

**Clear Hills County**

**Municipal Inspection Report**

**December 2009**

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**Clear Hills County**  
**Municipal Inspection Report**  
**August – September 2009**

**Executive Summary**

The citizens of Clear Hills County petitioned the Minister of Municipal Affairs to conduct an inquiry into the affairs of Clear Hills County. After the petition was declared to be sufficient, the Minister appointed inspectors Sandra Dohei and Aleks Nelson to conduct an inspection of the County. At the same time, the Minister also appointed Ms. Dohei and Ms. Nelson as official administrators to supervise the municipality and the Council.

Shortly after being notified of the inspection proceeding, the Chief Administrative Officer (CAO), Ray Coad, submitted his resignation. The Chief Financial Officer (CFO) had submitted her resignation, shortly before the CAO resigned. Shortly after the inspectors began their work at the county office, the Reeve, Frances Davis, also submitted her resignation.

During the course of the inspection, the inspectors interviewed twenty two (22) individuals including all members of council, members of the public, and current and former members of staff. The inspectors also observed council meetings and reviewed records, including minutes, bylaws, policies, council claim forms and other financial records. A picture quickly emerged of:

- a council that was divided and interfered in administration;
- a CAO who was deficient in discharging his duties and regularly disregarded county policies;
- certain members of council who regularly disregarded county policies; and
- staff who are understandably demoralized.

The following report will draw attention to areas of deficiencies discovered during the course of the inspection. A number of recommendations have been made by the inspectors.

During the course of the inspection, a new CAO, Allan Rowe was appointed. A new CFO has also been hired. During the October 2009 organizational meeting of Council, Councillor Pete Nykolyszyn was appointed as the Reeve.

## **Municipality Description**

Clear Hills County is located in the Peace Region of north western Alberta. The boundaries border the Municipal Districts of Northern Lights, Fairview, Saddle Hills County and British Columbia. The County offers the amenities of a quiet rural setting. Agriculture, forestry, oil and gas are the principal industries within the County.

The County provides many services to its citizens. These include road construction and maintenance, solid waste management facilities, water and wastewater services, development control, agricultural services, (including agricultural equipment rentals) weed inspection, and roadside weed and brush control.

The council consists of seven councillors elected from their respective wards within the County. The chief elected official (reeve) is annually elected and appointed by council from amongst the councillors. While the majority of the council had been re-elected or had prior council experience, two members were newly elected in the 2007 election. The County has an administrative staff consisting of a Chief Administrative Officer (CAO) that directly reports to council, and supervises the department heads for Corporate Services, Public Works, and Community Development Services. Currently, there are a total of 24 full and part time employees working in the County.

## **Purpose of the Inspection**

The citizens of Clear Hills County petitioned the Minister of Municipal Affairs under section 572 of the *Municipal Government Act (MGA)* requesting that an inquiry be conducted by the Minister regarding the gross irregularities in the Clear Hills County (administration and council).

The Minister appointed a CAO from the Ministry to determine the sufficiency of the petition and it was determined that the petition requirements of 20 percent of the population, representing 670 electors, were met. Therefore the petition was deemed sufficient.

Although the statement of the petitioners requested the Minister look into the gross irregularities in Clear Hills County, the Minister ordered that an inspection would be conducted under section 571 of the *MGA* and appointed 2 inspectors to conduct the inspection. The Minister also appointed the inspectors as official administrators under section 575 of the *MGA* to supervise the municipality and its council during the inspection process and for a period of six months.

<b>1. RECOMMENDATION: That the appointment of the official administrators be extended until December 31, 2010.</b>
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The inspectors are required to report on matters that fall within the guidelines of “irregular, improvident, or improper conduct by Council, individual councillors and by municipal staff”.

The terms irregular, improvident, or improper are defined according to Funk and Wagnalls standard dictionary as:

Improvident: 1. Lacking foresight; incautious; rash.

2. Taking no thought of future needs; thriftless.

Improper: 1. Deviating from fact, truth, or established usage.

2. Not conforming to accepted standards of conduct or good taste.

3. Unsuitable.

Irregular: 3. Not according to established rules or procedure.

4. Not conforming to accepted standards of conduct.

These irregular, improper and improvident matters have been noted throughout this report.

## Governance

The *MGA* states the purpose of a municipality is to provide good government, services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality and develop and maintain safe and viable communities. To do this, council's principal role is to develop and evaluate the policies and programs, make sure that the powers, duties and functions are appropriately carried out, and carry out the powers, duties and functions given to it under the *MGA* or any other act.

Essentially, council establishes policy and programs and they monitor these decisions by receiving complete and accurate reporting from administration on how the decisions are carried out.

The former CAO was providing very little in written advice to the council. Most information was provided verbally during the council meeting. Council had to rely on their interpretation of what they thought was being said. This process provided no means for a councillor to get the facts and data prior to the meeting. What may have been advised verbally at one meeting might have been a moving target at upcoming meetings. This process had a significant impact on the reasons for mistrust amongst some council members and the former CAO. We will speak to this later in the report.

There is little evidence to show that the council had any formal training on its roles and responsibilities. These roles have never been fully understood, and for some, not accepted, even when information was provided to council by administration. There appears to be some individual interpretation of rules and legislative responsibilities, which has led to "heated" discussions at meetings. In some cases, councillors have indicated that the intent of the legislation is open for their interpretation.

Individual councillors have some general legislated duties as stated in section 153 of the *MGA*:

- 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 and 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 CAO or a person designated by the CAO;
- 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 act or by the council.

Individual councillors have stretched or otherwise not adhered to their respective duties. Some councillors call individual staff members to request specific information that is not always relative to their role on council. Councillors must ensure that all information requests are channeled through the CAO to ensure that the release of information to individual councillors does not go beyond the rules established for any other person that may want or desire information. The rules governing release of information fall within the *Freedom of Information and Protection of Privacy Legislation (FOIP)*.

Further, individual councillors should make every attempt to participate in discussions at council and council committee meetings. Any information that is obtained through in-camera sessions is not to be released to a member of administration when they were not present at the meeting. We understand that during the negotiation for the severance package for the previous CAO, two members of council advised the CAO of what was discussed in-camera, which led to the CAO requesting additional severance items.

Individual councillors have requested the Public Works Foreman attend or meet them for specific tours of roads in their ward. This practice must cease as councillors must contact the CAO who will in turn provide direction to the foreman.

A councillor has provided advice to a resident that a development permit was not required even though the resident had received the formal information requirements for development from administration. The resident then followed the advice of the

councillor, which resulted in a significant cost to the resident for non-compliance issues. Council may now, as a result of the actions of one councillor, be in a position to answer to, or make restitution for these actions.

There are occasions where it appears that council and individual councillors have little respect for the knowledge and expertise of staff when it comes to development issues and road construction and maintenance. The message that is being received by the public is that council knows more than staff and the message received by staff is that council does not support their knowledge and experience in the field. With council regularly wanting to be involved, this is viewed as treading on the administration side of responsibility and denotes a negative impression of staff and is demeaning.

It appears, from the interviews conducted with councillors, the “honeymoon period” for the elected councillors and their relationship with the previous CAO was over about thirteen months into the term. A number of instances of mistrust contributed to the breakdown between council members and the CAO. The following were some of the allegations:

- i) that the Reeve (now resigned from council) moved out of the ward in which she was elected;
- ii) that the CAO was selectively providing information to certain councillors;
- iii) that the CAO was not adhering to policy;
- iv) that some members of council were not adhering to policy;
- v) that the CAO was not providing accurate, true information to council; and
- vi) that the county credit cards were used for personal expenditures

There has not been a strong focus of the council to work together in a cooperative spirit to move past the constant bickering and allegations of the issues mentioned. This has further polarized the decision-making by some members acting out during the meetings. The lack of respect amongst some members was visibly observed during the council meeting such as, outbursts of offensive language and non-verbal cues including rolling of the eyes, covering the face with hands, shaking heads, pushing back the chairs, etc. This behavior displayed a council not willing to move past dysfunctional relationships to deal



with the issues at hand. The chairperson was not willing to or not strong enough to enforce the rules of a meeting to mitigate or stop this performance.

Some members of council feel that their views and the views of others are so divergent that any attempt to understand the views of others is a waste of time. Because of the diverging interpersonal relationships, those same councillors have a hard time accepting that anything the other councillor contributes is worthy of their time and support as they focus views on personalities and not the work of the municipality.

We were advised and observed that some councillors would bargain for each other's support on different issues. This was particularly evident where a councillor would attend a meeting or function without prior approval and come to council for approval after the fact. If it was supported, then the other councillor would be sure to get similar support if they too asked for approval after the fact. Although this process is contrary to policy, the council regularly disregarded policy so that the councillor could submit a claim for their attendance.

On October 14, 2009, the Official Administrators conducted a workshop on Relationships, Roles and Responsibilities for all county council members, 4 county staff, and Hines Creek council and staff in Hines Creek. The workshop provided an opportunity for open discussion and addressed specific questions relative to each municipal operation.

## **Council Remuneration 2006-2009**

In discussion with the representative of the petitioners, Mr. Mike Radzick, he advised that one of the problems with the current council is the recent increase in remuneration. The following information has been obtained from audited municipal financial statements and the 2009 County budget:

	<b>2006-Actual</b>	<b>2007-Actual</b>	<b>2008-Actual</b>	<b>2009-Budget</b>
Ward 1	\$ 14,483.	\$ 12,109.	\$ 50,794.	\$65,774.
Ward 2	\$ 17,191.	\$ 14,160.	\$ 36,824.	\$42,464.
Ward 3	\$ 11,303.	\$ 10,898.	\$ 36,936.	\$55,124.
Ward 4	\$ 22,653.	\$ 17,239.	\$ 44,086.	\$42,464.

Ward 5	\$ 8,719.	\$ 5,249.	\$ 34,874.	\$42,464.
Ward 6	\$ 12,489.	\$ 9,539.	\$ 35,907.	\$42,464.
Ward 7	\$14,053.	\$ 10,222.	\$ 30,171.	\$42,464.
<b>TOTAL</b>	<b>\$100,891.</b>	<b>\$ 79,416.</b>	<b>\$269,592.</b>	<b>\$333,218.</b>

An increase of close to 240% from 2007 to 2008 was authorized by council as a part of the 2008 budget. An additional increase of almost 25% in 2009 was budgeted. In discussion with councillors, the general feeling from the majority, but not all members was “well that was what Ray offered so we said okay.” There seemed to be little acknowledgement that council had control over the level of payments and what kind of meetings are eligible for payment to councillors.

**2. RECOMMENDATION: That the monthly remuneration paid to Councillors includes payment for attendance at regular council meetings and P & P meetings. No per diem amount should be claimed for these meetings.**

**3. RECOMMENDATION: That the monthly remuneration paid to Councillors be reduced by the per diem rate if a regular meeting or the P & P meeting is not attended by a Councillor.**

## The Reeve and Council

The Reeve is expected to chair the meetings of council and ensure that the business to be transacted at the meeting is done in an effective manner. Each councillor attending the meeting has a right to an efficient meeting. The chairperson is the procedure leader and the one that is looked upon to know the rules of the meeting and enforce those rules. The previous Reeve was not well informed of the meeting rules and allowed the discussion to be a “free for all”. Instead of healthy debate on issues, there was verbal abuse amongst members, which included comments to the Reeve, and no action was taken to stop the behavior. We were advised by several interviewees that when discussion was so out of hand, the Reeve, sometimes in tears by this time, called for a recess. There must be respect for this position to ensure a successful experience for the Reeve and the council.

The inspectors had the opportunity to observe, at council meetings, the conduct of the previous Reeve and the newly appointed Reeve. It was noted that the previous Reeve

appeared pre-occupied and gave the impression of being uninterested as the members presented their views on the issues. This was also the case when delegations appeared before council. There is an expectation that the members address the chair and the delegations speak through the chair. The chair must be a good listener, and show they are a good listener by looking at the speaker and being able to summarize or capture some of the main themes that have been presented. The current Reeve appears connected with the discussion and maintains control of the meeting. Councillors must ensure that they speak up during the meeting so that all members, any public, staff and most importantly, the recording secretary can hear what is being said to ensure that the motions are captured correctly.

The position of Reeve is looked upon as the representative of the municipality and the Reeve should be well versed in the issues within the municipality, the region, and often within the provincial government. When attending meetings, conferences, workshops, etc., the Reeve is the communication link and should be seen as a valuable contributor presenting the views of council.

During our interviews and discussions with individual councillors, mention was made that many were not aware of various policies until seven or eight months into their term of office. Some councillors believed what they were being told by their peers and the CAO even when the information was incorrect at times, and, they continued to support incorrect decisions. It was only when there appeared to be significant mistrust amongst council members and the CAO that they read the policies. We were advised that the policies were actually read aloud during a road tour where all of council was present in the van. Some councillors advised that they still do not have a good understanding of the policies.

In fact, there were varying degrees of interpretation by councillors on what the policies meant for remuneration, computer purchasing, credit card use, and tendering. For example, some councillors said that the monthly remuneration was implemented as an incentive for councillors to attend the regular meetings of council. Others said that the monthly remuneration was to cover councillor time for making phone calls, meeting with residents, and for reading materials. It was mentioned that if a councillor missed a

regular meeting, that a portion of the monthly amount may be reduced. This comment was not shared by or agreed to by all councillors.

Council was also under the understanding that the computers that were assigned to them for council business would be theirs to keep at the end of the term on council. There was nothing to indicate this in the policies, and it was shown that council had either been misinformed or had not read the policy.

The municipality has regularly paid for councillors to attend political party events. Such events are seen by council as a means to network with the members of the legislative assembly. The public view is that the municipality is paying for councillors to attend, therefore supporting and making a contribution to a political party from tax payer's dollars, which may or may not be the resident's political party of choice. A municipal council is prohibited from making direct contributions to a political party under the *Election Finances and Contributions Disclosure Act*. Although no direct contribution benefit is recorded by the political party or constituency, when remuneration and expenses for councillors attendance is provided, this is viewed as a contribution when supported by municipal tax dollars. Attendance by councillors should be voluntary. Attending functions, not meetings, outside of the normal course of business, should be considered as something that is part of the monthly fee that is being provided to all members of council. The attendance at the Premier's Dinner in Grande Prairie was an event that has been of particular interest and scrutiny in the community. Reeve Davis, Councillors Nykolyshyn, and Johnson had an official committee meeting in Grande Prairie the day of the dinner and were provided with an honorarium and mileage for their attendance at the meeting. Councillor Moedt claimed for and was paid two (2) days honorarium and mileage to attend the evening dinner, as well as claiming for hotel accommodation. Councillor Klassen claimed for and was paid two (2) days honorarium, mileage, lunch, hotel accommodation and breakfast the next day. Councillor Harcourt claimed for and was paid an honorarium and mileage to attend the dinner. Councillor Bigham claimed for and was paid honorarium, mileage, and hotel accommodation to attend the dinner. Councillor attendance at such functions are not compulsory, therefore, should they chose to attend, it should be considered as a social event and not part of their official duties as a councillor that enables them to claim for honorarium.

It was noted that councillors were paid honorariums to attend the Annual Dunvegan-Central Peace Golf Tournament and Dinner in Eaglesham. It was further noted that councillors claimed for and were paid to attend their own Christmas party, for their attendance at a county barbeque and trade fair. Again, having to pay councillors to attend social functions or events promotes feelings of animosity in the organization as staff members are not paid for extra time outside their normal work, and are expected to organize and work events after hours. In fact, throughout the interviews conducted, councillors consistently did not support the idea of staff being paid additional wages to attend a Christmas party, the county barbeque and trade fair.

**4. Recommendation: That remuneration and expenses for council attendance at political party, constituency functions, and social events is discontinued immediately.**

## **Procedure Bylaw**

Over time, there have been several bylaws to establish a procedure that outlines some standard rules for the meetings and provides a familiar format for how meetings are conducted. There currently is a bylaw in place that few of the councillors have a good understanding of. Although they believe they know the rules, most are only familiar with some of the rules. For example, councillors know that they are to address their comments and questions through the chair, delegations have fifteen minutes for their presentation to council, the deputy reeve chairs the meeting in the absence of the reeve and the timeline for getting items on the agenda. Several councillors were not aware if there was a specific adjournment time, what, if any definitions there were to define in-camera, to table an item or to reconsider an item. In addition, the council believed that the Reeve did not vote unless there was a tie vote and then that vote would be the deciding one. We heard that this direction was provided by the previous CAO. Council still has the responsibility to ensure that they understand the rules and to question what may not seem reasonable. The *MGA* states that all councillors must vote unless they are permitted or required to abstain from voting, because the Reeve is elected as a councillor, he or she must adhere the rules of voting.

## **Policies**

Clear Hills County has, over the years, established a number of policies to provide guidance, continuity and consistency of decision-making. These policies assist the council and staff with the certainty of the direction on an issue and provide the tool for administration to implement the policy that council has set. Listed below are a broad sample of approved policies that do not provide council and administration with any substantive reason for the policy as noted in the policy statement:

### **Policy 1113 – Confidential Files**

Policy Statement: Clear Hills County will ensure confidentiality and safety of the confidential files for legal and personnel. *(this is an administrative issue, not a council policy)*

### **Policy 1115 Proclamation Requests**

Policy Statement: 1.1 Clear Hills County Council shall consider requests for proclamations that directly relate to the services funded by the County, and 1.2 that the Chief Administrative Officer shall only include in a Council agenda these requests for proclamations that comply with section 1.1 of this policy. *(what is a proclamation request?)*

### **Policy 1122 Purpose of the County**

Policy Statement: 1.1 This policy establishes the purpose of Clear Hills County.

#### **2. Responsibilities**

2.1 The purpose of Clear Hills County will be:

- 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 County, and
- c) to develop and maintain safe and viable communities. *(the purpose and responsibility of a municipality is already outlined in the MGA, no need to repeat this in a policy)*

### **Policy 1210 Tax Sale Policy**

Policy Statement: 1.1 Clear Hills County will establish uniform procedures for the public auction of tax arrears parcels that conform to the Municipal Government Act. *(the rules in the MGA are clear)*

### **Policy 4101 Water Cut-off Procedure**

Policy Statement: Clear Hills County will terminate water service to users of the County water distribution system, including key lock facilities, as a result of non-payment of an account. *(this process should be included in the Utility Bylaw)*

**5. RECOMMENDATION: That Council and administration undertake a complete review of the existing policies to ensure that they are meaningful, not only a policy statement, and meet the requirements as intended. Any policy changes shall be approved by the Official Administrator prior to implementation.**

### **Payment to Council and Committee Members**

This policy has undertaken many “lives” and progressed through eleven (11) amendments since its first adoption in 2003. The policy has a definitions section which describes official meetings. It should be noted that councillors are appointed to boards and committees to represent the council and bring back issues of importance or noteworthy items back to council. It does appear that some of the boards and committees still organize last minute sub-committee meetings, which are not approved in the policy for the member attendance. One questions the need for these meetings as most often there are no minutes taken to substantiate the urgency or need for the sub-committee meeting.

Councillors may attend workshops and conferences for their appropriate appointments. It was noted that Councillor Bigam attended the Agricultural Service Board tour in Lacombe though she is not a member the Agricultural Service Board. Simply to fill a workshop/conference registration is not reason enough to warrant sending another person. To forego the cost of registration is minimal in comparison to the additional costs of per diem, mileage, hotel accommodation, and certain meals which are over and above the registration cost. When members are registered for workshops and conferences they must take their attendance seriously and make every effort to attend.

There is also a definition of events that Councillors are required to attend. This is a very “loose” definition and councillors have differing interpretations of what they consider to be a “required” event. Maybe this definition should be incorporated with a councillor

having registered for a conference or workshop. Otherwise, each councillor will be required to define what a legitimate “required” event is.

Also within the policy is an honorarium section. A monthly flat fee amount is provided to each councillor and the reeve as a base honorarium. This base amount is adjusted annually and increased on the basis of cost of living. In addition to this amount, each councillor and the reeve receive a per diem amount for attending the regular council meetings, policy and priorities meetings and approved committee and board meetings. Again, this amount is increased annually based on the cost of living. Prior to implementing the new rates of remuneration, we understand that some councillors (because of work commitments) were not always available for meetings, or may have had to leave meetings early to fulfill their job requirements. Council wanted to encourage attendance so decided to increase council remuneration. By increasing the remuneration it enabled those councillors with jobs to leave their employ and commit full time to fulfilling their duties as elected officials. During the interviews, some councillors advised that they are currently making more now than they did in their previous jobs. The inspectors note that although some councillors believed that their monthly honorarium may be reduced if a regular meeting is not attended; there is nothing in the policy to substantiate those statements.

There was a section in the policy that dealt with “collective transportation” when travelling to meetings, workshops, conferences, etc. Resolution number C036/01/22/08 included the removal of this section 4.4 from the policy. One must conclude that the council does not want to restrict themselves to the most efficient means of travel.

It is a common practice for all seven councillors to take their own vehicles when travelling to attend social functions, workshops or meetings other than regular or committee/board meetings. There was considerable debate at two recent council meetings about councillors travelling to the Association of Municipal Districts Counties Conference in Edmonton in November, 2009. Although the van was available to travel in, some councillors remained adamant that it was their right to travel in their own vehicle, without any reason for doing so. It would be appropriate to reduce the allowable



claim amounts if a councillor wishes to travel on their own when an alternative method (such as the county van) is available to them.

### **Council Expense Claims**

Council Policy #1107 sets out amounts paid to council for meetings, expenses etc. Currently, the Reeve is paid a per diem rate of \$ \$207, the Deputy Reeve is paid \$186.30, and the remaining councillors are paid \$165.60 for attending Council and Policy and Priority meetings. A per diem rate of \$165.60 is paid to all members, regardless of the number of meetings attended in a day, for all other meetings. For example, if a Councillor is at a conference for four days, he/she is paid \$165.60 x 4 days. If a Councillor attends 3 meetings in one day, he/she is paid \$165.60. In numerous instances, through review of Councillor Claim forms, it was determined that certain members of Council claimed for expenses and per diems that:

- were not authorized by policy or
- had already been paid for as part of a conference registration fee or
- had been paid to or reimbursed to them by another organization.

Specific instances uncovered in the inspection are:

### **Councillor Bigam**

**August 2008**-Two meeting per diem rates were claimed and paid for August 21, 2008. (CCFC & Minister Consultation in Grande Prairie)

**February 2009**-On February 11, 2009 Reeve Davis paid for supper for herself and Councillors Harcourt, Moedt and Bigam. Councillor Bigam also claimed for the meal as an expense to herself.

**July 2009**- The County paid registration for an Agricultural Services Summer Tour in Lacombe, Ab. The dates of the tour were July 7, 8, 9. Councillor Bigam claimed a per diem rate for four days including two days attendance at the tour and two days for travel. The tour registration included all meals (breakfast, lunch and supper) from supper on July 6, 2009 to breakfast on July 9, 2009. Councillor Bigam claimed the costs of two suppers which were included in registration costs.

In addition, Councillor Bigam made the statement to inspectors that she has never claimed a per diem to attend trade shows, barbeques, Christmas parties etc. In fact, the following events have been claimed for with both a per diem rate and mileage being paid:

- *Stars Golf Tournament-July 25, 2009*
  - *Ski Hill Grand Opening-January 17, 2009*
  - *Premiers Supper-November 6, 2008*
  - *BBQ Meeting @ Hospital-September 10, 2008*
  - *County BBQ-July 25, 2008*
  - *Golf Tournament-August 20, 2008*
  - *STARS Golf Tournament-July 26, 2008*
  - *Lot Auction-June 26, 2008*
  - *Hamlet (Cleardale) Clean Up-June 4, 2008*
- The following events have been claimed for and mileage only has been paid:
- *County BBQ-July 24, 2009*
  - *Don Speck Farewell-June 19, 2009*
  - *Trade Show-April 12, 2008*

**(Former) Reeve Davis**

**March 2008**-Two meeting per diem rates claimed and paid for March 26. (ASB & MDP)

**April 2008**- Two meeting per diem rates claimed for April 9, 2008 (Fairview Regional Aquatic Centre & Land Use Bylaw Public Meeting)- staff corrected so that only one per diem was paid.

**July 2008**-Two meeting per diem rates claimed and paid for July 16. (ASB and Health)

**Aug 2008**-Two meeting per diem rates were claimed for August 12 -staff corrected so that only one per diem was paid. (Council Meeting & Health Superboard)

### **Councillor Bill Moedt**

**June 2008**-Two meeting per diem rates claimed and paid for June 17. (Cleardale Rec Board & County Road Tour)

### **Councillor Klassen**

**December 2008**- Councillor Klassen made a per diem claim, a km claim (136 km) and a dinner claim for attending a North Peace Housing Foundation (NPHF) meeting on December 8, 2008. The December 2008 NPHF meeting was actually held on December 17, 2008. The minutes from the December 17, 2008 NPHF meeting indicate “regrets” from the Clear Hills County representative. Even if the meeting had been attended by Councillor Klassen, the County should not have paid any expenses as the NPHF pays for the expenses for the board members to attend a meeting.

**March/April 2009**-Councillor Klassen is the County representative to the North Peace Housing Foundation (NPHF). In March/April 2009, Councillor Klassen attended the Alberta Senior Citizens’ Housing Association (ASCHA) annual conference. Councillor Klassen paid for his registration fee (\$1,071.) with the County Mastercard. The hotel bill (\$563.86), for three nights of accommodation was also paid using the County Mastercard. Councillor Klassen later submitted a per diem claim form to the County for a total of four days for travel and attending the conference. He also submitted a claim for two meals which were covered in the conference registration fee. Councillor Klassen claimed and was reimbursed for all of the expenses for attendance at the conference from the County, even though the conference registration, hotels, and other related expenses would have been covered by the NPHF (as they were for the other board members who attended the conference). The total cost to the County was over \$3,000.00, none of which should have been incurred by the County. Councillor Klassen also paid for an in room movie as part of the hotel room charges. (Though not a large dollar item, in room movies are not an allowable expense as per policy #1220.)

**July 2009**-The County paid registration for an Agricultural Services Summer Tour in Lacombe, Ab. The dates of the tour were July 7, 8, 9. Councillor Klassen claimed a per diem rate for two travel days plus two days attendance at the tour. Conference registration included all meals (breakfast, lunch and supper) from supper time on July 6,

2009 to breakfast on July 9, 2009. Councillor Klassen also claimed the costs of seven meals which were included in registration costs. Further, it was reported to the inspectors and verified by Councillor Klassen (after being asked) that for best part of July 8, he drove to Lethbridge on personal business, even though he claimed a per diem rate for the same day. He returned to Lacombe on the night of the 8<sup>th</sup> as evidenced by his hotel bill. Councillors should not be billing the County for any expenses or per diems for days they are conducting personal business. It should be noted that on November 12, 2009, Councillor Klassen paid \$165.60 to the county because he claimed for July 8, 2009 in error. There was no similar reimbursement for the hotel room or meals also claimed on July 8, 2009.**Councillor Brian Harcourt**

**April 2008-** Two meeting per diem rates were claimed for April 14. (Forgotten Jewels of the Peace & Bruce Power FV) *This was corrected by staff and only one per diem rate was paid.*

**May 2008-** Two meeting per diem rates were claimed for May 15. (Branding the Peace & Clear Creek Fire Commission) *This was corrected by staff and only one per diem rate was paid.*

**May 2008-**Councillor Harcourt attended the North Peace Housing Foundation (NPHF) meeting on May 21, 2008. He made a per diem meeting claim and mileage claim to the County and was paid \$185.30. NPHF has reported that he was also paid \$158.83 (meeting & mileage) by NPHF for attending the same meeting.

**June 2008-** Two meeting per diem rates were claimed and paid for June 16 (Forgotten Jewels of the Peace and Hines Creek District Rec Board)

**September 2008-**Two meeting per diem rates were claimed and paid for September 18 (Clear Creek Fire Commission & Emergency Preparedness)

**August 2008-** Two meeting per diem rates were claimed for August 21. (Branding the Peace & Clear Creek Fire Commission) *This was corrected by staff and only one per diem rate was paid.*

**October 2008-** Two meeting per diem rates were claimed for October 16. (Branding the Peace & Clear Creek Fire Commission) *The claim was corrected by staff and only one per diem rate was paid.*

Two meeting per diem rates were claimed for October 21. (P&P Meeting & Hines Creek Ag Society) *This was corrected by staff and only one per diem rate was paid.*

**November 2008-** Two meeting per diem rates were claimed for November 18. (P&P Meeting & Hines Creek Ag Society) *This was corrected by staff and only one per diem rate was paid.*

Two meeting per diem rates were claimed for November 20. (Branding the Peace & Clear Creek Fire Commission) *This was corrected by staff and only one per diem rate was paid.*

**November 2008-** Councillor Harcourt attended the North Peace Housing Foundation (NPHF) meeting on November 19, 2008. He made a per diem meeting claim and was paid \$160. NPHF reported that he was also paid \$269.08 by NPHF for attending the same meeting.

**December 2008-** Two meeting per diem rates were claimed for December 11. (Special Council Meeting & Clear Creek Fire Commission) *This was corrected by staff and only one per diem rate was paid.*

**February 2009-** Two meeting per diem rates were claimed for February 9. (Forgotten Jewel of the Peace & Clear Creek Fire Commission) *This was corrected by staff and only one per diem rate was paid.*

Three meeting per diem rates were claimed for February 17. (P&P Meeting, MPC meeting & Hines Creek Ag Society) *This was corrected by staff and only one per diem rate was paid.*

During the course of the inspection, Councillor Harcourt made the statement to inspectors that he has never claimed for two meetings in one day. In fact, this has happened on numerous occasions as evidenced by Councillor Harcourt's claim forms.

In addition, Councillors sometimes claim for and are paid for meetings which have not yet been attended. This practice should be discontinued immediately.

**6. RECOMMENDATION: That the Official Administrator and the Chief Financial Officer conduct a review of Council Claim forms since the last election and any duplicate or unauthorized amounts shall be repaid to the county by the councillor who made the claim.**

**7. RECOMMENDATION: That any meeting attendance by a Councillor, other than board or committee meetings established at the 2009 organizational meeting and AAMDC conferences, shall be approved by the Official Administrator prior to attendance.**

**8. RECOMMENDATION: That Councillors discontinue the practice of claiming for meetings prior to attendance.**

**9. RECOMMENDATION: That the County invoice the North Peace Housing foundation for any allowable expenses related to Councillor Klassen's attendance at the 2009 ASCHA conference.**

**10. RECOMMENDATION: That year to date remuneration and expense amounts are reported monthly by ward, on the County website and in each newsletter published by the County.**

### **Credit Card Policy**

The credit card policy was implemented upon obtaining and issuing credit cards to councillors and some members of administration. The policy, although quite specific regarding the use for personal charges, was not always adhered to. The previous CAO used the card for personal expenses and, would advise certain members of council it would be okay for them to use the County credit card as long as it was paid for later. Charges such as airline tickets, toy purchases, Greyhound bus fare, and stereo equipment were made on individual county credit cards. Another item in the policy referenced an amount of \$500.00 annually to be allocated for the use of each councillor to engage in public relation activities. There was no definition of what public relation activities were. This was added to the policy without any budget dollars to support the expenditures. Further, for those councillors that chose not to have a credit card, the benefit was not provided to them. This provision was open to abuse should the councillor be inclined to demonstrate such behavior. There was no control over what the councillor could charge

when attending conferences, workshops, meetings or courses. One must realize that once the commitment of expenditure is completed on the card, the municipality must pay for the amount committed.

The credit card policy has at the request and recommendation of the official administrators been revised to “tighten” the uses and eliminate the abuse of the cards. Specific instances/circumstances of questionable activities are noted below:

It is practice for the county to obtain agreement from the cardholders acknowledging and agreeing to the terms of use of the credit card. Councillors signed the credit card agreement document, confirming that they had read, understood and agreed to follow Policy #1220.

In several instances during November 2008, (Former) Reeve Davis used the County credit card to make personal expenditures. These include:

Nov 6, 2008	A & W	\$ 8.68
Nov 7, 2008	Greyhound Canada	\$ 136.76
Nov 8, 2008	Toys R Us	\$ 102.02
Nov 12, 2008	Westjet	\$1,063.60

When questioned about the charges to the county credit card, the former Reeve admitted to using the credit card for personal expenses, in contravention of the policy. As was common practice by the county, when the credit card statement was received and showed personal purchases, the balance of the card was paid in full and an accounts receivable was set up for any personal expenses. These amounts have since been repaid to the County.

In April 2008, Councillor Klassen used the county credit card to purchase an airline ticket from Grande Prairie to Quebec City for his wife, in the amount of \$1,312.33. When questioned about the charge, Councillor Klassen admitted he had used the credit card for a personal purchase, but “paid it back right away.” In fact, the charges were not repaid by Councillor Klassen until June 13, 2008, almost two months after the purchase was made. At that time, the payment was made via payroll deduction from Councillor Klassen. It is not clear why it took almost 2 months for this purchase to be repaid. It should also be noted that the previous CAO, Ray Coad, authorized the purchase of

Councillor Klassen's spouse's ticket. The fact that the CAO approved the contravention does not absolve Councillor Klassen of responsibility for these actions.

On December 12, 2008 Councillor Klassen purchased a black ink cartridge for a printer at a cost of \$41.99. On January 29, 2009 Councillor Klassen purchased another black ink cartridge and a colour ink cartridge at a cost of \$111.35. Both purchases were made using the County credit card. Supplies for printers being used by Councillors are purchased by the County and available to the councillors as required. Councillor Klassen, however, does not use a County owned printer, so it is unknown which printer these supplies were purchased for.

The former CAO also made numerous personal charges on the County credit card. The amounts owing to the County have also since been repaid.

The County is able to re-imburse expense claims on a very timely basis. As such, there is no need for credit cards to be issued to Councillors. Councillors should be using their own credit cards and claim for reimbursement from the County.

<p><b>11. RECOMMENDATION: That County credit cards issued to elected officials are recovered, destroyed and not re-issued.</b></p>
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## **Purchasing Policy**

The County has established Tendering and Purchasing Policy #1221 (March 25, 2003).

Section 5 of the policy states:

- 5.1. Tenders shall be requested from not less than the number of sources listed below:*
  - 5.1.1 Up to \$500 no quotations are required*
  - 5.1.2 \$501 to \$2,500, three (3) quotations shall be obtained by phone or catalogue prices, and recorded on the form provided*
  - 5.1.3 \$2,500 to \$10,000, three (3) written quotations shall be obtained, and recorded on the form provided*
  - 5.1.4 \$10,001 and up, three (3) quotations by sealed tender shall be obtained, and recorded on the form provided*
- 5.2 Where tenders are received that do not comply with Section 5.1, or where three (3) tenders cannot be obtained, the tenders received will be accepted provided that:*
  - 5.2.1 Tenders have been requested from all local suppliers of the goods or services requested*
  - 5.2.2 Tenders received are believed to reflect a fair market price based on the conditions of the request for tenders, and*
  - 5.2.3 The successful bidder is capable of providing the goods and services as per the conditions of the request for tender*

Policy #1221 further states:

- 10.1 Authority to award tenders, subject to funding being previously approved within the budget shall be set as follows:*
  - 10.1.1 Up to \$10,000, any Director level position*
  - 10.1.2 \$10,001. to \$25,000. Chief Administrative Officer, and*
  - 10.1.3 \$25,001 and up, by Council resolution and the signature of the Chief Administrative Officer*
- 11.1 Purchase orders shall be issued for all purchases greater than \$500. except where letters of agreement or contracts exist. Chief Administrative Officer or Director must forward purchase orders and copies of tender documents and the successful bid to the Controller.*

During the course of the inspection, 17 purchases made in 2009 were reviewed to ensure the purchases were made in accordance with the policy. This was determined by reviewing the backup information included with the cheque report. Of the 17 purchases

reviewed, 12 did not meet at least one of the requirements of Tendering and Purchasing Policy #1221. These are outlined below:

<b>Cheque #</b>	<b>Amount</b>	<b>Deficiency</b>
004388	\$67,891.31	No indication sealed tenders were received No Council resolution approving the purchase in excess of \$25,001.
004437	\$30,607.75	No Council resolution approving the purchase in excess of \$25,001. PO was issued (Jan 29/09) after the purchase was made (Jan 20/09)
004673	\$ 2,205.00	No indication 3 quotes were obtained. No PO issued. No evidence a letter of agreement or a contract exists with the supplier
004738	\$12,600.00	No indication 3 written quotes were received by sealed tender. No indication council approved a special tendering process.
003460	\$ 2,310.54	No indication quotes were obtained. No PO issued.
004790	\$ 681.45	No indication 3 quotes were obtained.
004798	\$ 2,085.87	PO is dated March 25, 2009-invoice is dated March 24, 2009. PO is not signed by purchaser or approved by director. No indication quotes were obtained. No indication there is a contract with supplier.
005103	\$ 3,725.58	No indication three quotes were obtained. No signature on PO of Purchaser. No signature on PO of Director.
004813	\$ 8,310.96	There appear to be 3 payments and PO's (#5034, #5037, #6761) issued for one invoice in the amount of \$24,932.88. PO #'s 5034 and 6761 have no purchaser or director signature; PO #5037 is initialed by the Community Services Director, however as the total invoice is in excess of the amount a director is able to authorize, all of the PO's should be approved by the CAO.
005164	\$ 1,283.10	PO not signed by Purchaser or approved by Director. No indication 3 quotes were obtained
005175	\$ 2,682.71	PO not signed by Purchaser or approved by Director. No indication 3 quotes were obtained or that this is payment of a standing contract.
005295	\$ 1,201.56	No signature of Purchaser on PO

**12. RECOMMENDATIONS: That all staff making purchases are familiar with and comply with the Tendering and Purchasing Policy and that all purchases made by the County comply with the Tendering and Purchasing Policy.**

## **Council/CAO Relationship**

We will provide the background information on the relationship with the council and the former CAO that pre-empted some of the reasons for a breakdown in the relationship.

When conflict amongst council members was exhibited, the former CAO became an observer, and did little if anything to act as the advisor to the council. This may have arisen because of accusations that the CAO did not always advise the council accurately and the continual debate on whether the former Reeve was qualified to remain a councillor. The former CAO had the support of the majority of council who defended the CAO despite the critical opinions provided to the council by the County's independent, unbiased and professional auditor.

The ability of the County to function as it should have was impacted in a significant manner by the leadership of the CAO. He was hired as the principal link between the Council and the administration and is relied upon by Council to provide guidance to the staff and policy advice to the Council. We were advised by staff that the former CAO threatened their employment should they have any conversations with council members. Although the former CAO had many years of experience and exposure to carry out the role of the CAO, it was clear that his performance in the role had been lacking. The former CAO resigned his position the day after being advised that the municipal inspection would be conducted.

Council needs to believe that the advice that it receives from its CAO is factual, and reasonable. Council may not always agree with the recommended action being presented, but there should be little argument as to its professional and independent nature. When the trust of council has been broken it may take some time for council to reestablish faith in the newly appointed CAO to the extent that Council can readily accept the information as true and complete. Council also needs to have confidence that its decisions are going to be carried out by the administration as soon as possible after the

meeting. Regardless of whether the advice of the CAO and administration is being accepted or not, the decision of Council is what defines the action to be taken.

## **Bylaws**

The bylaws of the county have been reviewed and are generally well written and conform to the legislated requirements. Bylaw No. 1 was passed in 1995 to establish the duties and roles of the Council and Chief Elected Officer. The title contained in the bylaw refers to Chief Elected Officer and it should reference the Chief Elected Official. Further the bylaw is not serving any purpose other than to repeat the provisions of what is already included in the MGA. This bylaw should be repealed.

Bylaw No 8 was passed to Establish Reasonable Fees for the Release of Information, Bylaw No. 25 to Establish Guidelines for Retention and Destruction of Records and Documents, Bylaw No. 37 to Establish Reasonable Fees for the Purchase of Goods and Services. Contained within these bylaws is a clause that states the Schedule of Fees may be amended from time to time by a resolution of the Council passed at a duly constituted meeting of the Council. There is no provision contained within the *MGA* to allow a bylaw to be amended by a resolution of council. Each time the schedule forming part of a bylaw requires an amendment, there must be a bylaw to amend the schedule.

<p><b>13. RECOMMENDATION: That the bylaws be reviewed and revised to adhere to legislation.</b></p>
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## **Loan to Worsley Clear Hills Ski Club**

Section 264 of the *MGA* states a municipality may lend money to a non-profit organization if the council considers that the money loaned will be used for a purpose that will benefit the municipality.

Sec. 265 of the *MGA* states a municipality may only lend money to a non-profit organization if the loan is authorized by bylaw. Further, the bylaw that authorizes the loan must be advertised. These provisions are included to allow the public the opportunity to petition against loans made to organizations.

On June 12, 2007, Councillor Klassen made the following motion:

*“that Council authorize a contribution of \$250,000., and a loan of \$250,000. at 4% interest to be paid back with 35% of the club’s annual net income and over a maximum of 10 years, to fund the Whispering Pines Ski Club Chair Lift Project, funds to be allocated in the 2008 budget.”*

On October 10, 2007 a memorandum of agreement was signed between Clear Hills County and the Worsley Clear Hills Ski Club outlining the County commitment to provide a grant of \$250,000. and a loan of \$250,000. to the Worsley Clear Hills Ski Club to install a chair lift. The resolution to authorize the grant and loan was not clear, as the name of the organization indicated in the resolution (Whispering Pines Ski Club) is not the same as the organization that signed the agreement (Worsley Clear Hills Ski Club).

The repayment terms of the loan (as per the promissory note) are 35% of annual net income over a maximum ten year term. At the end of the 10 year term, the balance of the loan is to be paid in full. In order to retire the loan in ten years, annual payments should be just under \$31,000/year.

The Ski Club provided income projections as follows:

<b>Year</b>	<b>Net Income</b>	<b>35% of Net Income</b>
Forecast 2008-2009	\$31,000.00	\$10,850.00
Forecast 2009-2010	\$28,700.00	\$10,045.00
Forecast 2010-2011	\$23,500.00	\$ 8,225.00

Based on the income projections provided by the Ski Club, it does not appear income would be sufficient to repay the loan over a ten year period. Nonetheless, the Club has managed to repay \$150,000. in the first three and a half months of 2009. However, even with the bulk payment of \$150,000, and based on projected income, the loan will not be repaid within 10 years. The balance of the loan as of June 30, 2009 is \$107,008.22.

Most importantly, when the loan was advanced to the Ski Club, there was no bylaw passed authorizing the loan in accordance with Sec. 265 of the Municipal Government Act.

**14. RECOMMENDATION: That the Council of Clear Hills County prepare a bylaw to authorize the loan to the Ski Club in accordance with the Municipal Government Act.**

## **Information Requests and Freedom of Information and Privacy (FOIP) Requests**

When information is requested and is available in a municipal office, every effort should be made to provide the information within a reasonable time. There are instances when information must be withheld to protect personal privacy. There is no authority for administration to treat a request for information as a FOIP request unless an application for a FOIP request is made. Usually, FOIP requests are submitted when the release of information is not readily available or is refused. Public requests for information must be treated in a manner that is fair to all persons. Councillors must also abide by the schedule of fees applicable for photocopying when a request for information is made that is outside of the information required in their decision-making role. Every effort must be made to ensure that staff is offered the appropriate level of FOIP training to ensure that the requirements of the FOIP legislation are adhered to.

**15. RECOMMENDATION: That the municipality provide mandatory FOIP training for all members of municipal administration and Council.**

**16. RECOMMENDATION: That the CAO appoint a FOIP officer responsible for ensuring that the requirements of FOIP are being upheld.**

## **Minutes**

The purpose of the minutes is to have a written summary of what transpired at the meeting and to record the decisions of council. Upon review of many of the County's minutes, the reader is often not able to understand the intent of the motion or what the decision was. It is important to structure motions to stand on their own. The decisions must answer the who, what, where, when and why questions.

The following is only a sample of incomplete motions to illustrate the difficulty of ascertaining the "real" meaning of the decision:

C189(04/08/08) – **RESOLUTION by Councillor Moedt that all Council and Management attend the Interprovincial / Intermunicipal meeting. CARRIED.**

(no date, time or location noted in the motion)

C191(04/08/08) – **RESOLUTION by Councillor Moedt to send three Councillors to attend the FCM conference. CARRIED.**

(when and where)

C243(05/13/08) – **RESOLUTION by Councillor Klassen that Council authorizes all available Councillors to attend the Branding the Peace Country Association Annual General Meeting on June 12, 2008 in Grande Prairie, Alberta. CARRIED.**

(no time provided)

C426(07/22/08) – **RESOLUTION by Councillor Klassen that Council supports the STARS Golf Tournament in Fairview on July 26th by registering the Councillors who are able to attend the event.**

**CARRIED.** (who will register them by when, what time does it start)

C495(08/12/08) **RESOLUTION by Councillor Johnson that Council appoints Councillor Harcourt and Councillor Moedt as the representatives on the County Recreation Master Plan Committee. CARRIED.**

(whose committee is this)

C780(12/09/08) **RESOLUTION by Councillor Johnson that Council approves the attendance of the CAO and all of Council to the Brown Lee Emerging Trends in Municipal Law session on February 12, 2009. CARRIED.**

(where and what time)

One can appreciate the number of invitations that council receives to attend various functions. While it is sometimes discretionary on the number of attendees going, council should review the practice of sending more than one representative to these functions.

After all does the County get more recognition or benefit if more than one attendee goes?

RESOLUTION C188(04/08/08) by Council Klassen that Council authorizes the **Council to attend** the Nuclear Power information and presentation. Sunday April 20, 2008 at 1:00 pm, at the Battle River Agricultural Society Building, Manning, AB. CARRIED.

RESOLUTION C246(05/13/08) by Councillor Moedt that Council authorizes the **attendance of Reeve Davis, Councillor Klassen, Councillor Bigam, Councillor Moedt and Councillor Harcourt** to the May 22, 2008 virtual Forestry Cluster video conference Alberta Forest Community (FBC) Summit in Peace River. CARRIED

RESOLUTION C325(06/10/08) by Councillor Harcourt that Council authorizes **attendance of Reeve Davis, Councillor Bigam and Councillor Harcourt** to the Community Futures Peace Country's Annual General Meeting on June 16, 2008 at the Lac Cardinal Regional Pioneer Village Museum. CARRIED.

RESOLUTION C480(0812/08) by Deputy Reeve Nykolyshyn that Council authorizes **attendance of all available Councillors** to the Bruce Power BBQ at Lac Cardinal Pioneer Village on August 19, 2008. CARRIED.

RESOLUTION C519(08/26/08) by Councillor Klassen that Council authorizes **attendance of any available Councillors** to the Fairview Regional Aquatic Centre Enhancement Committee's "Appreciation Day" barbeque on September 10th at 6 p.m. CARRIED.

RESOLUTION C013(01/13/09) by Councillor Klassen that Council authorizes **attendance of any available Councillors** to the Worsley ClearHills Ski Club's Official Opening of the Chair Lift on January 17, 2009. CARRIED.

RESOLUTION C015(01/13/09) by Councillor Klassen that Council authorizes **attendance of up to four Councillors** to the FCM Conference on June 5-8, 2009 in Whistler B.C. CARRIED. (The motion should identify who is going to attend. Will administration advise a councillor if they are the 5<sup>th</sup> person requesting to attend?)

RESOLUTION C191(03/10/09) by Councilor Klassen that **Council appoints Councillors to attend** the FCM Conference to be held in Whistler, B.C. June 5 -8th, 2009. CARRIED. (Another motion differing from the motion in January)

RESOLUTION C270(03/31/09) by Councilor Moedt that Council **approves Reeve Davis and Councilor Harcourt** attend the PASZA general board meeting on April 21, 2009 at Sexsmith, AB. CARRIED. (why are 2 attending and what is the time?)

RESOLUTION C515(06/23/09) by Councilor Moedt that Council **approves the attendance of all Council** to attend the Bruce Power and RCMP presentation in Peace River on June 29th. CARRIED. (why all of council?)

During the meetings and the recording of the minutes, the use of acronyms must only be done if prefaced first. Several organizations shorten or use an acronym that over time is common to all of the members. The minutes however, need to provide a record of history within the organization and will still be viewed and read by persons unfamiliar with the business that may have been transacted.

<p><b>17. RECOMMENDATION: The council must ensure that the recording secretary records the motions to reflect decisions as intended.</b></p>
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## **Policy and Priority Meetings**

Members of council have varying interpretations of the purpose of the Policy and Priority meetings. The purpose should be clear to all members so that they understand why they are having the meetings. When council discusses policies where there are suggested changes, there must be resolutions to indicate the changes required to the policy so those changes are documented when the policy is submitted at the regular meeting for



ratification. Minutes of the Policy and Priorities Meeting of March 6, 2009, indicates council reviewed bylaws 1103-1123, but does not show the title of those policies. The reader of the minutes will have no idea of the type of business that council is discussing when only a numbering system of a policy is indicated in the minutes. Further the recorded minutes indicate that there were amendments made where necessary, but one can only imagine or guess what those amendments may have been with no resolutions provided to give the administration direction on what is expected. How can council possibly remember what direction the policy has taken when the revised or updated version comes for approval at a regular meeting? In fact, during our interviews, when the inspectors asked councillors to review the minutes of the March 6, 2009 meeting and advise what transpired at the meeting, not one member could recollect what happened.

## **Boards and Committees**

Some Councillors believe that their role on committees and boards is to represent the people that elected them. While this is true, their role on the committee or board is to be the liaison on behalf of the council. This may require that the member bring messages from the Council and vote on the issue as a representative of council and how council wants to be represented. If the issue has not gone to council, then the representative may want to advise the board or committee that their opinion is personal and not necessarily the position of the council.

Councillors were unaware of their Policy #1102 with respect to committee responsibilities. Sections 3.2 to 3.6 of this policy clearly outline their obligations and responsibilities on all appointed boards and committees.

Prior to the October 2009 organizational meeting, the council members were provided with a questionnaire to complete which outlines their respective boards and committees, the purpose, other outside board members and to produce the minutes of the board or committee. This task was somewhat of a challenge as in numerous cases councillors could not provide a clear purpose of the board and in others had not ever attended a meeting of the board or committee that they may be a representative of. By completing this task, it was evident that a number of boards were not required and membership has

ceased. At the organizational meeting, council removed seventeen (17) board appointments from the portfolio.

The importance of representation on the board or committee is to ensure that the information of their meeting is reported to council. While this is done verbally at the council meetings, it is not always done consistently. It is recommended that verbal reports be discontinued and all council members appointed to boards and committees and where a meeting was attended provide a written summary of important noteworthy comments from the meeting. This report should form part of the agenda for the regular council meeting and it will also provide an opportunity for another councillor to ask a question about the board or committee meeting. The written report should also include detailed information from conference and workshop sessions attended by Councillors. The recording secretary is then not in a position of trying to record verbal information given at the council meeting.

<p><b>18. RECOMMENDATION: That all standing committees of council are formally established by bylaw. The bylaws must clearly establish the mandate of the committees and that the committees can only make recommendations to council.</b></p>
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## Clear Creek Fire “Commission”

A Regional Services Commission (RSC) is a non-profit corporation formed by two or more municipal authorities to provide any utility or other service it is authorized to provide.

Part 15.1 of the *MGA* outlines the requirements of establishing and operating a RSC. This includes obtaining the Minister’s approval and having the RSC established by an Order in Council.

The County of Clear Hills and the Village of Hines Creek jointly operate fire departments located in their municipalities. The committee is made up of two councillors from the County and two Councillors from the village. For some time, the organization has been referred to as a Commission, however no Commission status exists for this organization.

On September 9, 2008 Council discussed formalizing the structure for the Clear Creek Fire “Commission”, by requesting ministerial approval to form a Regional Services

Commission. Council made numerous motions directing administration to formalize the organization.

Administration has not yet started the process to fulfill the requirements established by the MGA, however the County (and the Village) continue to use the word “Commission” to describe the organization.

**19. RECOMMENDATION: That the County of Clear Hills (in concert with the Village of Hines Creek) decide if they should proceed to formally establish a Regional Services Commission to provide fire protection services within the municipalities. In the interim, the County should refrain from the use of the word “Commission” when referring to the organization.**

## Agenda

The agenda package is provided to council well in advance of the meetings to provide sufficient time for councillors to review the material, plan how the members would like to speak to the issues or items on the agenda, or request further information, if required, from the chief administrative officer prior to the meeting. Council members have moved to an electronic agenda that has removed the significant number of photocopies of background materials. Councillors are commended for their efforts to embrace the use of the electronic agenda even though some members had little or no knowledge or experience with computers.

There is an expectation that all councillors read the entire agenda package to ensure that they are prepared to participate in the discussion and make an informed decision. During our observation of council meetings, it was noticed that all members may not be clear on issues before them as they may have chosen only to review the background information “important” to them.

Additions to the agenda may have a negative impact on time management for meeting efficiencies and should not be allowed unless the item is emergent in nature or is time sensitive. A review of the December 9, 2008 Agenda, revealed there were twelve (12) additions to the agenda. In some instances, councillors are requesting additions to the agenda without written background information from administration. In other instances, the administration is bringing items to the table, with background information. This

process provides no time for council to give proper attention to the issues and therefore should cease. Council should address additions to the agenda in the procedure bylaw.

**20. RECOMMENDATION: That all councillors familiarize themselves with the agenda package prior to the meeting.**

**21. RECOMMENDATION: That administration ensures that the agenda package that is “viewer friendly” when sending the agenda package to the councillors.**

**22. RECOMMENDATION: That additions to the agenda be discontinued unless emergent in nature or time sensitive.**

## **Funding For Fairview Co-op Seed Cleaning Plant Ltd.**

At the council meeting of April 28, 2009 the following motion was made:

*“that Council approves \$250,000. funding, over two years, for the replacement of the Fairview Co-op Seed Cleaning Plant; commencing with the 2010 budget.”*

A report provided to Council at the time of the decision shows there are 256 active users of the Co-op. 70 of those users are from Clear Hills County. Historically, seed cleaning plants received funding from the provincial and municipal levels of government, however the province discontinued this subsidy some time in the mid 1980’s. Though not specifically prohibited under legislation, the granting of funds to an organization whose purpose is to reduce costs for its shareholders is considered to be unusual, especially when considering the small percentage of population the grant funding will benefit.

## **County Vehicles**

There currently is a policy that provides for the Use of Personal Vehicle (HRP 6:08).

The following positions are assigned the use of County vehicles:

Public Works Manager, Public Works Foremen (2), Utility Operator, Agriculture Fieldman. The policy recognizes that travel for approved County business is according to formulas established by Revenue Canada Agency which speaks to the fact that using a municipal vehicle for private use is considered to be a taxable benefit. If the vehicle is

used for private use then the mileage needs to be tracked so that the employee can claim the use of the vehicle as a taxable benefit. The only way that the vehicle is not a taxable benefit is if the vehicle is only used while conducting the County's business.

The County has a wide selection of vehicles in its fleet. This includes a passenger van that was purchased for the council to utilize for travel requirements, including travelling to meetings, conferences, workshops, and road tours. In addition, there are occasions when staff has used the van to transport displays for trade fairs.

## **Job Descriptions**

There was an extensive undertaking by a consultant to update and provide job descriptions for positions in August 2007. While for the most part the descriptions are accurate, there are some positions where duties are assigned that may need to be redistributed amongst varying staff to ensure the best fit for the function. There is always opportunity for a review of position descriptions when the annual performance evaluation is completed and when the employee, together with their supervisor agrees to the goals and objectives for the upcoming year.

## **Cross-Training**

While there has been a bit of a revolving door with employees in the past few years the importance of ensuring that job functions to be performed within any organization are shared amongst staff members must be stressed. During the course of the interviews, it was noted that some staff members were performing functions independently with little or no cross-training being provided. Should a staff member be unable to attend work, it is important that another person has some familiarity with the job functions to ensure that the municipal operations can continue to run smoothly.

## **Reeve and Ward System**

There may be some merit with having a vote at large for the position of the Chief Elected Official (Reeve). Currently only 6 members have a decision in whom they believe, at the time of appointment, is best to represent the municipality. While there are pros and cons with electing and appointing within, the citizens also feel the need to or would like to

have a say in who their Reeve will be. The Cuff Report, completed several years ago, recommended that council realign their ward/division boundaries to reduce the wards and have the chief elected official voted at large. The past councils have declined to pass the bylaw as they did not want to reduce the wards because of differing interests. Though there may be differing interests in some wards, councillors are elected to represent the community as a whole and not just the interests of their ward.

There has been considerable work completed on proposed boundary alignments that should be reconsidered by this council. It is understood that there are population pockets that need to be considered when aligning the boundaries.

**23. RECOMMENDATION: That in conjunction with the 2010 general municipal election Council provides for a binding vote of the electors on the following questions:**

- 1. Are you in favour of realigning ward boundaries to create four (4) wards AND electing a Reeve at large?**
- 2. Are you in favour of realigning ward boundaries to create five (5) wards with the election of Reeve from amongst Council?**
- 3. Are you in favour of realigning ward boundaries to create six (6) wards AND electing a Reeve at large?**
- 4. Are you in favour of retaining the current ward system?**

## **Conclusions:**

**Improper** – “Deviating from fact, truth, or established usage; Not conforming to accepted standards of conduct or good taste; Unsuitable”.

- Some councillors call individual staff members to request specific information that is not always relative to their role on council.
- Information that is obtained through in-camera sessions is released to a member of administration (or others) when they were not present at the meeting.

- There are occasions where it appears that council and individual councillors have little respect for the knowledge and expertise of staff when it comes to development issues and road construction and maintenance.
- Councillors claimed for and were paid to attend their own Christmas party, for their attendance at a county barbeque and trade fair.
- Councillors claimed for and were paid for expenses that were not valid.
- During the meetings and the recording of the minutes, there is extensive use of acronyms.
- Councillors do not understand their role on boards and committees.
- Verbal reports on Council activities must cease.

**Improvident** – “Lacking foresight; Incautious; Rash; Taking no thought of future needs; Thriftless”.

Both Council and the previous CAO have failed in their leadership role to ensure the management of the municipality occurs in a manner that meets the requirements of the *MGA*. Examples are:

- A councillor has provided advice to a resident that a development permit was not required even though the resident had received the formal information requirements for development from administration.
- Council understood that the computers that were assigned to them for council business would be theirs to keep at the end of the term on council.
- Councillor attendance at social functions are not compulsory, therefore, if they chose to attend, it should be considered a social event and not part of their official duties that enables them to claim for honorarium.
- Council decided to increase council remuneration to encourage attendance at meetings
- Council does not want to restrict themselves to the most efficient means of travel.

- While it is usually discretionary on the number of attendees going, council continues the practice of sending more than one representative to invited meetings
- Despite being informed by their independent, unbiased, professional auditor of serious deficiencies in the management of the county, Council disregarded the advice.

**Irregular** – “Not according to established rules or procedure; Not conforming to accepted standards of conduct”.

The rules as established by policy and legislation have clearly not been followed.

- Individual councillors have requested the Public Works Foreman to attend at or meet them for specific tours of roads in their ward.
- Councillors attend meetings or functions without prior approval and come to council for approval after the fact.
- The council believes that the Reeve does not vote unless there is a tie vote and then that vote would be the deciding one.
- Some of the boards and committees still organize last minute sub-committee meetings, which are not approved in the policy for the member attendance.
- Councillors attend workshops and conferences that are not part of their appropriate appointments.
- Charges such as airline tickets, toy purchases, Greyhound bus fare, and stereo equipment were made on individual county credit cards.
- There is no provision contained within the *MGA* to allow a bylaw to be amended by a resolution of council.
- Motions are not structured so that the reader is able to easily understand the intent of the motion or the decision.
- The loan to the Ski Club was not made according to the provisions of the *MGA*.



- The word “Commission” has been used for an organization without the organization being established as an RSC according to the *MGA*.

The inspectors believe the following recommendations should be considered by the Minister to implement directives:

- **That the appointment of the official administrators be extended until December 31, 2010.**
- **That the monthly remuneration paid to Councillors includes payment for attendance at regular council meetings and P & P meetings. No per diem amount should be claimed for these meetings.**
- **That the monthly remuneration paid to Councillors be reduced by the per diem rate if a regular meeting or the P & P meeting is not attended by a Councillor.**
- **That remuneration and expenses for council attendance at political party, constituency functions, and social events is discontinued immediately.**
- **That Council and administration undertake a complete review of the existing policies to ensure that they are meaningful, not only a policy statement, and meet the requirements as intended. Any policy changes shall be approved by the Official Administrator prior to implementation.**
- **That the Official Administrator and the Chief Financial Officer conduct a review of Council Claim forms since the last election and any duplicate or unauthorized amounts shall be repaid to the county by the councillor who made the claim.**
- **That any meeting attendance by a Councillor, other than committee meetings established at the 2009 organizational meeting and AAMDC conferences, shall be approved by the Official Administrator prior to attendance.**
- **That Councillors discontinue the practice of claiming for meetings prior to attendance.**
- **That year to date remuneration and expense amounts are reported monthly by ward, on the County website and in each newsletter published by the County.**

- **That County credit cards issued to elected officials are recovered, destroyed and not re-issued.**
- **That the Council of Clear Hills County prepare a bylaw to authorize the loan to the Ski Club in accordance with the *MGA*.**
- **That all standing committees of council are formally established by bylaw. The bylaws must clearly establish the mandate of the committees and that the committees can only make recommendations to council.**
- **That in conjunction with the 2010 general municipal election Council provides for a binding vote of the electors on the following questions:**
  1. **Are you in favour of realigning ward boundaries to create four (4) wards AND electing a Reeve at large?**
  2. **Are you in favour of realigning ward boundaries to create five (5) wards with the election of Reeve from amongst Council?**
  3. **Are you in favour of realigning ward boundaries to create six (6) wards AND electing a Reeve at large?**
  4. **Are you in favour of retaining the current ward system?**