

A Report on the Inspection of the City of Chestermere

George B. Cuff & Associates Ltd.

August 2022

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September 1st 2022

The Honourable Ric McIver
Minister of Municipal Affairs
320 Legislature Building
10800-97th Avenue
Edmonton, Alberta T5K 2B6

Dear Minister McIver:

Re: A Report on the Inspection of the City of Chestermere

We are pleased to provide you with our Report on the Inspection of the City of Chestermere. Our Report summarizes our observations, findings and recommendations based on compliance with the terms of reference. The Inspection was conducted over the period of May 11th, 2022-September 1st, 2022.

Our Report conclusions are based on our review of the relevant documentation provided to us by City officials; by the substance of the approximately 55 in-person/telephone/Zoom interviews that we conducted with those individuals who are connected to this engagement as Council (current and former) members, administration (current and former) and members of the public who wished to express their viewpoint; by approximately 285 emails; by review of historical documentation (generally speaking for the period of October 2021 to the present time, with some dating back into the previous Council's term); and by our viewing videos of past Council meetings. We are pleased to report that all parties to our engagement were cooperative and in general responded promptly to our numerous requests for interviews, information and clarification.

This Report provides some background context and identifies relevant Council-management issues, but our primary focus has been on the conduct of an Inspection under Section 571 of the Municipal Government Act, and as per Ministerial No. MSD: 040/2. The Report includes our findings, observations and recommendations that we

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believe will enhance the capacity of Chestermere's Council (and management) to effectively lead, govern and manage their municipality.

We are, as usual, available to respond to any questions you might have and are thankful for this opportunity to be of assistance.

Yours very truly,



George B. Cuff, FCMC, President

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Section One: Setting the Stage (The Request, Purpose, Methodology, Functions)

1.0 The Inspection

The decision to conduct an Inspection of the City of Chestermere was conveyed by the Minister of Municipal Affairs on May 11th, 2022, to the Mayor and Councillors of the City. This Inspection was an outcome of the comprehensive “preliminary review” conducted by members of the Department of Municipal Affairs during March and April 2022. The City was advised that staff members from Municipal Affairs would conduct their preliminary review and provide a summary report of findings which would be submitted to the Minister of Municipal Affairs. Subsequent to the Minister receiving the results of the preliminary review report on April 22nd, 2022, and upon review of those findings, the Minister announced that an Inspection would be commenced.

1.1 The Inspector

The firm of George B. Cuff & Associates Ltd. was retained, and George Cuff was appointed on May 11th, 2022, through Ministerial Order MSD 040/22 as the “inspector” under *Municipal Government Act (MGA)* Section 571.

1.2 The Timing

The Inspection has taken place from May 11th, 2022, until the present date. Notification by the Inspector of the approach to be followed was provided to the Mayor and Councillors on May 18th, 2022.

1.3 Background/Experience

George B. Cuff & Associates Ltd. conducted this independent, professional and unbiased assessment and prepared this Report of observations, findings and recommendations. In terms of relevant experience, the Inspection included professionals with extensive municipal governance, management, financial and legislative services backgrounds (representing approximately 100 years of municipal/consulting experience, plus 25 years in a local government elected office).

1.4 The Task

Our contract required us to review and report on all matters germane to a review of Council's governance and management practices and to identify those which we believed fell within the guidelines of "irregular, improper or improvident conduct by Council, individual Councillors or by municipal staff".

The terms irregular, improper and improvident are described as follows:

- 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.

The issues identified in Ministerial Order MSD:040/22 and listed below, along with others that were identified throughout the inspection, were reviewed in order to assess the management, administration and operations of the City of Chestermere and identify if the municipality is being managed in an irregular, improper or improvident manner.

1.5 The Scope

The Ministerial Order, MSD:040/22, orders an inspection into the management, administration and operations of the City of Chestermere and sets the overall scope of the inspection, including but not limited to these issues:

- Members of council acting alone and outside of a council resolution;
- The complaints process for code of conduct infractions;
- Members of council performing administrative functions and duties;
- Improper council meeting procedures and conduct; and
- Sale of municipal property not in accordance with the Municipal Government Act.

Those matters that we believe fall into one or all of these categories are included in this Report. We have also advised on what we see as “generally acceptable governance and management practices” and have identified what we feel are changes which should be undertaken by the Council (and where appropriate, by management).

That letter from the Minister of Alberta Municipal Affairs to the Mayor contained the following words:

“The preliminary review identified multiple potential governance concerns, including legislative inconsistencies, which justify an in-depth review. The main issues identified include members of council acting alone and outside of a council resolution, the complaints process for code of conduct infractions, members of council performing administrative functions and duties, improper council meeting procedures and conduct, and sale of municipal property not in accordance with the Municipal Government Act (MGA).

As these concerns are of a significant nature, I have decided to order a municipal inspection under Section 571(1)(a) of the MGA. Attached is Ministerial Order No. MSD:040/22, appointing George B. Cuff as the inspector to conduct an inspection into the management, administration, and operations of the City of Chestermere”.

The input of all parties to this Inspection is acknowledged and appreciated. This Report and its findings are the work of the Inspector.

2.0 The Legislative Base

The Municipal Government Act outlines the following relative to an Inspection:

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

(a) on the Minister's initiative, or

(b) on the request of the council of the municipality.

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

(3) An inspector

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

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

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

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

An Inspection is conducted under the terms of the MGA with the powers, privileges and immunities provided for in the Public Inquiries Act.

3.0 Our Methodology

This has been a complex engagement with many moving parts. The City is not a combination of functions which can be readily observed and captured as though the time had stood still. Rather, it is dynamic and with the significant changes made as a result of this past election, the work involved in the conduct of this Inspection is neither brief nor straight-forward. The issues which are to be reviewed and assessed are complex due in part to the issues and personalities involved, their backgrounds and appreciation/understanding of what constitutes fairness in the conduct of local government governance and administration. In this instance, a municipal election had recently transpired, and considerable changes were witnessed on this Council (five of the seven members including the Mayor are new to this term of office).

Our approach is designed to develop a solid appreciation of what issues are significant, which may be inhibitors to good governance, and which might impact the quality-of-service delivery by management. The Inspection is not designed to expose any “flaws” in managerial practices but more one of how such practices and personnel are impacted by the governance of this Council.

3.1 The Client

The conduct of an Inspection is unique in that the client is Alberta Municipal Affairs while its focus is the City of Chestermere. It is also unique in that the Inspector is not simply outlining from experience and the literature what good local government requires, but rather providing insight into any decisions or actions which meet the threshold of “irregular, improper or improvident conduct by Council, individual Councillors or by municipal staff”.

3.2 The Approach

As part of our Inspection, we:

- Spoke with the representatives of the Ministry to gain an understanding of what their objective was and to hear more regarding some of the background to our role;

- Discussed the proposed contract and its terms;
- Conducted an initial five and one-half hour interview with the Mayor of the City of Chestermere, an additional one-hour interview at a separate date (at the request of the Mayor); an additional on-site interview lasting three hours (again at the request of the Mayor);
- Provided the Mayor with a list of salient questions which were forwarded to him on July 21st 2022 and which may not have been asked or covered during our interviews (noted above) (a reminder was forwarded to the Mayor (August 6th 2022; Mayor's response stating he required more time (August 9th 2022); response received (August 16th 2022); and a follow-up Teams interview (August 25th 2022) to share the issues which were brought to our attention which impact the Mayor; the latter discussion resulted in a further Teams meeting with the Mayor to receive his feedback (30/08/22)
- Organized/scheduled 1-1.5-hour interviews with all members of Council; responded to requests for follow-up calls; received various correspondence from Councillors during the course of this Inspection and via various delivery systems; follow-up calls made to all Councillors the weeks of August 14th and 21st 2022; all interviewees advised that they had the right to legal counsel and that they could call the Inspector should they have any questions or desire to share more insights;
- Established in-person interviews with some current members of the senior administration, staff and advisors and telephone or Zoom meetings with others in order to understand their perspective of how the City manages its business; and how it has been impacted by the current governance model and style of leadership;
- Held telephone or Zoom interviews with former employees of the City and members of the public who wrote or called (these were associated with the City in a variety of ways and their comments enabled us to develop a broader

perspective of the circumstances leading up to the Inspection); all interviewees advised that they had the right to legal counsel;

- Reviewed background documentation received from Alberta Municipal Affairs;
- Reviewed documentation from the City including background reports, audit reports, organization structure(s), position descriptions, strategic planning documents, related studies and documents considered to be relevant to this Inspection;
- Requested from the City permission to speak with their former legal counsel (which we did not receive);
- Reviewed the available minutes of the approximately ten months of this Council's meetings beginning in October 2021 when the current Council was elected;
- Reviewed a broad selection of Council and committee meetings via links to the video which we found available through the City's website;
- Reviewed all those matters which we believed to be germane to this Inspection and request; and
- Provided this Report to Alberta Municipal Affairs.

4.0 Background to the Inspection

There has been considerable background to this Inspection including the degree of change brought about through the 2021 election and the subsequent arrival of a majority of new Council members including the Mayor. This degree of change can have a substantial impact on any Council and by inference, so too the civic organization. Some of those elected brought with them their prior experiences with “City Hall” which they describe as being less than uplifting. As a result, the tone and tenor upon their arrival reflected a heightened degree of angst and suspicion impacting not only all members of Council and its administration, but also former members of Council, administration, the public and observers.

As a matter of full disclosure, George B Cuff & Associates Ltd. was engaged by the City’s then administration (September 2020) to conduct a one-day post-election orientation seminar for all members of Council and senior administration. This seminar was conducted over two half days, November 4th-5th 2021.

For some members upon arrival to City Hall, they likely found their new opportunities to look into past and perhaps current events as exciting and challenging; others wanted simply to move forward.

4.1 Concerns Expressed and Heard

We understand from our discussions and the Preliminary Review that the Ministry received numerous phone calls, emails and letters of concern, including from individual Councillors and the Mayor, about how the City was being governed and managed and the legitimacy and impact of significant leadership change. While adjustments under these circumstances might be anticipated in any municipality with similar circumstances, it is apparent that not everyone regarded these as welcome. Their concerns (voiced by current and former members of Council and its administration), dealt with the magnitude and how quickly changes were being made. For others, it was likely grounded in the fear of the unknown wherein “normal” structures were being discarded and a new one was taking shape. For yet others, it was the purposeful

dismantling of their legacy; and for yet others, it was more personal, the loss of employment for themselves and colleagues.

On February 17, 2022, the Minister of Municipal Affairs was scheduled to meet with Chestermere council on an unrelated matter and took the opportunity to ask Council about concerns that were being raised and provide an opportunity to respond. On February 25, 2022, the Mayor responded with a letter sharing his perspectives.

With this as a backdrop and faced with written and verbal complaints and requests to “do something”, a preliminary review of the background issues was ordered by the Province on March 10th, 2022. The Mayor and Councillors were apprised of the concerns heard by the ministry which were communicated to the City in a letter from the Minister. This led to the Minister requesting that his department conduct a preliminary review which was completed in April 2022. On the basis of that review wherein the team from Alberta Municipal Affairs found a number of governance/management concerns and irregularities, this Inspection was ordered by the Province.

Section Two: Good Governance

5.0 What Does a Municipality Do?

It is evident across Alberta and Canada that all municipalities do not offer the same programs and services. This is frequently a result of history (i.e., what was delivered last year will likely be in the budget this year) and sometimes due to either geographical location or degree of access to financial resources.

As we noted in a previous Inspection, the Encyclopaedia Britannica describes a municipality *“as a unit of local government...a political subdivision of a state within which a municipal corporation has been established to provide general local government for a specific population concentration in a defined area.”* In Alberta, a municipality is incorporated under the Municipal Government Act (MGA) which defines the types of municipalities as:

s.77 municipal district; (b) village; (c) town; (d) city; (e) specialized municipality; repealed 1995 c24 s11.

The MGA (sec.142) also states that:

*s. 142 (1) Each municipality is governed by a council.
(2) A council is a continuing body.*

5.1 Purpose of a Municipality

The purposes of a municipality are purposely quite broad but yet focused on services and programs reasonable people would see as helpful and welcomed by their community. These tend to be service-driven and generally quite local in nature (e.g., potable water supply, stormwater management, sewage and garbage disposal, provision of open spaces, recreation and cultural programming, social services for those in some need of help, etc.). Each of these services, and many others, are defined (and sometimes delivered) differently by each municipality based on their assessment of what their citizenry either needs or desires.

Section 3 states that *“The purposes of a municipality are:*

(a) to provide good government,

- (b) *to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality, and*
- (c) *to develop and maintain safe and viable communities.*

Section 201(1) states that “a council is responsible for:

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

While we recognize that there are other sections of the MGA which speak to a Council’s roles, the foregoing is fundamental and thus very important. These sections establish the basics of why a municipality like Chestermere exists and how it is expected to be governed and managed. It is not a business which operates to provide services, goods and functions which are felt to be necessary or desirable and which could be offered by a business at a profit to their owners. While the use of business principles will, in many instances, make good sense, the basic driver of commerce i.e., making a profit, is not the mandate of a municipality. If that were the case for local governments, virtually all services and not a few municipalities would have ceased to exist a long time ago due to the cost-of-service delivery and an inadequate stream of other (non-tax) revenue.

Services are indeed provided to those in the municipality who find them to be useful. Some are used by all e.g., the supply of potable water, the treatment of sewage, the disposal of garbage while others e.g., sidewalks, streets, ice arenas are used by many but not necessarily all (some because of health or age may not be able to use such services, programs and facilities).

We note that the purpose of a municipality is also to provide “safe and viable” communities. This implies that a Council has the obligation to pass bylaws and create structures which enable citizens to live in an environment free from unnecessary worry

with regard to the behaviour of others whose choices and actions might negatively impact their freedom to live peaceable lives.

A Council therefore has an obligation to recruit, retain and properly compensate those who enforce the laws so as to provide assurance to all that their safety and security will not be compromised by foolish or ill-chosen options. For example, roadway design is a matter of fundamental importance to residents as their personal safety and that of their families requires the expectation of incident-free transportation to their chosen destination. Swimming pools and beach areas are also facilities which are not planned to maximize profit or enjoyment for only one segment of a population. A municipality's involvement in providing such amenities needs to reflect their access to professional advice and experience so as to ensure such facilities are enjoyable, accessible and safe. Public parks also come to mind as facilities which are not established to maximize profit but rather to encourage public usage in a stress-free and safe environment. As a result, and with carefully planned exceptions, the use of alcohol and/or recreational drugs will likely be prohibited or restricted during the hours young families would be enjoying family pursuits. While a business might seek the opportunity to maximize profit, and the tourism industry the potential to provide a wide array of leisure/sport options, the principal objective of a municipal Council will be "is this area (or facility) safe for our population to enjoy?"

5.2 What is Delivered

The Municipal Government Act is the source of information for much of what a City/municipality does and is permitted to do. The Act cites these purposes and governance processes in terms which are distinct yet sufficiently broad in nature to afford Councils some leeway in terms of how such legislated direction is to be discharged.

While there are certain requirements imposed by legislation (principally the MGA), the Provincial Government generally defers to each municipality the liberty of determining

what other services and programs should or could be delivered. As a result, some communities with a strong preponderance of young people may offer an extensive array of leisure, cultural and open space pursuits while those with a more significant cohort of older adults might place more focus on assisted living facilities and handicap-accessible doorways or parking spaces.

5.3 How Services are Delivered

While both powers and duties are imposed on a municipality by legislation, how these are carried out is frequently left to the Council of each to determine. That is, while its powers are generally prescribed, the delivery of its services and programs is accorded to a City like Chestermere with considerable discretion.

Bylaws convey those functions regulated by legislation. Many of these are listed in Section 7 of the MGA. How services are regulated, which are ultimately delivered and with what sense of priority is determined by the Council of a municipality which in turn is generally based on the advice of its professional administration and the input of its residents.

Some municipalities have chosen a very traditional approach and rely exclusively on its own workforce to deliver all services/programs. Others have opted for a mix of public and private sector options based on either the promise of improved services, greater efficiencies or at less cost. There are certainly choices to be made, generally based on some independent assessment of what appears to deliver the most with greatest effectiveness and efficiency.

5.4 How Responsibility is Determined (Policy and Operations)

There are two major spheres of authority in every incorporated community: that which is ascribed to a Council and that which is delegated to its administration. The one (Council) sets the overall direction, resolves policy and/or major issues and specifies the improvements needed whereas the other (administration) recommends the budget required and the guiding policies needed in order to function in a way intended by their

elected council. Some have suggested that the Council through bylaws and policies directs the “what is to be done” whereas the administration determines the “how it is to be done”.

A Council is elected to govern. Who is chosen to serve the community in an elected office is made by citizens often as a result of a candidate’s commitment to provide responsible leadership through Council’s collective decision-making which will reflect the values and preferences of citizens in those choices. Very few campaign on a platform of “elect me and I will deliver the following” as a brief perusal of the applicable legislation would quickly confirm that elected office, while cherished personally, is only intended to be accomplished as an elected body (generally comprised of seven very different and distinct personalities).

Given these two distinctly different spheres of governance and administration, the tie that binds both together is presumed to be their common commitment to service to others. There is little room in local government for those whose ego forbids others into the room of commonly held views or concepts. The thought of “I” preceding “we” is set aside as the challenge to be successful is for the community as a whole, not simply “my vision” in preference to others. The community or City is what is important. This is the agenda for a common cause not personal campaigns or self-aggrandizement.

The challenge for all Council members is this: can I find consensus in this body of people who were elected to govern wisely as a reflection of the will of the community; will I participate alongside my colleagues in making conscious, community-based decisions which will result in a City which has been improved by our presence as elected leaders.

5.5 Impact and Import of an Election

Elections at the local level generally feature a contest of competing visions and ideas. Candidates, both returning and new, put forward their vision of what is important for their community. Some might focus on the municipality’s economic stability whereas others will press for more programs and services for this or that age group.

The public can be overwhelmed by what some candidates perceive as “must be done or changed” in the face of those who argue against change and in favour of “staying the course”. What might not be expressed in election campaigns is how their ideas will be pushed and what ancillary impacts might be anticipated. It is only when a new Council is sworn in that the shape of personal and collective agendas begins to be witnessed.

It is fair to suggest that campaign commitments should matter but not necessarily viewed as exactly what a candidate will do once in office. If the elected candidate is new to public life, it might be appreciated that their understanding of what is permissible by law and what is possible by funding may well be at odds with what was hoped for during a campaign. Further, the very fact that the Government of Alberta, through the MGA, requires that every Council member receive a formal orientation within 90 days of assuming office, underscores the fact that the role of an elected official does not replicate those experienced by others in the business world or even in a not-for-profit. The role of an elected official is distinct.

The Act, which unfolds through 710 sections, may overwhelm many of those new to elected office and thus the principle of learning the basic requirements very early on needs to be grasped. Without such an understanding, a Mayor (or a Councillor) might be tempted to believe that their perspective ought to be fully endorsed by their colleagues. Such a perspective ignores the reality of governing as a body of citizens who are expected to work collegially in order to seek what is best for the City rather than simply “my agenda”.

While described by some as “messy”, the art and practice of local government requires a capacity and willingness to compromise. Each member of Council legitimately expects their voice to be heard. Some will express this expectation quickly and perhaps loudly; others may be more reticent and cautious wanting to hear the views of each of their colleagues before expressing their own. The fundamental tenet to be observed is that

all were legitimately elected and all, regardless of personal views or style, will want to be considered an important part of each decision-making process.

6.0 What is “Good Government?”

The MGA is silent on any precise definition of what is meant by “good government”. That definition is best found through taking the text of the Act as a whole and applying its principles in an even-handed manner. Through various sections of the Act, there are two principal categories of community service: one category of such service is that constituted by a Mayor and Councillors (the Council) who are elected to lead, guide, set policies, approve resolutions, challenge issues, oversee budgets and plans, etc. The second category is that of administration, those employed based on their background in local government, plus their education and their experience in applicable roles. As described in the Act, these two roles are quite different and based in the simple fact that one group (Council) is elected through populist appeal while the other is hired based on those factors just cited.

6.1 Value-Added

The answer as to whether this or any Council is “value-added” in terms of offering “good government” will be found in its ability to offer residents quality services through their budgeting, ideas for change, priority-setting and direction to the administration. Given that Council consists of seven individuals drawn from a cross-section of the municipality implies that its best will be found in the collective judgment of all as opposed to that of one or even of the majority.

While democracy is based on a process of arriving at a majority decision, this can only be effectively rendered when all of those who have been legitimately elected to form part of the governance body (i.e., Council) have had their opinions heard. This is good government at its core: a Council who have been elected to render policy decisions on matters not already decided by Council or on those matters delegated to the chief administrative officer(s) by legislation (s.207, 208(1)) and bylaw.

6.2 Processes & Practices of Governance

The letter from the Minister to the Mayor of (May 11th, 2022) states that the “inspection may include, but would not be limited to, a review and evaluation of:

- *The structure of council committees;*
- *the process and procedures used to prepare for council meetings;*
- *The conduct of council meetings;*
- *Council’s understanding of their roles and responsibilities;*
- *Council’s leadership and effectiveness in working together; and*
- *Council’s policies and procedures.*

The above reflects much of what we would describe as the “core elements of governance”. We describe governance in the context of local government as “the process of decision-making”. In the main, when we refer to governance, we point to decisions which were discussed or finalized at meetings of Council. In some instances, we may make reference to governance being accomplished through delegation to another body/agency/committee which Council has by bylaw delegated tasks and perhaps authority (where that is permitted by the Act) or governance being in a particular stage or process such as the hearings on a land matter or the role of a Council committee to review a particular matter prior to its final resolution by Council.

The sum of the governance process refers to all of those elements which impact in some way how a Council makes its decisions. Thus, we would include committees; external agencies which advise Council or which have a direct impact on the business of the City; the role and powers of the CAO; management reports; Council procedures; rapport on Council between each member; Council’s process of determining what is and is not a priority; what Council deems to be its policies; the processes utilized by Council to make decisions; its norms; the style of how decisions are made and communicated.

In our democratic world, governance generally refers to the motions, bylaws or resolutions which provide the clarity of a final decision. How these are determined will

depend on the approach utilized by each Council in discussion with their administration. Such processes derive from review and research by the administration; consideration of their apolitical advice and options; and a recommended action to the Council which takes full advantage of their requisite knowledge and experience. As a result, Council is afforded the respect to consider all options (including perhaps some not assessed by management) and to make its judgment based on what would be in the best interests of the community.

6.3 The Basics Underlying Good Governance

There are certain key “basics” which underlie what a Council does and what is expected of it based on the legislation and the principles of “good governance”. These, as we understand them to be, follow:

- **Council as Policy Leaders:** Each Council is expected to preside over or develop policies which reflect their understanding of what constitutes “best interests” of their constituents. Such policies (and bylaws) are the result of a process(es) which seeks to carefully identify the issue, consider the options, assess the possible impacts, and develop a solution based on what would work best, in our opinion, for those we serve.
- **The Mayor as Council’s Leader:** the public chooses its Mayor and expects the person chosen to act in a way which justifies their election. The Mayor is expected to be the leader and “face” of the community acting in such a manner as to lead competently and carefully and embodying a style which draws their colleagues together as they individually and collegially search for what best serves their community. As the legislation makes clear, the Mayor is not elected to manage.
- **Thoughtful Decision-Making:** At the heart of any model of governance is a process of thoughtful decision-making. Each Council must face issues which are considered “housekeeping” and straight-forward as well as those which are complex, affect

many parts of the broader audience and carry with them potentially significant impacts. Governance refers to the process of making such decisions.

- **Clarity of Process:** Council members are under no obligation to decide issues in a specific manner. They are, however, expected to resolve such issues while being respectful to each other and to their administration (see Code of Conduct).
- **Need for Pondering:** While there is considerable latitude in decision-making, the sheer volume of issues of interest to Councillors or which must be resolved by Council can result in a Council sensing that it is frequently rushed into a decision. The use of some form of committee or board to enable access to an increased number of minds and types of experience or to simply enable a Council the time to reflect is generally recognized as invaluable.
- **Impact of Quality Management:** Every CAO is expected to ensure that their Council receives quality policy advice based on the collective experience of the management team and an apolitical mindset. An experienced CAO understands that Council decisions are often a reflection of such advice, personal experience and public input. While a Council can choose to follow a very different path than the one recommended, a quality CAO will want to ensure that their voice is clearly heard on all issues on the Council's agenda.

6.4 Key Roles and Responsibilities

While a Council's job is both onerous and complex as will be described herein, the roles of a Council could be summarized in a generic fashion in the following broad statements:

- Understand the legislative umbrella which provides the legitimacy to a Council's actions and decisions
- Ensure that the municipality provides those services and functions deemed useful or necessary in an efficient and effective manner

- Set the course for the future of the municipality; determine priorities and key projects
- Maintain a healthy tax base while providing for a sustainable future
- Preserve the safety and security of the residents and local businesses
- Resolve the issues brought before the Council which lay within its jurisdiction, and which require the judgment of the elected Council.

In order to accomplish these, a Council must establish sound policies; make good decisions; approve annual budgets; ensure that primary services are appropriately funded; and ensure that good government (public order and public safety) are preserved.

Section 201(1) of the MGA states that a Council is responsible for:

- (a) Developing and evaluating the policies and programs of the municipality;*
- (b) Carrying out the powers, duties and functions expressly given to it under this or any other enactment.*

Section 207 complements this by specifying what the chief administrative officer (referred to in Chestermere as the CAO) is responsible for, which states that the CAO:

- (a) is the administrative head of the municipality;*
- (b) ensures that the policies and programs of the municipality are implemented;*
- (c) advises and informs the council on the operation and affairs of the municipality;*
- (d) performs the duties and functions and exercises the powers assigned to a chief administrative officer.*

These two sections are allied insofar as any Council is not realistically expected to become engaged in the day-to-day running of the City such as the development of programs or the budget or overseeing the discharge of individual roles. In fact, quite the opposite: a Council is not entitled to interfere in the administration which has been accorded to the CAO and through delegation, to their direct reports (S.201(2)). How that is achieved reflects a combination of processes which includes:

This document is deemed to be confidential in nature, in consideration of, and in the context of, sections 21(1)(b) and 24(1)(1) of the *Freedom of Information and Protection of Privacy Act* and is being provided to council in advance of its release for the sole purpose of allowing members of council and/or council as a whole and chief administrative officer(s) to provide feedback and comments prior to the issuance of any directives and/or the release of this report to the public. Additionally, as this document is being provided in a closed session of council, section 153(e) of the *Municipal Government Act* also prohibits members of council the dissemination or discussion of this report at any time other than a closed session of council, with the legal counsel of the municipality, or the legal counsel of any individual councillor. Any dissemination of this document to any persons outside of members of council, the chief administrative officer(s), and legal counsel is strictly prohibited.

- consensus on the priorities (as expressed by Council as the governing body)
- a clear policy framework (as advised by management and approved by Council)
- an understanding of the resources required (the fruit of a carefully designed budget process)
- a clear definition of senior level functions and accountabilities (often reflected by an updated organization structure)
- a performance management and reporting program which ensures that goals are being addressed, policies are being followed, roles are being discharged, performance is being monitored
- the delineation of what constitutes policy and what might be described as procedures/regulations/administration with the former being ascribed to Council and the latter to management.

In short, Council determines what is to happen generally based on a combination of the advice of the CAO and senior management and Council's own insights based on their linkages to the community and their own backgrounds. The CAO provides the advice to Council as well as the leadership, direction and supervision to the staff members assigned to get the tasks done. Where this works well, the system functions as intended. Despite (or because of) any comments by the public as to how things could have been done better in this instance or that, the public is basically well-served.

6.5 Expectations of Council

Council has the responsibility to lead the community. It is elected every four years to provide guidance to the decisions being made and the direction being set. While it must do so within the parameters set by the legislation (principally the MGA), the Council still has considerable flexibility as to what decisions are made and how they are justified.

The expectations related to Council as a policy leadership body (as we understand them) follow and are based on both the legislation (the MGA) and generally accepted governance practices:

- **Good government:** Are the actions/decisions of the Council such that an impartial reviewer could assert that these are intended to serve the community well in terms of offering needed and preferred services in a manner deemed acceptable by the residents?
- **Adherence to decision-making protocols:** Does Council generally adhere to a reasonable process of decision-making? Is the necessary information in its hands well in advance of a Council meeting? Are all Council members informed on a concurrent basis? Are decisions actually made at the table or are they simply ratified there as matters which the Mayor or a segment of Council have already determined to be in the City's best interests?
- **Primacy of the Council Table:** Is every action taken by management the result of decisions made (bylaws, resolutions, budget approvals, etc.) by Council at a regular or special meeting? Is primacy of the Council table respected? Is the Mayor able to point to a decision by Council which preceded his announcement?
- **Open meetings:** Is the public afforded the opportunity to attend the meetings of Council? Are the meetings properly advertised/scheduled? Is there a place on the agenda where the public is heard? Has that been screened so as to remove any input deemed likely to be objectionable or are members of the public expected to speak freely and yet respectfully?
- **Regular and transparent reporting:** Are the minutes properly and expeditiously posted in a public manner and do they accurately reflect the decisions of the Council? Has there been any attempt to hide information from the public which the public has a right to see? Have any members of Council directed any changes to the minutes which were not adopted at a subsequent meeting of Council?

- **Apolitical administration:** Is there any evidence that the staff are acting as executive assistants to the Mayor or to a faction of Council? Are the reports and advice of the administration forwarded in an unhindered path to all members of Council or do they need to reflect the views of the Mayor or a faction of Council? Are all reports to Council apolitical; has management been told what to write?
- **Interests of the whole:** Are the interests of the whole community being considered by Council in its decision-making? Or does Council give priority to the interests of particular business, developer, group or neighbourhood?
- **Oversight:** Does Council respect the responsibility it has to ensure adequate oversight of the actions of its administration? Does it confer sufficiently with its CAO so as to gain a full and unfettered understanding of the issues at hand? Does Council meet separately with its external auditor to hear their report?
- **Participation:** Are all members of Council involved in its governance processes? Are there deliberate efforts to keep certain Council members away from key decisions? Is information sent to each member of Council on a concurrent basis or are some in the know while the others are in the dark?
- **Respect for the Administration:** Does this Council show respect for its administration? Does it deal with and through the CAO when accessing the administration or does it deliberately bypass the CAO in seeking to confirm information? Are the reports of the administration perceived as “their best efforts” in informing Council? Do members of Council speak in derogatory terms relative to their administration (as though they worked for two different organizations)?
- **The Mayor as Spokesman for Council:** Does the Mayor respect their role as the official spokesperson for all members of Council? Does the Mayor represent the official (i.e., approved) views of Council or does the Mayor disregard those and portray his own as “official” even when they are not endorsed by prior

resolution of Council? Is the Mayor mindful of the fact that he (in this instance) is but one voice and vote and needs the support of at least three others for every new action the Mayor intends to take, and preferably the consensus of all?

- **Ethical Government:** Is this Council ethical? Is it abiding by its own Code of Conduct, FOIP and the Municipal Government Act? Does this Council respect the fact that “public business is to be done publicly” or does it try to avoid public scrutiny and the heat of public glare?
- **Good neighbours:** Does Council take seriously its role as a neighbour to other municipalities and public sector bodies within its ambit of authority? Does it try to act as a cooperating partner in agreements regarding shared services? Does it seek to be fair in its treatment of those who utilize the City’s services, programs and facilities even though they are resident elsewhere?
- **Self-Regulating:** Has Council established rules for its conduct at meetings, identifying potential areas of pecuniary interest and recommended governance practices? Is Council following these rules and assessing its performance against these rules? Has Council sought the advice of its legislative experts (administrative and legal) in order to ensure that it is adhering to the principles of “good governance”?
- **Accountability:** Is this Council prepared to accept that it is accountable for all of its decisions since it took office in mid-October 2021? Has Council discussed the importance of ensuring that each member not assert that they are speaking for Council if Council has not first made a decision on the matter or project which they are espousing? Does Council understand that it is the accountable body for the City and is expected by its citizens to act in such a manner? Has any member of Council attempted to convince any other legal entity that they are speaking for the full Council when in fact the issue at hand has not been discussed or deliberated by Council?

Commonly Accepted Good Governance Principles (Source: Cuff, Report on the Inspection of the City of St. Albert) (2017)

The legislation is what municipalities are expected to follow and thus any action taken should be endorsed or permitted by what the Municipal Government Act stipulates. Any statements made or action taken which falls outside this legislation will cause trouble for those governing and very difficult times for those in administration. It is important that a Council be aware of what these rules and regulations say and require as there is little room for pleading ignorance regardless of how long or brief the tenure.

6.6 Requirements of the Mayor and Councillors

While there may be many expectations of this or any Council by its citizens, what follows is limited to the key legislated functions and requirements.

Section 153 states that *“Councillors have the following duties:*

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

Members of Council have a wide plethora of responsibilities none of which are to be exercised solely as an individual. These duties are both significant and sobering; they require the best of each elected official and the understanding needed to function as a corporate body which relies on the inputs of all members.

Every member of Council is expected to operate on the basis of “what could be considered as the ‘common good’?”. Every proposed recommendation, resolution, and bylaw is to be viewed through that lens. None are to be decided in favour of this group or that sector of the community. The faces seen are to be those witnessed on a stroll through the community and not simply or exclusively those encountered via attendance in Council Chambers or as members of the sports association or the para-church organization or on social media. All are the intended recipients of “good governance” as all are viewed as a part of this community.

The second part of s.153(1)(a) is also critically important as it states, “*to bring to Council’s attention anything that would promote the welfare or interests of the municipality*”. This directs all members of Council to be part of Council’s decision-making wherein issues, findings or observations by any member of Council, including the Mayor are to be shared with all others. No one is entitled to act alone as this body called “Council” is to function as a community “board of directors” with all having the authority to participate and the obligation to inform.

All of Council is also expected to “participate generally *in developing and evaluating the policies and programs of the municipality*” (s.153(1)(b) which again underlines that this role is akin to any other endeavour which places a body of governors together and then asks it to make decisions from a spirit “of the whole”.

In a similar vein, s.153 (1)(c) also directs Council members to “*participate in council meetings and council committee meetings and meetings of other bodies to which they are appointed by council*”. This is a directive to all members that both directs and permits. That is, every Council member is to participate in meetings (Council and committee) but not all need to be equally involved in terms of speaking to or arguing a position.

Participation is presumed wherein a member is in attendance. Active involvement is observed wherein members are engaged in the discussion. This presumes, of course, that the Mayor as meeting chair will seek out the ideas of all, will ask for the ideas and opinions of each member, and will accept the fact that not all will agree (this is generally a reflection of any community; ideas and opinions will of course differ).

Each Council will recognize that there will be background to issues which arise as well as administrative advice made available on how such issues should be handled and/or how they may have been decided historically. One of the principal roles of a CAO is to provide all members of Council (on a concurrent basis) with the information and advice necessary to understand the backdrop to each issue and their advice on how it should be addressed. S.153(1)(d) requires a Council member *"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"*.

Again, this is not a suggestion that in the absence of any other useful or seemingly relevant advice being potentially available, a Council member could, as a last resort, turn to their chief administrative officer and policy advisor for useful, experienced and apolitical advice. Rather, a Council is presumed to be sufficiently aware that their principal source of good advice will be the person retained as their policy advisor and administrative head who will have access to applicable advice based perhaps on prior experience or access to others in their profession. This presumption is based on the fact that the CAO will be properly educated and experienced in senior level municipal administration. A mature or properly oriented Council would understand that the most logical person to appoint to such a role will have a background in local government and after a reasonable period of time, an awareness as to what is likely the best course of action in this community. That response will be underscored by their reliance on quality advice from their department heads who will also have experience which is relevant to the issues at hand.

Section 154(1)(e) is also both required of a Council and of considerable common-sense appeal. This section states that a Council member is *"to keep in confidence matters*

discussed in private at a council or council committee meeting until discussed at a meeting held in public". Regardless of the desire (and often public commitment made during a campaign) to do public business publicly, there will be times when it is appropriate to pursue a matter in private (closed session) in order to protect the best interests of the Council, the community and often the person(s) involved in making the recommendation or requesting the decision. Such matters are covered by legislation (Freedom of Information and the Protection of Privacy) (FOIPP). Council members are to seek the advice of their administration as to when that would be necessary or deemed advisable or they could appeal to their legal counsel who will also be able to advise. The matters to be discussed in closed session are to be referenced in limited detail at the open Council meeting and the matters discussed in closed meetings are to be strictly kept to the stated reasons for a non-public session. These private meetings are not a forum for disclosing new ideas, programs, topics not on the in-camera agenda nor are they to be held under lax conditions which permit a "free-for-all" to ensue or pointed, aggressive or vulgar comments to flow.

6.7 The Role of the Mayor

The foregoing are expectations of all members of Council, including the Mayor. In addition to these requirements, the Mayor is also charged with (s.154(1)): *"A chief elected official, in addition to performing the duties of a councillor, must*

- (a) preside when in attendance at a council meeting unless a bylaw provides that another councillor or other person is to preside, and*
- (b) perform any other duty imposed on a chief elected official by this or any other enactment or bylaw".*

This is an added responsibility imposed by virtue of the office and is one which is generally expected by the officeholder and the public. Given that anyone running as a candidate for office might not have experienced chairing a body such as a municipal council previously, the administration is expected to provide additional orientation on the chairing of meetings for the Mayor. It would then be normal to expect each new

Mayor to welcome such training so as to avoid any unnecessary glitches or unfocused ramblings in their first few Council meetings. It would also be natural to expect that the Mayor will seek the advice of their legislative services advisor on how to properly chair a meeting according to the Procedure Bylaw of the City. Given that there are considerable intricacies to such processes, continual counselling and post-meeting feedback as to process is advisable.

A Mayor, as a member of council, has the duty *“to consider the welfare and interests of the municipality as a whole and to bring to Council anything which would promote the welfare or interests of the municipality”*. (MGA s. 153) This is quite clear. The Mayor does not have the liberty of playing favourites or withholding information but must always look at the full picture i.e., “how would this proposed development affect that subdivision or that sector of the public? Would the proposed recreation complex meet the needs of our young population, or would the costs be too prohibitive as currently planned? Are there any realistic options which we ought to consider? If we do not have a handle on that question as a Council or administration, is there a body of external experts who could assist us or has one of our neighbours gone down this path previously”? Perhaps the Mayor might recommend a completely different alternative to Council for its consideration and for the research of the administration. In each instance, the words “bring to Council” should be self-explanatory and result in the sharing of information and the recommendation of appropriate action.

The Mayor (again like all members of Council) is to *“promote an integrated and strategic approach to intermunicipal land use planning and service delivery with neighbouring municipalities”*. The Mayor’s role here might be best viewed as a liaison with their counterparts in neighbouring jurisdictions so as to establish a positive and healthy relationship which could help in the often-tortuous process of finding common ground on an intermunicipal plan. A Mayor will have been briefed by the administration as to what progress has been made to date and what challenges have been experienced. Meetings with their counterparts will be planned after a solid briefing has been provided

to the Mayor. A Deputy Mayor and CAO will be asked to join in to ensure adequate back-up and proof as to what was heard and with what impact.

The Mayor (like all members of Council) is to "*participate generally in developing and evaluating the policies and programs of the municipality*". This is generally interpreted to mean that the Mayor (together with their colleagues on Council) will be in a position to assess how well current programs and services are being delivered according to the public response and to be in a leadership position of perhaps recommending new initiatives for Council's consideration. The Mayor and Councillors might request the CAO to establish useful metrics for evaluating current programs and services and request that such information be provided to Council when completed.

The Mayor (like all members of Council) is to "*participate in council meetings and council committee meetings and meetings of other bodies to which they are appointed by the council*". This requirement is premised on the expectation that all Council members will be fully advised as to the agenda issues and will be prepared to ask questions and debate with their colleagues. While not everyone need speak to each issue, there should be a general expectation that each could if so desired. The Mayor has a broader obligation to ensure that such participation has been sought and is fairly balanced.

The Mayor (like all members of Council) is to "*obtain information about the operation or administration of the municipality from the chief administrative officer or a person designated by the chief administrative officer*". This statement requires the Mayor to respect the roles of their CAO(s) and to direct inquiries relative to the functioning of the municipality through that office. If this Council has been involved in the recruitment of their CAO(s) (as opposed to inheriting that of their predecessors), then this statement becomes all the more understandable and easily adopted as practice. Any such recruitment is based on trust and respect and if this is the case, then depending on the CAO to effectively manage and appropriately research issues will become readily

acceptable and understood in a mature organization. This also presumes, of course, that the Mayor will function as the political/policy leader and not as an administrator. The Mayor like their colleagues is required "*153(1)(e) to keep in confidence matters discussed in private at a council or council committee meeting until discussed at a meeting held in public*". This stipulation should be readily understood as each elected official will be presented with a broad range of information, some of which, it will be evident, is confidential. This will be as advised by the senior management (typically the CAO or Clerk/head of Legislative Services) and the Mayor will be pointed to the legislation which requires certain matters to be confidential.

Again, like all members of Council, the Mayor is required to be aware of the Code of Conduct (s.146.1(1) and to adhere to its provisions. The Mayor as leader of Council is expected to set the tone and be thus able from a position of leadership to remind all members of Council of the importance of adhering to the terms of their Code.

And finally, in terms of legislated commitments imposed on all members of Council, the Mayor is obligated to "*s.153(1)(f) to perform any other duty or function imposed on councillors by this or any other enactment or by the council*". Such duties, consistent with the foregoing obligations, might be imposed on the Mayor by way of Council motion or by bylaw and will frequently arise from some other aspect of a Mayor's general duties, for example signing declarations. In all of these requirements, it should be clear that the Mayor is a colleague of other members of Council and while its leader, needs to be very adept at pulling all of Council together on its decision-making and leadership processes. The Mayor is not entitled to impose their will on other members of Council but can influence through sound arguments and the natural deference which falls to every Mayor.

There is nothing in the Act that would assure the Mayor that all members of Council are likely to endorse their vision. On the other hand, the fact that the Mayor has been elected as the chief elected official would lead one to believe that the others on Council

would be sure to accord the Mayor the respect the office entails and to attempt to work with the Mayor in the pursuit of common goals.

While each Mayor is unique, most come to the Council table with a great desire to serve their community and to effectively lead it to better outcomes. This envisions the Mayor being able to persuasively articulate their vision and sense of where Council should place its priorities for the year ahead or even for the term. Presuming that everyone will endorse such a vision can be a major miscalculation if care is not taken by a Mayor to explain what their vision is and how it will be helpful for their City as a whole.

This is an obligation in that the Mayor must be very careful not to presume that the general acceptance of visionary ideas equates to endorsement of any subsequent action. The latter would necessarily derive from specific Council resolutions on proposed initiatives. The Mayor, regardless of how committed to a particular course of action, needs to ensure that all members of Council understand the implications of that course and are willing to endorse the strategic vision being offered by the Mayor.

Where a Mayor is serious about helping to create short term priorities and a long-term vision, considerable effort will be required to ensure that all members of Council are basically on the same page. Developing such a focus by Council will allow the management to apply at least some of their energies on the larger issues of the day and to ensure, where practical, that even the day-to-day issues are aligned with this broader vision. This separation of mandates ensures that the community's vision is being guided by its Council whereas the day-to-day issues are being managed by its administration, under the guidance of the CAO.

A Mayor's ability to present well and gracefully will impact the view of the public of a Council. If a Mayor is assertive/aggressive and does not trust anyone, that style will be what the public sees. While this type of leadership may produce the odd headline, it is unlikely to put wind into the sails of progress on the larger agenda.

Decisions by the Mayor and Councillors are to be rendered based on the perspective of "what constitutes the public will?" Councillors are expected to challenge the Mayor's

views on issues as much as they might challenge those of their colleagues. Further, where there is some question as to whether or not a substantial policy change or investment in a major project or some other “community changing event” would be endorsed by the public, it might be expected that members of Council would vigorously debate such an assertion and may, in fact seek some mechanism for broad community participation in that discussion.

6.8 Role of Councillors

The scope and breadth of the civic bureaucracy is often a reflection of the size, location and complexity of the municipality, the progressive or fiscally conservative nature of its leadership, the structure of its management team, and the expectations of its Council. In the case of the latter, Council members might understand their role as the “eyes and ears” of all citizens who expect to see good services provided in a timely manner with responsive employees to any public criticism or complaints. This they might presume will require careful questioning at every meeting and on many of the reports from administration. Another Council might see its role as overseers of the system with the responsibility to set a course, review the progress being made in achieving results, and reporting outward to the community. Between those two polar opposite portrayals, another Council might determine that it needs to be closely engaged with the decision-making and oversight of results but through governance policy and plan evaluation. This it might seek to achieve based on a decision-making model that seeks assurance without detailed involvement. The choice of which approach to governance is beneficial to the community is one to be made by each Council based on its understanding of where their municipality is at and what approach to the future will achieve the best results.

The legislation, as expected and as spoken to earlier, provides the basic parameters (Section 153, etc.) of what is expected from Councillors and the Mayor and from them

functioning together as a whole. These broad strokes seem to imply that Councillors are expected to be:

- generally aware of what is happening in the community and where/how City policies and decisions are impacting the liveability of its residents
- leading the City through a focus on what policies and programs best achieve the results expected and anticipated
- understanding the current policy “bank” and what changes or improvements/enhancements might be useful to achieve improved Council goals and direction
- being made aware of key City “programs” (their objectives, ongoing impacts, budgetary requirements, assessment of impact)
- mindful of the interests of the whole community and not focused on decisions/outcomes which would appear to only benefit a small minority
- going to bat for individual citizens who want/need an answer to a question or a complaint
- prepared for engagement in all Council regular, special and committee meetings; understanding what the issues are and what Council’s interest and role in those issues might be; prepared for debate on the relative advantages and disadvantages of a particular approach or direction as proposed by management, other members of Council or perhaps an external body
- aware of the value of giving the CAO (and his management) the “heads up” on any proposed questions to be asked at a public meeting to ensure that the administration is prepared with their answer; requesting through Council resolution a report by the CAO on a particular matter of concern; seeking the support of fellow Councillors for such a report (given the impact on the time and resources of the City’s administration)

- understanding the importance of following protocols by directing such requests through the CAO and not direct to any other City employee (given that Council has agreed that it will focus and channel its direction through its CAO); recognizing that to do otherwise simply undermines the confidence of the organization in their CAO and by inference in their own abilities
- mindful of the importance of “confidentiality” in City business and the embargo on releasing such information which has been assigned by Council motion to a closed-door session of Council until a resolution (based on legal advice) permits that release of information.

6.9 Council’s Governance Practices

In addition to the foregoing, generally accepted municipal practice also spells out related practices of an effective and properly functioning Council. Some of these practices include the following:

- **Being prepared to lead:** This is discharged in the weekly, bi-weekly and monthly meetings and decisions as well as in the policies and plans approved by Council. It is an organic, ongoing process because the community itself is always evolving with new challenges and potential opportunities. Council leads not only through long range planning or major City plans regarding infrastructure, buildings, parks etc. but also through a corporate business planning and the budgeting process which seeks to identify and address ongoing and foreseeable City needs. In order to effectively guide the City and to make full use of the budget dollars, a Council must understand its own priorities and determine how the budget ought to reflect those. This process is generally described in the literature and by practice as “strategic planning” or “business planning” and indeed is both. On the one hand, a Council needs to determine where it hopes to position the City in the longer term and secondly, what that vision suggests in terms of how to approach the budget choices faced this year.

- **Acting as the ears, eyes and voice of those it represents:** This is not accomplished simply by sitting in Chambers alongside the other members of Council listening to presentations and making decisions. Nor is it accomplished by spending countless hours mesmerized by this or that comment on social media sites or reading background reports on this or that issue. Representation occurs when a Council's voice is heard speaking out on behalf of a community interest that has been carefully researched. Representation also occurs when a Council deliberately (i.e., not casually) thinks about how its citizens would expect it to address and resolve an issue or a challenge. What would the majority say if they were all in the room and had access to the same information?
- **Resolving troublesome issues and passing judgment:** Being on a Council is not at times a very popular thing. Decisions need to be made; choices may result in some feeling that they have "lost" while the opposing side has "won". A budget needs to be produced and a tax rate established. Costs will likely have gone up and with that unless the assessment base has responded favourably, so too will taxes. Projects will be presented by the various departments: all will look appealing. Not all will be funded.
- **Provide fiduciary leadership:** A Council must ensure that proper budgeting and financial management occur; that organizational goals and priorities are established; that a realistic budget is approved for funding civic services; that funds from other levels of government are requested and applied as required. While none of these are particularly exciting to most members of a Council, they do represent the core of what any Council is elected to do: provide necessary and desired services and make sure they are adequately funded.
- **Acting as an effective steward:** One of the fundamental principles of a local governing body is that it will ensure that the resources of the City are being utilized wisely and in accordance with the budget and business plan as well as any policies and procedures which may apply. Ensuring that Council has made

the best use of resources requires that it adopts those policies which support judicious use of all resources and careful procurement and purchasing procedures to ensure the appropriate bids are sought and awarded, and that such decision-making does not occur “on the fly”.

- **Guiding through clear policies:** Unless Council wants to be involved in re-visiting every issue on a regular/frequent basis, policies need to be approved which give license to management to get on with the business of service delivery. Decisions which are major or repetitive (or both) should be the subject of a Council policy. Together with a clear and Council-driven strategic plan, a policy framework forms the basis of a sound system because they articulate where the community is going and what it will do to both get there, and to function effectively along the way. These also are effective in guiding the senior management and allowing them the opportunity to manage without Council’s interference. Policies approved by Council provide clarity as to the “what” is to be done. The “how” things will get accomplished (i.e., managerial directives) are established by the CAO and senior management.
- **Delegating effectively:** A wise Council appreciates that it has a very strong ally in its chief administrative officer. There is an obligation in the legislation for a Council to delegate the implementation of its policies to its CAO(s). A CAO plays the primary role in acting as the link-pin between Council as the policymakers and the staff as the administrators of those policies. The CAO is viewed as the Council’s chief policy advisor and as the person responsible for ensuring that its decisions are effectively discharged. Thus, all advice to Council from all departments is to be directed through the office of the CAO so that Council can be confident that recommendations presented have been considered not solely on a departmental basis but rather by a CAO who is able to judge how these often-disparate pieces fit together. With that added and valuable perspective,

the CAO will ensure that Council has the full picture of all salient points in any decision.

Once Council has determined the direction to be taken from a policy perspective, the CAO is charged with ensuring that the administration implements those policies based on Council's directives and will act as the glue to hold all component parts together.

- **Assessing and acting upon community priorities and needs:** A Council has the obligation to determine, based on priorities and overall community good, what is to be funded or not. While some of what every municipality does is required by legislation, there are also aspects of any municipal budget which are discretionary (i.e., up to each Council to decide "do we fund this service or not?"). The funding approved by a Council authorizes the administration to deliver the services. Council is accountable as a result for both the policy choices to fund certain services and the delivery of those funding choices on a day-to-day basis by its administration.
- **Monitoring progress and reporting on results:** While a Council is not expected to develop measurement tools or standards, it ought to require its CAO to develop and utilize such measurements. This will enable a Council to determine what program or service is working as intended and which are failing to deliver.

While the legislation states what a Council is required to do (s.201(1), 204, etc.) much of how that is to happen has been based on what municipalities have learned over the years about "good governance". This includes basic guidance on how a Council is to relate to its CAO and the administration (s.201 (2)), what public engagement means and how that should guide Council's decision-making (s.216.1 (1), what options exist in terms of making the best use of formal engagement through establishing boards and committees (s.145 (2),(3)), and how a Council can launch new initiatives and projects within the constraints of a Council endorsed set of priorities and its capital budget

(s.245). Some of these general principles (if not all) were conveyed during the Council orientation seminar conducted by George B. Cuff and Associates Ltd. in November 2021. In all these matters, it is critical that every Council function as one body regardless of their differences within and between its members (s.201 (1)).

A Council is not healthy where everyone agrees with all recommendations and scarcely utters a challenging thought. Rather, a healthy Council reflects diversity in its views and yet respect for the one holding the minority opinion.

In its decision-making a Council needs to assess:

- Has Council been fully briefed as to its roles and responsibilities; is Council reminded of its roles from time to time?
- Does this new Council commit to working together and to address any misunderstandings and potential grievances?
- Has the Mayor worked diligently to bridge any gaps between his colleagues so as to build a Council “team” who, while differing on key issues, can nonetheless work collegially on all agenda matters?
- Has this Council been respectful of the separation between its governance/legislative roles and the administrative roles of its administration?
- Has respect been shown to the CAO role as their only portal for directing the administration?
- Is the advice from the administration directed to Council through the CAO? Can Council members receive such advice with confidence as being apolitical and grounded in solid administrative practice?
- Does every Councillor come to meetings assured that they have had equal access to the information supporting each issue? Has each Councillor received such information at the same time or do some have prior access?

- Is that information received sufficiently in advance so as to permit each member the time to properly research and/or think through each issue?
- Do members of Council adhere to agreed procedures relative to how new agenda matters are to be added to an agenda?

Good governance is highly dependent on the capability (and desire) of any Council to learn what the legislation says and being sufficiently respectful of the CAO to discharge their responsibilities. It relies on a CAO's judgment in recruiting quality people for positions which are deemed to be essential to service delivery. A wise Council stays clear of any interference in such a role as it will understand that the Act calls on Council to recruit the "right" person into the role of CAO and then to have sufficient trust to allocate all other personnel decisions to that individual.

That is, management seeks those who best fill the required roles based largely on their academic preparation and experience complemented by an appreciation of "who fits". Their choices are not based on friendship, likely support or a past favour being repaid. Similarly, a Council will seek out credible candidates for the role of CAO based on a profile and pre-approved position description so that qualified people are being sought for significant roles and not those whose principal attribute is that they are connected to the community's power brokers or are prepared to do whatever they are asked to do by the Mayor. In communities which value quality in their executive choices, an experienced municipal recruitment firm will often be engaged to find and connect with the candidates who best meet Council's profile and expectations. Council will be provided with a shortlist; Council reviews and then interviews the recommended list; and makes its choice.

6.10 An Orientation: Council's Introduction to Its Role

The election of any Council presents its administration with a considerable challenge. This need has been recognized by the Province in that an amendment to legislation (2016) MGA (sec. 201.1(1)) now requires that each administration provide its Council

with a thorough orientation to their roles within the first 90 days following an election. Given that no Council is elected to manage the municipality, considerable emphasis is placed on what governing requires. Policymaking is often a foreign concept to those new to a Council although many run on a theme of changing the policies of the former Council. Identifying new strategic goals is also a rather novel concept for those new to elected office so guidance on how that has been done locally and the role of Council in impacting those choices is deemed to be important.

This type of orientation and training is expected in all municipalities across the Province, both large and small, rural and urban. In some instances, the training takes place over the course of several days; in others it might be spread over several weeks. The ability of a Council to meet the expectations of its citizens lies often in its own understanding of its roles and access to the necessary tools such that intended results are achieved.

Developing an understanding of roles is fundamental to all that a Council will achieve in its term of office. Attempting to function without clarity on the fundamentals of being an elected official places considerable burden on both Council and administration as additional energies will need to be expended by both if the City is to move ahead.

While the City has some flexibility in how it structures such training, there are certain requirements as this change in legislation sets out specific components which must be covered (MGA sec. 201.1(2)). It is expected that with this degree of orientation, both new and returning members of Council will be able to “get up to speed” fairly quickly given the steep learning curve that exists based on all there is to learn.

Without such an orientation, the degree of role clarity which is critical to how a Council functions would be greatly reduced. Council members are not to be viewed as an extension of the administration nor does the Act foresee or anticipate their role to include that of investigator.

The core of a quality Council orientation is not intended to inform its members as to what their management knows or does. While understanding the basic roles of the

administration will be useful, it is even more essential that a Council understands its own roles, purposes and goals so as to function effectively as a governance body (including the responsibility to monitor what progress is being made in terms of their own agenda). These differences, rather than being celebrated, are often viewed as irritants. The relationship between a Council and its administration is one of delicate balance, respect, confidence and trust. It brings together two distinct entities who are essentially striving to offer their best service to the residents and businesses of their community.

It has long been accepted that a Council governs whereas the administration manages. That is, a Council is expected to set the course and authorize the necessary resources; management is expected to draw upon their specialized education/training and day to day experience in utilizing the appropriate methodology and Council-approved resources to achieve the desired ends. This formula requires two things: the Council must hold a shared vision of what they see as goals/objectives as well as respect for the administration to achieve the desired ends; and the administration has to apply their combined skills and knowledge to achieving that vision within the time and resources allocated by the Council. These are very difficult to achieve under the best of circumstances and even more so if one or both parties fails to discharge their portion of this relationship or is inclined to take on duties assigned to the other party.

Most municipalities understand that there are **two major spheres of authority or responsibility**: policy-setting/decision-making (governance) and putting bylaws, policies and resolutions into action (administrative). The one sphere encompasses the visioning and decision framework. That is a principal role of an elected Council. The second sphere is that of administration, the actual business of putting policies into action. The one role looks at the various decision alternatives and chooses what the elected leaders feel will be the decision(s) leading to the results most likely to be supported by a majority of residents; the second advises on the decision options and their expected consequences; accepts the right of the governance body (i.e., Council)

to choose the right course; and then takes those steps necessary to implement the decision in an effective and efficient manner. Where there is perceived weakness in either the acuity of elected officials or the understanding of management by administrators, roles become far less clear and considerable overlap can occur.

This split in responsibilities is well-known to most people who realize that Council members are not “hired” to do their work. If so, the public would have had much different choices during the pre-election campaigning and many of those would be able to point to their extensive backgrounds in local government administration. Instead, the public might choose candidates with an entrepreneurial business background, a former teacher, a corporate executive, a long-time community volunteer, someone with a social services mindset.

Based on a wealth of experience with Council members across this country (and elsewhere), one of the greatest challenges for a municipality can be role clarity i.e., what are elected people expected to do? That question is generally answered by the circulation of pre-election materials around roles on a Council and by post-election orientations centred on the real roles of a Mayor and Council. Books and articles have been written on this topic and the Province has developed solid background documentation identifying the distinctions for anyone interested in fully appreciating their own roles. For anyone to argue “I didn’t know” is more likely a case of “I wasn’t listening” or “It didn’t seem important at the time”.

6.10.1 Advice regarding Agenda Preparation

Each member of Council should be provided with an overview on the processes the City administration use to prepare Council agenda packages. This advice ensures each member that they have access to the agenda while it is being put together and assurance that it will reflect the best advice management can offer on all topics listed for consideration at the upcoming meeting. Councillors and the Mayor receive advice as to how new items get to an agenda, whether or not individual members can require

the delay of an issue, and who has the authority to ensure that the agenda package is complete.

Council members are also briefed on the preparation and distribution of Council and committee minutes which are the legal record of what transpired at each meeting. These are an essential part of a Council's obligation to good governance and to transparent reporting to the public and should be made available within a few days of each meeting.

6.10.2 Equal Access to Information

All members of Council are to be considered equal participants in the exercise of governance. Each has an equal right to information, and each should expect to receive a comprehensive background package from the administration on a concurrent basis. No member of Council has the right in legislation to restrict others from such information nor does any one member have the right to direct any member(s) of the administration to undertake any work related to the agenda or to any aspect of their administrative responsibilities. The latter responsibility is vested in the CAO.

6.10.3 Equal Access to Public Inquiries and Feedback

The connection a Council has to its public is an essential component of "good governance". Each member ought to expect to be advised of public inquiries and issues in a similar/common manner which will reflect the procedures developed over time by this municipality. With the advent of social media, some of those comments and inquiries are more quickly apparent and more frequently made. Other inquiries for information or explanation might be simply forwarded to City Hall or sent directly to the Mayor. If the matter is of any consequence possibly pointing to the need for a change in policy or direction, each Councillor should expect to receive that in a timely manner. No one, regardless of support or non-support for this or that initiative, should have the sense of being excluded from relevant conversations. This reflects the adage of "public business done publicly" and is also consistent with the right of each member of Council to concurrent access to public inquiries/feedback.

6.10.4 Equal Participation in New Initiatives

Every Council member should be assured that they will be equal participants in any new initiative. While new ideas for change or possible progress can emanate from any member of Council, none of these can be furthered in terms of any action or commitments unless Council has provided its authorization. No one, including a Mayor, has the authority or responsibility to make commitments to take action (e.g., a land swap, a land purchase, an agreement with an individual or another municipality) unless this commitment has been given prior approval by the Council in a scheduled meeting. This principle is further underlined by the observation that anyone hearing the Mayor speak will often presume that the Mayor is acting upon the will of their Council. Thus, any such statements are accorded considerable weight and credibility given that their author was the spokesperson of Council. Council should never be viewed by the Mayor, a committee or an informal group of Councillors as only of necessity being involved at a final approval stage.

6.10.5 Equal Access to the Mayor

The Mayor is the leader of all of Council and the community and not just a segment thereof. No Mayor should view Council as “my team/their team” as that defeats the very concept of Council functioning as a body in the making of decisions. Council members are not elected by party but rather as individual agents who can rightly claim to represent the views of a portion of society. As such, each should be able to hold the Mayor in high esteem as “their” leader and each should expect that they will be entitled to access the Mayor on a co-equal basis. While the Mayor may have good reason to believe that some are more likely to be supportive of the Mayor’s opinions and initiatives than others, that is not to be used as an impediment to equal access by Councillors. Every Council has within it the potential for considerable disagreement on policy and actions. No member should have reason to believe that they have been excluded by virtue of their suspected lack of support for the Mayor and his actions.

6.10.6 Equal Involvement in the Budget Process

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The budget reflects the single most impactful policy of any year in any municipality. It has the potential to influence most decisions including personnel as well as projects. The budget is developed by the City's Treasurer with the assistance of each department head subject to the overall guidance and coordination of the CAO.

This is a process which typically begins early in the year, and which attempts to support and reflect Council's strategic priorities. Each department head is expected to develop their own budget and then to submit those to the CAO and Treasurer for scrutiny as they are assembled into the municipal budget. Discussions between department heads are expected (and can be heated) as each argues for their priorities. Once the administration has concluded their preparations and deliberations, Council is presented with the draft budget for their review/questions/direction. After several meetings (typically), the budget is ready for adoption. (The capital budget tends to follow a parallel process).

All members of Council are equal participants at the table when the draft budget is presented, and all are afforded the opportunity to share their views and questions. Given that Council members are elected based on their political connection to the community and not due to their academic or experience base relative to local government or any other profession, they are expected to receive the draft budget, ask any relevant questions, provide their political response based on projected tax rate implications and rely on their administrative and finance experts to pull together the final budget.

6.10.7 Equal Treatment: Involvement on Boards and Committees

Each Council member is elected as a generalist; no one is elected to be Council's representative on the recreation or tourism or social services committee. Members of the public with an interest in a particular committee or board (e.g., seniors, theatre, museum, etc.) will be encouraged to apply for appointment by Council to a term(s). We note that Council members will undoubtedly have preferences perhaps reflecting

their prior involvements and while that might be taken into account, general practice would suggest that Councillor appointments be rotated so that each is able to get a grasp on various committee pursuits/agendas and understand better why certain issues are being moved forward for Council's approval.

6.10.8 Equal Involvement: Recruitment of a CAO(s)

One of the most significant decisions which each Council will make in its term of office is that of determining who will either be retained in their role as CAO or who will be recruited if there is an opening (either through retirement, resignation or dismissal). This individual(s) will have a very significant impact on Council decision-making and how such decisions are converted into action. As the chief policy advisor and head of the administration, the CAO is expected to be current on municipal legislation as well as community and departmental issues.

In recruiting for such a significant role, a Council will want to ensure that their candidates have considerable experience in municipal administration or something quite similar in the broader public sector (i.e., provincial, federal, military). Solid academic credentials are generally considered as anyone in such a role can be presumed to have relevant training in comparable disciplines (e.g., finance, policy-development, engineering, recreation, parks, operations, etc.). Private sector candidates can also be considered but will need a solid grasp on the distinctions of serving in a very public environment which is subject to the whims of changing political direction.

All members of Council should expect to be at the table during any final interviews and throughout the process unless by formal resolution, Council has delegated the initial portions of the recruitment to a committee of Council. Appropriate questions will be developed prior to any such recruitment and interview process so that the key issues are being asked and answered and such that all interviewees are treated equally. All such interviews would, of course, be conducted privately (i.e., just the candidate and the Council, plus recruitment specialist if one has been retained by the Council).

Given that a Council has one employee (the CAO) (s.201 (2)) ensures that a Council guides and directs City personnel through policy and bylaw but does not direct the actions or decisions of anyone below the level of the CAO. In addition to being a legislated requirement, the delegation of administrative duties to the person who was retained because of their management skills and experience in local government makes very good sense. Otherwise, there would be considerable temptation to expose department heads and other supervisors to the winds of political change rather than the consistency/protection by those who are seeking to carry out Council's policies.

Deciding who is needed in a municipal organization is a matter given careful thought by department heads and then supported by the CAO. Council has a role obviously in approving the operational budget and thus the total personnel burden. Much of any operational budget will be dependent on what services/programs are being offered. It would be a rather simple matter to reduce civic expenditures, as a Council could simply drop whole programs or even departments and replace one or more with a contractual service or simply no longer offer a certain program. Making changes of that magnitude should involve a cross-section of the public and substantial publicity to such a move as the public will eventually recognize that their favourite program/service/ staff member are missing.

Council, by abiding by its mandate and limitations, **does not get to determine** who will be hired or fired below the level of the CAO. Nor is it a matter which depends on, for example, who supports the Mayor or his allies or who upsets a local businessperson or other ratepayer. The value of longer-term staff is understood, as the loss of corporate memory (and severance costs) can be substantial whenever someone in a skilled position leaves. The turnover of staff is generally a reflection of the attractiveness of the City as an employer which will be widely known in the municipal sector should a mass exodus due to changes made by an election be the cause.

6.10.9 Development of or Amendments to Policy

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This document is deemed to be confidential in nature, in consideration of, and in the context of, sections 21(1)(b) and 24(1)(1) of the *Freedom of Information and Protection of Privacy Act* and is being provided to council in advance of its release for the sole purpose of allowing members of council and/or council as a whole and chief administrative officer(s) to provide feedback and comments prior to the issuance of any directives and/or the release of this report to the public. Additionally, as this document is being provided in a closed session of council, section 153(e) of the *Municipal Government Act* also prohibits members of council the dissemination or discussion of this report at any time other than a closed session of council, with the legal counsel of the municipality, or the legal counsel of any individual councillor. Any dissemination of this document to any persons outside of members of council, the chief administrative officer(s), and legal counsel is strictly prohibited.

As provided for in the legislation, Council members are to be engaged in the development of new policies or amendments to existing ones. This should be one of the first things on a new Council's agenda, a review of what policies exist as they entered public office and what management sees as the strengths and weaknesses of each. This will then be considered by Council members who retain the final word as to what policies will stay as is, which ones should be reassessed and those that ought to be rescinded. It is not of much value for a new Council member to say "I don't agree with the policies of the last Council" and then never take steps to see those changed.

6.10.10 Involvement with Neighbouring Municipalities

Each municipality is now required to review its relationships and agreements with its neighbours and to develop a new intermunicipal plan. Section 153(a.1) of the MGA was added expressly for the purpose of not only encouraging but also compelling joint planning and sharing of community services. Sharing boundaries now requires each municipality thus affected to step up and address planning, sharing and servicing issues. These are seldom simple connections as both history and personalities play a substantial role. A Council-led strategy needs to be discussed internally before any such liaison with the neighbours would be advisable.

6.10.11 Apolitical Bureaucracy/Administrative Independence

A wise Council is one which enjoys the professional experience and candour of a seasoned executive. Such a Council understands that there are two separate yet important aspects to their decision-making: one which recognizes that any issue which lands on the agenda of a Council is automatically "political"; the second which recognizes and appreciates that most of the issues forwarded to Council for a decision have matters of administrative substance at their core and thus matters which their administration is well-versed to advise on an appropriate solution.

The principle of administrative independence has its basis in what is commonly referred to as the "Westminster Model of Parliamentary Democracy". This model relies on the following principles:

- a separate and professional bureaucracy
- the bureaucracy is apolitical (i.e., not driven by politics)
- the elected leaders take responsibility for setting policy
- the bureaucracy focuses on implementing these policies
- the bureaucracy is expected to provide unfettered well thought out advice
- there is no thought given to reprisal if advice is contrary to the beliefs of the political leaders
- elected officials develop policy believed to be most suitable for the circumstances
- the advice presented is based on the best information available
- the administration implements approved policy quickly and without prejudice or favoritism.

The questions addressed by the bureaucracy focus on what solution makes the most sense and can be applied at a reasonable cost. Issues/questions which should be of utmost concern to the administration might include:

- what gives rise to this problem/issue/opportunity?
- Is the suggested course of action sustainable?
- how does this fit with Council's approved strategic plan?
- are there other or better alternatives?
- what is the proposed impact on budget or other resources?
- what current policy does this impact or is a new policy required?

6.10.12 Dangers of Politicization

There are significant dangers in not adhering to this separation of legislators and administrators. The most significant danger lies in the politicization of the administration. When that occurs, Council will no longer be able to depend on the best advice on any given issue but, rather, will be the recipient of advice which the CAO(s) and the administration thinks the Council wants to hear. While this may appear to

reduce the degree of angst and uncertainty between Council and the administration, it most certainly ensures a corresponding reduction in the quality and independence of thinking (and clear options) emanating from the management table.

This process of politicization can occur very slowly but inevitably results in a senior staff who may have strong administrative credentials and yet who come to view their expertise through a lens tinted with “how will this fly politically?” As a result, reports are provided to Council which might contain the best analysis possible in terms of the core of the issue and yet the wrong advice (if any) because the administration is trying to second guess the Council. Thus, the Council receives less than full value from its experienced personnel because their focus has shifted to that of seeking alignment with understood Council or Mayor perspectives. The fear of being criticized for being out of step with the views of a strong Mayor or Council results in a weakened administration which in turn results in a hallelujah chorus rather than independent thought.

Adherence to these separate roles remains a major and ongoing challenge for a number of elected and appointed officials. Council members are generally elected as a result of their commitment to (and passion for) the community, frequently based on their connection to various local groups and causes, and their ability to capture sufficient voting support of their fellow residents in an election. This is often a reflection of community connectedness and the perceived or verbalized promise of action for the future. Members of the administration, on the other hand, are selected and appointed on the basis of the work that needs to be done, educational history, experience in such matters in a relevant setting and the requisite skills required. The accomplishment of the municipal mandate is generally the result of a combined effort by those who understand the community best (the elected leaders) and those chosen because of their knowledge of applicable processes, expertise in a required profession and a particular competency (the CAO and administration).

While not mutually exclusive, these spheres are certainly quite separate and form the basis of a good “marriage” of complementary skills and commitments. The one body

sets the intended outcomes and parameters; the other provides input and advice on what outcome appears best from an administrative/logistical standpoint and the skills, tools, techniques and resources to achieve those outcomes or goals.

The key to how well this works lies in the respect between each body. Does Council respect the senior administration sufficiently to allow them to carry out their roles in a delegated, independent and legal fashion, while functioning within Council's bylaws and policies? Or is Council fearful that the administration is so weak as to be incapable of discerning the will of its Council and thus requires daily direction from the Mayor (or other members of Council). Or is Council intent on both governing and managing and thus is more interested in finding those without the necessary administrative strength to exercise their own independence in their administrative tasks?

In summary, while a municipality might be referred to in legal terms with its power, duties, and services being provided for or authorized by the MGA, it is really a community of people that have come together for the purpose of provision of services for the common good of all. The community elects citizens to govern it. Managers hire those capable and competent to manage it.

These two separate yet closely allied bodies have the potential to accomplish much on behalf of any municipality. Whether or not that happens depends on a number of factors as we outline in this Report.

7.0 Principle-Based Functions

The essence of solid community leadership is generally reflected in the willingness and capability of its Council to lead in an effective, collegial and forward-thinking manner. This does not happen easily but requires persistence by the Mayor and a desire to cooperate by Council members. This also presumes that the Mayor is working hard at doing the right things within the bounds of Council's approved policies and resolutions.

This sense of a corporate "team" approach requires that:

- 1) All of Council must be similarly engaged in the governing process with equal right to be heard in debate and the right to feel heard.
- 2) All of Council should have equal access to the Mayor such that there is no inner circle, just a Council circle.
- 3) All of Council ought to have their views/preferences heard in any discussion of priorities.
- 4) All of Council should "own" the organization structure i.e., be part of a decision and motion of Council to approve the top three levels—Council and its boards & committees, the CAO and Department Heads.
- 5) All of Council should be at the table assessing short-listed candidates, speaking with the recruitment firm whenever a new CAO is being hired.
- 6) All of Council should be intimately involved in the assessment of the CAO(s) on an annual basis.
- 7) All of Council ought to be involved in review of current policies and development of new ones.
- 8) All of Council should be fully/equally engaged in approving a new budget.
- 9) All of Council should be concurrently advised of agenda items and their disposition.
- 10) All of Council should have equal and concurrent access to information.
- 11) All of Council should be equally and concurrently aware of any public input.

- 12) All of Council should have equal participation in any new initiatives.
- 13) All of Council should receive equal treatment in terms of any appointments to Council appointed boards and committees.
- 14) All of Council has the right to be engaged in any review of policies including the development and approval of new policies.
- 15) All of Council should be involved in determining the future of City-County relationships and pre-authorizing any new approach to cost or user sharing agreements (including facility development).

These principles are foundational to how any Council functions. While all are not necessarily interdependent, they all are essential to the health of Council as a governing body. Such principles evolve from the obligations outlined in the Municipal Government Act (s.153, 154) and as added to by Council's training and past practice.

7.1 What a Council Does

When we examine the work of a Council it becomes clear that it has certain functions including: Council prepares to meet; it meets; it discusses and debates; it decides; it delegates; it monitors; and it reports out. While this may sound overly simplistic, that is not what is intended. Each of these steps (which might appear simplistic to the uninitiated), involve a series of actions and choices, many of which are overlaid with political influences and public impacts.

7.1.1 Preparation

Every member of Council is charged with the onerous responsibility of making decisions which impact their fellow residents. Some of these decisions are straight-forward whereas others are very contentious. All require a degree of preparation: reviewing the written background materials prepared and submitted by the CAO and administration; reading reports from committees and external agents; being aware of legal and legislative requirements; preparing questions to be voiced in a public forum.

7.1.2 Meetings

Decisions of a Council are made in scheduled meetings. In most instances, these meetings are held publicly unless permitted to be held in a closed session according to legislation (MGA and FOIP). The adage that “public business is best done publicly” generally applies as the public expects to be able, at their choosing, to attend meetings of their Council particularly where the issue is of considerable interest to them.

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

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

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

(4) Before closing all or any part of a meeting to the public, a council or council committee must by resolution approve

(a) the part of the meeting that is to be closed, and

(b) the basis on which, under an exception to disclosure in Division 2 of Part 1 of the [Freedom of Information and Protection of Privacy Act](#), the part of the meeting is to be closed.

While some topics do call for closed session meetings, and thus away from the public eye, the vast majority of time in meetings is spent in front of the public (whether in person or through some other form of electronic communication). Such meetings are scheduled regularly so that the public learns when their Council will be in action and so that individual Council members have the time to adequately prepare. Special meetings are generally kept to a minimum as these seldom permit thoughtful decision-making as agendas are not typically available as far in advance.

7.1.3 Decision-Making

Each Council is charged with making decisions which it understands are sometimes legally required while at other times they might simply be publicly necessary. Decisions, as mentioned earlier, might be in the form of bylaws, policies or resolutions and must be made at a public meeting. Such decisions can carry considerable import and thus should never be made in a cavalier or rushed fashion.

As a result, it would be foolish to consider making such decisions without the benefit of a comprehensive overview by management (and signed off by the CAO). Management will have the skills and resources and contacts necessary to make inquiries, assess options without any political overlay, and provide a recommendation which considers costs and policy options and potential consequences.

7.1.4 Delegation

Once a decision is made, it is generally transferred to the CAO to ensure that it is properly discharged. Sometimes this is explicit and is conveyed through a motion of Council; in other instances, once the motion/bylaw/resolution is approved, it is assumed that the administration will carry it out in an expeditious and efficient manner. If the matter is “time-sensitive”, the Council might specify the date by which the matter should be placed back on the Council agenda.

7.1.5 Monitoring

While not always spoken, there is an inherent expectation that Council and the CAO will have developed some mechanism for enabling the Council to oversee the outcome of its decisions. This can often be in the form of a verbal or written briefing on a regular basis by the CAO or respective department head wherein Council is made aware of what is being done, and with what anticipated completion date.

7.1.6 Reporting

There is an implied obligation that Council, as the citizens’ collective voice, will ensure that the decisions it makes which are of a significant nature are reported out to the population on a regular and timely basis. This responsibility might fall to a

communications officer, a department head or to the Mayor. Such reporting is to be an accurate reflection of the decisions made and not a coated version designed to make the Mayor or Councillors look good. Most members of Councils understand the adage of “don’t dump on your predecessors; you eventually become one”. Most new Councils have sufficient work to be done ahead of them and little interest in looking or going backwards.

Reporting out might take the form of an annual report which sums up the initiatives and contributions to good governance of the current Council.

7.1.7 Impact of Policy Development

Council establishes its direction through a number of instruments but none more important than its policies. Council’s policies establish “what” a Council feels is the right thing to do in light of certain circumstances. What adds specificity to the policies are administrative procedures or managerial directives. The former (i.e., policies) are the prerogative of Council. The latter are the responsibility of management. Where this dichotomy goes off the rails often lies in the inability of a Council to refrain from asking “how does this work?” and expecting detailed answers.

Policies are however a critical piece of governance in that these define what a Council believes to be their resolve on how business is done. A Council which attempts to involve itself in how its policies get implemented fails to understand the real messages it is sending, including the basic one of “we do not trust your judgment or ability to accomplish what we just asked you to do. So, we will step in and look over your shoulders to ensure that every action/step aligns with our/my way of thinking”. Such a style effectively undermines any effort at establishing a professional administration and weakens both the leadership and the confidence of senior management and staff in their leader(s).

7.1.8 Council Procedures

Observers of a Council are most likely to have viewed or sat through one of the many meetings which all Councillors are expected to attend. An aspect that is core to any

review of sound governance is the role and impact of Council's "procedure bylaw". Section 145 of the Municipal Government Act provides a Council with the authority to pass bylaws regulating "...*the procedure and conduct of council, council committees...*" Each Council does so and uses those procedures to ensure that business is conducted in a fair and even-handed manner. Such bylaws speak to when meetings are to be held; the time of meetings; the role of the presiding chair; the order of business; the role of any committees; the conduct of meetings and of Council members at such meetings; the recording of minutes and so on.

The procedure bylaw should also align with the powers granted by law to its CAO. That is, procedures should not allow or encourage the Council to over-reach its authority relative to what has been delegated by legislation, bylaw or policy to the CAO.

Our assessment is grounded in a belief that a Council's procedure bylaw is theirs; that is, such procedures ought to be deemed as workable by this Council and senior management with changes made along the way when flaws are reflected in one aspect of how a Council handles its meetings or another.

Council meetings generally reflect the final stage in its review of a matter. We have noted in other reports that "*effective Council meetings reflect:*

- *adherence to the procedural bylaw and agreed upon 'rules of engagement'*
- *decorum in voicing matters of dispute*
- *respect for the right of others to disagree*
- *respect for the chair*
- *important matters dealt with early on*
- *public input respected and focused*
- *Council questions to and through the CAO*
- *administrative comments through the CAO*
- *less grandstanding and more substantive discussions*

- *a willingness to refer when it is apparent that there are more questions than answers*
- *reluctance to refer when the primary aim is to avoid making a decision”.*

8.0 How a Council Decides (Model of Governance)

At the end of the day, Council decisions are to be made in Chambers and will be in the form of resolutions, bylaws or policies (made by resolutions). Such decisions cannot be made in absence of the Chambers or one's Council colleagues. They often involve debate, the expression of disagreements over this decision or that, compromise and voting. Some debates and decision-making could be viewed as final whereas others might simply be the starting point for the next round. In many instances, legislation and bylaws speak to the outcome of what can be decided whereas the Chambers acts as host of what does happen.

Citizens are generally not as concerned with process as their elected leaders, but they are equally concerned about outcomes. Most may not be aware of what steps in a decision process are useful or required but they are conscious of the fact that not much of political significance happens without some process ending in a motion and a vote. How all of the foregoing occurs is generally referred to as "governance".

8.1 Council Committees

Council's model of governance describes its way of making decisions. Does it utilize a number of standing committees (which are assigned a segment of Council's mandate) to review, assess and report and advise all of Council on various matters? Does it rely solely on its management to gather together the needed information, formulate that into a report and present it to Council for a decision? Or does it utilize a single standing committee (normally referred to as a committee of the whole) (or Governance & Priorities Committee) to act as a referral and discussion mechanism for Council to think through issues before determining its course of action?

These are all "models of governance" (as are various iterations of these) and refer to decision-making processes. A Council member committee may consist of several members of Council or all of Council.

In many municipalities, though not all, the best opportunity for debate and discussion occurs at the committee level. The fact that there is less pressure to decide is a blessing not associated with a Council meeting. In addition, a committee meeting often utilizes less stringent rules of procedure or applies the standing procedures with somewhat more flexibility. Further, and perhaps most importantly, a committee of the whole during the week prior to a regularly scheduled Council meeting can provide any Council member with the opportunity to question issues and present ideas in a somewhat more casual forum which does not have the necessity of a decision looming over their head. As we have written in other similar reports (and which we feel bears repeating here) *“effective committee meetings reflect:*

- *an openness to debate and to other points of view*
- *respect for those presenting reports, whether they be members of the administration or members of the public*
- *administrative reports that have been considered by the office of the CAO prior to being circulated to members of the committee for discussion so that the administrative recommendations are subject to a high level of scrutiny and quality control*
- *adherence to the procedural bylaw and etiquette (for Council committees) that ensures that the meetings are conducted in a manner that is sensitive to the opinions of others and away from any personal attacks or demeaning commentary*
- *a relaxed approach to the rules of discussion in committee so the members are free to discuss policy options, seek the opinion of others without declaring a political position, and think through what others are saying while resisting the urge to jump into the fray as though the matter was being discussed for the last time.”*

Elected officials process information at varying rates of speed. Some listen carefully to a presentation and then want to study the underlying report; others read reports and

then enjoy a solid question period which draws out more of the background. Still others simply rush to the finish line where they want to determine what can be done, what will it cost and when will it start. In a Council Chambers with the application of a Procedural Bylaw, the foregoing happens, and decisions get made.

For most, there becomes a point when the fact that important issues are being thoroughly discussed before being decided encourages an awareness of the importance of hearing the views of one's colleagues and the responses of those who are paid because of their expertise. This broader approach resulting in more robust understanding often creates the belief that any final decisions have more clarity and thus more likelihood of being fruitful. This describes the argument in favour of purposely creating a "pause" in how important decisions are made rather than the rush to judgment which is reflective of a regular Council meeting each week.

8.2 The Role/Impact of Agencies, Boards and Committees (ABCs)

Committees can be comprised solely of members of the public or they can be structured as a composite of public and political leaders (i.e., Council members). Some of this variance is answered by purpose, some by perceived importance and some according to its governing basis i.e., its bylaw or terms of reference.

The committees (and boards) established by Council often represent the best and the worst of local government decision processes. That is, depending upon the Council's understanding of the mandate of a committee, and its terms of reference, its members may feel abandoned, forgotten about or misused. Others, because of longer standing membership with powerful voices might be encouraged to believe that their wish will be the Council's command. Still others enjoy the camaraderie and fellowship of the group; seldom report into the Council; and feel impervious to its direction. In the main, however, public committees can be very useful in gathering together public opinion on this or that topic and ensuring that the Council members are aware of what a small cross-section of the public perceives regarding issues lying within its terms of reference.

Every Council makes some use of what are commonly referred to as ABCs (agencies, boards and committees). Some municipalities have few; others are more prone to establish or retain such advisory and at times, decision-making mechanisms. In the main, these consist of groups of local people who have been identified in the community as keen volunteers, willing to serve for one or more years and who are expected to utilize their knowledge and love of the community to advise their Council members on what they see as the best course of action relative to their committee mandate.

Thus, a City like Chestermere might establish committees to act in an advisory capacity on such matters as community planning, recreation, tourism, economic development, transit, audit, etc. A committee charter will define such matters as: term of office, selection of chair, regularity of reporting, confidentiality, access to City staff, location of meetings, and so on would be covered in the charter guiding the activities and purpose of the ABC. In other instances, the ABC may be established externally to the City by a regional body or by the Province (e.g., CMRB) and the City's role is limited to appointing members and perhaps contributing to its costs of operating.

8.3 The Public's Impact on Council Governance

City Council functions as the "voice" of the public. It is elected to represent and reflect public views on those matters which come to Council's attention. It does so in many instances without really knowing how a majority of the public would vote on this or that issue but confident that Council as a whole represents those voices and opinions. An election is the community's prime source of expressing public opinion and making their choices as to who is to be elected. Those elected are presumed to carry the will of the community in each and every decision.

Does that mean that on every decision (bylaw, policy or resolution) how a Council votes will be an accurate reflection of how the public would have voted had they had access to the same degree of briefing and background reports and knowledge of Council? Perhaps not, but we would argue that in most circumstances this would likely be true.

There is every reason to believe that a Council attempts to reflect what it feels their residents would choose in the same circumstance. To sense otherwise would constitute a poor reflection of local government.

In some instances, an issue might be more important than most and may be identified as potentially impacting the nature or essence of the community (or a portion of the community). On these issues, and where Council is required to hold a public hearing, it will be important to gain a clear appreciation of what the public wants the Council to choose. Therefore, Council is wise to proclaim its intention through a publicly endorsed approach vis-à-vis public participation. Such a determined approach by Council is no longer considered a “nice to do” process but is now a legislated requirement (s.216.1(1)).

9.0 How a Council Behaves (Code of Conduct)

Every Council is required by legislation (s.146.1) to establish a code of conduct for its elected officials. Such a code is established so as to guide each member of Council in terms of how they are expected to behave as a person holding a significant office in their community. Each code must also abide by the regulations which are also articulated in legislation. Further, there are “penalties” to be applied in such a code while respecting the limitations on those sanctions as identified by that same legislation.

146.1(1) A council must, by bylaw, establish a code of conduct governing the conduct of councillors.

(2) A code of conduct under subsection (1) must apply to all councillors equally.

As outlined in greater detail later in this Report, a Code of Conduct serves as both a guide for reasonable conduct and a litmus test in terms of “are these principles being upheld by these members of Council?” Its content often references some or all of the following:

- General principles
- Conduct at meetings
- Use of City assets and services
- Expenditures
- Interaction with City staff and the public
- Attendance at orientation and other training
- External communications
- Use of social media
- Pecuniary interest
- Conflict of interest
- Bias
- Use and disclosure of information
- Harassment/Sexual Harassment/Violence-free workplace
- Complaint processes
- Corrective action.

10.0 How a Council Evaluates (Criteria of an Effective Governance System)

We have articulated criteria before in previous studies as to how a Council might conduct a self-evaluation but believe it to be useful to re-state these here as they help guide our assessment of governance and management practices. In our opinion, guided by considerable work with other municipalities in Alberta and further afield, a healthy, useful, results-oriented and well-directed governance system could be said to exist if the following criteria were in evidence:

➤ Orientation to Good Governance

- A Council which was fully briefed at the outset of any new term as to its powers and expectations
- Council members advised as to how business is normally done; the timing of meetings; the preparation of agendas, the role of management at such

meetings; the protocols to be followed in terms of addressing each other; the purpose of a delegation and the rules of procedure which govern their approach to issues and to Council

- Council members advised as to various logistics including access to City Hall, access to parking, submission of expenses, representation at City events and meetings of external agencies, etc.

➤ **Role Clarity**

- The respective roles of the Mayor, Councillors, the CAO and senior managers fully explained at the outset of a new term of office
- The CAO bylaw and associated legislation explained to all members of Council
- The advisory role of the CAO and the administration clear, comprehensive and respected
- The accountability of the CAO was outlined at the outset and respected by all parties.

➤ **Procedural Bylaw**

- The procedural bylaw adapted to the preferred governance style of this Council
- Council meetings held on a regular basis; the key issues discussed and debated; decisions rendered by Council
- Committee meetings also held (if provided for in the bylaw); these are considered useful to Council's decision-making

➤ **Council Priority-Setting**

- Council took the time to establish goals and priorities at the outset of this term
- Council reassesses its goals and priorities on an annual basis
- Goals and priorities set the direction for the City and are referred to regularly by Council and management.

- **Impact of Agencies, Boards and Committees (ABCs)**
 - The terms of reference of special purpose bodies and their relationship to Council fully explained and understood by all parties
 - The role/authority of Councillors appointments made clear
 - The reporting requirements of ABCs clear to all Council members.
- **Interface between Council and the Organization**
 - Access of Council members to administration outlined and respected
 - Council's authority to change the organization structure defined in Council bylaws or policies.
- **Council Decision-Making**
 - Sufficient opportunity to reflect on the policy options and access to the views of the public (where the matter was viewed as quite significant) at that moment in time
 - Key matters of City business consistently face rigorous review by the administration before presentation of advice for Council's consideration.

While there are likely other “evaluation techniques” that a Council could consider, utilizing these criteria would be a starting point. Further, a Council could find alternatives likely through local government bodies such as the Canadian Association of Municipal Administrators, the Federation of Canadian Municipalities or the Municipalities of Alberta.

Section Three: Role of Management

11.0 The Role of Senior Management

Our assignment by the Minister of Municipal Affairs requires us to also examine the role played by the CAO and senior management in terms of how this Council functions. Given that there is an intended close relationship through the numerous functions of a municipality, it is also certain that how Council governs will have a significant impact on how the other (i.e., management) fulfills its roles (i.e., manages).

11.1 The Interface

Under normal circumstances, a Council is accountable to the community for its decision-making including:

- bylaws which have been established or rescinded
- plans approved or rescinded and replaced
- approved resolutions which have set new actions in place
- priorities approved which re-direct resources, or which commit to a new project, or which expedite the completion of this or that project agreed upon by the prior or previous Councils.

The principal player in this Council-management interface is the chief administrative officer (CAO) who acts as the conduit between a Council and the rest of the administration. In the vast majority of municipalities, the CAO carries on from one Council to its successor given that such a person is viewed as an apolitical advisor and thus not a lightning rod during an election. We also recognize that in some municipalities, the CAO can be viewed as an election issue by one or more of the candidates for Mayor or Councillor. When this happens, and a new Council is elected, a change will likely be made in the person holding the CAO role. This change is generally based on the need for trust, respect and confidence as those attributes loom large in the minds of all those elected.

There is, however, more frequently a recognition that the senior management and other key employees are professionals who are prepared and trained to do their best.

Such administrators stay away from any political involvements or statements and function in a professional manner. In most communities, there is a general recognition that Council needs to be assured that its advice is derived from administrative expertise untinged by political consideration. New or revised policies, bylaws and budgets are the result of an administration which is focused on serving this Council and thus the community in a constructive, experience driven and apolitical manner.

11.2 The Linkage

This linkage is extremely important to both parties as good governance requires good advice whereas quality management relies on quality leadership by the governing body. In most instances wherein change of CAO leadership is made, there remains support for the other administrators/management in large measure because of two factors: a) the focus of any Council is rightly upon the CAO and the impact of that role; and b) Council members are restricted by legislation and frequently by bylaw to only being able to determine who will (or will not) fill the position of CAO.

The decisions made after an election as to who stays or goes is not made by one or more Councillors who may have reason to believe that their election was not supported. While their suspicions may have merit, the general rule of thumb is the belief that everyone who is a citizen has the right to choose who to support or not. The key for members of the administration is to treat all candidates for office the same and therefore not engage in tilting the playing field for one over another.

11.3 Serving the Whole Council

Regardless of their preferences for individual candidates, municipal employees have an obligation to serve the whole of Council. Each manager reports through a structure which has been previously approved and which aids in senior level decision-making and advisory services to the Council. Information is provided through the CAO to all members of Council and is generally spoken to by the CAO or their designated department head most allied with that specific issue. In turn, if Council members have

questions, these are directed through the CAO to the appropriate department head. This style of referral shows respect for the CAO and allows the CAO the option of not referring the matter based on their uncertainty as to the degree of preparedness for such a line of questioning or their belief that more work is needed prior to providing Council with an apolitical, quality response.

12.0 What the Administration Impacts

The administration of every local government relies on a complex web of structure, roles, responsibilities, plans, policies, reporting systems, performance management, reporting of results, adherence to sound fiscal practices and so on.

While there is quite naturally considerable focus and importance placed on the role of the CAO, we realize that the CAO's perceived capabilities and confidence are a direct reflection of the sum of the administration reporting to the CAO. That is, while the accountability for results rests in the office of the CAO, their ability to deliver Council's direction to the staff and the staff's messages to Council lies in the composite expertise and management styles of the senior management team as a body.

The role and work of the administration is significant to all that a Council does and the impact it will have in this City. Given that Council is the governance body charged with setting the direction (i.e., its goals, objectives, priorities) and making decisions which determine how that direction will be accomplished (i.e., bylaws, policies, resolutions), then the role of the administration in advising Council on those responsibilities and then implementing its decisions should be understandable.

Based on decades of related experience, we believe that a City's administration impacts Council's governance in a number of ways including:

- The preparation and guidance which Council members receive as they take office
- Advice as to issues which require the resolution of the Council

- Advice on issues which may not require resolution, but which are believed to be “of interest” to members of Council
- Responses to inquiries made of the administration by members of Council before, after and during meetings of Council generally as a result of adherence to a policy or protocol
- Guidance to the Mayor in terms of how to chair a meeting; advice on what type of questions to expect and what would constitute a reasonable response to those questions
- Advice on appropriate mechanisms for the Mayor individually and the Council collectively to communicate in an effective manner with the public
- Background research on very technical matters which undergird policy matters being considered by Council.

The sum of these impacts is significant and indeed ongoing throughout the term of a Council. A wise Council understands this and is mindful of the relationship and the need for mutual respect to be shown.

12.1 Two Halves of the Apple

This is not a “boss-servant” relationship. It is a relationship between two halves of the same apple, the distinction being that each “half” plays quite a separate role. Where there is mutual respect and a degree of harmony relative to priorities and “agendas”, then the relationship will result in considerable benefit for the community.

The basic role of senior management is to guide and direct their employees based on current Council policies, bylaws and an understanding of what could be considered as quality management. Management and supervisors are not expected to serve as the executive assistants of individual members of Council including the Mayor. If the Mayor believes that they require an executive Assistant or Chief of Staff to fully realize the benefits of their office, then such an appeal should be made to all of Council and if such a resolution carries, such a function is added to the Mayor’s office. Further,

management is not dismissed or chosen based on who they were allies with during an election campaign given that such people are there to serve the entire Council and through it, the community. Councillors who were upset by remarks made by this or that citizen are expected to have sufficient maturity to quickly get past the campaign rhetoric and move into their new roles as governors on behalf of the whole community. Similarly, the independence of the RCMP is to be respected by the Council of every jurisdiction and used solely in the discharge of their policing functions, not as instruments of investigation at the pleasure of Council members.

It is simple yet a truism: Council approves and directs through policy and bylaws; the administration under the guidance of the CAO, ensures that these are acted on and that the City is assured of effective and efficient services.

12.2 Key to Making it Work

The very nature of local government functions as a fluid system through interactions with the public as well as the interplay of a variety of personalities and agendas. If the system is to function with any degree of success, it requires considerable commitment to ongoing communication and to the respect needed between all parties.

Principally sections 207 and 208 of the MGA guide the role of the CAO. Section 207 describes the role as follows:

s. 207 The chief administrative officer

(a) is the administrative head of the municipality;

(b) ensures that the policies and programs of the municipality are implemented;

(c) advises and informs the council on the operation and affairs of the municipality;

(d) performs the duties and functions and exercises the powers assigned to a chief administrative officer.

s. 208 (1) The chief administrative officer must ensure that

- (a) *all minutes of council meetings are recorded in the English language, without note or comment;*
- (b) *the names of the councillors present at council meetings are recorded;*
- (c) *the minutes of each council meeting are given to council for adoption at a subsequent council meeting;*
- (d) *the bylaws and minutes of council meetings and all other records and documents of the municipality are kept safe;*
- (e) *the Minister is sent a list of the councillors and any other information the Minister requires within 5 days after the term of the councillors begins;*
- (f) *the corporate seal, if any, is kept in the custody of the chief administrative officer;*
- (g) *the revenues of the municipality are collected and controlled and receipts are issued in the manner directed by council;*
- (h) *all money belonging to or held by the municipality is deposited in a bank, credit union, loan corporation, treasury branch or trust corporation designated by council;*
- (i) *the accounts for authorized expenditures referred to in section 248 are paid;*
- (j) *accurate records and accounts are kept of the financial affairs of the municipality, including the things on which a municipality's debt limit is based and the things included in the definition of debt for that municipality;*
- (k) *the actual revenues and expenditures of the municipality compared with the estimates in the operating or capital budget approved by council are reported to council as often as council directs;*
- (l) *money invested by the municipality is invested in accordance with section 250;*

- (m) *assessments, assessment rolls and tax rolls for the purposes of Parts 9 and 10 are prepared;*
 - (n) *public auctions held to recover taxes are carried out in accordance with Part 10;*
 - (o) *the council is advised in writing of its legislative responsibilities under this Act.*
- (2) *Subsection (1)(a) to (d) and (o) apply to the chief administrative officer in respect of council committees that are carrying out powers, duties or functions delegated to them by the council."*

The role of the CAO must also be established by bylaw (see Section 205(1)).

12.3 Multi-Faceted Role

The CAO's work is multi-faceted and includes:

- responsibility of all aspects of the administration
- the duty of advising the Mayor and members of Council
- ensuring a focus on quality customer service
- supporting and coaching team members
- ensuring sound policies are developed
- establishing supporting procedures
- participating as a member of the senior management team
- supporting effective administration; and
- working collegially with Council.

These roles are challenging and will test the acumen and resolve of any CAO. Not only must a CAO build a trusting relationship with the Mayor and Council, but they must also manage so as to instill confidence in the minds of their direct reports. These department heads are critical to the success of the organization and their ability to develop programs and processes which adhere to the policies and budgets of Council is essential to its goal of providing good government.

A CAO must be able to provide quality advice to their Council which is noted for breadth and depth as issues confronting the City are unlikely to evoke simplistic responses. It is critical that a Council receive reports and advice which identify the major issues which face the City, and which require Council's policy direction and authority to move forward. This is obviously expected to be provided in an apolitical fashion as the application of a "political lens" is the mandate of the elected Council.

Council's respect for the apolitical nature of its administration will ensure its support for its CAO to retain department heads who can provide first-rate administrative advice as well as competent service delivery. This should enable Council to limit its role to the hiring of the CAO and then delegating with confidence the same role to its CAO vis-à-vis retaining department heads and other members of the administration. Such confidence is core to the CAO's ability in finding top level people for senior level positions as well as being able to make prudent decisions relative to their dismissal.

A quality CAO will also be fully aware of the need to guide and challenge their senior people at a senior management team table (in some municipalities referred to as the SMT) where issues are presented and discussed (without the overlay or reference to what makes sense politically). The CAO's role at the table is to guide discussions, listen to alternatives, challenge ideas and encourage respect for the difficult choices to be made by Council.

Where there are potential opportunities for a City to encourage or support development which will further the interests of the City and address the priorities as articulated by Council during its strategic planning exercise, the CAO is expected to either be a regular presence with their Mayor or Councillors in any discussions as endorsed by Council or to designate the head of economic development or planning as the most appropriate support in any negotiations. Providing appropriate and policy-based guidance is an administrative responsibility. The key to all this has to be the prior approval of Council to any proposed negotiations. Without that, no negotiations could or should be pursued as the formal Council approval would be unknown.

At the end of the day, the CAO is responsible for advising and then delivering on Council's decisions providing these do not break any of the legislated requirements or current bylaws. Where that is the case, the CAO would be required to advise Council what law(s) is being offended and what an alternate or corrective course could accomplish their desire. It is always the combination of Council's decision and its impact on current law which determines what action can be taken.

12.4 Linkage to the Organization

The CAO and the senior leadership team are the linkage for Council to the administrative organization. Most Councils will understand (and respect) that the CAO will push back on any attempt to undermine their authority to manage their staff and will not tolerate direct interference by a Mayor or any member of Council (Sec. 201 (2)). The CAO is the key component in how this system works. That is why confidence and trust in the CAO by the Council are so critically important. Without both, undermining and interference become endemic and very difficult to stop.

While a CAO can and should delegate much of what the MGA ascribes to this position, the relationship between the CAO and Council is inviolable. The delegation of some of the responsibilities ascribed to the CAO makes sense from a practical workload perspective and based on the fact that the department heads and their subordinates become, over time, trusted "subject matter experts".

13.0 Good Management

The CAO role is very important but is certainly not the only managerial influence on the organization or on Council. The management team is generally comprised of the CAO and each of the department heads. From time to time, a CAO might decide to draw together the broader corporate leadership team which will include all those at a supervisory level in the system. This coordinated body is (or should be) of considerable value to a Council as they represent the sum of experience and leadership needed to address the key issues which face the City.

The management team (as the operational arm of any municipality's services) is replicated across every municipality in Canada to a greater or lesser extent. That is, each municipality is structured to provide quality services to its ratepayers and collegial support to one another. Every civic management body realizes that they cannot function in silos but must work in an interdependent fashion to meet the needs of the City.

In Alberta (and in a growing number of jurisdictions) the Council-management relationship is characterized as a "one employee" model. Such a model relies on the recognition by Council that "one employee" means just that: Council is not expected to provide direction directly to other members of the management team regardless of how responsive they might seem to Councillor inquiries at meetings. The employees do not report to Council (see Sec.210 (4) for possible exceptions to this general rule); as a result, they are not expected or at liberty to be directed by Council.

Does this model mean that other members of senior management cannot dialogue with members of Council or answer their queries at a Council meeting? No; it means that Councillors ask their questions through the Mayor as chair of the meeting; senior management respond through the CAO. If a Council member has a question they wish to ask before a meeting, do they go direct to what they presume to be the best source? Not unless the City has a written protocol which states exactly that. Why? Because to

do so violates the basic premise that Council members individually and collectively do not direct the work or responses of management below the CAO.

Such a model places a number of restrictions and obligations on the Council (and the CAO) such that authority is devolved to the CAO and respect is accorded to the CAO; coordination of messages and directives are lodged with the CAO; and protocols dictate that the CAO is the Council's "go to" person not someone who the Mayor or a Councillor nurture to be their "go to" ally.

The work of senior management impacts:

- Council's understanding of the background to the issues
- the confidence of the Council in handling any complaints from the public
- the confidence of the non-management staff in the decisions being made by Council
- the morale of the organization
- the ethical compass of the organization
- the fairness of decisions
- the ongoing development of professional skills
- the pursuit of funding for special projects
- the professional management of fiscal, physical and human resources.

Management's role is to provide advice to Council on the best course of action on policy issues; and secondly, carry out the decisions of Council in a prompt, efficient and effective manner. Management does not just perform the latter role: rather, the provision of advice to Council on priorities, policies, services and programs is at least as important (as the role of carrying out the decisions).

13.1 Confidence is Key

It is apparent that a Council must have confidence in its CAO and senior management. Such confidence should be readily seen at meetings of Council and in committee. Where a report has been developed by management under the direction of the CAO, it is (or

should be) the presumption of Council that the report reflects a professional opinion and has been properly researched by the department(s) involved. Any questions by Council ought to be in terms of policy issues which may not be clear, or which do not seem to have been addressed. Where the discussion strays into the realm of “how does this happen or get done” “how many KMs does \$100,000 patch” then the focus clearly becomes one of “I’d love to help you manage this” or, even more of concern, “I do not trust management so I need to see all of your background calculations so I can determine if I would have arrived at the same place”.

Regardless of the inquisitive minds on Council, every Mayor needs to police this level of questioning as it will stray into what the administration has been structured to deliver and at the same time, the questions (albeit perhaps not intended) bring the ability of the department spokesperson or CAO into question.

13.2 Impact of Interference

There is little question as to whether or not senior management impacts governance. The real question is whether or not that is for the better or not. Does the work of senior management assist Council in performing its rightful role or does work of management (inadvertently perhaps) enable Council to perform management’s role?

In the case of the latter, management encourages interference or involvement in day-to-day administration through requesting Council to intervene on purely administrative issues and questions or by responding to detailed questions with such extensive detail that even the most curious members on Council would be delighted. Further, management can also inadvertently draw members of a Council into their world by placing items on the agenda as perhaps being “of interest” to members of Council but not because they expect that Council will provide direction on such matters. And then Council does. Or management can be as complicit as members of Council in overstepping normal role distinctions by adding in a depth of detail which is “interesting” but not necessary. It is our observation that, regardless of how interesting such in-depth

information might be, such detail is unnecessary to Council's principal role and adds little to any issue resolution.

Management is stable in that while individuals may come and go, the functions remain reasonably consistent. The structure may change; the number of staff reporting to any department head might alter from year to year; the faces will change over time: but the work to be done will largely remain intact at least for considerable periods of time. Management is also quite aware of what new major capital works are going to be required; at what juncture; and often at what cost. The task of management is to ensure that Council is made aware of impending projected capital project needs and what management sees as their respective priority in comparison to other well-deserving projects. If the Council decides to act on thus and so priority, management will be able to forecast the capital works (and costs) associated.

It is our view that the administration could be presumed to be working reasonably well from a professional management perspective if:

- the administration treats all members of Council with due respect for their positions
- the administration deals with all Council members equally and does not see the need to take this one or that one into their confidence
- the administration is cautioned against speaking ill of any Council member
- information is provided to all Council members on a concurrent basis
- information is not slanted towards the philosophy/ideology of any particular member or faction on Council
- information is comprehensive and straight-forward recognizing that members of Council are not expected to be local government experts
- questions of Council which are unexpected and therefore the appropriate response may not be known are politely responded to as "we will take that under advisement" and not responded to immediately

- decisions of Council are implemented quickly and according to the context of the Council policy or resolution.

14.0 Why Role Separation is Fundamental

There are very good reasons why a Council ought to be seen as a body separate from its administration. Trying to combine the two will simply weaken both and cause confusion in the minds of the public. The administration has a separate role in order to:

- provide advice which is not politically motivated or impacted
- draw on the best quality of advice through reliance upon managers who have been grounded in such roles (here or in another community) and who bring a wealth of related background and academic expertise to the table
- inhibit the Council from offering solutions which may be acceptable today, but which will be viewed as either foolish or premature down the road
- ensure that Council is functioning well within the MGA boundaries
- inhibiting decisions which will favour one group or business over another.

Department heads must be able to:

- develop a sound departmental structure which addresses each of their major functions
- work collegially with other senior managers to ensure delivery of quality services
- provide advice to Council on priorities, policies, services and programs
- staff these structures with competent, experienced personnel
- ensure a well-balanced onboarding program that enables each staff member to feel they are sufficiently trained relative to this organization's expectations
- provide oversight to their staff on a daily basis while still permitting some degree of supervisory independence
- oversee the development of comprehensive, apolitical reports on requests which are to be presented to Council
- identify new projects and programs which address City/citizen needs and desires.

14.1 The Challenge to Management

At the end of the day, the challenge to management is two-fold: to add value to the decision-making of Council through the provision of first-rate advice; and the effective and efficient direction of subordinate staff in enabling each to understand the task; to ensure they are properly equipped to take it on; and to provide useful guidance that results in the work being completed on budget and on time.

14.1.1 Providing Advice

As well, while management has a direct role in developing administrative priorities and responsibilities in tackling strategic priorities, there is also a role in ensuring that Council is updated on the status of current capital projects and proposed new projects, budgetary impacts of reports to Council, prioritization of projects, changes needed due to a variety of factors, and major changes required due to unforeseen events in elements impacting deadlines and successful completion.

Unlike a business environment wherein the owner can determine to change priorities or decisions on a dime, and reap the benefits or suffer the consequences, a municipality functions according to bylaws, policies, resolutions and confirmed practices. The decisions of a municipality do not just impact one business or enterprise; they impact the whole community. Major decisions do not simply emanate from the mind of a creative Mayor or Councillor, but rather from a Council acting as one body.

Management in turn performs best when it has been advised as to current policies and decisions and then provided the liberty to manage within those guidelines. They do not profit from an overly engaged Council which just loves the details and cannot wait to get in there and manage all functions. Daily interference by Council is simply a reflection of a lack of trust and a personal belief that Council members were elected to manage. Rather, Council's role is to establish the policy framework which enables management to function reasonably independently utilizing their own training and experience based in similar roles probably in other municipalities.

14.1.2 Manpower Planning

Part of the task of the CAO and senior management is to ensure that the organization is appropriately staffed to meet the objectives and needs of a Council. One of the mandates of a CAO is to assess, on an ongoing basis, current resources and determine whether the City is receiving value for money. Given the significant impact that employees have on the costs of any organization, the Council needs to be aware of any change to the overall administrative “burden”; the potential impact of any projected changes as a result of current union negotiations; the addition of any new programs. Management needs to be fully conversant on City needs which will drive their planning of future staffing changes and employee development requirements. As the municipality changes (for any number of reasons including the impact of a new Council), the CAO and senior management need to discuss how this will impact future recruitment or the training of current employees.

This requires an administrative “policy” or directive which speaks to the importance of management ensuring that their employees are being directed to the appropriate training and that their skills and work culture is reflective of City standards.

14.1.3 Orientation of Staff

Not only should a Council be properly oriented to their new roles and impact on their community but so too should all of management. A comprehensive orientation/onboarding program needs to be made available to all employees so that they become quickly aware of their new roles as well as the history and current challenges facing this City. The CAO is responsible for planning the orientation of any new department heads and they, in turn, will be expected to plan the orientation of any new staff in their departments.

14.1.4 Ensuring Communication

Communication is the lifeline of any organization. Messages need to be disseminated; instructions need to be given and followed up; morale issues need to be addressed. One of the roles of a CAO is to ensure that messages are being transmitted effectively and

efficiently such that work is getting done, new processes and policies are effectively transmitted.

Management team meetings are a primary example of whether or not the organization is functioning in a healthy and productive manner. Where departments and sections are meeting on a planned, regular basis (i.e., every week to two weeks), then there is much greater likelihood that concerns are being voiced and heard by those in positions to do something about them. Where the employees do not have planned forums for the exchange of concerns and ideas, grievances are very likely to emerge and are just as likely not to be addressed.

Good managers realize that they depend on quality communication. This needs to be embraced throughout the organization in order to positively impact morale, the desire to serve professionally and effectively and the desire to ensure that all employees are made aware of key messages.

A City will be expected to have a robust communication policy, plan and supportive personnel which is sufficiently broad and proactive so as to ensure messages are getting to the intended audience. These messages need to be clear and accurate as well as proactive where possible. In today's environment, messages are readily distorted and misrepresented such that the City needs to exercise great caution that whatever it is putting in front of its public is verifiable and preferably positive.

What is Council's role? Council as the primary governance body can control its communication of messages by developing the guiding policy framework and then relying on their CAO and management to develop the plans and strategies which enable the messages to be delivered. With the changes in availability of social media, Council needs to be apprised of what is appropriate and what will negatively impact City policy; who the main spokesperson is and what role other members of Council are allowed to play; and what constitutes city policy. Being free-wheeling, independent people functioning in a restrictive environment might cause some strain for certain Council

members, but that simply goes with the territory of being a member of a corporate team where all must function by the same rules.

14.1.5 Monitoring Employee Morale and Productivity

Employee morale is (or should be) important to Council and to senior management. Without a relatively harmonious workplace, employee turnover will rise, and senior managers will take their services down the road to an organization that places more importance on working conditions and workplace harmony.

Council's objective should be to provide leadership which helps to create and/or sustain a positive, healthy workplace environment. Council's policy framework should address this issue by identifying its support for collegial leadership; respect for senior management; adherence to the "one employee" model; and the enhancement of working conditions which make the City a preferred place of employment. (The alternative to this is the evolution of a culture of disposable management where those who do not satisfy the political agenda are not here tomorrow).

How and when should a Council be involved? By keeping to their own mandate as elected officials and by not taking on staff responsibilities; by being respectful of its management and their responsibilities to manage without daily interference; by not trying to populate the municipal structure with their friends, neighbours and campaign workers; by sticking to the knitting as governors or by stepping down and applying for positions of management; by ensuring that their policies and practices enhance a solid organizational culture.

14.1.6 Controls (Checks and Balances)

An often-overlooked aspect of good management is the requirement of senior staff members to ensure that the system has the appropriate checks and balances needed. Included in this expectation is the importance of management meeting with the external auditor to discuss their perceptions for ongoing improvements to fiscal controls; and to ensure that independent audits are performed on key City functions/processes e.g., expense accounts, severance payouts, project overruns, City-

owned development costs, use of offsite levies, etc. Follow-up on any recommendations in the annual management letter is also an essential component of a sound system of checks and balances.

Is there a Council governance role to play? Absolutely. The auditor is the Council's employee not that of management. Council commissions the retention of the auditor; Council expects to meet at least annually with the auditor to ensure that management letters are being addressed in an effective manner; Council asks questions that are focused on ensuring proactive checks and balances which encourage compliance with Council policies and managerial directives.

It is really up to Council to determine whether or not it feels that the auditor should be asked to go beyond the traditional audit framework. Council could request an audit of its own use of expense accounts or those of senior managers; or an audit of fees and charges charged at the local recreation centre; or an audit of the books of a City-owned and operated agency. While such additional audits will cost the City added fees, the key question to be asked is this: do we as a Council have any audit-related questions which go well beyond what we have asked of our annual audit and is there reason to believe that we may find cause to change our practices?

The key here is to remember where City funds are found and to then be respectful of the commitment of taxpayers to fund useful and needed services which are being properly managed. A Council should expect to provide a reckoning of its use of taxes and how effectively and efficiently those have been managed. It is not an exercise in pinning the tail or finding a scapegoat for years of neglect. Whatever report is produced should be directed towards proactive changes useful to the present and the future.

15.0 What Results Expected?

Every community should be able to believe that it is and has been served by those who place the needs of the City beyond their own and who make good, logical decisions which they honestly believe will add to the value and health of their community. Such choices are never straight-forward but rather are a summation of all individual efforts and collective goodwill.

The results of effective governance and management should include (but not be limited to) the following:

- A Council which has proven capable of making quality decisions impacting the whole community
- A commitment to honest decision-making where personal benefit is last rather than first in any line of considerations
- A refreshed suite of policies which will guide the decisions and actions of management and their administration now and for the foreseeable future
- A solid, respectful relationship between all members of Council based on respect for the independence of each other, their right to choose and to differ with the majority, and their right to express their support or opposition to decisions made by their colleagues in a respectful manner
- A decision-making process which affords all of Council the time to think through decisions and to hear not only the advice of management but also that of committee members (and external experts) where such is timely and relevant
- The hiring of a trusted, solid, mature, experienced and intelligent CAO who can capably lead this administration as well as be relied on by Council to provide quality advice as well as effective direction to any and all subordinates
- Mechanisms which enable the public to connect with their policy leaders and influence the choices going forward

- The intellectual and maturity capacity to accept that there will always be limits placed on all policymakers and that these limits are not to be easily ignored.

Section Four: Our Findings

16.0 Our Findings

Our findings are based in a combination of what we heard from:

- Current members of Council
- Former members of Council
- Current management & administration
- Former management & administration
- Members of the public
- Responses to our requests for documentation
- What the legislation requires
- What historical and proven governance and management principles advise.

We have attempted to address any governance (and management) issues which will impact the future functioning of the City of Chestermere and in particular those which served as our mandate from the Minister. We have paid particular attention to those matters which we feel are pertinent to a finding of practices and actions which are viewed as “irregular, improper or improvident conduct by Council, individual Councillors or by municipal staff”.

The terms irregular, improper and improvident as understood in the context of this Inspection are as follows:

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.

The letter from the Minister to the Mayor of Chestermere (May 6th, 2022) states in part that

“The scope of the inspection can include any matter connected with the management, administration, or operation of the municipality...”

17.1 The Early Days

17.1.1 The Tone

It was made clear to us that the Mayor felt that he had been poorly treated prior to the election and that City Hall tried to tilt the election against him. He pointed to his opponent having more detailed information than what he had (some of which would likely be due to her being a member of an ongoing Council) and some perhaps because management feared what was coming if her opponent won. It is possible that regardless of the commitment of election officials to the sanctity and neutrality of election processes, that certain staff members would find ways to be of greater assistance to a preferred candidate than someone who was viewed as critical of incumbent staff.

According to the Mayor, his concern was largely around equitable treatment of all candidates. He felt that the City’s management conspired to assist the incumbent Councillor gain an advantage through access to additional City information. He also pointed to the fact that some of his signs were removed by City staff who said their placement was in violation of a City bylaw. It was our assessment that the Mayor viewed that action as unnecessary and punitive.

It was this backdrop which followed the new Mayor into City Hall. When he entered, as Mayor-elect, he was greeted by an empty office with no folders of ongoing projects, etc. for him to review. (This is not particularly concerning as the Mayor has a title with no authority until sworn into office at the Organizational Meeting. What this did, however, was to confirm the new Mayor’s suspicions that he was not going to be the recipient of a warm welcome).

The tone of this Council emanates from the top (i.e., the Mayor) who understood early on that he was unlikely to be well-received by at least a couple members of Council.

He saw himself as an outsider who would be prepared to tackle the status quo wherever he felt that it was not justified or not helpful to the growth of the City. His fears were seemingly justified as email correspondence in the early months spoke to the changes being proposed and questioned the Mayor's motivations and whether or not the MGA was being followed. He was also advised that certain former staff and Council members were actively working behind the scenes to inhibit any progress by this new Council. (We are unsure of the veracity of this observation, but it certainly fed the Mayor's belief that he would need to watch his actions carefully if he was going to bring about any desired changes).

This Council, it could be observed, was following one (regardless of any perceived deficiencies), which apparently had a good understanding of the parliamentary rules governing meetings, adhered to their one employee model, and showed considerable trust in their CAO and his judgment. The new regime apparently had little understanding of meeting protocols or the importance of closely adhering to a meeting structure and, very early on, challenged seasoned staff in terms of their professional competence or understanding. These changes were unsettling to some who may have felt justified in not being keen to follow the directions indicated by their new Council and administrative leadership.

In addition, and contrary to the City's Code of Conduct, certain Council members emailed staff below the CAO/City Director level in order to get information or to clarify the rules. While some of this type of inquiry might be justified, in a non-trusting environment, every connection between Council and staff appeared suspect.

17.1.2 Pervasive Attitude of Non-Trust in Management

Likely the most significant impact on the organization is the belief by most of the Council that the management which they inherited (and at least certain staff) could not be trusted. As a result, and led by the Mayor and one or two Councillors, evidence was sought to prove their point, including the demand and expectation for access to all electronic devices held by the former Mayor and CAO (as well as the personnel files of

various staff). In addition to their quest and likely in support thereof, an investigator was hired to, amongst other duties, acquire information from past and current employees' emails, etc. (This behaviour is considered to be improper/irregular as it is contrary to the Code of Conduct with respect to the treatment of staff and that it falls within the definition (s.1.4)).

We were subsequently advised by the Mayor (16/08/220 that *"I had asked ...if I could get emails of ex mayor and ex cao to figure out what the city was working on. He did not provide them, not because he said we couldn't, but because he said they had been deleted!"* *"It is a complete misstatement about us accessing staff and councillor personal files. Again, just because these Councillors can think it up, does not make it true. Again, no proof, yet they continue to slander, deceive and misrepresent facts."*

While some of the then administration advised that they had encouraged their staff to not be afraid of these requests from the Mayor and that the storm would soon pass by, the number of firings and the degree of turnover led to the realization that the storm was still gathering. Those who objected to the implementation of certain Council/Mayor requests were reportedly dismissed or encouraged to resign while some saw what they perceived as the writing on the wall and looked for the exit. To fill in a few of the gaps created by those who resigned or were dismissed or who went on stress leave, available staff (with managerial/investigative/administrative backgrounds) were soon located and retained on contract some of whom would then morph into managerial or administrative roles without competition.

17.1.3 Approach and Impact of the Mayor

The simple fact of the matter is that this Mayor was elected by the majority of those who voted in the last municipal election. Whether or not he is right in claiming considerable public support for his vision, and contrary to all else that has been said by some current Councillors, management and former Council members, the Mayor obviously believes that he can personally improve the lot of life for Chestermere citizens. He claims that if only he would be allowed to pursue deals which he thinks can

be done with local and regional developers, the City would be able to move forward. His enthusiasm for what could possibly be done is readily seen as he explains potential developments using maps, graphs and surveys to show where his efforts have been and the progress he feels he has already accomplished. In listening to the Mayor, and without the local community perspective, some of his ideas might make good sense. It seems to us with the right checks and balances and with an experienced municipal administrator shadowing and perhaps assisting the Mayor (to ensure he is not operating outside of the restraints of a Council which needs to approve all development decisions before they are acted on), the City might be well-served. While the Mayor points out that his vision for the 120 day plan was endorsed by his colleagues, it is highly unlikely that many could identify exactly what steps were going to be necessary and what hurdles crossed in seeking to put this plan into action.

The role and impact of the Mayor can be significant as is readily seen in the Chestermere experience. As leader of this Council, the Mayor has the expectation and deferred right to set the tone. This has been and will be considerably different from that established by his predecessor. The essence of the role was covered during the orientation seminar provided following the election; supplemented by staff training and provision of materials such as MGA; and covered extensively in this Report.

According to the Mayor, he and his family have spent the last 22 years in Chestermere. He believes that his motivation to run for office was his perception of what was needed to see improvements for the City. He has a background which includes development, utilities and construction and in our discussions, he revealed that his personal challenge in this role is a better understanding of the etiquette expected. The Mayor previously tried to be involved in City governance having run in a prior election and applying to serve on City's boards/committees eight (8) times and being turned down. However, what the mayor may perceive as "etiquette", are, in many cases, actually legislated requirements.

The Mayor believes that the City has not been well-run by prior Councils and management and that they have made major mistakes costing the City (in his estimation) about \$35-40M. His philosophy is that the development industry should be allowed to develop as the City needs an increased commercial tax base. While the early months may not be indicative of much success in regional relationships, the Mayor also says that he is committed to building positive relations with Rocky View County and local organizations.

The Mayor claims success in his direct negotiations with developers, claiming that he describes the right path and then brings such projects to Council. When challenged, he also admits that the City's management advises that he should consult with staff regarding the need for capacity to take on such projects, and the requirement of Council to give their approval. While the Mayor's behaviour might not be deemed "irregular or improper", it will be problematic if, in his enthusiasm, he moves too far ahead of his Council.

His concerns with the former and some present management is his belief that they have no problem spending other people's money but do not seek the best deals nor do (or did) they monitor spending effectively. He advised us that one of his colleagues is now monitoring all City expenditures and advising the Mayor which invoices are to be signed. His lack of trust in administration stems back many years but includes issues like the expedited move to hasten the construction of the proposed Civic Centre, moving funds between reserve accounts, shredding files/boxes of stored information, and prior (and undisclosed) connections to the former regime.

The Mayor moved into City Hall with the compensation and expectation of serving on a full-time basis. He has also set up offices/boardroom for 2-3 of his colleagues (Deputy Mayor Foat and Councillor Hanley) so that they are present when he needs to discuss issues with them. The Mayor (submission of 30/08/22) further points out that there is nothing wrong with this approach as *"there are many municipalities with fulltime councilors. We are trying to move many council initiatives forward for the public and*

the city". He notes that there is nothing in the MGA which forbids Council members from meeting (unless there is a quorum of Council and then it would be regarded as a meeting of Council). The Mayor notes that *"going for wings or dinner does not mean we are talking business"*. Given that Council's business is the one thing that all share in common, it is difficult to perceive that topics (either previous or yet to be settled) would not somehow creep into those conversations.

The Mayor is entitled to his opinion, as is every other member of Council. However, the Mayor does not have the power to unilaterally act as he sees fit unless he has been given that prior authority by Council, and then if it was Council's authority to give. The MGA bestows a great deal of authority to a Council, but almost none to an individual member of a Council, including the Mayor. If the Mayor wants to implement his vision for the City, he must first get the support of a majority of Council.

17.1.5 The Type/Quality of Briefing

The beginning stage of any new Council is of considerable importance. A reasonably comprehensive orientation process was prepared well in advance of the election and included briefings by the staff, management and external advisors to the City. This is a requirement of the MGA (s.201.1 (1) and has become an accepted part of "good government" across Canada and particularly here in Alberta where it is now legislated that an orientation be offered to Council members. We reviewed the agenda of what was prepared for Council by management and the external advisors and found that each of the required topics was covered, some topics in greater depth than perhaps others. The 2021 orientation for the new Council was planned by the former CAO and his senior management team with help from the City's Legislative Services department. Given the then CAO's background, it must be assumed that the basics were going to be well-covered by his staff regardless of any misgivings they may have had relative to their

audience. The orientation included segments which focused on the legal requirements of a Council as well as what is meant by “good governance” .

In our list of written questions to the Mayor, we asked the following:

“If you began your term anew, what would you have changed in terms of your approach”?

He responded:

“I would have asked for more training for meetings and board room etiquette for all of Council. Helping Council understand the seriousness of process, observation of rules and the importance of the inclusion of all council members. Better social media training and expectations for all Council. Additional training for councillors on preparation for council meetings, to ensure they are prepared and understand the subject matter and rules they must follow”.

Was this Council aware of its roles and responsibilities? Was the role and function of municipalities explained? Was Council given access to additional information on legislation, bylaws and policies? Were the list of boards and committees to which Council appoints members clearly outlined? Was the code of conduct explained to members of Council? Were the types of Council meetings described? Was the role of a Mayor explained? Were the limits on a Mayor’s authority described? Did Council receive a briefing on the various types of meetings? Was the Code of Conduct explained in detail? Was the policy on public participation described? Was the role and authority of the chief administrative officer described and emphasized? Were the potential consequences of not conforming with the requirements of provincial legislation explained?

17.1.6 Our Findings:

- The unequivocal answer to all of the foregoing questions is “yes”. Council received several briefings including one on “good governance” by an experienced and independent consultant, a briefing on legal matters and the legislation by

the City's then legal counsel, a briefing on the MGA requirements as per s.201 and on how the City was then functioning by the CAO and senior management.

- Some members of Council expressed that the materials could have been delivered in a more supportive, understandable manner; others felt that all of the topics were appropriately covered but that not everyone was listening.
- Regardless of the degree of truth that may lie behind the Mayor's perception of unfair treatment during the election campaign, using the power attributed to his position as the chief elected official to find those whom he felt had not conducted themselves professionally is beyond the authority vested in his position. It is very unlikely that these actions will do anything to enhance the public's trust in their current Council.
- The concerns of the Mayor that information was being withheld by management and staff led to the Mayor and some Councillors requesting access to the emails of the former Mayor and CAO and when that was slow in coming, to trying to access the offices after hours (including HR) and seeking personnel information. (The Mayor responded (30/08/22) by stating that *"Mayor requested access through the current CAO to previous Mayors and CAO computers and emails, files as nothing was left in my office when I came in. there was no continuity of service provided. This was extremely unprofessional by...This is a request through the CAO, completely allowed under the MGA."*)
- While the City administration provided a seemingly comprehensive orientation for the new Council, at least one Councillor did not attend all sessions while others reportedly evidenced a lack of interest in some/most of the information.
- Some of the decisions of past administration and their timing (particularly with respect to the Civic Centre project) appeared to the Mayor as evidence that his concerns regarding poor decision-making might be justified. (We have seen the email trail pertaining to this issue and believe that the then administration was

absolutely offside in its attempt to get a project started so that a new Council would have difficulty rolling it back. The comments by seasoned administrators were at best unprofessional if not unethical).

- The Mayor is responsible for setting a high bar in terms of his use of City funds for his expenses as Mayor. We asked if the City has an expense policy for elected officials and the Mayor responded *“Yes the City has the Elected Officials Remuneration & Expenses Policy #837”*; we then asked *“Have you as Mayor provided a full rendering of your expenses each month including the rationale as to why such expenses are to be billed to the City? Who has the authority to review and approve such expenditures?”* The Mayor responded at the time with *“Yes the Mayor has provided the required receipts for the expenses and the rationale for the expenses. The Deputy Mayor and the City Director of Corporate Services provide approval”*. While we have yet to see any evidence of that we were very recently informed that this accounting for luncheon and miscellaneous expenses has now been completed (30/08/22).

17.2 Council Leadership

We were regularly advised that a big adjustment for everyone in the City offices occurred as a result of the election. Some of those we spoke to stated that the style went from what was described as a “rules-based” approach to one of “let’s get on with the program”. Others saw it as a change from a traditional style of Council-management to a more “design it as we go” approach. Some may have viewed this with anticipation; others with dread.

There was an early fear that the Mayor was not well-briefed on the extent of his powers (or perhaps that he was briefed but chose to ignore it) and that there was a general reluctance, after the release of the former CAO, to intervene and provide guidance or correction to the Mayor. This lack of careful guidance and attentive listening may have contributed to some of the issues being witnessed today. Others have argued that the

training was not going to be successful because the Mayor did not trust those bearing the message and due to the admission, that one Councillor spoke to when he remarked *“we may have mis-applied business principles to a municipal environment”*.

We are mindful that this group of elected officials were chosen by the residents of Chestermere to serve as their democratic voice on all matters municipal. We are also aware that any new Council could struggle out of the gate and that a certain degree of tolerance might be warranted. It is clear that despite any misgivings and faults identified in this Report, that Council as a whole wants to serve their community to the best of their individual abilities.

17.2.1 Chestermere Council Split

One of the repeated messages emanating from virtually all respondents was their observation that the Council is regularly split on the key issues and particularly those which would impact how the governance mandate is discharged. This split has been evident since shortly after the 2021 election even though there is a spirit (at least to some extent) of collegiality when discussing and voting on non-controversial issues. There are also examples wherein those traditionally on the “losing” side have embraced some of the change ideas with at least an expression of hope that the changes proposed will mark a positive new direction.

We were advised that the Mayor regularly meets with a small team of two to three Councillors (Foat, Hanley, and Funk—to a much lesser degree) depending on their presence in the office or availability prior to Council meetings. We were advised that information is made available to this group ahead of others with the perception created in the minds of the three Councillors (Dean, Narayan and Johal-Watt) that their input is valued to a much lesser degree by the Mayor. While general discussions can be healthy in encouraging a degree of team cohesion, any discussion on upcoming Council agenda items involving a quorum of Council is to be avoided unless that occurs at a regularly scheduled meeting of Council.

This split is not lost on all of Council. Those typically in the driver's seat appeared relatively assured that their changes to governance and leadership were going to be embraced while the remaining three seemed resigned to the fact that the best they might accomplish is some degree of stalling. The Mayor has made disparaging remarks about their lack of support for his agenda and has difficulty understanding why they have not endorsed his vision given that he won the race for Mayor. The "three" have, in turn, used some of their efforts to bring the Mayor's motives into question and to challenge the Mayor's leadership in public. As the Mayor notes in a recent communique (30/08/22) *"the three councilors make disparaging remarks about us all to the Media and to the public. Causing much issues and distraction."*

There is nothing illegal or even improper about a Council which has fundamental disagreements over key issues. Indeed, it is important to recognize that any Council member is expected to vote their own conscience and not be cowed into silence by the majority. Such reflects a healthy Council. What is not healthy or productive for this or any Council is when such disagreements on issues become predictable and the Council is viewed as a 4-3 Council before a meeting begins where the 4-3 split consistently involves the same four Council members in opposition to the same three Council members. That does not serve the community well. (This predictable behaviour by all members is improper and contrary to the spirit of a functional Council).

In the package of materials sent to the Inspector (16/08/22) by the Mayor, the Acting City Director makes the following assertion:

"In the early months of Council taking office, Mayor Colvin, Councillor Hanley, Councillor Funk, Councillor Dean were new to the Municipal process and governance. Due to their newness to their roles, the Councillors relied heavily on their legislative staff for guidance. Unfortunately, at the same time, shoddy work and staff turnover in this department caused and procedural mistakes. They were, and are, being corrected."

Since that time, Council Meetings procedures and conduct have been overseen by expert legislative professional ... Council turns regularly to ...during council meetings to ensure proper procedures and conduct are followed as per the Procedural Bylaw NO. 013-20.

However, it must be noted that Councillor Narayan, Johal-Watt and Dean show bias and collusion when voting in meetings as they vote in a block. They do not stand as individual Councillors. If one votes against a resolution or bylaw, they all vote against. Other than on one occasion, there is not a case on record where they do not vote as a block”.

We view the ongoing split on Council as contravening the Code of Conduct bylaw 003-19 relative to bias. "s.3.3 'Bias' means, in the context of legislative decision making, that the Elected Official has a closed mind and is incapable of persuasion, and in the context of quasi-judicial or administrative decision making, that a reasonable person, apprised of the facts would have a reasonable apprehension of bias on the part of the Elected Official as a consequence of that Elected Official's relationship to a person participating or interest in the matter at issue in the quasi-judicial or administrative process” .

And again, later on in that same document (16/08/22) sent by the Mayor, we find the following statements:

“Mayor Colvin, Deputy Mayor Foat, Councillor Hanley, and Councillor Funk work together without bias to set the overall direction of the municipality through their work for honest policy making.

However, it must be noted again that Councillor Nayaran, Johal-Watt and Dean seem to show bias and collusion when voting in meetings as they vote in a block. They do not seem to stand as individual Councillors. If one votes against a resolution or bylaw, they all vote against”.

And further...

“Under the leadership of Mayor Colvin, Deputy Mayor Foat, Councillor Hanley and Councillor Funk, are seen as working together with respect and thoughtfulness. The Interim CAO and Acting City Directors have witnessed respectful debates between all Councillors. During council meetings Mayor Colvin allows all Councillors to air their questions and concerns with consideration.

However, as stated above, Councillor Narayan, Dean and Johal-Watt consistently vote as a block, making it difficult for the other Councillors to trust or believe these Councillors are willing to work together as a civil wholesome team...

It must be stated, Councillor Narayan, Johal-Watt and Dean secretly penned a 300+ page complaint to Municipal Affairs requesting an investigation into the behavior of Mayor Colvin, Deputy Mayor Foat, Councillor Hanley, and Councillor Funk three months after all took office in October 2022.

These councillors chose not to bring their complaints to their fellow councillors, to try to learn how to work together, as a newly elected board. Instead, they requested a governance inspection by Municipal Affairs”.

17.2.2 Decision-Making

Decision-making processes could be viewed as healthy when:

- All of Council receives concurrent access to information
- All policy decisions are made in Council Chambers
- All voices and ideas are being heard by the Mayor
- There is a level of common respect for all others in Chambers
- New items are seldom added to an agenda at the last minute and if they are, most, unless urgent, are simply accepted for information given that this Council has not had sufficient time to consider the implications and options

- Council has some forum wherein significant issues are discussed in full (typically this would occur in a committee of the whole setting which this Council has suspended).

As noted above, the roles of the Mayor and Council were at minimum covered in some depth during orientation. The presentation to Council on “good governance” (November 4-5th 2021) spoke to both the legislated roles of a Council and Mayor but also to those which were described as “generally accepted roles” which spring from their application over many years and in fact in many jurisdictions. These roles as described earlier in the background of this Report are significant and challenging even in the best of times. In our opinion and in the opinion of virtually everyone interviewed, these roles were well-described. Were there some questions which might have remained outstanding? We are sure that this could be argued as new members of Council are often in a position of not knowing what they do not know. Some of those questions will inevitably arise as each term progresses and various new or unique matters are encountered. Generally, questions of that ilk are posed to the CAO or Clerk (head of Legislative Services) who will be able to point to both past practice and to the legislation, regulation, bylaw, or policy.

It is clear based on the comments we have seen that not everyone is concerned with the fact that this Mayor and Council are making considerable changes. The Government was advised by the Mayor that changes would have to be expected as a new Mayor and Council assumed their roles. Regardless of any commentary to the contrary, this viewpoint is likely to be supported by some of the citizens of the City. This Inspection, however, is focused on actions taken by Council or its management which might be considered in non-compliance with prevailing legislation.

We also note that the Mayor has publicly advised that he is involved in a number of initiatives which he believes will benefit the City. They may. The difficulty lies in the fact that the Mayor vigorously pursues those ideas which in his opinion will benefit the City now and/or in the future. Such initiative might be commendable if the Mayor had:

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a) consistently and previously sought the formal approval or agreement in principle of Council, thereby establishing that the majority of Council agreed with his belief in the value or importance of that initiative; (the Mayor responds that *"The mayor never says things are approved prior to council approving matters. This never happens where groups are told otherwise. Never."*) and

b) if in each instance the Mayor had a member of senior staff (as designated by the CAO/Director) in attendance with him to hear what was being suggested and responded to and to ensure that current City policies, bylaws and legislation were being followed. The Mayor claims that *"The Municipal Affairs 'Hiring a CAO' states a CAO does not need municipal experience"*. He also pointed out that Council had hired a past Councillor/past CAO as an advisor on MGA and legislative matters.

The Mayor advises that his initiative "to go after projects" was endorsed by Council. *"October 26th 2021 council agreed the following projects were agreed to by council to be discussed and worked on by the Mayor and Council..."* On *"March 29, 2022, Council updated and agreed to the following projects. Same list as Oct 26, 2021 with new additions."* (The list was provided by the Mayor). Our concern that endorsement in principle says very little about actual commitment was responded to by the Mayor who states that Council did talk about each project; that all are well-advised; and that the staff are fully engaged in the work. The Mayor is of the opinion that *"Council is included in all process. All of council is asked about their opinions on every matter"*. (30/08/22)

There are various reasons why every City has a certain degree of bureaucracy. One of those is to ensure that prevailing policies and laws are being adhered to so that what the Council has authorized is being followed, and that when implemented, they will not be susceptible to a legal challenge. It is Council who approves the City bylaws. The Mayor needs to be seen to be acting as a part of Council. While the Mayor might have reason to believe that he can get more done by handling matters on his own, that is not how this system works.

Without going into the detailed description conveyed in the earlier background section, it is clear from our interviews with all members of Council that the incumbent Mayor is and has been recognized as the leader of this Council since its inception. In this role, the Mayor sets the tone for the rest of Council. He chairs meetings and has an influence on which items make it to the Council agenda (and thus which items are discussed and decided). He is a leader of the Council "team" and as such is expected to share with all equally and concurrently. The Mayor is the face to local groups and organizations as well as to the public through their connection to him via social media and via public gatherings and Council meetings. His word is taken by many as that of Council and thus any commitments he makes are given considerable gravity.

17.2.3 Our Findings

- While we have heard a completely contrary viewpoint from other Councillors, we are advised by the Mayor (16/08/22) that "*Any updates go out to Council all at once. Confidential and sensitive information is held and provided in camera*". These two perspectives are difficult to reconcile but do point, if true, to a breakdown in clear communication between all members of Council.
- Council has been asked for their input on the strategic priorities for this term by the Mayor who was prepared with his personal 120-day plan for the City; the other members of Council offered little to no input (i.e., their ideas). As noted earlier, Council was asked at two meetings to adopt the priorities put forward by the Mayor and by motion (29/03/22) gave general consent to the Mayor's ideas. This does not replace the need for a Strategic Plan adopted by Council which would give a clear picture of the combined focus of all members of Council. (We were advised today (31/08/22) that Maven Strategy has been helping the City craft a Plan and has provided a draft of one for Council's review. The Mayor indicates that this is to go to Council within a week for their input/approval).

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- The lack of trust between members of Council has been significant and palpable with little to no action taken to address this tension; criticisms have been made by the Mayor and his three supporters (with regard to the lack of support by the other three members) as have a number been made by the three Council members (who feel that they have been left out of important conversations); the latest episode involving the latter three being cited for violations of the Code of Conduct is but one illustration of the lack of support amidst a sea of suspicion and discontent.
- The Mayor and all members of Council have not sought nor agreed upon ways to work together as a collegial body and thus have drifted into a 4-3 Council on important issues. This gulf between members of Council is the responsibility of all members but in particular, the expectation to address it rests with its leader, the Mayor.
- The Mayor has not had the advantage of experienced managerial counsel at the Council meetings; most of those appearing at such meetings as “management” or legislative advisors are new to their tasks and lack, for the most part, experience in municipal government; the absence of a senior management voice/presence does not provide clear assurance that non-departmental issues are being heard or that the advice and views of the administration as a body will be heard; without this experienced advice, mistakes inevitably occur. (We note that this lack of quality managerial experience is most clearly noticeable in the absence of clearly written “CAO” level advice (A Request for Decision) resulting in motions which are not clearly stated or written.
- The Mayor has had discussions with several Council members prior to Council meetings in a separate office with respect to agenda issues but has not sought the input of all members who reportedly have not been invited or who could not attend those same meetings. The Mayor claims that there has been no attempt made to move along Council decisions at these meetings and points to the MGA that does not forbid Councillors from meeting.

- The Mayor has met on his own with a variety of groups, organizations, developers and individuals without another member of Council present and frequently without any member of management in attendance; the Mayor claims that while at any such meetings he does not commit Council to any specific action and states that his suggestions/ideas will need to be ratified by Council i.e., *"All plans must be approved by Council"*. (30/18/22)
- In response to our question on this topic, the Mayor responded (16/08/22) as follows:
 - *"No, the Mayor can not negotiate any developments outside of Council approval. As per our legal advice, council and the Mayor can discuss and receive feedback on potential issues and come back to council for a motion to pursue a matter."*
 - *"Our council has a list of public and confidential initiatives that council has approved the mayor and council to bring about by discussions to further council initiatives"*.
- We are advised that the Mayor has either given assurance of employment or recommended City Directors retain certain employees without the prior agreement of the CAO(s) or that of Council as a whole. (We are also assured by the Mayor that this has not happened. He points out that *"The MGA has nothing against recommending any person to a CAO for a position, as long as there is no conflict of interest. No assurances are given to anyone for employment. It is never my decision alone."* (30/08/22)
- We were advised that the Mayor has recommended to senior management (Acting and Interim Directors) that certain employees are not effective or trusted and should be dismissed and such action has been taken. In response, the Mayor responded (16/08/22) *"No the mayor cannot direct which staff members to be terminated. No this has never happened. As per MGA 201(2) the City Staff are fully managed by the City Directors and outside Councils scope. No Council is also not allowed to as per MGA 201(2)"*.

17.3 Impact of the Change in CAO Role/Structure

Early in the tenure of this Council, and on the advice of the Mayor, Council moved to release its then CAO from his position (October 29th, 2021). This decision was made on the basis of a reported lack of confidence in the CAO and the fact that this Council wished to move in a different direction. Such decisions are not commonplace, but neither are they rare. Each Council (and it could be argued, particularly the Mayor) has to have trust, respect and confidence in its chief administrative officer and if that is lacking, the system as a whole will suffer. In this regard, and without wishing to provide any commentary on the qualifications and experience of the then incumbent, we find no issue with this Council's decision. A subsequent severance agreement was finalized between the City and the CAO, and this Council signed off on the agreement.

From the outset of this term, this Council has appeared determined to erase, to the extent possible, the imprint of the previous Council and its administration. This determination has been made most apparent in its step-by-step dismantling of the then current organization through the outright dismissal of some and the evolution of a toxic environment sufficient to cause others to go on stress leave or simply resign. These changes have not been the outcome of a new Council policy but rather a targeted effort at removing those who were viewed as overly supportive of the previous CAO, or apparently not supportive of the new regime, or resisting the efforts, statements or requests of the Mayor to make change. In his submission of 30/08/22, the Mayor stated that *"we have had an incredibly poor experience with staff in the first eight to ten months of office. So many untruths, false statements, misleading statements, clear attempts to block Council and undermine everything we are trying to do."* (The Mayor noted that there has been a considerable shift in thinking by the remaining staff who expressed that his Council *"are letting us be heard, be involved and truthfully want to make things better and are really trying"*).

The decision to release the then CAO was expected according to Councillors and senior managers. Because Council determined that it would be required to appoint another individual to the position immediately upon the incumbent's dismissal, the Mayor reached out to a community colleague (who he had spoken to previously) and who recommended the City's next (and Interim) CAO (October 29th, 2021). Such a measure appears to have been quite hasty in the making and was presented to Council as an interim measure. Council needed to name a replacement CAO as soon as the preceding one was dismissed and thus Council quickly acted to appoint someone with a varied and lengthy municipal background. He was waiting in the lobby the day Council agreed to release the incumbent and was hired by this Council on a six (6) month contract. Interestingly, this new appointee soon pushed back on certain initiatives and was viewed as taking the side of the then management. He was released from that contract after three months (January 18th, 2022) due to a lack of confidence by Council in his degree of commitment to the new Council's agenda.

During this same period, Council members began to explore other options and were advised that the MGA does not stipulate only one model (i.e., a single CAO) but also permits a Council to appoint more than one CAO at any given time. This option was reportedly one used by a southern neighbour (which at one time had a CEO of their Energy Services and a CAO of Municipal Services, both of which reported to Council. This has since been replaced by the one CAO model in that municipality).

The notion that a Council could appoint more than one CAO at the same time was appealing to the Mayor and Councillors and was adopted unanimously. One of the arguments mentioned in favour of this new model was that if the City lost one for whatever reason, there would be two others to fill in and cover off the duties. It would also be easier to find people with functional expertise (not necessarily a municipal background) and any mentoring for a replacement could therefore occur on a timelier basis. As stated by the Mayor (30/08/22), the *model "allows three divisions; the CAO has more connection with their division and a better connection to council...they have*

better access to the Council and mayor for their concerns". This led to a "three CAO model" and the changes made to the then Designated Officers Bylaw #025-20. The new Bylaw #006-22 (as initially crafted by a member(s) of Council) called for the three CAO model and identified the following management responsibilities:

"(2) The duties of Chief Administration Officer shall be divided as follows: (a) City Director, Corporate Services (i) General Government (ii) Public Health and Welfare Services (iii) Other; (b) City Director, Growth and Development (i) Planning & Development; and (c) City Director, Community Operations (i) Protective Services (ii) Transportation Services (iii) Environmental Use and Protection (iv) Recreation and Culture".

The view of Council as articulated by the Mayor was that the initial round of hires would be for a short-term basis and would be followed by three other candidates who would have undergone more extensive vetting. The Bylaw is clear as to reporting relationships in that it states that s.8 *"(1) The City Directors shall be accountable to Council for the exercise of all the powers, duties and functions delegated to the CAO by the Municipal Government Act or any other enactment, this or any other bylaw, and any resolution, policy or procedure adopted by Council from time to time, whether such powers, duties and functions are exercised by the City Directors personally, or by a City employee to whom the City Directors have delegated that power, duty, or function"*.

The adoption of the new Bylaw led to the appointment of three management personnel with limited to no municipal background as City Director-Corporate Services, City Director-Growth and Development, and City Director-Community Operations. The new job postings of City Council (dated January 17th, 2022) required amongst other generic qualifications, "an equivalent combination of education and experience may be accepted". This requirement has allowed the City to appoint those who were either known to members of Council as community residents or as previous colleagues in their employment setting prior to being elected. In addition, during the January 18th, 2022, meeting, Council appointed the Mayor to negotiate the contracts of the City Directors.

Council has had some difficulty maintaining stability in this new model. The new Directors began on January 24th, 2022, and one resigned on February 11th, 2022.

The second round of Director/CAO appointments was made at the Council meeting of February 1st, 2022 (resolutions # 078-22, 079-22, 080-22). Over the past six months since adopting the Bylaw, the City has witnessed six City Directors/CAOs in these roles, one of whom resigned after 14 days on the job (i.e., Res. #140-22). And, since May 17th, 2022, there is no City Director for Growth & Development and Corporate Services departments. As of August 10, 2022, there is only one City Director in place (Community Operations); there are, however, Acting Directors filling the other two roles.

17.3.1 Findings:

- Either through dismissal or resignation, the City has lost its senior management team which it inherited in October 2021. While some degree of change in personnel is inevitable after an election, the scale of these departures cannot do other than diminish the level of organizational knowledge and history as well as negate the availability of seasoned professionals to advise the Mayor and Councillors. This may have a detrimental effect on the quality of services delivered.
- Contrary to what we were told by new Council members about the lack of any preparation for the absence of the former CAO when he would be absent for whatever reason, we found that the Director of Corporate Services, and the Director of Community Operations were appointed as Acting CAO.
- We were advised that Council sees a number of advantages to the tri-CAO model including the following (as stated in the Mayor's response (16/08/22) to questions by the Inspector:
 - *"1. Having three City Directors, insures that the City is never without a CAO, with life's surprises and ensures continuity.*
 - *2. Staff would have a champion in each of their divisions.*

- 3. *Each division head has equal time with Council to address their issues.*
- 4. *It would be easier to find people with a higher level of expertise in these specific areas.*
- 5. *With City Directors having some insight into each others operation, this ensures more transparency”.*
- The Mayor argues (30/08/22) that the change to the tri-CAO model *“helps with reducing any corruption ...as there are now three working together and in their own areas...each division has experts which have more expertise combined than that of a CAO. Each division has better access to its employees and its council.”* In this way, the Council feels that it is more likely to gain access to the whole story (which is based on a fundamental lack of trust).
- This observation is further amplified by the recent City Director advertisement (Richardson Executive Search) wherein the advertisement states the following *“Reporting to the Mayor, the Director, Community Growth and Infrastructure will be responsible for providing vision, advice and strategic leadership to the Community Growth and Infrastructure (CGI) Team”.*
- Council as a whole is left without their “go to” person and administrative ally and sounding board. This has and will weaken Council’s ability to understand the impact of any proposed Council decisions from a broad holistic perspective. Rather than being able to anticipate and avoid issues, Council may now be forced to, instead, look for after-the-fact corrections that are often more disruptive and expensive. Whatever advice they will receive would be akin to what would have been forwarded to Council under the previous CAO model if the CAO had been absent for a length of time and had the option of leaving the position vacant.
- This decision to eliminate a single CAO model will also remove the buffer between Council and the department heads and will weaken their combined

response to any new policies or initiatives being proposed by the Mayor or Councillors. This will enhance the capacity and willingness of individual Councillors to control various administrative aspects and decisions (i.e., see creation of the Strategic Advisory Group). Our concern here is the very real potential of the Mayor and Council acting as managers of the administration.

- The potential for things/issues/directives to fall between the cracks has been enhanced. For some time yet, there will be uncertainty as to who responds to this or that issue and who takes the lead in dealing with administrative challenges. While much has been made of the commitment to have all three CAOs meet regularly and discuss such matters, it is inevitable that an issue will arise where the accountability for it has not been ascertained, or even an awareness that this was an issue of some import.
- The junior staff no longer have an administrative champion; they have three super department heads trying to manage their own turf. This has been identified by staff during our interviews as a concern given the ease with which Councillors and the Mayor seem to flow in and out of normal administrative space.
- The Mayor has stated that he, the *“councillor business unit (?), economic development officer and planning liaison would be moving into the northwest wing of City Hall”*; that after two months into their term of office, he would like to know *“which staff are not fitting in”*. He also expressed that *“starting January 2022 it would be nice with the right start”*. Council had lost faith in two of their senior staff and that he would prefer to make changes now. In fact, *“we met the IT company ...who seemed very nice. They are available this week...”* We view this as early evidence that the Mayor was determining who would fit in their new world and who would have to be replaced.

17.4 Treatment of Senior Management

The reaction of most senior managers who we heard from or interviewed (most of whom were now outside the organization) was one of being shocked and upset by the sudden change in direction and culture. They had careers which they felt were quite certain to continue in an organization which they thought valued their contributions and professionalism. Overnight, their degree of comfort and confidence evaporated only to be replaced by a culture which they described as intimidating, demeaning, interfering, and uncertain from one day to the next.

There have been (reportedly) 60+ people who have left the organization since October 2021 due to various reasons according to HR sources. These statistics indicate that four retired, thirty-nine left “voluntarily”, and nineteen involuntarily.

We were advised that most were provided the minimum that labour standards said they were owed; others were seemingly rewarded with quite generous severances (\$200-400K) which we were told had been advised to Council at the time with very little response. This matter is now being reviewed given our understanding that Council had not signed off on these settlements.

The source of the significant turnover of personnel (based on the responses by those whom we interviewed) was undoubtedly the rapid and dramatic change in leadership style within Council and the perspective that anyone associated with the prior administrative regime was suspect relative to their support for the new Council and its priorities.

17.4.1 Findings

- The fact that the organizational/administrative culture changed as a result of the election of a largely new Council is not infrequently heard nor surprising in mid to smaller sized municipalities.
- The question as to who has the authority to make personnel decisions is of greater importance. The fact that the legislation calls for the CAO or as

delegated to make such decisions did not appear to reflect those choices being made by some CAOs who were only very recently appointed (i.e., less than a month) to their new roles.

- Management and staff report requests from the Mayor and/or certain Councillors being made which they believed were outside the bounds of the MGA and therefore administration was reluctant to answer.
- Concerns have been voiced that their emails are being tracked by Council or by those hired to do investigations; requests were made for staff laptops and other devices by newer senior managers, reportedly on behalf of Council.
- A law enforcement representative was very concerned by what he saw as the toxicity in City Hall and that his service was definitely treated as *“not part of their team”*; we were also made aware of certain issues being referred either to their office or by their office to another detachment.

17.5 Establishment of a Strategic Advisory Group

17.5.1 Concept Introduced

This concept was first introduced to all of Council by the Mayor on May 10th, 2022. It was to be comprised of “experts” whom the Mayor advised would add value by going beyond normal administrative roles and boundaries and by tackling issues and challenges which were not part of a City Director or department head’s role. This group would provide the Mayor with access to those who do the needed research or conduct an investigation without burdening senior managers with the task, which they may be ill-equipped to handle (and could be involved and thus compromised as the focus of the inquiry).

The Mayor, during the meeting of May 10th, 2022, expressed that the SAG would be tackling issues outside of the normal administrative bureaucracy e.g., future issues/challenges/comparisons. The SAG would be expected to “play fair” with the current administration and to counteract any bias in administrative reports. It was also

argued that the current City Directors were working “flat out” on their own duties. According to the Mayor, projects such as the Webster lands would be ideal topics for SAG to tackle.

We were advised by the Mayor (16/08/22) that the Strategic Advisory Group was founded based on a desire to:

“have an internal audit and quality assurance process. Expanding to include annexation, economic development, various what if scenarios, government relations and insure independence for audits, policy review and policy creation. All the while not interfering or placing additional burdens on the day-to-day operations of the City”. In that same email package of 16/08/22 from the Mayor we were advised that *“The SAG group reports to Council”.* This of course contradicts the following: 3. *The Strategic Advisors are subject to the supervision of and accountable to the Mayor”.* The creation of a Strategic Advisory Group was authorized and established by the newly amended Designated Officers Bylaw #06-22 which includes the following (key elements as excerpted):

Whereas the Municipal Government Act Section (210) covers council's ability to create additional Designated officers. Section 210(1): A council may by bylaw establish one or more positions to carry out the powers, duties and functions of a designated officer under this or any other enactment or bylaw. Section 210(2): Council may give a position established under subsection (1) any title the council considers appropriate. Section 210(3): The bylaw must include which of the powers, duties and functions referred to in subsection (1) are to be exercised by each position. Section 210(4): Unless otherwise provided by bylaw, all designated officers are subject to the supervision of and accountable to the chief administrative officer... 3. The Strategic Advisors are subject to the supervision of and accountable to the Mayor. 4. The Mayor and Council

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is responsible for selection and appointment of each person to hold a Strategic Advisor position and specify the terms and conditions of such appointments. 5. The Mayor has the authority to terminate Senior Advisors without the consent of Council. 9. The Strategic Advisors shall be provided with access to all municipal personnel, records, property, policies, procedures, processes, systems and data...a) The Strategic Advisors shall report the outcomes of all analysis to Council (including Administration's response and corrective actions to be taken in regard to specific recommendations). b) The Mayor shall have sole administrative authority and control over staff in the Strategic Advisors Group, including the establishment of management and salary structures. The hiring, evaluation, discipline and dismissal of staff is subject to any existing legislation, contracts or corporate employment guidelines.

We asked the following question of the Mayor and he responded (16/08/22):

'If Council has authority to appoint the Strategic Advisory Group members, does that mean that they are also the body to release/terminate anyone in this group? The Mayor responded with *"Council by a majority vote or the Mayor can release anyone in this group. As the Mayor is the only fulltime position, council felt if the need arises the Mayor can decide and advise Council at the earliest opportunity"*.

17.5.2 Implications of a Strategic Advisory Group

There are obvious concerns which ought to be noted in the creation of this special group of Council advisors:

- 1) The philosophy behind the establishment of this group is cloudy at best. Was the motivation to strengthen the administration or the Council; was it to enable Council to access administrative decision-making without violating the requirement to direct traffic through the CAO(s); was it to place additional and largely unfettered managerial powers in the hands of the Mayor?

- 2) The role of the Mayor has now shifted from “governor” to “manager”. He has been given the authority to make management decisions affecting these people, which is contrary to the role of a chief elected official.
- 3) The Mayor will be able to determine salaries (outside of the rest of the bureaucratic structure) and working conditions for members of SAG who will be provided all the support services normally made available to the City’s management team.
- 4) Members of the SAG will be able to retain consultants to assist them in their projects with only the potential of loose supervision by the Mayor who will normally have a sufficiently busy schedule without being handicapped by these expectations. The only control to such expenditures will be the budget established for the SAG as parachuted/re-allocated from that set aside for the City’s economic development work and other city functions.
- 5) The commitment of the SAG to provide “objective” assurance certainly casts a gloom of doubt over what the rest of the administration and senior management normally deliver. The underlying assumption might be understood by the three CAOs and other senior staff that “our administration cannot be trusted so Council has established a group of hand-picked ‘experts’ who will be”.
- 6) The mandate of SAG presumes that there will be an unceasing list of “special projects” which could not be discharged by a senior administration as they would be in any other municipality of a similar size (or by retained external experts hired for a specific purpose). Further, the tone of this mandate suggests that the City’s administration will live under a constant cloud of suspicion as the Mayor will be at liberty to turn one or more of the SAG group loose to conduct investigations into suspect bureaucratic behaviour. This mandate will do little to encourage a collaborative relationship between management and Council but is likely to produce a second stream of administration which could eventually take over from the normal managerial hierarchy common to all other municipalities.

- 7) Without a strong, experienced and independently minded professional municipal administrator, there is no one who will be able to effectively challenge Council's foray into establishing a "Strategic Advisory Group". This Group reports directly to Council (essentially the Mayor) and acts outside the boundaries of department heads and City Directors. At best, this arrangement might be redundant to the pre-existing municipal administration; at worst it threatens its efficiency and effectiveness. In response to our question, the Mayor responded (16/08/22) with: *"The Strategic Advisory Group works on Councils initiatives and reports to Council. Administration runs the day-to-day operations and should not be involved in making political decisions. Additionally, insure independence for audits, policy review and policy creation. SAG staff support information research for political decisions but are prohibited from being involved in day-to-day operations"*.
- 8) Members of this group will be accessed by the Mayor and will be contracted to the City through agreements signed by the Mayor acting as Council's spokesperson. Regardless of the fact that the members of this group are to be directed by the Mayor as established by the duly approved Bylaw #006-22, this flawed arrangement falls within the description of "irregular" practice. The SAG "employees" are to be commissioned by the Mayor to undertake a range of leadership and investigative work which would normally fall to the CAO and their department heads. This group of "experts" operates outside the bounds of a normal CAO-department head structure and can be commissioned to undertake whatever new project either they or the Mayor/Council wish to undertake.
- 9) This body, according to the Mayor (as stated during the May 10th, 2022, Council meeting), is modelled after the one functioning in the Cities of Calgary and Edmonton and was intended to *"bring a business-like structure"* to the City and to take the political decisions out of the CAO's purview. (We note that in both instances, these major cities of about one million people each have a single and strong, independent-minded CAO who acts as the principal advisor to Council).

10) The SAG, according to the Councillor leading this innovative change (Council meeting May 10th, 2022), was intended to enable Council to see the political aspects and decisions in a clearer picture and to realize their longer-term strategic vision. City Directors could request through Council to have the SAG assist in looking at the political ramifications of a particular issue. This would ensure that Council was able to monitor the development of long-range plans and their consistency with Council's direction. Only Council could make the recommended changes as advised by the SAG.

17.5.3 Our Findings

- This model is largely if not completely foreign to mid-size municipalities across Alberta given their reliance on a CAO and department heads to achieve the directions of their Council as directed through Council resolutions.
- This model places considerable power in the hands of one person (i.e., the Mayor) to address any issue or shortcoming the Mayor believes to be negatively impacting the agenda of Council or as a resource to develop a new strategy or initiative. This will likely require that the Mayor approach Council for authority to expend some of the funds transferred out of the City's operating budget to tackle issues which the Mayor believes will benefit the City.
- The SAG will, according to its terms of reference be provided with access to support services (e.g., corporate security, facility management, financial support, HR support, IT solutions and support, legal counsel, health, safety and wellness, procurement and warehousing, strategic marketing and communications (i.e., virtually the same suite of services as is available to all City managers and departments); SAG can also retain consultants.
- This creates the potential if not the reality of very confusing lines of accountability. In a traditional Council-administration model there is a single continuous line of accountability. That is, staff are accountable to the CAO, the CAO is accountable to Council, and Council is accountable to the electors who elected them. In this new

model, some staff are accountable to the CAO, and some are accountable to the Mayor; the CAO is accountable to Council, but the Mayor (in his role as being responsible for some staff) is also accountable to Council (who delegated the authority to him), not to the electors who elected him. This line of accountability is not simple and therefore will not be clear to most. In any governance model, a lack of clarity in accountabilities is generally considered to be a weakness.

- With minimal accountability grounded in such a model, the notion of Council staying out of administration has been laid bare. The SAG has the potential to become a closet administration which will in turn relegate the importance of the City's ongoing administration in the minds of various Council members.
- The administration will be expected to deliver approved programs and services but will not be expected to "manage" the City's external or unusual initiatives (e.g., annexations, new proposed developments or agreements on current projects) which we note are managed by the bureaucracy of other Alberta municipalities. This separation of political consideration of matters from operational considerations could result in Council not receiving a comprehensive view of a matter when making decisions, or ineffective and inefficient implementation of those decisions.
- Given sufficient time, this new quasi-administrative-political structure could readily morph into a de facto administration not subject to the normal controls of a traditional administration.
- It is our finding that the Strategic Advisory Group represents an irregular, improper arrangement with the strong potential to corrupt the normal Council-administration hierarchy and definition of appropriate roles.

17.6 Designated Officers

The title of "designated officer" in the municipal context has been utilized in application to particular (and often quasi-independent) functions such as Clerk, Treasurer, Assessor and at times, internal auditor. These positions were deemed to be

essential to a municipality and might have, on occasion, the duty to report information to Council which may not be in line with the thinking of the CAO. Thus, and for example, since 2000 the City's Internal Auditor of Edmonton reports independently to City Council through its Audit Committee. Previously, the position reported to the City Manager. In the example of Calgary, its website states the following:

"As the chief administrative officer of The City of Calgary, the city manager provides leadership and direction to all administrative departments and City of Calgary staff. The city manager reports directly to Council".

The MGA stipulates that s.210 (1) A council may (a) by bylaw establish one or more designated officer positions, give each of the positions a different title and specify which powers, duties and functions of a designated officer under this or any other enactment or bylaw are to be carried out by which positions, and (b) appoint individuals to the designated officer positions. (2), (3) Repealed [2022 c16 s9\(44\)](#). (4) Unless otherwise provided by bylaw, all designated officers are subject to the supervision of and accountable to the chief administrative officer. (5) A chief administrative officer may exercise all of the powers, duties and functions of a designated officer under this or any other enactment or bylaw if (a) no position of designated officer has been established by council, (b) the position of designated officer is vacant, or (c) this or any other enactment or bylaw refers to a designated officer and the power, duty, function or other thing relating to the designated officer has not been assigned to any designated officer by council. RSA 2000 cM-26 s210; [2022 c16 s9\(44\)](#)

17.6.1 Council Support

Council by resolution # 040-22 agreed to support changes to the Designated Officers Bylaw #006-22. Included in resolution #062-22 was the authority granted to the Mayor to negotiate the employment contracts of the proposed City Directors. The Mayor commented that *"Council agreed to terms for City directors. Salary range and no severance, save Labour code requirements"*.

These changes were made to facilitate Council's wish to implement the three CAO model. Pursuant to Resolution #040-22, the position of chief administrative officer was divided into three positions, namely, City Director, Corporate Services; City Director, Growth and Development; and City Director, Community Operations. The then Interim CAO position was revoked, and the incumbent was appointed to one of those three CAO positions, City Director, Growth and Development (Res.#080-22) (January 18th, 2022). Of interest is the fact that on March 29, 2022, without prior written notice as required by subsections 206(2) and 206(3) of the Municipal Government Act, RSA 2000, c M-26 (the "MGA") the City revoked the City Director's appointment as City Director, Growth and Development and demoted him to his former position of Senior Manager of Planning and Growth. (Source: email, May 27th, 2022).

Unlike the appointment of a CAO under the previous Councils, there is no administrative expectation that the contracts for CAOs will be rigorously assessed by HR or legal services. With the frequency of staff turnover, we were advised that new officials have arrived in the organization without evidence of the regular recruitment processes and in positions (i.e., Interim City Director or Acting City Director) which may not require Council appointment.

Presumably, anyone offered such a role which has a direct reporting relationship to Mayor and Council would be vetted by Council as a whole (along with other recruited candidates) before being chosen for the role.

17.6.2 Our Findings

- The development of any new structure has the inherent potential to be burdened with the potential for missteps.
- The use of the Designated Officer Bylaw as the mechanism to create and hire into the senior management level for the City will be open to abuse as long as these processes (including a professional recruitment approach to ensure transparent postings) are not effectively managed by those trained to do so.

Recruiting and hiring personnel without the knowledge and advice of Human

Resource professionals invites a risk of legal challenges, poor organizational “fit” and potential liability.

- The need for stable administrative leadership will become apparent over time as the current approach takes elected Council members who may or may not have any professional recruitment experience into unexpected and unelected roles as municipal administrators.
- The Council resolution #062-22 granting the authority to the Mayor to negotiate the employment contracts of the proposed City Directors is a decision which would normally be delegated to the City’s legal counsel or HR office or a Designated Officer such as the Clerk given that this would be viewed as an administrative/legal function not associated with the office of an elected official.

17.7 Council Meetings

The decisions of every Council are rendered at its meetings. While the public may only see the outcome of such decisions, the process by which they are made is equally important. Those outcomes can cover a multitude of issues such as a new budget, a revised or new policy, approval of a new zoning bylaw or structure plan, commitment to build a new arena or pool and a host of other things. In all these instances, the Council is expected to be committed to approving the policies/bylaws which guide the delivery of services, programs and infrastructure within the constraints of an approved envelope called the budget.

17.7.1 Processes of Decision-Making

How this significant range of decisions are made is the result of a number of processes including administrative research, possibly external advice on major issues, committee review, Council discussion and debate. In this regard, a competent Council understands that it needs to be familiar with:

- *the structure (and purpose) of council committees;*

- *the processes and procedures used to prepare for council meetings;*
- *the conduct of council meetings;*
- *Council's understanding of their roles and responsibilities;*
- *Council's leadership and effectiveness in working together; and*
- *Council's policies and procedures.*

Much of the foregoing is summarized and further explained in a Procedure Bylaw #013-20 (June 2nd, 2020); as amended by Bylaw #038-20); and as replaced by Bylaw #014-22 (April 19th, 2022). The Procedure Bylaw, often referred to as the Bible or template for meetings, is provided for in s.145(1) of the MGA which states that "A council may, by bylaw, establish the procedures to be followed by the council". This section is quite important as it is at Council meetings that much of what a municipality does becomes enacted.

The Bylaw is of particular importance to the Mayor as presiding officer as it is up to the Mayor, with the assistance of the office of Clerk/Legislative Services to keep the meeting rolling and focused. Meetings might normally be expected to last 2-4 hours unless exceptional circumstances apply, or if there is no prior opportunity to sort out some of the questions through a committee approach. As well, Council members and the Mayor need guidance on how to keep the meeting moving along and still be adding value through giving assent (or not) to the decision requests being proposed.

17.7.2 Our Findings

- The importance of the Procedure Bylaw was addressed during Council's orientation from a governance, legal and legislative perspective
- The Mayor is new to the task and thus will need time to become familiar with how meetings can be expedited and still be valuable and results-driven
- Resolutions appear to often be made "on the fly" and thus have required repeating and often withdrawal in favour of what the mover actually wanted to accomplish

- The meetings are inordinately long taking anywhere from 5-14 hours according to the minutes of the meetings which we reviewed; this will pose a danger down the road as Council fatigue is likely to impact its members, if it has not already
- Reports from administration follow a standard “request for decision” format and should be useful in expediting the flow of meetings if properly utilized; the electronic signature of the department head and CAO/Director should appear on all staff reports; Council members should be able to simply move the recommendation of a City Director which would limit the number of times minutes have to be re-written and/or withdrawn
- The Council agenda packages are very extensive in terms of the presence of background detail; this added background to reports requires a considerable degree of reading by Councillors with what appears to be at times limited value-added (for example, the applications for appointments to boards and committees could be delegated to a committee of Council to undertake with a final recommendation to Council); the degree of detail appears to flow out of a concern that Council members might think that some detail has been hidden; or due to a level of mistrust between Council and administration; again, a solid decision report could be summarized, on most issues, on three pages
- The Mayor impresses as being animated during the meetings but appears to lack substantive administrative support which would ensure that he is able to stay on track and thus better able to move the discussions forward; his chairmanship skills will likely evolve over time; the ongoing presence of someone experienced in Legislative Services is a key to good meetings.

17.8 Council-Administration Interface

One of the issues which has been cited frequently during this Inspection is the significant degree of involvement of Council members in administrative matters. Such involvement might enable Council members to reassure themselves that there is nothing

nefarious transpiring in the organization although presumably the fact that the City has (and will be) hiring competent, ethical administrators should accomplish the same thing with much more productive and expected results. Further, the fact that Council appoints an external auditor annually to oversee the financial management practices of the City should also provide all of Council with some assurance that funds are properly expended and reported. Where there is solid, documented reason for suspicion of foul play, the Council or management can call for a forensic audit into a particular department or practice.

17.8.1 Impacts of Ongoing Involvements in Administration

Delving deeply into administrative matters might sate the curious or suspicious but at a cost. These costs include:

- this style of governance will migrate from conference to conference, manager to manager such that potential quality applicants will not be interested in applying to a local government wherein this blurring of the lines is part of the culture
- management will be reluctant to share internal concerns with their colleagues which may, given the absence of normal boundaries, be exposed to members of Council
- processes of management may be added to ensure absolutely verifiable actions and decisions thereby adding to the costs of certain functions
- quality senior managers who are used to being trusted may not apply for newly vacated positions (or may resign or retire early) due to a sense that big government is monitoring (i.e., special investigators) their every action on behalf of a suspicious Council
- Council members who love detail but who may not fully appreciate the processes of local government may become embroiled in the day-to-day decision-making

- Council members might find themselves so deeply involved in administrative matters that normal City processes are paused to allow individual Council members the opportunity to question/challenge administrative decisions.

17.8.2 Our Findings

- The Mayor asked Councillor Hanley to review all invoices to ensure that only those which are fully justified are being paid; this involvement in administration may be a result of no one occupying the chief financial officer role; it will also add confirmation to management and staff that they are not to be trusted; also, inserting an elected official into administrative processes blurs the lines of accountability. (It is the Mayor's position that this "...increases accuracy and accountability...adding more eyes to ensure less mistakes".
- Recruiting a new CFO would presumably be the reaction of other municipalities who would recognize that vacancy as being the principal reason why financial processes were in jeopardy (if they were).
- It is unlikely that any electors voted for or expected Councillor Hanley to be financial administrator, given that he was elected and not appointed to his position; regardless of his background in finance, and his desire to be of help to the City by offering his financial acumen, his involvement in financial responsibilities is unlikely to assist the Finance function in regaining its strength and independence.
- Councillor Hanley moved to have the Administration "*provide full enquiry access to the City's Questica Financial Reporting software to all members of Council*"; this motion was approved; it is likely that only two Council members will find the need to review this software, as a result of curiosity or the worry of fraud or an unusual focus on detail. We subsequently heard from the Mayor in the package of information sent to us (16/08/22) that the motion by Council (#072-22) (Carried Unanimously) was to provide Council members with a "read only" access to this financial system and that Council had a legal opinion stating that it did have the

right to such information. The Mayor believes that *“this helped us immensely in beginning to understand the budgets for 2022, which were then completed in March”*. This action brings s.180 (1) of the MGA into the picture as such involvement in the administration of the City appears to be contrary to the Act or its intent.

- Like any organizational change, it will take time for all (Council and employees) to gain an appreciation for the best of each other; (the Mayor’s response to our questions 30/08/22 included the comment that *“we are beginning to experience the remaining and new staff and new vigour and attitude of excitement”*. This effort will be mitigated if not negated by the presence and purpose of the Strategic Advisory Group.

17.9 Strategic Priorities

Every Council is expected to develop an understanding of their short to long term vision so as to guide the development of budgets, the prioritization of priorities and projects and to enable the community to sense the direction of this Council. Likely in that vein, the Mayor introduced a “120 Day Plan” which included a list of those projects and ideas he felt that Council should consider investigating or conducting. Council members were asked for their input after the Mayor had rolled it out to the public. The Mayor’s list was originally accepted “for information” at the October 26th 2021 meeting and then updated and agreed to by Council at their March 29th 2022 meeting. Given the breadth of the Mayor’s list, all of Council needs to be clear as to what is being committed to and the extent which the Mayor has in pursuing these ideas. To date, their limited participation has done little other than to assure the Mayor that his vision will prevail, and listed projects will be endorsed.

From the Mayor’s perspective, his list has taken him into the doing of his vision as his understanding was that the Council (majority) had approved him to action the list. While we commend the Mayor for articulating his vision, we would caution him as well to ensure there is substantive support for any new initiative. The Mayor describes

himself as “*visionary*” and believes he has a mandate for “*building out the City*” and “taking a private sector approach to development”. He has moved ahead with discussions with developers and not-for-profit (NFP) organizations in an attempt to get them onboard with his plans. As noted (s.17.2.3) we were advised that Maven Strategy has been helping the City craft a Plan and has provided a draft of one for Council’s review. The Mayor indicates that this is to go to Council within a week for their input/approval).

17.9.2 Our Findings

- Regardless of a Council motion authorizing the Mayor to proceed with his list of ideas for the future, it was not clear to the majority of those interviewed as to the extent of any approval that the Mayor received vis-à-vis his 120-day plans. A number of Councillors admit being taken aback by the bold statements but offered little input or ideas of their own. It is our understanding that the Mayor’s ideas were accepted on a motion by Councillor Dean that list of items for information including item #9 be accepted “for information”.
- Some of the Mayor’s ideas involved discussions with NFP organizations who depend on the City for some of their funding base. Such discussions without a clear mandate or plan would appear to be problematic and of considerable concern to these voluntary organizations who do not understand the degree to which “City Hall” has endorsed the Mayor’s plans and commitments. (We note that the Mayor has advised us that he would never convey any message of approval until Council has approved and that he has made that clear to his audiences).
- The current culture of suspicion and acrimony would not be a reasonable base on which to begin building a composite set of goals and strategies; the lack of mutual trust would tend to over-ride any other objective or motivation.
- Having said that and to be fair to the population of Chestermere, a broadly-based, inclusive and results-focused strategic planning approach by this new Council will

need to be launched in the near future to provide a sense of community legitimacy to Council's plans.

- Department directors express that they understand the priorities intended for their department(s) but not for the City as a whole.

17.10 Code of Conduct Issues

The MGA requires that each Council establish a "Code of Conduct". The Act stipulates that

s. 146.1 (1) A council must, by bylaw, establish a code of conduct governing the conduct of councillors.

(2) A code of conduct under subsection (1) must apply to all councillors equally. (3) A council may, by bylaw, establish a code of conduct governing the conduct of members of council committees and other bodies established by the council who are not councillors.

(4) A councillor must not be disqualified or removed from office for a breach of the code.

The Code is now a standard part of each municipality. Many follow the template originally offered by Alberta Municipal Affairs and/or other templates provided by external legal counsel and "loaned" to others. The Code sets out the expected standards of behaviour and should be useful as a "plumb line" so as to gage whether or not specific behaviours by members of Council have crossed the line and need to be challenged.

17.10.1 Focus of a Complaint

The difficulty with the Code is that virtually all of the authority and decision-making responsibility lies with either the Mayor or Council. When a complaint of violation of the Code is filed, the first review, to decide if there is any merit to the complaint or if it should be summarily dismissed, is conducted by the Mayor (or all of Council if the complaint is against the Mayor). If a complaint proceeds beyond the preliminary review,

an investigation will be carried out by an investigator, who will report to Council in closed session. Council will decide what, if anything will happen as a result of the complaint and investigation.

In a “normal” municipality with a properly functioning Council who are comfortable abiding by the rules, this process could possibly work. But when you have a divided Council, with the majority being a bloc whose behaviour could be questioned from time to time, the entire process might be perceived as inadequate and tilted in one direction. This might easily result in an ineffective Code of Conduct and complaint protocol and erodes confidence in the Council and its monitoring system. When this is the case, and a portion of Council are in control of the system, not only does the Code of Conduct fail to be a deterrent to bad behavior, but their control of the system may even embolden them to ignore the Code.

This Code, however, is typical of what is in place in Alberta municipalities. The problem is that the legislation allows this type of monitoring and enforcement which will not be seen by many as effective or unbiased. Such Code of Conduct complaints need to be heard by an independent third-party, not by the Council (as a whole or as individual colleagues) who could be affected by the resolution of a complaint.

The simple conclusion is this: the Code of Conduct will only be effective to the degree that all members of Council are committed to reasonable treatment of one another and of their administration. Where that is not the case, the results of investigations and perhaps even the application of sanctions will not be successful in changing behaviours.

17.10.2 Possible Code Violations

There are a number of observations which we will make relative to certain sections (which we view as most applicable in this set of circumstances) of the Elected Officials Code of Conduct Bylaw (#003-19, approved October 15th, 2019, resolution #429-19). The Code (from which we have for purposes of space, extracted the applicable sections) begins with a **statement of purpose** as follows:

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This document is deemed to be confidential in nature, in consideration of, and in the context of, sections 21(1)(b) and 24(1)(1) of the *Freedom of Information and Protection of Privacy Act* and is being provided to council in advance of its release for the sole purpose of allowing members of council and/or council as a whole and chief administrative officer(s) to provide feedback and comments prior to the issuance of any directives and/or the release of this report to the public. Additionally, as this document is being provided in a closed session of council, section 153(e) of the *Municipal Government Act* also prohibits members of council the dissemination or discussion of this report at any time other than a closed session of council, with the legal counsel of the municipality, or the legal counsel of any individual councillor. Any dissemination of this document to any persons outside of members of council, the chief administrative officer(s), and legal counsel is strictly prohibited.

The purpose of this Code of Conduct is to provide standards for the conduct of Council Members relating to their roles and obligations as elected representatives of the City of Chestermere and a procedure for the investigation and enforcement of those standards. This Code of Conduct is one aspect of accountability and transparency both internally, as among Members and as between City Council and City Staff, as well as externally, with other orders of government, the media and the public at large.

Section 2.2 This Code of Conduct provides a framework to guide ethical conduct in a way that upholds the integrity of the City and the high standards of professional conduct the public expects of its local government elected representatives. This Code of Conduct is intended to supplement existing legislation governing the conduct of Elected Officials, Committee Members and Board Members.

2.5 City Council recognizes the importance of ethical conduct as a critical success factor of an Elected Official, Committee Member or Board Member.

The section of the Code is cited and its violation if any, follows:

4.3 Carry out their duties in accordance with all applicable legislation, bylaws and policies pertaining to their position as an elected official.

We find that:

- Council members failed to abide by the MGA in respect to s.153 (d) to obtain information about the operation or administration of the municipality from the chief administrative officer or a person designated by the chief administrative officer. This section of the MGA has been violated on numerous occasions as information has been sought from staff directly with no reference to the CAO or what is now termed "City Director". We find that all members of Council have violated this provision of the Code through their contacts with non-CAO/City Director staff in pursuit of information, some of which might be justifiable. Where

this is troubling is when Council members have drawn staff members into dialogue which may have impacted their tenure with the City.

4.5 Engage in respectful, fulsome and healthy debate on matters in City Council or Committee or Board meetings, approach decision-making with an open mind, and support the majority decision of City Council or the Committee or Board once determined.

We find that:

- Issues have been discussed by the Mayor and several of his colleagues in private prior to Council meetings such that the issue(s) under review by Council. Moving the discussion towards a resolution has been denied by the Mayor.
- Councillor Dean felt bullied and demeaned by the behaviour of the Mayor in closed sessions such that this toxic culture has resulted in him feeling compelled to leave the room to regain his composure. (Correspondence, May 23rd, 2022). The Mayor has advised that this exchange did not happen or was overblown by Councillor Dean.
- Councillors Narayan, Johal-Watt and Dean purchased space in a local newspaper to present their side of an issue (i.e., hiring an investigator) and to criticize the other members of Council by stating that *“the other members of City Council refused to add this clause that would ensure an impartial hiring process and ultimately a fulsome and honest investigation.”* (Email, Mayor, Council meeting March 29th 2022) The Inspector finds this action to be irregular as such comments should have been addressed at an in camera meeting of Council and not in a public forum.

4.6 Be respectful of personal opinions of other Elected Officials and the public, as well as the professional opinions of City Staff.

We find that:

- We were advised by Council members and the senior manager involved in this incident that Councillor Hanley treated the Chief Financial Officer of the City in

a disrespectful manner and challenged her professional competence as she was presenting a Q3 update for all of Council on December 7th, 2022. The former CFO expressed feeling *“humiliated, psychologically abused and belittled”* (email, February 9th 2022). This was also stated to us by the former CFO in a telephone conversation of 18/08/22 wherein she stated that the comments levelled by Councillor Hanley on the budget presentation were *“demeaning, harassing, ridiculing”*. Councillor Hanley responded to our questions on this matter by explaining that he felt his comments were *direct but not unduly harsh* and agreed that the CFO might have found the incident embarrassing. We find this behaviour by Councillor Hanley to be improper.

4.7 Unless authorized by Council to represent Council's position on an issue, ensure that any public statements are clearly stated to reflect the personal opinion of the Elected Official, not the opinion or position of Council.

We find that:

- 4.8 Publicly express his/her personal opinions in such a manner that maintains respect for Council, other Elected Officials, and City Staff.

We find that:

- It is my finding that Councillors Narayan, Johal-Watt and Dean acted in a disrespectful manner towards their colleagues on Council when they shared their views publicly with respect to the hiring of an investigator (see s.4.5 above)

4.12 Act with integrity, professionalism and respect when interacting with other Elected Officials, City of Chestermere Staff, members of the public, and other government officials.

We find that:

- Councillor Foat was reported at a Mid-Sized Cities conference in Grande Prairie to have spoken disrespectfully of staff as *“rats leaving a sinking ship”*. (This language we find to be improper as it is unsuitable and does not conform with “accepted standards of conduct”).

- All members of Council show disrespect for each other in refusing to look for ways to bridge the gulf which currently results in four members of Council determining the outcome of any major or controversial issues.
- *“All of council received a package from former Director that outlines some very troubling information including the Mayor encouraging a Former Director to personally sue Councillors Narayan and Johal-Watt; the mayor using his personal email to conduct city business, including with City investigator, and other concerns as well. She also provided evidence that demonstrated these concerns. We have not been allowed to speak about this as a council as the mayor will not allow the conversation to happen. Any member of council could provide you with this package”.* (Correspondence, Councillor Dean, May 23rd, 2022) We briefed the Mayor on this matter and he responded with the following: *“Completely false. No proof. Only hearsay from disgruntled staff member.”* We find this behaviour by the Mayor to be improper as it does not conform “to accepted standards of conduct”.
- On March 29th, 2022, without prior written notice as required by subsections 206(2) and 206(3) of the Municipal Government Act, RSA 2000, c M-26 (the “MGA”) the City revoked the appointment of the then City Director, Growth and Development (JG) and demoted the City Director to his former position of Senior Manager of Planning and Growth. No opportunity was afforded the Director to speak in his defence to Council. This represents irregular behaviour by “not following the usual rules about what should be done”.

4.13 Actively participate in all meetings respectfully, responsibly and consistent with approved procedures.

We find that:

- *At a meeting with Council to try and understand what was happening, on January 3rd of 2022, SAC, this group of 10 volunteers some of who have served the community for decades, were treated with disrespect and most-unexpected bullying from the Mayor. The SAC, as you know, has lodged a*

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complaint with the Department of Municipal Affairs for this infraction of the Code of Conduct. (Email/Letter 13/06/22). The Mayor has responded by stating that he *“has no say in the termination of the SAC committee. Councillor Dean provided the motion. As recommended by Legislative staff member ...to terminate all committees as per every new council”*. He further explained that a member of Council was to advise the committee but had forgot and that he feels that this incident was not portrayed as he recalled it. We find that the Mayor acted in an improper manner towards this group of community volunteers.

4.15 Shall not make improper use of his/her position as an Elected Official to:

4.15.1 gain or attempt to gain or advance, directly or indirectly, a personal or private interest for him/herself or another person

We find that:

- The Mayor (email 24/03/22 to Council) made the following statement with respect to the hiring of an individual who was opposed by some members of Council: *“Appoint JG as City Investigator of Internal Affairs, as per Minister McIver advice”*. This information to Council was misleading as that did not happen as confirmed by the ministry. The Mayor explains that he was in discussion with the Minister regarding information which had been leaked to a newspaper and that the Minister in a subsequent email three days later indicated his support for the investigation. This represents improper behaviour in that it deviated from the truth and may have caused or enabled members of Council to vote their agreement to a personnel decision (appointment of a member of the Strategic Advisory Group).

5.1 The appropriate forum for healthy and fulsome debate and discussion of matters before Council is during a Council, Committee or Board meeting.

We find that:

- We were advised by all Council members that they are split into two camps on most significant issues. As a result, the Mayor ensures support for his views and priorities by taking only certain members into his confidence. All members of Council are entitled and expected to receive concurrent information to enable decisions to be made with the best available information, received in a timely manner. The Mayor responds that he has lobbied four Council members for their opinion without the intent of predetermining anything. All members of Council deserve to be concurrently informed as to the issues under consideration by the Mayor or soon to be on a Council meeting agenda. This behaviour is improper.

5.2 All Elected Officials, Committee or Board Members should be given a full opportunity to address issues before Council in a full, open and professional manner to encourage and promote healthy debate of issues.

We find that:

- *The Mayor contacted three members of Council with regard to revoking the contract of a City Director, thus interfering with the ability of the three Councillors to be as well-informed and prepared for discussion of the matter as the other four members of Council.* (Email, Councillor Narayan, 06/16/22). This constitutes improper behaviour by the Mayor in that all members of Council are entitled and expected to receive concurrent information to enable decisions to be made with the best available information, received in a timely manner. The Mayor responds that he has lobbied four Council members for their opinion without the intent of predetermining anything. All members of Council deserve to be concurrently informed as to the issues under consideration by the Mayor or soon to be on a Council meeting agenda. This behaviour is improper.
- The decision to remove the Committee of the Whole process from Council's meeting schedule (April 19th, 2022) has inhibited any opportunity that all members would have to fully understand agenda issues and the perspectives of management who have prepared the report. As a result, Council proceeds without

a complete understanding and with limited assurance that each element has been properly considered. While this is not improper or even rare, it does result in members of Council having a very limited period of time to discuss and debate what could be weighty matters.

5.3 City Council decisions are made by majority vote by the Elected Officials. Council may only act by bylaw or resolution passed at a Council meeting held in public at which there is a quorum present, pursuant to sections 180 and 181 of the Act.

We find that:

- Statement by the former Interim CAO that the *“Mayor ordered me to sell a piece of shoreline property along Chestermere Lake to the upland property owner for the price offered them in 2012. The 2012 value was approximately \$40, 000 less than the most recent appraised value. I did not comply with this order”*. This constitutes improper/irregular behaviour by the Mayor as one acting without the authority of a prior resolution of Council. The Mayor responded to this by saying *“incredible how much of a misrepresentation of the truth this is, plus he forgot to mention damage done by the city to the property. This was a motion of Council. Not the Mayor. The lot was not being sold below value. The property was significantly damaged by the city and the city had liability. Council discussed this seriousness numerous times”*. (see motions #501-02-03-21)
- The Mayor personally directed the sale of a piece of City owned property to a private investor/developer without following MGA procedures for the sale of municipal property”. The Mayor responded *“Another false statement. All procedures were followed as per the MGA. Council passed a motion to accept purchase agreement of the property”*. (Motions #006-22, 008-22)

5.7 Elected Officials shall conduct themselves with decorum and make every effort to participate diligently in the meetings of Council, Committees and Boards to which they are appointed by Council.

We find that:

- In an email from Councillor Dean of July 23rd 2022, he reported that *“I further find the tone of his emails to not only be disrespectful and unprofessional but they highlight the underlying problem we are facing in Chestermere. The Mayor believes that as the Mayor he is the boss. A couple of months ago I met with Mayor Colvin after a council meeting and he told me that ‘we have decided that the three of you don’t matter. We will let you speak at meetings and stuff but really the three of you don’t matter.’ The tone of this email seems to further solidify this sentiment of the Mayor. I do not understand how staff can be prepared to present based on the timeline of the meeting. Further, yes, he is the Mayor but the Mayor is not the CAO, Premier, Prime Minister or President. In my opinion, based on this exchange...he has no intention of building relationships or collaborating with all of council. Mayor Colvin is cutting Councillors Narayan, Johal Watt and Dean out of meetings, not communicating and continues to make decisions to increase the divide in council”*. The Mayor responded by stating *“Biased statement. Mayor is the CEO, Highest elected official in the Municipality. Councilors are in every meeting, they are never cut out. How could you even do that?”* The Mayor also indicated in a Teams call that he deliberately asks individual Councillors questions on areas wherein they have an interest or expertise. The behaviour described above constitutes improper behaviour by the Mayor in that all members of Council are entitled and expected to be treated in an equal and impartial fashion by the leader of Council.

5.10 Elected Officials shall endeavour to conduct and convey Council business and all their duties in an open and transparent manner other than for those matters which by virtue of legislation are authorized to be dealt with in a confidential manner in an in-camera (closed) session, and in so doing, allow the public to view the process and rationale which was used to reach decisions and the reasons for taking certain actions.

We find that:

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- There have been many concerns expressed about several members of Council doing Council's business behind closed doors and then having any necessary decisions made in Chambers by Council as a whole; any decisions by Council are to involve Council as a whole. Such behaviour is not appropriate to the fulsome decision-making of this Council as it does not reflect equal treatment of all members nor an even access to the information on a timely manner respecting forthcoming meetings and decisions of the Council. We find this to be irregular/improper behaviour.

5.15 Electronic communication devices provided by the City are the property of the City, and shall, at all times, be treated as the City's property. Elected Officials are hereby notified that they are to have no expectation of privacy in the use of these devices and further that:

5.15.1 all emails or messages sent or received on City devices are subject to FOIP;

We find that:

- *According to various staff reports, concern was expressed when Council and newer members of management were requesting access to the emails and other records (i.e., cell phones, computers, email accounts, and working folders) of the former Mayor, CAO, CFO and former Interim CAO (email: January 24th, 2022). This was initially resisted by certain staff including the head of IT as being in opposition to their understanding of what was permissible by City policies and FOIP requirements. It would be fair to assume that the then administration would not want to act on any request from any other manager unless there was some assurance that they had followed applicable policies/protocols regarding access to such data, the signing of any required confidentiality agreement and an agreement to follow the City's interpretation of FOIP legislation. We find this behaviour by the Mayor and Councillors Hanley and Foat to be irregular/improper and contrary to current City policy.*

5.15.2 all files stored on Municipal devices, all use of internal email and all use of the Internet through the City's firewall may be inspected, traced or logged by the City;

5.15.3 in the event of a complaint pursuant to this Code of Conduct, Council may require that any or all of the electronic communication devices provided by the City to Elected Officials may be confiscated and inspected as part of the investigation, including downloading information which is considered relevant to the investigation. All email messages or Internet connections may be retrieved.

We find that:

- Devices may be required to be provided and can be inspected "as part of the investigation". This presumes that an investigation has already been initiated, not those devices can and will be provided and inspected in order to conduct a witch-hunt, validate suspicions or to look for information to justify previously determined actions. (see Code of Conduct s. 5.15.1)

5.16 No Elected Official shall use any property, equipment, services or supplies of the City, including email, Internet services, or any other electronic communication device, if the use could be offensive or inappropriate.

We find that:

- Any request for access to such devices or other equipment should be made by Council as a request to the CAO who would, under normal circumstances ensure that City policies and FOIP legislation are being observed so as to ensure applicable rules and the confidentiality committed to by the City. Any such request should be made wherein there would be evidence to conclude that such devices were being used for non-City business. Not following proper FOIP processes could make the City liable for fines or restitution of other damages. We find this to be improvident behaviour by members of Council.

5.23 Elected Officials shall respect the professional opinion of City Staff and treat all Staff members with professionalism, courtesy and respect.

We find that:

- *"Staff struggled (to) maintain a semblance of the normal operational patterns throughout my term of employment. Council's distrust for staff was further demonstrated by the Mayor directing Councillor Hanley to insert himself into the City's Finance Department's Accounts Payable approval process. This led to delays in the payment of invoices approved through the usual multi-step process. Councillor Hanley and the Mayor (were) advised that Council doing staff work was not their responsibility. (Correspondence, Interim CAO, May 19th, 2022) The Mayor responded to this in part as follows: "He had some sort of agenda to obstruct and block council." Councillor Hanley provided additional insight as to his involvement and spoke to the fact that Council members were being asked to approve invoices based on a 3 page summary without any back-up details.*

We agree that Council members doing staff work is not appropriate but asking for additional information which would better illuminate expenditures is not beyond reason. We therefore do not find this to be irregular behaviour by the Mayor and Councillor Hanley.

5.24 Elected Officials shall not abuse relationships or dealings with City Staff by attempting to take advantage of their positions as Elected Officials. Elected Officials will, at all times, refrain from behaviour that may be perceived to be bullying of staff including behaviour exhibiting intimidation and coercion.

We find that:

- *From the first day I faced regular requests by the Mayor, and occasionally by one of his supporting Councillors, to fire specific staff members who were deemed to be disloyal to the Mayor. I refused every request and attempted to find a means to begin to rebuild relationships. I was not successful in any instance. As the result of continued display of displeasure by the Mayor and Council, including at times verbal abuse in the formal setting of Council/COW, I found myself*

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negotiating several mutual release packages for senior staff who were constructively dismissed by Council's actions. My continued refusal to terminate staff led to my own termination on January 17th. (Correspondence, Interim CAO, May 19th, 2022) We find that this falls within the definition of improper behaviour and that it falls outside the boundaries as established by the MGA (S.180(1)) (i.e., A Council may act only by resolution or bylaw).

- *The City's Finances, and in particular the City's Chief Financial Officer, were a major focus of the Mayor and his supporting Councillors. This resulted in staff never being able to provide Council with a full briefing of state of City's finances and the work that was being completed for the 2022 budget. CFO made numerous attempts to have constructive discussions and to make informative presentations to Council. In every instance the Mayor or Councillor Hanley would be verbally abusive of her work, question her professionalism, made additional defaming comments; took her apart in televised public session. CFO was one of the senior staff who chose to secure a mutual release. (Correspondence, Interim CAO, May 19th, 2022) We find that this falls within the definition of improper behaviour and that it falls outside the boundaries as established by the MGA (S.180(1)) (i.e., A Council may act only by resolution or bylaw).*
- He advised Council of the fact that the settlements provided to two staff would be expensive; he believed that they did not care; simply wanted it done; the Mayor signed the cheques (interview Interim CAO, July 20th, 2022) (telephone conversation 31/08/22). We find this to be improvident behaviour as it reflected disregard for the policies and finances of the City.

5.25 Requests for information shall at all times be directed through the CAO or his/her designate in accordance with section 153(d) of the Act and the Administrative Directive entitled City Council and Staff Communications Guidelines. Formal direction to the CAO must be through Resolution of Council.

We find that:

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- This is not done consistently because the need for such a protocol is not clearly understood by all members of Council.
- This has been abused through non-CAO members making presentations to Council and then receiving instruction on what “next steps” look like; unfortunately, something as innocuous as directing those in front of Council who are not CAOs blurs or negates this provision.

5.26 An Elected Official shall not:

5.26.1 Involve themselves in matters of City Staff. This is the jurisdiction of the CAO, in accordance with section 201(2) of the Act, including providing direction on the conducting of City operations to Staff members;

We find that:

- I have received various pieces of information which paints a picture of the Mayor and one other member of Council Foat attending a meeting of a local and prominent NFP organization (May 2022) wherein the Mayor presented his ideas and proposal for what could happen that could benefit (in his opinion) the organization as well as the City. This was purportedly done so as to continue negotiations with Rocky View County on a proposal. The proposed deal would have involved a land sale and folding the organization into the City administration. The Mayor indicated promises he had made to the NFP staff and advice to the City’s engineering department. There was no City staff present and no evidence that any of this had been given the pre-approval of City Council. This intervention was considered to have a negative impact on the organization and their administration.
- In a message from a then City Director (04/07/22), she made several points relative to the Mayor and Council’s involvement with the administration. The email includes comments such as:
 - *A position was offered to an individual “against the advice of administration”*

- *“Once he is an employee of council, he will be free to operate how council instructs him and can proceed with hiring his own department...”*
- *“what you are attempting to create is a ‘company within a company’ and I cannot recommend that this is the best course of action ...and it is in contradiction to the Municipal Government Act”*
- *“there is no position titled Intergovernmental Affairs nor of one titled Special Projects...nor was the budget built around these positions”*
- *“morale is already low...increasing difficult to fill the vacant positions...Investigations performed by someone internally who has a known vested interest is sure to amplify this”.*

In an email of December 26th, 2021, Councillor Foat makes the following comment: *“If we put the three people in place, then there would be no need of Harry. But to move things forward we need to put people in place so that we can hire a new IT team and we need to have Harry let people go that we request”.* We find this behaviour to be irregular/improper as it contradicts the limitations placed on members of Council i.e. MGA s.201(2) *A council must not exercise a power or function or perform a duty that is by this or another enactment or bylaw specifically assigned to the chief administrative officer or a designated officer.* All staffing responsibilities are to be handled by the CAO(s) and are not the responsibility of members of Council. This involvement by Councillor Foat is contrary to the Act and is irregular/improvident as it does not follow the usual rules nor “acceptable standards of conduct”.

5.26.2 Use or attempt to use, their authority or influence for the purpose of intimidating, threatening, coercing, commanding or influencing any Staff member with the intent of interfering in the City Staff member’s duties.

We find that:

- *The Mayor and a contracted employee to Council negotiated a contract for the latter's employment using a standard CAO employment agreement and then tried to make it fit with a considerable number of edits (signed off by the Mayor and the contracted employee) (changes made to 13 clauses plus the title and one of the "whereas" clauses). This was obviously not completed by a professional with a background in HR but was cobbled together by the contractor and the Mayor. (see "Director of Interenal (sic) Investigator" employment agreement dated April 20th 2022).*

5.28 Elected Officials shall refrain from making disparaging comments about City Staff in public.

We find that:

- Councillor Foat disparaged staff publicly during a conference in Grande Prairie (May 27th, 2022 Mid-Sized Cities Caucus) according to eyewitnesses at the conference who challenged him after those remarks. *"Amongst the normal cordial chit-chat, Councillor Foat begins to refer to the administrative staff as 'rats on a ship' and that it was a good thing they were gone. I challenged him, saying something like 'That's not an acceptable way to refer to people who are trying to serve your community in partnership with you.' He went on to describe the City as 'better off without' the recent staff that left/were fired, and implied that they were involved in some level of unethical and/or illegal behaviour".* (LinkedIn Connection, CAO, Lacombe, June 9th 2022) We find this language to be improper as it is unsuitable and does not conform with "accepted standards of conduct". We have spoken to the Councillor and he was an is apologetic about his choice of words. He conveyed that to one of the members at the table who advised him to dop it. We accept that he realizes that this was not befitting a Council member.

5.30 Council fully recognizes that it is the sole responsibility of the CAO to hire, discipline and terminate Staff members and that all information pertaining to Staff

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employment matters is strictly confidential. No Elected Official shall interfere with the CAO's role in the hiring, disciplinary action or termination of any City Staff member. The CAO shall immediately report any incident of interference or intended interference with his or her management of City Staff to Council as a whole during a closed meeting.

We find that:

- *Interim CAO was told numerous times to fire staff that the Mayor felt were not loyal to him; his first day on job - Mayor directed him to fire CFO; CFO had accessed legal re defamation personally and professionally". In our conversation/Teams meeting with the Mayor, he referred to this as "pure slander; I did not direct the firing of fire department staff, HR director, IT or an engineer". We also discussed this further with the former Interim CAO and his recollection was that the Mayor did direct certain people be released including a staff member with who he had a verbal conflict with relative to Rainbow Road. This matter becomes one of "he said, she said" and we are not in a position to judge the merits of these conversations.*
- *Directed to review former CAO and staff relationships with Council's campaigns and fire anyone not loyal to Mayor; directed to fire Former CAO's assistant- without cause; directed to fire the engineer as they did not trust his numbers; directed to fire HR director; Directed to fire head of HR; directed to fire head of IT: 1st day in Jan after Christmas break, directed to fire head of IT and bring his Laptop and phone to Mayor so they could try to find if anyone was working for the other side*
- *There have been numerous emails with respect to the employment of an "investigator". These have included disrespectful comments by the Mayor directed at members of senior management berating them for failing to follow through on his advice (e.g., "this was not well thought out by you"... "this entire situation has been grossly inflated due to issues created by staff around...employment agreement".)(Email, Mayor Colvin, 05/05/22 and*

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05/04/22) The foregoing comments and directions by the Mayor are not appropriate to his office and reflect his involvement in administrative matters. Based on our discussions, he is aware that his only avenue for direction by Council is to and through the CAO(s). We find these interventions to be irregular/improper and contrary to Sec. 201(2) of the MGA.

- *On February 3, 2022, Mayor Jeff Colvin requested, through his assistant, that I turn off commenting on a social media post about decisions that had been made at a Council meeting, as he was unhappy with the comments being made by residents. I (along with my manager) responded that we would follow our social media policy and remove comments that violated it, but that we are very hesitant to turn comments off entirely - in support of free speech and municipal transparency. In response, the Mayor is reported to have said, "thanks I will deal with it." The next day, Friday, February 4, three people, including my manager, were fired. I was terminated on the following Monday (February 7) by Director. He had started a week or two before as a new City Director (co-CAO) appointed by Council. He had never met me nor spoken to me until he called to fire me. (Email, 05/24/22)* The Social Media Policy #124 states that: The purpose of this policy is to establish guidelines for the City of Chestermere's social media presence. We find the foregoing behaviour to be irregular/improper and an over-response to staff who were following current City policy and the advice of the City's legal counsel.

5.33.6 all inquiries from the media regarding the official Council position on an issue shall be referred to Council's official spokesperson;

We find that:

- Although there have been exceptions (i.e., Councillors Nayaran, Johal Watt and Dean writing to the public via the local newspaper) the Council as a whole respects the fact that the Mayor is the City's chief spokesperson. The Mayor is entitled to respond to any media inquiries but is not at liberty to commit

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Council to any particular action unless that direction has been provided to the Mayor pursuant to a Council policy.

17.11 Council's Decision-Making Processes

The approach to decision-making by Council was presented during the orientation meetings. It was made clear that a Council a) has one employee and any direction to the organization was to flow through that person; b) while discussion was welcomed by senior level managers, the only thing that is supposed to "move the needle" is a Council bylaw or resolution. Being directed to do thus and so whether by the Mayor or other member of Council can be accepted as a friendly suggestion and may make good sense (and may be acted upon) but anything of any consequence could only be actioned by management or staff if there was a resolution or bylaw of Council to provide such direction, or it is an action dictated by the position responsibilities of the staff member.

Methods in which council may act

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

(2) Where a council or municipality is required or authorized under this or any other enactment or bylaw to do something by bylaw, it may only be done by bylaw.

(3) Where a council is required or authorized under this or any other enactment or bylaw to do something by resolution or to do something without specifying that it be done by bylaw or resolution, it may be done by bylaw or resolution.

17.11.1 Value of Strong Administrative Guidance

As well, Council is directed by legislation and bylaw to direct any of its decisions through the office of the CAO. While that might sound clear and relatively easy to understand, its application is not. A Mayor who is active and proactive may find these constraints difficult as seeking approval to undertake projects or pursue a different vision may occur quite spontaneously and thus any preceding guidance from Council may not have been sought.

The other difficulty that this Council has had is impacted by the lack of consistent senior level leadership who would normally be able to provide first-rate expert advice and also presence at key meetings. The “3 CAO” structure has added a layer of confusion in terms of who ought to be providing guidance and acting as a witness to what is being said and shared with those outside the civic organization. Under normal, stable circumstances, the Mayor would know that he ought to be accompanied to external meetings wherein he is hoping to move the yardsticks on this or that development or agreement. In the absence of such administrative counsel, the Mayor is left on his own to pursue avenues which he might feel worthwhile and logical, but which has not been discussed by Council and the green light, as a result, has not switched on. In situations like this, when the Mayor is acting without the formal blessing of Council, he could be found liable for any damages incurred as a result of something that was done based on his direction or commitment.

The rationale for a CAO structure includes the recruitment of someone who understands and is experienced in local government but who is also sufficiently confident to provide wise guidance (from an administrative perspective). A CAO with experience and personal strength can be a powerful ally of Council in getting their agenda actioned as well as serving as a potential roadblock whenever Council appears determined to go beyond the boundaries of legislation/bylaws/policies.

17.11.2 Impact of Boards & Committees

The City has a Committees and Boards Bylaw (#034-20, amended by Bylaws #034-20, 014-21, 015-21). The bylaw speaks to the types of committees, membership, terms of reference, chair roles, committee operations, quorum, voting, liaison members, attendance, pecuniary interest, dissolution. Council makes annual (or longer term) appointments to 22 boards and committees who have an impact on local government in and around Chestermere. These committees range from the very specific (e.g., Audit, Police Communications, Assessment Review Board) to those with a much broader mandate (e.g., Rocky View Inter-Municipal Committee, Inter-City Forum on Social

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Policy). Council was advised that the appointments to its boards and committees would be made by November 16th, 2021.

According to the briefing provided by Legislative Services, these committees are categorized into legislated, advisory, task force and partnership.

By resolution #503-21, Council resolved to immediately terminate public appointments to a wide range of boards and committees and later that meeting moved (Res.#505-21) to immediately advertise for public members to its refreshed list of appointments. Regardless of whether or not such a decision is widely supported, Council has that authority and in some communities such a step would be taken. What is problematic is the form or style such a decision takes, and its impact on those whose committees or boards were in full swing on a particular course.

The one former committee which reached out to us (Chestermere Seniors Advisory Committee) expressed its considerable disappointment in how they were treated by Council generally and by the Mayor specifically. Members felt disrespected and cast aside with no rationale provided. Council's seniors advisory committee was established to address the 24 recommendations to a former Mayor's Task Force. A committee of the whole presentation was provided to the prior Council who expressed that they (the committee of volunteer members) were making progress.

The complaint to us from the committee members centred on how they felt being dissolved in what they described as an unfair and high-handed manner. Their Council appointee committed to getting them a meeting with the Mayor; but then on December 21st 2021, all committees were cancelled by Council. The seniors committee stated that they found out via Facebook. The committee advises that they then met with the Mayor in early January 2022 and that the Mayor expressed the view that no work was getting done and the members were not qualified. These members advised us that they now question whether volunteering is worth the effort given their personal trepidation in being publicly involved.

Note: We have subsequently heard from the Mayor (email submission 16/08/22) that all committees, on the advice of Legislative Services were being disbanded at the same time and that one of the Councillors on this committee made the resolution to rescind all committee appointments. *“It was no one’s intention to offend them or any other committee”*.

17.11.3 What Council Members Add

The legislation (MGA) makes it clear that a Council’s role is substantially different from that of its administration. No where in the Act does it give any indication that members of Council are to be elected based on their knowledge base, experience in the corporate world, success in private business or lofty positions in the public or NFP (not-for-profit) environment.

An election is not about picking managers. Its focus is rightly on drawing a cross-section of solid public-minded citizens who love their community and are prepared to serve as its governors. As a result, every Council is comprised of a breadth of backgrounds, personalities, preferences and interests. All want to be in service to their fellow citizens. Most do not see it as a career but as a public calling. What each one adds to the mix of public decision-making reflects their commitment to others, their interest in seeing what is best for their community and their desire to serve as co-equals with all others at the table. Their personal background in the arts, recreation, business, management, education and countless other pursuits influence their policy inputs and choices but are not why they were elected. If the objective was to manage, application forms may be available; if being an elected official was the objective, a campaign for public office is necessary.

17.12 Importance of Legislative Services

One symptom of a dysfunctional Council is consistently split votes, meaning that a philosophical or political divide exists and has become so entrenched in the proceedings of Council that the results of votes will often show the same group of members voting either for or against a motion and the same remaining members voting in opposition to

the first group. This can happen due to obvious and fundamental differences of opinion, or else in some cases it can be a result of animosity between the two camps, where one group will simply vote against anything that the other group votes in favour of, regardless of the debate or discussion on the topic of the vote.

This is not to say that Council members should agree on all matters. Well-functioning Councils will frequently include different people with varying points of view so that there is a greater probability that all aspects of an issue may be explored before voting on it. And it is also not the intent of this Report to suggest that every time that this happens, it means that a Council is dysfunctional. However, it is one sign that may indicate that there are problems, and when other symptoms and problems also exist, it is a situation that should be taken seriously and investigated.

In the case of the City of Chestermere Council, there is a pattern of split votes. Since the 2021 election, and up until the end of July 2022, there have been 39 meetings of Council. This includes one organizational meeting, one budget meeting, 6 committee of the whole meetings, 13 special council meetings, and 18 regular council meetings.

However, of these 39 meetings, the minutes of only 28 of them have been published on the City of Chestermere website, which would thereby make them available to the public. The minutes of the remaining 11 of those 39 meetings (or 28% of all meetings) are not available on the City website. This is a concern and will be discussed further below in this Report.

In the 28 meetings for which minutes have been made publicly available, the minutes show that there has been a total of 443 motions made and voted on. (And interestingly, there were also 4 motions that were recorded as having been made but not voted on.)

Of those total 447 motions:

- 277 (61.97%) were recorded as passed unanimously;
- 50 (33.56%) were recorded as carried, not without a record of who voted for or against the motion;

- 16 (3.58%) were recorded as carried with a record of who voted for and against; and
- 4 (0.89%) were motions that were moved but apparently not voted on.

Of the 16 recorded votes, 14 reflect the split on council observed in other aspects of Council's interactions, that being one group made up of Mayor Colvin and Councillors Foat, Funk and Hanley, and the other group consisting of Councillors Dean, Johal-Watt and Narayan. In those 14 votes:

- 8 were 4-3 results with Councillors Dean, Johal-Watt and Narayan opposed;
- 1 was a 5-2 result with Councillors Dean and Narayan opposed;
- 3 were 6-1 results with Councillor Johal-Watt opposed;
- 1 was a 6-1 result with Councillor Dean opposed; and
- 1 was a 5-1 result with Councillor Narayan opposed.

There were only two recorded vote results that did not indicate one or more of the minority group on the losing side (one 5-1 vote with Councillor Foat opposed and one 5-1 vote with Councillor Funk opposed), and in all 16 recorded votes, the prevailing group of voters included either all four of the majority group (14 of the 16), or a vote where one member of the majority group was opposed in what would otherwise have been a unanimous vote.

Please note though, that the percentages quoted (above) should not be considered to the same level of accuracy as it may seem as presented. Many of the motions that were carried but not recorded could be considered to be "procedural" votes, which would include such things as approval of agendas, approval of minutes, consent agenda approval, and other motions on matters that tend to be somewhat routine and often not controversial. It could be expected that, if the results of those votes had been recorded, the minutes would likely show most of those to have been passed unanimously.

This is consistent with Council direction. At the special Council meeting of October 26, 2021, the following motion was carried unanimously:

Moved by Deputy Mayor Foat that Council direct the Recording Officer of Council Meetings to record Elected Officials' individual votes on all non-procedural votes such as third readings of bylaws, policy approvals, and any motions or resolutions that delegate authority or direction.

While it is relatively common in Alberta municipalities, and allowable by the *Municipal Government Act*, to direct that vote results be recorded, it is not typical that the direction to record vote results applies only to some types of votes. Problematic, in this case, is the fact that the motion does not fully define which motions will, or will not, be recorded. Some examples are provided, but other than for those specific examples, there is a lot of room for interpretation. Therefore, based on the opportunity for different interpretation of Chestermere's motion to record votes, exacerbated by the turnover that has occurred in the City's Legislative Services department, it is reasonable to surmise that some motions that might have been deemed by one recording secretary to require recording of the vote result, might not have been deemed to require recording by a different recording secretary.

Missing Minutes

The fact that of a total of 39 meetings, the minutes of 11 of those meetings have not been published on the City of Chestermere website is troubling, even if the reason for this inconsistency is not completely apparent.

Since the 2021 election and up until July 19, there have been 18 regular council meetings. The minutes of the first 6 are published on the website. The next five are not. After that, 1 is published, 1 not, then the next three are published, two more are not, then, finally, the July 19, 2022 meeting minutes are published. There is no apparent reason why so many sets of minutes should not be published.

Also, only four of the five committee of the whole meetings have had their minutes published. However, of the thirteen special council meetings held since the 2021 election, all but one, July 26TH 2022 have had their minutes published, and that one may not have yet had sufficient time to be approved by Council and subsequently published. The other omission, which is troubling, is that the minutes of the only budget meeting that has been held since the 2021 election, have not been published. The annual budgets are some of the most important plans approved by any Council and making these processes accessible to the public is considered to be important in many communities.

Chestermere uses the eScribe system for meeting management, including the creation of minutes. Typically, with this system, draft minutes should be available for review within 1 or 2 days. It is not unheard of that in some municipalities where eScribe, or other electronic meeting management systems are used that draft minutes have even been available to be circulated for review on the evening of the Council meeting day. Technical problems can occur in any software-based system; however, it is highly unusual for this many sets of minutes to remain unpublished for as long as many of these ones have. The only obvious causes for this type of irregularity would be poor performance by Legislative Services staff, or political interference in the administrative function of publishing approved minutes. If this problem has been caused by either staff capacity or staff capability, questions follow up the chain of command through the supervisors of those staff, all the way up to the City Director responsible for that functional area and the Council who established an organizational structure where they hired, and are responsible for the supervision of, that City Director. The other possibility presented is political interference. When this many sets of minutes have not been made available to the public, one might wonder if somebody is trying to hide something. Even if this is not the case, the potential for residents and other stakeholders to be asking this question should be enough motivation for Council to

ensure that, what should be a routine administrative procedure, is completed in a timely manner.

Interestingly, at the July 19th 2022 regular meeting of Council, the following motion was passed.:

Moved by Councillor Stephen Hanley

Motion that Council Directs Administration that as Council Meeting minutes are prepared, that they be emailed to all of Council in advance, so that Council may respond back to Administration with any changes or comments in advance of them being distributed on a Public Agenda and be approved by Council at a future meeting.

CARRIED UNANIMOUSLY

Whether this motion formalizes existing practices or is a new initiative that has now been approved by Council, it certainly seems to indicate that Council may be concerned with what has been included in draft versions of minutes in the past. It may also be an indication of a lack of trust in administration to carry out the creation of minutes such that they are now concerned about what may be appearing in future sets of draft minutes, leaving them with the only alternative of subsequently making amendments to the draft minutes prior to approving them. Is Council inserting themselves into the minute preparation process to speed up the time they would otherwise spend on the approval of minutes, or to avoid having to draw attention in a public meeting to particular things they don't like in the draft minutes?

Decline in Quality of Minutes

Another observation when conducting a thorough examination of meeting minutes, is that has been a noticeable inconsistency in the quality of Council meeting minutes. More recent minutes have not been prepared to the same standard that was consistently evident in former meeting minutes. Identifying a reason for this would only be speculative, but this is a problem that can be detrimental to how the public perceives

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the professionalism of the municipality, and over time, erode confidence in the organization.

Professional Advice

Possibly related to the decline in the quality of minutes, are some troubling signs that may indicate a decline in the quality of the advice provided to Council by senior administration. The provision of advice is one of the key functions of a Chief Administrative Officer, or in the case of the City of Chestermere's organizational structure, the City Directors. While Council has a great deal of authority bestowed upon them by the MGA, they will often need to rely on advice from administration to ensure that they exercise their authority in a manner that achieves the desired outcomes and is legally defensible if challenged. When challenges occur, these are generally caused by one of two things - either administration is not providing the appropriate advice when it is needed, or else Council is receiving this advice but is choosing not to follow it. If Council is choosing not to follow administration's advice, it may be because they do not trust their advice due to a lack of confidence in their experience and expertise, or else because it does not support their pre-existing objectives or agendas. If administration is providing appropriate advice, it is important that their advice is provided in writing so that if Council chooses to ignore it, management can be absolved of responsibility for any consequences that might arise from Council not following their professional advice.

Some irregularities observed in the proceedings of Council meetings are relatively minor, however, when taken in context along with other larger issues, may be an indication of a bigger problem. Smaller issues would include such things as a resolution moved, but not voted on, or not having a motion to close a public hearing before proceeding to new agenda items (as occurred in the May 3, 2022 regular Council meeting), or resolutions being passed in the incorrect order, such as when, in the May 17, 2022 regular meeting, Council appointed C. Wong to the position of City Director,

Community Operations before revoking the appointment of M. Wolynice to the same position.

A potentially more serious problem appears in the minutes of the May 3rd 2022 regular Council meeting. This meeting included a public hearing on Offsite Levy Bylaw 017-22. After passing a motion to “leave the public hearing and return to regular meeting”, Council next passed the following motion:

Moved by Councillor Shannon Dean

That Council direct Administration to gather feedback from developers regarding Offsite Levy Bylaw 017-22 option B 50% on storm water infrastructure and present feedback at the May 10, 2022 regular Council meeting.

CARRIED UNANIMOUSLY

This appears to show Council was seeking to acquire additional information that will help them to decide how they will consider whether to approve further readings of Bylaw 017-22, which was the subject of public hearing that they had presumably just closed. (I say “presumably” because of the language in the motion “to leave the public hearing” rather than to “close the public hearing”). It is assumed that Council’s intent is to close the meeting, but not entirely clear due to the wording chosen. Administration, in their role as advisors to Council, might have recommended clearer wording.) The problem that this creates is that, while the additional information may be useful to Council, it will be presented outside of the public hearing on Bylaw 017-22. When considering readings of a bylaw that was the subject of a public hearing, Council can only consider information that was presented in the public hearing, and that anybody in the public would therefore have had an opportunity to comment on. By receiving additional information outside of the public hearing, but before considering subsequent readings of the bylaw, Council may be creating an opportunity for anybody who is not happy with Council’s decisions on the bylaw, to challenge it in court. This, of course, could be a time-consuming and expensive process that would also delay

passing of the bylaw, which in turn could hold up future development that might be relying on passage of the bylaw to create a favourable climate for them to proceed.

Administration (or legal counsel on behalf of Administration) should have, or in fact may have, provided advice of this nature to Council. If not, they may wish to consider getting legal advice to determine whether they conducted the public hearing and presentation or additional information in an appropriate manner, whether corrective actions might be recommended, such as re-doing the entire public hearing and bylaw approval process, all over again.

This is a situation that senior administration should recognize and advise Council on, so that they can avoid mistakes that could have serious legal consequences for the City, or at least require specific remedial actions to correct. This underscores the importance of Council hiring a Chief Administrative Officer, or in the case of Chestermere, City Directors, that have sufficient expertise and experience in municipal administration to recognize and avoid procedural missteps that might result in unnecessary, and potentially costly outcomes.

Our Findings

- The decision-making processes utilized by each Council can vary but are impacted by the quality of administrative advice and public input.
- The value of strong, independent yet loyal administrative advice is experienced in a variety of ways by each Council.
- The City has a boards and committees bylaw which should be helpful in setting the City up for success with respect to such entities.
- City Council has the authority and right to dismiss all appointments and to call for new ones at its discretion; normally, a City would advise and thank all current members before calling for new applications.
- Any Mayor would be wise and gracious if called to an emotional meeting by those being dismissed by expressing considerable support for the efforts of the current

and longstanding members; learning that members had been dismissed via Facebook and then hearing their efforts being demeaned by their chief elected official is inappropriate to the office of Mayor. We find that the Mayor's statements in this regard were quite irregular by "not following the usual rules about what should be done".

- The minutes of Council meetings are the official record of what issues have been discussed by a Council and which decisions have been made. It is critical that these be an accurate, faithful account of such decisions and that Council be afforded the opportunity to review these for their accuracy in an expeditious manner. The fact that there has been such a delay in receiving these on a meeting-by-meeting basis should be of concern to all members.

17.12 Departmental Issues

We were quickly advised that there were major personnel changes being made and as a result we had some initial difficulty in locating an organization structure given that it was being changed on almost a weekly/daily basis. We asked for the organization structure as one of the very first requests (23/05/22) and received it two weeks later as a work in progress. The structure continued to evolve as our work progressed. The Executive Assistant with whom we were pleased by her responsiveness had a planned holiday just as we concluded our on-site interviews. She left June 8th; returned June 21st; was released that same day. This evolving organization made it difficult to ensure access to all relevant documents and people.

Significant Employee Turnover

There has been significant turnover (62 staff have left the organization) (139 fte today compared to 176 fte on October 21st 2021) resulting in confusion and lack of leadership for the organization e.g., HR; IT, Communications, Legislative Services, etc. We were advised that the senior managers who were in place as of October 2021 have all been replaced. Some of the senior management replacements have a degree of related private sector experience whereas most lack municipal management backgrounds. We

were also advised that the new CAO model led to the argument that the current department heads were thus made redundant and so relieved of their duties. In a relatively small organization such as Chestermere, these personnel changes would undoubtedly have a considerable impact on requisite departmental knowledge which would have been accumulated over the years through personal experience, education and ongoing courses through the relevant professional organizations.

Other than the right to recruit, contract with, compensate, assess, direct and if necessary, release the CAO, the Act restricts Council from any involvement in other personnel decisions. While it is difficult to assert that the Mayor or Councillors interfered in this manner, we noted relative to identified Code of Conduct violations that a number of personnel decisions (hirings, firings, resignations, demotions) were related to particular comments made by the Mayor and/or other members of Council who guided or impacted those hired even for very short tenures to release management personnel who were not perceived as being part of the new regime moving forward. This inappropriate involvement in personnel issues (if true) and decisions we find to be irregular (i.e., "not following the rules about what should be done") and damaging to the morale of the organization and the trust which should permeate all levels, including between Council and management.

We have heard from the Mayor on this issue and he comments that *"I have never in my time in office told a single staff member they are next to be fired. These are complete false statements and again I want to object to this process. These Councillors need to be under oath. They are not being truthful. I also do not communicate with staff, only through CAO or City Directors"*.

Due to a pall of distrust over the organization, the Mayor was more likely to seek advice from one of his new colleagues who had an extensive senior executive position in a major Canadian corporation. He did not appear to have the access he should have with respect to Legislative Services who normally support a Mayor in their chairmanship duties. In part, this may have been due to the distrust that prevailed across the entire

organization. Legislative Services reported that they were only asked to offer minimal help when they had sufficient staff. Then their ranks were depleted leaving inadequate expertise to push back on any practices which may have been contrary to the Procedural Bylaw. (We note that one of the newly retained Strategic Advisors has local government experience and should be valuable in that regard).

Departed management argue that they were released or pressured to resign even though they had been following due process and guided by the MGA. Any unwillingness to follow direction set by the majority of Council was viewed as being disloyal and resulted in changes being made. In a number of instances, it is our understanding that HR was only brought in after decisions were made, including severance decisions which resulted in large payments to some and the minimum to others.

Will the City still be successful in its delivery of public services? That appraisal will be made by its citizens based on their access to such services both in the past and today. Were all of the former staff (and services) necessary? That too will be better discerned over the months which lie ahead. Could the City function more efficiently? Like every public sector organization, efficiencies can typically be found, and the system rationalized. The key, of course, is to ensure that the blessings of public services are not sacrificed in the process.

18.0 Audit Services & Financial Oversight

Solid, professional financial governance works only when Council, administration and the auditors fulfill their separate duties. Each role requires a specialized expertise: governance, financial management and audit. None of the parties can effectively perform the work of the other.

Council governs by directing and overseeing administration. Administration plans, executes and reports financial results. Auditors work on behalf of Council to oversee administration's financial performance by ensuring the financial results are accurately reported, including the budget.

Council's financial direction to administration is provided through the strategic plan and via discussion and additional, specific direction early in the budget process.

18.1 External Audit

The external auditor's task is to express an opinion on whether the financial statements conform to Canadian Public Sector Accounting Standards. The goal of the audit is to gather sufficient and appropriate evidence to provide an audit opinion as to whether or not the statements present fairly, in all material respects, the financial position of the organization. As part of the audit process, the auditor issues a letter to management which includes findings and recommendations to improve systems and internal controls. The point of the audit is to provide assurance to the users of the financial statements that they can rely on them for making decisions. As such, audits serve Council governance and administration through accountability, performance measures and standard and best practices.

The Act provides the following requirements related to the External Audit.

- 280(1) Each council must appoint one or more auditors for the municipality.*
- (2) Each council must appoint one or more auditors for each of its controlled corporations if there is no statutory requirement for an audit of the accounts of the controlled corporation.*

281(1) The auditor for the municipality must report to the council on the annual financial statements and financial information return of the municipality.

(2) The reports on the annual financial statements and financial information return must be in accordance with

(a) Canadian generally accepted accounting principles for municipal governments, which are the standards approved by the Public Sector Accounting Board included in the CPA Canada Public Sector Accounting Handbook published by the Chartered Professional Accountants of Canada, as amended from time to time, and

(b) any modifications of the principles referred to in clause (a) or any supplementary principles established by the Minister by regulation.

(3) The auditor must separately report to the council any improper or unauthorized transaction or non-compliance with this or another enactment or a bylaw that is noted during the course of an audit

18.1.1 Our Findings

Chestermere's current professional accounting firm was appointed in 2017 for a five-year term which ends with the current 2021 audit. This is in keeping with the City's Audit Committee terms of reference to undergo an auditor procurement process at least once every 5 years.

18.2 Audit Engagement

An audit engagement can be thought of as having two components: the first being the relationship with Council/Audit Committee and management. The second is the audit itself and its reports.

With respect to Council/Audit Committee and management, a critical element is the independence of the auditor. The auditor is required to discuss independence in their plan and final Auditor's Report. Independence starts with contracting a credible,

experienced professional accounting firm that adheres to appropriate standards (Canadian generally accepted auditing standards).

Meetings, plans and reports are prepared and conducted in accordance with relevant Canadian Audit Standards (CAS).

The plan for the audit engagement sets out the components of the audit as follows:

- Initial Planning
- Assessing and responding to engagement risk
- Developing and executing the audit plan
- Assessing performance and reporting.

With respect to governance, the audit interfaces with Council/Audit Committee when the audit plan is presented, and any questions or issues raised by Council/Audit Committee are addressed and then again with the presentation of the final audit report.

The auditor issues two reports at the end of the audit as follows:

- Independent Auditor's Report on the Financial Statements and the
- Report to City Council on the audit, which includes the Letter to Management.

18.2.1 Our Findings

With respect to the external audit, we observed that much of the relationship is consistent with good practice; for example:

- The auditor selection process was carried out by the Audit Committee which recommended the appointment of an independent Audit firm to Council. Council approved the appointment. This made it clear that the auditor works for Council, not the CAO.
- During the 2021 Audit Planning stage, the auditor met with management to review current year's operations to determine if there were any specific issues to be addressed in the Audit. The auditor then met with the Audit Committee, to discuss the plan. The issue of staff turnover was discussed and the impact it might have on the preparation of audit materials for the Auditors in advance of

their fieldwork. This initial planning meeting provided the Audit Committee with an opportunity to suggest areas of concern for the auditor to consider during the execution phase.

- During the 2020 Reporting stage, the auditor met with the Audit Committee, then Council to discuss the results of the audit. We note that during our Inspection, the 2021 Audit Reporting stage had not been completed so we reviewed the prior year's 2020 Audit process for the reporting stage. We find the delay in reporting for 2021 to be an example of irregular behaviour by the organization as it does not follow "the usual rules about what should be done".
- The Financial Statements for the City along with the independent Auditor's Report were presented to Council in a regular open council meeting. The Letter to City Council was presented in an in-camera meeting. This provided Council with an opportunity to gain a deeper understanding of the audit and its results. It should be noted that for more transparency this process should be done in an open Council meeting.
- The Auditor's Report on the financial statements was consistent with the relevant audit standards. The audit report was "clean", that is, it stated that "In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020, and its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards."
- The Report to City Council, (360 Review) set out matters as required by relevant auditing standards. This report was extensive, commenting on matters such as materiality, risk of fraud, significant audit accounting and reporting matters, any control deficiencies and performance improvement observations, audit independence and management cooperation.

- For 2020, the report to Council reported back against the plan. In all planned items, the auditor stated that they reached a satisfactory conclusion and there were no difficulties with management. The auditor received full cooperation of management and the employees and to their knowledge had access to the accounting records and documents needed to carry out the audit.
- In the 2020 report, there were a number of audit findings which the Auditor reported that in all cases, the auditor carried out sufficient work to mitigate these finding and that there were no material misstatements noted. In addition, there were four recommendations for improvement in Control Deficiencies and Performance Improvements including the ability of management to prepare and provide all the required audit materials in advance of the audit field work. This last item as we have been advised is what has again delayed the 2021 audit and is mainly due to staff turnover.
- The audit itself seems to follow good practice with appropriate interface with management.

18.3 The Audit Committee

The City's Audit Committee serves an important function under the delegated authority of Council and as such its terms of reference should contain responsibility for the review of internal controls and risk management systems, the oversight of financial statements, the external audit process, the review and oversight of management letters along with other duties. While the implementation of an audit committee is a best practice, in reality it is generally the large municipalities in Alberta that have audit committees in place. The audit committee format provides an opportunity for a more in-depth discussion on financial matters.

18.3.1 Our Findings

The City has appointed an audit committee the purpose of which is to oversee the work of Council's appointed auditor. It is currently made up of three (3) public members and two (2) Council members. The term of membership is for one (1) year.

Its main responsibilities as outlined in its terms of reference (Schedule 7) are as follows:

- Recommend to Council the appointment of the City's external auditor
- Review financial controls with the auditor
- Review internal controls with the auditor
- Ensure contractual obligations of the auditor are met and
- Ensure that the Auditors have full access to the necessary financials and other documentation to effectively complete the annual audit.

In addition to the above, the committee also ensures that

- a competitive process is initiated every 5 years
- approval of the auditor's work plan and timelines
- review of areas of audit risk
- management letters are acted on and responded to.

The Audit Committee seems to be functioning as per their terms of reference.

18.4 Annual Financial Statements

The purpose of the annual financial statements is to provide information about the financial results of the City's operations, financial position and cash flows. These statements provide the reader with information useful to base decisions on. In the case of municipal financial statements, they provide Council with information pertaining to City spending compared to budget, financial trend information and the ability to compare with like municipalities.

The Act sets out the following requirements for each municipality with regard to the preparation and public availability of a municipality's financial statements.

Annual Financial Statement Preparation

- 276(1) Each municipality must prepare annual financial statements of the municipality for the immediately preceding year in accordance with*
- (a) Canadian generally accepted accounting principles for municipal governments, which are the standards approved by the Public Sector Accounting Board included in the CPA Canada Public Sector Accounting Handbook, published by the Chartered Professional Accountants of Canada, as amended from time to time, and*
 - (b) any modification of the principles or any supplementary accounting standards or principles established by the Minister by regulation.*

Public Availability of Financial Statements

- (3) Each municipality must make its financial statements, or a summary of them, and the auditor's report of the financial statements available to the public in the manner the council considers appropriate by May 1 of the year following the year for which the financial statements have been prepared*

18.4.1 Our Observations

- Our review of the past 3 years (2019 to 2021) identified that the Audited Financial Statements for 2 of these years (2019 and 2021) were filed late, after the May 1st deadline, with the 2021 statements yet to be completed and audited. We were advised that the 2021 delay was due to staff turnover. We find the delay in reporting for 2021 to be an example of irregular behaviour by the organization as it does not follow "the usual rules about what should be done".

A review of Chestermere's website shows that its audited financial statements are made available to the public when available. In addition, for some years the staff's financial statement presentation to Council is also included.

18.5 Monthly/Quarterly Financial Reporting

In addition to the Annual Financial Statements, Council needs to maintain oversight of the City's spending against budget. This is carried out through management's monthly

and or quarterly financial reporting to Council. It is up to Council to determine its level of comfort with management and the need for more regular monthly reporting or if they are satisfied with quarterly. It is during this update that Council has an opportunity to ask questions to ensure work and programs are being carried out as planned.

18.5.1 Our Findings

The City provides quarterly updates to Council and monthly updates to department heads. The first quarterly financial update received by the new Council was for the period July - September 2021 and was presented to Council at its December 7th 2021 meeting. While the quarterly update format and presentations seemed to meet the needs of the majority of the previous Council, the December 7th presentation was met with considerable angst. A review of the December 7th Council meeting video indicated that Council was concerned with the format of the presentation and that the PowerPoint presentation should speak for itself. Council felt that the presentation was not informative or understandable by the public, that individuals reading the presentation should be able to understand the information being presented without having to listen or watch the actual presentation to Council.

19.0 Budget

19.1 The Budget Process

One of Council's main tools to ensure its strategic plan and programs are implemented as planned is the Annual Budget Process. Steps in the budget process include development, approval, implementation and monitoring. This process drives service delivery and provides for accountability. The Act outlines the following:

Adoption of operating budget

- 242(1) Each council must adopt an operating budget for each calendar year.
- (2) A council may adopt an interim operating budget for part of a calendar year.
- (3) An interim operating budget for a part of a calendar year ceases to have any effect when the operating budget for that calendar year is adopted.

Adoption of capital budget

- 245 Each council must adopt a capital budget for each calendar year.

The Act goes on to identify what is to be included in the budget both from a revenue and expenditure point of view. The starting point in the development of the annual budget is the Strategic Plan. As municipal budgets are based on a municipality's fiscal year (calendar year), the budget process commonly begins in late spring or summer with budget guidelines/direction from Council to administration to develop a budget based on specific levels of service and a targeted tax rate. This provides the guidance needed by administration to begin development of the budget and ensures the draft budget that is presented to Council meets their expectations.

These same Council guidelines provide each department the direction needed to develop their individual department budgets. With the assistance and oversight of Finance, departments complete and submit their draft budgets to Finance to be included as a component of the overall budget.

It is common to hold numerous review meetings at the administrative level prior to developing the draft budget. These meetings are normally held in the fall. Once administration is satisfied that the budget meets Council's objectives, it is then submitted to Council for review. The Council review process may take a number of meetings, with adjustments made by administration as directed by Council. These meetings with Council are generally carried out in November/December of each year. Larger municipalities in Alberta commonly seek Council approval of the final budget prior to the end of the calendar year. Some municipalities may choose to adopt an interim budget and then follow-up with budget approval at a later date usually in tandem with the tax rate bylaw.

The budget should be presented in a similar format to the annual financial statements and also by function (departments) and by object (revenue/expense type). It should include columns for the prior year's budget, current year's budget and projected actuals to the end of the fiscal year.

Given the timing of elections in Alberta (October) and the requirement for budget approval by the municipality's year end (December), it is common for newly elected Councils to accept the budget as presented with some minor changes to help reflect their mandates. It is the following year's budget where the new Council can better influence the budget as it has now had considerable time to understand the complexities of municipal finance and has developed a current strategic plan to reflect their direction.

19.1.1 Our Findings

In 2016, Chestermere City Council approved a Multi-Year (4) Budgeting policy. The main purpose of the policy was to ensure that Council's Strategic Plan provided the overarching direction for business plans, budgets and performance measures. The benefits cited by the policy are as follows:

- attaining a stronger linkage between planning and budgeting

- identification of longer-term funding needs for the achievement of Council approved outcomes
- providing citizens with more certainty about the direction of City services, finances and tax levels;
- making more strategic use of Councils time in reviewing budgets and administrations time in preparing them; and
- encouraging a disciplined approach to changes in approved plans.

In addition to the above, the intent was to ensure all business cases approved in the plan were fully funded over the 4-year period.

Based on our interviews and observations, the previous Council's 2021 budget process followed the plan with departments developing budgets based on the previous Council's Strategic Plan and direction. The previous Council, at its December 1, 2020 meeting, approved the following:

- the 2021 Operating Budget
- the 2021 Capital Budget
- the 2022 to 2025 Capital Plan

Our review of the 2022 Budget approval process identified that staff again followed the previous Council's guidelines/direction in the development of the 2022 operating, capital budgets and four-year Capital Plan.

With the election of a new Council in October 2021, the outgoing Council, like most outgoing Councils felt the approval of the 2022 Budget should be carried completed by the newly elected Council so as to leave room for any adjustments they might wish to make based on their mandate.

The 2022 Budget presentation to Council took place on December 7th, 2021. The presentation included the 2022 Operating and Capital Budgets and the 2023 - 2026 Capital Plan. Our interviews identified the following;

- Some of Council was concerned with the budget format i.e., that the budget PowerPoint presentation while over 100 pages did not provide the information needed by Council to approve the budget. Council expected the budget to include projected current year actuals and trend information, but this was not provided.
- Some of Council felt that staff were unable to answer their questions.
- Council advised that without the current year projected actuals they could not approve the 2022 Budget.
- Staff felt that the new Council was unable to move away from day-to-day details to a policy level.
- Staff said they were willing to adjust the budget to reflect Council's mandate but were not given the opportunity to do so.
- Staff felt they were not afforded the opportunity to explain the budget as some of Council were less than respectful. Staff mentioned words such as inappropriate, unprofessional, belittling and demeaning.

At the December 7, 2022, meeting, Council did not approve the budget but rather the acceptance of the 2022 Operating and Capital Budget, 2023-2024 Operating Plan and 2023-2026 Capital Plan as information. Following that meeting on December 10th, 2021, the Chief Financial Officer (CFO) left the organization.

On December 21st, 2022 Council approved the following motions;

- that Council adopt the first quarter of the 2021 Budget as the first quarter of the 2022 Budget (an interim budget)
- that administration provide to Council a report on the 2021 projected year-end actuals in order for Council to adopt a full 2022 budget by the end of the first quarter of 2022
- that Council adopt the 2022-2026 Capital Plan as presented

- that administration present a full business case for each capital project in the calendar year of which it is to be conducted and to not proceed with that project until receiving formal approval from Council
- that Council provide administration with summary sample business case process analysis templates to establish what is expected of administration in their capital project business case presentation to Council.

Following the departure of the CFO, Council contracted a consultant to develop the City's 2022 Budget which was presented and approved on March 29th, 2022. The consultant worked closely with Council to determine their needs which resulted in a 23-page PowerPoint presentation. This presentation provided a higher level of information with projected actuals as follows:

- 2015 to 2021 historical revenue and expense levels
- 2019 to 2021 budget and actual comparisons along with the 2022 draft budget
- addition of council priorities
- summary of proposed changes to draft budget
- 2022 proposed budget
- impact of 2022 tax rate on sample assessments.

The result was a presentation at a level of detail with comparative information that the new Council could understand and approve.

20.0 Financial Status of Municipality

20.1 Financial Indicators

Municipalities like any other organization need to monitor various financial indicators to ensure their financial health, stability and longevity. These indicators can provide valuable information related to a municipality's ability to deal with planned projects or events and with unplanned emergencies. Alberta Municipal Affairs Financial Indicators website provides comparable data for all municipalities in Alberta, for multiple years. This data can provide either a point in time or a trend and can be used to compare to other municipalities.

For this Inspection, it would be useful to compare the City of Chestermere with other similar municipalities in Alberta. We have used this website as our data base for our information. Where information was not available, we used the audited financial statements. We have selected a three-year period 2019 to 2021 for our trend data. With the exception of Chestermere, we have used 2019 to 2020 as 2021 data was not available. With respect to comparable municipalities, we selected the following four: City of Beaumont, Towns of Cochrane and Okotoks and Sylvan Lake. These were chosen for their comparative population (ranging from 16,142 to 31,638), proximity to a large centre, comparatively high residential tax base (86%-95%) and in the case of Sylvan Lake a comparable lakeside community. While there are many indicators to choose from, the following were chosen as they surfaced in our discussions, emails and interviews.

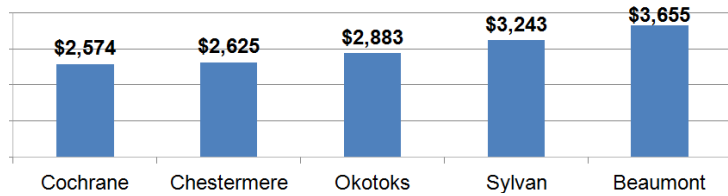
20.2 Residential Taxes

The municipality's main source of funding for its operations and programs is Property Tax. The two main classes are residential and non-residential. The City of Chestermere's residential tax base makes up 95% of its total assessment base. The comparators used in the following chart ranged from a low of 86% to 95%.

For our comparison we used the median residential assessment for the City of Chestermere and applied it to the residential tax rates for each of the comparable municipalities. As shown in the

Residential Taxes 2021

Based on Median Assessment of \$514,760 and 2021 Tax Rates



chart, Chestermere ranked second lowest in property tax on a \$514,760 (Chestermere's median assessment) assessed home. A municipality with a high percentage of non-residential property tax is generally able to provide the same level of service to its community at a lower cost.

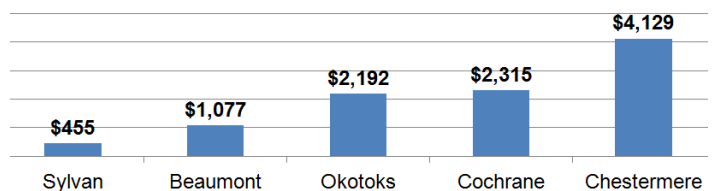
20.3 Restricted / Unrestricted Surplus (Reserves)

Reserves are an important tool used by Council's to fund planned and unexpected expenses or revenue shortfalls in operating programs. They are also important in providing financial stability or resiliency by allowing a municipality the ability to set aside funds for major capital projects or unexpected events such as fires or floods without imposing a sudden tax increase on property owners. Council may also choose to set aside reserves to reduce the need for long-term borrowing. Reserves are like savings, municipalities with higher reserves are better able to withstand adversity and to provide for a more stable, resilient future for their residents.

Reserves are found on the municipality's balance sheet and are reported under the accumulated surplus heading. The accumulated surplus is made up of the following three components:

Reserves Per Capita

(Restricted & Unrestricted Surplus)

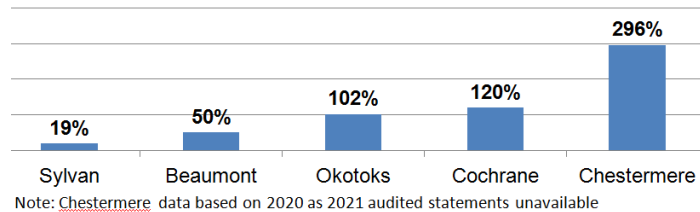


Note: Chestermere data based on 2020 as 2021 audited statements unavailable

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- "Unrestricted Surplus" which are surplus funds which have not been designated to be used for a specific purpose,
- "Restricted Surplus" which are funds approved by Council either through the budget process, policy or by motion of Council to be held for a specific purpose.
- "Equity in Tangible Capital Assets" which is the portion of the City's assets which have been paid for by the City less any debt outstanding.

Reserves as a % of Revenue

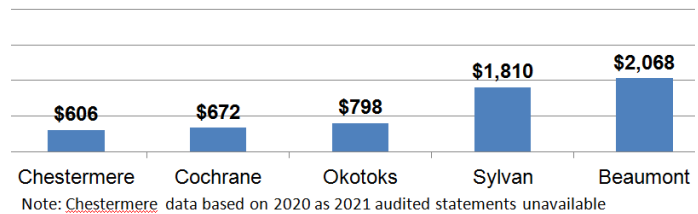


Both the Reserves per Capita and as a % of Revenue charts show the City in a very positive light with almost double the level of reserves in comparison to other municipalities. This is a very strong position to be in.

20.4 Debt

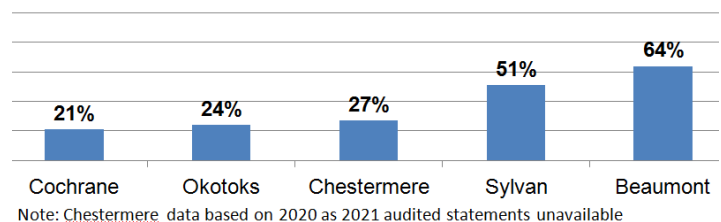
Municipalities use debt financing as a capital funding tool to build capital projects such as recreation centres, firehalls, parks, other facilities, roadways, bridges and other structures.

Debt per Capita 2021



In our review the City's debt per capita for 2020 was \$606 compared to a high of \$2,068 for Beaumont. The City's debt limit was at 27% of the Provincial debt limit or mid range of its comparables. At this level, the City if

Percent of Prov. Debt Limit



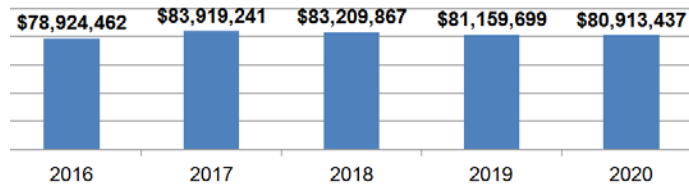
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it chooses has room to continue to use debt as a strategic capital financing tool as needed. This level provides financial flexibility for the City to meet future needs. However, it should be noted that the charts above do not include the City's Utility Corporation debt of over \$31 million. If this were included, the above charts would show an increase in both the Debt per Capita and the percent of Provincial Debt Limit.

20.5 Net Financial Assets

Net Financial Assets

Net Financial Assets is a key indicator for municipalities. Net Financial Assets is calculated as the municipality's Financial Assets less



its Liabilities. If the value is positive, the municipality has the ability to pay off all of its obligations with its available financial assets. If the value is negative the municipality has more obligations than ability to pay. This number also indicates how a municipality is paying for its current expenditures. Where Net Assets is increasing, year over year, the municipality is using current revenues to fund current expenses and save for future expenses. This is a positive trend. A decreasing trend indicates that the municipality is using future or past revenues to subsidize current expenses. This is a negative trend long term and cannot be sustained. In the case of Chestermere, 2016 through 2018 shows an increasing or positive trend. 2018 through 2020 shows a decreasing or negative trend. In general the Net Financial Assets has remained relatively flat as per the graph above. Note that this trend can be influenced by the purchase and construction of planned capital assets.

In addition to the above we provide the following comments:

Property Taxes

- Municipal residential tax rates have decreased slightly over the past three years from 5.4 to 5.1 (2020 5.4, 2021 5.1, 2022 5.1)

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- Municipal non-residential tax rates have decreased slightly over the past three years from 7.6 to 7.2 (2020 7.6, 2021 7.2, 2022 7.2)
- Municipal residential property taxes per capita have decreased from \$970 in 2018 to \$943 in 2020
- Net Municipal property taxes have decreased by 2.8% from 2018 to 2020
- The tax collection rate continues to climb in a positive direction from 95.5% in 2018 to 97.56% in 2020. This shows the property taxpayers have the ability to pay their taxes and the City's collection process is efficient.

Expenses

- Operating expenses per capita have risen 8.2% from \$1,516 in 2018 to \$1,640 in 2020.
- The City's operating expenses per capita for 2020 were \$1,640 which compares favorably to the comparables chosen earlier which range from \$1,834 to \$2,598.
- It should be noted that while it looks like operating costs are favourable in comparison to other similar municipalities, without a comparison of services and service levels of each municipality it may just be that the services offered are less than other municipalities.

Debt

- Long term debt per capita has decreased from \$754 in 2018 to \$648 in 2020
- Long term debt in 2018 was \$15.6 million, \$17,5 million in 2019 and back down to \$13.4 million in 2020
- Debt as noted in the chart above is well within the Provincial debt limit guideline with capacity to incur more as needed, subject to the issue noted re the City's utility corporation.

Utility Rates

- Chestermere Utilities Incorporated was established in 2011 and subsequently was renamed as 1538974 AB Ltd. This utility company provides water, wastewater,

storm water, garbage collection and recycling services to the City. The City is the sole shareholder. During our review, we heard from a number of sources that the change from city provided services to a separate corporation resulted in rate shock. The scope of this review did not include a study of utility rates and as such we are unable to provide any information as to the comparability of Chestermere's utility rates to other municipalities. An issue for consideration however is the \$31 million in outstanding debt held by the utility company. Our understanding is that the City wishes to dissolve this company and bring the utilities back into the City. The utility corporation has experienced losses for 2018 through 2020 with 2019 and 2020 both exceeding \$2 million annually. On the surface this would indicate that the utility rates are too low, as they are not bringing in the revenue required to break even.

Other

- Operating deficits of over \$3 million are reported in each of 2018 through 2020. When government transfers and other contributions such as developer levies are added, these deficits change to surpluses with the exception of 2020 which reported an overall deficit of over \$7 million.
- Accumulated surpluses for 2018 through 2020 remained very consistent at approximately \$200 million.

Section Five: Conclusions & Recommendations

21.0 Conclusions & Recommendations

21.1 Inspection Observations

The principal question at the conclusion of our Inspection is centred on the mandate (Ministerial Order MSD 040/22) which we were given at the outset: did we find evidence of whether or not the municipality is being managed in an irregular, improper or improvident manner; and thus, are there any recommendations to the Minister to address the results of the inspection process.

What we found was:

- 1) A Mayor who felt that he was lied to and misled by the former City leadership; was suspicious of what impact they had on the organization; and believed that significant changes would have to be made if he was going to be a successful leader
- 2) A Mayor who was determined to see the departure of the then incumbent CAO (a campaign commitment) and who very expeditiously orchestrated his severance as per his employment agreement
- 3) A Mayor who recognized early on that the legislation was a major impediment to his plan to make fundamental changes but that obstacles could be removed if he could develop and maintain a sufficient number of close supporters on Council
- 4) A Council which when elected was apparently divided in its view of what the priorities were and what needed to be done to fix any perceived shortcomings
- 5) Several members of Council who supported the Mayor in his desire to weed out what they saw as under-performers and obstacles to the “progress” which they had in mind for their City
- 6) Members of Council who soon realized that they would be split over a number of issues, but particularly their concern regarding the perceived independence of the Mayor as well as their desire to protect seasoned and (formerly) trusted employees

- 7) A Council which went along with the Mayor's desire to remake the structure by accepting a novel "three CAO" model which the Mayor believed would be at least a step in eliminating the gatekeeper role played by a traditional CAO
- 8) A Council which had very little idea of the full impact of dropping a single strong CAO model and replacing it with one which enabled Council members considerable access to managers
- 9) A Council who struggled early on to bring this new three CAO model into life and who quickly realized that those they felt were suitable to the task as City Directors either realized themselves that this was not a good fit or who the Mayor and Council decided to sideline in favour of bringing on new people with presumably more applicable credentials
- 10) A Council which seems to not understand that it is the governing body and not a quasi-administrative structure vested with management responsibilities who ought to be involved in the hiring of senior management (i.e., the three CAOs)
- 11) The perception that three Councillors and the Mayor are privy to information before the rest of Council (partially as a result and cause of a split Council) and who have had time to think through how they wish to address certain agenda matters
- 12) A heightened level of distrust as "evidence" of information (and innuendo) flowing from a segment of Council (i.e., Councillors Narayan, Johal Watt and Dean) to the Minister's office surprisingly found its way to the eyes of the Mayor (as we understand that this will be investigated by presumably an independent third party this incident will not be considered in our findings)
- 13) A Mayor who has a creative personality and entrepreneurial skill set and who operates without managerial assistance in terms of what is appropriate or not which has enabled him to pursue "deals" with those in the City (and beyond) who he feels might be open to discussion with respect to his vision of what is possible
- 14) A Council who gave assent (at least in some measure) to a list of ideas/projects which the Mayor sees as critical to moving the City ahead

- 15) A Mayor who has not understood the benefit of having the City's most experienced, professional and knowledgeable senior manager (or as designated) in attendance with him as he makes contact with individuals and organizations who might be in a position to make a transaction which could potentially benefit the City or achieve his goals
- 16) The picture of managers and staff exiting the City organization as a result of being identified as non-supporters of the Mayor or Council's new agenda or uncomfortable with this rather abrupt change in governing style
- 17) A decision-making style which without a committee of the whole has resulted in lengthy Council meetings as Councillors both think through issues and their potential consequences and legality and make decisions on those same issues
- 18) An assertive and creative Council facing limited pushback by senior management, inserting themselves into the normal realm of management functions (e.g., a Council motion on December 21st, 2021, specifying that "Council provide administration with summary sample business case process analysis templates to establish what is expected of administration in their capital project business case presentation to Council"); and staff who felt that Council acted in the role of administration to the point where they brought forward and presented a PowerPoint presentation without any input or review from administration
- 19) A considerably reduced management body (i.e., no CAO, no CFO) with lessened municipal senior management experience who are ready to welcome Councillors into their processes without much concept of what that might result in down the road
- 20) An organization which will undoubtedly find its footing because that is what quality people will do; changes will be absorbed; new management will gradually arise and take on senior roles; and Council may begin to understand its potential as a collective body as opposed to individual players focused on their own agendas.

21.2 Irregular, Improper or Improvident

The Inspection requires us to investigate as to whether or not the City is functioning within the guidelines established by the MGA and other relevant Provincial legislation; and in particular, whether or not the City has been acting in such a manner as to contravene the guidelines of “irregular, improper or improvident conduct by Council” relative to its governance functions.

These are repeated as follows:

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.

The task of providing such judgment requires that we rely on our understanding of the MGA and its reference to such conduct (MGA 574 (1)). We also make reference to actions which we believe to be inappropriate, and, in those instances, we rely on our understanding of “generally accepted governance/leadership principles” that one can utilize and which those serving in elected roles in municipalities would support as reasonable and expected.

21.3 Our Findings

Earlier in this Report (Sec.6.5), we made reference to “generally acceptable governance”. We outlined some basic aspirational statements without answering whether or not these are found in Chestermere. Those questions and our findings follow:

- **Good government:** Are the actions/decisions of the Council such that an impartial reviewer could assert that these are intended to serve the community

well in terms of offering needed and preferred services in a manner deemed acceptable by the residents?

- It is our judgment that this Council has, in a general sense, been committed to making decisions which it feels will move the City forward. Given that Council had yet to address any over-arching strategy (i.e., goals, objectives, timelines), it is our assessment that decisions are being made without full comprehension of the broader picture and longer-term impacts on the City. This assessment has not been possible due in part to the newness of this Council, in part to the absence of seasoned municipal management and in part to the division on this Council.
- **Adherence to decision-making protocols:** Does Council generally adhere to a reasonable process of decision-making? Is the necessary information in its hands well in advance of a Council meeting? Are all Council members informed on a concurrent basis? Are decisions actually made at the table or are they simply ratified there as matters which the Mayor or a segment of Council have already determined to be in the City's best interests?
 - Regardless of the reasons for inadequate managerial oversight, Council suffers from the depletion of a balanced, experienced management table which could offer a broader perspective on the potential implications of its decisions and a deeper dive into the options. The current management is striving to present advice as clearly and quickly as possible but lacks the presence of an experienced local government manager (CAO) (and CFO) who would regularly challenge information and advice from all parts of the organization and who would be sufficiently strong to resist any intrusions into management by an assertive and largely inexperienced Council.
 - All Council members do not believe that they are being made aware of related information on a concurrent basis but only as necessary. There is

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not sufficient confidence in their approach to the Mayor and a concern that such discussions in a boardroom in City Hall will replace their mandate to govern in the presence of the public. This concern is supplemented by the belief that only certain members of Council are privy to the backstory on issues and thus key issues are viewed as largely determined prior to a Council meeting (whether or not this is true, it is perceived).

- **Primacy of the Council Table:** Is every action taken by management the result of decisions made (bylaws, resolutions, budget approvals, etc.) by Council at a regular or special meeting? Is primacy of the Council table respected? Is the Mayor able to point to a decision by Council which preceded his announcement?
 - As noted above, the primacy of the table is fundamental to good governance. That is where decisions are to be made by all members of Council. While the “Mayor’s list” has been endorsed by Council, it would be wise if he regularly discussed with all of his colleagues any progress on his initiatives and identified next steps.
- **Open meetings:** Is the public afforded the opportunity to attend the meetings of Council? Are the meetings properly advertised/scheduled? Is there a place on the agenda where the public is heard? Has that been screened so as to remove any input deemed likely to be objectionable or are members of the public expected to speak freely and yet respectfully?
 - We find that the regular meetings of Council are advertised and known to the community as to the day of the week and time. We also note that between May 17th, 2022, and June 14th, 2022, that the Council agenda changed such that the item “Question Period” was removed. This we understand is under review by Council as information is being sought presumably from other municipalities of a comparable size. Many municipalities provide for “delegations” in their meeting schedule, and

these are “managed” by reference to a policy/procedure to ensure that such opportunities for input are not abused.

- **Regular and transparent reporting:** Are the minutes properly and expeditiously posted in a public manner and do they accurately reflect the decisions of the Council? Has there been any attempt to hide information from the public which the public has a right to see? Have any members of Council directed any changes to the minutes which were not adopted at a subsequent meeting of Council?
 - Council’s reporting has been a “work in progress” as meeting minutes are seldom promptly available even as a draft awaiting Council approval. (We pointed to the absence of a series of minutes and were advised that these were being reviewed and compared to the video record). This delay in the production of minutes, we were advised, has been impacted by the loss of all experienced Legislative Services staff. Council has arranged to utilize one of its Strategic Advisory Group members with a background in local government to fill in and expedite the production of all minutes. Minutes are the official record of Council’s decisions and therefore are critical to the sanctity of good government. The fact that so many have been delayed will inevitably lead to suspicion by the public as to what is being changed.
 - We were advised via the Mayor’s submission of 16/08/22 that *“It must be noted, due to staff turnover and previous subpar legislative work, the new precise legislative team is diligently checking and re-doing all minutes dating back to October 2021. All updated and reviewed minutes are expected to be posted on Chestermere.ca before August 31, 2021.”*
- **Apolitical administration:** Is there any evidence that the staff are acting as executive assistants to the Mayor or to a faction of Council? Are the reports and advice of the administration forwarded in an unhindered path to all members of Council or do they need to reflect the views of the Mayor or a faction of

Council? Are all reports to Council apolitical; has management been told what to write?

- The danger of a politicized environment wherein all members of the administration are made acutely aware of how important it is to follow the guidance of the Mayor (and Council) is the significant potential to avoid taking positions which might appear contrary to an accepted philosophy (e.g., development). This influence, whether spoken or unspoken, will have a bearing on the apolitical nature of the administration. Management and staff are to be apolitical in their roles, relying on their training and experience to guide their advice up and their service out. Council members lead based on their sense of what the community wants and expects.
- **Interests of the whole:** Are the interests of the whole community being considered by Council in its decision-making? Or does Council give priority to the interests of particular business, developer, group or neighbourhood?
 - While a Council member's values might align more with this group or sector than that, it is our belief that at least in general terms, members appear to be appreciating their obligation to seek what they perceive as the best interests of the whole community.
- **Oversight:** Does Council respect the responsibility it has to ensure adequate oversight of the actions of its administration? Does it confer sufficiently with its CAO(s) so as to gain a full and unfettered understanding of the issues at hand? Does Council meet separately with its external auditor to hear their report?
 - Council may be growing in its awareness of its responsibilities to act as an oversight body relative to its administration. This has been difficult to grasp to date as much of its focus has been on internal conflict and misunderstandings and a mistaken belief that the Mayor and individual Councillors have a managerial role rather than that which they were

elected to deliver. Council needs to look to its CAOs (and their direct reports) as the source of administrative advice and meet with their external auditor on a scheduled basis.

- **Participation:** Are all members of Council involved in its governance processes? Are there deliberate efforts to keep certain Council members away from key decisions? Is information sent to each member of Council on a concurrent basis or are some in the know while the others are in the dark?
 - This descriptor of good governance is central to an effective Council. It is also a difficult criterion to assess positively given the history (albeit brief) of a divided Council, a portion of which believes that they have been relegated to observer status. There is nothing in the legislation which would suggest that all members need to be in agreement with each other. However, all do need to be **concurrently advised and equally heard**. We have not found this to be the case and believe that this one issue, which is an outcome of mistrust, is at the core of many of the other deficiencies which we found. This could be rectified if respect for roles and intent emerges over time.
- **Respect for the Administration:** Does this Council show respect for its administration? Does it deal with and through the CAO when accessing the administration or does it deliberately bypass the CAO in seeking to confirm information? Are the reports of the administration perceived as “their best efforts” in informing Council? Do members of Council speak in derogatory terms relative to their administration (as though they worked for two different organizations)?
 - The absence of respect is where the current term began. Some members of Council, led by the Mayor, had deep distrust for the then CAO and some (if not all) of his senior administration. This gulf between the body governing and the one(s) managing impacts virtually everything else.

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While these criteria were written prior to this Inspection, many of these questions are directly applicable here. Regardless of the best efforts of an energized Mayor and members of Council, the hope of lasting change and success will be reliant upon a base of trust and respect.

- **The Mayor as Spokesman for Council:** Does the Mayor respect their role as the official spokesperson for all members of Council? Does the Mayor represent the official (i.e., approved) views of Council or does the Mayor disregard those and portray his own as “official” even when they are not endorsed by prior resolution of Council? Is the Mayor mindful of the fact that he (in this instance) is but one voice and vote and needs the support of at least three others for every new action the Mayor intends to take, and preferably the consensus of all?
 - The Mayor has been briefed on his role as the chief spokesperson for this Council. He understands that his words carry a lot of weight and that those hearing presume that he is speaking the will of his Council. He is beginning to understand that local government was not designed to be a “one man show” and that prior approval is essential if any of his ideas/vision are going to be generally accepted by his colleagues. This has been a difficult transition.
- **Ethical Government:** Is this Council ethical? Is it abiding by its own Code of Conduct, FOIP and the Municipal Government Act? Does this Council respect the fact that “public business is to be done publicly” or does it try to avoid public scrutiny and the heat of public glare?
 - Every Council is expected by its citizens to act in an ethical manner. While certain decisions might be challenged, the integrity of the elected leaders ought never to be in question. This requires an understanding of the law, the bylaws, the policies which impact Council’s decision-making. It also presumes that the Council is quite open in its processes because it

knows that it is acting in accordance with the MGA, Code of Conduct, FOIP and policies. As we have noted, the training of this Council was flawed and the application of its rules has been irregular.

- **Good neighbours:** Does Council take seriously its role as a neighbour to other municipalities and public sector bodies within its ambit of authority? Does it try to act as a cooperating partner in agreements regarding shared services? Does it seek to be fair in its treatment of those who utilize the City's services, programs and facilities even though they are resident elsewhere?
 - This criterion speaks to the City acting in a responsible, cooperative manner towards its neighbours. Where that is the case, a progressive, proactive Council will find ways to move issues and projects forward in league on a Council-Council basis. To the Mayor's credit, he understands that progress needs to be made with Rocky View Council and that this might require a degree of "thinking out of the box". It may take some time but the Mayor will gradually realize that his neighbours are comfortable in their appreciation of the traditional roles of Council-Mayor-CAO.
- **Self-Regulating:** Has Council established rules for its conduct at meetings, identifying potential areas of pecuniary interest and recommended governance practices? Is Council following these rules and assessing its performance against these rules? Has Council sought the advice of its Legislative experts (administrative and legal) in order to ensure that it is adhering to the principles of "good governance"?
 - This requirement of "good governance" has been largely overlooked by this Council as a result of the fact that the "experts" which Council should have access to have either been dismissed or have voluntarily left. A quality City Clerk is an essential part of any local government as they will act as a "check" on any statements, motions or actions which are not

according to legislation or Council's own bylaws. Minutes would be available within days; agenda management would improve; any transgressions in legislative actions would be corrected. (Someone filling this role, and who has a stellar background, will likely require a contract with personal career protection built in).

- **Accountability:** Is this Council prepared to accept that it is accountable for all of its decisions since it took office in mid-October 2021? Has Council discussed the importance of ensuring that public comments need to reflect current policy. Does Council understand that it is the accountable body for the City and is expected by its citizens to act in such a manner?

- Every Council member speaks with "volume" which has not been their experience before an election. That is, their voice (and opinion) carries a lot more weight in the eyes and ears of the public who now understand that what their Councillors say likely reflects the view of the Council. The volume of every Mayor is a magnified version of this. Presuming that a Council will agree to this or that new idea or concept relegates the importance of all members of Council in any decision-making process.

(Source: Cuff, Report on the Inspection of the City of St. Albert) (2017)

Commonly Accepted Good Governance Principles

22.0 Recommendations

1. Handling of Report

- a. We recommend that Alberta Municipal Affairs present the Final Report of this Inspection to the Mayor and Councillors of the City of Chestermere for their review and comment.
- b. We recommend that the Final Report be shared with the public once any necessary edits (due to factual errors) have been made.

2. Conduct of Mayor and Council

- a. We recommend that this Council review each of the findings in this Report which point to statements and actions which we have cited as meeting the descriptions of “irregular, improper and improvident” and those which we find to have violated various sections of the Code of Conduct and
 - i. That the Mayor and each member of Council be mindful of what these say about the current and expected level of behaviour expected of a mature, functional Council, and
 - ii. Seek legal advice as to the establishment of an Integrity Commissioner for the City so as to deal with any future charges related to Council behaviour.

3. Code of Conduct

- a. We recommend that experienced legal counsel or a code of conduct investigator be retained by Council to assess the Code of Conduct process as currently stated (particularly with respect to the Mayor as its gatekeeper) and recommend changes as may be applicable.
- b. We recommend that Council agree to a one-day in-depth refresher by a recognized expert on all aspects of the Code of Conduct.
- c. We recommend that Council request its administration to bring forward “Council-Administration Protocols” to guide relationships between all Council members, senior management and staff.

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4. Governance and Management Model

- a. We recommend that Council provide the public an opportunity to offer their input/comments to this Inspection Report.
- b. We recommend that Council review and adjust its governance model to include a process such as a committee of the whole designed to allow all members of Council to discuss any proposed significant changes as to how the City functions before such changes are made; such committee meetings need to be held within 5-7 days prior to a regular meeting of Council.
- c. We recommend that Council reconsider its support for the three CAO model in light of this Report and reinstate a single CAO model; that they engage a recruitment firm (with municipal CAO recruitment clientele) to identify appropriately qualified candidates; that the firm identify the top three to five candidates; that Council conduct such interviews with the guidance of their recruitment specialist who will also provide Council guidance as to contract, compensation/benefits and severance provisions.

5. Council Relationships

- a. We recommend that Council seek the assistance of an experienced municipal “relationship advisor” to rebuild the relationships between the Mayor and all Councillors. This goal will not be quickly realized and may require ongoing monitoring and support.

6. Role Statements

- a. We recommend that the Mayor and Councillors agree to adopt a revised “role statement” for the positions of Mayor and Councillor. These statements should align with the MGA s.153 and generally accepted local government practices.

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7. Strategic Planning

- a. We recommend that Council engage an independent, experienced local government strategic planning advisor to assist this Council in developing its strategic priorities on an annual basis for the remainder of this term of office.

8. Policy Development

- a. We recommend that this Council or a committee thereof, be required to review key City policies and protocols (within 90 days) in order to better establish a solid base of good government on a go forward basis.
- b. We recommend that Council provide to the public its rationale for making changes to meeting procedures such as the public question period and determine if there are any reasonable alternatives to this mechanism based on any decision to remove it from the agenda.

9. Council Procedures

- a. We recommend that Council engage in an independent review of its Procedural Bylaw; adopt an Agendas Committee model with clear terms of reference, to ensure adequate Council guidance to how agenda issues are identified and processed.
- b. We recommend that the Mayor and Deputy Mayor together with the CAO and head of Legislative Services be appointed to this committee.

10. Mayor

- a. We recommend that the Mayor be required to:
 - i. seek the **prior** approval of Council (by resolution) for any new initiative he would like to pursue with respect to any City business, recreation, cultural or NFP entity or other matter not covered by current City policy;
 - ii. ensure that he engage with all members of his Council on any proposed new initiative or policy change;

- iii. ensure that he is accompanied by one member of Council (the Deputy Mayor or a Councillor selected on a rotational basis), together with the CAO or their designate to meet with any group or entity (see 9. a. i) or officials of other levels of Government or its regional neighbour;
- iv. report to Council in a written report on any such meetings on a next meeting basis;
- v. accept the fact that he does not have the authority to act in a unilateral or administrative fashion in any circumstance (e.g., hiring, interviewing, releasing, managing) and
- vi. agree in an open letter to the community that he has reviewed and accepted his requirements/expectations as Mayor to develop a broader, inclusive leadership style which ensures that his colleagues are informed and updated on a concurrent basis; that he will seek the necessary administrative advice of the CAO and the counsel of his colleagues before making statements of commitment on behalf of the City; and that he accepts the principles and advice of this Inspection Report as an opportunity to learn and to do a reset for the remainder of this term of office.

11. Deputy Mayor

- a. We recommend that Council adopt as policy its earlier decision to rotate the position of Deputy Mayor amongst all members of Council (October 26th, 2021) such that those who have yet to be appointed will have an approximately equal time in this role by the end of this term. (Any member of Council has the choice to opt out of their turn in this role).

12. Strategic Advisory Committee

- a. We recommend that the Designated Officers Bylaw with respect to Strategic Advisory Committee (s.11) be rescinded immediately and that

full administrative authority to assist and advise Council be restored to the City's administration. The CAO/administration will have the latitude to engage external advisors within budgets approved annually or on an "as needed" basis.

13. Legislative Services

- a. We recommend that a Director of Legislative Services be recruited to guide the management of Council and committee meetings, including the preparation of agendas; the rigorous development and prompt publication of minutes; the proper management of public hearings; the development of a policy on the role and management of delegations; and the merits of some form of question period or a suitable alternative.
- b. We recommend that the business items on a Council agenda be presented utilizing an RFD (Request for Decision) to encourage improved minute-taking and a clear understanding for all Councillors as to the intent of every resolution.

14. Finance and Audit

- a. We recommend that management advise Council on an appropriate process for the recruitment of an audit firm given that the audit term of five years has expired.
- b. We recommend that the City take the necessary steps to ensure that it adheres to the legislative requirements for filing the City's audited financial statements and quarterly updates.

15. Follow-Up

- a. We recommend that Council be required to retain an experienced municipal consultant to conduct a post-audit within 6 months of this Inspection to determine if sufficient steps have been taken which will ensure that the Mayor and Councillors are adequately positioned for a reasonable level of collegiality and common courtesy. If the finding of

such an Audit is that there has been very limited progress and inadequate evidence to find ways to collaborate in a respectful manner, that the consultant has the authority to recommend to the Minister that a further Inspection be conducted with all options/sanctions fully available.

- b. We recommend that the Mayor take concrete steps to restore a level of respect and trust between all members of Council. This is not to suggest that all members are expected to vote as one voice on all Council decisions but, rather, that the Mayor and Councillors are expected to find ways to act in a more respectful manner regardless of individual differences.
- 16. Official Administrator**
- a. We recommend that the Minister appoint an Official Administrator (see S. 575(1)) for a period not to exceed 6 months to oversee the implementation of these recommendations and to assess and comment on the efficacy of all related Council decisions/motions. The powers of this office as stated in s.575 of the MGA will apply.
- 17. Inspection Findings**
- a. We recommend that the Minister approve the findings and recommendations of this Inspection Report and share it for action with the Council of the City of Chestermere.

Respectfully submitted,



George B. Cuff, FCMC
President