



City of Chestermere Inspection: Overview

Municipal government authority

The *Municipal Government Act (MGA)* grants elected municipal governments the authority and responsibility to make decisions. It also enables residents to hold their elected councils accountable. The *MGA* respects local government autonomy. The Minister of Municipal Affairs may intervene in municipal decision-making or operations only in limited circumstances.

Municipal inspection

A municipal inspection is a legislated mechanism that allows the Minister to intervene in municipal matters. The Minister may order an inspection at a municipal council's request, or in response to a sufficient petition, or on the Minister's initiative. In practice, the power to order an inspection is reserved for significant governance concerns. Municipal inspections are rare; the last one was in 2018.

In a democracy, some council decisions may not be popular with everyone. Inspections are not intended to address situations where council's decisions are unpopular. Inspections and any resulting Ministerial directives focus on improving municipal governance.

Minister's directives

The inspection may identify areas of concern and the Minister's directives outline measures to address those concerns. To issue one or more directives, the Minister must consider that the municipality is managed in an irregular, improper, or improvident manner.

Directives are binding. If a directive is not followed to the Minister's satisfaction, and the Minister considers that the municipality continues to be managed in an irregular, improper or improvident manner, and all reasonable efforts to resolve the situation have been attempted and remain unsuccessful, the Minister may make further orders, including withholding grants, suspending bylaw-making authority, assuming bylaw-making or policy-making authority in place of the council, or dismissing council members or the Chief Administrative Officer (CAO).

How we got here

In January 2022, Alberta Municipal Affairs started receiving phone calls, emails and letters of concern from members of council, current and former employees, and the public about the conduct of Chestermere City Council.

The ministry followed standard practice and initially recommended people take their concerns to the newly elected council. As more people raised concerns, and given their significance, the Minister met with the mayor on February 17, 2022. The mayor provided his detailed perspective a week later.

Given the severity of some concerns, on March 10, 2022, the Minister asked for a preliminary review to determine if an inspection under section 571(1) of the *MGA* was warranted. Ministry staff interviewed council and CAOs in late March and early April. Staff reviewed video of public council meetings, other publicly available records, and ministry records, such as correspondence and municipal financial and statistical reports.

The preliminary review found multiple concerning allegations:

- council members acting alone and outside of a council resolution;
- the review process for code of conduct complaints that involves either the mayor or the entire council;
- council members performing administrative functions and duties;
- improper council meeting procedures and conduct; and
- the sale of municipal property not in accordance with the *MGA*.

On May 9, 2022, the Minister ordered a municipal inspection of the City of Chestermere.

Conducting the inspection

The Minister appointed an independent inspector, George B. Cuff. Cuff is a former mayor of Spruce Grove, former President of the Alberta Urban Municipalities Association (now Alberta Municipalities), and past president of the Federation of Canadian Municipalities. He is a nationally respected municipal governance expert who, over four decades, has conducted more than 450 governance reviews of public bodies across Canada.

Following routine practice, the ministry met with the inspector at the outset to outline procedural fairness requirements. Detail on the inspector's process is in the inspection report and in the document "Chestermere Inspection: The Inspector's Methodology."

After the inspection

On September 1, 2022, the inspector submitted the inspection report to the Minister. On November 2, the department and inspector presented the report to Chestermere City Council and senior administration. They also provided possible directives under consideration and explicitly advised council that they had the right to engage legal counsel to help them review the report and possible directives. Council and senior administration were given until December 9, 2022 to provide feedback to the Minister. The Minister received a number of written responses.

On February 8, 2023, Minister Rebecca Schulz met in person with all members of Chestermere council and two of the city's CAOs to hear their perspectives on the inspection. The Minister gave due consideration to all feedback.