plan...". Campaign costs were shared between the members and common advertising was distributed locally through posters and billboards, as well as the following October 2, 2013 advertisement placed in the *Fort Macleod Gazette*:<sup>11</sup>

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<sup>11</sup> Email addresses and telephone numbers of the individuals have been purposely blurred in the advertisement

**Mike Collar** *for* COUNCIL  
Building a strong foundation



403.262.2614 mcollar@town.ca

**Michael Dyck** *for* COUNCIL  
Facilitating change



403.262.2666 mdyck@town.ca

**Brent Feyter** *for* COUNCIL  
Structural steadiness



403.262.2625 bfeyter@town.ca

**Rene Gendre** *and (M.A.) for* MAYOR  
Implementing people's perspectives



403.262.2664 rgendre@town.ca

# A change is in the wind!

Our action plan, based on considerable community feedback, is designed for the enhancement and growth of our family and business oriented community through:

1. Emphasis on team building with residents, businesses, administration, and our community's neighbours;
2. Involvement from all of our community's participants;
3. Development of a rational flexible plan built on ideas and input received;
4. Integration of this plan with our financial capacity to implement;
5. Deployment of this plan by administration while maintaining a flexible team-working relationship;
6. Regular progress feedback through meaningful meetings and an open door policy; and
7. Continuous evolution to provide the flexibility necessary to ensure the success of our community.

Confidence in a plan and its processes is a requirement for the growth and maintenance of existing businesses, and is a fundamental requirement for attracting new businesses and residents. The process must be: clear, concise, fair, timely, efficient, effective, and built on trust, hope, integrity, and moderate growth.

## SHORTER TERM ACTION PLAN

(during the first year)

- Promote and encourage the presentation of our community - to be in line with our community's local pride.
- Market our town for its wonderful retirement setting - consider an independent sector citizens' lodge.
- Appropriately assess what services our town is financially capable of providing without going into substantial debt.
- Provide the environment necessary for investors and developers to confidently establish and grow their businesses.
- Review and assess the land-use bylaws for our historic downtown area to encourage positive development and utilization (look at options for a fire suppression system to protect downtown assets), and encourage business growth.
- Postpone the development of the 320 acres (estimated cost of \$18 million (\$5-8 million for the first 80 acres)) until a full review of its feasibility has been completed and a level of commitment is expressed by businesses or developers.
- Postpone proposed Macleod Meadows residential site until all options have been reviewed and demand is determined.

## LONGER TERM ACTION PLAN

- Focus on the development of the 12th St industrial corridor:
  - Complete the services on 17th St on an as-needed basis to better utilize the existing available commercial land.
  - Consider the option of using 12th St as an industrial bypass to reduce industrial traffic in residential areas.
  - Consider 5th Ave. utility corridor upgrade to reduce 12th St power outages and provide electrical backup for the Town.
- Encourage development of the 40 commercial acres west of Midnight Stadium (utilities have been stubbed there).
- As demand increases for residential lots, primary consideration should be focused on the development of the residential area east and north along the river, while utilizing the low lying areas for recreational use. Consideration will be given to developing the residential area above the golf course in conjunction with developing the 40 commercial acres.
- Develop our athletic and social amenity requirements as our residential and corporate areas grow.
- Reconsider the joint construction of the maintenance building required by the town and MD of Willow Creek.
- The alignment of the industrial area on the south side of town and the residential to the east and north along the river will provide a natural boundary. Our naturally occurring westerly winds will assist in this separation.

## GENERAL CONCEPTS

- Implement an independent audit of the financials and operations of Council and Administration (from an independent organization outside of Town) every four years - that would present its findings just prior to each civic election.
- Consider an independent body to oversee the Town's land transactions.
- Keep the public informed as the plan moves forward and obtain public input on a continuous basis.
- Set the parameters that will encourage private development rather than being in competition with it.
- Be accountable.
- Please remember that residential taxes are affected by the level of business activity in a town. It is very difficult to maintain a community on residential taxes alone.

We are determined that Council will operate within a business environment, rather than a political one.

We need your help to ensure this occurs.

NOTE: This is a summary of our complete plan.

Please call us to discuss it in its entirety.

According to Mayor Rene Gendre, he initiated the group prior to the October 2013 municipal election as he attempted to recruit local businessmen to 'run with him'. Running as a slate of candidates with a shared platform, similar to formal provincial or national political parties is not consistent with the MGA, where council members are elected and expected to vote on an *individual* basis. The Alberta MGA does not address or contemplate any sort of political parties in municipal councils.

The cohesiveness of the group of four Fort Macleod candidates was very short lived after they were all elected to council. This strategic campaign relationship dissolved immediately when tested with the real time pressure of local government politics.

Diversity of opinion among and between individual council members is a fundamental tenet of Alberta's local governments. Municipal council members are elected individually, required to vote individually, and to participate individually, as part of a collective whole rooted in democratic principles of majority-rule. Running as a 'slate' of candidates could lead to inappropriate bloc voting patterns that have been known to cause dysfunction on municipal councils.

### **6.3 Political Capacity and Council Relationships**

The recent political situation of the Fort Macleod council is quite dysfunctional since the council lacks trust and professional respect. Tension between the mayor and the rest of council started soon after the 2013 election and continued to escalate. This local governance body has a minimum level of political capacity to fulfill its governance role, and is burdened with internal tensions, broken relationships and a history of alleged personal attacks within the group.

The political turmoil largely stems from the forceful and derogatory actions of the mayor towards his fellow councillors and administration. It appears that Fort Macleod's new mayor tried to take the entire community upon his shoulders and apply his rules, standards and interpretations. For example, Mayor Gendre refused to sign a Council-CAO covenant that was approved by council and signed by all other Fort Macleod councillors and the CAO on April 28, 2014. This type of action created a greater distance between the mayor and the rest of council.

On another occasion, the May 12, 2014 regular council meeting minutes show that the mayor attempted to unilaterally amend the council meeting procedures and decorum by “reading into the record” a submission of comments, such as the following:

*“...the following Chamber decorum will be observed:*

- *Whenever persons are in the gallery, they will be asked to identify themselves and state their particular interests for being present. It is a privilege that our employers are interested enough to take the time out of their lives to attend their Council’s meetings....”*

Mayor Gendre acted improperly in attempting to bypass the procedural bylaw and amend the meeting decorum to suit his own interests. Although veiled in flattery, the mayor’s intent is questionable. His actions exceed curiosity and are clearly intrusive since any person has the right to sit in the gallery to attend a public meeting without identifying themselves or justifying their presence. The MGA s. 198 is clear on about the right of the public to be present, as follows:

***Right of public to be present***

*198 Everyone has a right to be present at council meetings and council committee meetings conducted in public unless the person chairing the meeting expels a person for improper conduct.*

The inspectors heard from Fort Macleod residents and business owners who expressed great disappointment when they witnessed the mayor speaking badly of fellow council members and administration in public. Upon a review of meeting audio recordings, the inspectors also heard the mayor act improperly by using a disrespectful tone and making degrading comments towards fellow councillors and the CAO. Disrespectful comments were often returned to the mayor by fellow councillors and a hostile political environment developed.

Mayor Gendre demonstrated disdain for the former CAO, Mr. David Connauton, and the mayor’s public attacks and disrespectful treatment of the CAO were another key component to the tension on council contributing to a lack of political capacity. For example, in an audio meeting recording, the mayor was heard criticizing the CAO for failing to respond to his requests in a timely fashion and one of the councillors was heard defending the CAO in his absence stating that: “*You ask the CAO for crazy stuff!*”



Mayor Rene Gendre appeared to have a desperate need to lead the council, the municipal organization and the community. Some community members appreciated Mayor Gendre's leadership style and listening skills and saw him as a "bright spot" for the community. For the most part, however, the mayor's leadership approach was largely unwelcome by the community and his tactics were described as divisive and narcissistic.

Mayor Gendre distanced himself from his council by acting unilaterally when representing the town and soon became a leader without followers. In many respects, it appeared that Mayor Gendre was improperly attempting to apply a corporate definition of Chief Executive Officer (CEO) to the municipal Chief Elected Official (CEO) role.

To clarify, a *municipal* Chief Elected Official is often described as the "first among equals" on the municipal council with no individual powers. Alberta's local government system uses a 'weak mayor' form where "a mayor's powers of policy-making and administration are subordinate to the council".<sup>12</sup>

The *corporate* Chief Executive Officer is completely unrelated to a municipal mayor's position and is typically defined as follows:

*The highest ranking executive in a company whose main responsibilities include developing and implementing high-level strategies, making major corporate decisions, managing the overall operations and resources of a company, and acting as the main point of communication between the board of directors and the corporate operations.*<sup>13</sup>

Mayor Gendre seemed to struggle with the concept that the mayor and councillor positions are inseparable, as a *council*. Some basic formalities became a point of dissension, such as the following September 22, 2014 meeting minute comments about mail formally addressed to the mayor:

*Discussion ensued in regard to the opening of mail addressed to the Mayor. It was stated that the Office Clerk opens all mail, unless it is labeled private and confidential to intended addressee. It was noted that the Mayor did not approve of the way the mail is handled in the office, and that if mail is address to him, he should be the one opening it.*

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<sup>12</sup> <http://www.merriam-webster.com/dictionary/weak%20mayor>

<sup>13</sup> Read more: Chief Executive Officer (CEO) Definition | Investopedia, <http://www.investopedia.com/terms/c/ceo.asp#ixzz3wOa5RdsA>

*He stated that he would like a copy of all mail addressed to (him) the Mayor. The CAO stated that all mail addressed to the Mayor is provided to the Mayor and Council within the Council packages.*

Council meetings were often filled with tension and at times the mayor appeared to intentionally provoke fellow council members. For example, an audio recording of the April 21, 2015 council meeting shows that the mayor interrupted a delegation and ridiculed Councillor Dyck for allegedly “playing on his cell phone”. This prompted a heated exchange among several councillors and ended when Councillor Dyck swore at the mayor and left the meeting.

Trust among council suffered another major setback when the council abruptly dismissed their CAO in May 2015 while one of the councillors was absent from the meeting and therefore not included in the discussion.

Meeting recordings and interviews showed that council members clearly struggled to keep a professional distance from staff and that staff complaints were frequently heard by council members. Members of the public also held a perception that certain staff members and councillors disrespected the proper order and organizational chain of command. For example, the November 23, 2015 council meeting minutes contain the following comments from a local resident:

*James Bilstad- questioned Councillor Trowbridge on the amount of time CPO Doneslaar spends at his place of business and doesn't feel that it is appropriate. Reminded Council that part of the reasons for sanctioning the Mayor was for holding private meetings and Mr. Bilstad does not feel that this is any different and that it should not be happening.*

Council members often acknowledged that they acted improperly by regularly hearing staff concerns on an individual basis. The point that needs to be underscored here is that the historical culture of blurred lines between staff and council members is damaging to the organization and the political capacity of the council. These old habits need to change to maintain order within the organization and legislative compliance.

Council's political capacity suffered, largely due to the divisive and provocative nature of the mayor. For the most part, the remaining six council members were able to work respectfully together while conducting town business. At times it appeared to members of the public that

the six councillors were ganging up on the mayor. Roles and responsibilities training is certainly needed for the entire council team.

**RECOMMENDATION ON ROLES AND RESPONSIBILITY TRAINING:** That all Fort Macleod council members attend regular (annual or semi-annual) Roles and Responsibilities refresher training opportunities to gain a proper understanding of roles and responsibilities for elected officials and how to work together as a council.

### 6.3.1 Mediation

On July 14, 2014 Fort Macleod council passed a resolution to begin mediation in an effort to unite the team, as per the following resolution:

#### **4) Mediation**

*R.404-2014 Moved by Mayor Gendre that a mediator from Municipal Affairs be brought in to deal with dispute resolution. CARRIED*

On August 6, 2014 Alberta Municipal Affairs representatives spoke as a delegation at the Fort Macleod council meeting and discussed mediation services and dispute resolution. The following resolution was made to request mediation assistance and grant funding:

*R.485-2014 Moved by Councillor Wolstenholme that Council draft a letter to the Minister of Municipal Affairs requesting aid in paying for mediation services to resolve the impasse between the Councillor's and the Mayor, further that Administration begin the grant application for these services. CARRIED*

Provincial grant funding was approved on September 10, 2014 under the Mediation and Cooperative Processes component of the Alberta Community Partnership program. Another resolution was passed on September 22, 2014 to begin mediation, as follows:

#### **Municipal Affairs –Mediation/Collaborative Governance Grant**

*R.564-2014 Moved by Councillor Feyter that Municipal Affairs representatives be invited to appear as a delegation at the October 14, 2014 Council Meeting. CARRIED*

On October 16, 2014 the town councillors (excluding the mayor) sent a letter to the Minister of Alberta Municipal Affairs requesting immediate assistance, stating that they are in the

process of choosing a mediator, and expressing concern of a possible legal action coming from the mayor, as follows:

*We are writing today to request your immediate assistance in the municipal affairs of the Town of Fort Macleod. As you are aware our council is having issues working with out Mayor, Rene Gendre, who was sanctioned by council on June 23, 2014. We have recently become aware by local businesspeople that the Mayor has been soliciting them for funds to pursue legal action against council and administration, adding to the urgency of our letter.*






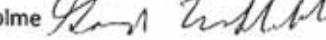
Alberta Municipal Affairs responded by encouraging the council to work through the mediation process. The mediation process began on December 1, 2014 and was discontinued after two meetings largely due to the fact that, on December 18, 2014, Mayor Gendre submitted an application for judicial review of the sanctions that Fort Macleod council imposed on the mayor in May 2014.

The judicial review did not rule in the mayor's favour and resulted in consuming a great deal of time and energy as well as a burden of legal costs for both parties.

**RECOMMENDATION FOR MEDIATION:** That Fort Macleod council members continue mediation efforts to strengthen their political capacity to work together.

## 6.4 Political Sanctions

After failed attempts to work collegially since the beginning of the October 2013 council term, the councillors prepared and hand delivered a letter to Mayor Rene Gendre on May 23, 2014 with a clear statement of requirements, a deadline to comply with requirements, and a list of consequences for non-compliance. The letter reads as follows:

Mayor Rene Gendre Town of Fort Macleod	May 23/2014
Council has repeatedly said we are interested in working together with you and have given you as Mayor of Fort Macleod ample opportunity for you to show us that you are interested in the same. To date we have not seen or heard that you are interested in the same so, all six councilors, hereby make the following requirements of you.	
<ol style="list-style-type: none"><li>1. Sign and adhere to the CAO/Council covenant approved by council on April 28, 2014.</li><li>2. Any and all legal advice on Town of Fort Macleod matters needs to be a council approved directive.</li><li>3. Refrain from debating a topic while being chair if you have or have had substantial involvement in the said topic.</li><li>4. Refrain from entertaining input from the gallery outside of delegation requests made before council date. Amendment of current Bylaw 1702 Section 55.1 is required.</li><li>5. Build unified team by not speaking against any other town council member or town administration unless it's to the individual themselves with another council member present.</li><li>6. Will not demand changes of town administration that is outside of town policy or procedure.</li><li>7. Will not write letters on behalf of the town and will not represent the town at private or public meetings unless authorized and directed to do so by the whole of council.</li></ol>	
If the above stated requirements cannot be agreed to at our May 26, 2014 regular council meeting then council will vote on proceeding with the following decisive actions.	
<ol style="list-style-type: none"><li>1. Mayor will be removed from most or all committee appointments and council representative bodies.</li><li>2. Another chair person will be appointed to chair all town council meetings.</li><li>3. Two councilors will be appointed to review council timesheets.</li></ol>	
These actions will remain in effect until after a six month review and until such time as council determines that Rene Gendre, our current mayor, is willing and committed to working together with the whole of council and town administration by following the above council requirements.	
Councilor Mike Collar	 May 23/14
Councilor Micheal Dyck	 MAY 23, 2014
Councilor Brent Feyter	 May 23, 2014.
Councilor Trish Hoskin	 May 23, 2014
Councilor Keith Trowbridge	 • MAY 23, 2014
Councilor Gord Wolstenholme	 May 23, 2014

Mayor Gendre chose to not comply with his council's stated requirements. On May 30, 2014 council passed a resolution that imposed sanctions on the mayor after the mayor failed to amend his conduct to comply with the direction required by the council, as follows:

***Directives from Council to the Mayor***

*Councillor Feyter stated that the requirements of the Mayor had not been met as per the letter Dated May 23, 2014 and that the following actions were would be taken to a regular Council meeting to be implemented; The Mayor will be removed from most or all Committees and Council representative bodies, another chairperson will be appointed to chair Town Council Meetings and that Two Councillors will be appointed to review time sheets.*

*R.294-2014 Moved by Councillor Feyter that Council proceed with the above stated actions. CARRIED*

On June 23, 2014:

***G. NEW BUSINESS 1) Review of Committee and Board Appointments***

*As discussed in previous meetings and communications with Council it was agreed that Mayor Gendre be removed from all Council appointed Committees.*

*R.368-2014 Moved by Councillor Feyter that Mayor Gendre be removed from all Boards and Committees both internally (town-related) and externally (appointments made to regional, provincial or other associations) for a six-month period beginning July 1, 2014, which will then be reviewed after the 6 month period. CARRIED*

On July 14, 2014:

***3)Clarification of Duties- Spokesman***

*R.403-2014 Moved by Councillor Feyter that the Deputy Mayor be appointed as spokesperson for the Town Council, and appoint an alternate when needed.*

*Mayor Gendre requested a recorded vote. For: Councillor Collar, Hoskin, Dyck, Trowbridge, Feyter and Wolstenholme. Against: Mayor Gendre CARRIED*

Following the resolution of council appointing the deputy mayor as the official spokesperson for the council, Mayor Gendre placed an related article in the *Fort Macleod Gazette* on July 23, 2014, prompting council to pass a resolution to seek a legal opinion on the mayor's actions, as described in the July 28, 2014 resolution below:

*R.479-2014 Moved by Councillor Hoskin that Administration be directed to seek a legal opinion on the newspaper article published by Mayor Gendre in the July 23, 2014 edition of the Gazette. CARRIED*

At the July 28, 2014 regular council meeting, the council passed resolution 468-2014 requiring the mayor to return a town-owned cell phone, reduced the mayor's remuneration and appointed council members to committees that the mayor was previously attending as a council representative, including:

- Fort Macleod Historical Society
- Alberta Southwest Regional Alliance
- Highway 3 Society
- Traffic Safety Committee
- Crime Prevention Advisory Board
- Drug Coalition
- Southern Alberta Mayors and Reeves Committee

It is also noted that the Highway #3 Economic Development Association is referred to by several different names, such as the Highway 3 Society. The proper name of the organization is the Highway #3 Economic Development Association, to be consistent with the bylaws of this particular organization.

During the July 28, 2014 meeting, Mayor Gendre stated that the Highway 3 Society is an independent legal society and that he held a position as the "VP of the society". On January 11, 2016 the mayor stated that he was the President of the society. The mayor claimed that the council could not appoint another representative to this society.

A copy of the bylaws for the *Highway #3 Economic Development Association* show a clear intention for this regionally focused committee to be comprised of directors from the municipal councils in the area, as follows:

- 4.04 *The Board of Directors shall comprise a minimum of seven (7) and a maximum of fifteen (15) members and shall include:*
- a) *A minimum of four (4) and a maximum of eight (8) directors shall represent municipal governments. Municipal government representation shall always constitute the majority of board membership.*
  - b) *One (1) board member representing school divisions in the region.*
  - c) *Up to six (6) Directors at Large.*

The society bylaws are also clear that the association does not provide remuneration to directors, as follows:

**ARTICLE XVI - Remuneration**

*16.01 No Director or Officer, other than the Chief Executive Officer, shall receive remuneration for services to the Association as a Director or Officer, but may receive indemnification for expenses incurred or advances made on behalf of the Association as a Director or Officer and reasonable remuneration and expenses for services to the Association in any other capacity. Such Director or Officer shall not be entitled to vote on any resolution of the Board with respect to such remuneration or expenses.*

The inspectors noted that the mayor submitted timesheet expenses for attending Highway 3 Economic Development Association meetings both before and after the sanctions were imposed. It is a questionable practice if the mayor was in fact charging the town for meeting expenses related to his personal involvement, as he claimed. If the council approves a council member's attendance at a committee, then it is reasonable and expected that a council member would receive remuneration for meeting attendance.

As for the appointment to the Highway #3 Economic Development Association, it is clear that the mayor did not have the support of the Fort Macleod council to attend the meetings during the sanctions. Despite this, the mayor still attended and submitted timesheet expense claims in an apparent attempt to be reimbursed for meeting attendance that he was not authorized to attend as a member of council. Alternatively, the mayor stated that the Highway 3 Society was independent, and yet he attempted to receive compensation from public funds for his meeting attendance.

Political sanctions continued to be placed on Mayor Gendre on August 25, 2014 attempting to revoke the mayor's authority to sign bylaws, call special meetings, and to restrict his meeting attendance as shown in the excerpts from council meeting minutes below. It is noted that the council acted on advice at a later date to respect the provisions of the MGA requiring the mayor, as chief elected official, to sign bylaws and call special meetings. It is also noted that council resolution R.510-2014 references section 194(1)(3) of the MGA, which does not exist:



**8) Mayors Sanctions (Signing Authority & Special Meetings)**

**R.508-2014** Moved by Mayor Gendre that all further sanctions be deferred until the mediation process is complete.

Mayor Gendre requested a recorded vote.

For: Mayor Gendre

Against: Councillors Dyck, Feyter, Wolstenholme, Hoskin, Collar and Trowbridge.

**DEFEATED**

**R.509-2014** Moved by Councillor Dyck that the Council of the Town of Fort Macleod revoke Mayor Rene Gendre's authority to sign bylaws and other legal documents on behalf of the Town of Fort Macleod and delegate such authority to the Deputy Mayor.

**CARRIED**

**R.510-2014** Moved by Councillor Wolstenholme that the Council of the Town of Fort Macleod revoke Mayor Rene Gendre's authority to call a Special Council Meeting as per section 194(1)(3) of the Municipal Government Act and delegate the authority to the Deputy Mayor.

Mayor Gendre requested a recorded vote.

For: Councillors Dyck, Feyter, Wolstenholme, Hoskin, Collar and Trowbridge.

Against: Mayor Gendre

**CARRIED**

**R.511-2014** Moved by Councillor Dyck that the Council of the Town of Fort Macleod restrict Mayor Rene Gendre from setting up or attending meetings representing the Town or Town Council, with any Federal, Provincial, Municipal representatives or representatives from organizations or businesses, without receiving prior approval from Council.

Mayor Gendre requested a recorded vote.

For: Councillors Dyck, Feyter, Wolstenholme, Hoskin, and Trowbridge.

Against: Mayor Gendre and Councillor Collar.

**CARRIED**

Mayor Gendre refused to accept the validity of the sanctions and on December 18, 2014 he filed a related lawsuit against the "Council of the Town of Fort Macleod and Town of Fort Macleod." The issues surrounding the Mayor's conduct resulted in the town incurring \$146,233.98 in legal costs as of January 2016, including approximately \$110,000 directly related to the town's response to the mayor's litigation. Countless hours of time and energy were dedicated by all affected parties. On October 8, 2015 the mayor's claim "that the bylaw and resolutions were invalid" was dismissed (Gendre v Fort Macleod (Town), 2015 ABQB 623, para 60).<sup>14</sup> The town recovered a portion of their legal costs from Mayor Gendre as noted in a February 24, 2016 Court ruling that awarded elevated costs in favour of the town in the amount of \$9,750, plus disbursements.<sup>15</sup>

<sup>14</sup> <http://www.canlii.org/en/ab/abqb/doc/2015/2015abqb623/2015abqb623.html?resultIndex=1>

<sup>15</sup> <http://www.canlii.org/en/ab/abqb/doc/2016/2016abqb111/2016abqb111.html>

In the Court of Queen's Bench Judgement, Justice Nixon notes the mayor's pattern of conduct that contributed to the political tensions and the absence of accepting responsibility:

*"What is germane is that the pattern of conduct of the Mayor was contributing to the tensions between the Mayor and his colleagues on Council and between the Mayor and Town administration. Notably absent from the Mayor's submission to the Court was any recognition of his role in the conflict, the acceptance of any responsibility, or any proposed solution to the conflict" (para 54).*

Justice Nixon also notes the court's position of deference to the actions taken by local councils to address their respective situations, as follows:

*"Actions taken by a municipal council within its jurisdiction are entitled to deference. A court must not interfere unless it can be said that a council's actions were such that no reasonable council would take. That cannot be said of Council's actions here. Council was faced with a difficult issue, which it sought to resolve in various ways. Council was in the best position to weigh the competing circumstances in the context of the history of the difficulties between the parties in order to determine the governance structure that best addressed its needs" (para 59).*

Following the Court of Queen's Bench judgement upholding the validity of the sanctions, the mayor continued to attend committee meetings and showed disregard and disrespect for the political process and governance actions exercised by the Fort Macleod council.

Boards and committees that the mayor previously participated on as a representative of the town were advised that a new council member was appointed as a representative. It caused confusion, concern and disappointment among members of external committees when Mayor Gendre continued to attend committee meetings against the will of the Fort Macleod council. For example, Fort Macleod's sanctioned mayor attended the December 4, 2015 Southern Alberta Mayors and Reeves meeting and used the occasion to highlight a personal legal matter. Mayor Gendre was reported to continue to sit at the table alongside other members just as he did in the past, in defiance of the political sanctions removing him as a town representative of that committee.

Municipal boards and committees that experience an appointed and a sanctioned council representative at meetings are obliged to uphold every council's respective decisions for board appointments. If a sanctioned council member has lost the privilege of representing their community and council at a particular board, they are required to accept this reality and should expect to sit in the gallery as an interested member of the public if they choose to attend a public committee or board meeting without their council's approval.

As a courtesy to all municipal colleagues, it is expected that a sanctioned council member would exercise some humility and respect by not placing local or regional boards and committees in the uncomfortable and embarrassing situation of dealing with a defiant local politician.

A sanctioned council member, or any council member for that matter, should not expect to receive any sort of council remuneration for attending unauthorized meetings. At the time of the inspection it was noted that Mayor Gendre submitted several timesheets that included an attempt to receive compensation for meetings that he attended, such as the following example from October 2014:

OTHER MEETINGS		Rene Gendre				\$ 25.00
DATE	MEETING DESCRIPTION	LOCATION	ACTUAL HOURS	PAY HOURS	TOTAL	
11-Jan-13	EXAMPLE	HOSPITAL	0.25	1.00	\$ 25.00	
3-Oct-14	Highway #3 Society	Lethbridge 9:30-12:00	3.50	3.50	\$ 87.50	Remuneration
3-Oct-14	Mayors & Reeves	Lethbridge 13:00-15:30	2.50	2.50	\$ 62.50	Remuneration
7-Oct-14	Meeting	FM 9:00-10:00	2.50	0.00	\$ -	

The fact that Mayor Gendre submitted timesheets for unauthorized meeting attendance and expenses shows an expression of entitlement and disregard for the fact that political sanctions were placed on him and that council did not authorize him to attend committee meetings as a town representative. Councillors became very cautious about approving the mayor's attendance at any meetings or events, such as refusing his attendance at the Nanton Days parade as per the following March 9, 2015 resolution:

**5) Nanton Booster Club**  
Asking for the Mayor and his wife to attend and be in the Nanton Days parade. Councillor Collar asked about cost associated to the town if the Mayor were to go. Mayor Gendre said he would follow policy on remuneration. Councillor Hoskin asked about the Mayor representing the Town and does not think he should be in this case. Councillor Dyck asked the Mayor if he wanted to attend, the Mayor said he would.

**R.120-2015** Moved by Councillor Trowbridge that Mayor Gendre attends the Nanton Days parade, with no public speaking or attendance at meetings on behalf of the Town of Fort Macleod.

Mayor Rene Gendre requested a recorded vote:  
**For:** Mayor Rene Gendre, Councillors Mike Collar, and Keith Trowbridge  
**Against:** Deputy Mayor Brent Feyter, Councillors: Trish Hoskin, Michael Dyck and Gord Wolstenholme.

**DEFEATED**

Also at the March 9, 2015 meeting the mayor put forward a motion that he attend a Mayor's Caucus meeting and this motion was defeated, as shown below:

**10) Mayor's Caucus**  
Discussion on whether Mayor Gendre should be representing Fort Macleod at this meeting. Deputy Mayor Feyter has a previous commitment and cannot attend.

**R. 125-2015** Moved by Mayor Gendre that he attend the Mayor Caucus.

Mayor Rene Gendre requested a recorded vote:  
**For:** Mayor Rene Gendre  
**Against:** Deputy Mayor Brent Feyter, Councillors: Trish Hoskin, Mike Collar, Michael Dyck, Keith Trowbridge and Gord Wolstenholme.

**DEFEATED**

At the November 9, 2015 council meeting, the inspector heard certain council members attempt to restrict the mayor from attending council training while under sanctions. The council meeting minutes read as follows:

**11. MD Willow Creek Training- Playing Nice in the Sandbox**  
Invitation for Councillors and Administration to attend training session in Claresholm November 27, 2015.  
Mayor Gendre and Deputy Mayor Feyter stated they are available to attend.  
Councillor Dyck did not feel that the Mayor should attend as he is still under sanctions.

**R.633.2015** Moved by Councillor Collar that up to two members of Council attend the training session *Playing Nice in the Sandbox*.

Councillor Hoskin suggests only Deputy Mayor Feyter attends.

Mayor Rene Gendre requested a recorded vote:  
**For:** Mayor Rene Gendre, Deputy Mayor Brent Feyter, Councillors: Gord Wolstenholme, Keith Trowbridge, and Mike Collar.  
**Against:** Councillors Trish Hoskin and Michael Dyck.

**CARRIED**

The above examples show the council's resistance to the mayor's participation in minor events such as a neighbouring parade and education opportunities. Despite some resistance, the mayor did attend a neighbouring community training session on 'Playing Nice in the Sandbox'. It is noted that a lack of council training and a lack of understanding of roles and responsibilities contributed to the actions that led to political sanctions being imposed in the first place. The sanctions did not include restrictions from training opportunities, and rightly so, since training is a key ingredient towards improved actions.

Political sanctions continued throughout the inspection process and on January 11, 2016 the council passed a resolution to continue the sanctions for another six months:

#### **10. Sanction Review**

*Deputy Mayor Feyter asked for input from Council regarding the sanction review.*

**R.014.2016** *Moved by Councillor Dyck that the Sanctions on Mayor Gendre continue for another six months.*

*Mayor Gendre requested a recorded vote: For: Deputy Mayor Feyter, Councillors Trish Hoskin, Keith Trowbridge, Michael Dyck and Gordon Wolstenholme.*

*Against: Mayor Gendre      CARRIED*

Following the January 11, 2016 council resolution to extend the mayor's sanctions the mayor wrote an unsolicited and unapproved January 23, 2016 letter to the Minister of Alberta Municipal Affairs expressing appreciation for grant funding. The tone of the letter is eloquent, however, the council expressed concerns of the mayor's failure to consult with the rest of council before sending the letter in apparent defiance towards the sanctions that removed him as the spokesperson for the town council.

It is questionable why Mayor Gendre continues to refuse to comply with the expectations placed upon him by his team. The council is relentless in communicating their expectations for the mayor's conduct and a court judgement has ruled that the council has not acted unreasonably. Further, the mayor's continued resistance to comply with expectations continues to feed dissension rather than promote harmony in the broader community.

## 6.5 Council Remuneration

Fort Macleod council members are compensated for meeting attendance according to the 2014 Council Remuneration Bylaw No. 1798 and the 2014 Council Rates of Remuneration, Per Diem, Expense and Benefits Policy, shown in the excerpt below:

**B. Hourly Remuneration Payment:**

1. The Mayor and Councillors shall receive **\$100.00 per meeting to a maximum of 4 meetings per month** for attendance at scheduled meetings (meetings of Council and Committees of the Whole);
2. The Mayor or Councillors shall receive **\$25.00 per hour to a maximum of \$200.00 per day** for attendance at all other meetings and functions approved by Council;

Records show that Mayor Gendre voted on council resolutions related to the imposed sanctions, such as shown above in the January 11, 2016 council resolution R.014.2016. The mayor was financially impacted by the sanctions whereby his council remuneration was reduced along with his committee involvement, and therefore, Mayor Gendre should have sought legal advice prior to voting to determine whether or not he had a pecuniary interest in this matter.

The sanctions to remove Mayor Gendre from committees had a financial impact where he received significantly reduced remuneration. Records show that in January 2014, the mayor's monthly approved timesheet totalled \$3,600 prior to political sanctions, compared to \$700 for January 2015 and \$750 for January 2016 while political sanctions were in effect. It is noted that the mayor was tardy in submitting his timesheets for several months after sanctions were imposed. For most of 2015, the mayor did not submit monthly timesheets, and was therefore only paid for a monthly honorarium.

A review of the councillor timesheets show that Mayor Gendre submitted timesheets that included claims for committee meetings that the mayor attended, despite being sanctioned and restricted from representing the town at committees. For some committee meetings, the mayor indicated that he was "invited to attend". Committee meetings may be open to the public, and therefore any person could potentially attend, including the mayor if he attended as a member of the public and was seated in the gallery. It is concerning, however, that the mayor would attempt to receive financial compensation from the town for meetings attended and travel expenses when these meetings were not approved by the council.

Conversely in fact, the intention of the council was that the mayor would refrain from representing the town at local and regional committees. At a minimum, it is expected that the mayor would comply with the expectations and requirements of his council member team and be able to adapt to the current realities of the local political dynamic in order to accomplish some good within the parameters of the operating environment.

Fort Macleod can be commended for demonstrating transparency in public official's salary disclosure. Most council timesheets are published on the town website. Fort Macleod also appointed council members to review the timesheets submitted by all council members.

The April 14, 2014 meeting minutes reflect the council's intent for disclosure:

**5) Timesheets**  
Discussion ensued with involvement from persons in the gallery.  
**R.174-2014** Moved by Mayor Gendre that due to the fact that the timesheets of the Mayor and Councillors record time spent in negotiations and discussions with persons that may or are of an 'in camera' nature, that these documents be for the CAO's and Council's eyes only, and that they be free from public scrutiny for the period of October 26, 2013 until March 31, 2014 at which after this date they may be viewed.

Councillor Feyter requested that the vote be recorded.

Discussion Ensued.  
Councillor Feyter called for a vote to be made.

Again discussion Ensued.  
Councillor Feyter called for a vote to be made for a second time.

**For:** Mayor Gendre  
**Against:** Councillor Feyter, Hoskin, Dyck, Trowbridge and Collar

**R.175-2014** Moved by Councillor Feyter that all timesheets be made available for public scrutiny as administration sees fit.

Mayor Gendre requested that the vote be recorded.

**For:** Councillor Feyter, Hoskin, Dyck, Trowbridge and Collar  
**Against:** Mayor Gendre

**DEFEATED**  
**CARRIED**


## 6.6 Strategic Planning

Strategic Planning is one of the key ways in which a municipal council identifies its priorities for the future, typically with some short- to mid-range goals that lead towards achieving the municipality's vision. This allows the civic administration to be clear on council's priorities and to apply resources to those priorities. The application of resources includes aligning the town's budget to council's priorities.

Both the AUMA and AAMDC recommend that the strategic plan be constructed in the format of a *Municipal Sustainability Plan* (MSP) or an *Integrated Community Sustainability Plan* (ICSP) respectively. Fort Macleod approved an ICSP in 2011 “to guide the community into the future”. This ICSP could not be located on the town website and no staff members mentioned this plan during the inspection. Although some content is outdated, the framework of the plan is solidly based on five *Dimensions of Sustainability*, as follows:

1. **Governance**
2. **Environmental**
3. **Economic**
4. **Cultural**
5. **Social**

Since the October 2013 election, Fort Macleod town council has engaged in strategic planning. Although the resolution wording is vague, it appears that the Fort Macleod council adopted its current strategic plan on October 27, 2014, as follows:

<p>11) <u>Strategic Plan</u> It was stated that an action plan still needed to be implemented. <b>R.632-2014</b> Moved by Councillor Feyter to approve the plan as presented.</p>	 <b>CARRIED</b>
---	--

The referenced strategic plan is entitled *Town of Fort Macleod 2014-2017 Strategic Plan*. This plan is available on the Fort Macleod website. This plan contains a series of five ‘Strategic Priorities’ and a set of ‘Key Measures/ Performance Indicators’ for each of the five priorities. The indicators are listed by year; however, no reference is made to which measures/indicators are a priority within a given year. For example, the plan contains an ambitious and excessive list of 28 key priorities for ‘Year One’ (presumably 2014-2015).

Subsequent to the October 2014 council resolution approving the strategic plan, council made the following resolution on February 23, 2015:

**4) Strategic Plan R.103-2015** Moved by Councillor Hoskin to Discuss the Strategic Plan at the Committee of the Whole meeting on March 17, 2015 at 6 pm.

Mayor Rene Gendre requested a recorded vote:

For: Mayor Rene Gendre, Deputy Mayor Brent Feyter, Councillors: Mike Collar, Michael Dyck, Keith Trowbridge and Gord Wolstenholme. **CARRIED**



Less than a month following this resolution, it was noted in the March 17, 2015 Committee of the Whole meeting that:

*Strategic Plan. Council reviewed the year 1 goals.*

It is not clear how the Year One goals were reviewed or whether a plan was presented for implementation. It is also not clear how the Key Measures / Performance Indicators were to be re-evaluated for years two and three of the plan.

That Fort Macleod has taken steps towards strategic planning or sustainability planning is very positive. These initial steps need leadership and a dedicated organizational effort to ensure that strategic initiatives are known and remain active, rather than being bound and placed on a shelf.

**RECOMMENDATION FOR STRATEGIC PLANNING:** That Fort Macleod council ensure that the town maintains a current Strategic Plan for the community in consultation with town citizens; and that the plan remains accessible to the public through the town website.

**RECOMMENDATION FOR STRATEGIC PRIORITIES:** That Fort Macleod council establish a subset of key priorities within the Strategic Plan; that those priorities be reviewed by council on a quarterly basis and re-evaluated by council on an annual basis.

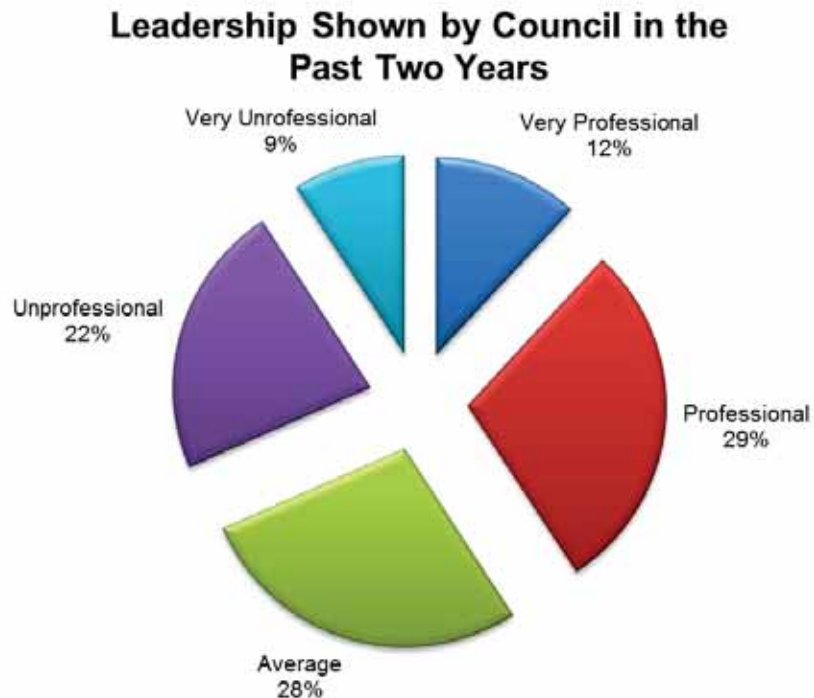
**RECOMMENDATION FOR PRIORITY-BASED BUDGETING:** That Fort Macleod council approve performance measures that demonstrate how the town's budget resources have advanced council's priorities as outlined in the Strategic Plan.

## 6.7 Council Leadership

Municipal council leadership serves as a central force to accomplish municipal purposes such as to develop and maintain safe and viable communities, and to provide services, facilities or other things that, in the opinion of council, are necessary or desirable (MGA, s.3).

The local government system is designed to provide grassroots leadership with local elected representatives serving the community. These people have, or are expected to quickly acquire, great awareness and sensitivity to the physical, environmental, social and historical attributes of the community. A council, acting collectively can be seen as an enabler of progress by regulating development and working with local and regional groups to serve local needs and build a vibrant, sustainable community. As referenced in the previous section of this report, a homegrown strategic plan is a necessary component to centralize and communicate council direction.

During the inspection interviews, several Fort Macleod residents were asked to rate the recent leadership shown by the Fort Macleod council as illustrated in the chart below. A similar percentage of interviewees said that the council had provided professional leadership and unprofessional leadership, with slightly more responses rating the council leadership on the professional side.



Corporate thinking requires organizational leaders to approve an organizational structure, recruit qualified staff and align resources wisely in order to accomplish strategic objectives.

Fort Macleod officials took steps to develop and advance the municipal strategy by preparing the following documents:

- 2011 Integrated Community Sustainability Plan (ICSP)
- 2014-2017 Strategic Plan (approved)
- 2014 Organizational Review – Phase 1 (approved)
- 2015 Service and Structural Review – Phase 2 (pending approval)

The 2015 Service and Structural Review – Phase 2 contains proposed changes to the town organizational structure where a new management layer would be added and department staff reporting would be realigned through three directors who would report to the CAO, rather than the thirteen direct reports currently in place. The proposed changes to the town's organizational structure were noted as a point of contention among staff who felt that there was no need for change, and certain union staff seemed to hold a strong resistance to a proposed non-union director position overseeing their operations.

Ultimately, leadership is needed and the Fort Macleod council has the authority and responsibility to make decisions that fulfill the needs in the community in order to accomplish strategic directions within the present operating environment. Staff play an important role in implementing the defined strategy. Staff are also subordinate to the council and CAO, and some humility is needed to accept organizational changes that may be imposed upon them from time to time.

**RECOMMENDATION FOR LEADERSHIP:** That Fort Macleod council exercise high level leadership and review the organizational structure to ensure that the structure can achieve the approved strategic plan objectives.

### 6.7.1 Core Service Review

The inspection found that the town could benefit from a high level review of core service delivery to create an inventory of services and categorize them along the lines of critical, preferable, or unnecessary. This would ensure that the types of services and means of delivery are appropriate, efficient and effective in meeting the current needs of the community. Certain current services such as maintaining an ice cream shop or managing horse pastures may be integral to the community viability, but that would be unusual.

Some related work has already started with services reviewed in the finance and public works departments in conjunction with the 2015 Service and Structural Review. A comprehensive core service review for the town would highlight services that may not be critical to the viability of the town or may be poorly aligned with municipal purposes set out in the MGA s. 3.

With knowledge of core services and agreement on strategic directives, leaders can respond appropriately to align and focus resources in core areas. This includes recruiting and retaining talented staff to implement strategic objectives.

**RECOMMENDATION FOR CORE SERVICE REVIEW:** That the Fort Macleod council undertake a core service review to analyze and focus resources in key areas.

## 6.8 CAO Performance Evaluation

The MGA requires a council to conduct a formal evaluation of the performance of the CAO each year, as follows:

### ***Performance evaluation***

*205(1) A council must provide the chief administrative officer with an annual written performance evaluation of the results the chief administrative officer has achieved with respect to fulfilling the chief administrative officer's responsibilities under section 207.*

The inspection found that the Fort Macleod council did not fulfill this legislative requirement and did not conduct regular performance evaluations of the former CAO, Mr. David Connauton. Instead of receiving considerate and well constructed professional feedback on his job performance, Mr. Connauton was repeatedly ridiculed by the mayor in public. For example, at the April 27, 2015 council meeting the mayor requested to add a "CAO to-do list" to the meeting agenda and appeared to use his position as a public official in an attempt to portray the CAO in a bad light during a public meeting. The council did not accept the mayor's list, and the mayor proceeded to broadcast his version of the "CAO to-do list" by email to staff and various community members.

Mayor Gendre had extensive knowledge of the October 2014 initiative to circulate a petition throughout the community in an effort to have CAO Connauton removed. Mayor Gendre stated that he could not be involved, but did assist with some background research on the types of petitions. An email sent from the mayor's account responds to the petition representative by stating "...Our MGA lawyer sent out two forms of Petition and wording..." The petition representative, Karen Friesen presented the petition to council as a delegation on November 24, 2014. Council rejected the petition in a 6-1 vote on resolution R.698-2014, with Mayor Gendre casting the dissenting vote.

Fort Macleod's council, elected in October 2013, did not conduct a performance evaluation of the CAO, Mr. Dave Connauton prior to his dismissal in May 2015. In fact, on May 13, 2015, council members appeared to have a clandestine meeting at a local hospital boardroom at 8:30 a.m. to discuss the performance evaluation of the CAO. The special council meeting minutes show that after a two hour *in-camera* discussion, the council came out of its *in camera* session and passed a resolution to dismiss the CAO as follows:

R.280-2015 *Moved by Councillor Trowbridge that the CAO David Connauton be immediately dismissed with full compensation as per his contract, or with the option the CAO resigns. CARRIED*

The mayor provided the inspectors with an audio recording of this meeting, which was reviewed and the inspectors are of the opinion that council acted improvidently and failed to consider the impact of their actions in the hasty decision to dismiss the CAO.

The council lacked direction and expertise to properly conduct an evaluation of the CAO. An experienced council, and especially an inexperienced council, such as in Fort Macleod can benefit from accessing expert, external human resource management advice and legal advice during the CAO performance evaluation process.

The Fort Macleod council floundered during the May 13, 2015 CAO evaluation discussion and clearly did not develop a reasonable, objective performance evaluation. For example, the council apparently used a two-point scoring system (pass or fail) as suggested by the mayor; they relied on staff opinions for certain evaluation components; they relied on the mayor's opinion of legal advice and personal interpretation of the MGA; and they engaged in tangential discussions about the mayor's personality conflict with the CAO. In the end, no performance evaluation was provided and the current Fort Macleod council parted ways with Fort Macleod's fourth CAO in ten years.

Also at the May 13, 2015 special council meeting, council passed a resolution for the town to indemnify councillors for their decisions made at the meeting regarding their handling of the CAO dismissal, as follows:

R.279-2015 *Moved by Mayor Gendre that the Town of Fort Macleod indemnifies any and all councillors identified for decisions made at this meeting.*

The *Liability of Councillors and Others* is covered in the MGA, as follows:

***Protection of councillors and municipal officers***

*535(1) In this section,*

*(a) "municipal officers" means*

*(i) the chief administrative officer and designated officers, and*

*(ii) employees of the municipality;*

*(b) “volunteer worker” means a volunteer member of a fire or ambulance service or emergency measures organization established by a municipality, or any other volunteer performing duties under the direction of a municipality.*

*(2) Councillors, council committee members, municipal officers and volunteer workers are not liable for loss or damage caused by anything said or done or omitted to be done in good faith in the performance or intended performance of their functions, duties or powers under this Act or any other enactment.*

*(3) Subsection (2) is not a defence if the cause of action is defamation.*

*(4) This section does not affect the legal liability of a municipality.*

Interviews with past council members and the past CAO, as well as a review of a 2012 performance evaluation confirmed that the previous council also lacked the ability to conduct a proper CAO performance evaluation. A 2012 evaluation was provided to the CAO, but the content was reported to be disconnected to the reality; the evaluation did not accurately reflect council’s comments; the council relied on a staff survey for content; and the measures were not linked to the council’s strategic direction.

Being on municipal council does not require members to become *de facto* experts in all areas. Rather, council members should do their part through policy and budget allocations to attract and retain the best qualified staff, and to have the wisdom to draw on external expertise and guidance when needed.

**RECOMMENDATION FOR PERFORMANCE EVALUATIONS:** That Fort Macleod council provide annual written performance evaluations of the town’s CAO in accordance with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established in conjunction with the Strategic Plan/Municipal Sustainability Plan.

**RECOMMENDATION FOR EXTERNAL HUMAN RESOURCES ADVICE:** That Fort Macleod council engage the services of a qualified human resources, legal or management consulting firm to help them establish and then guide them through formal CAO performance evaluation processes and any related policy development.

## 6.9 Bylaws

The inspection included a review of municipal bylaws. Bylaws were found to be generally properly passed according to the provisions of the MGA s. 187 as follows:

### ***Bylaw readings***

- (1) Every proposed bylaw must have 3 distinct and separate readings.*
- (2) Each councillor present at the meeting at which first reading is to take place must be given or have had the opportunity to review the full text of the proposed bylaw before the bylaw receives first reading.*
- (3) Each councillor present at the meeting at which third reading is to take place must, before the proposed bylaw receives third reading, be given or have had the opportunity to review the full text of the proposed bylaw and of any amendments that were passed after first reading.*
- (4) A proposed bylaw must not have more than 2 readings at a council meeting unless the councillors present unanimously agree to consider third reading.*
- (5) Only the title or identifying number has to be read at each reading of the bylaw.*

The inspectors noted that the town bylaws were recently organized and indexed by staff and that they were securely stored in the town office vault.

The MGA states that bylaws need to be signed in order to be passed, as follows:

### ***Passing of bylaw***

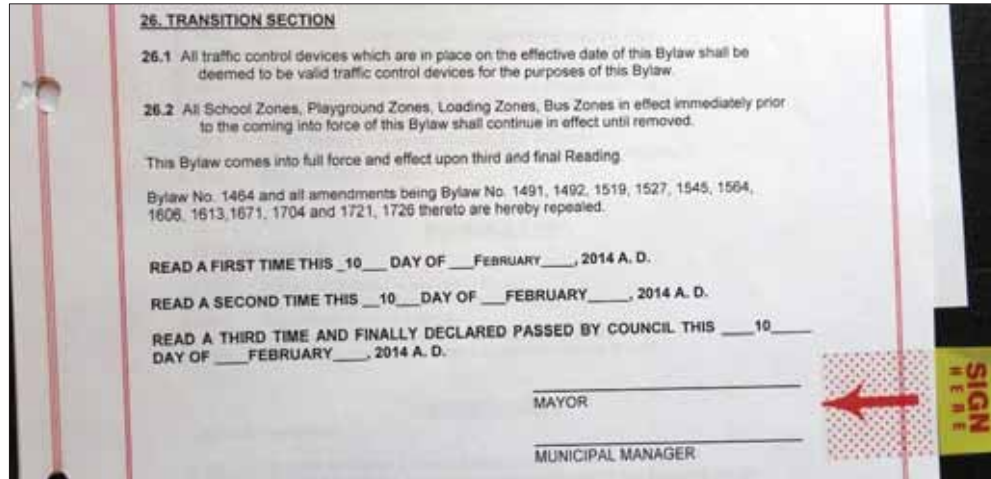
*189 A bylaw is passed when it receives third reading and it is signed in accordance with section 213.*

The MGA s. 213(3) requires bylaws to be signed by the mayor and CAO, as follows:

- (3) Bylaws must be signed by
  - (a) the chief elected official, and*
  - (b) a designated officer.**

Fort Macleod's Traffic Bylaw 1792 was found to be unsigned by Mayor Gendre after it was passed by council on February 10, 2014. At the time of the inspection the bylaw remained unsigned, as shown in the following excerpt:

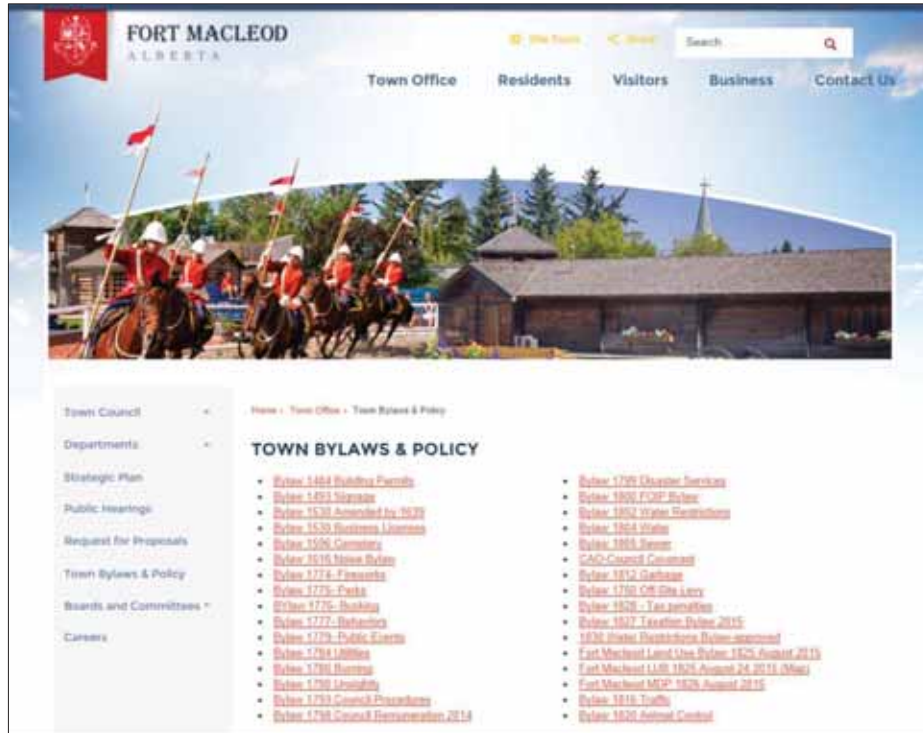




A new Traffic Bylaw 1816 was passed by council and was signed by the deputy mayor on December 8, 2014. Since Fort Macleod has an unsigned bylaw and other bylaws that are not signed by the chief elected official, it is unclear if the municipality is exposed to risk or legal challenge.

The delay in signing bylaws was noted as a concern in documentation explaining the reasons for imposing political sanctions on the mayor. Whether an elected official agrees with an approved direction of council or not, it is expected that the decisions of the council will be upheld and honoured without delay. In January 2016, the mayor explained his reasoning for the delay in signing bylaws based on the need to review the document for errors and accuracy and stated that *“From my training, as soon as a signature is applied, the signatory (certainly as a senior executive) is responsible for the document’s contents.”* In January 2016, Mayor Gendre informed the inspectors that he was “totally unaware” that he had not signed Bylaw 1792. Education is needed for council members to understand their roles, in particular, the fact that they act collectively as a governance body despite whoever holds the official role (and honour) of signing bylaws.

Public expectations and current best practice is that active bylaws would be made available electronically. The inspection found that not all active bylaws were publicly accessible on the municipal website. For example, it is expected that the bylaw numbering would be presented chronologically in a consistent format for full transparency, without missing bylaw numbers as shown in the screenshot excerpt below that was taken during the time of the inspection:



The inspectors attended the October 26, 2015 regular council meeting where the council heard a presentation from staff on an apparent error made in a past bylaw approval process. Staff took responsibility for a process error and served the council well by providing a recommended solution to the problem. The human nature of public servants leads to some slippage and honest errors occurring at times. From this perspective, planning staff can be commended for taking responsibility for an error and providing a solution in a timely manner. Organizations can learn from mistakes and safeguard against making repeated errors. In the above planning error example, the mistake caused a development delay and inevitably time and expense for the developer awaiting council's decision.

Fort Macleod council occasionally attempted to amend a bylaw with a single council resolution, such as the April 14, 2014 council meeting minutes containing a resolution related to a procedural bylaw amendment:

**11) Procedural Bylaw- Agendas**  
**R.186-2014** Moved by Mayor Gendre that the Agenda and supporting documents be prepared and presented to Council Members, posted on the Town's web-site, and presented to the Gazette for inclusion in the Town of Fort Macleod News section no later than Friday noon 10 days before the regular Council meeting.

**CARRIED**

It was noted that changing this section in the Bylaw, will now also affect the section regarding requests to be a delegation to Council.

Council also attempted to amend the procedural bylaw with a single resolution, on October 27, 2014, as follows:

**R.642-2014** Moved by Mayor Gendre to amend Bylaw 1793 to state that payables shall be accepted as information only.

**CARRIED**

On January 12, 2015 council attempted to amend the Development Officer variance powers in the LUB with this following resolution:

**5) Development Officer Variance Powers.**

Discussion ensued.

**R.009-2015** Moved by Councillor Feyter that the Town Development Officer be given powers to approve a 10% variance on all measurable standards of the Land Use Bylaw No. 1600.

**CARRIED**

Council Meeting Minutes January 12, 2015

Council acted in an irregular manner by attempting to amend the provisions of the LUB with a single council resolution R.009-2015. The Land Use Bylaw No. 1600 in effect on January 12, 2015 confirms that the Development Officer does not have the authority to grant variances by “waiving provisions” as quoted below:

*Waiver means the relaxation or variance of a development standard established in the land use bylaw. For the purpose of this bylaw, only the Municipal Planning Commission or, on appeal, the Subdivision and Development Appeal Board can waive provisions of the land use bylaw (pg. 96).*

The MGA s. 191 requires bylaw amendments to be made in the same way as the original bylaw was passed. This requires three separate readings, not a single resolution to amend the bylaw as shown in R.642-2014 above. To be clear, the MGA reads as follows:

***Amendment and repeal***

*191(1) The power to pass a bylaw under this or any other enactment includes a power to amend or repeal the bylaw.*

*(2) The amendment or repeal must be made in the same way as the original bylaw and is subject to the same consents or conditions or advertising requirements that apply to the passing of the original bylaw, unless this or any other enactment provides otherwise.*

**RECOMMENDATION FOR BYLAWS:** That Fort Macleod council review current bylaws and seek legal advice where needed to ensure that town bylaws are passed, signed and amended in accordance with the provisions of the Municipal Government Act; and that active bylaws be made readily accessible to the public on the town website.

## 6.10 Policies

Policies are very important governance tools used to provide clear direction to staff in order to consistently implement repetitive service functions. Policies are passed by a resolution of council to impose a duty on the town, as per the MGA s. 5:

### ***Powers, duties and functions***

#### ***5 A municipality***

- (a) has the powers given to it by this and other enactments,*
- (b) has the duties that are imposed on it by this and other enactments and those that the municipality imposes on itself as a matter of policy, and*
- (c) has the functions that are described in this and other enactments.*

The inspection included a review of Fort Macleod policies and found that town staff had access to several policy binders, however, the content of several policies was largely outdated, such as a 1991 reserves policy and a 2008 purchasing policy. Staff had some difficulty locating the 'current' policy manual. Various versions of the policy manual were produced, such as manuals dated 2004, 2007, and 2012 as shown in the following photos taken during the inspection:



Historical council meeting minutes show a minimal attention to policy development. A lack of policy guidelines takes up unnecessary council meeting time and invariably invites the council into day-to-day administrative matters, such as the following staff scheduling matter discussed by council on December 10, 2012:

<p><b>J. MANAGERS REPORT</b></p> <p>Council reviewed the Manager's Report plus Town Department Reports as attached.</p> <p><b>R. 382-2012</b> Councillor Wolstenholme: that Council approve the close of the town office on Dec. 31<sup>st</sup> with staff using overtime or vacation time in lieu.</p> <p style="text-align: center;">Carried.</p> <p><b>R. 383-2012</b> Councillor Randle: that the Municipal Manager's Report be approved in its entirety.</p> <p style="text-align: center;">Carried.</p>
--

Fort Macleod council has approved some recent new policies, such as a 2015 land sales income policy and business stimulus policy recommended by the town staff.

Policies require periodic reviews to ensure applicability and appropriateness. The organization of Fort Macleod's policies could be improved by archiving redundant policy manuals, applying a chronological numbering sequence, and having current policies available on the town website.

Policies ensure consistency in applying administrative or operational processes and require a resolution of council in order to be passed.

**RECOMMENDATION FOR POLICY REVIEW:** That Fort Macleod council complete a review of all current policies to ensure applicability and recency; and to improve the general organization and accessibility of town policies; and that policies be reviewed on a regular basis.

## 6.11 Council Meeting Minutes

The inspection found that council meeting minutes were presented to council for approval in accordance with MGA s. 208(1) which reads as follows:

*(c) the minutes of each council meeting are given to council for adoption at a subsequent council meeting;*

The inspection found that bylaw and minute binders dating back to the late 1800's were kept safe within the locked vault in the town office as shown in the adjacent photo taken while on site during the inspection. This practice complies with the MGA s. 208(1) which reads as follows:

*(d) the bylaws and minutes of council meetings and all other records and documents of the municipality are kept safe;*



### 6.11.1 General Comments on Council Meeting Minutes:

Some simple changes can be made to improve clarity and overall presentation of meeting minutes, such as:

- Discontinue using the bold watermark for approved meeting minutes online. Watermarks are valuable tools to generally alert readers to draft or confidential content, however, the large bold watermark across the page on approved minutes (and bylaws) is unnecessary and distracting to the reader.
- List all online minutes in chronological or reverse chronological order. At the time of the inspection the current minutes listed online did not follow a consistent order, such as the May 25, 2015 minutes being followed by minutes from May 11, May 28, and May 13, with May 14, 2015 minutes not posted at all.
- Meeting minutes regularly record the name of the local newspaper reporter present at the meeting. Although the press is welcome to attend and report on council meetings, officially recording their presence is not necessary, such as the

following note recording the attendance of Frank McTighe representing the *Fort Macleod Gazette* as made in the minutes on July 14, 2014:

**MINUTES OF A REGULAR MEETING OF THE COUNCIL OF  
THE TOWN OF FORT MACLEOD, HELD IN COUNCIL CHAMBERS ON  
MONDAY JULY 14, 2014 AT 7:00 P.M.**

**In Attendance:** Mayor Rene Gendre, Councillors Gord Wolstenholme, Mike Collar, Keith Trowbridge, Michael Dyck, Brent Feyter, and Trish Hoskin, Town Manager David Connauton, Communications Officer Keli Sandford.

Frank McTighe attended representing the Gazette.

**The meeting was called to order at 7:15 p.m. by Deputy Mayor Michael Dyck.**

- Meeting minutes regularly record when subordinate staff enter and leave the meeting even when they are not presenting to council, such as the following note made in the minutes on July 14, 2014:

**Parks and Facilities Foreman, Darcy Donahue entered the meeting at 7:35 p.m.**

This is not necessary. It is necessary to record when council members enter or leave the meeting since their presence or absence needs to be recorded for council deliberations and voting.

- Minutes and bylaws are printed on legal sized paper, and while this is historic, it is common for municipalities to use standard letter sized paper for ease of use.
- Some meeting minutes show that the agenda was approved after the meeting began. For example, the June 10, 2013 council meeting minutes show that Approval of Agenda was item D on the agenda following a public hearing and delegation, as shown below:

**C. ADDITIONS TO AGENDA**

- Cheque listing 3 new items totalling \$7657.50
- Personnel- In Camera
- Weed Issues

**D. APPROVAL OF AGENDA**

**R.224-2013 Councillor Houston: that the agenda be approved as amended.**

A similar sequence was used at the February 10, 2014 regular council meeting.

More recently, the approval of the agenda is occurring at as a first point of business at the meetings, such as shown in the November 23, 2015 regular council meeting minutes. For consistency and a logical sequence of actions, the approval of the agenda should always occur at the beginning of each meeting.

- Several 2013 meeting minutes contain a reference to 'Around the Table' which is an apparently casual way of referencing Council Reports. After October 2013, the current council began to use the more appropriate and formal heading of Councillor Reports. It is important to bear in mind that the council meeting minutes are formal, historical documents and should hold a high standard of formal presentation.
- A 'Reversion from Agenda' is noted in the April 8, 2013 regular council meeting minutes in order to hear a delegation. This is not a proper practice for adding items to the agenda or recessing a meeting. Procedures should be in place within the council procedural bylaw to deal with additions to the agenda.
- Laptop computers were used by all council members and management staff during meetings, however, the recording secretary took handwritten notes and did not use a laptop to record meeting minutes. A laptop should be provided so the recording secretary can have the option of typing meeting minutes and referencing electronic meeting documents during meetings.

Council resolutions frequently lacked comprehensive content and clarity. It is important for council resolutions to be descriptive enough to 'hold water' in a sense, or be self-contained so that a typical ratepayer reading the resolution would clearly understand council's intent without relying on prior knowledge, section headings or preamble content for clarity. Municipal staff play an important role here to ensure that staff reports to council are provided with recommendations that include proposed resolution wording.

For example, the January 12, 2015 minutes contain the following resolution to reduce transmission rate adjustments with a vague reference to a deferred account:

**6) Transmission Rate Adjustments.**

**R.018-2015** Moved by Councillor Wolstenholme to reduce the Transmission Rider to minus (15%) until such time as the deferral account is balanced.

**CARRIED**



The February 17, 2015 meeting minutes show that council came out of camera and passed a resolution to amend a vague 'Vendor Take Back Agreement', as follows:

**R.094-2015** Moved by Councillor Collar to come out of "In Camera" at 8:25 pm  
**CARRIED**

**R.095-2015** Moved by Councillor Wolstenholme to amend the Vendor Take Back agreement as presented and to add a 7% interest compounded annually for non-payments.

Mayor Rene Gendre requested a recorded vote:  
**For:** Mayor Rene Gendre, Deputy Mayor Brent Feyter, Councillors: Trish Hoskin Mike Collar, Keith Trowbridge and Gord Wolstenholme.  
**CARRIED**

Acronyms were frequently used in the Fort Macleod meeting minutes, such as the following resolution referring to ROTP, assumed to be the *Riders of the Plains* committee and the FMHA, assumed to be the *Fort Macleod Historical Association*:

**R.063-2015** Moved by Mayor Gendre to TABLE the discussion regarding the ROTP until the February 23, 2015 meeting so documentation from the Mayor can be distributed to the Council members.

Mayor Rene Gendre requested a recorded vote:  
**For:** Mayor Rene Gendre, Councillors: Keith Trowbridge, and Gord Wolstenholme.  
**Against:** Deputy Mayor Brent Feyter, Councillors: Trish Hoskin, Mike Collar and Michael Dyck.  
**DEFEATED**

Discussion Ensued.

**R.064-2015** Moved by Mayor Gendre that Invoice No. 78566 for \$1407.15 for Legal Services regarding the FMHA/ROTP be paid in full.

Mayor Rene Gendre requested a recorded vote:  
**For:** Mayor Rene Gendre,  
**Against:** Deputy Mayor Brent Feyter, Councillors: Trish Hoskin, Mike Collar and Michael Dyck, Keith Trowbridge, and Gord Wolstenholme.  
**DEFEATED**

It was noted that Mayor Gendre will give additional information to David Connauton.

At the July 14, 2014 council meeting, an undefined RABC report is accepted, presumably related to the Rural Alberta Business Centres.

2) RABC Quarterly Report  
**R.433-2014** Moved by Councillor Hoskin to accept the RABC Report as information.  
**CARRIED**

It is important to ensure that council resolutions are clearly written to stand the test of time in meeting minutes and that acronyms are spelled out for resolution clarity. Resolutions lacked clarity at other times as well, such as the September 8, 2014 resolution accepting the June Statement; presumably a June financial statement, as follows:

**2) June Statement**

**R.545-2014** Moved by Councillor Feyter to accept the June statement.

**CARRIED**

Some resolutions do not show if they were carried or defeated, such as the following September 8, 2014 resolution:

**4) Red Arrow Bus lines- AUMA Transport**

Discussion ensued regarding the transportation of Council and Administration to the AUMA meeting.

**R.541-2014** Moved by Councillor Dyck to approve the Transportation on Red Arrow Bus lines for Mayor Gendre.

Some council meeting minutes don't communicate any useful information at all and this gives the appearance to the public that the council meeting lacked purpose. For example, the minutes from the November 15, 2013 special council meeting contain only one council resolution – to adjourn the meeting.

The April 14, 2014 council meeting minutes record two attempts to adjourn the meeting before business was finished. Meeting minutes often contained notes and comments as requested by council in addition to resolutions which is contrary to the MGA s. 208(1)(a), as referenced later in this report.

While attending council meetings in October and November 2015, the inspectors noted that council struggled with the proper process of voting on amendments to resolutions.

**RECOMMENDATION FOR RESOLUTION CLARITY:** That Fort Macleod council ensures that council resolutions are comprehensive, concise, and appropriately worded so that the actions of council are clear and transparent to staff, the general public and future councils.

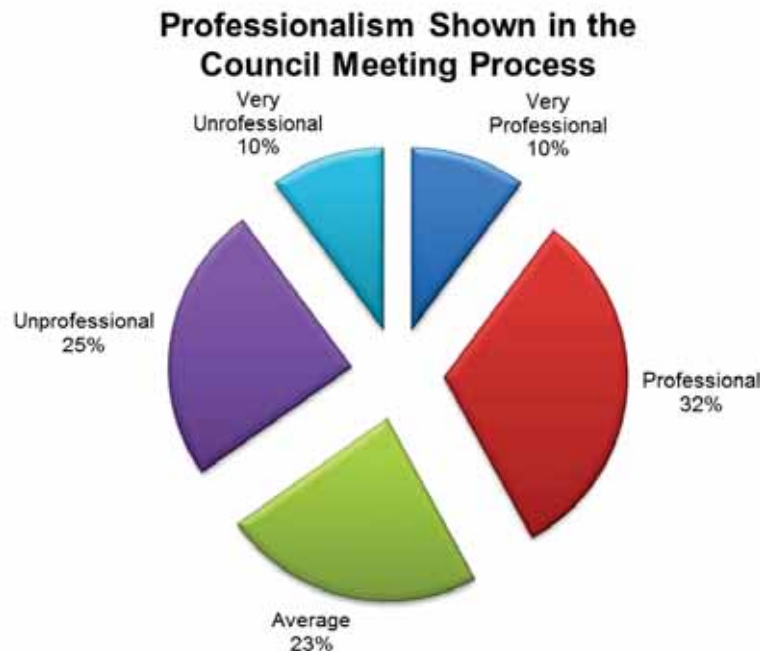
**RECOMMENDATION FOR AMENDING COUNCIL RESOLUTIONS:** that council resolutions are only amended by following proper procedure from Municipal Government Act, and council's procedural bylaw to ensure that resolution amendments follow a consistent and acceptable format, such as Robert's Rules of Order.

## 6.12 Council Conduct and Meeting Decorum

Municipal councils, either through bylaw or culture, are expected to display a certain level of formality during their proceedings and in how they interact with each other. The decorum identified within Section 34 of the Fort Macleod Meeting Procedures Bylaw is expected to be followed, however, there are many instances on audio recordings of Council meetings where this decorum has not been present, up to and including meetings that occurred – and were recorded – during the course of the municipal inspection. This cultural lack of council meeting decorum among council members included regularly addressing each other by first names, addressing each other and the gallery directly, and failing to channel discussions through the meeting chair.

The culture of council appears to be very informal, with members interacting with each other, official delegations, and members of the gallery freely rather than through the meeting Chair, as required in Section 33 (a) of the procedural bylaw.

This apparent lack of adherence to the 'Conduct of the Speaker and Members' section of the procedural bylaw (s. 34) appears to reflect a culture that has apparently been in place for some time. Several interviewees indicated that a lack of decorum has been present since before the October 2013 election, but that it has degraded during the term of the current council. The chart below reflects that approximately 50% of interviewees felt that there was some degree of professionalism in the council meeting process:



Several interviewees gave a qualified comment when rating the professionalism shown in the council meeting process. As a sample of feedback received, one interviewee rated the level of professionalism as “Very Professional” along with the following comment: “...except when the mayor was chair...meetings were unruly and excessive in length.”

**RECOMMENDATION FOR MEETING DECORUM:** That Fort Macleod council adhere to a high level of professional decorum during council meetings; and engage legal advice to review the applicability of the disciplinary section of the procedural bylaw.

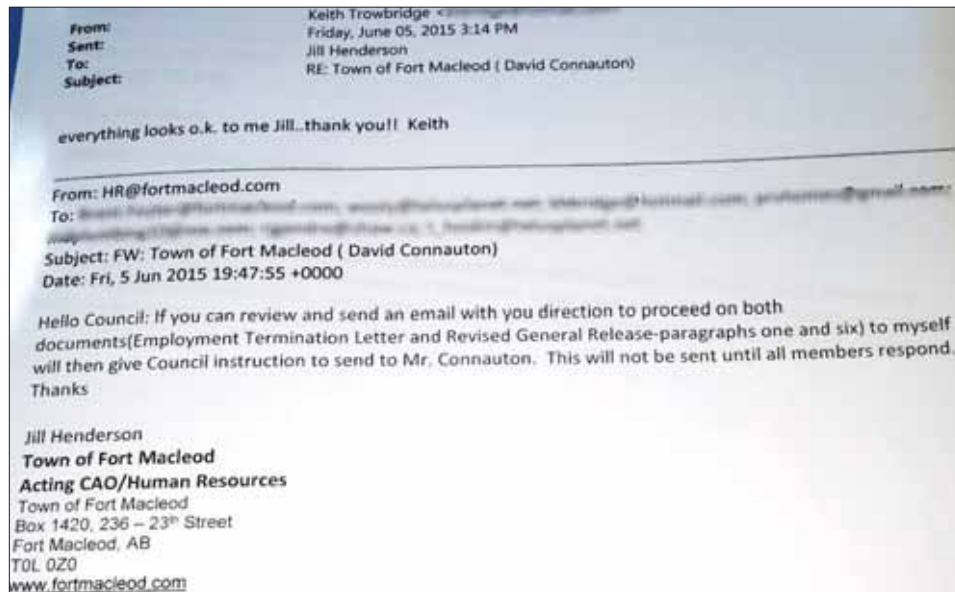
### 6.12.1 Acting by Bylaw or Resolution

The MGA is very specific on the *Council Proceedings Requirements for Valid Action*, as follows:

***Methods in which council may act***

*180(1) A council may act only by resolution or bylaw.*

The inspection found that Fort Macleod council occasionally acted in the absence of resolutions and bylaws. For example, during the handling of the CAO dismissal in May 2015, all council members used electronic means to exchange emails and texts between themselves and the Acting CAO to provide direction outside of a council meeting setting, such as the following:<sup>16</sup>



<sup>16</sup> Personal email addresses of council members in the above email correspondence have been purposely blurred.

This example of communicating sensitive personnel and legal matters outside of an *in camera* session of a council meeting, and outside of a council meeting at all signifies that the council and Acting CAO lack the understanding of the basic legislative responsibility to conduct council business in a council meeting setting in order to act by resolution or bylaw.

The May 13, 2013 regular council meeting minutes contain a comment that council directed administration to respond to a development notification from the neighbouring MD of Willow Creek, but no accompanying council resolution was made, as follows:

**2) MD of Willow Creek:**

Council was in receipt of two development notifications from the MD of Willow Creek. The first is regarding property owner Bill Jenkins Enterprises Ltd. constructing a 60ft. x 100 ft. shop, and the second is regarding Bouvry Exports constructing a 4,000 ft. addition to their processing area.

After discussion, it was Council's decision that they did not have any issues with either development application.

Administration was directed to send a letter to the MD of Willow Creek advising there were no issues from the town concerning these two development applications.

On another occasion, on April 8, 2013 council properly passed resolution 148-2013 to communicate that the town considered and had no issues with a proposed development in the MD of Willow Creek. It is also noted that the minutes contain a reference to "FYI" on several correspondence items. Fort Macleod's current and past council generally acted by resolution or bylaw, however, not always and some irregularities were present. Clearly, the council knows how to pass bylaws and resolutions, but it needs to be emphasized that this is the only way a council is authorized to act.

**RECOMMENDATION TO ACT BY BYLAW OR RESOLUTION:** That Fort Macleod council ensure that all actions of council are made by resolution or bylaw in a public council meeting in accordance with the MGA s. 180 and s 191(2).

### 6.12.2 Recording of Votes

The ability to record an individual vote is an important legislative provision that allows a council member to potentially avoid a litigious situation where they can officially document that they were or were not in support of the actions taken by a council. The MGA s. 185 provides a specific procedure for the recording of votes during a council meeting, as follows:

#### ***Recording of votes***

- (1) Before a vote is taken by council, a councillor may request that the vote be recorded.*
- (2) When a vote is recorded, the minutes must show the names of the councillors present and whether each councillor voted for or against the proposal or abstained.*

The inspection found an excessive use of the privilege of recording of votes during Fort Macleod's council meetings in recent years even though the ability to request recorded votes appears in both the MGA and the Meeting Procedures Bylaw (s.34 i).

Requests for recorded votes were predominately called by Mayor Gendre, and often for what appears as minor agenda items such as accepting council reports at the November 23, 2015 regular council meeting, approving the agenda and adopting minutes at the August 10, 2015 regular council meeting. At the February 17, 2015 regular council meeting, a total of 15 resolutions were passed and Mayor Gendre requested a recorded vote for six of these resolutions. All six resolutions that received a recorded vote show that all six resolutions were passed unanimously, such as R.085-2015 to set a meeting date "for council to review the draft land use bylaw."

It is apparent that the mayor exercised a lack of discretion in using repeated calls for recorded votes on rather simple matters. The inspectors heard first-hand accounts of instances where the mayor discussed individual councillor votes (as recorded) and shared opinions with various community members in a derogatory and divisive manner.

**RECOMMENDATION FOR RECORDING OF VOTES:** That Fort Macleod council members exercise high levels of discretion when requesting the recording of votes in accordance with the MGA s. 185 and the meeting procedures bylaw s. 34(j); and that the procedural bylaw be updated if council desires that every vote be recorded.

### 6.12.3 In-Camera Portions of Meetings

The MGA s. 197 allows a council to close all or part of a meeting to the public as follows:

#### **Public presence at meetings**

197 (1) Councils and council committees must conduct their meetings in public unless subsection (2) or (2.1) applies.

(2) Councils and council committees may close all or part of their meetings to the public if a matter to be discussed is within one of the exceptions to disclosure in Division 2 of Part 1 of the Freedom of Information and Protection of Privacy Act.

(2.1) A municipal planning commission, subdivision authority, development authority or subdivision and development appeal board established under Part 17 may deliberate and make its decisions in meetings closed to the public.

(3) When a meeting is closed to the public, no resolution or bylaw may be passed at the meeting, except a resolution to revert to a meeting held in public.

The inspection found that Fort Macleod officials closed portions of council meetings to the public and did not always state a clear reason to go *in camera* within the related council resolution, such as the following examples:

At the January 27, 2014 regular council meeting:

<b>L. IN CAMERA</b>
<b>R.064-2014</b> Moved by Councillor Feyter that Council hereby moves "In Camera" at 11:50 p.m. <b>CARRIED</b>
<b>R.065-2014</b> Moved by Councillor Collar that Council hereby moves out of "In Camera" at 12:10 a.m. <b>CARRIED</b>
<b>R.066-2014</b> Moved by Councillor Wolstenholme that the meeting adjourn at 12:11 a.m. <b>CARRIED</b>
_____ <b>MAYOR- Rene Gendre</b>
_____ <b>MUNICIPAL MANAGER-David Connauton</b>
_____ Council Meeting, January 27 , 2014

At the February 23, 2015 regular council meeting:

<b>M. IN CAMERA</b> <b>R.112-2015</b> Moved by Councillor Trowbridge to go "In Camera" at 8:40 p.m.	<b>CARRIED</b>
<b>Deputy Mayor Feyter left the meeting at 8:50 p.m. – Conflict of Interest</b>	
<b>R.113-2015</b> Moved by Councillor Dyck to come out of "In Camera" at 9:25 p.m.	<b>CARRIED</b>
<b>R.114-2015</b> Moved by Councillor Wolstenholme to adjourn the meeting at 9:30 p.m.	<b>CARRIED</b>
<hr/> <b>Deputy Mayor, Brent Feyter</b>	<hr/> <b>CAO-David Connauton</b>

At the November 12, 2013 regular council meeting, resolutions to go in and out of camera were made by anonymous councillors, as follows:

<b>IN CAMERA</b> <b>R. 406-2013</b> Councillor: that Council hereby moves "In camera" at 11:00 p.m.	<b>CARRIED</b>
<b>R. 407-2013</b> Councillor: that Council move out of "In camera" at 11:43 p.m.	<b>CARRIED</b>

On November 26, 2014 the council met *in camera* for over three hours for an undisclosed reason/titled budget meeting. Council meetings are classified as "regular" or "special" meetings, not "budget" meetings.

Meeting minutes from a previous council show that council resolutions to go *in camera* showed clear reasons for the closed portion of meetings, such as resolution 201-2013 from the May 13, 2013 council meeting stating to go *in camera* "to discuss land and personnel issues."

Best practices show that municipal councils show greater disclosure on the reason for closing the meeting, and specifically state Freedom of Information and Protection of Privacy (FOIP) related exceptions to disclosure.



Exceptions to disclosure in Division 2 of Part 1 of the *Freedom of Information and Protection of Privacy Act* are listed below:

***Division 2***

***Exceptions to Disclosure***

- 16 Disclosure harmful to business interests of a third party*
- 17 Disclosure harmful to personal privacy*
- 18 Disclosure harmful to individual or public safety*
- 19 Confidential evaluations*
- 20 Disclosure harmful to law enforcement*
- 21 Disclosure harmful to intergovernmental relations*
- 22 Cabinet and Treasury Board confidences*
- 23 Local public body confidences*
- 24 Advice from officials*
- 25 Disclosure harmful to economic and other interests of a public body*
- 26 Testing procedures, tests and audits*
- 27 Privileged information*
- 28 Disclosure harmful to the conservation of heritage sites, etc.*
- 29 Information that is or will be available to the public.*

It is also noted that the MGA does not reference “conflict of interest” wording, but rather “pecuniary interest”. It is important that municipalities use respective wording in bylaws and resolutions that is consistent with the MGA wherever possible.

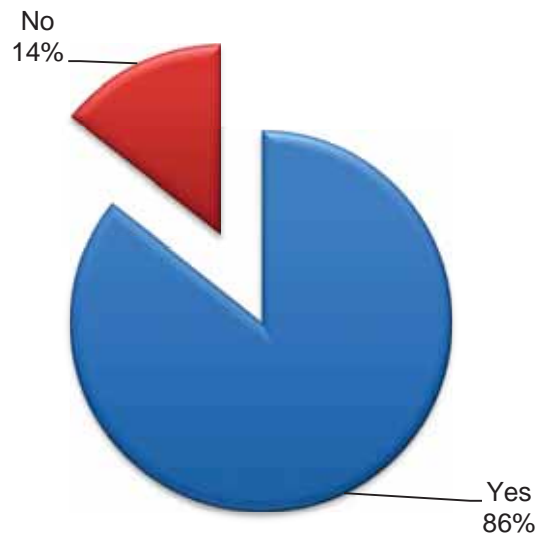
**RECOMMENDATION FOR *IN CAMERA* AGENDA ITEMS:** That Fort Macleod council comply with the MGA s. 197 when closing any part of a meeting to the public, and state the related FOIP exceptions to disclosure.

#### 6.12.4 Attendance at Council Meetings

Transparent decision making is a fundamental tenet of local government. There is an expectation that a municipal council will deliberate matters of local concern in a public setting with respectful, professional meeting procedures. Fort Macleod council needs education on meeting conduct to ensure full compliance with legislative requirements.

The inspection found a high level of public attendance at council meetings in recent years. Most interviewees indicated that they had attended council meetings, as shown below:

### Attended a Council Meeting in the Past Two Years



Council meeting minutes and audio recordings show that there has been an established informal tolerance of disorder during council meetings where citizens in the public gallery speak out and interrupt council proceedings, adding their input to debates, sometimes at the behest of council members.

At points during some meetings, individual or multiple council members engaged in conversations directly with members of the public in the gallery, inviting disorder into the meeting process. The council, and in particular, the presiding officer, is responsible to maintain order to ensure respectful, appropriate public conduct during meetings.

Section 20 of Fort Macleod's procedural bylaw No. 1793 anticipates the need for decorum in the gallery and provides for the ability of the presiding officer to have those contributing as a disrupting influence removed from the Chamber, as follows:

#### **20. VISITORS IN THE PUBLIC GALLERY**

Members of the public who constitute the audience in the Council Chamber during a meeting of the Council:

- may not address Council without permission from the Presiding Officer;
- shall maintain order and quiet during the proceedings of Council;
- shall not interrupt any person or action of the members of Council, or any other person who may be addressing Council; and
- shall not bring in any food or drink.
- Any public person who conducts himself or herself improperly while in the Council Chamber, and who disturbs the proceedings of the Council by words or actions and who, when requested to do so by the Presiding Officer, refuses to stop and end such improper conduct or leave the Chamber if so requested, shall be guilty of disorderly and improper conduct and the Presiding Officer may cause such person to be removed from the Chamber.

#### **6.12.5 Public Delegations at Council Meetings**

There are appropriate means for citizens to address elected officials informally before or after council meetings; or formally as a delegation to council (s. 24, procedural bylaw 1793). An ongoing reciprocal consultative dialogue between citizens and their elected officials can add legitimacy to decision making and lead to a greater understanding of the potential impact of local issues. The MGA is clear on the right of the public to be present at council meetings as follows:

##### ***Right of public to be present***

*198 Everyone has a right to be present at council meetings and council committee meetings conducted in public unless the person chairing the meeting expels a person for improper conduct.*

Typically, when an issue is to come before council, the speakers appear as a delegation and are placed on the council meeting agenda. This is anticipated in Section 24 of the town's procedural bylaw. Delegations are entitled to 15 minutes at a council meeting (s. 24(b)).

In addition to this, Fort Macleod's council meetings have included a 'Community Input' session, whereby any individual may address council for five minutes by signing up as they enter the meeting room prior to the meeting. An example below of a council meeting from

October 26, 2015 illustrates that delegations are listed on the agenda (Item E), followed by the community input session (item F).

## TOWN OF FORT MACLEOD COUNCIL AGENDA

October 26, 2015  
Public Library 7:00 p.m.

**A. APPROVAL OF AGENDA**

**B. ADOPTION OF MINUTES**

1. [Council Meeting Minutes October 13, 2015](#)
2. [Organizational Meeting Minutes October 13, 2015](#)

**C. BUSINESS ARISING FROM THE MINUTES**

**D. PUBLIC HEARINGS**

1. Bylaw 1829 – [Water Meter Project Debenture](#)

**E. DELEGATIONS**

1. 7:00 pm – 7:30 pm: Emergency Medical Services – South
2. 7:30 pm – 8:00 pm: [Alberta Healthy Communities Approach](#) – Megan Braun

**F. COMMUNITY INPUT**

30 minute timeslot – 5 minute maximum per person  
Signup Sheet Will Be Available at the Door

This type of community input session is uncommon and does not give the municipal staff or council, the ability to prepare to hear the speaker's comments or concerns. A person or group presenting to council should be heard as a formal delegation based on the rules outlined in the procedural bylaw, rather than as *ad hoc* and unannounced speakers.

Several inspection interviewees stated concerns that the community input session can be taken over by one or more individuals who have a singular focused issue, and that council and administration have no time to prepare any type of valuable consideration for that issue.

This attempt at public engagement opens the floodgates for abuse of council meeting process and a lack of preparedness by officials. Positive comments have been shared at times but generally this impromptu engagement is ripe for grandstanding and ridicule. The process has been described as: "*if you sign your name, you get your 5 minutes to bitch.*" In a sense, the council has established a practice where they sit as a captive audience to hear comments that may be degrading to the council, the staff, or a community group.

On occasion, such as on April 27, 2015 the chair briefly lost control of the meeting as the public input session spiraled into a debate between members in the gallery. Emotions were heard in the audio recording as one member of the public exclaimed to another: “*I am not here to argue with you!*”

Council members engaged in public interaction during council meetings whereby members of the public in the gallery were addressed during council deliberations. For example, an audio recording of the June 23, 2014 council meeting shows that members of the public spoke up during a presentation to council by the Community Peace Officer (CPO). The meeting chair, Councillor Dyck then asked the CPO to directly address the gallery and a ten-minute discussion ensued between the CPO and the gallery.

The right of the public to be present does not mean that the public can actively engage in council meeting discussions. Local government follows a system of *representative democracy* where candidates are elected to represent the citizenry. This is different from *participative democracy*, or direct democracy, where all citizens are actively involved in all important decisions.<sup>17</sup> To be clear, local government in Alberta follows a system of representative democracy where citizens elect council members to represent them in making decisions.<sup>18</sup> When Fort Macleod elected officials inserted elements of direct democracy within a council meeting they lost control of the meetings and lost the confidence of the public. The wild west seemed to reappear as chaos ensued and debate rattled on past midnight on several occasions.

**RECOMMENDATION FOR PUBLIC PRESENCE:** That Fort Macleod council ensures that the public has an opportunity to be present at all council and committee meetings in accordance with the provisions of the MGA s. 197-198; and that members of the public in the gallery abide by the conduct required in the MGA and local procedural bylaw.

**RECOMMENDATION TO UPDATE PROCEDURAL BYLAW:** To update the procedural bylaw to ensure that council meeting decorum follows an appropriate, respectful process; that the informal Community Input sessions be discontinued immediately so that delegations to council can be heard with more formality; and that the presiding officer exercise proper skills to preside as chairperson during meetings to ensure that proper meeting decorum and respectful order is maintained throughout all council and committee meetings.

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<sup>17</sup> [http://www.encyclopedia.com/topic/participatory\\_democracy.aspx](http://www.encyclopedia.com/topic/participatory_democracy.aspx)

<sup>18</sup> [http://www.lopparl.gc.ca/About/Parliament/Education/ourcountryourparliament/html\\_booklet/democracy-defined-e.html](http://www.lopparl.gc.ca/About/Parliament/Education/ourcountryourparliament/html_booklet/democracy-defined-e.html)

### 6.12.6 Council Meeting Dates, Times and Locations

The inspection found that council and committee meetings were held in council chambers and alternately at the library on regularly scheduled dates. The library location was considered in 2014 to improve the accessibility to the public for persons who had difficulty climbing the stairs to access the council chambers, located on the second floor of the town office.

On a couple of occasions, council held council meetings at unusual locations, such as the May 13, 2015 8:30 a.m. special meeting held at the Fort Macleod Health Centre, and the May 14, 2015 6:00 a.m. special meeting held at Structural Truss. It is noted that the May 14, 2015 meeting minutes are not presented on the town website.

The MGA s. 194(4) gives a council the authority to waive the minimum 24-hour notice of a special meeting as follows:

*(4) A special council meeting may be held with less than 24 hours' notice to all councillors and without notice to the public if at least 2/3 of the whole council agrees to this in writing before the beginning of the meeting.*

It is an expectation that this exclusive provision in the MGA to waive the notice of a meeting would be used to deal with emergent matters.

Occasionally there appear to be inconsistencies in application of the notice of meetings. In an audio recording of the April 13, 2015 regular council meeting, council discussed setting a date for a special meeting to finalize the budget. The mayor commented that: "Every council meeting needs to be advertised." Conversely, one month later at a May 13, 2015 special meeting where council dismissed the CAO, the mayor is heard to state in an audio recording that a "sign in" is not needed "because the mayor called the meeting." For clarification, council members sign their agreement in writing before the special meeting if they agree to meet with less than 24 hours' notice to all councillors and without notice to the public.

On June 13, 2014 Fort Macleod councillors requested a special meeting in writing, to be held on June 17, 2014 and the mayor dragged his heels and did not call the special meeting on the date council requested. Mayor Gendre attempted to trump the wishes of the council stating that "cooler heads need to prevail." The mayor did comply with the MGA s. 194, however, and called a special meeting on June 26, 2014 which was the latest possible date he could set and still comply with the MGA. In the end, the special meeting did not take place.

### 6.12.7 Requirement to Vote and Abstentions

The MGA requires clarity and transparency for councillors to state the reasons for abstentions from voting as follows:

#### ***Requirement to vote and abstentions***

*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.*

Council meeting minutes show that the reasons for abstaining from voting and discussion were not properly stated on several occasions. An excerpt from the February 23, 2015 meeting minutes states that:

*“Deputy Mayor Feyter left the meeting at 8:50 p.m. – Conflict of Interest”*

The minutes do not show what the nature of the discussion was that caused Deputy Mayor Brent Feyter to leave the meeting, besides a vague reference to a conflict of interest. Again, it is noted that the “conflict of interest” wording is not referenced in the MGA.

Legislative requirements to vote or abstain are significant and council members are required to understand and abide by these provisions. Voting on council decisions is a fundamental duty of council members and if council members refuse to vote on a matter when they are present at the meeting, and when they have no pecuniary interest, the consequence may be a disqualification from council in accordance with the MGA s. 174(1)(f). The consequence for improperly abstaining from voting on a matter put to a vote is significant because otherwise a council member could strategically abstain from voting as a tactic to control or influence the outcome of a council decision.

**RECOMMENDATION FOR ABSTAINING FROM VOTING:** That Fort Macleod council members provide reasons for each abstention from voting, and that the reasons for abstaining are recorded in the meeting minutes in accordance with the provisions of the MGA s. 183; and when abstaining from voting, that council members leave the room until discussion and voting on matters of a pecuniary interest are concluded in accordance with the provisions of the MGA s. 172.

### 6.12.8 Pecuniary Interest

According to the MGA, council members have a pecuniary interest if a decision of council could monetarily affect a councillor or a councillor's employer, as follows:

#### ***Pecuniary interest***

*170(1) Subject to subsection (3), a councillor has a pecuniary interest in a matter if*

- (a) the matter could monetarily affect the councillor or an employer of the councillor, or*
- (b) the councillor knows or should know that the matter could monetarily affect the councillor's family.*
- (2) For the purposes of subsection (1), a person is monetarily affected by a matter if the matter monetarily affects*
  - (a) the person directly,*
  - (b) a corporation, other than a distributing corporation, in which the person is a shareholder, director or officer,*
  - (c) a distributing corporation in which the person beneficially owns voting shares carrying at least 10% of the voting rights attached to the voting shares of the corporation or of which the person is a director or officer, or*
  - (d) a partnership or firm of which the person is a member.*

The pecuniary interest and abstention from voting provisions in the MGA enable a council member to conduct themselves appropriately when personal interests require a council decision. The inspection found that the council did not always demonstrate a solid understanding of proper conduct related to pecuniary interest matters. For example, on August 25, 2014 Councillor Hoskin was chairing the council meeting when her work colleagues presented to council looking for funding options for the Kids First Family Centre, as recorded in the minutes:

2) Kids First Family Centre

**Mayor Gendre entered the meeting at 7:20 p.m.**

Susan Simpson presented information on a funding grant for the Centre. The Alberta Community Partnership Grant Program is what the group is looking at for funding options. Ms. Simpson stated that this could be done as a joint venture with the MD of Willow Creek.

Deputy Mayor Hoskin thanked the delegation for attending the meeting.



On April 13, 2015 Councillor Hoskin participated in the council discussion and heard a delegation from her work colleagues on a financial request from her employer, Kids First Family Centre totalling \$250,000 over two years. The council meeting minutes show that Councillor Hoskin “*declared a perceived conflict of interest and abstained from voting*” on this issue. The minutes do not show that Councillor Hoskin left the room.

An audio recording of this meeting, confirms that Councillor Hoskin was present during discussion and did abstain from voting on the Kids First Family Centre issue after stating that she wished to abstain for perception “*even though it is not a pecuniary interest.*” Councillor Hoskin was employed by the Fort Macleod Kids First Family Centre at the time. Organizational meeting minutes show that Councillor Hoskin was also appointed as a council representative to the Early Childhood Coalition at the time.

Since the Kids First Family Centre agenda item could have monetarily affected Councillor Hoskin’s employer it appears that she should have declared the pecuniary interest, abstained from voting and discussion on the matter and left the room. Alberta’s local government system emphasizes transparency and the MGA gives clear directions to council members so they can conduct themselves properly when they encounter pecuniary interest situations, as follows:

***Disclosure of pecuniary interest***

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

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

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

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

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

- (4) If a councillor is temporarily absent from a meeting when a matter in which the councillor has a pecuniary interest arises, the councillor must immediately on returning to the meeting, or as soon as the councillor becomes aware that the matter has been considered, disclose the general nature of the councillor's interest in the matter.*
- (5) The abstention of a councillor under subsection (1) and the disclosure of a councillor's interest under subsection (1) or (4) must be recorded in the minutes of the meeting.*
- (6) If a councillor has disclosed a pecuniary interest at a council committee meeting and council considers a report of the committee in respect of which the councillor disclosed a pecuniary interest, the councillor must disclose the pecuniary interest at the council meeting and subsection (1) applies to the councillor.*

On another occasion, Mayor Rene Gendre and Councillor Hoskin both participated in discussion and voted on an agenda item to reduce the mayor's pay and increase Councillor Hoskin's pay, since she was serving as deputy mayor at that time.

According to the MGA s. 170(3) a pecuniary interest does *not* exist when voting on council remuneration, as follows:

- (3) A councillor does not have a pecuniary interest by reason only of any interest*
  - (a) that the councillor, an employer of the councillor or a member of the councillor's family may have as an elector, taxpayer or utility customer of the municipality,*
  - (b) that the councillor or a member of the councillor's family may have by reason of being appointed by the council as a director of a company incorporated for the purpose of carrying on business for and on behalf of the municipality or by reason of being appointed as the representative of the council on another body,*
  - (c) that the councillor or member of the councillor's family may have with respect to any allowance, honorarium, remuneration or benefit to which the councillor or member of the councillor's family may be entitled by being appointed by the council to a position described in clause (b),*
  - (d) that the councillor may have with respect to any allowance, honorarium, remuneration or benefit to which the councillor may be entitled by being a councillor,*

The inspectors were informed that Councillor Mike Collar owns a building construction business and works with local developers to construct buildings on land typically purchased from the town by developers. The April 28, 2014 council meeting minutes show that Councillor Collar participated in a land agreement discussion and then left council chambers when the agreement was voted on, as follows:

**4) Bond/Poytress Servicing Agreement**

Troy Bond and Alan Poytress presented to Council the past issues they have encountered with zoning and utilities. Mr. Bond and Mr. Poytress stated that they were uncomfortable signing the agreement as it's written presently. It was noted that an appointment would be set up for Bond and Poytress to meet with the Development Officer to review and work on a revised agreement including the possibility of incentives.

**Councillor Collar left the meeting at 9:38 p.m.**

**R.198-2014** Moved by Mayor Gendre that Administration proceed with writing up a new agreement.

**CARRIED**

**Councillor Collar returned to the meeting at 9:41 p.m.**

The meeting minutes do not show that Councillor Collar declared that he had a pecuniary interest in the servicing agreement being considered by council. During the inspection, Councillor Collar confirmed that he had no business involvement with the above servicing agreement, and could not recall why he left the meeting during the vote on R.198-2014. There is no evident pecuniary interest on this matter.

Records show that Councillor Collar's company, Prairie View Homes Ltd. purchased land from the town on March 5, 2014 in the amount of \$43,800. Council members are also citizens, with respective rights to conduct business with the municipality. Development staff have confirmed that some properties have predetermined prices established and that not all land sales are considered by council. There is no evident pecuniary interest on this matter.

Councillor Collar participates in the public works shop committee and the inspectors heard allegations of a potential pecuniary interest. Councillor Collar has confirmed that his company has no intention of bidding on the future public works shop construction project. Allegations of pecuniary interest affecting Councillor Collar's involvement in the public works shop construction appear to be unfounded.

In the April 28, 2014 regular council meeting, Councillor Michael Dyck declared a conflict of interest and left the meeting before council voted on a resolution for a boiler at the arena, as shown below:

**7) Arena Repairs**

Councillor Dyck declared a conflict of interest in regard to the boiler for the Arena and left the meeting.

**R.203-2014** Moved by Councillor Feyter to approve the \$19,950.00 budget for the Boiler at the Arena, to be funded from the recreation FME reserves.

**CARRIED**

**Councillor Dyck returned to the meeting.**

**R.204-2014** Moved by Councillor Dyck to approve the \$12,500.00 budget for the relief valves, to be funded from the recreation FME reserves.

**CARRIED**

The inspectors were made aware that Councillor Dyck is the owner of MD Plumbing and Heating and provides related services to the town of Fort Macleod. The above excerpt from the meeting minutes show that Councillor Dyck put forward a resolution and voted on the purchase of relief valves related to the arena equipment repairs. Since relief valves are an integral component of the arena boiler system, it is unclear if Councillor Dyck had a pecuniary interest related to resolution 204-2014. In this case, it would be expected that Councillor Dyck would leave the room until the “Arena Repairs” agenda item is concluded.

Fort Macleod has six gas stations according to the [local yellow pages](#). In 2015, the town purchased all of its fuel from the local United Farmer’s of Alberta (UFA) dealer. Fort Macleod Councillor Keith Trowbridge is employed at the local UFA business. It is unclear if Councillor Trowbridge had a pecuniary interest regarding the town’s purchase of fuel from his employer. Councillor Trowbridge did abstain from voting on specific fuel expenses but did not leave the room, such as the following example from the September 22, 2014 meeting minutes:

**K. FINANCIALS**

**1) Payables**

*Councillor Dyck and Trowbridge declared a conflict of interest and abstained from voting.*

**R.574-2014** Moved by Councillor Wolstenholme to approve the payment of (\$200.00) Two Hundred Dollars for MD Plumbing and Heating and a payment of (\$815.85) Eight Hundred Fifteen dollars and eighty five cents for UFA. **CARRIED**

The council appeared to show preference to purchase fuel from the local UFA, rather than having a system in place to ensure equity in bidding on and purchasing fuel products from all local gas stations available to provide services. The town’s 2008 purchasing policy F-004 refers to the use of purchase orders, budget approvals, tendering, and touches on local

purchasing in s. 3(vii), however, Fort Macleod's purchasing policy F-004 does not address the equitable treatment of local businesses that may compete to provide goods and services to the town.

Mayor Gendre voted on several agenda items that involved placing political sanctions upon him, and ultimately affecting his remuneration. It is unclear if a pecuniary interest exists in this regard since the MGA s. 170(3)(d) states that councillors do not have pecuniary interest with respect to any honorarium or remuneration as quoted above.

Councillor Feyter's business involvement includes a large proportion of the total machinery and equipment assessment for the town. The machinery and equipment assessment was not included in the property tax calculations for 2013-2014-2015, or the respective tax rate bylaws. Councillor Feyter's employer would see a financial benefit from reduced machinery and equipment taxes, however, since this business is not the only business in the community with machinery and equipment assessment, it is not evident that Councillor Feyter had a pecuniary interest in this matter during his term on council, when considering the MGA s. 170(3)(k), as follows:

- (3) A councillor does not have a pecuniary interest by reason only of any interest ...*  
*(k) that a councillor may have by discussing or voting on a bylaw that applies to businesses or business activities when the councillor, an employer of the councillor or a member of the councillor's family has an interest in a business, unless the **only** business affected by the bylaw is the business of the councillor, employer of the councillor or the councillor's family.*

Councillor Feyter also participated in voting and chaired a public hearing for a Land Use Bylaw amendment 1814 to rezone a parcel of land that he had a business interest in at the time. It is unclear if he had a pecuniary interest in this matter.

Fort Macleod completed a grant-funded interpretive signage project in 2007 and the signage contract was awarded to a former mayor's company, Southern Signs and Sports. The inspectors were informed that the project was advertised as part of a competitive bid process and that Southern Signs and Sports submitted the lowest bid. Former Mayor Patience provided comments to the inspectors that he answered questions from council in his capacity as a contractor but abstained from council discussions and voting on the signage contract. He also indicated that he commonly left the room while council voted on matters related to his business to avoid allegations of "conflict of interest" within Fort Macleod and that he wished to be seen as acting appropriately.

It is appropriate for council members to seek legal counsel prior to voting or abstaining from voting on matters that they may have a pecuniary interest in. Legal counsel can consider the situation and advise a council member if they have a pecuniary interest, or if they are required to vote on a matter.

The pecuniary interest provisions in the MGA refer to the monetary effect of a council decision, and this potential monetary effect could be either positive or negative. Fort Macleod officials need to learn from current and historical actions when dealing with matters of pecuniary interest in order to ensure full compliance with legislative requirements.

Fort Macleod's procedural bylaw and meeting minutes refer to "conflict of interest" wording rather than using "pecuniary interest" wording that is consistent with the Municipal Government Act s. 170-172, as quoted above.

**RECOMMENDATION FOR HANDLING PECUNIARY INTEREST:** That Fort Macleod elected officials learn and abide by the pecuniary interest provisions of the MGA and consult with legal counsel as needed to ensure continued compliance with the MGA s. 170; and that the wording in related bylaws and resolutions be consistent with the MGA rather than referring to conflict of interest.

#### 6.12.9 Council Performing Administrative Duties

The MGA s. 201(2) states that a council must not perform administrative duties, as follows:

*(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.*

The April 28, 2014 council meeting minutes record a statement from Mayor Gendre that he intended to perform administrative duties by working on an agreement for the Empress Theatre Society, as follows:

#### **G. NEW BUSINESS**

##### **1) Empress Theatre Agreement**

Tim Ransom appeared before Council to discuss the Empress Agreement. Some points Council would like to see changed in the Agreement were as follows: Insurance clause, it would be preferred if the Society would carry their own Liability insurance, Utilities, the increase in funding allotment and to increase the time of the termination clause. Mayor Gendre stated that he would work with Mr. Ransom on the agreement and bring an updated version back to council for review.

The June 10, 2013 meeting minutes show that council instructed the CAO to “rework the Human Resources job description for review.” Again, on May 13, 2013 the council approved operational job descriptions. This indicates that the council was highly involved in the minutiae of administrative duties. A municipal manager needs to have some latitude to adjust titles and align duties to ensure that service needs are met on an ongoing basis.

Council’s energy must be focused at strategic-level leadership. If council members keep a conscious effort to remain focused on governance (policy, strategy and vision) they will likely not be tempted to delve into administrative matters.

**RECOMMENDATION FOR COUNCIL TO AVOID ADMINISTRATIVE FUNCTIONS:** That Fort Macleod council refrain from performing administrative duties in accordance with the provisions in the MGA s. 201(2).

#### 6.12.10 Organizational Meetings

The MGA requires municipalities to hold annual organizational meetings in accordance with s. 192 which reads as follows:

**Organizational meetings**

*192(1) Except in a summer village, a council must hold an organizational meeting annually not later than 2 weeks after the 3<sup>rd</sup> Monday in October.*

Organizational meetings are expected to be limited to the following agenda items according to standard practices and guidelines<sup>19</sup> provided by Alberta Municipal Affairs:

*The CAO shall set the time and place for the Organizational Meeting; the business of the meeting shall be limited to:*

- (a) The appointments of members to Committees which Council is entitled to make;*
  - (b) Establishing a roster of Deputy Mayors for the following year;*
  - (c) Any other business required by the MGA, or which Council or the CAO may direct.*
- Appointments of Council members to committees shall be for a term of one year, unless otherwise specified and reviewed at the Organizational Meeting.*

The inspection found that the Fort Macleod council held organizational meetings within the timeframe legislated by the MGA and that the agenda contained appropriate content (meeting dates and committee appointments) for the organizational meeting, consistent with standard practices.

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<sup>19</sup> Alberta Municipal Affairs. (2013) Municipal Procedural Bylaw containing standard organizational meeting content accessed August 26, 2015 from: [http://www.municipalaffairs.alberta.ca/documents/ms/Basic\\_Principles\\_of\\_Bylaws\\_2013.pdf](http://www.municipalaffairs.alberta.ca/documents/ms/Basic_Principles_of_Bylaws_2013.pdf)

## 6.13 Committees

The MGA provides specific direction that a council may pass bylaws to establish council committees and the conduct of members of council committees as follows:

### ***Bylaws - council and council committees***

*145 A council may pass bylaws in relation to the following:*

- (a) the establishment and functions of council committees and other bodies;*
- (b) the procedure and conduct of council, council committees and other bodies established by the council, the conduct of councillors and the conduct of members of council committees and other bodies established by the council.*

### ***Composition of council committees***

*146 A council committee may consist*

- (a) entirely of councillors,*
- (b) of a combination of councillors and other persons, or*
- (c) subject to section 154(2), entirely of persons who are not councillors.*

Fort Macleod has several bylaws establishing council committees. For example, the Committee of the Whole is established within the council procedural bylaw No. 1793; the Economic Development Commission is established by bylaw No. 1742; the Fort Macleod and District Family and Community Support Services Board is established by bylaw No. 1628; and the Subdivision and Development Authority and Municipal Planning Commission are established by bylaw No. 1783.

The inspection found that not all committees were established by bylaw, however, and terms of reference and reporting were lacking to guide and direct committee initiatives. The procedural bylaw makes a vague reference to committee reporting that *may* be requested by council, as shown in the excerpt below:

#### **26. COUNCIL AND COMMITTEE REPORTS**

- a. Each appointed Committee of Council (i.e. Environment , Pioneer Lodge, MPC, Empress Theatre, FMHA etc.) may be asked to submit a brief written report to Council biannually.



Several local committees appeared to be established by council, with council member appointments, but without a specific bylaw establishing the committee, such as the following:

1. Affordable Housing
2. CAO Review Committee
3. Crime Prevention Advisory Board
4. Environment Committee
5. Facilities Committee
6. Fort Macleod Drug Coalition
7. Fort Macleod Playground Committee
8. Public Works Shop Committee
9. Santa Claus Parade Committee
10. Timesheet Committee
11. Traffic Safety Committee

Some local committees appear to be formed by a general group of individuals focussed around a common interest, such as the local Horse Pasture Committee that was apparently formed by members renting paddocks on town property. On January 27, 2014 council heard from this committee delegation:

### **3) Horse Pasture Committee**

*Dawn Lauder and Lou Caldwell met with Council to discuss horse pasture lease issues and rent increases. It was stated that the last time Council met with the committee was in 2009/2010. It was also stated that some of the pasture lessees were unhappy with the increase from \$400 a year to \$600 a year and the lack of notification of the intended increase. The delegations were thanked for their time.*

*R.062-2014 Moved by Councillor Wolstenholme to TABLE this item for further discussion at the February 10th 2014 Council meeting. CARRIED*

Fort Macleod has a strong community base and diverse community interest groups such as the playground committee, Empress Theatre Society, Historical Area Society, sports groups, and business development. Community groups often compete for council's attention, approvals, and financial support. Some groups became fragmented and could have benefited from stronger direction and council leadership. For example, the *Riders of the Plains Commemorative Troop Association* ended up in a legal dispute with the *Fort Macleod Historical Association* over the ownership of assets. This matter carried on for years and even came before council on February 9, 2015 in a related matter where council denied financial assistance to cover legal expenses, as follows:

**R.064-2015** Moved by Mayor Gendre that Invoice No. 78566 for \$1407.15 for Legal Services regarding the FMHA/ROTP be paid in full.

Mayor Rene Gendre requested a recorded vote:  
**For:** Mayor Rene Gendre,  
**Against:** Deputy Mayor Brent Feyter, Councillors: Trish Hoskin, Mike Collar and Michael Dyck, Keith Trowbridge, and Gord Wolstenholme.

**DEFEATED**

It was noted that Mayor Gendre will give additional information to David Connauton.

At the same February 9, 2015 council meeting, the Fort Macleod council approved an advancement of \$50,000 to the Fort Macleod Historical Association, as follows:

**5) Fort Macleod Historic Association (FMHA) – Request for Advanced Funds**  
**R.067-2015** Moved by Councillor Wolstenholme to approve the advancement of funds of \$50,000.00 to the FMHA.

Mayor Rene Gendre requested a recorded vote:  
**For:** Mayor Rene Gendre, Deputy Mayor Brent Feyter, Councillors: Trish Hoskin Mike Collar, Keith Trowbridge, Michael Dyck, and Gord Wolstenholme.

**CARRIED**

Emerging community needs sparked new initiatives and organizations in the community. On June 23, 2014 council meeting, council heard a delegation seeking funding assistance for the new school gymnasium, as follows:

### **3) Fort Macleod and District Community Initiative Team**

*James Coast presented to Council the proposal for the gymnasium expansion. He stated that this was an emerging society/team to fundraise for the gym expansion. He stated that the School Board, FCSS, the MD of Willow Creek, FP Walshe fundraising association and Administration at the Town of Fort Macleod and corporate sponsors were approached for information to raise funds. Richard Feller, WA Day Principal, Craig Patton, FP Walshe Physical Education Coordinator and Angie O'Connor from FCSS also gave some information to Council. The Community Initiative Team is seeking a commitment from the town to advance the funding of \$637,300.00 for the expansion, with \$250,000.00 to be repaid by the fundraising committee. Councillor Dyck thanked the delegations for attending the meeting.*

Later in the June 23, 2014 meeting, after hearing the delegation, council passed the following resolution to fund the local gym expansion with the expectation that \$250,000 would be repaid to the town, as follows:

**2) Fort Macleod and District Community Initiative Team**

*R.384-2014 Moved by Councillor Feyter that the town advance the funding of \$637,300.00 for the expansion of the Gymnasium at WA Day School, with \$250,000.00 to be repaid by the fundraising committee, and that Administration present to Council possible funding sources for the project. CARRIED*

On July 28, 2014, council approved a 10-year borrowing to fund the school gymnasium, as follows:

**6) Funding for School Gymnasium**

*R.464-2014 Moved by Councillor Collar that Administration work out the details of borrowing the funds over a 10 year pay period. CARRIED*

On September 22, 2014 council passed borrowing bylaw No. 1807 for the town to incur indebtedness in the amount of \$637,300 for the purpose of constructing the Livingstone Range School Division (LRSD) W.A Day School Gymnasium. Council resolution R.559-2014 opens the related public hearing and confirms that advertising requirements have been met in accordance with the MGA. Borrowing terms were further defined on November 24, 2014:

**7) Bylaw 1807 School Debenture**

*R.696-2014 Moved by Councillor Feyter to approve a Traditional Loan disbursement of \$637,300.00 to the town in one lump sum, repayment over 10 years with semi-annual installments, and held in an investment account until the repayment schedule is complete. CARRIED*

In May 2015, the town auditor expressed concern that Fort Macleod council approved a significant financial commitment of \$250,000 for the school gymnasium project without a formal repayment agreement in place with the fundraising committee for the W.A. Day School gym.

Loans and guarantee provisions in the MGA s. 264-266 allow a municipality to lend money to a non-profit organization if the money “will be used for a purpose that will benefit the municipality” and if the loan or guarantee is authorized by bylaw, which must be advertised.

Town records do not show that a loan bylaw was passed for the \$250,000 loan to be repaid to the town by the Fort Macleod and District Community Initiative Team.

Similarly, on March 24, 2014 council heard a delegation from the local Playground / Environment Committee, and subsequently approved a \$77,000 loan to construct a playground at Centennial Park, as follows:

**3) Playground/Environment Committee (Centennial Park Plan)**  
Committee Members (Jill Burrows, Angie O'Connor and Leslie Hornburger) presented a report to Council which included a new vision/plan for the Playground and Spray Park. The present funding that the Committee has to complete the new vision would mean they are short about \$77, 000.00. The Committee is looking to the Town to Loan the remaining funds and the Committee will pay back the loan. The Committee has received large support from the Community in regards to donated time and services for the project. Environmental Committee Supported the Plan, happy with the proposed walking paths. The Committee is looking into possible grant opportunities to assist with the project.

Mayor Gendre thanked the Committee for attending the meeting. Report was placed under the Consideration of Delegations/Public Hearings within the Agenda for future direction.

**3) Playground Committee**  
**R.159-2014** Moved by Councillor Collar to approve the Design Plan for Centennial Park as presented by the Playground Committee and Environment Committee and further, to loan the Playground Committee \$77,000.00 to finish the playground portion of Centennial Park.

**CARRIED**

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Council Meeting, March 24, 2014

Town records do not show any reference to a loan bylaw for the \$77,000 Playground Committee loan. The inspectors were advised that the Playground Committee was able to fundraise and repay the loan to the town in 2014.

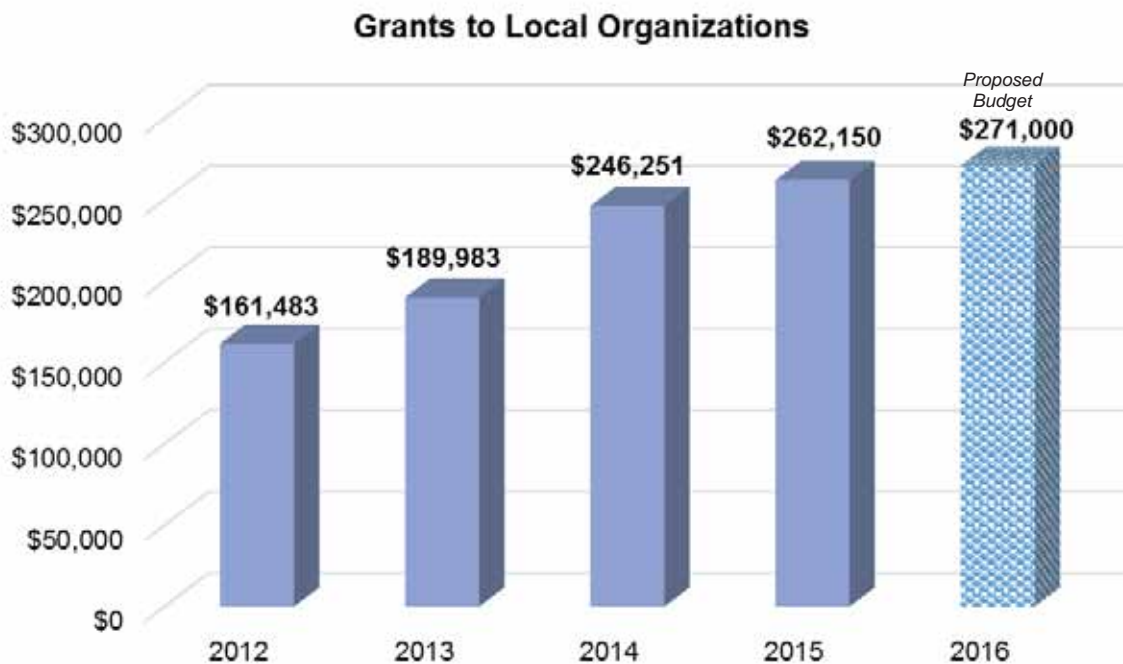
Regardless of the cause, dedicating or loaning public funds without a formal agreement, clear repayment schedule, and loan bylaw is an example of improvident management.

Town records also show that the council properly passed a loan guarantee bylaw No. 1626 in 2001 to guarantee a \$50,000 operating line of credit for the Empress Theatre Society with the Canadian Imperial Bank of Commerce (CIBC).

**RECOMMENDATION FOR LOAN BYLAWS:** That Fort Macleod council enter into formal repayment agreements and pass related loan bylaws in accordance with the MGA s. 265 to formally authorize loans to non-profit organizations such as the local fundraising committee of the W.A. Day School gymnasium project.

### 6.13.1 Grants to Organizations

Fort Macleod council has funded several committees and community initiatives in recent years, totaling \$262,150 in 2015, as shown in the chart below. Town records show that the largest grants for 2015 were \$100,000 provided to the Fort Macleod Historical Association and \$75,000 provided to the Empress Theatre Society.



The Fort Macleod council has been increasingly generous in providing funding to local groups in recent years, however, there is a lack of policy to ensure consistency, equity, and wide public acceptance on the use of public funds. Council itself appears uncertain on whether to fund local requests, such as the March 17, 2015 committee meeting discussion:

#### **Grants to Organizations**

*Council had a discussion around funding sports teams going to Provincial championships. R.135-2015 Moved by Councillor Wolstenholme that this topic be placed on the Agenda for the regular meeting of Council on April 27, 2015. CARRIED*

Municipal councils have a fiduciary responsibility to ensure that public funds and public assets are managed well by the town and its local committees. Committees established by council should provide a detailed account of public funds received and spent, as well as a report on the performance of the committee and how well they have completed their purpose and fulfilled their mandate.

The Fort Macleod council was found to act in an improvident manner by providing grants and commitments to local organizations without requiring clear demonstration of financial need and reporting, or repayment agreements.

**RECOMMENDATION FOR GRANTS TO ORGANIZATIONS:** That Fort Macleod council approve a policy to establish a consistent application process when considering grants to local organizations.

### 6.13.2 Economic Development Commission

Fort Macleod has had active economic development efforts for several years, and the inspectors heard reports of several well-intentioned, knowledgeable individuals who served on this committee as board members and staff. Local efforts are reported to have a wide reaching impact on the region. A dedicated website has been developed for Fort Macleod's economic development department at [Fort Macleod Means Business](#).

This committee was established by council many years ago, however, the committee bylaw and terms of reference were recently considered by council on January 28, 2013, as follows:

<p><b><u>Economic Development Bylaw – Revised Draft:</u></b></p> <p>Council was in receipt of a Draft Economic Development Bylaw No. 1742 for the Town of Fort Macleod.</p> <p><b><u>R. 40-2013</u></b> Councillor Curran: that Council give first reading to amended Bylaw No 1742, the town's Economic Development bylaw. Carried.</p> <p><b><u>R. 41-2013</u></b> Councillor Houston: that Council approve the Economic Development Commission's "Terms of Reference". Carried.</p>
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The town's most recent economic development bylaw No. 1742 was passed on March 25, 2013. The town has a fulltime economic development officer position (EDO) that reports to the town CAO and the EDC board. Some turnover has occurred in this management

position in recent years and led to a lack of administrative continuity. The position is currently filled with a dedicated EDO who provides regular reports to council.

At times the EDC has appeared to be in conflict with the town council, and the board has not met for some time since the current council reportedly “shut it down” on September 8, 2014, as follows:

**R.548-2014** Moved by Councillor Feyter that the Economic Development Commission be placed on hold until Councils strategic plan is in place and until such time that Council can provide a directive to the EDC.

**CARRIED**

Mayor Gendre had a brief history with the EDC board, holding a board appointment in 2013 where he began writing regular communiques on behalf of the EDC which were published in the local *Fort Macleod Gazette*. The tone of the communiques changed quickly from promoting the EDC events in February 2013 to criticizing the town council leading up to the October 2013 election. For example, an EDC Communique dated July 10, 2013 states that:

*“If Fort Macleod’s politicians had fulfilled their role, there would not be the current disconnect the EDC has found that exists between the politicians and the citizens of the Town.”*

Mr. Gendre apparently disagreed with the chairman of the EDC and when Mayor Gendre was elected to council in October 2013, he asked for the EDC chairman’s resignation. It is noted that Mayor Gendre took this action on his own accord, without council approval and prior to taking the official oath of office as mayor. It is also noted that the EDC chair did not resign at the time as requested by the mayor but did resign “with regret” in August 2014 amid conflicting leadership directions between town council and the EDC.

### 6.13.3 Empress Theatre Society

Fort Macleod council has entered into a lease agreement with the Empress Theatre Society to oversee and manage the local, town-owned Empress Theatre. This vintage building serves as another local tourist attraction. Inspectors heard comments that there are some sharp minds on the board and that everyone in the community has a share in “their beloved theatre”. Certain components of the theatre infrastructure require attention and council has authorized some recent improvements. On April 22, 2013 council approved acting as an

agent for the Empress Theatre Society for the administration of a grant for roofing and HVAC project.

Council reached out again to the Empress Theatre Society on March 10, 2014 to approve building repairs, as follows:

**3)Empress Theatre- Water Issues**

*R.124-2014 Moved by Councillor Hoskin to proceed with remediation to fix the issues as quoted in the letter submitted by Gloria Schwindt. Which stated Sherlock Environmental costs of \$ 1750.00, Clean Air services Remediation cost of \$16,754.00 and consulting fee of \$ 3450.00 for a total of \$21,954.00 to be funded out of 2014 operational budget, Empress Theatre/repair and maintenance, if not covered by insurance or the hazardous materials abatement program. CARRIED*

A 1994 lease agreement exists between the town and the Empress Theatre Society wherein the Society leases the Theatre building from the town, however, the Society does not currently pay rent to the town. Rather, the Empress Theatre operations have been subsidized by the town in recent years, including \$50,000, \$65,000, and \$75,000 for years 2013, 2014, 2015 respectively.

There appears to be a lack of accountability and reporting back to the town on how the Empress Theatre Society board manages the financial contributions received from the town. Greater accountability and reporting is needed for all town committees and organizations that receive public funds.

**6.13.4 History and Tourism**

Fort Macleod has had several history-focused committees and associations serving the local interests in recent years. The historical prominence of the local Fort and NWMP Barracks is considered a destination tourist attraction.

Significant provincial grant funding has been received to preserve local history, such as a \$2.3 million Centennial Legacies Grant provided to the Fort Macleod Provincial Historic Area Society (FMPHAS) in 2001 for the purpose of upgrading the Fort Macleod Historic Area. This society established a related 2001 agreement with the local Riders of the Plains Commemorative Troop Association (ROTP) to accomplish related grant projects.

As the project went on, the custody of assets, such as artifacts and historic guns became a concern for various stakeholders. When a church building was sold and the proceeds were



not recorded properly a legal battle began between associations and individuals involved in managing the Fort, and a provincially-led forensic audit was initiated to ensure accountability in grant reporting.

The dust settled from time to time, but the town's historic area continues to suffer from a lack of central leadership. On April 8, 2013 council provided funds to the Barracks site management before a related agreement was received and signed, as follows:

	<i>Council Minutes April 8, 2013</i>
<b>L. NEW BUSINESS (cont'd.)</b>	
<b>7) <u>Fort Museum Request:</u></b>	
Council was in receipt of a report from CAO David Connauton regarding the Fort Museum's request to have the Barrack's Site management sum of nine thousand five hundred dollars in advance.	
<b>R. 156-2013</b> Councillor Curran: that Council approve advancing half the Barrack's Site management monies at this time, in the amount of four thousand seven hundred fifty dollars (\$4,750.), and forwarding the other half once the Barrack's Site Management Agreement has been received and signed.	
Carried.	

More recently, the June 9, 2014 council meeting minutes refer to historical assets as follows:

**6) Fort Macleod Historical Area Society**

*It was stated that the Fort Macleod Historical Association used to take The Fort Macleod Historical Area Society under its umbrella, however the FMHA expressed no interest in continuing that focus. 2012 and 2013 annual returns are in arrears and if left unpaid by November 30, 2014 the Society will be dissolved. Mayor Gendre stated that there are 3 million dollars in assets that will be lost if the Society is dissolved.*

*R.328-2014 Moved by Mayor Gendre to TABLE this item until the June 23, 2014 meeting. It was stated by Mayor Gendre that the information on the assets would be forwarded to Council and Administration for review. CARRIED*

Council passed a related resolution on June 23, 2014 in an effort to protect historical assets:

**7) FMHAS- Historical Assets**

*R.374-2014 Moved by Councillor Feyter to direct Administration to investigate the current structure of the Fort Macleod Historical Area Society and to report back to Council with the recommended actions to ensure the protection of current assets in the society and purpose for the facilities. CARRIED*

By 2016, the town has taken steps to hire a heritage advisor and the ownership of Fort assets remains pending. A November 2015 report and recommendation from the heritage advisor reads as follows:

*“The FMPHAS, the ROTP, the FMHA, the Province and the Town of Fort Macleod should work together to transfer all current FMPHAS assets to the Fort and the Town, as outlined above, immediately.”*

Fort Macleod’s historical related associations are an example of how multiple, and sometimes duelling initiatives can surface when there is a lack of central leadership. Other council appointed committees exist in addition to those mentioned above. The consistent message is that when public value, public funds, or public assets are involved, government should be present to ensure accountability.

**RECOMMENDATION FOR COMMITTEES:** That the Fort Macleod council compile a comprehensive list of internal, external and intermunicipal committee appointments, along with terms of reference for each committee that includes related information such as the committee purpose, description, background, members, appointment terms, meeting dates, and reporting requirements; and pass bylaws as required to establish the functions of council committees in accordance with the MGA s. 145.

## 7 ADMINISTRATION

### 7.1 Chief Administrative Officer

A Chief Administrative Officer (CAO) is responsible for the overall operations of the municipality and works closely with the council to provide advice and ensure that local objectives are accomplished and legislation is followed. The MGA clearly outlines the CAO's responsibilities in s. 207 as follows:

#### **Chief administrative officer's responsibilities**

*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 functions and exercises the powers assigned to a chief administrative officer by this and other enactments or assigned by council.*

#### 7.1.1 Performance of Major Administrative Duties

The MGA is also very specific on the performance of administrative duties:

#### **Performance of major administrative duties**

*208(1) The chief administrative officer must ensure that*

- (a) all minutes of council meetings are recorded in the English language, without note or comment;*
- (b) the names of the councillors present at council meetings are recorded;*
- (c) the minutes of each council meeting are given to council for adoption at a subsequent council meeting;*
- (d) the bylaws and minutes of council meetings and all other records and documents of the municipality are kept safe;*
- (e) the Minister is sent a list of the councillors and any other information the Minister requires within 5 days after the term of the councillors begins;*
- (f) the corporate seal, if any, is kept in the custody of the chief administrative officer;*
- (g) the revenues of the municipality are collected and controlled and receipts are issued in the manner directed by council;*
- (h) all money belonging to or held by the municipality is deposited in a bank, credit union, loan corporation, treasury branch or trust corporation designated by council;*

- (i) the accounts for authorized expenditures referred to in section 248 are paid;*
  - (j) accurate records and accounts are kept of the financial affairs of the municipality, including the things on which a municipality's debt limit is based and the things included in the definition of debt for that municipality;*
  - (k) the actual revenues and expenditures of the municipality compared with the estimates in the operating or capital budget approved by council are reported to council as often as council directs;*
  - (l) money invested by the municipality is invested in accordance with section 250;*
  - (m) assessments, assessment rolls and tax rolls for the purposes of Parts 9 and 10 are prepared;*
  - (n) public auctions held to recover taxes are carried out in accordance with Part 10;*
  - (o) the council is advised in writing of its legislative responsibilities under this Act.*
- (2) Subsection (1)(a) to (d) and (o) apply to the chief administrative officer in respect of council committees that are carrying out powers, duties or functions delegated to them by the council.*

Fort Macleod has seen a lack of administrative continuity with several Chief Administrative Officers serving short tenures in recent years, followed by months of vacancies during recruitments. Staff lacked policy direction and training in several areas, and this led to improper management practices, particularly in human resource management.

From December 2011 to May 2015 the CAO position was filled by Mr. David Connauton. Mr. Connauton was the third CAO hired for Fort Macleod within a seven-year period. A new CAO, Ms. Susan Keenan has been retained by council and Ms. Keenan began her tenure in January 2016, eight months after the CAO position became vacant.

During the 2015 vacancy in the CAO position, the town's Assistant CAO/Human Resources manager was appointed by council to fill an interim Acting CAO role. Fort Macleod's Acting CAO, Jill Henderson had a very limited municipal administration background yet the council appointed her to fill the Acting CAO role as well as maintain her human resource manager role. This caused an exceedingly heavy and stressful workload for this employee. Ms. Henderson was the Acting CAO during most of the municipal inspection.

### 7.1.2 Council Meeting Agenda Preparation

Council meeting agendas and supporting material were found to be prepared in advance for council and committee of the whole meetings. One-page agendas are published in advance in the local *Fort Macleod Gazette*. According to section 11(a) of the town's procedural bylaw No. 1793, agendas are to be provided to members of council as follows:

*The agenda of each regular meeting that normally includes all communications, reports, and other supporting materials, shall be prepared under the direction of the Municipal Manager, and shall be provided to all members at least 48 HOURS prior to the meeting. The agenda for special meetings of the Council shall be provided at least 24 hours prior to the meeting.*

Meeting agendas are generally available to the public on the town's website prior to the meetings, however this is not universally the case. While the agendas are completed within the time requirement of the procedural bylaw, items are regularly added to the agenda on the night of the meeting. This is discouraged within the council procedural bylaw, s. 23(a), however, s. 23(b) waives the previous section to allow additions to the agenda that are not time sensitive or emergent with two-thirds support of council members, as follows:

#### **23. ADDITIONS TO AGENDA**

- a. The Council shall not place any additions on the agenda on the night of the meeting unless it pertains to time sensitive and/or emergency matters that cannot otherwise wait until the next scheduled regular meeting.*
- b. The Council may, by resolution and supported by not less than two-thirds (2/3) majority of its members, waive the provisions of the above rule.*

A review of recent council meeting minutes indicates that Fort Macleod council commonly, almost always, added items to meeting agendas on the night of the meeting, as follows:

On November 23, 2015:

#### **A. APPROVAL OF THE AGENDA**

*Amendments: Remove #7 from New Business as it is a duplicate Agenda Item.*

*Add Council Reports from Councillor Wolstenholme via email, Trowbridge verbal, Mayor Gendre via email.*

*R.646.2015 Moved by Councillor Collar to approve the Agenda as modified. CARRIED*

On December 14, 2015:

**A: APPROVAL OF THE AGENDA**

*Additions: IN CAMERA 1) Personnel*

*R.669.2015 Moved by Councillor Hoskin that the Agenda be accepted with the addition.*

*CARRIED*

By the wording of these resolutions, it is not completely clear what the specific added items referenced in these resolutions are, but regardless, they were approved to be on the agenda with the support of council, whether or not the items were time sensitive and/or emergency matters.

Council resolutions supporting the addition of non-emergent items to the agenda should confirm that a two-thirds majority of council members approved the addition. This means that five of the seven council members need to support the addition according to the council procedural bylaw No. 1793 s. 23(b).

A review of agenda material shows that staff made recent improvements to use a staff recommendation summary format when preparing agenda items for council's consideration. This is commendable and a broader use of staff recommendations is recommended for all municipal departments. Best practice shows that staff provide items such as background information, budget impact, legal considerations, strategic plan alignment, options, and a recommendation in a formal 'Request for Decision' format with proposed resolution wording. Department staff recommendations need to be reviewed and approved by the CAO before being presented to council.

**RECOMMENDATION FOR STAFF RECOMMENDATIONS TO COUNCIL:** That Fort Macleod administration establish a procedure to provide formal recommendations to council using a more comprehensive request for decision format and proposed resolution wording.

**RECOMMENDATION FOR COUNCIL MEETING AGENDA PREPARATION:** That Fort Macleod officials adhere to the procedural bylaw to ensure that agenda preparation and distribution follows a standard process in accordance with the procedural bylaw.

**RECOMMENDATION FOR ADDITIONS TO COUNCIL MEETING AGENDAS:** That Fort Macleod council adhere to its procedural bylaw when considering late additions to council meeting agendas, and that the nature of the addition(s) be noted in the meeting minutes.

### 7.1.3 Council Meeting Minutes

The MGA s. 208(1)(a) reads as follows:

***Performance of Major Administrative Duties***

*The chief administrative officer must ensure that all minutes of council meetings are recorded in the English language, without note or comment;*

The inspection found that notes and comments were regularly included in the approved council meeting minutes. Meeting minutes were found to contain more than just a record of decisions, with some council member comments serving as context for the resolution that follows. In audio recordings, council members were heard to request that comments and context be added to the minutes prior to approval, contrary to the MGA s. 208.

Council meeting minutes are available electronically on the town's website, much like agendas, and are usually posted in a timely fashion once they are approved by council. The list of online minutes is not complete, with some meeting minutes from 2015 not posted online at the time of the inspection. Some archived minutes are available online, dating back to 2012, with older minutes being available through the town office.

Best practice promotes timely transparency on council's actions where draft minutes are marked "draft" and are made available on the municipal website as soon as they are available, before being formally approved or amended by council.

**RECOMMENDATION FOR ORIGINAL COUNCIL MEETING MINUTES:** That Fort Macleod administration apply a high level of professionalism and organization to the recording of original council meeting minutes in accordance with the MGA, s. 208.

### 7.1.4 Electronic Recording of Council Meetings

The inspection found that council meetings began to be digitally recorded by the mayor and the recording secretary in 2014. The town did not have an approved policy in place to regulate the recording of meetings or the retention of audio meeting recordings, nor is the issue of digitally recording meetings addressed in council's procedural bylaw No. 1793.

Besides administration's audio meeting recordings, Mayor Gendre started to audio record meetings in 2014 due to his apparent concern for the accuracy of meeting minutes. Several audio meeting recordings were provided to the inspectors by Mayor Gendre and these recordings show that at various times, he also recorded the closed, *in camera* portions of council meetings in addition to the public portion of meetings.

An audio recording of the council meeting held on July 14, 2014, shows that Mayor Gendre attempted to justify to his council colleagues that he could record the *in camera*, closed portion of the meeting. Following a council resolution to go *in camera* at 10:40 p.m., the meeting chair, Councillor Dyck asked Mayor Gendre to turn off his recording device. Mayor Gendre stated that he could record it. Councillor Dyck sought advice from the CAO, and CAO Connauton provided proper advice stating “no” it cannot be recorded.

Mayor Gendre attempted to refute the CAO’s advice, stating that “*in camera* can be recorded, you can even have minutes taken *in camera*.” The mayor received further advice from his colleagues to turn off his recording device, and again the meeting chair, Councillor Dyck, asked: “You did shut off your recording device, Rene?” Mayor Gendre stated: “I don’t have to.” Councillor Dyck stated that, “It is not a council approved recording.” The mayor’s colleagues insisted that the recording device be turned off and eventually the mayor conceded.

On other occasions, it appears that the mayor recorded *in camera* portions of council meetings without his colleagues’ knowledge by concealing the recording device on his person. At times the mayor’s audio recordings captured footsteps to and from the meeting, pouring beverages, driving a vehicle and various conversations with individuals after council meetings adjourned. Minutes show that Fort Macleod council requested a copy of the mayor’s personal meeting recordings, but this request was not complied with.

When a public official digitally records a council meeting, that recording becomes part of the municipality’s records and needs to be retained, managed or destroyed in accordance with the local records retention and disposition bylaw and FOIP regulations. Some municipalities allow council meetings to be video recorded or webcast and widely available to the public, however, closed portions of meetings are not intended to be recorded.

Several FOIP resources are available to municipalities through [Service Alberta](#). FOIP FAQs provide good information on what is a record:

## **RECORDS**

### **4. What is a “record”?**

Section 1(q) of the FOIP Act defines a record as “information in any form and includes notes, images, **audio-visual recordings**, x-rays, books, documents, maps, drawings, photographs, letters, vouchers and papers and any other information that is written, **photographed, recorded or stored in any manner**, but does not include software or any mechanism that produces records.”



Related FOIP resources also reference municipal documents stored at a councillor's home:

**10. Are records of elected officials of municipalities excluded from the FOIP Act?**

Records dealing with the business of the municipality are covered by the Act **even if they are stored at a councillor's home.**

The CAO is Fort Macleod's FOIP Coordinator, as designated by the town's FOIP bylaw 1800 passed on July 23, 2014. This bylaw designation fulfils the legislative requirements under s. 95(a) of the FOIP Act, which reads as follows:

**Power to make bylaws**

*95 A local public body, by bylaw or other legal instrument by which the local public body acts,*

*(a) must designate a person or group of persons as the head of the local public body for the purposes of this Act, and*

*(b) may set any fees the local public body requires to be paid under section 93, which must not exceed the fees provided for in the regulations.*

The actions of council members, such as Mayor Gendre, who create and store audio recordings of meetings, may place the municipality in contravention of the FOIP Act regarding its ability to manage and produce municipal records.

**RECOMMENDATION TO REGULATE ELECTRONIC RECORDINGS:** That Fort Macleod council approve a policy or amend the procedural bylaw to regulate the electronic recording of council and committee meetings with the following minimum provisions:

- To prohibit any means of recording during portions of meetings closed to the public;
- To inform all people present when meetings are digitally recorded prior to the recording commencing;
- To make meeting recordings conducted by a municipal official available and accessible to the public subject to the provisions of FOIP; and
- To retain and/or destroy electronic records in accordance with the town's records management bylaw and related policies.

### 7.1.5 Records Management

The safekeeping of municipal records is an administrative duty, however, the council also has a responsibility to ensure that budget resources are allocated to ensure that appropriate space and systems are available for the storage of municipal records. Additionally, the council approves records management bylaws and policies, such as the Records Retention Bylaw No. 1809 passed by council on August 25, 2014.

Partly because of the historical nature of the town, the inspection found that Fort Macleod is bursting at the seams with hard copies of historical records. Most archival records are stored in the municipal office and are not completely secure. For example, taxation, financial, and personnel records were found in unlocked storage areas in the basement of the municipal office.

The physical space available at the town office is problematic for the storage of large volumes of records and documents. Many areas of shelving were constructed and most storage boxes were organized, although not all, as shown in the following photos of the town office basement storage areas as taken while on site during the inspection:



The inspection found a lack of controls for electronic documents with administrative staff accessing shared computer files, including some human resource records. Certain files are expected to be shared among staff, but not all computer files should be accessible to all office staff.

**RECOMMENDATION FOR RECORDS MANAGEMENT:** That Fort Macleod council approve a records management project to safeguard, coordinate, organize, archive, and destroy records as required through FOIP legislation and the records management bylaw; and to ensure the safety and privacy of all electronic, historical and current municipal records as applicable.

### 7.1.6 Procurement Practices

Fort Macleod accesses external resources to assist in procurement of large projects. For example, the town engaged an engineer to review and provide a recommendation to award a major project tender for the 20<sup>th</sup> street project. The tender was awarded on May 13, 2013. In 2014, Fort Macleod continued to rely on external consulting expertise and engineering services for major projects. For example, the following resolution to prepare tender documents was passed on April 28, 2014:

**8) 28th Street Repairs and Upgrades**

*R.205-2014 Moved by Councillor Collar to have Administration direct MPE Engineering to prepare the tender documents for the 28th Street repairs and that it be sent out to tender upon completion. CARRIED*

The 28<sup>th</sup> Street project tenders were reviewed in mid-2014 and all tenders were rejected. The project tender was reissued in early 2015 and the project was awarded for \$1 million lower than the previous year's low bidder. The town exercised good stewardship in rejecting earlier bids and re-tendering the project in a subsequent year at a substantially lower project cost. The town engineer was interviewed and confirmed that Fort Macleod complied with tender advertising requirements through the Alberta Purchasing Connection, the *Agreement for Internal Trade* and the *New West Partnership Trade Agreement*.

## 7.2 Organizational Structure

The Town of Fort Macleod operations are managed by a CAO who is appointed by the council. Most Fort Macleod staff are members of the Canadian Union of Public Employees (CUPE) Local 70 with a collective agreement in place stating the following purposes:

### **Preamble**

- (a) The purpose of this Agreement is to maintain a harmonious and cooperative relationship between the Employer and the Employees members of the Union.*
- (b) To provide an amicable method of settling any differences or grievances which may arise between the Employer and the Employees.*
- (c) To promote the mutual interest of the Employer and the Employees.*
- (d) To provide for the operation of the Employer coming within the scope of this Agreement any methods which will further, to the fullest possible extent, the safety and welfare of the Employees, and the economy and operation and protection of the property and welfare of the public.*

On December 19, 2014 council passed the following resolution to approve the collective agreement with the local union.

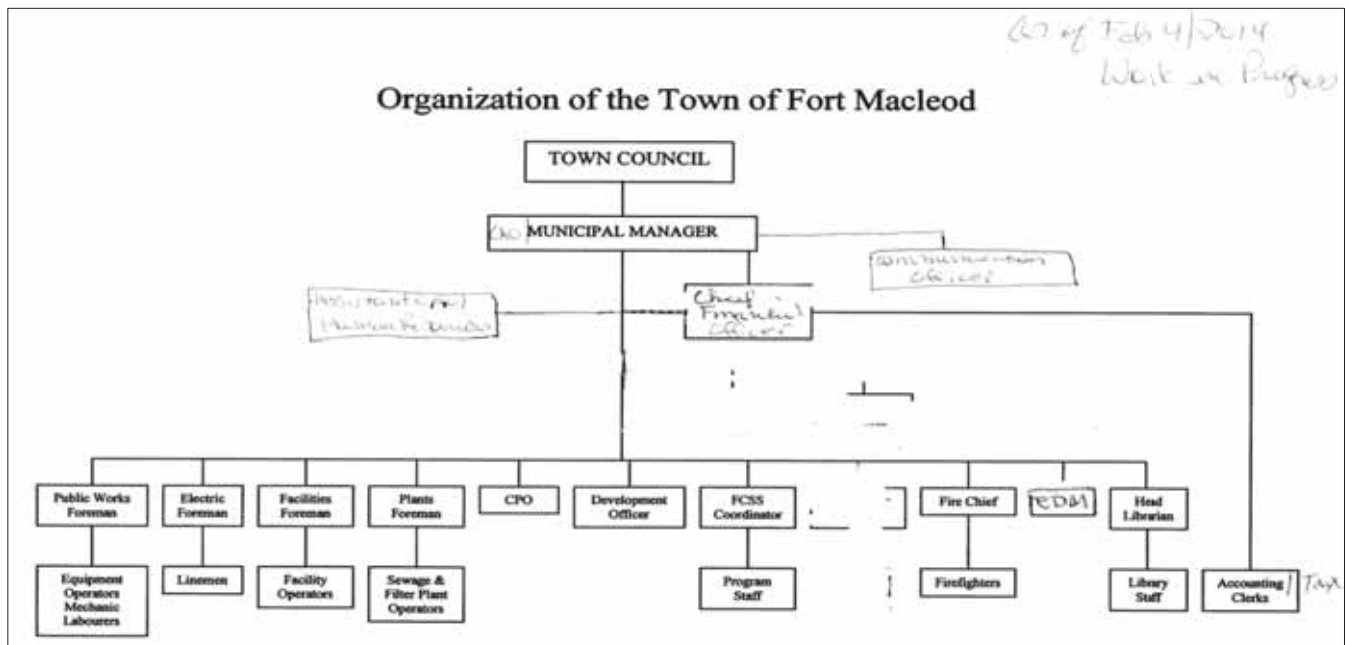
### **CUPE Agreement:**

*R.772-2014 Moved by Councillor Dyck to approve the CUPE Collective Agreement as presented for 2015-2017. CARRIED*

Whether staff are part of the union or not, they are inextricably part of the same municipal team, and are required to focus efforts to accomplish strategic objectives and deliver local services with excellence. The inspection found that the management-union relationship has been strained at times and several grievances were filed within the last two years.

### 7.2.1 Organizational Chart

The flat organizational structure in effect for Fort Macleod has 13 direct reports to the CAO, as shown in the following draft organizational chart that was provided to the inspectors in October 2015. Thirteen direct reports to a CAO is an unusually large number and may lead to a lack of CAO effectiveness unless each direct report is able to fulfill their role as a 'working manager' with ease. It is possible that the current organizational structure and associated responsibilities is contributing to the high turnover rate in the town's CAO/Municipal Manager position.



## 8 OPERATIONS

Fort Macleod has a broad array of municipal operations to deliver local services and coordinate capital works using a departmental structure. Town operations are primarily funded through property taxation and utility charges.

### 8.1 Municipal Facilities

According to municipal staff, Fort Macleod owns or maintains the following municipal facilities (in alphabetical order by facility identified by municipal staff):

- Airport terminal, lighting and fire pump house
- Ball diamonds, concessions and related facilities
- BMX bike park
- Cemetery
- Centennial Park (splash park)
- Chamber of Commerce building
- Community Hall
- Dog pound
- Economic Development Main Street office
- Electrical distribution system, department shop, and storage shed
- Empress Theatre
- Fire Hall, warehouse, and fire hall rental house
- Horse paddocks
- Ice Cream Shop
- Library
- Town Office
- Public works shop and storage sheds
- Recreation Centre (arena, curling rink, swimming pool, tennis courts)
- Recycling building
- Senior's Centre (Welcome Mat)
- Scout Hall
- Tourist Information Centre
- Various parks, trails and playground facilities
- Wastewater treatment plant and sewage lift station
- Water treatment plant, reservoirs, pump houses and storage building
- Wilderness Park (north of the river)
- Water Distribution, Sanitary Collection, Storm water Management
- Other local infrastructure, such as roads, signage, and street lighting
- \*It is noted that portions of Highway 2, Highway 3, and Secondary Highway 611 that run through the municipality are funded and maintained by the province in cooperation with town staff.

## 8.2 Protective Services

### 8.2.1 Bylaw Enforcement / Community Peace Officers

At the time of the inspection Fort Macleod had two full-time community peace officer (CPO) positions (CPO1 and CPO2), and two vehicles. This municipal service augments the law enforcement provided by the local Fort Macleod RCMP detachment. The town's CPOs are designated officers appointed by bylaw. The original bylaw was recently amended to remove a clause that enabled the officer to appeal to the council if they had a concern with disciplinary actions taken by administration.

Several concerns were heard from interviewees about the town's bylaw enforcement efforts, primarily where residents felt that the town was over-resourced with two officers and two vehicles. Some concerns were unfounded and appear to be rooted in personality conflicts. Best practices show that neighbouring municipalities can benefit from sharing bylaw enforcement resources in the region. It is noted that the practice of holding community input sessions within council meetings has opened the doors very wide for unannounced disgruntled ratepayers to vent their concerns in public, and bylaw enforcement efforts were regularly mentioned.

CPO1 Scott Donselaar supervised the CPO2 position. Mr. Donselaar was found to have several years of experience in enforcement and provided expertise in updating several enforcement-related bylaws. Mr. Donselaar served as the town's deputy director of emergency management and assisted with related training. Mr. Donselaar was also the co-chair of the local union, along with a staff member from the plants department.

CPO Donselaar provided the inspectors with samples of enforcement reports and citation statistics that were apparently provided to council on a semi-annual basis. The November 10, 2014 meeting minutes give an example of council accepting the peace officer reports, as follows:

***G. NEW BUSINESS 1) Peace Officer Reports***

*R.655-2014 Moved by Councillor Feyter that the CPO report be accepted as information.*

***CARRIED***

CPO Donselaar appeared to maintain a close relationship with certain council members. For example, November 23, 2015 meeting minutes reflect citizen comments about the amount of time CPO Donselaar spent at Councillor Trowbridge's place of business. Also, an audio recording provided by Mayor Gendre includes a May 13, 2015 conversation he had with CPO Donselaar following the dismissal of the town's CAO. Mr. Donselaar is heard commending the mayor on the "excellent" dismissal and provided the mayor with advice on how to dismiss the Assistant CAO as well.

This example emphasizes the need for a cultural shift where staff and councillors respect the lines of authority that establish order in the organization. It is possible that council members are friends with staff members, but each must respect and separate the professional and personal roles.

**RECOMMENDATION FOR COUNCIL-STAFF RAPPORT:** That Fort Macleod council and staff members respect the reporting structures within the organizational chart.

**RECOMMENDATION FOR BYLAW ENFORCEMENT:** That Fort Macleod council review service delivery options for the town bylaw enforcement to ensure that the enforcement needs are met in an efficient and equitable manner.

## **8.2.2 Fire Department**

The Fort Macleod fire department is staffed with volunteer firefighters. The inspectors met with the fire chief and toured the fire hall during the course of the inspection. The inspectors were informed that the department has various levels of trained staff and that minimum training levels, such as standard first aid, are not universally required. Records show that fire department training totaled \$16,754 for the past five years. Some years, such as 2012 and 2013 show expenses related to specialized training for swift water operations and technical rope rescue. Department training expenses totaled \$720 and \$1,315 in 2014 and 2015 respectively to cover conference expenses and an airbrake course.

Mutual aid agreements are in place with neighbouring jurisdictions, and the inspectors were told that all area fire departments work well together. The fire chief was not aware of a town organizational chart and stated that he reports to both the Fort Macleod CAO and the Director of Emergency Services for the MD of Willow Creek.



The fire chief is part of the management team and stated that he does not attend operations meetings regularly due to time constraints and the fact that he was a volunteer. This absence could lead to a cultural distance between this important department and the other town departments. In what is likely a related observation, the fire chief was somewhat unfamiliar with the formal emergency management plan for the town and the town's emergency operations centre (EOC).

Fort Macleod's fire hall houses vehicles and equipment for both the town and neighbouring MD of Willow Creek. The 2015 budget shows a \$7,000 contribution from the MD of Willow Creek in the fire department revenue. Recent discussions were noted to have occurred with the MD for a potential new, shared fire hall.

The town also has a fire department revenue account for "Fire House Rental Income" with \$10,200 budgeted revenue for 2015. It is unclear how this rental house is related to the town's core service delivery and is apparently rented to a private individual. This places the town in a landlord position.

The inspectors were informed that the town fire truck did not receive an annual commercial vehicle inspection (CVIP) in 2015 since it was apparently difficult to fit time in at the public works shop. This improper matter should be remedied as soon as possible.

Overall, the department appeared to be functioning well despite some cultural distance between the fire department and other staff departments. Volunteer staff deserve commendation for their dedication to the community. Department services could be improved by providing incentives for staff training, ensuring that vehicle inspections are completed annually, and bridging the cultural gap between the fire department "island" and other departments.

**RECOMMENDATION FOR FIRE DEPARTMENT TRAINING:** That Fort Macleod council approve additional budget commitments to provide incentives for fire department staff training.

**RECOMMENDATION FOR COMMERCIAL VEHICLE INSPECTIONS:** That Fort Macleod administration establish a procedure to ensure that annual Commercial Vehicle Inspections are completed as needed for all town vehicles.

### 8.2.3 Emergency Management

Local governments have many similar services and operational standards. There are great benefits to this, such as the fact that knowledge and resources are transferable and can be readily shared across jurisdictions. Area residents incur the greatest reciprocal benefit when municipal leaders establish mutual agreements to collaborate and work together.

Fort Macleod has established shared service agreements, such as an emergency management mutual aid agreement with the Town of Claresholm, passed on June 10, 2013:

**5) CAO Report- Emergency Management Mutual Aid agreement:**

**R.236-2013** Councillor Koots: that the Emergency Management Mutual Aid Agreement between the Town of Fort Macleod and the Town of Claresholm be approved.

Carried

Fort Macleod council heard a delegation from the MD of Willow Creek to discuss co-response issues at the February 10, 2014 Regular council meeting, as follows:

#### DELEGATIONS

##### **1) Emergency Management**

*Travis Coleman, Emergency Management Coordinator and the Fire Chief for the MD of Willow Creek presented to Council a brief explanation of medical response and co-response issues within the area. He explained that the same services will be provided but the area will be better equipped to respond to medical emergencies. Mayor Gendre thanked the delegation for attending the meeting.*

Discussions with staff indicate that emergency management training could be improved. For example, the town apparently held its first “table top” emergency management exercise in 2015. This is a good start, however, this important department needs additional attention from all associated stakeholders to strengthen emergency preparedness, identify risks, update the emergency management plan regularly, and ensure the plan is tested in non-emergency situations.

### 8.3 Public Works

The public works department provides many day-to-day operational services for roads and infrastructure management. A major project to construct a new town shop is under consideration by the town to replace the vintage facility currently in use.

The department has a history of being well-run and staff interviewed demonstrated knowledge and dedication in serving the community. The public works foreman position was vacant during the beginning of the inspection and the town mechanic was subsequently promoted to the public works foreman position.

### 8.4 Electrical

Fort Macleod is one of few Alberta communities that owns its own electrical distribution utility. Regulations regarding the electric utility are largely provided in the *Municipal Government Act* and *Electric Utilities Act*. Distribution standards stem from the Alberta Utilities Commission (AUC) and Alberta Electric System Operator (AESO) organizations. For example, according to the [AESO website](#):

*“We are responsible for the safe, reliable and economic planning and operation of the Alberta Interconnected Electric System (AIES)...It is leading an initiative to implement Mandatory Reliability Standards (MRS) in Alberta and develop a compliance monitoring and enforcement program for the province.”*

The inspection identified a concern with Fort Macleod’s electrical service reliability and reporting of service interruptions, particularly on the lack of reporting and documenting unplanned outages and service interruptions. The municipally-owned utility does not follow the [Alberta Utility Commission reliability monitoring standards](#) that apply to other areas in order to track the system average interruption frequency and duration.<sup>20</sup>

The inspectors heard citizen concerns regarding the reliability of the electrical system. In some cases, sudden power outages caused damage to business equipment or potential spoilage of products that rely on refrigeration. Several town-wide outages were reported,

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<sup>20</sup> Alberta Utilities Commission: Service Quality and Reliability Performance Monitoring and Reporting for Owners of Electric Distribution Systems and for Gas Distributors. Accessed February 1, 2016: [http://www.auc.ab.ca/acts-regulations-and-auc-rules/rules/Documents/Rule002\\_January2015.pdf](http://www.auc.ab.ca/acts-regulations-and-auc-rules/rules/Documents/Rule002_January2015.pdf)

such as the November 29, 2015 town-wide outage caused by a “failed apparatus” according to the electrical department foreman.

The electrical department foreman could not produce detailed records of unplanned outages. Some information was provided showing seven town-wide power outages in August 2014, and noted that only on one of these occasions were staff able to determine the cause of the outage. A town-wide outage on August 10, 2014 had an extensive compounded negative effect for the community and led to the brief loss of water pressure at the water treatment plant, and a subsequent town-wide boil water order.

Council has taken steps to approve capital improvements for the electrical department and an extensive mapping index is available, however, basic projects such as “red tagged” pole replacements were not completed within the approved budget year. The department staff seemed knowledgeable and willing, however, stronger leadership, performance measures, and accountability are needed to improve the management of the town’s critical electrical infrastructure.

The integrity of the Fort Macleod electrical system is questionable, and cannot be confirmed since no meaningful system performance records are available.

**RECOMMENDATION ON ELECTRICAL UTILITY:** That Fort Macleod council consider immediate options for the operations of the town’s electrical system to ensure that a dependable system exists and to minimize the risk of failure of this critical infrastructure.

**RECOMMENDATION ON ELECTRICAL SYSTEM PERFORMANCE:** That Fort Macleod council establish an electrical system performance policy that requires regular reporting of system interruption duration and frequency; and that administration establish related procedures to create meaningful electrical system performance records.

### 8.4.1 Occupational Health and Safety

The electrical foreman is also the Occupational Health and Safety Coordinator for the town. He advised the inspectors that regular Health and Safety meetings are scheduled and that he usually attends unless he has other commitments. The Health and Safety manual in his office was not up to date.

The electrical foreman showed the inspectors samples of personal protective equipment. Some town facilities, including the electrical department and water treatment plant displayed risqué pictures of women. The inspectors observed that all permanent staff were men in the electrical, public works, facilities and plants departments, and other department staff were all women. The gender ratios in various departments may be a coincidence. It is important that staff are hired based on merit and that each department has a welcoming and inclusive culture where staff feel safe and respected as they contribute their individual expertise to the overall team.

**RECOMMENDATION FOR HEALTH AND SAFETY:** That Fort Macleod council approve an updated Health and Safety policy for the town and ensure that adequate resources are budgeted annually to provide ongoing staff training and supplies necessary for a safe workplace.

## 8.5 Environmental Services

### 8.5.1 Water Treatment and Distribution

Fort Macleod owns and operates a municipal water treatment and distribution system. System operators have completed related training and demonstrated considerable knowledge and pride in the water plant operations. Department staff expressed great resistance to management requests to reduce department staff hours recently and several grievances have followed.

Regular reporting to Alberta Environment is completed regularly and compliance inspections show that any non-compliance items are corrected. Water usage reports show that the town far exceeds the average per capita use. For example, the 2013 provincial average is 373 litres per capita per day while Fort Macleod's 2013 average water usage was 895 litres per capita per day as recorded in 2013, based on a population of 3,211. Department staff are aware of the excessively high water usage and have presented related information to town council.

The 2014 infrastructure master plan contains an engineering hydraulic analysis showing that fire demand and general water pressure are a concern in Fort Macleod, as follows:

*“At peak hourly demand 90% of the town does not meet the required minimum level of service standard. The areas most affected by low pressure are the southwest industrial area and the industrial and residential area south of the CP Rail tracks. The long term scenario shows a similar lack of pressure in the same areas.... The lack of redundant loops throughout the Town, and the high elevations in the south and west portions of Town are the key reasons why fire flow cannot be met.*

*There is a large amount of cast iron water mains found throughout the Town. Flanged cast iron pipes tend to be a significant source of water leakage due to the bolts rusting at the connections. It is proposed that these pipes be upgraded to PVC to help reduce the amount of lost water.*

*The following conclusions can be made:*

- *Current water demand is relatively high, with consumption on average 895 litres per capita per day (Lpcd).*
- *Leakage appears to be a significant source of unaccounted water; leaks are difficult to locate due to granular soils. The existing cast iron water mains are a likely source of leaking.*
- *The existing water distribution network is satisfactory for the majority of the interior portion of the Town. At the current operating pressure, the areas in the south and west extremities of the town have low pressure.*
- *The existing system has a number of dead-end lines which cause reduced water flow and compromise water quality.”*

Systems such as a backup generator are in place to deal with overall system failures. The system was tested on August 10, 2014 during a town wide power outage, this generator failed and led to a boil water order.

The town recently undertook a water meter replacement project and staff are aware of broad conservation initiatives, such as Alberta's Water for Life strategy. Fort Macleod's water bylaw No.1804 establishes rates and charges for the town's water utility with per cubic meter charges of \$0.45 and \$0.50 for residential and non-residential properties respectively. These consumption rates are much lower than expected and do not provide a financial incentive for end users to conserve water. The opposite is true, in fact, since the commercial consumption rate decreases to \$0.26 per cubic meter as more water is used.

Policy efforts to promote conservation should be reviewed. Best practices show that a good first step in determining water loss is to conduct a water audit. A water audit conservation initiative is defined by the Alberta Urban Municipalities Association (AUMA) as follows:

*“A water audit is a comprehensive procedure that assesses real and apparent losses in your water system. It helps communities get a better understanding of their water loss, and where they should focus next to improve.”<sup>21</sup>*

**RECOMMENDATION FOR WATER DISTRIBUTION:** That Fort Macleod council approve a water audit to measure risks and investigate reasons for excessive water loss in the water distribution system; and plan and budget for capital works to improve the viability and efficiency of the water distribution system.

## 8.6 Cemetery

Town staff maintain the local cemetery and keep all cemetery records and maps. There is a need to ensure that historical maps and records are safeguarded and that recordkeeping procedures are documented. Cross training is imperative to provide seamless service to residents at all times.

## 8.7 Human Resource Management

The inspectors heard from several interviewees who expressed concern with the town’s human resource management. Errors were found in the pension plan calculations for certain staff, and inconsistent hiring practices occurred.

The HR manager had limited experience in municipal government. To her credit, the HR manager informed the inspectors that she was self-taught in many areas of her job, since she was unfamiliar with several basic HR functions when she was recruited as the town’s Human Resource manager in 2013.

While serving as Acting CAO on an eight-month interim period, errors in process and judgement were made and the inspectors heard several concerns from staff over the HR Manager’s conduct during discipline and recruitment, and insensitive, inappropriate comments affecting subordinate staff.

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<sup>21</sup> Water Audit: <http://www.auma.ca/advocacy-services/programs-initiatives/water-management/water-conservation/first-steps-water-audits>

The inspectors noted that an attempt was made to provide formal recommendations to council, as evidenced in a December 14, 2015 staff recommendation prepared relating to “Out of Scope Wages”. This recommendation seeks council approval for a 3% cost of living increase for out of scope (non-union) staff positions. The recommendation was prepared by the Acting CAO/Human Resources manager and clearly has a financial impact, however, no financial data or estimated costs were provided in the recommendation. As referenced earlier in the report, greater clarity is needed in staff recommendations to ensure that the council, as decision makers are able to make informed decisions.

### **Hiring Practices**

Fort Macleod has not always recruited the most qualified candidates, according to interviewees and confirmed upon review of HR recruitment records. This practice has occurred for a variety of reasons, including budget considerations. Where untrained staff were recruited, the inspectors heard that staff were often required to figure things out for themselves. This practice is not conducive to building a strong organization and can lead to unnecessary failure and frustration for individual staff members and the organization as a whole.

Fort Macleod staff recruitment has not always followed best practices for hiring candidates based on merit, or followed consistent practices for staff retention. For example, in 2015 two long-term operations employees consulted administration for options to access Local Authorities Pension Plan (LAPP) funds before they reached the age of 55. Both employees were told that they needed to resign from their positions. One employee was rehired, and one was not. The employee who was not rehired was replaced by a subordinate staff member.

According to the LAPP Member Handbook, participating members who retire before age 55 have the option to *“Have the commuted value of your pension transferred to a Locked-In Retirement Account (LIRA) in your name and receive or transfer any excess contributions.”*

LAPP Information Sheets describe ‘Working as a Retiree’ and state that there is no obligation for an employer to rehire an employee after the employment relationship has been terminated, however, if the employment relationship ends and a new employment contract



begins after the pension is drawn, the employee position must be ineligible for participation in LAPP.<sup>22</sup>

To summarize, a process exists that enables an organization to retain knowledgeable and experienced staff who are eligible for retirement, while allowing a staff member to manage their retirement plan strategy. Town records show that the HR manager conducted research on “rehiring retirees” and in the end made the management decision, as Acting CAO to hire a less-qualified internal candidate, and congratulated the outgoing employee on his retirement.

**RECOMMENDATION FOR HUMAN RESOURCES:** That Fort Macleod council update the human resources policy to ensure consistency in staff recruitment, development, and training; and provide increased budget commitments to enable the town to attract and retain qualified staff; and to promote training opportunities for staff to learn to complete their related tasks with excellence.

## 8.8 Cultural Services

Two universally strong municipal services that were identified during the course of the inspection include the Fort Macleod and District Family and Community Support Services (FCSS) and the Fort Macleod RCMP Centennial Library. Both of these organizations’ managers are part of the town’s Management Team and attend regular operations meetings.

### 8.8.1 Family and Community Support Services

Fort Macleod and District FCSS is a strong community catalyst for the town and beyond. FCSS offers services, funding and support to a wide range of programs in Fort Macleod.

A ‘District Family and Community Support Services Board’ was duly established by Bylaw 1628 that was enacted on October 9<sup>th</sup>, 2001. This bylaw created FCSS as a district service in cooperation with the Municipal District of Willow Creek, as follows:

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<sup>22</sup> LAPP, Local Authorities Pension Plan. (September 2014). *Working as a Retiree*: Information Sheet 818LA/1

**NOW THEREFORE THE COUNCIL OF THE TOWN OF FORT MACLEOD, IN THE PROVINCE OF ALBERTA, IN COUNCIL ASSEMBLED ENACTS AS FOLLOWS:**

- 1) That the Town of Fort Macleod enter into an agreement with the Municipal District of Willow Creek No. 26 to form a District Family and Community Support Services Board. Said agreement is attached hereto and forms Schedule "A" of this bylaw.
- 2) That By-Laws No. 1487 and No. 1594 of the Town of Fort Macleod, are hereby rescinded.
- 3) This bylaw shall come into effect on the date of the third reading thereof.

The agreement remains in place, and according to interviewees, the arrangement has been largely positive.

The application of a perspective that looks beyond the municipal borders of the town allows FCSS to provide services to a wide population in neighbouring small urban centres and First Nations communities in addition to the town of Fort Macleod. The town's FCSS Coordinator, Ms. Angie O'Connor was found to be extremely community minded and has a background as a registered nurse. Ms. O'Connor received accolades from several interviewees and a review of records show that she is very capable of managing her department responsibilities.

Regular reports to council from the FCSS coordinator indicate that the service is currently engaged in a broad range of topics such as:

- Affordable housing
- Assistance for individuals
- Food bank
- Meals on Wheels
- Playground build/revitalization
- Seniors transportation
- Volunteer tax preparation

FCSS does not directly deliver all of these programs, but in many cases the department acts as a community connector, allowing engaged people and groups to come together for the betterment of the town.

### 8.8.2 Library

The RCMP Centennial Library is part of the 33-member Chinook Arch Library System and as such, provides service to residents of Fort Macleod and beyond. The library is also the location of one town council meeting each month because the library provides the physically accessible location that the second floor of the town's administration building does not have.



The library is governed under the *Alberta Libraries Act* and the *Libraries Regulation*. The Act defines library service as a municipal service and provides for the library to be managed by a library board on behalf of council, with up to two councillors being appointed to the board.

The library board is accountable for the management of the library; however, the bulk of the library's funding comes from an annual requisition from the board to the town.

As an example of establishing boards and committees by bylaw, Fort Macleod Council most recently established the Municipal Library Board by enacting bylaw 1773 on June 10, 2013 as follows:

**3) Bylaw No. 1773 – Municipal Library Board:**

**R.232-2013** Councillor Monical: that Bylaw No. 1773, being a bylaw to provide for the establishment of a Municipal Library Board, be given first Reading.

Carried

**R.233-2013** Councillor Koots: that Bylaw No. 1773, being a bylaw to provide for the establishment of a Municipal Library Board be given second reading.

Carried

**R.234-2013** Councillor Wolstenholme: that Council proceed with third reading for Bylaw No. 1773 at this time.

Carried Unanimously

**R.235-2013** Councillor Curran: that Bylaw No. 1773 being a bylaw to provide for the establishment of a Municipal Library Board, be given third reading and finally be declared passed.

Carried

There is no evidence of a bylaw to repeal an older library bylaw, though the library has been in existence for many years prior to 2013. The inspection identified that the library is well liked and well used by residents of Fort Macleod.

## **8.9 Land Use Planning and Development**

### **8.9.1 Land Use Bylaw**

The use of land in a municipality is primarily regulated by the local Land Use Bylaw (LUB). The MGA s. 640 allows a municipal council to pass a land use bylaw to prohibit or regulate and control the use and development of land and buildings in a municipality. The LUB designates land use districts such as residential, commercial, parks and environmental reserve. The LUB identifies permitted and discretionary uses within each district and describes when a development permit is required, or not. The LUB regulates general development provisions such as site coverage, off-street parking, signage, grading, accessory buildings, water supply and sewage disposal. The LUB may also establish a process for applicants to appeal subdivision and development decisions in accordance with the MGA s. 678 and 686. Fort Macleod council passed a new LUB No. 1825 on August 24, 2015. This replaced the previous LUB No. 1600 as amended in 2008.

On August 24, 2015, Fort Macleod council passed bylaw No. 1826 approving a Municipal Development Plan (MDP) “to provide a comprehensive, long range land use plan pursuant to the provisions of s. 632(3) of the MGA.” Long range planning is particularly important to communicate intended land uses to local stakeholders, future investors and neighbouring municipalities to promote well-ordered growth.

Fort Macleod is located within the South Saskatchewan Region and is required to comply with provincial regional planning initiatives within the South Saskatchewan Regional Plan (SSRP) which became effective on September 1, 2014.

Municipalities are required to comply with the Alberta Land Stewardship Act (ALSA) that “sets out the legal basis for regional land use planning in Alberta.” Compliance with ALSA is referenced in the MGA, as follows:

***Land use bylaw***

*639 Every municipality must pass a land use bylaw.*

***Protection of agricultural operations***

*639.1 In preparing a land use bylaw, a municipality must consider the protection of agricultural operations unless an ALSA regional plan requires agricultural operations to be protected or requires agricultural land or land for agricultural purposes to be protected, conserved or enhanced, in which case the municipality must comply with the ALSA regional plan.*

Local government bodies have until September 1, 2019 to submit a statutory declaration of compliance to the Land Use Secretariat<sup>23</sup> to confirm that local regulatory instruments comply with the regional plan. Since the town’s land use bylaw is quite new, it is possible that the town could fulfill the requirements to complete the compliance declaration early.

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<sup>23</sup> <https://landuse.alberta.ca/Governance/NatureEffectofRegionalPlans/Pages/Compliance.aspx>

### 8.9.2 Subdivision Development and Appeal Board

Fort Macleod participates in a regional Subdivision Development and Appeal Board (SDAB) and recently passed bylaw No. 1832 on September 28, 2015 to amend the original 1995 SDAB bylaw No. 1557 in order to allow appointments of board members from outside Fort Macleod and to allow the Fort Macleod CAO to delegate the SDAB secretary duties, as follows:

3. That point seven (7) of Bylaw No. 1557 be changed to read that:

The Municipal Manager, or whomever the Municipal Manager may choose to delegate this requirement to, shall be the secretary and shall attend all meetings of the Subdivision and Development Appeal Board, but shall not vote on any matter before the Subdivision and Development Appeal Board.

4. That Bylaw No. 1557 is hereby amended and consolidated.

The October 13, 2015 Organizational Meeting minutes show that Fort Macleod councillors were appointed to the following three Subdivision and Development Appeal Boards:

1. Fort Macleod Subdivision and Development Appeal Board
2. Granum Development Appeal Board
3. MD of Willow Creek Subdivision and Development Appeal Board

Fort Macleod's SDAB bylaw No. 1832 references regional participation of appointed members within the Municipal District of Willow Creek and surrounding urban communities. The multiple appointments to related appeal boards appears to be redundant.

### 8.9.3 Municipal Planning Commission

Fort Macleod has established a municipal planning commission (MPC) in 1978 and updated the bylaw over the years to the recent 2013 version No. 1793. Municipal planning commissions can be established in accordance with the MGA s. 626 which reads as follows:

***Municipal planning commission***

*626(1) A council may by bylaw establish a municipal planning commission and may by bylaw authorize the municipality to enter into an agreement with one or more municipalities to establish an intermunicipal planning commission.*

Fort Macleod's municipal planning commission meets regularly to consider and make decisions on applications for subdivision and development, as stated in bylaw 1793, as follows:

**AND WHEREAS, the Municipal Planning Commission is authorized to make decisions on applications for development approval in accordance with the administrative procedures, land uses and schedules established in the municipal land use bylaw;**

**AND WHEREAS, the Municipal Planning Commission is authorized to make decisions on applications for subdivision approval in accordance with the provincial land use policies, the subdivision and development regulations, the local land use bylaw and statutory plans;**

The inspectors were informed that some past MPC members resigned in 2013 after administration overturned an MPC decision regarding fence height. This is considered to be an irregular action for administration to disregard an MPC decision.

The inspectors were provided with 2015 documentation showing that Councillor Wolstenholme was listed as a member of the SDAB as well as an alternate member appointed the MPC, however, the 2015 organizational meeting minutes do not reflect this dual appointment. A dual appointment to the SDAB and MPC would be contrary to the MGA s. 627(4)(c).

**RECOMMENDATION FOR MUNICIPAL PLANNING COMMISSION:** That Fort Macleod council ensure that Subdivision and Development Appeal Board (SDAB) and Municipal Planning Commission (MPC) appointments follow the requirements specified in the MGA s. 627(4)(c); and that planning authority decisions are upheld by administration.

#### **8.9.4 Development Matters**

##### **Gravel Extraction**

Fort Macleod is built upon and surrounded by extensive gravel resources. Gravel extraction initiatives have received inconsistent messages from council in recent years. Some local property owners informed the inspectors that gravel mining initiatives were denied or ceased in recent years, however, council has discussed the initiative and passed resolutions to explore the potential opportunity, such as the following November 10, 2014 resolution:

##### **3) Gravel Pit Open house**

*R.657-2014 Moved by Mayor Gendre to approve the date of November 25th, 2014 for the gravel pit open house. CARRIED*

Council passed another resolution to explore gravel extraction and regulations on December 8, 2014, as follows:

**11) Gravel Summary**

*R.741-2014 Moved by Councillor Feyter to direct ORRSC Planner Spencer Croil to proceed with the next steps which include the investigation of what specific areas of the Town may be most suited for extraction and what specific regulations should be put in place to ensure best practices prior to any Land Use Bylaw amendments being considered. CARRIED*

Several stakeholders identified local gravel resources as a strength and opportunity for the community. Best practices include extracting gravel resources prior to creating a permanent built environment on the surface.

**RECOMMENDATION FOR GRAVEL EXTRACTION:** That Fort Macleod council consider options to regulate gravel extraction in an environmentally responsible manner and ensure that related applicants receive equitable treatment.

**Flood Fringe**

Fort Macleod is built along the Oldman River and is subject to flood risk in some low-lying areas. The inspection found an inconsistency where the recently approved land use planning map contained an administrative alteration to a flood fringe area. This administrative alteration caused confusion and frustration, and created limitations to the landowner's proposed development. This alteration to the flood fringe mapping caused an inconsistency between the new municipal flood fringe map and the existing provincially recognized flood fringe map for the area.

Best practices for flood fringe mapping would include consistency between municipal and provincial flood hazard maps. Further, the province would not recognize the municipal modified map for any provincial programs or purposes. If a municipality believes the provincial map is not current, they should consult with Alberta Environment and Parks to have their flood hazard (FH) map provincial map changed.

**RECOMMENDATION FOR FLOOD HAZARD MAPPING:** That Fort Macleod council ensure that land use maps are consistent with provincial flood fringe maps and with the physical environment that may change over time; and that local officials work in conjunction with provincial authorities if any changes to flood hazard mapping are proposed.



### **Historical Areas**

Fort Macleod's history is preserved through planning decisions and historical designation requirements such as the downtown area that falls under the provincial historic area designation and is managed under the Historic Area Society (HAS). The inspection found inconsistencies in educating property owners in designated historical areas where some properties were restricted in signage and paint colours after the work was completed. At other times, the town failed to enforce the restoration of historical colours and timely removal of temporary movie or television production façades.

**RECOMMENDATION FOR HISTORIC AREAS:** That Fort Macleod council apply consistent enforcement of development regulations in historic areas; and ensure that property owners within designated historical areas are made aware of development requirements and restrictions.

## 9 FINANCIAL MATTERS

Municipal operations and capital projects are primarily funded through property taxes, user fees and grants. The Public Sector Accounting Board (PSAB) specifies the standards, practices and reporting required by municipalities. Revenue received and expenses incurred are recorded using accounting processes and reporting that are relevant to municipal finance. Some key components of municipal finance include:

- annual operating and capital budgets
- property assessment and taxation
- accounting methods that track financial transactions, projects and procedures to ensure that expenditures remain within the budget
- regular financial reporting to management and council showing operating and capital revenues and expenditures with a comparison to budget
- annual audited financial statement preparation with reporting to the public and Alberta Municipal Affairs.
- annual provincially mandated financial information returns (FIR)

Strong accounting processes provide accurate information and reports to assist council in making well-informed decisions for the municipality. Proper accounting methods allow a municipality to systematically track every financial transaction and provide a foundation for regular management/council reporting and annual reporting on the use of public funds in accordance with reporting standards set by the Public Sector Accounting Board.

### 9.1 Financial Reporting to Council

The MGA s. 208 requires the CAO to collect and deposit revenues, keep accurate financial records and, among many other things, ensure that actual revenues and expenditures are compared to budget and reported to council, as follows:

*(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;*

The inspection found that the council did not provide clear direction to administration in order to specify the frequency of financial reporting to council. Current and past council members expressed concern with the lack of financial reports, but did not approve a specific policy or

pass a resolution to provide clear direction to the CAO to specify the frequency of financial reports. For example, a note in the minutes (not a resolution) from July 14, 2014 records the following vague comment in the financial section of the meeting:

*“Councillor Feyter requested that percentages be included on the next calculations.”*

Casual comments made during meetings are not collective council actions and should not be recorded in the minutes. As stated earlier in the report, the MGA is clear that:

*180(1) A council may act only by resolution or bylaw.*

Fort Macleod council received minimal financial reporting from staff prior to mid-2015. Rather than receiving proper revenue and expense reports with budget comparisons, as referenced in the MGA s. 208(k), council typically received only an accounts payable listing as the financial report provided to council by administration at regular council meetings.

From January 2012 to December 2012 council meeting minutes show that the council only received accounts payable listings as a Financial Report to council, such as the following example from the December 20, 2012 council meeting minutes:

**G. FINANCIAL**  
**1) Accounts Payable:**  
**R. 412-2012** Councillor Houston: that the Accounts Payable List, as attached to and forming part of these minutes, totaling one hundred eighty eight thousand six hundred fourteen dollars and seventy eight cents (\$188,614.78), be confirmed for payment.  
**Carried.**

From January 2013 to December 2013 council minutes show that financial information received consisted only of accounts payable listings, except for one undated 'financial statement' on November 25, 2013, as follows:

**E. FINANCIAL**  
**1) Accounts Payable**  
**R.413-2013** Councillor Dyck: that the Accounts Payable List, as attached to and forming part of these minutes, totaling (\$225,584.87) two hundred twenty five thousand, five hundred eighty four dollars and eighty seven cents, be confirmed for payment. **CARRIED**  
**2) Financial Statements**  
**R.414-2013** Councillor Feyter: that the financial statements be accepted as presented. **CARRIED**

Council meeting minutes show that the council started to receive more appropriate financial reports by the middle of 2014, with a June balance sheet and revenue and expense report presented to council on July 14, 2014, as follows:

<b>K. FINANCIALS</b>
1) <u>Payables</u> <b>R.436-2014</b> Moved by Councillor Wolstenholme that the Accounts Payable List, as attached to, and forming part of these minutes, totaling (\$251,687.25)Two hundred fifty one thousand, six hundred eighty seven dollars and twenty five cents, be approved for payment.
<b>CARRIED</b>
2) <u>March Reconciliation Sheet</u> <b>R.437-2014</b> Moved by Councillor Wolstenholme to accept the March Bank Reconciliation as presented.
<b>CARRIED</b>
3) <u>June Balance Sheet</u> <b>R.438-2014</b> Moved by Councillor Collar to accept the June Balance Sheet as presented.
<b>CARRIED</b>
4) <u>June Revenue and Expenses</u> <b>R.439-2014</b> Moved by Councillor Feyter to accept the June Revenue and Expenses as presented.
<b>CARRIED</b>
Councillor Feyter requested that percentages be included on the next calculations.

The June 2014 financial information was approved by council once again, according to the following September 8, 2014 resolution:

*545-2014 Moved by Councillor Feyter to accept the June statement.*

The April 27, 2015 council meeting minutes show that an accounts payable listing and bank reconciliation were provided to council with a corresponding resolution to accept undated 'Financials' as information, as follows:

<b>R.229-2015</b> Moved by Councillor Dyck that the Financials be accepted as information.
<b>CARRIED</b>

The inspection included a review of an audio recording of the same April 27, 2015 council meeting and found that the discussion contains no mention of any bank reconciliation nor any financial report. A resolution was made to accept the payables as information, not the 'Financials' as vaguely stated in the meeting minutes.

Accounts payable listings are not appropriate financial reports for council. Regular expenses (payables) are previously approved through the budget process. More recently, in 2015, Fort Macleod council has received more comprehensive quarterly financial reports showing departmental revenue, expense, budget and variance.

As often as council directs, such as quarterly or monthly, the *financial reports to council* should include the following:

- Summarized operating revenue and expenses showing actual to budget comparisons with variance dollar amounts and percentage
- Capital expenses showing actual to budget variance dollar amounts and percentage
- Capital project status updates from managers

Financial reports to council should show sufficient departmental activity to provide enough information to understand the financial results of municipal operations. Council members should receive training on how to read and interpret financial statements at the beginning of each term.

The municipality should also have a process to provide *monthly financial reports to management*. These financial reports should be prepared at a departmental level or a level which is appropriate for managers to analyze the financial results of their departments. include the following details:

- Operating revenue and expenses showing actual to budget comparisons noting variance dollar amounts and percentage
- Capital expenses showing actual to budget comparisons noting variance dollar amounts and percentage

Several municipalities provide an annual management report that supplements annual financial statements, including:

- Statement of Reserves: actual, committed and remaining
- Statement of Grants: actual, committed and remaining
- Balance Sheet section

**RECOMMENDATION FOR FINANCIAL REPORTING POLICY:** That Fort Macleod council establish a financial reporting policy to specify the detail and frequency of financial reports to council to ensure that financial reporting is received on a regular basis in accordance with the MGA s. 208(k).

## 9.2 Financial Reporting to the Minister

Municipalities are required to submit annual financial statements, the auditor's report on the financial statements, and a financial information return to the Minister of Municipal Affairs by May 1 of each year, in accordance with the MGA s. 278, as follows:

### **Returns and reports to Minister**

*278 Each municipality must submit*

- (a) its financial information return and the auditor's report on the financial information return, and*
- (b) its financial statements and the auditor's report on the financial statements to the Minister by May 1 of the year following the year for which the financial information return and statements have been prepared.*

Fort Macleod staff had difficulty meeting the May 1 financial reporting deadline for the 2013 and 2014 fiscal years and the Minister provided the municipality with time extensions to complete their financial reporting. Once completed, Fort Macleod received a clean audit report and unqualified financial statements in recent years.

An improved process is required to support and strengthen the ability of Fort Macleod staff to meet legislated deadlines for reporting to the Minister in accordance with the MGA s. 278. To achieve this, the municipality should review year-end procedures, establish strict cut-off deadlines, develop a comprehensive audit binder and establish a detailed work plan with the municipality's auditor to ensure that year end working papers are reconciled and provided to the auditor well in advance of financial reporting deadlines.

**RECOMMENDATION ON FINANCIAL REPORTING TO THE MINISTER:** That Fort Macleod administration establish procedures that enable the municipality to meet legislative deadlines for financial reporting to the Minister in accordance with the MGA s. 278.

### 9.3 Financial Reporting to the Public

Public accountability and financial transparency are key aspects of local government. The MGA s. 276 (3) requires annual financial reporting to the public, as follows:

*(3) Each municipality must make its financial statements, or a summary of them, and the auditor's report of the financial statements available to the public in the manner the council considers appropriate by May 1 of the year following the year for which the financial statements have been prepared.*

Since Fort Macleod missed the May 1 deadline for financial reporting to the Minister for the 2013 and 2014 fiscal years, the town also missed the May 1 deadline for financial reporting to the public. Annual financial statements were made available to the public once they were approved by council. Recent annual financial statements and other financial information were found on the [Fort Macleod website](#) and town staff confirmed that paper copies were also available to the public at the town office.

Besides providing annual financial statements to the public, best practices include providing an annual management report and annual budget as information to the general public. It is increasingly common for municipalities to provide annual reports to the public that demonstrate how the general mission and strategic objectives of the municipality were accomplished and to establish performance measures that link actual performance to the financial results. Best practices present financial data in graphical format where possible to help citizens understand where and what tax dollars are being used for. This type of annual report to the public requires input from all departments within the municipality. A basic report template could be considered and the format could evolve and improve over time.

**RECOMMENDATION ON FINANCIAL REPORTING TO THE PUBLIC:** That Fort Macleod council provide sufficient staff and budget resources to enable the municipality to meet the legislative deadline for providing council approved financial reporting to the public in accordance with the MGA s. 276; and that additional public reporting be considered to communicate departmental performance and the accomplishment of strategic objectives.

## 9.4 Auditor's Management Letters

Fort Macleod's auditors provide a management letter to the council each year, with recommendations to improve financial practices in the organization. The inspection found that the auditor's financial recommendations were not always followed. This inaction led to a pattern of repeated financial errors in subsequent years as well as increased audit time and expense. The auditor made repeated recommendations for reconciling year end working papers and budget documents as well as correcting errors in the Local Authorities Pension Plan (LAPP) and calculation of requisition allowances. For example, the April 22, 2012 auditor's letter contains a repeated recommendation that the calculation for the requisition allowance be reviewed and adjusted as required.

It is considered to be an irregular management practice to disregard a municipal auditor's financial recommendations. Annual audits present valuable opportunities for learning, improvement and polishing of municipal financial processes. It is appropriate for the town to consider each comment and recommendation in the auditor's management letters and provide a response of the action taken or the reasons for inaction.

**RECOMMENDATION FOR ACTION ASSOCIATED WITH AUDITOR LETTERS:** That Fort Macleod council undertake a review of recommendations made by the town auditors in recent years and provide a response to the auditor to describe the actions taken, or proposed to be taken in response to the auditor's recommendations.

## 9.5 Financial Management

Basic financial management practices ensure that all revenues received and all expenses incurred are recorded in the municipal accounting system, and that the transactions rely on source documents to verify and substantiate transaction details.

Fort Macleod is progressing in financial management, and is receiving strong financial leadership from the town's current chief financial officer, Kris Holbeck. Ms. Holbeck has a financial and municipal background and was hired by the town in May 2015.

Financial statements show that Fort Macleod is in fairly good financial condition overall and indicate that the organization has strong fiscal health with approximately \$12 million cash, \$2.1 million debt, and \$40 million in accumulated surplus, based on available data from the 2014 audited financial statements.



### 9.5.1 Infrastructure Deficit and Deferred Capital Spending

A closer look at the financial health of the community shows a significant potential infrastructure deficit as a result of deferred capital spending. Some assets and facilities have reached a critical point, well beyond their expected useful life, such as the town office, public works shop, water distribution lines and electrical system components.

A 2014 engineering report commissioned by the town provides a \$21 million cost estimate for proposed upgrades to the town's existing water distribution system alone, as well as several other infrastructure needs. The management practice of deferring capital projects can be costly, such as failing to identify the location of broken water lines causing excessive treated water loss. The management practice of maintaining relatively low debt while interest rates are low and capital needs are high is improvident and potentially harmful to the long-term viability of the community.

A review of equity in tangible capital assets (TCA) for the comparison group of benchmark communities shows that Fort Macleod has a total of \$30,445,737 in equity in tangible capital assets or \$9,768 of equity in tangible assets per capita. This is somewhat higher than the average of \$8,826 of equity in tangible capital assets per capita, however, Fort Macleod owns an electrical distribution system, that other comparison communities do not have, and therefore Fort Macleod would be expected to have a significantly higher value of equity in tangible capital assets per capita.

Fort Macleod has nearly \$2,880 in net financial assets per capita which is significantly higher than the average of \$1,015 net financial assets per capita, and is the highest in the comparison group of communities. This means that Fort Macleod has more cash on hand and/or less debt than the comparison group. The financial and TCA comparison is shown below:

Name	Population	Net financial assets per capita	Net financial assets	Equity in TCA	Equity in TCA per capita
Nanton	2,132	830	\$1,769,975	23,178,697	10,872
Pincher Creek	3,619	2805	\$10,151,530	27,373,088	7,564
Claresholm	3,758	-522	-\$1,959,934	21,113,263	5,618
<b>Fort Macleod</b>	<b>3,117</b>	<b>2880</b>	<b>\$8,976,942</b>	<b>30,445,737</b>	<b>9,768</b>
Picture Butte	1,650	1088	\$1,795,398	21,866,850	13,253
Coalhurst	2,301	1783	\$4,102,469	17,850,490	7,758
Cardston	3,580	404	\$1,447,567	43,562,634	12,168
Magrath	2,376	8	\$18,443	16,965,444	7,140
Raymond	4,081	-143	-\$584,521	21,595,897	5,292
<b>Averages</b>	<b>2,957</b>	<b>\$ 1,015</b>	<b>\$ 2,857,541</b>	<b>\$24,883,567</b>	<b>\$ 8,826</b>

### 9.5.2 Capital Planning

Capital planning and asset management are important to the viability and enjoyment of the community. Efforts were made to develop a detailed infrastructure master plan identifying recommended short, medium and long term infrastructure projects in several department areas. The inspectors noted that this important planning document is dated May 2014, but was delayed in being approved by council until January 12, 2015, as follows:

7) Infrastructure Master Plan.  
R.019-2015 Moved by Deputy Mayor Feyter to approve the Infrastructure Master Plan as presented.

**CARRIED**

The inspection included a tour of facilities and review of related reports. Community infrastructure was identified to range in condition from good to poor, with some critical infrastructure failing to be replaced in a timely fashion, well after its useful lifecycle. Some capital planning and projects were evident, however, the approved infrastructure plan was found sitting on a shelf and did not appear to be communicated or fully used by department heads in a meaningful way for planning purposes.

Fort Macleod engages external mapping services for the town's electrical system components and has taken positive steps to identify and track additional assets through another asset mapping project that received approval on March 11, 2013, as follows:

**Approval of Contractor for the RABC (Rural AB. Business Centre) Asset Mapping Project;**

Council was in receipt of a report from RABC Small Business Advisor Srecko Ponjavic regarding the Asset Mapping Project tenders for the Rural Alberta Business Centre.

**R. 96-2013** Councillor Randle: that Council accept the CAO's recommendation to award the RABC Asset Mapping Project tender to Schollie Research and Consulting in the tendered amount of forty one thousand dollars (\$41,000.), with all necessary funds being made available through the Rural Alberta Business Centre (RABC).

Carried.

**RECOMMENDATION FOR CAPITAL PLANNING:** That Fort Macleod council approve a capital plan and establish specific capital reserves to allocate funds for current and future infrastructure needs; and continue to work with engineering services to identify and quantify the town's infrastructure deficit.

### 9.5.3 Project Management

Large projects often span more than one fiscal year and it is important to ensure that a proper recording system is in place to accurately track work in progress (WIP). Upon review of Fort Macleod's budget documents, it appears that some projects were duplicated in subsequent years. For example, records show that a 2009 pole testing project was completed in the electrical department showing 51 red tagged structures recommended for replacement in the following year. This pole replacement project is ongoing. Unexpended funds were carried forward from previous years and \$60,000 was budgeted for pole replacement in 2013. In January 2016, the electrical foreman informed the inspectors that the pole replacement project is worked on periodically, as time permits and he estimated that there have been 10 red tagged poles replaced since 2010.

Capital projects should either be closed if completed within the year; transferred to Work in Progress to be completed in the following year; or if a project has not been started, it should be included within the current budget cycle to be considered along with other new proposed capital projects. Capital projects need to be funded annually along with the tracking of funding through reserves, debentures, grants, taxation or other source. Capital projects need

to be budgeted and tracked closely so that the municipality can report the actual, committed and remaining balance of funding sources.

**RECOMMENDATION FOR PROJECT COST TRACKING:** That Fort Macleod administration establish capital project accounts within the municipal software system in order to properly track and report on work in progress for capital projects.

#### 9.5.4 Sub-ledger Reconciliation

Fort Macleod has a historical practice of using Excel spreadsheets to track and balance certain financial sub-ledgers, such as reserves, debentures and tangible capital assets. It is ideal to maintain a comprehensive financial software system that contains various sub-ledger modules and reconciles all sub-ledgers to the general ledger in the municipal software system. Standalone worksheets increase the risk of error and lead to a duplication of work where values need to be re-entered into municipal software program.

**RECOMMENDATION FOR SUB-LEDGERS:** That Fort Macleod administration use the central municipal software system where possible to strengthen the integrity of reconciling financial records; and that council approve adequate budget resources for additional municipal software components.

#### 9.5.5 Internal Controls

Fort Macleod was found to have historically weak internal cash management controls at public recreation facilities. Stakeholder interviews confirmed that there is a lack of policy and procedures in place to regulate and guide staff who handle cash transactions as part of their job duties. The inspectors were informed that a debit transaction system was put in place in 2015 for the pool and arena facilities in an effort to reduce cash transactions and that this change was initiated by the town's new CFO. Whether a transaction is large or small, public officials have a duty to ensure that public funds are properly recorded and accounted for; and that staff are able to handle cash in a safe environment.

**RECOMMENDATION FOR INTERNAL CONTROLS:** That Fort Macleod council approve policies for internal controls; and that administration develop related procedures to ensure that cash is handled properly.

## 9.6 Budget

Fort Macleod council approved 2015 municipal expenditures totaling \$8,871,562 with \$3,368,126 funded from general taxation and \$5,503,436 funded from other sources as shown in the town's 2015 tax rate bylaw.

A municipal budget demonstrates financial commitments to various department services and programs. It is a means of funding local services provided in Fort Macleod, such as administration, roads, water, protective services, electrical distribution, development services, community services, and recreation facilities.

Local residents were generally satisfied or very satisfied with services provided to them as indicated by the responses from interviewees, as shown below:



## 9.7 Contributions to Organizations

The inspection found that Fort Macleod council did not follow standard processes or a consistent policy when making financial contributions to organizations. For example, the February 9, 2015 council meeting minutes show that council approved an advancement of \$50,000 to the Fort Macleod Historical Association without any description on what the 'advancement' is for:

5) Fort Macleod Historic Association (FMHA) – Request for Advanced Funds  
**R.067-2015** Moved by Councillor Wolstenholme to approve the advancement of funds of \$50,000.00 to the FMHA.

Mayor Rene Gendre requested a recorded vote:  
**For:** Mayor Rene Gendre, Deputy Mayor Brent Feyter, Councillors: Trish Hoskin Mike Collar, Keith Trowbridge, Michael Dyck, and Gord Wolstenholme.

**CARRIED**

On January 27, 2014 the council approved advancement of interim funding of \$17,000 to the Fort Macleod Historical Association, as follows:

6) Fort Macleod Historical Association- Funding  
**R.045.2014** Moved by Councillor Feyter that and additional \$17,000.00 of interim funding be advanced to the FMHA, totaling \$32,000.00 of advanced funding to date.

**CARRIED**

On February 10, 2014 council passed the following resolution in an effort to obtain financial and project information from the local historical association:

### **11) Fort Macleod Historical Association- Funding**

*Discussion ensued in regard to advanced funding for the Fort.*

*R.091-2014 Moved by Councillor Dyck to advance the FMHA \$15,000 in the middle of February on the condition that a written report be submitted to Council in regard to the current financial situation and future financial requirements.* **CARRIED**

As noted earlier in the report, the Empress Theatre received grants totaling \$75,000 for 2015. The February 23, 2015 council meeting minutes show a \$30,000 'advancement' to the Empress Theatre, as follows:

**H. NEW BUSINESS**

**1) Advancement of funds to Empress Theatre**

**R.104-2015** Moved by Councillor Dyck to advance the funds of \$30,000 to the Empress Theatre.

Mayor Rene Gendre requested a recorded vote:

**For:** Mayor Rene Gendre, Deputy Mayor Brent Feyter, Councillors: Trish Hoskin Mike Collar, Keith Trowbridge and Gord Wolstenholme.

**CARRIED**

The use of the term “advancement” is unclear in the above council resolutions. More accurate wording should be used to state if the funds are a grant to the organization or a loan to the organization, which would require a loan bylaw and advertising.

The previous council was uncertain about grants to organizations and passed a resolution on April 8, 2013 to consult the public on this topic at the 2013 election. The inspectors saw no evidence of a vote on a question from the 2013 election.

**Grants to Organizations;**

Council was in receipt of a report from CAO David Connauton regarding grants to organizations.

**R. 158-2013** Councillor Wolstenholme: that Council approve the following grants to organizations totalling one hundred ninety one thousand four hundred eighty three dollars (\$191,483.).

- FMHA Requested - \$125,000.	.....	Council Approved \$86,000.
- Environment Committee - \$2,500.	.....	Council Approved \$2,500.
- Chamber of Commerce - \$1,800.	.....	Council Approved \$1,800.
- Santa Claus Parade - \$12,500.	.....	Council Approved \$12,500.
- Citizens on Patrol - \$1,000.	.....	Council Approved \$1,000.
- South Country Fair - \$500.	.....	Council Approved \$500.
- FCSS - \$19,683.	.....	Council Approved \$19,683.
- Empress Theatre - \$65,000.	.....	Council Approved \$50,000.
- Handibus Society - \$15,000.	.....	Council Approved \$6,000. + \$2,000 to Cap Reserves
- Claresholm & Dist. Transp - \$25,000.	.....	Denied

Carried.

**R. 159-2013** Councillor Koots: that Council formulate a question to be put to voters at this fall's Municipal Election regarding grants to organizations.

Carried.

**RECOMMENDATION FOR LOCAL CONTRIBUTIONS:** That Fort Macleod council establish a policy to ensure the careful stewardship of public funds contributed to local organizations.

## 9.8 Grant Applications and Reporting

Fort Macleod accessed grant funding for several projects, such as the provincial Municipal Sustainability Initiative (MSI) and the Alberta Community Partnership (ACP). Grant funding received in 2014 totalled \$3,758,354 for various capital and operational projects, such as the 28<sup>th</sup> Street Rehabilitation. Grant application spending plans have been submitted and the statement of financial expenditures have been prepared and received by the province within the grant program deadlines.

### 9.8.1 The Police College

After a provincial government determination, Fort Macleod was selected as the preferred location to build a provincial police college, culminating with a 2006 announcement for an Alberta Police and Peace Officer Training Centre to be built on the outskirts of the town. Stakeholders commented that former officials, and particularly the former mayor worked tirelessly to promote the police college project.

Subsequently, the project was discontinued in 2012, and the town received a provincial grant of over \$10.2 million to compensate the town for related expenses associated with infrastructure and service upgrades that the town had already incurred. This grant had a very positive impact on the financial health of the community. The town “won the lottery” in a sense, since it put the money in the bank and was fully compensated for servicing the affected land, which could be sold to generate additional revenue. On April 1, 2013 council held a special meeting to accept this payment and authorize a release for any third party claims for \$10,259,830.57.

This 320 acres of serviced land has remained unallocated since the police college project was cancelled. The town has taken steps to market the property and has generated some potential investor interest through the economic development office. Council passed a related resolution on September 8, 2014:

**R.550-2014** Moved by Councillor Dyck to approve Neil Meyers proposal to market the old Police College lands.

**CARREID**

The inspectors were advised that a formal property appraisal was not completed for the 320 serviced acre parcel. Town records show that the 320 acres are designated as Industrial land use, and are assessed as agricultural with a total assessment value of only \$24,600.



The potential sale of the 320 acres of land has been a point of contention among council members who see the land being used for different purposes. In some cases, individual members of council, most notably the mayor, have taken it upon themselves to attempt to put *ad hoc* deals together to attract specific investors or industries. Fort Macleod could benefit from a more solid marketing approach for this large land asset.

**RECOMMENDATION FOR MARKETING:** That Fort Macleod council review options, such as calling for proposals from qualified firms to assist the town with marketing and promotion of large land parcels; and that the marketing initiative be coordinated through the town's economic development office.

## 9.9 Tax Rates and Assessment Comparisons

The inspection included a comparison of Fort Macleod's property tax rates with neighbouring benchmark communities, as summarized below:

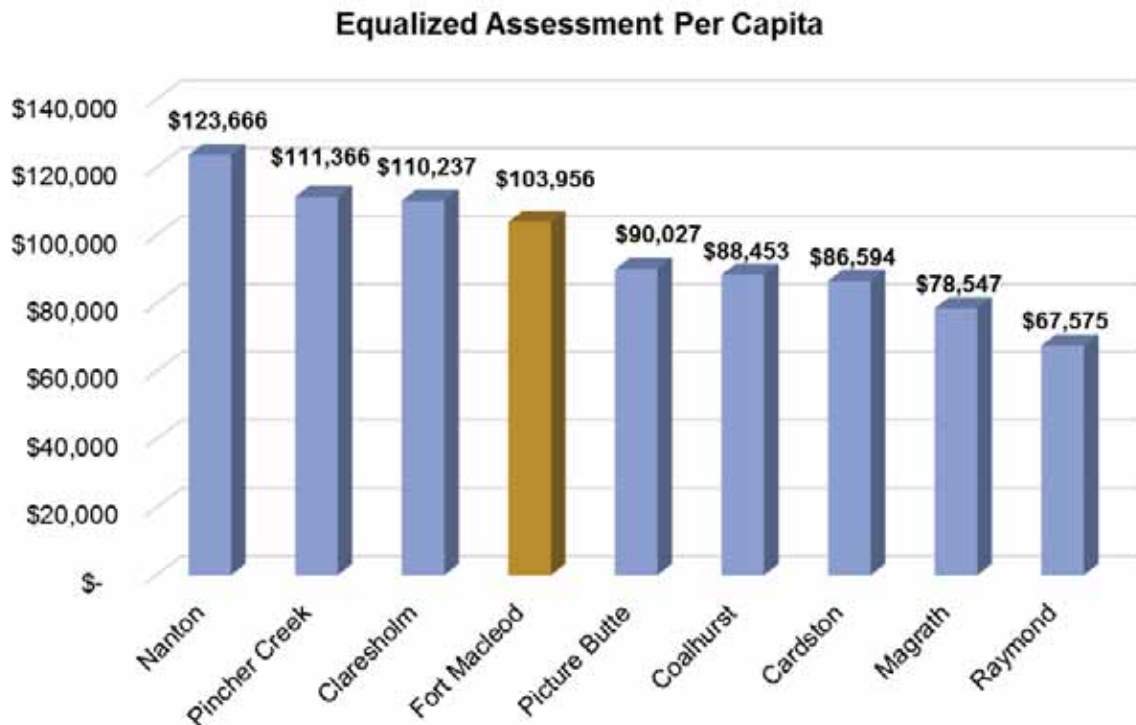
2014 Mill Rate and Equalized Assessment Comparison (ranked by Equalized Assessment per Capita)						
Name	Population	Number of Residences	Residential Muni Tax Rate (mills)	Non-Res. Muni Tax Rate (mills)	Equalized Assessment (\$)	EA per capita (\$)
Nanton	2,132	925	8.7550	12.5283	\$263,656,410	\$ 123,666
Pincher Creek	3,619	1,593	9.6133	11.2136	\$403,034,231	\$ 111,366
Claresholm	3,758	1,761	6.5215	12.1000	\$414,269,653	\$ 110,237
<b>Fort Macleod</b>	<b>3,117</b>	<b>1,431</b>	<b>5.4513</b>	<b>12.4045</b>	<b>\$324,032,221</b>	<b>\$ 103,956</b>
Picture Butte	1,650	743	7.1939	8.7500	\$148,545,179	\$ 90,027
Coalhurst	2,301	990	6.9442	9.4442	\$203,529,302	\$ 88,453
Cardston	3,580	1,259	7.4105	12.7107	\$310,007,943	\$ 86,594
Magrath	2,376	774	7.0292	12.5000	\$186,626,842	\$ 78,547
Raymond	4,081	1,399	7.5000	12.2000	\$275,775,484	\$ 67,575
<b>Averages</b>	<b>2,957</b>	<b>1,208</b>	<b>7.3799</b>	<b>11.5390</b>	<b>\$ 281,053,029</b>	<b>\$ 95,602</b>

Fort Macleod was found to have the lowest residential mill rate among the comparison group. Fort Macleod's 2014 residential mill rate was 5.4513 in 2015, which is two mills lower than the average of the comparison group. Fort Macleod's total equalized assessment values were higher than the group average and the non-residential mill rate was nearly one mill higher than the average. Note that a mill rate is another way of expressing a tax rate multiplied by 1,000 for ease of presentation.

Maintaining low tax rates can inhibit a municipality's ability to sustain and deliver comprehensive services. Local service demands are extensive and citizens expect accountability, efficiency and good value for services provided.

Legislation requires local leaders to provide good governance, with necessary and desirable services while maintaining safe and *viable* communities. Local governments have an active and aggressive mandate with broad service responsibilities that affect every citizen, every day. Municipal taxes are a means to collectively fund common services and there is no prize awarded to a municipal council that wins the race to the bottom with the lowest comparable taxes in the area. Providing *more* services with *less* tax dollars is difficult to achieve and would require a deliberate strategy and rare municipal mavericks to implement.

The assessment base of a municipality indicates its capacity to generate tax revenues. Using the same data set as the previous table, Fort Macleod was found to have a slightly higher than average equalized assessment per capita among the comparison group. This means that property assessments in Fort Macleod are valued slightly higher than the average of the comparison group. A larger assessment base equates to a larger capacity to generate taxes to fund local services. The comparative summary of equalized assessment per capita is shown below:



## 9.10 Tax and Assessment Preparation

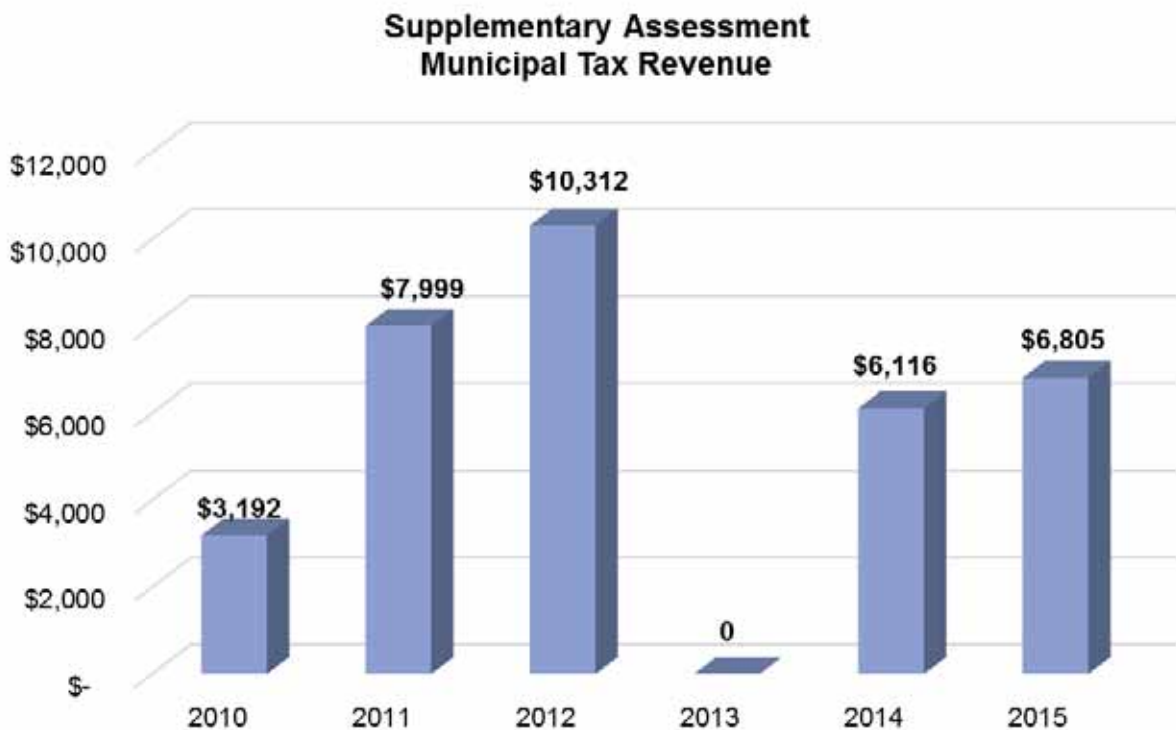
Fort Macleod's 2015 tax rate bylaw No.1827 authorized rates of taxation to generate municipal tax revenue totalling \$2,396,990, plus additional requisition amounts. Fort Macleod sends out combined tax and assessment notices in accordance with the provisions of the MGA s. 308(4):

*(4) The assessment notice and the tax notice relating to the same property may be sent together or may be combined on one notice.*

### 9.10.1 Supplementary Assessments

Fort Macleod prepares supplementary assessments to levy taxes on property improvements made during the taxation year, rather than waiting until the property improvements to be assessed (and taxed) in the subsequent year. The MGA s. 313-316 provides the authority for a municipality to pass a supplementary assessment bylaw and prepare related tax and assessment notices.

The following chart shows that in recent years, the supplementary assessment has generated a small amount of tax revenue for the municipality, such as \$6,805 in 2015:



Some administrative time is needed to prepare the related bylaw, compile information received from the assessor, and send out supplementary assessment and tax notices. The town assessor informed the inspectors that additional costs are nominal related to supplementary assessment services. Passing a supplementary assessment bylaw is a decision of the council, who are expected to receive sound cost-benefit advice from staff.

The 2015 supplementary assessment bylaw No. 1817 applies to all improvements, including structures, manufactured homes and machinery and equipment, as follows:

*3.1 This bylaw applies to all improvements, which includes:*

- (a) a structure or structures,*
- (b) any thing attached or secured to a structure, that would be transferred without special mention by a transfer or sale of the structure,*
- (c) a designated manufactured home, and*
- (d) machinery and equipment.*

### **9.10.2 Machinery and Equipment Assessment Class**

Fort Macleod had five properties with machinery and equipment assessment in 2015 with a combined total assessment value of 1,251,640. The machinery and equipment assessment was noticeably absent from the tax rate bylaws in 2013, 2014, and 2015.

The MGA s. 364 allows a council to provide exemptions from taxation by bylaw, as follows:

#### ***Exemptions granted by bylaw***

*364(1) A council may by bylaw exempt from taxation under this Division property held by a non-profit organization.*

*(1.1) A council may by bylaw exempt from taxation under this Division machinery and equipment used for manufacturing or processing.*

*(2) Property is exempt under this section to any extent the council considers appropriate.*

Tax rate bylaws from 2010-2012 show that the council exempted a portion of the machinery and equipment assessment, such as the following excerpt from the 2010 tax rate bylaw No. 1728:

**Whereas**, the Council has determined pursuant to Section 364 of the Municipal Government Act, Chapter M26, Revised Statutes of Alberta 2000 to exempt two thirds (2/3) of Machinery and Equipment assessments from taxation as follows:

<b>Machinery &amp; Equipment</b>	<b>\$ 1,698,780</b>
<b>Less Two Thirds</b>	<b>\$ 1,132,520</b>
<b>Taxable M &amp; E</b>	<b>\$ 566,260</b>
<b>Total Taxable Assessments</b>	<b><u>\$302,045,379</u></b>

Starting in 2013, the machinery and equipment assessment disappeared from the tax rate bylaw altogether. Council meeting minutes show that council passed the following resolution on March 11, 2013:

*R. 208-2013 Councillor Koots: that Council approve waiving 100% of the Machinery & Equipment tax levy for the 2013 tax year. Carried.*

The MGA s. 364 is specific that exemptions can only be granted *by bylaw*, and therefore, council *resolution* 208-2013 is likely invalid.

**RECOMMENDATION FOR MACHINERY AND EQUIPMENT ASSESSMENT:** That Fort Macleod council review the process for granting exemptions from taxation for properties with machinery and equipment assessment components, and ensure that exemptions are made by bylaw in accordance with the MGA s. 364.

### 9.10.3 Tax Agreement Adjustments

The inspection found that certain properties received a 'revised' and 'manually adjusted' tax notice that altered the assessment and tax values as per historical property agreements. Town staff provided a manual spreadsheet calculation showing various annual tax adjustments totalling approximately \$40,000. The municipality should record an over/under levy each year based on expected taxation amounts and this over/under levy can be added to the taxation calculation in the subsequent year. This is standard municipal practice and should be implemented.

The town auditor expressed concern that tax adjustments were not considered when tax rates were set and therefore, the actual amount of tax revenue collected was less than the bylaw stated. The auditor's May 20, 2014 management letter contains a recommendation that all tax agreement adjustments be included in the approved tax bylaw.

**RECOMMENDATION FOR OVER/UNDER LEVY:** That Fort Macleod administration ensure that an over/under levy amount be included in annual property tax calculations in subsequent years.

This irregular practice of manually adjusting assessments and taxes needs to be corrected to ensure compliance with current assessment and taxation regulations. For example, the airport subdivision and campground property agreements contain historical tax rebate components that need to be reviewed.

If Fort Macleod council wishes to offer annual tax reductions, the MGA provides the authority for a council to reduce or cancel taxes *after* they have been levied, as follows:

***Cancellation, reduction, refund or deferral of taxes***

*347(1) If a council considers it equitable to do so, it may, generally or with respect to a particular taxable property or business or a class of taxable property or business, do one or more of the following, with or without conditions:*

- (a) cancel or reduce tax arrears;*
  - (b) cancel or refund all or part of a tax;*
  - (c) defer the collection of a tax.*
- (2) A council may phase in a tax increase or decrease resulting from the preparation of any new assessment.*

**RECOMMENDATION FOR TAX AND ASSESSMENT CALCULATIONS:** That municipal staff ensure that assessment values are recorded accurately in the assessment roll, and that these values be used for calculating taxes on all properties, according to the MGA.

**RECOMMENDATION FOR TAX AGREEMENTS:** That Fort Macleod council dedicate resources to complete a review of all properties affected by historical tax agreements and amend agreements where needed in order to ensure full compliance with assessment and taxation regulations in the MGA.

The inspectors heard concerns about assessment value discrepancies for a variety of properties in the town. It has caused some confusion when property appraisals and property assessments report significantly different values. Consistency is expected since both values should be based on market value calculations.

Assessment concerns can be referred to the Alberta Municipal Affairs Assessment Services Branch for review. Records show that Fort MacLeod's last detailed assessment audit was completed by the province in 2005.

**RECOMMENDATION FOR ASSESSMENT REVIEW:** That Fort Macleod administration consult with the Alberta Municipal Affairs Assessment Services Branch to improve administrative understanding of property assessment preparation and provincial oversight.

#### 9.10.4 Off-Site Levy

The MGA s. 648 allows a municipality to pass an off-site levy bylaw that authorizes agreements with developers for payment of capital costs impacted by a development. This allows a municipality to charge for service upgrades that are not necessarily located on the development site. For example, if a proposed development would require more water than the existing water treatment plant could produce and store, an off-site levy bylaw would allow a municipality to enter into an agreement with the developer to pay for all or a portion of the water treatment plant upgrades needed to service the development, even though the water treatment plant is not on the development site.

Fort Macleod council passed off-site levy bylaw No. 1750 in August 2012. An engineering review and related report was completed in advance to determine related charges. According to staff, off-site levies have never been charged on new developments and the bylaw has not been used to date.

Before the off-site levy bylaw was in place, however, the mayor in 2010 was reported to tell a local drag racing association that if the club tried to sell their 84-acre property, there would be “consequences”. This association appeared to be working tirelessly since 2009 toward their goal of constructing a racetrack on land they purchased from the town on the edge of Fort Macleod in 2009. The association had previously rented the land since November 1997. The association entered into a development agreement with the town in August 2009 at the time of purchase, before the town passed an off-site levy bylaw.

The association relied on fundraising and volunteer hours to develop the project, which was never quite finished. Revenue generating efforts for signage rentals, pasture rental, and gravel extraction became stultified and the association felt that the town was working against them. Since 2008, the drag racing association land was assessed and taxed as a commercial property, although the land was apparently mostly pasture while the racetrack was under construction. Prior to 2008 the property was assessed and taxed at agricultural rates.

In 2012, the town was reported to access the land without notice and installed services and over ground electrical poles, one of which would interfere with the proposed racetrack operations. The association attempted to sell the property in 2012, however, a prospective buyer backed away when they were informed that off-site levy charges of \$20,000/acre (\$1.68 million) would need to be paid to the town if the property was sold.

Correspondence was sent to the drag racing association on behalf of the town stating that “...the town requires entering into a satisfactory Development Agreement prior to the sale or transfer of the property.” The association was later informed that the off-site levy charges would not apply.

The August 26, 2013 regular council meeting minutes show that the finance committee recommended making an offer to purchase the drag racing association property for the original purchase price of \$83,920, as follows:

**BUSINESS ARISING FROM MINUTES**

**R.299-2013** Councillor Randle: to table Finance meeting recommendation **R.8-2013** by Councillor Randle to recommend to Council to make a legal offer to purchase the Southern Alberta Drag Racing property, Roll # 4014000 comprising of 83.92 acres for the original sale price of \$83,920.00.

**CARRIED**



The town never did make a formal offer to buy the land back from the drag racing association. To date, the unfinished track remains silent and the association feels that their hopes have been dashed.

**RECOMMENDATION FOR OFF-SITE LEVY:** That Fort Macleod council approve a policy to ensure the consistent, equitable, and appropriate application of off-site levies in accordance with the MGA s. 648.

Along the drag racing theme, it is noted that the sport was promoted by Fort Macleod council, despite the obstacles faced by one related association. The town has granted rather wide permission to other local associations for related racing events to be held at the local airport. On occasion, council has granted permission for several dates of scheduled racing events at the airport, and sent a “courtesy” notification to adjacent residents after council’s permission was granted. For example, on March 11, 2013 council resolution R.97-2013 grants approval for Southern Alberta Solosport Club to use the airport property and that *“courtesy letters be sent out to airport property residents advising them of dates when the Solosport Club will be using the airport facility.”*

On March 25, 2013, council resolution R.113-2013 authorized the 2013 Auto Slalom schedule and fee schedule of \$400 per day. On January 12, 2015, a request from the Street Wheelers Car Club was considered by council, pending public input:

2) Street Wheelers Car Club request to use Airport Runway.

**R.011-2015.** Moved by Councillor Dyck to TABLE this item and request public input, and that letters be sent to airport property landowners.

**CARRIED**

**RECOMMENDATION FOR EQUITABLE TREATMENT:** That Fort Macleod council ensure equitable treatment when dealing with local associations that provide similar programs or services.

## 9.11 Sale of Assets

Through the regular course of business, the municipality sells items that it no longer needs. For example, council passed resolution 375-2014 on June 23, 2014 to post a Public Invitation to Bid on the old fire truck. Council reviewed bids and approved the sale of the fire truck to the Rotary Club for \$5,001 at the August 25, 2014 meeting, as shown below:

2) Fire Truck –Bids  
**R.496-2014** Moved by Mayor Gendre that the bid of \$5001.00 from the Rotary Club be accepted. **CARRIED**

On April 22, 2013 Fort Macleod council approved the sale of a street sweeper for \$2,900 to the neighbouring Town of Granum where Mayor Patience was employed as a CAO. The minutes show that the mayor abstained from voting on the matter:

**4) Offer to Purchase Street Sweeper – CAO Report;**

Council was in receipt of a report from the CAO concerning an offer that had been received by the Town for purchase of its old street sweeper.

Mayor Patience left the meeting at 9:05 p.m. declaring conflict of interest. Mayor Patience is the CAO for the community buying the street sweeper.

Deputy Mayor Monical assumed the chair.

**R. 175-2013** Deputy Mayor Monical: that Council approve the sale of the town's old street sweeper to the Town of Granum at a quoted amount of twenty nine hundred dollars (\$2,900.).

Carried.

Mayor Patience returned to the meeting at 9:06 pm.

The decision to sell the town street sweeper appears to have been made within a one-minute timeframe, and there doesn't appear to be any other bids received besides the one offer received from the Town of Granum.

Policy direction is needed to avoid inconsistency and the appearance of favouritism; and to ensure equitable treatment in considering the sale of assets.

**RECOMMENDATION FOR DISPOSAL OF ASSETS:** That Fort Macleod council establish a policy to regulate and ensure equitable treatment in the disposal of assets.

### 9.11.1 Disposal of Land

Fort Macleod records show various land sales totaling \$827,788 from 2013-2015. There are limits to municipal powers as outlined in the MGA s. 70 which requires transparency of process by advertising a proposed land sale if it is below market value, as follows:

***Disposal of land***

*70(1) If a municipality proposes to transfer or grant an estate or interest in*

*(a) land for less than its market value, or*

*(b) a public park or recreation or exhibition grounds, the proposal must be advertised.*

At the time of the inspection, Fort Macleod did not have an approved policy in place to ensure fairness and consistency in establishing land sale prices. A Land Sales/Unexpected Income Distribution Policy was approved in May 2015 referring to the distribution of land sale proceeds, and a December 2015 staff report showed that the economic development manager was working on developing a non-residential sales agreement, however, specifically determining land sale prices was found to be inconsistent and was described as a “crap shoot” by one interviewee.

Land sales inventory was discussed at the June 17, 2014 council committee of the whole meeting, as follows:

***DISCUSSION ITEMS 1) Land Sales Availability Listing Presented as information.***

*R.348-2014 Moved by Councillor Trowbridge to instruct Administration to review the Commercial, Industrial and Residential land availability and provide a list of available land with available utilities and a cost to purchase said lands to be presented to Council for review within a month. CARRIED*

Policy guidance is needed to ensure equity and transparency in the land sale process, maintain legislative compliance, and to remove administrative transactional aspects from the council agenda.

On June 22, 2015 the council authorized a sale of land for two times the appraised value which seems to indicate strong market pressure, as follows:

**R.373-2015** Moved by Councillor Dyck that the offer to purchase Plan 5707HS Block A for a sum of \$50,000 (fifty thousand dollars) be accepted and that the appraisal value of \$25,000 (Twenty five thousand) be noted, land sale agreement to follow.

**CARRIED**

An closer review of the property details shows that this 2011 tax sale property was assessed at \$81,230 in 2015, and a June 2015 property appraisal value estimated the land value to be \$25,000.

Later, at the same June 22, 2015 meeting, council approved the sale of an 8.99 acre industrial parcel of land for \$30,000 per acre (\$269,700), as follows:

**R.376-2015** Moved by Councillor Collar to accept option C of the counter offer for Land sale of Lot 1, Block 3, Plan 0153590:

- Option C
  - 8.99 Acres at \$30,000 per acre = \$269,700
  - First right of refusal to purchase Lots 22 and 23 at \$35,000 per lot = \$70,000. A first right of refusal will be registered on these lots once the sale of the 8.99 Acres has cleared any conditions and the deal has closed.
  - Acknowledgement that you are able to subdivide the 8.99 acres outlined in the Town of Fort Macleod's Land Use Bylaw.

Mayor Rene Gendre requested a recorded vote:

**For:** Mayor Rene Gendre, Deputy Mayor Brent Feyter, Councillors: Trish Hoskin, Mike Collar, Michael Dyck and Keith Trowbridge.

**CARRIED**

Further review of the industrial land parcel shows a low assessment value of \$90,590 for Lot 1, Block 3 Plan 0513590. On this occasion, council made an effort to sell land for more than the assessed value.

## 320 Acres

Council attempted to negotiate land sale prices for the 320 acre 'police college lands' with the most recent price set at \$8.5 million on December 8, 2014, however, the minutes do not state if the motion was carried or defeated, as shown below:

<p><b>R.748-2014</b> Moved by Councillor Trowbridge to come out of "In Camera" at 10:13 p.m.</p>	<b>CARRIED</b>
<p><b>R.749-2014</b> Moved by Councillor Wolstenholme to accept the \$8,500,000.00 offer for the "320 Acres" as presented, subject to legal review.</p>	
<p><b>R.750-2014</b> Moved by Councillor Dyck to hold a special Meeting on Wednesday December 10, 2014 at noon to discuss sale of land /legal issues in Camera.</p>	<b>CARRIED</b>

The assessment values of the two serviced quarter section parcels for Lots 1 & 2, Block 1, Plan 1410704 are \$8,060 and \$16,540, respectively. The inspectors were not advised of a separate property appraisal on the 320 acres. At the time of the inspection, the 320-acre parcel was still for sale.

## Tourist Information Site

Council approved the sale price of a 'tourist information' property on August 24, 2015 for exactly the same amount as indicated in an August 4, 2015 property appraisal. This is held up as an example of proper stewardship in managing the process for the sale of land. The related meeting minutes read as follows:

### **2) Land Sale- Cabin/Old Tourist Information**

*R.455.2015 Moved by Councillor Wolstenholme that Council approves the sale of the Lot 3, Block 1, Plan 9912463, the 1.65 acres of land or the property commonly known as "the cabin or old tourist information building" for the offered price of \$245,000 (Two Hundred forty five thousand dollars).*

*Mayor Rene Gendre requested a recorded vote:*

*For: Mayor Rene Gendre, Deputy Mayor Brent Feyter, Councillors: Gord Wolstenholme, Keith Trowbridge, Michael Dyck and Trish Hoskin. CARRIED*

### **Land Beside Hospital**

In 2015 council attempted to negotiate the sale of a 2.275-acre residential parcel of land for over \$55,000 per acre north of the hospital in August 24, 2015, as follows:

*R. 472.2015 Moved by Mayor Gendre that the 2.275 acre land parcel, located at Lot 10 Block 24 Plan 0912466 in the Town of Fort Macleod, be sold to the Netherlands Reformed Church for \$126,000.00 (one hundred twenty six thousand dollars).*

*Mayor Rene Gendre requested a recorded vote:*

*For: Mayor Rene Gendre, Deputy Mayor Brent Feyter, Councillors: Keith Trowbridge and Trish Hoskin. Opposed: Councillors Gord Wolstenholme and Michael Dyck. CARRIED*

Various council resolutions were made to negotiate a price on this property and at the time of the inspection, a sale was pending for \$80,000 for this multi-family residential parcel to be sold to the adjacent church to be used as a parking lot. The assessed value was \$126,050 and no advertising provisions were made to ensure compliance with the MGA s. 70.

### **Industrial and Commercial Land Sales**

Near the beginning of the 2013 council's term, council set the selling price of land for certain parcels at \$25,000 per acre with the following resolution made on December 20, 2013:

*R.488-2013 Councillor Collar: to set the selling price of 3 separate lands as follows:  
Block A, C and D, Plan 1112414 for \$25,000.00 an acre. CARRIED*

Records show that at the assessed values of Blocks A, C and D, Plan 1112414 are much higher than the arbitrary selling price set by council. The three parcels range in size from 1.1 to 1.54 acres with assessment values ranging from \$63,800 to \$81,770. No advertising provisions were documented in accordance with the MGA s. 70 to ensure transparency in council's intention to sell land at less than market value.

It is also noted that Councillor Collar is a local builder and that his company and his company's clients purchase land in the community and from the town periodically. The above resolution 488-2013 could give the appearance that council is participating in moving high level macro levers to affect local land prices in an effort to achieve a future benefit from lower upfront business costs.

On January 26, 2015, council negotiated land sales ranging from \$30- \$35,000 per acre.

On March 23, 2015 council used 2013 selling prices to re-negotiate the sale of the above-noted Block D, Plan 1112414 highway commercial land for \$25,000 per acre as follows, which is less than the above noted assessed values:

**2) Offer to Purchase – Dan Vanee (Area D, Plan 1112414)**  
**R. 147-2015** Moved by Councillor Collar that Area 'D', plan 1112414 (1.54 Acres of highway commercial –C5) be sold to Vanee Livestock for the sum of \$38,500 plus GST; based on the 2013 selling price stated in R.488-2013 of \$25,000.00 Per Acre. Subject to the conditions that; all legal and land transfer costs are to be paid by the purchaser and that Area 'D', plan 1112414 be consolidated with current Block 3, plan 7910286 and Area 'C', Plan 1112414 which was previously purchased by Vanee Livestock.

Mayor Rene Gendre requested a recorded vote:  
**For:** Mayor Rene Gendre, Deputy Mayor Brent Feyter, Councillors: Trish Hoskin, Mike Collar, Keith Trowbridge, Michael Dyck and Gord Wolstenholme.

**CARRIED**

On April 27, 2015 Deputy Mayor Brent Feyter declared a conflict of interest and left the meeting at 10:02 pm. In his absence, council passed the following resolution authorizing the sale of 44 acres of land for \$27,000 per acre:

*R.237-2015 Moved by Councillor Dyck that the 44 acre land parcel Lot 20, Block 1, Plan 0011875 be sold for \$27,000.00 per acre plus the cost of utility extension to the property line and any road upgrades that are necessary.*

*Mayor Rene Gendre requested a recorded vote:*

*For: Mayor Rene Gendre, Councillors: Trish Hoskin, Mike Collar, Keith Trowbridge, Gord Wolstenholme and Michael Dyck      CARRIED*

The inspection found that Councillor Feyter had a proposed business interest in the 44-acre property and that Councillor Feyter participated in council discussions and voting on bylaw No. 1814 passed on March 23, 2015 which approved a Land Use Bylaw amendment to change the zoning on this 44.7-acre property from Agricultural use to Industrial General. Councillor Feyter's involvement in LUB rezoning through bylaw 1814 could give the appearance that council again moved macro levers to achieve some potential future business benefit affecting a council member.

For land sales in general, it appears that council is overly involved in the administrative negotiations of land sales and marketing. It is clear that the council is able to follow a proper process to sell land at market value, as shown in the tourist information property sale described above.

Fort Macleod council was found to act in an irregular manner by attempting to arbitrarily adjust land values, and failing to advertise proposed land sales below market value subject to the MGA s. 70 requirements.

Fort Macleod's history shows that a previous mayor was disqualified from council in 1974 for failing to follow legislative procedures when personally purchasing land from the municipality.

Education is needed to ensure that council members understand how to follow proper legislative processes and avoid the appearance of working behind the scene to potentially receive some direct or indirect future benefit. It is likely that the Fort Macleod council members did not have ill intentions related to the sale of land, however, through a lack of education and lack of administrative guidance this council managed to "fumble the ball" when dealing with the disposal of land.

**RECOMMENDATION FOR LAND SALES:** That Fort Macleod council establish a policy to ensure that all property held for resale be advertised at market value and if council considers selling land below market value, that the town will abide by the advertising provisions of the MGA s. 70.



## 10 NEXT STEPS FOR FORT MACLEOD

As referenced earlier in this report, a significant number of people who were interviewed were passionate about their home town and indicated that they were optimistic about the municipal inspection where they expect Fort Macleod's situation and reputation to improve following the application of recommendations that may emerge from the inspection. This broad positive attitude bodes well for the town.

The findings of the inspection and the related recommendations can be very helpful for the community to learn from past actions and move forward in a more positive direction. The following activities are known to be fundamental best practices for municipalities. These concrete next steps will allow Fort Macleod to grow as a community, with council setting clear targets and expectations for itself, administration, the services offered by the town, and for the community at large.

These activities include:

1. **Conduct Regular Council Refresher Training:** Early in their term, the current Council embarked on an orientation program and it has continued with training, mediation and other programs in an *ad hoc* manner. Thoughtful, consistent, and regular programs of professional upgrading and education assist governance bodies in keeping their perspective focused on the big picture of governance.
2. **Set Council Priorities:** Within the Strategic Plan or MSP creation process referenced in the Strategic Planning section of this report, council needs to identify and regularly review its key priorities. The timeliness and importance of goals and related strategies within the MSP will naturally fluctuate as the plan progresses, and the town does not have the capacity to enact all the plan's goals at once. A core service review is recommended to create an inventory of services and ensure that the municipality is allocating resources effectively. Communicating strategic priorities to administration, operations, and the public is important.
3. **Manage the Town's Performance:** Council is required to provide its only employee with performance reviews and targets throughout the span of the CAO contract using the tool of regular performance evaluations. Performance targets should be based on the MSP and council priorities. These targets provide clear direction to the CAO about the major areas of concentration for the upcoming year. A council is able to evaluate the

CAO based on achievement of established performance targets, and can provide a new set of CAO performance targets for the upcoming year.

Operational performance measures and increased department accountability are needed to ensure continued improvements of operations and to track progress in addressing current weaknesses in critical infrastructure.

## 11 CONCLUSION

Fort Macleod's municipal inspection provides several examples where the municipality was managed in an irregular, improper, and improvident manner. A lack of compliance with legislation caused the municipality to act in an *irregular* manner, such as omitting the machinery and equipment assessment class on the tax rate bylaw and failing to consider the market value of land before selling it.

Inconsistent human resource management practices and the fact that the mayor failed to respect political sanctions are examples of *improper* practices in Fort Macleod. Fort Macleod's failure to exercise good stewardship of public funds granted to organizations and failure to address known critical infrastructure needs demonstrates *improvident* actions.

Behind the scenes, local officials need to build political capacity to work together professionally, despite any personal differences they may have. The same can be said for the town's administration and staff as these individuals carry out council's will and deliver services to the town's residents and visitors.

Regrettably for Fort Macleod, most of the 2013-2017 council term has so far been consumed with strife and this dysfunction has distracted town leaders from the important governance work that needs to be done. Officials can only learn from these events and face the future with a determination to work together to accomplish public good along with all the members who are on the team by happenstance and providence.

Serving one's community in a position of trust as an elected or appointed official is an honour and responsibility that must not be taken lightly. Municipal officials need a strong degree of professional trust and political capacity to work together to achieve overall good for the community. In October 2013, Fort Macleod's electors chose a predominantly new council, including a new chief elected official. This council needs to focus on acting professionally for the good of Fort Macleod's citizens, businesses and the town's operation.

The current council has the responsibility to lead the community by providing good governance that promotes a well-ordered municipality where legislative requirements are followed and strategic priorities are realized. Clear, regular communication with citizens is needed to demonstrate strategic outcomes and maintain a healthy degree of confidence that Fort Macleod's officials have a high regard for regulatory responsibilities.

During inspection interviews, many residents, business owners and town employees expressed their desire for Fort Macleod to move on from the division of recent years. The municipal inspection can be used as a turning point for the community. The actions of Fort Macleod officials have been reviewed objectively and areas of strengths and areas that need improvement have been identified. Fort Macleod officials are advised to learn from the past and turn the page, leaving the strife behind and focusing on doing good things for the community by leveraging the town's many economic, social and cultural strengths.

Political capacity and organizational order can be seen as treasures that need to be protected with a 'brazen wall' (*Murus Aheneus*).<sup>24</sup> If actions are harmful to the organization or political capacity, council members, staff and community members need to stop doing such things.

Actions that strengthen political capacity should be promoted and used to create a town that is 'for' rather than against itself. Officials can hold each other to account with gentle reminders as needed, such as: "*We have been down that road before and now we choose a better way...we don't do that anymore. Now we fully respect the honour and shared responsibility of public office.*" With political will and local determination, the recent circumstances can be overcome and this prominent historical town can get back on track and prosper once more.



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<sup>24</sup> *Murus Aheneus* is interpreted as *brazen wall* when translated from Latin to English. *Murus Aheneus* is of local significance due to the history of Fort Macleod. It is also part of Fort Macleod's logo as shown in the above photo.

## 12 APPENDICES

### 12.1 Appendix 1: List of Acronyms

The acronyms below appear throughout this report.

AAMDC ... Alberta Association of Municipal Districts and Counties	ICSP ..... Integrated Community Sustainability Plan
ACP..... Alberta Community Partnership	LAEA ..... Local Authorities Election Act
ALSA..... Alberta Land Stewardship Act	LRSD..... Livingston Range School Division
ARB..... Assessment Review Board	LUB ..... Land Use Bylaw
AUC ..... Alberta Utilities Commission	M&E..... Machinery and Equipment
AUMA..... Alberta Urban Municipalities Association	MD..... Municipal District
CAO ..... Chief Administrative Officer	MDP ..... Municipal Development Plan
CEO ..... Chief Elected Officer	MGA ..... Municipal Government Act
CEO ..... Chief Executive Officer	MPC ..... Municipal Planning Commission
CFO ..... Chief Financial Officer	MSI ..... Municipal Sustainability Initiative
CPO ..... Community Peace Officer	MSP..... Municipal Sustainability Plan
CVIP..... Commercial Vehicle Inspection	NWMP ..... North West Mounted Police
EDC ..... Economic Development Committee	ORRSC.... Oldman River Regional Services Commission
EDO ..... Economic Development Officer	PSAB..... Public Sector Accounting Board
FCSS..... Family and Community Support Services	RCMP ..... Royal Canadian Mounted Police
FMHA..... Fort Macleod Historical Association	ROTP ..... Riders of the Plains
FOIP..... Freedom of Information and Protection of Privacy (Act)	s..... Section (of legislation)
HAS..... Historic Area Society	SADRA .... Southern Alberta Drag Racing Association
HR..... Human Resources	SDAB..... Subdivision and Development Appeal Board
HRM..... Human Resource Management	SSRP..... Southern Saskatchewan Regional Plan
	TCA ..... Tangible Capital Assets
	WIP..... Work in Progress

## 12.2 Appendix 2: Recommendations Summary

Recommendations are found throughout the municipal inspection report and a complete list of recommendations is summarized below. Recommendations are grouped in sections representing Governance, Administration and Finance. The context for each recommendation can be found in the associated section of the report that is referenced by the page number.

### 12.2.1 Governance Recommendations

#	Governance Recommendation	Page No.
G1	<b>RECOMMENDATION ON ROLES AND RESPONSIBILITY TRAINING:</b> That all Fort Macleod council members attend regular (annual or semi-annual) Roles and Responsibilities refresher training opportunities to gain a proper understanding of roles and responsibilities for elected officials and how to work together as a council.	27
G2	<b>RECOMMENDATION FOR MEDIATION:</b> That Fort Macleod council members continue mediation efforts to strengthen their political capacity to work together.	28
G3	<b>RECOMMENDATION FOR STRATEGIC PLANNING:</b> That Fort Macleod council ensure that the town maintains a current Strategic Plan for the community in consultation with town citizens; and that the plan remains accessible to the public through the town website.	41
G4	<b>RECOMMENDATION FOR STRATEGIC PRIORITIES:</b> That Fort Macleod council establish a subset of key priorities within the Strategic Plan; that those priorities be reviewed by council on a quarterly basis and re-evaluated by council on an annual basis.	41
G5	<b>RECOMMENDATION FOR PRIORITY-BASED BUDGETING:</b> That Fort Macleod council approve performance measures that demonstrate how the town's budget resources have advanced council's priorities as outlined in the Strategic Plan.	41
G6	<b>RECOMMENDATION FOR LEADERSHIP:</b> That Fort Macleod council exercise high level leadership and review the organizational structure to ensure that the structure can achieve the approved strategic plan objectives.	43
G7	<b>RECOMMENDATION FOR CORE SERVICE REVIEW:</b> That the Fort Macleod council undertake a core service review to analyze and focus resources in key areas.	44

#	Governance Recommendation	Page No.
G8	<b>RECOMMENDATION FOR PERFORMANCE EVALUATIONS:</b> That Fort Macleod council provide annual written performance evaluations of the town's CAO in accordance with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established in conjunction with the Strategic Plan/Municipal Sustainability Plan.	47
G9	<b>RECOMMENDATION FOR EXTERNAL HUMAN RESOURCES ADVICE:</b> That Fort Macleod council engage the services of a qualified human resources, legal or management consulting firm to help them establish and then guide them through formal CAO performance evaluation processes and any related policy development.	47
G10	<b>RECOMMENDATION FOR BYLAWS:</b> That Fort Macleod council review current bylaws and seek legal advice where needed to ensure that town bylaws are passed, signed and amended in accordance with the provisions of the Municipal Government Act; and that active bylaws be made readily accessible to the public on the town website.	52
G11	<b>RECOMMENDATION FOR POLICY REVIEW:</b> That Fort Macleod council complete a review of all current policies to ensure applicability and recency; and to improve the general organization and accessibility of town policies; and that policies be reviewed on a regular basis.	53
G12	<b>RECOMMENDATION FOR RESOLUTION CLARITY:</b> That Fort Macleod council ensures that council resolutions are comprehensive, concise, and appropriately worded so that the actions of council are clear and transparent to staff, the general public and future councils.	58
G13	<b>RECOMMENDATION FOR AMENDING COUNCIL RESOLUTIONS:</b> that council resolutions are only amended by following proper procedure from Municipal Government Act, and council's procedural bylaw to ensure that resolution amendments follow a consistent and acceptable format, such as Robert's Rules of Order.	58
G14	<b>RECOMMENDATION FOR MEETING DECORUM:</b> That Fort Macleod council adhere to a high level of professional decorum during council meetings; and engage legal advice to review the applicability of the disciplinary section of the procedural bylaw.	60
G15	<b>RECOMMENDATION TO ACT BY BYLAW OR RESOLUTION:</b> That Fort Macleod council ensure that all actions of council are made by resolution or bylaw in a public council meeting in accordance with the MGA s. 180 and s 191(2).	61

#	Governance Recommendation	Page No.
G16	<b>RECOMMENDATION FOR RECORDING OF VOTES:</b> That Fort Macleod council members exercise high levels of discretion when requesting the recording of votes in accordance with the MGA s. 185 and the meeting procedures bylaw s. 34(j); and that the procedural bylaw be updated if council desires that every vote be recorded.	62
G17	<b>RECOMMENDATION FOR <i>IN CAMERA</i> AGENDA ITEMS:</b> That Fort Macleod council comply with the MGA s. 197 when closing any part of a meeting to the public, and state the related FOIP exceptions to disclosure.	65
G18	<b>RECOMMENDATION FOR PUBLIC PRESENCE:</b> That Fort Macleod council ensures that the public has an opportunity to be present at all council and committee meetings in accordance with the provisions of the MGA s. 197-198; and that members of the public in the gallery abide by the conduct required in the MGA and local procedural bylaw.	69
G19	<b>RECOMMENDATION TO UPDATE PROCEDURAL BYLAW:</b> To update the procedural bylaw to ensure that council meeting decorum follows an appropriate, respectful process; that the informal Community Input sessions be discontinued immediately so that delegations to council can be heard with more formality; and that the presiding officer exercise proper skills to preside as chairperson during meetings to ensure that proper meeting decorum and respectful order is maintained throughout all council and committee meetings.	69
G20	<b>RECOMMENDATION FOR ABSTAINING FROM VOTING:</b> That Fort Macleod council members provide reasons for each abstention from voting, and that the reasons for abstaining are recorded in the meeting minutes in accordance with the provisions of the MGA s. 183; and when abstaining from voting, that council members leave the room until discussion and voting on matters of a pecuniary interest are concluded in accordance with the provisions of the MGA s. 172.	71
G21	<b>RECOMMENDATION FOR HANDLING PECUNIARY INTEREST:</b> That Fort Macleod elected officials learn and abide by the pecuniary interest provisions of the MGA and consult with legal counsel as needed to ensure continued compliance with the MGA s. 170; and that the wording in related bylaws and resolutions be consistent with the MGA rather than referring to conflict of interest.	78
G22	<b>RECOMMENDATION FOR COUNCIL TO AVOID ADMINISTRATIVE FUNCTIONS:</b> That Fort Macleod council refrain from performing administrative duties in accordance with the provisions in the MGA s. 201(2).	79



#	Governance Recommendation	Page No.
G23	<p><b>RECOMMENDATION FOR LOAN BYLAWS:</b> That Fort Macleod council enter into formal repayment agreements and pass related loan bylaws in accordance with the MGA s. 265 to formally authorize loans to non-profit organizations such as the local fundraising committee of the W.A. Day School gymnasium project.</p>	84
G24	<p><b>RECOMMENDATION FOR GRANTS TO ORGANIZATIONS:</b> That Fort Macleod council approve a policy to establish a consistent application process when considering grants to local organizations.</p>	86
G25	<p><b>RECOMMENDATION FOR COMMITTEES:</b> That the Fort Macleod council compile a comprehensive list of internal, external and intermunicipal committee appointments, along with terms of reference for each committee that includes related information such as the committee purpose, description, background, members, appointment terms, meeting dates, and reporting requirements; and pass bylaws as required to establish the functions of council committees in accordance with the MGA s. 145.</p>	90
G26	<p><b>RECOMMENDATION FOR ADDITIONS TO COUNCIL MEETING AGENDAS:</b> That Fort Macleod council adhere to its procedural bylaw when considering late additions to council meeting agendas, and that the nature of the addition(s) be noted in the meeting minutes.</p>	94
G27	<p><b>RECOMMENDATION TO REGULATE ELECTRONIC RECORDINGS:</b> That Fort Macleod council approve a policy or amend the procedural bylaw to regulate the electronic recording of council and committee meetings with the following minimum provisions:</p> <ul style="list-style-type: none"> <li>➤ To prohibit any means of recording during portions of meetings closed to the public;</li> <li>➤ To inform all people present when meetings are digitally recorded prior to the recording commencing;</li> <li>➤ To make meeting recordings conducted by a municipal official available and accessible to the public subject to the provisions of FOIP; and</li> <li>➤ To retain and/or destroy electronic records in accordance with the town's records management bylaw and related policies.</li> </ul>	97

#	Governance Recommendation	Page No.
G28	<p><b>RECOMMENDATION FOR MUNICIPAL PLANNING COMMISSION:</b> That Fort Macleod council ensure that Subdivision and Development Appeal Board (SDAB) and Municipal Planning Commission (MPC) appointments follow the requirements specified in the MGA s. 627(4)(c); and that planning authority decisions are upheld by administration.</p>	120
G29	<p><b>RECOMMENDATION FOR GRAVEL EXTRACTION:</b> That Fort Macleod council consider options to regulate gravel extraction in an environmentally responsible manner and ensure that related applicants receive equitable treatment.</p>	121
G30	<p><b>RECOMMENDATION FOR FLOOD HAZARD MAPPING:</b> That Fort Macleod council ensure that land use maps are consistent with provincial flood fringe maps and with the physical environment that may change over time; and that local officials work in conjunction with provincial authorities if any changes to flood hazard mapping are proposed.</p>	121
G31	<p><b>RECOMMENDATION FOR HISTORIC AREAS:</b> That Fort Macleod council apply consistent enforcement of development regulations in historic areas; and ensure that property owners within designated historical areas are made aware of development requirements and restrictions.</p>	122
G32	<p><b>RECOMMENDATION FOR EQUITABLE TREATMENT:</b> That Fort Macleod council ensure equitable treatment when dealing with local associations that provide similar programs or services.</p>	146

## 12.2.2 Administrative and Operational Recommendations

#	Administration and Operations Recommendation	Page No.
A1	<b>RECOMMENDATION FOR STAFF RECOMMENDATIONS TO COUNCIL:</b> That Fort Macleod administration establish a procedure to provide formal recommendations to council using a more comprehensive request for decision format and proposed resolution wording.	94
A2	<b>RECOMMENDATION FOR COUNCIL MEETING AGENDA PREPARATION:</b> That Fort Macleod officials adhere to the procedural bylaw to ensure that agenda preparation and distribution follows a standard process in accordance with the procedural bylaw.	94
A3	<b>RECOMMENDATION FOR ORIGINAL COUNCIL MEETING MINUTES:</b> That Fort Macleod administration apply a high level of professionalism and organization to the recording of original council meeting minutes in accordance with the MGA, s. 208.	95
A4	<b>RECOMMENDATION FOR RECORDS MANAGEMENT:</b> That Fort Macleod council approve a records management project to safeguard, coordinate, organize, archive, and destroy records as required through FOIP legislation and the records management bylaw; and to ensure the safety and privacy of all electronic, historical and current municipal records as applicable.	99
A5	<b>RECOMMENDATION FOR COUNCIL-STAFF RAPPORT:</b> That Fort Macleod council and staff members respect the reporting structures within the organizational chart.	105
A6	<b>RECOMMENDATION FOR BYLAW ENFORCEMENT:</b> That Fort Macleod council review service delivery options for the town bylaw enforcement to ensure that the enforcement needs are met in an efficient and equitable manner.	105
A7	<b>RECOMMENDATION FOR FIRE DEPARTMENT TRAINING:</b> That Fort Macleod council approve additional budget commitments to provide incentives for fire department staff training.	105
A8	<b>RECOMMENDATION FOR COMMERCIAL VEHICLE INSPECTIONS:</b> That Fort Macleod administration establish a procedure to ensure that annual Commercial Vehicle Inspections are completed as needed for all town vehicles.	106
A9	<b>RECOMMENDATION ON ELECTRICAL UTILITY:</b> That Fort Macleod council consider immediate options for the operations of the town's electrical system to ensure that a dependable system exists and to minimize the risk of failure of this critical infrastructure.	108

#	Administration and Operations Recommendation	Page No.
A10	<p><b>RECOMMENDATION ON ELECTRICAL SYSTEM PERFORMANCE:</b>                      That Fort Macleod council establish an electrical system performance policy that requires regular reporting of system interruption duration and frequency; and that administration establish related procedures to create meaningful electrical system performance records.</p>	108
A11	<p><b>RECOMMENDATION FOR HEALTH AND SAFETY:</b> That Fort Macleod council approve an updated Health and Safety policy for the town and ensure that adequate resources are budgeted annually to provide ongoing staff training and supplies necessary for a safe workplace.</p>	109
A12	<p><b>RECOMMENDATION FOR WATER DISTRIBUTION:</b> That Fort Macleod council approve a water audit to measure risks and investigate reasons for excessive water loss in the water distribution system; and plan and budget for capital works to improve the viability and efficiency of the water distribution system.</p>	111
A13	<p><b>RECOMMENDATION FOR HUMAN RESOURCES:</b> That Fort Macleod council update the human resources policy to ensure consistency in staff recruitment, development, and training; and provide increased budget commitments to enable the town to attract and retain qualified staff; and to promote training opportunities for staff to learn to complete their related tasks with excellence.</p>	113

### 12.2.3 Financial Recommendations

#	Financial Recommendation	Page No.
F1	<b>RECOMMENDATION FOR FINANCIAL REPORTING POLICY:</b> That Fort Macleod council establish a financial reporting policy to specify the detail and frequency of financial reports to council to ensure that financial reporting is received on a regular basis in accordance with the MGA s. 208(k).	125
F2	<b>RECOMMENDATION ON FINANCIAL REPORTING TO THE MINISTER:</b> That Fort Macleod administration establish procedures that enable the municipality to meet legislative deadlines for financial reporting to the Minister in accordance with the MGA s. 278.	126
F3	<b>RECOMMENDATION ON FINANCIAL REPORTING TO THE PUBLIC:</b> That Fort Macleod council provide sufficient staff and budget resources to enable the municipality to meet the legislative deadline for providing council approved financial reporting to the public in accordance with the MGA s. 276; and that additional public reporting be considered to communicate departmental performance and the accomplishment of strategic objectives.	127
F4	<b>RECOMMENDATION FOR ACTION ASSOCIATED WITH AUDITOR LETTERS:</b> That Fort Macleod council undertake a review of recommendations made by the town auditors in recent years and provide a response to the auditor to describe the actions taken, or proposed to be taken in response to the auditor's recommendations.	128
F5	<b>RECOMMENDATION FOR CAPITAL PLANNING:</b> That Fort Macleod council approve a capital plan and establish specific capital reserves to allocate funds for current and future infrastructure needs; and continue to work with engineering services to identify and quantify the town's infrastructure deficit.	131
F6	<b>RECOMMENDATION FOR PROJECT COST TRACKING:</b> That Fort Macleod administration establish capital project accounts within the municipal software system in order to properly track and report on work in progress for capital projects.	132
F7	<b>RECOMMENDATION FOR SUB-LEDGERS:</b> That Fort Macleod administration use the central municipal software system where possible to strengthen the integrity of reconciling financial records; and that council approve adequate budget resources for additional municipal software components.	132

#	Financial Recommendation	Page No.
F8	<b>RECOMMENDATION FOR INTERNAL CONTROLS:</b> That Fort Macleod council approve policies for internal controls; and that administration develop related procedures to ensure that cash is handled properly.	132
F9	<b>RECOMMENDATION FOR LOCAL CONTRIBUTIONS:</b> That Fort Macleod council establish a policy to ensure the careful stewardship of public funds contributed to local organizations.	135
F10	<b>RECOMMENDATION FOR MARKETING:</b> That Fort Macleod council review options, such as calling for proposals from qualified firms to assist the town with marketing and promotion of large land parcels; and that the marketing initiative be coordinated through the town's economic development office.	137
F11	<b>RECOMMENDATION FOR MACHINERY AND EQUIPMENT ASSESSMENT:</b> That Fort Macleod council review the process for granting exemptions from taxation for properties with machinery and equipment assessment components, and ensure that exemptions are made by bylaw in accordance with the MGA s. 364.	141
F12	<b>RECOMMENDATION FOR OVER/UNDER LEVY:</b> That Fort Macleod administration ensure that an over/under levy amount be included in annual property tax calculations in subsequent years.	142
F13	<b>RECOMMENDATION FOR TAX AND ASSESSMENT CALCULATIONS:</b> That municipal staff ensure that assessment values are recorded accurately in the assessment roll, and that these values be used for calculating taxes on all properties, according to the MGA.	143
F14	<b>RECOMMENDATION FOR TAX AGREEMENTS:</b> That Fort Macleod council dedicate resources to complete a review of all properties affected by historical tax agreements and amend agreements where needed in order to ensure full compliance with assessment and taxation regulations in the MGA.	143
F15	<b>RECOMMENDATION FOR ASSESSMENT REVIEW:</b> That Fort Macleod administration consult with the Alberta Municipal Affairs Assessment Services Branch to improve administrative understanding of property assessment preparation and provincial oversight.	143
F16	<b>RECOMMENDATION FOR OFF-SITE LEVY:</b> That Fort Macleod council approve a policy to ensure the consistent, equitable, and appropriate application of off-site levies in accordance with the MGA s. 648.	145

#	Financial Recommendation	Page No.
F17	<b>RECOMMENDATION FOR DISPOSAL OF ASSETS:</b> That Fort Macleod council establish a policy to regulate and ensure equitable treatment in the disposal of assets.	146
F18	<b>RECOMMENDATION FOR LAND SALES:</b> That Fort Macleod council establish a policy to ensure that all property held for resale be advertised at market value and if council considers selling land below market value, that the town will abide by the advertising provisions of the MGA s. 70.	152