

City of Chestermere

Ministerial Order No. MSD:076/23

Reasons for Decision
of the Minister of Municipal Affairs
Honourable Ric McIver

December 04, 2023

Introduction

1. For the reasons below, I have issued Ministerial Order No. MSD: 076/23 dismissing Mayor Jeff Colvin, Councillors Mel Foat, Blaine Funk, Stephen Hanley and the chief administrative officers (“CAOs”) of the City of Chestermere from their positions.
2. I do not underestimate the magnitude of my decision and its significance for the affected parties and for Alberta’s municipal sector in general. I take my role as Minister and the legislative powers that come with it very seriously.
3. The *Municipal Government Act* (“MGA”) is established by the Legislative Assembly of Alberta and governs how the municipal system of government is implemented in our province. The provincial-municipal relationship is predicated on a respect for local autonomy, and I have always taken a view that the Minister’s intervention should be reserved only for instances where it is clear that the public interest is not being served and where a municipality is not functioning as it is intended to, in compliance with the authorities and rules that have been set for all municipalities to serve Albertans.
4. The legislated framework gives the Minister of Municipal Affairs the authority to determine when an inspection is warranted, when an Official Administrator (“OA”) appointment is warranted, and when directions and orders, including dismissals, are appropriate. While it is my view that such actions should generally be reserved for extraordinary circumstances, I am convinced that such circumstances have existed and continue to exist in the City of Chestermere.

Background

5. In January 2022, Alberta Municipal Affairs started receiving phone calls, emails and letters of concern from members of council, current and former employees, and the public about the conduct of City of Chestermere council.
6. The ministry followed standard practice and initially recommended people take their concerns to the newly-elected council. As more people raised concerns, and given their significance, the Minister invited the mayor to provide his perspective on these concerns during a meeting on a separate matter on February 17, 2022. The mayor provided his detailed perspective a week later.
7. Given the severity of some of the concerns raised, on March 10, 2022, as Minister I directed Municipal Affairs staff to undertake a preliminary review to determine if an inspection under section 571(1) of the *Municipal Government Act* (“MGA”) was warranted.

8. The preliminary review found multiple concerning allegations, and on May 9, 2022, I signed Ministerial Order MSD:040/22, ordering an inspection of the management, administration, and operations of the City of Chestermere, and appointed Mr. George B. Cuff as Inspector.
9. On September 28, 2022, I signed Ministerial Order MSD:082/22, appointing Mr. Douglas Lagore as OA to supervise the municipality and its council until January 31, 2023, which appointment was subsequently extended to March 31, 2023.
10. The Inspector conducted the inspection over the period of May 11, 2022, through September 1, 2022, and I accepted the Inspector's report on October 6, 2022.
11. On November 2, 2022, the City of Chestermere mayor, council, CAOs, and strategic advisor were provided with a copy of the inspection report and the directives the Minister was considering ordering, informed that they may provide a response to the findings of the inspection report and the proposed directives, and that those responses would be considered by the Minister in making a decision. City officials were also informed of their right to consult legal counsel in preparing a response.
12. The Minister received written responses from members of council and senior administrative personnel, as well as one response from council as a whole.
13. On February 8, 2023, then-Minister of Municipal Affairs, Rebecca Schulz, met with the City of Chestermere mayor, members of council, and two CAOs to hear their perspectives on the inspection in person.
14. Minister Schulz considered the information contained in the inspection report, the written responses received, and the information shared at the February 8, 2023, in-person meeting. Based on this information, she considered that the City of Chestermere was managed in an irregular, improper and improvident manner, and determined that formal directives were appropriate and would be beneficial to support the City of Chestermere. On March 14, 2023, Minister Schulz issued 12 binding directives (the "directives") under Ministerial Order MSD:002/23, requiring the City of Chestermere to take action within specific timelines.
15. On March 30, 2023, Minister Schulz issued Ministerial Order MSD: 022/23, appointing Mr. Douglas Lagore as OA until December 31, 2023.
16. On June 9, 2023, I was sworn in again as the Minister of Municipal Affairs.
17. Between March 14, 2023 and July 31, 2023, my ministry had received 11 communications from the City of Chestermere relating to the directives, 15 reports of the OA regarding council meetings and resolutions allowed or disallowed, two bi-monthly reports of the OA, and four months of financial information provided to the OA and the ministry.
18. Based on the information and documentation provided by the City of Chestermere and the OA, I had concerns with the responses to the directives received, with the city's compliance with the supervision of the OA and related to additional items that had been brought to my attention.

19. On July 21, 2023, I sent a letter to the city outlining my initial concerns with the city's compliance with some of the directives and the supervision of the OA, and indicated I would be setting up a meeting with them.
20. On August 2, 2023, I met with City of Chestermere mayor, members of council, and CAOs to share my concerns in detail, along with identifying areas where additional information was needed. I provided a letter (the "August 2, 2023 letter") outlining my expectations for changes to actions and behaviours in order to satisfy my concerns, and requiring the city to provide me with additional information or undertake additional actions and respond no later than September 29, 2023.
21. Between August 1, 2023 and November 27, 2023, my ministry received nine communications from the City of Chestermere relating to the directives issued under Ministerial Order No. MSD: 002/23 as well as the supervision of the OA, 11 reports of the OA regarding council meetings and resolutions allowed or disallowed, 11 other supervisory reports of the OA, and 2 months of financial information provided to the OA.
22. On September 29, 2023, I received a written response from the City of Chestermere to the August 2, 2023 letter (the "September 29, 2023 response").
23. I considered the city's September 29, 2023 response. In some cases, I accept the city's explanation. In other cases, especially with respect to Directives 5 and 9 and with respect to compliance with the supervision of the OA, I determined that the city's responses were not satisfactory and did not adequately resolve my concerns regarding the city's actions.
24. On at least three occasions in correspondence to the city, including letters of November 2, 2022, March 15, 2023 and August 2, 2023, Minister Schulz and I expressed that failure to comply with the supervision of the OA, and later compliance with the directives, could result in enforcement action, up to and including dismissal.
25. On October 18, 2023, I provided written notice to the City of Chestermere council and three CAOs of my intention to issue an order under the authority of sections 574(2) and 575.2 of the MGA dismissing all seven members of council and all three CAOs from their positions, and the basis for the intended order (collectively the "Notice of Intended Order"). The basis for the intended order was provided to council and the CAOs so that they could meaningfully respond to the allegations and concerns noted. I informed all ten affected individuals that they may provide a written response to the Notice of Intended Order no later than November 2, 2023.
26. By November 2, 2023, individual responses were received from [REDACTED]
[REDACTED] A joint response was also received from CAOs Fillier, Wallace and Wong, which indicates it is "The City of Chestermere's responses" to the Notice of Intended Order (the "CAO Response"). I address those responses as applicable throughout these Reasons and in paragraphs 201 to 251.
27. I have considered these responses and all submissions received from the City of Chestermere since March 14, 2023. These include responses to specific directives, financial institution reconciliation reports, and other correspondence that I and ministry

staff have received. I have also considered the decisions of the OA and reports made to me by the OA.

Municipal Government Act authority

28. Section 571(1) of the *MGA* provides that the Minister may require any matter connected with the management, administration or operation of any municipality to be inspected. I ordered the Chestermere municipal inspection pursuant to my authority under section 571(1).
29. Section 574(1) provides that if, because of an inspection under section 571, 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. Minister Schulz ordered the directives pursuant to this authority.
30. Section 574(2) authorizes the Minister to make further orders, including an order dismissing the council or any member of it or the chief administrative officer, where an order under section 574(1) is not carried out to the Minister's satisfaction and the Minister considers that the municipality continues to be managed in an irregular, improper or improvident manner, and all reasonable efforts to resolve the situation have been attempted and have been unsuccessful.
31. The Minister must provide a municipality at least 14 days in which to respond to a Notice of Intended Order under section 574(2).
32. Section 575 authorizes the Minister, at any time, to appoint an OA to supervise a municipality and its council, and limits the effect of bylaws and resolutions of council so long as the appointment of the OA continues:
 - 575(1)** The Minister may at any time appoint an official administrator to supervise a municipality and its council.
 - (2)** So long as the appointment of an official administrator under this section continues,
 - (a) no bylaw or resolution that authorizes the municipality to incur a liability or to dispose of its money or property has any effect until the bylaw or resolution has been approved in writing by the official administrator, and
 - (b) the official administrator may at any time within 30 days after the passing of any bylaw or resolution disallow it, and the bylaw or resolution so disallowed becomes and is deemed to have always been void.
33. The OA was appointed by Ministerial Orders MSD:082/22 and MSD:022/23 under section 575(1).
34. Section 575.2 provides that if the Minister considers that a municipality has not complied with section 575(2) the Minister may take any necessary measures to address the situation, including without limitation one or more orders referred to in section 574(2)(a) to (h) (which includes dismissal).

35. The Minister must provide a municipality at least 14 days in which to respond to a Notice of Intended Order under section 575.2.
36. My decision to order the dismissal of the four members of City of Chestermere council and the CAOs is pursuant to my authority under sections 574(2) and 575.2(1) of the *MGA*, as set out further in these Reasons.

Compliance with directives

37. Before making an order under section 574(2) of the *MGA*, I must find that an order of the Minister under section 574(1) is not carried out to my satisfaction. The order under section 574(1) is Ministerial Order MSD:002/23, which ordered the directives.
38. Ministerial Order MSD:002/23 issued 12 numbered directives, some with multiple requirements, and set out timelines for completion of each directive. As Minister Schulz said in her March 15, 2023 letter to the mayor and council:

“I would like to emphasize that the inspection and the ministerial directives I have issued are focused on improving municipal governance and supporting the best interests of Chestermere residents. None of the directives are unreasonable or impose significant burdens on the city, and quite frankly, they reflect the basic expectations that any Albertan should be able to count on from their local government.”

39. The City of Chestermere has not complied with Ministerial Order MSD:002/23 to my satisfaction. The failures to comply on which my decision is based are set out below.
40. Some of the concerns with compliance with the directives and examples of irregular, improper and improvident conduct set out in the Notice of Intended Order are not included below. On consideration of the responses provided, I have determined that sufficient explanations have been provided by the city such that I am no longer including these as a basis for my decision.

Directive 4

41. In response to the concerns outlined in the inspection report regarding the functionality of the city’s CAO model and the establishment of a Strategic Advisory Group, Minister Schulz ordered a three-part directive regarding the designated officer bylaw.
42. The city completed Directive 4a by the due date of July 31, 2023, which required council to engage an experienced municipal consultant to review and provide advice on the effectiveness of, and if warranted, recommend changes to, the CAO structure and the Strategic Advisory Group outlined in the designated officer bylaw. The city informed me that it had engaged Strategic Steps Inc.
43. Directives 4b and 4c required that by August 31, 2023, the CAOs provide the Minister with the municipal consultant’s advice, and that council and the CAOs provide the Minister with an action plan, which has been discussed in open session of council and approved by council resolution on the implementation of any recommendations, or

rationale for not implementing recommendations from the advice from the municipal consultant.

44. On the morning of the August 31, 2023 special council meeting, the city's legal counsel terminated the engagement with Strategic Steps Inc. A copy of the termination email was provided to the OA later that day. At that meeting, council passed Resolution 230831-16 which states:

“Motion that Council direct Administration to provide Municipal Affairs with the Ronald W. Slater's report as of August 30, 2023 with regards to agenda Item E4 on the August 31, 2023 Special Council Meeting, in compliance with Directive 4.b.”

45. Council also passed Resolution 230831-17 at this meeting:

“Motion that Council directs Administration to provide Municipal Affairs with the following Action Plan as it relates to Directive 4.c:

1. Recommend that the Tri CAO Model to be reviewed by future Councils.
2. Bylaw 006-22, being the Designated Bylaw Officer Bylaw, be review by Legal to ensure and enhance its compliance with the *MGA* to provide increased clarity.
3. Ronald W. Slater to speak with the three City Directors, privately and individually, and discuss the effectiveness, benefits and challenges each director is experiencing.
4. Ronald W. Slater to provide a report and in person discussion, upon completion of Action Plan point 3, to Council.”

46. On August 31, 2023, CAO Wallace sent me an email stating that the report from the consultant engaged in response to Directive 4a was attached. However, the attachment was not accessible as it was a hyperlink to an internal SharePoint Site.

47. On September 1, 2023, the Deputy Minister of Municipal Affairs requested that CAO Wallace re-send the attachment.

48. Again, CAO Wallace attached an inaccessible file on the same day.

49. On September 5, 2023, CAO Wallace asked an employee to forward the attachment. The attachment sent did not contain the consultant's report, it contained only a title page, a request for decision, the directive, and a draft motion of council.

50. On September 6, 2023, the Deputy Minister wrote back to CAO Wallace for confirmation that the submission was complete, as it appeared to be missing content.

51. No further email response was received on this matter, until the city included a revised Directive 4 submission along with the other submissions due on September 29, 2023.

52. The Notice of Intended Order stated that:

“The City was substantially late in providing the advice of the consultant, having delivered it a month late, despite multiple attempts by the department to clarify and provide opportunity for the City to resolve the issue with the submission.

The City did not advise the Minister of the change in consultant, and as it appears that the second consultant is not experienced in municipal governance matters, there is now concern with the city's compliance with Directive 4a. The City did not pass a council resolution for the termination of the first consultant and the engagement of the second consultant. No information has been provided to me as to why a second consultant was required. Although the City received the first consultant's report, it has not been provided to the Minister.

It is very concerning that the second consultant's report does not address the matter of the effectiveness of the CAO model and Strategic Advisory Group, only the aspect of legislative compliance.

The events and choices that the City has undertaken in response to Directive 4 are irregular and improper."

53. The CAO Response states:

"CAO Wallace knew the Agenda Package, which included her report, was readily available on the City's website. CAO Wallace was also aware the Minister's office is very familiar with the city's website and where to find Agenda packages. Clerical / technical issues should not be seen as improvident or improper."

54. The CAO Response also indicated that the city's legal counsel terminated the first consultant's engagement late in the process after becoming aware of what they considered conflicts of interest and hired a second contractor. The CAO Response further stated "The CAO was kept up to date at all times. Effectiveness of the Tri Caos was indicated in the report and that council should review on an ongoing basis."

55. In [REDACTED] response, [REDACTED] states:

"Your disapproval of the tri-CAO model again shows your bias, and improper analysis. Council has repeatedly expressed how well the model is working for our municipality, yet because you do not agree with it, you find fault with us. As you are aware the MGA allows for "one or more CAOs". We have received legal advice, as well as a municipal consultant confirming we have worked within our legal boundaries to have a tri-CAO model."

56. I am not satisfied with these responses. [REDACTED]

[REDACTED]. The responses did not address this concern.

57. I have also considered that the consultant's work appears to have been completed in a single day and without interviewing any members of staff or council. The resultant two-page report dedicated two paragraphs to the issue of effectiveness of the Tri-CAO model, without any apparent consideration of whether other options or adjustments

should be considered. I do not accept that this report fulfills the requirements of Directive 4, nor does it represent a good faith effort to do so.

58. The city is non-compliant with Directive 4.

Directive 5a

59. The September 20, 2022 City of Chestermere council meeting minutes state that a letter from the Director of Corporate Services was read into the record, which stated in part:

“...while doing research, additional possible infractions were discovered from my preliminary review. While not related to the 3 Councillors correspondence 17 items were Identified (sic) as possible Election Act Breaches, Additionally, possible Code of Conduct infractions were are follows;

17 by Councillor Sandy Johal-Watt
33 by Councillor Shannon Dean and
50 by Councillor Ritesh Narayan.”

60. At this meeting, council passed the following resolutions:

220920-19

As per Section 6.12.2 of the Elected Officials Code of Conduct Bylaw, to Direct the city Director of Corporate Services to engage an investigator to conduct a formal investigation.

220920-20

To further investigate the 17 Election Act Breaches and bring back the progress report to Council on the October 4, 2022 Regular Council Meeting.

61. At the September 27, 2022 council meeting, council passed an additional resolution for a code of conduct investigation:

220927-08

For Code of conduct investigation into the Herald News Article released on September 22, 2022 on Councillor Ritesh Narayan, for possible code of conduct breaches and for that to be sent to a third party.

62. On September 28, 2022, the city published “a Letter from Mayor Colvin” on its Facebook page which stated:

“...the various alleged code of conduct violations that have come forward, 17 against Councilors Watt, 33 against Dean, and 50 against Narayan, are being referred to a 3rd party for review and investigation.”

63. On October 6, 2022, Mayor Colvin sent me an email which stated:

“Attached is the details around the alleged code of conducts that date back to the beginning of Nov 6, 2021, starting 10 days after we had our orientation. These numerous code of conduct breaches were brought forward through further investigation by our City Director, after our City Director identified many breaches in our City Code of Conduct in a package of files we were given to us by an anonymous source in July.”

64. The mayor attached a 282 page document to this email titled “Code of Conduct Allegation Details” which included Code of Conduct Complaints #18 to #80, #82 to #84, and #86 to #97 (and which included two #87s). Each separate code of conduct complaint was detailed on a different page and dated September 23, 2022, and each stated the bylaw number the code of conduct complaint was under, who it was against, and a brief description of the complaint. All of these code of conduct complaints were against Councillor Ritesh Narayan, Councillor Sandy Johal-Watt, Councillor Shannon Dean or some combination of these individuals. Each numbered code of conduct complaint was followed by email correspondence involving the individual(s) the complaint was about and sometimes other documents, and some of the complaints described this as “Evidence found in the following emails.” The majority of these code of conduct complaints also stated “Code” and listed the numbers of multiple code provisions, presumably which the complaint was alleging were breached.
65. The mayor also attached another document to this email named “Code of Conduct Allegation Summary” which listed the code of conduct complaints detailed in the “Code of Conduct Allegation Details” document in a chart form and tallied that there were 49 against Councillor Narayan, 31 against Councillor Dean, and 21 against Councillor Johal-Watt.
66. It is extraordinary for 100 code of conduct complaints to be made against three councillors, individually and in various combinations, but this is the information that was provided by the city.
67. On October 11, 2022, the OA disallowed resolutions 220920-19, 220920-20, and 220927-08.
68. Ministerial Order No. MSD:002/23 included Directive 5a which states:

“I direct the CAOs to provide the Minister with a report listing all code of conduct complaints (both formal and informal as per the code of conduct bylaw) since October 21, 2021, including: reports, records, and/or documents that detail the description of the complaint(s), the record of decisions for making determination on validity of the complaints, as well as descriptions of how each complaint was addressed and/or investigated.”
69. On June 30, 2023, in response to Directive 5a, the city submitted two documents titled “Code of Conduct Report 1” and “Code of Conduct Report 2.”

70. Code of Conduct Report 1 included five code of conduct complaints – three against Councillor Narayan (two of which appear to be identical, but the documents following each complaint differ), one against Councillor Johal-Watt, and one against Councillor Dean.
71. Code of Conduct Report 2 included three code of conduct complaints dated July 26, 2022 – two against Councillors Narayan, Dean and Johal-Watt and one against Councillor Narayan, as well as the decisions of the lawyer retained to investigate these complaints.
72. At the meeting with the city on August 2, 2023, I advised the city that I was not satisfied with their response to Directive 5. A letter provided to the city at this meeting specifically identified that the response received was incomplete in that it appeared the city omitted more than at least 70 code of conduct complaints from the response report. The letter required the city to resubmit its response and include all code of conduct complaints, including but not limited to those presented in council meetings on September 20 and 27, 2022.
73. On September 29, 2023, the city resubmitted the identical documents to those it submitted on June 30, 2023 with respect to the code of conduct complaints. A letter from the mayor included with the submission stated:

“Administration reads Directive 5a section.
Stmt; Are there any Comments related to Directive 5a?
I personally, feel the current response is accurate.

Quite disappointing, according to Minister McIvor Sept 28, 2022, wrote he took the action of adding the Official Administrator, due to the misunderstanding that there was never 100 conduct investigations against Councilor Narayan, Dean and Watt read into the record September 27, 2023. As provided to Municipal Affairs June 30, 2023, there were approximately 30 separate instances or investigations. The separate complaint instances or investigations, alleged these councilors broke numerous sections or violations of the code of conduct bylaw.

Now, Minister McIvor is realizing that it was approximately 30 separate instances or investigations of code of conduct complaints and is fumbling looking for 70 more from us, which there is not. Realizing now, he made this poor decision of installing this Administrator into a duly elected council, on incorrect information, and only actually having approximately 30% of what he thought. This is an affront to all small towns and cities. Proving how out of touch and bully’s this Municipal Affairs are. I get calls from numerous Mayors about bullying they have experienced and didn’t have the fortitude to stand up to this abuse. Time will tell how the Premier will deal with this, abuse and overstep by the Province.”

74. The Notice of Intended Order reiterated my concerns stated in the August 2, 2023 letter with respect to the city’s compliance with Directive 5a. Although the city presented a new narrative in its September 29, 2023 response, it re-submitted identical information about

the code of conduct complaints despite the fact that I had previously advised the city that this information was deficient.

75. The CAO Response states “THE CITY OF CHESTERMERE’S COMPLIED WITH A WHOLESOME RESPONSE TO DIRECTIVE 5a” and presents a new narrative, one that is different from that presented in September and October 2022, and from that presented in the Mayor’s September 29, 2023 letter. The new narrative is that the Minister is in possession of the September 28, 2022 presentation (which I assume refers to the presentation from the September 27, 2022 council meeting), and that the October 6, 2022 report provided to me by the Mayor was a draft report and “neither an informal nor formal complaint, which is why it was not sent to me in response to Directive 5a. The CAO Response states that “the DRAFT was then refined into two separate reports, as was repeatedly explained to you.”
76. In [REDACTED] response, [REDACTED] also stated, “Your office has continually confused the number of potential infraction occurrences found in September, 2022 as individual complaints.”
77. In September 2022, the city’s narrative was that there were 100 code of conduct complaints against Councillors Narayan, Dean, and Johal-Watt. On October 6, 2022, the mayor emailed me 79 separate code of conduct complaints against these councillors, individually and in various combinations (#18 to #80, #82 to #84, and #86 to #97 with two #87s).
78. However, in the identical responses to Directive 5a submitted by the city on June 30, 2023 and September 29, 2023, the city submitted two code of conduct reports which included a total of eight code of conduct complaints. These two reports do not contain the separate code of conduct complaints emailed to me by the mayor on October 6, 2022. The second time this response was emailed to me on September 29, 2023, the mayor supplemented the response with the new narrative “that it was approximately 30 separate instances or investigations of code of conduct complaints”.
79. The CAO Response provided does not include the “30 separate instances or investigations of code of conduct complaints” narrative stated by the mayor in September 2023, but instead presents a different narrative that the 282-page document emailed to me containing 79 separate code of conduct complaints was a DRAFT report. There was no indication that this was a draft report when this document was sent to me on October 6, 2022 nor at any time prior to the November 2, 2023 CAO Response. It has also never been stated to me prior to receiving the CAO Response that this “DRAFT was then refined into two separate reports”, much less “repeatedly explained” to me as stated in the CAO Response.
80. As I stated above, it is extraordinary for 100 code of conduct complaints to be made against three councillors, individually and in various combinations. For the city to publicly allege this in September 2022 against Councillors Narayan, Dean, and Johal-Watt appears to be an attempt to weaponize this process by virtue of the sheer number of

complaints alleged. The evolving narratives presented to me since then further suggest that this is what happened, as although these subsequent narratives presented are contradictory, both suggest that there were never actually a total of 100 code of conduct complaints against these three councillors as the city publicly stated.

81. Directive 5a required the CAOs to provide the Minister with a report listing all code of conduct complaints (both formal and informal as per the code of conduct bylaw) since October 21, 2021, including: reports, records, and/or documents that detail the description of the complaint(s), the record of decisions for making determination on validity of the complaints, as well as descriptions of how each complaint was addressed and/or investigated. I have not received a report listing the 100 code of conduct complaints the city publicly alleged against Councillors Narayan, Dean, and Johal-Watt in September 2022, and which contains the additional information Directive 5a requires to be submitted with respect to each complaint. Even if the subsequent narratives that the city has presented are true and there are not actually 100 code of conduct complaints against these individuals, Directive 5a requires that the report provided by the city include “the record of decisions for making determination on validity of the complaints, as well as descriptions of how each complaint was addressed and/or investigated.” This information has not been provided for the complaints included in the identical responses submitted on June 30, 2023 and September 29, 2023, and I therefore consider that Directive 5a has not been complied with.

Directive 5c

82. Ministerial Order No. MSD:002/23 included Directive 5b which stated the following:

“b) I direct council to immediately repeal and replace or amend the code of conduct bylaw to remove all provisions authorizing council to conduct preliminary reviews of code of conduct complaints, and to require the appointment of an independent third party, by council resolution, who is not currently an employee or contractor of the city, to handle all complaints, including receiving, conducting preliminary reviews, documenting, investigating and presenting the findings and recommending appropriate sanctions to council for consideration.”

83. Directive 5b was completed by council on April 18, 2023.

84. Directive 5c in Ministerial Order No. MSD:002/23 stated:

“c) I direct council and the CAOs to conduct procurement of an independent third party through a competitive procurement process. I further direct council to ensure the individual has demonstrated municipal experience, and is not currently an employee or contractor of the city.”

85. On September 13, 2023, CAO Wallace advised me that the city’s initial RFP for Directive 5c had not produced a satisfactory vendor and requested an extension until November 28, 2023 to complete this directive.

86. The city re-posted the RFP on September 19, 2023 with a closing date of October 19, 2023. Section A of Appendix D of this RFP states:

“The City of Chestermere would like to engage a qualified and experienced third-party (COC) investigator to review approximately 100 - 150 Code of Conduct complaints, dating back from October 2021 and up to May 2022.”

87. In the Notice of Intended Order, I raised concerns that the city’s RFP appears to be seeking an investigator to investigate code of conduct complaints in disallowed Resolution 220920-19 as the scope of service with the RFP was solely retroactive. I also stated “As the city’s code of conduct bylaw requires an investigator, no new code of conduct complaints can proceed until such time as the city procures this investigator. This is improper with respect to the Code of Conduct Regulation, which requires the city establish a system for submitting complaints.”

88. The CAO Response states:

“The Minister is incorrect in his analysis. The scope of services outlined in the RFP for the Code of Conduct Investigator included all Code of Conduct complaints, future as well as past complaints. There is no intention that the investigator only review past complaints. The RFP indicates the investigator will review past and future complaints.

...

* THE CITY OF CHESTERMERE’S COMPLIED WITH A WHOLESOME RESPONSE TO 5c.

The Minister accusation is not valid as the City has not yet filed new code of conduct complaints; however, the City retains the right to have all Code of Conduct complaints adjudicated now that a 3rd party investigator has been named. All code of conduct complaints must be submitted and adjudicated as per the MGA and our process (system) is outlined in the code of conduct bylaw, approved by council and Lagore.”

89. The scope of work in RFP 2023-CGCAO-RFP-046 re-posted by the city on September 19, 2023 directly contradicts the statements in the CAO Response. The RFP seeks a third-party investigator “to review approximately 100 – 150 Code of Conduct complaints, dating back from October 2021 and up to May 2022.” Only past code of conduct complaints are to be reviewed by the investigator pursuant to the RFP, whereas it is clear that Directive 5c requires procurement of a third-party investigator to handle all complaints on a go-forward basis. I therefore consider that Directive 5c has not been complied with.

Directive 9

90. Directive 9 of Ministerial Order No. MSD:002/23 reads:

"I direct council to only act by resolution or bylaw in accordance with Section 180(1) of the *Municipal Government Act*."

91. Despite clear communication from the inspector, Minister Schulz and myself about the importance of council acting only by resolution or bylaw, council has on numerous occasions failed to comply with Directive 9. Examples are discussed below.

Purchase of Molly Trolleys

92. On May 30, 2023, council passed Resolution 230530-10 which states:

"Motion that Council ratify the straw vote conducted on May 20, 2023 via email, to allow administration to purchase 4 Molly Trolleys for the approximate cost of \$120,000 (\$90,000 USD)."

93. The OA allowed this resolution on June 8, 2023 with a remark:

"There is no provision for straw votes via email under the MGA. This is a bad practice and will not be allowed in the future. I am prepared to "Allow" this resolution to ensure that the city is able to acquire the buses."

94. On June 12, 2023, the city submitted their financial records for May to the Minister and the OA. The records show a wire transfer payment of \$123,129 to Trolley Brokers on May 24, 2023, prior to the OA's approval of the expenditure.

95. My August 2, 2023 letter to the city stated:

"...the City of Chestermere must provide the Minister with information regarding the city's decision to make this expenditure prior to receiving the OA's approval and any additional information the city would like the Minister to consider with respect to this."

96. The city's September 29, 2023 response stated:

"The straw vote was to keep Council informed of the purchase. It was not a motion to spend, it was motion to proceed. Administration already had a motion of council to purchase the buses."

97. The city's September 29, 2023 response referenced Resolution 230117-07 of January 17, 2023 in support of this point, which reads:

"Motion that Council allows administration to implement the transit system for the City of Chestermere; Council allows administration to purchase the buses needed to begin the City of Chestermere Transit program, and any purchases would come out of the 2023 Transportation Budget; the buses will be a combination of Molly Trolleys and Shuttle Buses."

98. However, the city's September 29, 2023 response failed to mention a subsequent resolution, Resolution 230117-09 of January 17, 2023, which required that administration come back to council prior to the purchase of Molly Trolleys:

“Motion that Council allows Administration to implement the transit system for the City of Chestermere; Council allows Administration to purchase the buses needed to begin the City of Chestermere Transit Program, and any purchases would come out of the 2023 Transportation Budget; the buses will be a combination of Molly Trolleys and Shuttle buses with the following conditions:

- Phase 1 consists of the acquisition of shuttle buses.
- Phase 2 that administration come back to Council prior to the purchases of Molly Trolleys...”

99. At the September 26, 2023 council meeting, council amended Resolution 230107-09 to remove the reference to phases and the requirement to come back to council prior to the purchase. The purpose of this amendment is unclear.
100. The Notice of Intended Order indicated that an email straw poll is not a valid means of action, and that in conducting this poll, council acted contrary to Directive 9.
101. The CAO Response stated “the City and Council followed proper procedure and process regarding the purchase of the Molley Trolleys. The Motion 230117-09 to purchase did not require Council's approval as it was a budgeted item, the motion brought forward by CAO Wong was to inform council of the purchase.” The city further stated:

“The facts are as follows:

- The Straw vote occurred on May 20, then was ratified and passed in Council on May 23rd 2023. The OA approved the Straw vote on May 20, as well as the ratified and passed motion from the May 23rd 2023 Council Meeting.
- The fund of \$123k was sent to the vendor on May 24, 2023.
- The OA approval was received on June 8, 2023 but it was a budgeted expense and did not need the authority of Council for the purchase.
- Title was not provided by the vendor until June 12, 2023, meaning the sale did not occur until June 12. 2023, therefore the purchase was not complete until June 12th 2023, after the OA's approval.

Also, the condition on the motion 230117-09 did not require council approval. It was to inform council.”

102. I am not satisfied with the CAO Response on this issue. I do not accept the suggestion that receipt of titles from the vendor is relevant to the city's compliance in this situation. Nor do I accept the argument that council's approval to proceed with the purchase of the Molly Trolleys was not required.
103. Council conducted an email straw vote to purchase four Molly Trolleys on May 20, 2023, the city made a wire transfer payment of \$123,129 to Trolley Brokers

on May 24, 2023, and then council passed Resolution 230530-10 on May 30, 2023 that council ratify the straw vote to allow administration to purchase the Molly Trolleys. The CAOs statement that the straw vote was ratified and passed in council on May 23, 2023 is incorrect as the minutes from the council meeting on May 30, 2023 reflect that Motion 230530-10 was passed at this meeting.

104. Council contravened Directive 9 in conducting the email straw vote on May 20, 2023 for the purposes of authorizing administration to purchase the four Molly Trolleys. Motion #230117-09 required “that administration come back to Council prior the purchase of Molly Trolleys...” The only means by which matters are brought back to council are via a council meeting, and the only way council may act is by bylaw or resolution. Council clearly understood its own motion required a resolution authorizing administration to proceed, as is evident from the fact they proceeded by resolution on May 30, 2023, and by the wording of that resolution “that Council ratify the straw vote conducted on May 20, 2023 via email, to allow administration to purchase 4 Molly Trolleys.” An email straw poll is not a valid means for council to act. Council did not make a resolution authorizing purchase of the Molly Trolleys prior to their purchase as was required, rather it made this resolution one week after the purchase.

The “waterslide lands”

105. On August 31, 2023, council passed resolutions 230831-08 and 230831-10 regarding a proposed tax rebate of \$110,528.71 for Tax Roll 60542000 with funds drawn from the unrestricted surplus account. The OA disallowance on these resolutions states:

“Council has not addressed a number of the concerns I raised in my report on the July 25, 2023 Minutes. I reiterate those concerns.

...

I have asked the city administration who authorized this work. The city has not responded. I find the city’s actions in respect of this property to be irregular, improper and improvident. It is of substantial concern to me that the city is refunding taxes to a property owner and then entering onto the property for an unclear basis and undertaking work at what appears to be the municipal taxpayers expense.

I ask that the Minister appoint an investigator into the city’s dealing with this property owner in respect of:

- Council and individual Council members actions in respect of this property and the appropriateness of such actions;
- What communications individual Council members have had with this property owner and their discussions regarding tax refunds, in particular outside of Council meetings and the appropriateness of such actions.
- Individual Council members role in administrative meetings regarding this property and the appropriateness of such actions; and
- Work performed by the city on this property, the cost of doing so and who directed that such work be done.”

106. On October 13, 2023, Municipal Affairs was provided information from Alberta Environment and Protected Areas (EPA) regarding Incident #00790289 respecting the work that was performed on this property. EPA confirmed from CAO Wong that the city had the landowner's permission to conduct the work. The Incident Diary indicates that it was explained that the burning of the trailer contravened the *Environment Protection and Enhancement Act* and created contamination of the property and the site will need to be remediated. It was further explained that the landowner will be responsible for the contraventions on the property, caused by the city's activities, and that it will be expected that the city complete the clean up of the contaminated area.

107. In [redacted] response, [redacted] states:

"Next, you show bias against the Mayor and Council for working with a property owner to the advantage of the City. Again, if you had carefully read through all the details of the situation, you would have understood that it was Administration who resolved the situation to the benefit of the City. Your bias towards the Mayor shows up again simply because the Mayor was involved in the conversations with the resident. As you are aware that the resident reached out to the Mayor and myself to help him with his land problems. We brought CAO Wong into the conversations with the landowner and a solution was worked out."

108. The CAO Response includes a letter agreement dated to be effective July 15, 2023 that was signed by Mayor Colvin and the individual I understand is the landowner (the "July 15 Agreement"). The July 15 Agreement begins by the mayor stating "[landowner], as per the July 7, 2023 email with the 10 items." This email was not provided in the CAO Response. However, the following text reflects the content of a July 7, 2023 email from Mayor Colvin to the landowner, a screenshot of which was published in an October 19, 2023 article in the Calgary Herald about the city's involvement with this land, and I assume this is the email referred to in the July 15 Agreement:

"Mayor Jeff Colvin jcolvin@chestermere.ca Fri, Jul 7, 2023 at 5:17 PM
To: [landowner] [email address]

[landowner],

Our council asked for a legal opinion on how we can deal with the past taxes. Though going forward they seem comfortable reducing the tax rate. We will have it back in council as soon as the legal opinion in back.

I also wanted to explore possibly densifying your north triangle site in chestermere as a way to bring you value. Pending our legal and council review.

We are looking to help with the site. No costs to you without your pre-approval.

Are you in agreement with the following immediately,

1. Cleaning up the site, concrete, dirt.
2. Filling in the storm pond.
3. Cutting grass and trees. Controlled burning grass by fire department.
4. Vac truck septic system
5. Repairing and grassing old waterslide slope into nice grass area.
6. Moving dirt berms to enlarge site and encourage better flow.
7. Working on getting Campground permit.
8. Remove fiberglass slides or giveaway.
9. Get water operational.
10. Get electrical operational.

Please confirm you allow the city at no cost to you to do items 1 to 10.

Regards
 Jeff Colvin
 Mayor of Chestermere”

109. The CAO Response states “CAO Wong, along with the Mayor, struck a deal to do minor remedial work on the landowner’s property, in exchange for moving city-owned fill from Rainbow Road.” The CAO Response also states “CAO Wong as the Director of Community Operations, has the authority to work with landowners, at any time if the need arises. CAO Wong has an unlimited signing authority to use budgeted funds for remediation work that is needed throughout the city. He does not need a project or the authority of Council to do maintenance or cleanup work.”
110. However, based on the screenshot in the Calgary Herald article it appears that Mayor Colvin sent the July 7, 2023 email to the landowner and did not copy CAO Wong. The following week, the mayor (not CAO Wong) entered into the July 15 Agreement with the landowner. The last paragraph of the July 15 Agreement references CAO Wong and states that he will “oversee all aspects of this work” and “finalize all aspects of this agreement and work”. However, in the July 15 Agreement the mayor nevertheless commits the city to assess and if reasonable, at no cost to the landowner do items 1 to 10 with the exception of item 8 in the mayor’s July 7, 2023 email, and commits that “The city will secure insurance under city insurance” for the activities described in the email that will be occurring on the private land.
111. In sending the July 7 email and entering into the July 15 Agreement, the mayor acted in contravention of Directive 9 by acting without the authority of a council resolution to enter into the July 15 Agreement and to accept liability for a private property (and based on the CAO Response also likely acted in contravention of Directive 8a by exercising a power or function or performing duties assigned to CAO Wong).
112. As I stated in the Notice of Intended Order, I continue to believe that the city’s actions are also further evidence that it continues to be managed in an irregular, improper, or improvident manner. The commitment of public funds to improve private property is an improvident use of municipal resources. As the city’s actions may have been in contravention of environmental law, the city may now be exposed to significant liability

to remediate work performed on the private lands. In addition to labour and equipment costs, the city has incurred costs for the removal of the prohibited material from the pit and its disposal at a landfill, disposal of the prohibited debris and impacted soils, testing of the soil going into the pit, and testing of the site where the contaminated soils were removed.

July 22, 2023 Letter from the Mayor

113. On July 22, 2023, the mayor sent a letter to me on City of Chestermere letterhead stating that “Myself and our council are prepared to move forward...” and requesting the OA be removed. The mayor’s signature on the letter was followed by “Jeff Colvin Mayor of Chestermere.”
114. In the letter provided to the city at the August 2 meeting, the city was asked to identify bylaws, resolutions or budget line-items authorizing various actions, including this letter from the mayor.
115. In the city’s response on September 29, 2023, the city took the position that this letter was a personal letter from Jeff Colvin.
116. The Notice of Intended Order stated that I do not accept that this is a personal letter, and it is another example of council acting without resolution in contravention of Directive 9.
117. The CAO Response states:

“In her letter to Minister McIver, Premier Danielle Smith on September 18th, 2022, stated that it is the Minister’s duty to maintain and build relationships of trust, partnership and open dialogue with municipal leaders.

In that vein, Mayor Jeff Colvin was well within his rights to reach out in a conciliatory fashion to try to resolve a situation that was causing financial, emotional stress and a burdensome workload to Administration and Council....

For clarity, in the letter, Mayor Colvin clearly states he is acknowledged receiving the Minister’s letter and was responding to it as requested. His language and tone is one of a personal response.

“I want to acknowledge receiving your letter”

“I would ask, if you see fit, that we proceed on a staged basis.”, clearly outlining the suggestions are his alone.

In the statement “I and I believe our Council are supportive...” , the mayor is clearly suggesting he believes council will agree, which is not the same as Council has decided.

The letter goes on to say “If you see fit, remove the OA immediately on a trial basis or permanent basis, as he can always be returned.” he did not say council is requesting the removal of the OA.

The mayor then closes the letter by saying “I personally, would like to work in a positive relationship with Municipal Affairs and the Alberta government...”

118. The CAO Response also included a response to this issue from the mayor:

“The Mayor’s response to the accusations of the Minister;

I find it truly disappointing the Minister would try to take the view from my offered olive branch, a letter that indicates my wish to work with MA, and a desire to focus on good governance, and twist it that it contravenes Directive 9.

As Mayor I am fully allowed to write a letter to Municipal Affairs. Councillors Dean, Narayan and Watt have written multiple letters to the Minister making false and biased statements about me and other Councillors, and have not been called out for doing so. I cannot help but see there is an effort on the Minister’s part to make accusations against me while ignoring the bold breaches of conduct by the three offending Councillors.”

119. [REDACTED] response stated:

“Interestingly, the document chastises the Mayor for writing the minister a personal communication without council consent, yet fails to apply the same rule to numerous councillor’s communications also mentioned.”

120. I accept that the mayor, along with the rest of this council and any other municipal elected officials in Alberta may write to me on an individual basis. However, it is fundamentally important that they clearly distinguish when they are communicating on behalf of the council as the governing body of a municipality and when they are not. A letter sent on official letterhead from “the Office of the Mayor” that makes statements regarding the mayor and council reasonably implies the individual is not writing in a personal regard, but rather, in their official capacity as chief elected official on behalf of the council of which they are spokesperson. Alternatively, an email not on letterhead, or at minimum a clear statement in the body of the letter indicating the letter is a personal view and not that of council, would be proper in the circumstances.

121. [REDACTED] response made the following comments with respect to this issue:

“You have said we have been non-compliant multiple time regarding Directive 9. This suggestion shows your bias, incorrect analysis and hearsay. We as Council only act on resolution and bylaw, your analysis is unjustified. For example, you take umbrage with a letter sent to you by the Mayor trying to find a resolution to your inspection, and instead of receiving the information in the light in which it was intended, you said he was not in compliance because he didn’t get a motion

of Council to write to you. If you read the letter carefully, you would have understood he was speaking for himself and not for all of Council. This shows how clearly biased you are against the Mayor, and you incorrectly charge him with being non-compliant to Directive 9 for simply writing a letter to you.”

122. [REDACTED] response stated that “the letter from the Mayor would be the Mayor acting on his own and not council.” I interpret this comment to mean that the mayor was acting without being authorized by council.
123. I have considered the CAO Response and the other responses and continue to be of the view that the mayor’s July 22 letter was sent in contravention of Directive 9. This was not a personal letter, but rather a letter written on behalf of council without being authorized by resolution.
124. I assume that the reference in the CAO Response to a statement made in a letter from the Premier to myself is a reference to the Municipal Affairs Mandate Letter dated August 4, 2023. My mandate to develop positive relationships with municipalities does not absolve any municipality from the fundamental requirement in the *MGA* that council may act only by bylaw or resolution.
125. While quoting significant portions of the mayor’s letter, the CAO Response omits parts of the letter which make it clear that he is writing on behalf of council. For example, in the second paragraph of the letter, the mayor states:
- “Myself and our council** are prepared to move forward from this issue rather than be at odds and focus on ensuring Chestermere as a City, its residents, City staff and all Councilors success in a positive environment.” [emphasis added]
126. This is clearly a statement made on behalf of council. The CAO Response neither acknowledges nor addresses this statement when characterizing this letter as a personal communication from the mayor. The same is true with respect to the statement at the end of the letter:
- “With the understanding our council** will focus its efforts on good governance, the families of Chestermere and keep Municipal Affairs and its associates in an appropriate positive limelight.” [emphasis added]
127. This letter was also written on city letterhead “From the Office of the Mayor” and signed using the mayoral signature block. I do not accept that this is a personal letter.

The city’s September 12, 2023 public statement

128. On September 12, 2023, the city released a statement via social media demanding “clarity, respect, and true collaboration from the provincial government of Alberta” and stating that the government has disregarded the city’s concerns.

129. On the same day, a councillor emailed the Minister to inform him that council did not discuss nor approve the statement.

130. The Notice of Intended Order stated that this statement was made without a resolution of council in contravention of Directive 9.

131. The CAO Response states:

“As the leader of the Municipality and spokesperson the Mayor has the authority to speak for the majority of Council. He does not require a motion of council when he releases statements to the press or on social media.

Council has many times discussed informally their wishes to find a resolution with Municipal Affairs. The Mayor’s statements in the press and online do express the views of the majority of Council.”

132. Sections 5.33.1 to 5.33.3 of the Code of Conduct provide that the mayor is council’s official spokesperson, but that he must not purport to speak on behalf of council unless authorized to do so, and he must ensure that his comments accurately reflect the official position and will of council as a whole. The official will of council is established by bylaw or resolution, not through “informal discussions”. There was no resolution for this statement and it was therefore made contrary to Directive 9.

Final comments on Directive 9

133. The above examples reflect, in my view, a failure of council to comply with Directive 9, and by extension, with the *MGA*. I cannot say whether that failure is due to an inability to understand what it means for council to act properly by resolution or bylaw, an intentional disregard for the proper functioning of council or some other reason. Whatever the reason, the pattern of behaviour of council acting other than bylaw or resolution continues. For the reasons outlined in paragraphs 92-132 above, Directive 9 has not been carried out to my satisfaction.

The municipality continues to be managed in an irregular, improper or improvident manner

134. Before making an order under section 574(2) of the *MGA*, I must consider that the municipality continues to be managed in an irregular, improper or improvident manner.

135. The terms irregular, improper and improvident are not defined in the *MGA*, but are described as follows in the Inspection Report:

“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.”

136. It has been over a year since the OA was first appointed and the city was provided with the Inspection Report, and more than eight months since the directives were issued. The city has therefore had an extended opportunity to show that it understands the need for improved governance and is committed to doing so. However, the city continues to take actions that are irregular, improper, or improvident, as evidenced by the examples set out below and by the fact that the OA continues to disallow resolutions or bylaws of council on a regular basis.

Financial procedures and controls

137. The Notice of Intended Order indicated that the OA, in multiple reports, from March 2023 to the date of the Notice of Intended Order, had expressed a number of concerns related to the mayor’s credit card expenses.
138. The city’s Elected Officials Remuneration & Expenses Policy No. 837 (the “Expenses Policy”) states:

“Expenses

For the purpose of conducting City business, **Elected Officials are eligible for reimbursement** of the following expenses:

...

3. Meal Allowances

a. Where a meeting, training session, or conference does not provide for meals, **Elected Officials shall receive a maximum daily meal allowance of seventy-five (\$75.00) dollars** and a maximum daily allowance for incidental expenses of eight (\$8.00) dollars.

Meal allowances include gratuity and G.S.T.

...

Reimbursement Process

Elected Officials shall submit any expense claims using the Expense Claim Form (Schedule A) to the CAO, who will review the claim with the Mayor **prior to reimbursement**. The Mayor’s expense claims shall be submitted to the CAO who will review the claim with the Deputy Mayor **prior to reimbursement**. In the event of a dispute over a submitted expense, Council as a whole shall review the expense and **determine its eligibility for reimbursement** in accordance with Council and City policies.

No claim can be made for attendance at any social type event (e.g., Library Gala, United Way fundraiser, etc.).

All expenses submitted for reimbursement and approval in accordance with this policy shall be posted quarterly on the City's website." [emphasis added]

139. The Notice of Intended Order stated that this policy "requires elected officials to submit a claim for reimbursement and does not establish the issuing of credit cards to elected officials." The CAO Response stated "That is incorrect. All city employees and Council are provided with Credit cards with a balance that cannot be exceeded monthly, to use for expenses." This statement in the CAO Response is not supported by the city's Expenses Policy. Rather, the sections of this policy quoted above specifically indicate that elected officials are eligible for reimbursement of their expenses only. The Expenses Policy does not contain any provision that authorizes providing an elected official with a credit card, rather it requires elected officials to submit expense claims using the Expense Claim Form that is referenced as Schedule A to the Expenses Policy (but is not in fact attached to this policy).
140. It is also not sufficient for expenses to only be approved by the CAOs, as stated in the CAO Response, as the Expenses Policy clearly reflects a role for the Mayor or Deputy Mayor depending on who submitted the claim. The Expenses Policy provides that elected officials shall submit any expenses using the Expense Claim Form to the CAO, who will review the claim with the mayor prior to reimbursement. It further provides that the mayor's expense claims shall be submitted to the CAO who will review the claim with the deputy mayor prior to reimbursement.
141. In providing the mayor and, based on the CAO Response, all other members of council, with a credit card, the city is not acting in accordance with the Expenses Policy. However, the CAO Response stated:
- "It is unfortunate, the Minister is trying to imply there is financial mismanagement on behalf of the city when distributing Credit Cards to Administration and Council. To suggest Council is breaking their spending allowances by expensing small lunches and dinners, as well as not allowing for small clerical issues by Administration is disheartening.
- This is viewed as grasping at straws to justify unnecessary interference by the Official Administrator and Municipal Affairs."
142. This issue is much more significant than the CAO Response suggests, and I consider that the city's actions are irregular, improper, and improvident. In addition to the city not following the Expenses Policy, giving councillors a credit card removes the city's ability to assess whether an expense incurred by a councillor is appropriate such that the councillor should be reimbursed, and instead obligates the municipality to pay each councillors' credit card balance each month.
143. Pursuant to MO MSD: 022/23 the city is required to provide to myself and the OA all financial institution account reconciliations for every city financial institution account, as well as supporting documentation for transactions included in the previous month.

144. The city has not provided all credit card account reconciliations, any investment accounts, or the auditor's management letter as requested by the OA and has also not responded to all requests for supporting documentation. The city has not provided me with any financial reporting for the months of September or October.
145. In the few reports that have been provided, there are instances in which the expenses incurred and charged to the mayor's credit card have exceeded the maximum amount allowed under the Expenses Policy. The Notice of Intended Order indicated that expenses are not being published quarterly on the city's website, as required by the Expenses Policy. The CAO Response stated "the website was in the process of being rebuilt this past year, this issue has not been addressed." However, the OA reported to me that it does not appear this reporting has been done since the 2021 election. The intent of such a requirement is to provide public transparency on how elected officials use public funds, and the city is not providing this transparency.
146. In the letter provided to the city on August 2, 2023, the Minister required the city to submit the city's policies, procedures, and financial controls. The city did not provide these documents in their September 29, 2023 response as required. The CAO Response states "This was an error on the part of Administration. This was not done for the purposes of deception, but administration does not recall this request and will review the August 2nd letter." The city has still not submitted this information as of November 27, 2023. This pattern of poor financial controls and lack of transparency is irregular, improper and improvident.

Engagement of counsel and Judicial Review filing

147. In response to an invitation to a meeting with the Minister on August 2, 2023, the mayor sent an email to the Minister's Scheduling Coordinator, on July 26, 2023, copying council and the CAOs, and which stated:

"Minister Mclver,

Further to the email we have received regarding the attendee list for the meeting on August 2, 2023, we are adding our legal counsel to the list.

Our legal counsel is Mr. Jeff W. Moroz of MJM LLP.

We note the Reasons for Decision of then Minister of Municipal Affairs, the Honourable Rebecca Schulz, dated March 14, 2023. At paragraph 4 it states, in part,

"Officials were also informed of their right to legal counsel, and that the inspection report may be provided to legal counsel to help with their response, at their discretion."

Legal counsel has been assisting us in the response to the inspection report and with the process, including responding to the directives. It is imperative that Mr. Moroz be in attendance on our behalf.

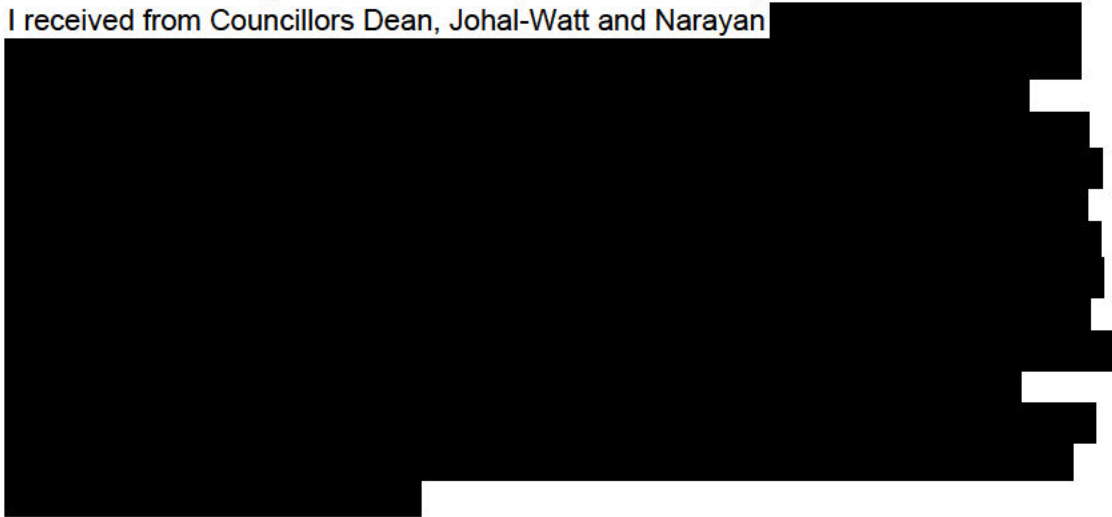
Yours truly,

Jeff Colvin
Mayor of Chestermere”

148. In late July, I received emails from Councillors Johal-Watt and Narayan regarding the engagement of legal counsel and proposed attendance at the August 2, 2023 meeting. The emails:
- indicated a lack of awareness of the engagement of legal counsel,
 - expressed concern that there had been no resolution of council appointing the legal counsel, and
 - indicated a lack of awareness of any involvement the legal counsel may have had with regard to addressing the directives.
149. At the beginning of the Minister’s meeting with the city on August 2, 2023, Alberta Justice counsel asked Mr. Moroz who he was representing, and Mr. Moroz stated that he was representing the City of Chestermere.
150. On September 14, 2023, Mr. Moroz served an originating application on the province (Action No. 2301-11946) seeking judicial review of Ministerial Order No. MSD:002/23 and Ministerial Order No. MSD:022/23 (the “Judicial Review”). Among other things, the Judicial Review seeks to set aside the order issuing the directives and the March 2023 order appointing the OA.
151. On September 21, 2023, Councillor Narayan sent an email to the Minister with respect to the filing of the Judicial Review which stated:
- “City council did not discuss or approve the possibility of a judicial review. The press release contains several mis/disinformation and is presented in a way that the reader believes that the judicial review was the will of the council. I can confirm that Councillor Shannon Dean, Sandy Johal-Watt, and I were not consulted on this matter, nor do we support such a review.”
152. On September 25, 2023 and again on September 27, 2023 the Minister sent the city letters directing the city to provide him with information by September 29, 2023 regarding the authority for:
- retaining legal counsel;
 - filing the application for judicial review; and
 - expending funds for legal services, including the retainer paid on July 24, 2023.

153. In both letters I was clear that I was not asking for privileged information, nor trying to prevent the city from appropriately retaining counsel or seeking judicial review.
154. Between September 26 and 28, 2023, correspondence was exchanged between Mr. Moroz and Alberta Justice counsel regarding the Minister's letters. The information the city was directed to provide was not submitted by the September 29, 2023 deadline.
155. Following the filing of the Judicial Review, I received emails from Councillors Dean, Johal-Watt and Narayan. These emails indicated:
- all members of council were not consulted on the application for Judicial Review, and they found out about this from a social media post;
 - council has not passed a resolution to initiate the legal action; and
 - there was no resolution of council approving the expense.
156. On October 2, 2023, the city's three CAOs sent an email to the Premier which stated:
- "We also want to confirm, it is for these reasons, the City lawyer, on behalf of the CAOs, has filed an application for a Judicial Review of the Municipal Inspection, the Cuff Report, as well as requested Douglas Lagore be removed from our City for his obstructive rulings."
157. The CAO Response to the Notice of Intended Order states "Council supports Administrations decision to file for a Judicial Review as shown by the following motions" and lists motions 230110-03 and 230110-04 from the special council meeting on January 10, 2023, as well as motions 231031-13, and 231031-25 from the regular meeting on October 31, 2023. It further states "The CAOs made the decision to file for a judicial review independent of Council", "The CAOs have the right to retain legal counsel", and "The CAOs have the right to seek a judicial review".
158. Section 153(d) of the *MGA* states that councillors have a duty "to obtain information about the operation or administration of the municipality from the chief administrative officer or a person designated by the chief administrative officer."
159. Section 207(c) of the *MGA* reflects this principle from the CAO perspective, and states "The chief administrative officer advises and informs the council on the operations and affairs of the municipality." Section 153.1 expands on this CAO duty and states:
- "153.1** Where the chief administrative officer or a person designated by the chief administrative officer provides information referred to in section 153(d) to a councillor, the information must be provided to all other councillors as soon as is practicable."

160. Mayor Colvin's July 26 email to me stated that "we are adding **our legal counsel**" to the list of attendees for the August 2 meeting, that "**our legal counsel is Mr. Jeff W. Moroz of MJM LLP**", and that "Legal counsel has been assisting us in the response to the inspection report and with the process, including responding to the Directives. **It is imperative that Mr. Moroz be in attendance on our behalf.**" [emphasis added]
161. However, as noted above, over the next two days I received emails from Councillors Narayan and Johal-Watt indicating their lack of awareness of the engagement of Mr. Moroz, expressing concern that there had been no resolution of council appointing him, and their lack of awareness of any involvement Mr. Moroz may have had with regard to addressing the directives.
162. When asked at the August 2, 2023 meeting who he was representing, Mr. Moroz stated that he was representing the City of Chestermere.
163. Following the filing of the Judicial Review, I received an email from Councillor Narayan on September 21, 2023 indicating that "City council did not discuss or approve the possibility of a judicial review", and that "I can confirm that Councillor Shannon Dean, Sandy Johal-Watt, and I were not consulted on this matter, nor do we support such a review. Between September 29, and October 2, 2023, I received a further email from Councillor Narayan, and emails from Councillors Dean and Johal-Watt indicating that they were not consulted about the application for Judicial Review and found out about it from a social media post.
164. Based on the mayor's email of July 26, 2023, the CAOs' comments regarding their decision to file for a judicial review independent of council, and the emails that I received from Councillors Dean, Johal-Watt and Narayan



Coffee with Colvin and Council

165. On September 7, 2023, the city announced on its Facebook page that it would be hosting a "Coffee with Colvin and Council" event. On the same day of this post, Councillor Dean sent an email to all of council and the CAOs blind copied to the OA stating:

“I have looked in my calendar and in old emails and do not see any invitations or notices in our calendars or emails. ...Could this not have been discussed on Thursday when we were all there for council?”

166. The Notice of Intended Order stated that there was no resolution of council with respect to the event and holding it was contrary to Directive 9.

167. The CAO Response to the Notice of Intended Order stated:

“As the spokesperson and leader of the municipality, Mayor Colvin can at any time arrange to meet with residents. He can do so formally, informally, online, or in person. The initiative was developed by Administration to give residents the opportunity to meet the Mayor, ask questions, or simply have a conversation with the Mayor. It was decided by Administration, late in the decision making, that all of Council should be invited. The Mayor was not involved in the idea or the planning of the events, he agreed to show up at the allotted time.”

168. The CAO Response indicates that “the initiative was developed by Administration”, and that it “was decided by Administration, late in the decision making, that all of Council should be invited.” I note that the matter of concurrent access to information was addressed several times in the municipal inspection report and in Directive 3a.

169. Section 153.1 provides that where the CAO provides information referred to in section 153(d) to a councillor, that information must be provided to all other councillors as soon as practicable.

170. [REDACTED]

Community and FCSS grant funds

171. The Notice of Intended Order stated that:

“The city has postponed the awarding of community and FCSS grant funds until completion of a community needs assessment. While there is no requirement for a municipality to fund community organizations, the OA's report of June & July 2023 includes the following observation regarding community grant funding:

‘... some members of at least one non-profit group were wearing pink t-shirts that some members of Council found offensive (the t-shirts were worn to Minister Schulz's meeting when the Cuff Inspection Report was released and a Council meeting) and Council is not providing any grant funding to the non-profit groups that individuals belong to in retaliation.’”

172. The CAO Response states:

“The Minister is completely out of line with this suggestion. There is absolutely no evidence to suggest that is the reasoning for the suspension of the grants. The Official Administrator has been a part of all the Council meetings and is well aware that Administration was having a Social Needs Assessment done because of complaints that the funding was not being allocated where needed.

Again, it must be noted that the Minister is choosing to believe hearsay and negative allegations made by a few ill-informed people when making judgements against this Council and Administration. This is seen as being treated unfairly and harassing in nature.”

173. The Notice of Intended Order acknowledged that the city postponed awarding grant funds until the completion of a needs assessment, and I take no issue with that. However, the minutes of the July 25, 2023 council meeting reflect that the OA was present during all matters discussed during the in-camera portion of the meeting, and I consider the comments quoted above from his June & July 2023 Report to be reliable. This action on the part of council is improper.

Provision of information to the OA

174. Ministerial Order MSD: 022/23 requires:

“8. That the City of Chestermere Chief Administrative Officer(s) is required to provide to the Minister and the Official Administrator, no later than the seventh day of the month, all financial institution account reconciliations for every city financial institution account, as well as supporting documentation for transactions executed in the previous calendar month.

9. That provision of the financial institution account reconciliations and supporting documentation for the previous calendar month shall commence seven days after the signing of this order.”

175. The Notice of Intended Order indicated a number of deficiencies in providing information to the OA, including:
- The city has ceased providing credit card statements and has not responded to requests to do so.
 - The failure of the city to provide receipts from transactions on city issued credit cards.
 - In all bimonthly reports for the period of March to September 2023, the OA has requested, but not received, copies of investment reports. The city still has not provided this as of November 27, 2023.
 - At the August 2, 2023 meeting, the Minister specifically directed the city to provide access to financial officers, as well as any financial information the OA requests. The OA requested the audit management letter following the August 31, 2023

special council meeting, and the city still has not provided this as of November 27, 2023.

- The OA requested the initial consultant's report under Directive 4a on August 31, 2023, and the city still has not provided it as of November 27, 2023.
- For both August and September 2023, the submissions did not include all documents that were provided in previous months, as cheque listings, bank reconciliation report, and Accounts Payable back up documents were not included.
- The October financial institution reconciliations were due on November 9, 2023. The report was sent to the OA on November 14, 2023, but the city has not provided either the September or October reports to myself.

176. The CAO Response did not address any of these items. [REDACTED]

177. For the reasons outlined in paragraphs 134 to 177 above, I consider that the City of Chestermere continues to be managed in an irregular, improper, and improvident manner.

All reasonable efforts to resolve the situation have been attempted and have been unsuccessful

178. Before making an order under section 574(2) of the *MGA*, all reasonable efforts to resolve the situation must have been attempted and been unsuccessful.

179. I have considered what "all reasonable efforts" means in the context of section 574(2). In my view, "all reasonable efforts" means efforts that are logical and sensible in the context of the situation, but it does not mean every conceivable effort must be taken. At a certain point, it is reasonable to conclude that further efforts are futile, and in that case, one must consider that "all reasonable efforts" have been made. Further, in my view "the situation" referred to in section 574(2) means compliance with Ministerial Order MSD:002/23.

180. As previously stated, the directives are not onerous and are the minimum that should be expected from a municipal council and its senior administration. The city has had significant opportunities to comply with the directives, and has had feedback from Minister Schulz, myself and the OA to understand the directives and what they require. This includes Minister Schulz's detailed explanation of the directives to council in an in-person meeting, and again at the public information session both held on March 15, 2023. After the election and my re-appointment as the Minister of Municipal Affairs, I wrote letters on July 21, 2023 and August 2, 2023, as well as held a meeting on August 2, 2023 to share my concerns. In the August 2, 2023 letter, I asked for more information where I felt it prudent to assist in my determination of compliance. I invited responses to my concerns by September 29, 2023. The Notice of Intended Order included details of my concerns with compliance and again invited written responses by November 2, 2023. In addition, I have observed the OA making

efforts to guide the city in its compliance with the directives, for example in his review of council meeting minutes report for May 2, 2023 and through verbal points of order at more than one council meeting.

181. Despite these efforts the city has continued to dispute the validity of the inspection and make accusations against the inspector, the OA, the Minister, Municipal Affairs and others rather than direct their efforts to comply fully with the directives. When presented with information about what I consider to be deficiencies with their responses to the directives in an attempt to support their compliance, instead of taking that opportunity to comply, the city often presents unhelpful and at times inaccurate information. For example:
- The CAO Response with respect to the Molly Trolleys stated that the straw vote was ratified and passed in council on May 23, 2023, which would have been before the payment was made to Trolley Brokers on May 24, 2024. This is untrue. The minutes reflect that the resolution ratifying the straw vote was actually passed in council on May 30, 2023 (after the payment was made).
 - In the latest version of the evolving narrative with respect to the code of conduct complaints, the CAOs stated “The DRAFT was then refined into two separate reports, as was repeatedly explained to you.” This was not repeatedly explained to me. The CAO Response on November 2, 2023 was my first time hearing this version of the events.
 - With respect to the Code Report Presentation, the CAO Response stated “An innocent error was made by administration...**Once pointed out, the content was immediately taken off the City’s website**” [emphasis added]. This is untrue. As of November 27, 2023 this content remains on the city’s website.
 - In their comments about the Judicial Review filing, the CAO Response states “...Minister McIver chose to do an inspection on the governance of Council and administration, **approximately 60 days** after the new Council’s inauguration” [emphasis added]. This is untrue. The current Chestermere council was sworn in on October 26, 2021, and I ordered the inspection on May 9, 2022, 196 days later.
 - The CAO Response characterizes the July 22, 2023 letter sent by Mayor Colvin as a personal letter and states “For clarity, in the letter, Mayor Colvin clearly states he is acknowledged receiving the Minister’s letter and **was responding to it as requested**” [emphasis added]. The “Minister’s letter” being referred to is my letter to the city on July 21, 2023. In this letter, I informed the city that I had serious concerns regarding the city’s actions related to multiple directives and regarding the city’s approach to compliance with the supervision of the OA, and that my staff would be in touch in the near future to arrange a meeting with council, at which I would provide the city with details about my concerns. I did not request a response to this letter.
 - With respect to the “waterslide lands”, the CAO Response states the facts of the situation regarding this landowner are described in an article published on the city’s website. This article states “**In 2009 Alberta Transportation, under the leadership of Ric McIver**, bought land surrounding [the landowner’s] 18-acre

parcel of land, for a planned road realignment. Inexplicably, they did not buy [the landowner's] but placed restrictions on development, virtually sterilizing his land" [emphasis added]. The statement about Alberta Transportation being under my leadership is untrue, as I was first elected as a Member of the Legislative Assembly on April 23, 2012.

182. On their own, each of these types of misstatements could be explained as typographical errors or innocent mistakes. However, given the sheer number of them with respect to various issues, I am concerned this is not the case.
183. In my view the city has failed to give any indication that further efforts to improve their compliance will have any positive effect. We have arrived at a point where further efforts to obtain the city's compliance are futile.
184. I conclude that in the context of this situation, all reasonable efforts to resolve the city's compliance with the directives have been made and have been unsuccessful.

Conclusion on compliance with directives

185. Based on the above, I firmly believe that the directives have not been carried out to my satisfaction, that the city continues to be managed in an irregular, improper or improvident manner, and that all reasonable efforts to resolve the situation have been attempted and have been unsuccessful.

Compliance with OA supervision

186. Before making an order under section 575.2 of the *MGA*, I must consider that the city has not complied with section 575(2), which again provides:

575(2) So long as the appointment of an official administrator under this section continues,
 - (a) no bylaw or resolution that authorizes the municipality to incur a liability or to dispose of its money or property has any effect until the bylaw or resolution has been approved in writing by the official administrator, and
 - (b) the official administrator may at any time within 30 days after the passing of any bylaw or resolution disallow it, and the bylaw or resolution so disallowed becomes and is deemed to have always been void.
187. Since his appointment in September 2022, the OA has decided whether to allow or disallow all resolutions and bylaws made by council. When the OA has disallowed resolutions or bylaws, he has provided reasons for doing so. The city's authority to act on resolutions or bylaws depends on these decisions by the OA. Despite the clear requirements for compliance with the OA's supervision, the city has failed to comply with section 575(2) in the instances set out below.

Purchase of Molly Trolleys

188. The background to the purchase of Molly Trolleys is set out in paragraphs 93 to 105 of these Reasons. While the purchase of the four Molly Trolleys was a budgeted expense, in Motion 230117-09 council placed a condition on the expenditure that administration come back to council prior to the purchase. As the matter had to be brought back to council and the only way that council can act is by bylaw or resolution, OA approval was required prior to the purchase of the Molly Trolleys pursuant to section 575(2)(a). This would be the case even if council had properly passed a resolution before the purchase had occurred.
189. The city incurred the expenditure for the Molly Trolleys prior to making a resolution which could be approved by the OA. In doing so, the city incurred a liability without the written approval of the OA under section 575(2)(a).

Acting on disallowed resolution #220920-19

190. The background to the RFP related to Directive 5c is set out in paragraphs 82 to 84 of these Reasons. The Notice of Intended Order indicated that the city's RFP appears to be seeking an investigator to investigate the code of conduct complaints in Resolution 220920-19, a resolution which was disallowed by the OA. The basis for this is the retroactive scope of the RFP, "to review approximately 100 – 150 Code of Conduct complaints, dating back from October 2021 and up to May 2022." The CAO Response disputes that the RFP is solely retroactive (see my comments on that in paragraphs 85 to 90) but does not dispute that the investigator is being hired to review the disallowed code of conduct complaints.
191. Pursuant to section 575(2) of the *MGA*, so long as the appointment of an OA under this section continues, any resolution disallowed by the OA becomes and is deemed to have always been void. In posting an RFP and contracting with an investigator to investigate the code of conduct complaints under the disallowed resolution, the city is acting on a resolution disallowed by the OA.

Acting on Disallowed Resolution #220927-07

192. The OA disallowed Resolution #220927-07, made at the September 27, 2022 council meeting, which stated:

"To release the Code Report Presentation as discussed in Camera, September 27, 2022, to be released for view of the public."
193. The Notice of Intended Order stated "After multiple emails back and forth between the Minister and the city about this issue, as of October 12, 2023, both the September 27, 2022 video and full agenda package are published on the city's public website. File data shows the agenda was last modified by the city on March 27, 2023 and the video on July 7, 2023."

194. The CAO Response stated “An innocent error was made by administration...Once pointed out, the content was immediately taken off the city’s website.”
195. [REDACTED]. This issue was raised multiple times and despite the CAOs’ statement that “Once pointed out, the content was immediately taken off the city’s website,” a review of the city’s website, thecityofchestermere.ca reflects that, as of November 27, 2023:
- a. the September 27, 2022 agenda package including the Code Report Presentation remains on the website. The file modification date remains March 27, 2023.
 - b. The September 27, 2022 video remains on the website. The file modification date remains July 7, 2023.
196. By continuing to publish the agenda package and video on the city’s website after multiple emails back and forth and being informed in the Notice of Intended Order that this information was still on the website, I consider that the city is continuing to act on Resolution #220927-07, which was disallowed by the OA.

Conclusion on compliance with OA supervision

197. Based on the above, the city has, while under the supervision of the OA, incurred a liability or disposed of money or property without the written approval of the OA and has acted on a bylaw or resolution that has been disallowed by the official administrator.

Responses to the Notice of Intended Order

198. By November 2, 2023 I received responses to the Notice of Intended Order [REDACTED] [REDACTED] a joint response from the three CAOs [REDACTED] [REDACTED]
199. The ability to provide responses to the Notice of Intended Order was an opportunity for the councillors and CAOs to be heard in relation to the proposed order. I have carefully considered the responses provided before making a decision in this matter.
200. My comments regarding each of these responses are set out below.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

Decision

240. In the Notice of Intended Order I indicated that,

“the inspection process, the resulting inspection report, the directives issued by my predecessor, the Honourable Rebecca Schulz, and the appointment of the OA were all important opportunities for council and administration to reflect on their performance, accept constructive criticism, and make the necessary adjustments to comply with legislated obligations and return good governance to Chestermere”.

241. I also indicated that,

“Very unfortunately for the residents of Chestermere, the city appears to have simply continued with the same problematic behaviours and approaches that led to the inspection in the first place.”

242. Both Minister Schulz and I have repeatedly provided the city with the time and information necessary to comply with the directives and the supervision of the OA.

243. The directives are not onerous and represent the bare minimum that the residents of any municipality should rightfully be able to expect from their municipal government. Throughout this process, Municipal Affairs has made all reasonable efforts to support the city in meeting these basic requirements.

244. The OA has attempted to provide the city with constructive feedback, both in council meetings and in his reasons for decisions respecting council resolutions, to support the city to restore good governance. This feedback has been largely met with hostility and contempt. Despite the city's very unsatisfactory performance in providing the OA with required and requested documents during the course of his appointment, the OA has made good faith efforts to supervise the municipality and its council.
245. Continuing on the current path of trying to support the city with its legal requirements and operate in a responsible way is untenable. We have reached a point where that is futile
246. As stated earlier in these Reasons, the directives have not been carried out to my satisfaction, I consider that the city continues to be managed in an irregular, improper or improvident manner, and all reasonable efforts to resolve the situation have been attempted and have been unsuccessful. Further, I consider that the city has failed to comply with the supervision of the OA.
247. I have considered the options available other than those involving dismissal. In particular, I have considered the options for orders the Legislature has provided in section 574(2) of the MGA. Given the concerns and conclusions outlined in these Reasons I am of the view that the other options for orders under section 574(2) will not address the issues before the city. The other orders contemplated by section 574(2) will, in my view, do little to affect the divisions in council or to curb the most significant behaviours of concern. I have also considered that my authority to make orders under section 575.2 is potentially broader than the options set out in section 574(2). However, I have no confidence that any further orders requiring or prohibiting other actions by council or the CAOs will be met with cooperation or compliance.
248. I recognize that dismissal is likely to have a significant personal impact on anyone, whether an elected councillor or an appointed CAO. These are positions of stature and responsibility, and dismissal may affect one's reputation in the community. Dismissal also affects the remuneration of those dismissed, in particular the CAOs, who are full time employees of the city, and the mayor, whose role is also full-time. Despite the fact that dismissed councillors can seek election again and that dismissed CAOs can seek future employment, the potential impacts of dismissal on affected parties is obvious.
249. However, the stature and responsibility of these positions also requires a commitment to compliance with legal responsibilities, including the *MGA* and the oversight of a municipality by the Minister. The citizens of the City of Chestermere are entitled to no less from those who are entrusted with the management, administration and financial stewardship of their municipality. Where councillors or CAOs fail to meet those requirements, the Legislature has expressly authorized the Minister to dismiss the council or any member of it or the CAOs. Given the ongoing, significant failures of the city as described in these Reasons, I am of the view that despite the personal impacts my decision may carry for those dismissed, this is the type of situation the Legislature envisioned for the exercise of the dismissal power.

250. That said, I have considered whether to dismiss all of council and all CAOs as stated in the Notice of Intended Order, or just some of these individuals.

251.

[REDACTED]

252. I have great empathy for the situation that Councillors Dean, Johal-Watt and Narayan have found themselves in over the past two years as members of Chestermere council. I believe they have made repeated efforts to hold this council to account, and to attempt to move council in a more positive direction toward proper governance practices and compliance with legislated requirements.

253. After considering the information available to me, [REDACTED] [REDACTED] I am of the view that they have taken good faith efforts to have the city comply with the directives and the supervision of the OA, to bring their concerns to the council table, to try to obtain information from the CAOs and other councillors, and to bring instances of irregular, improper or improvident actions to light.

254. While I have determined that council has failed to comply with its obligations, in considering whether to dismiss all of council, I have asked myself whether dismissal of all members of council is justified. I have determined that for Councillors Dean, Johal-Watt and Narayan, this is not the case.

255. I am aware that my decision not to dismiss Councillors Dean, Johal-Watt and Narayan will be viewed by some, including some members of council and CAOs, as reflecting a bias in favour of those three councillors and/or against the mayor and the other councillors and CAOs. This is false. My decision is based on my consideration of the information available to me. It is clear from the Notice of Intended Order that at the time I provided that notice, I intended to dismiss all of council. However, the affected parties have a right to be heard. In light of my consideration of all of the information with the benefit of all of the responses provided by November 2, 2023, I now conclude that despite council's overall failures as outlined in these Reasons, dismissal of Councillors Dean, Johal-Watt and Narayan is not justified.

256.

[REDACTED]

257. CAOs are not like other employees. A CAO is the highest non-elected official in a municipality. They have specific statutory powers and responsibilities under the *MGA*, including the responsibility to advise and inform council on the operation and affairs of the municipality (section 207), and where they provide information about the operation

or administration of the municipality to one member of council to provide that information to all other councillors as soon as is practicable (section 153.1). CAOs have a critical role in a municipality, providing accurate, informed and objective advice to council, supporting councils in meeting their legislated obligations to govern transparently and reasonably, and faithfully implementing council's direction once that direction has been determined.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

262. Accordingly, I have concluded that dismissal of all three CAOs is necessary and appropriate.
263. I have made Ministerial Order No. MSD: 076/23 dismissing Mayor Jeff Colvin, Councillors Mel Foat, Blaine Funk, Stephen Hanley and the CAOs with profound disappointment but fervent resolve.
264. It is my sincere wish that the municipality will recover from the irregular, improper and improvident management it has endured and will move forward with a council and senior administration that is dedicated to good governance, legislative compliance, prudent stewardship of municipal resources, and collaboration.
265. I wish to conclude with a sentiment to the electors of Chestermere. In due course, you will elect four new members to your council. Your council will select its CAO(s). I urge Chestermere electors that are committed to good governance and decency to consider running for municipal election. I also urge all Chestermere electors to participate in the civic duty of researching the candidates and voting for those that will

represent your interests and uphold their duties and responsibilities with integrity and accountability.