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Westlock County, Alberta Municipal Inspection Report



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July 11, 2017

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

Re: Westlock County, Municipal Inspection Report

Dear Minister Anderson:

An inspection has been conducted of the management, administration and operations of Westlock County, Alberta as directed by Alberta Ministerial Order No. MSL:007/17 approved on February 21, 2017.

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

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

Sincerely,

Strategic Steps Inc.

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EXECUTIVE SUMMARY

A municipal inspection was conducted for Westlock County, Alberta as directed by the Minister of Alberta Municipal Affairs. Following a detailed, rigorous, and independent inspection the inspectors are of the opinion that the municipality has been managed in an irregular, improper and improvident manner.

Several areas of concern were identified, such as a lack of strategic planning, weak organizational leadership, improvident management of capital assets, irregular human resource practices, poor communication and consultation processes, irregular procurement practices and improper conduct among various officials.

Organizational strengths were also noted, with efforts already being made to correct certain irregular matters. Local officials and other stakeholders were highly cooperative throughout the inspection process and provided the inspectors with a significant amount of information.

Residents and other stakeholders who participated in the inspection process spoke highly of the many strengths of this prime agricultural region. Residents also sent a strong message to their officials to exercise stronger leadership and accountability in order to improve their quality of life and overall enjoyment of local services.

Report recommendations are identified for governance, administration and financial areas of the municipality. Implementation of these recommendations is intended to assist the municipality to strengthen local processes and achieve legislative compliance. Recommendations appear throughout the report with a summarized list in Appendix 1.

1 SCOPE OF MUNICIPAL INSPECTION

1.1 Legislative Basis for a Municipal Inspection

The Minister of Alberta Municipal Affairs ordered a municipal inspection in response to a request from Westlock County council. A preliminary review was completed by Alberta Municipal Affairs in September 2016 prior to ordering a municipal inspection.

Alberta Ministerial Order No. MSL:007/17 was approved on February 21, 2017 where the Honourable Shaye Anderson, Minister of Municipal Affairs, appointed inspectors to conduct an inspection of the management, administration and operations of Westlock County pursuant to Section 571 of the *Municipal Government Act*¹ (MGA), quoted below. Upon review of the inspection findings, the Minister may order directives upon a municipality pursuant to the MGA s. 574, also quoted below.

Inspection

- 571(1) *The Minister may require any matter connected with the management, administration or operation of any municipality or any assessment prepared under Part 9 to be inspected*
- (a) on the Minister's initiative, or (b) on the request of the council of the municipality.*
- (2) *The Minister may appoint one or more persons as inspectors for the purpose of carrying out inspections under this section.*
- (3) *An inspector*
- (a) may require the attendance of any officer of the municipality or of any other person whose presence the inspector considers necessary during the course of the inspection, and*
 - (b) has the same powers, privileges and immunities as a commissioner under the Public Inquiries Act.*
- (4) *When required to do so by an inspector, the chief administrative officer of the municipality must produce for examination and inspection all books and records of the municipality.*
- (5) *After the completion of the inspection, the inspector must make a report to the Minister and, if the inspection was made at the request of a council, to the council.*

Directions and dismissal

- 574(1) *If, because of an inspection under section 571, an inquiry under section 572 or an audit under section 282, the Minister considers that a municipality is managed in an irregular, improper or improvident manner, the Minister may by order direct the*

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

council, the chief administrative officer or a designated officer of the municipality to take any action that the Minister considers proper in the circumstances.
(2) *If an order of the Minister under this section is not carried out to the satisfaction of the Minister, the Minister may dismiss the council or any member of it or the chief administrative officer.*

The following definitions were used in reference to the above MGA sections:

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

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

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

1.2 Provincial Mandate and Inspection Process

The September 2016 preliminary review identified concerns that justified an in-depth review, and the Minister of Alberta Municipal Affairs responded by ordering a municipal inspection in accordance with s. 571 of the MGA.

Alberta Municipal Affairs called for proposals from qualified, independent consulting companies to conduct a municipal inspection through a competitive bid process. Strategic Steps Inc. was awarded the contract as an independent, third party to conduct a municipal inspection into the management, administration and operations of Westlock County and to provide a report to the Minister with details of the inspection findings.

The municipal inspection team conducted research, interviews and data collection primarily during March-April 2017. The inspectors followed local issues and remained available to receive further information and seek clarification from stakeholders until the final report was submitted to Municipal Affairs in July 2017. The municipal inspection process included the following tasks and services:

1. Review and evaluation of:
 - bylaws and key policies for adequacy, relevancy, consistency, and conformity with legislation;
 - the structure of council committees;
 - the organizational structure of the municipal administration;
 - the process and procedures used to prepare for council meetings;
 - council's understanding of their role and responsibilities;
 - council's leadership and effectiveness in working together;
 - the CAO's understanding of their role and responsibilities;
 - the process for preparing and approving council meeting minutes and
 - the process for preparing and approving council meeting agendas and minutes and a review of recent minutes;
 - the financial status of the municipality;
 - the financial reporting to council;
 - the budget process;
 - public engagement and communication policies and procedures;
 - a review of major proposed or active capital projects
 - a review of key planning documents
 - attendance at and evaluation of the conduct of a council meeting
 - a comparative analysis of the property assessment and tax rates with similar municipalities;
 - interviews with all members of council and the CAO, various staff, and a sample of residents.
2. Prepare a written report to the Minister of Municipal Affairs for review and consideration on the inspection findings, analysis, conclusions, and recommendations.
3. Present the municipal inspection report to the municipal council at a public meeting.

2 MUNICIPAL INSPECTION INTERVIEWS

The inspection process included a series of approximately 50 stakeholder interviews conducted to gather data and to develop an understanding of local events and the community dynamic. Interviewees were asked consistent questions and the *quantitative* and *qualitative* data provided was used to assess and summarize information themes gathered from a fairly representative sample of the community population. Various stakeholders were provided with follow-up interviews to give individuals a chance to hear and respond to sensitive matters affecting them.

2.1 Resident Interviews

Several residents participated in the interview process and spoke directly to members of the inspection team to provide input and perspectives on local and regional issues. The inspectors established a designated email address specifically for this municipal inspection to allow residents and other stakeholders to easily contact the inspectors during the inspection. The inspectors' contact information (email address and phone number) was widely available to the community on the municipality's website during the duration of the research phase of the inspection.

Interested persons had the opportunity to speak to an inspector during drop-in interviews held on April 11, 2017 at the Westlock County Office. Residents and ratepayers were also invited to provide input into the inspection process by completing an anonymous online survey.

Several residents came forward to share information about their community, and the inspectors considered this as a *convenience sample* of readily-available subjects that may not be representative² of the general population. A *snowball sample* exploratory research method³ was also used where interviewees were asked to provide the names of other individuals that may have knowledge of the management, administration, or operation of the municipality.

Inspection interviews also included a *random sampling* of selected residents in an effort to obtain a representative sample⁴ of perspectives held by the local population regarding the management, administration and operation of the municipality. The random sampling was conducted through random geographical selection on a local county map.

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

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

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

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

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

3 LOCAL SETTING

3.1 Municipal Profile Information and Statistics

Westlock County was incorporated in 1943 after the *Municipal Districts of Hazelwood No. 579*, and parts of *Lockerie No. 580*, *Tawatinaw No. 608*, *Pibroch No. 609* and *Shoal Creek No. 610* were merged into one new municipal district – the *Municipal District of Westlock No. 562*. A renumbering in 1945 changed the name to the *Municipal District of Westlock No. 92*, followed by a 1998 name change to Westlock County.

Hamlets and urban service areas within the county include: Busby, Dapp, Fawcett, Jarvie, Nestow, Pibroch, Pickardville, Tawatinaw and Vimy. There are also several country residential subdivisions.

Urban municipalities within the Westlock County municipal boundaries include:

- Town of Westlock
- Village of Clyde
- Summer Village of Larkspur

The current municipal profile⁶ and financial statements show the following statistics:

- 7 Member council
- 62 Full-time staff positions
- 7,644 Population
- 9 Hamlets
- 3,627 Dwelling units
- 315,293 Hectare land base
- 2,189 Kilometers of open maintained roads
- 37.41 Kilometers of water mains
- 29.48 Kilometers of wastewater mains
- 3 Kilometers of storm drainage mains
- \$10.75 Million long term debt
- 46.8% of debt limit used

⁶ http://www.municipalaffairs.alberta.ca/mc_municipal_profiles. Data is provided from most recent available statistics from 2015 and 2016.

3.2 Geography

Westlock County's municipal boundary begins within a one-hour drive north of Edmonton, AB. The county office, located within the Town of Westlock is approximately 90 kilometers northwest of Edmonton, as outlined in the following Google maps:

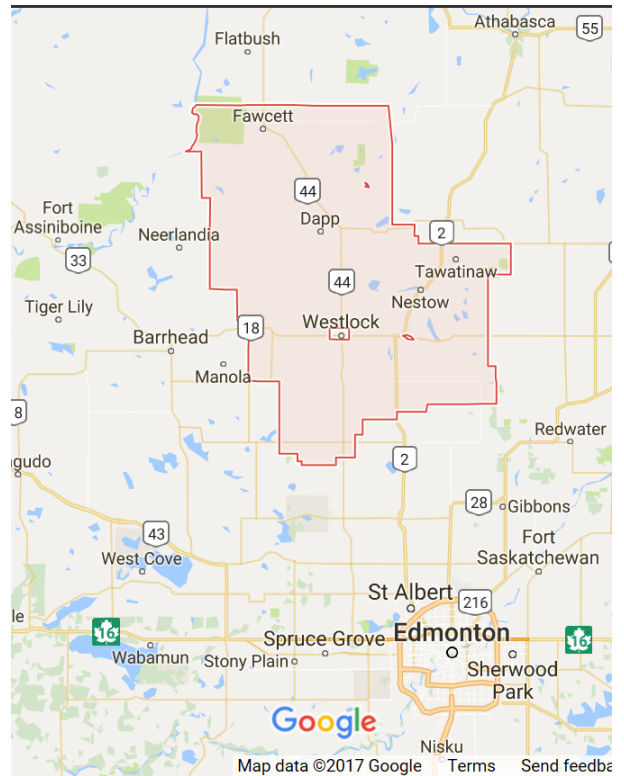


Figure 1 – Map showing proximity from Edmonton

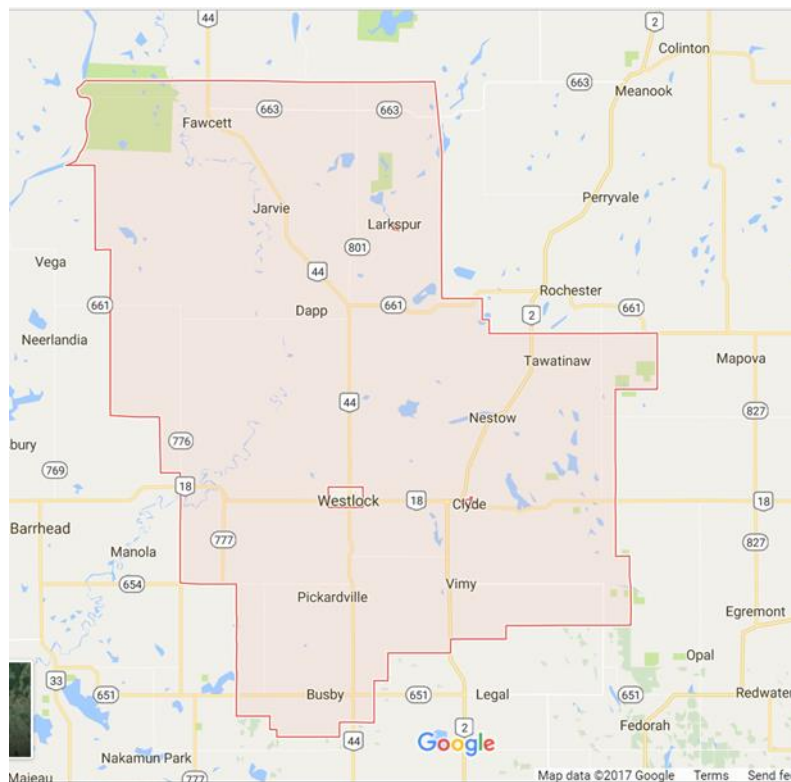


Figure 2 - Map Showing Hamlets and Urban Areas

MUNICIPAL INSPECTION FINDINGS

4 GOVERNANCE

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

Municipal purposes

3 The purposes of a municipality are

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

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

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

4.1 Broad Authority to Govern

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

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

- A council may act only by resolution or bylaw (s. 180);
- Councils and council committees must conduct their meetings in public, subject to limited exceptions (s. 197);
- Councillors are required to vote on matters at a council meeting at which they are present (s. 183);
- Councillors are required to disclose pecuniary interests, abstain from voting and leave the room until discussion and voting on matters of pecuniary interests are concluded (s. 172);
- A council must adopt operating and capital budgets for each calendar year (s. 242, 245);
- A council must appoint an auditor to provide a report to council on the annual financial statements (s. 280-281);
- A council must pass a land use bylaw that may prohibit or regulate and control the use and development of land and buildings in a municipality (s. 639-640);
- A council must appoint a chief administrative officer (CAO) (s. 205) and provide the CAO with an annual written performance evaluation (s. 205.1); and
- A council must not exercise a power or function or perform a duty that is by this or another enactment or bylaw specifically assigned to the CAO or a designated officer (s. 201).

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

Protection of councillors and municipal officers

535(1) In this section,

(a) “municipal officers” means

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

(ii) employees of the municipality;

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

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

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

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

4.2 Council Structure

Westlock County is governed by a seven-member council elected at large by a vote of the electors of the whole municipality in accordance with the MGA s. 147. Regular council meetings were held twice per month and special meetings were held as needed.

The chief elected official (reeve) was appointed by council from among the councillors in accordance with the MGA s. 150(2). A chief elected official (reeve or mayor) is often described as the 'first among equals' on the municipal council, and has no individual powers beyond those of other members of council. Alberta's local government system uses a 'weak mayor' form where a mayor or reeve's "powers of policy-making and administration are subordinate to the council."⁷

Regardless of official titles, the reeve and councillors collectively serve as part of the whole council with a decision-making structure rooted in the basic democratic principle of majority-rule. The effective leadership of a municipal council requires a degree of trust, tact, and professional respect. The basic democratic principle of majority-rule means that once council decisions are made, through the passing of a resolution or bylaw, all council members are expected and obligated to uphold and honour the decision of the majority of the council, regardless of whether they voted in favour or against the decision.

Elected officials have no individual power and a council can only act collectively by resolution or bylaw, in a public setting, with a quorum of members present in accordance with the MGA, as follows:

Council Proceedings, Requirements for Valid Action

Methods in which council may act

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

Requirements for valid bylaw or resolution

181(1) A bylaw or resolution of council is not valid unless passed at a council meeting held in public at which there is a quorum present.

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

⁷ <http://www.merriam-webster.com/dictionary/weak%20mayor>

Alberta's local government system is egalitarian⁸ in which each council member has an equal vote as shown in the MGA s. 182:

Voting

Restriction to one vote per person

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

4.3 Elections

The *Local Authorities Election Act* (LAEA) specifies the qualifications of candidates seeking elected office, such as residency requirements and being at least 18 years of age. The following individuals served on municipal council for Westlock County across seven divisions during the 2013-2017 council term:

- Division 1: Ron Zadunayski
- Division 2: Albert St. Louis
- Division 3: Raymond Marquette (since February 2016 by-election)
- Division 3: Jim Wiese (resigned December 8, 2015)
- Division 4: Bud Massey, Reeve, 2013-2016
- Division 5: Don Savage, Reeve, 2016-2017
- Division 6: Mel Kroetsch
- Division 7: Dennis Primeau

There was limited competition for a seat on council in recent years. Election records show that three councillors were declared elected by acclamation in the 2013 general election (Zadunayski, Wiese, and Savage). Councillor Marquette was declared elected by acclamation in the February 2016 by-election. Some candidates were elected by acclamation in the 2010 (one) and 2007 (two) general elections.

4.4 Council Orientation and Development

Council orientation is a very valuable education component for council members to learn or reinforce roles and responsibilities at the start of each council term, or following by-elections. The breadth and importance of councillor responsibilities requires a solid orientation with

⁸ <http://dictionary.reference.com/browse/egalitarian>

ongoing teambuilding efforts and refresher training on council roles and responsibilities to strengthen professional meeting conduct, decorum and chairmanship.

Westlock County council members received a solid council orientation at the beginning of the 2013-2017 term. This orientation was conducted by professionals in the areas of governance and legislative responsibilities. County records show that council members attended the orientation training that was offered in October 2013, and that the county opened the orientation sessions to other neighbouring municipal officials.

There was limited orientation provided after the 2016 by-election. This is an area for improvement since candidates elected in a by-election require orientation as well. The broad governance responsibilities of elected officials should not be taken lightly. MGA amendments effective July 1, 2017 now require orientation to be offered to councillors following an election or by-election:

Orientation training

201.1(1) A municipality must, in accordance with the regulations, offer orientation training to each councillor, to be held within 90 days after the councillor takes the oath of office.

A solid orientation and ongoing professional development is important for all council members to fulfill their important leadership roles throughout every council term. Ongoing councillor training, including orientation following a by-election is important to the success of newly elected officials and can serve as a valuable refresher for all officials.

RECOMMENDATION FOR COUNCILLOR TRAINING: That all council members attend orientation training to understand their roles and responsibilities as elected officials; and that council members participate in ongoing professional development opportunities throughout the council term to strengthen their political leadership capacity.

4.5 Code of Conduct

Diversity of opinion among and between individual council members is a fundamental tenet of good governance. Municipal council members are elected individually, required to vote individually and participate individually, as part of a collective whole rooted in democratic principles of majority-rule. Debate and disagreements are expected at a local council table while deliberating current issues since diversity of opinion is built into the local governance process.

Elected officials are expected to adhere to a high standard of professional conduct toward each other and to remain cordial and respectful amid discourse and differing opinions. Council members need to guard their political capacity with steady adherence to respectful, professional conduct in order to collectively accomplish good things for the community.

Councillors' Code of Conduct Bylaw 07-2016

Westlock County council passed a Councillors' Code of Conduct Bylaw No. 07-2016 on March 8, 2016. This bylaw contains many noble clauses requiring integrity, impartiality, respect and accountability to each other. An anomaly exists where the bylaw references the MGA s. 146.1, which is a proposed legislative amendment, but was not yet in effect at the time that the bylaw was passed.

The bylaw also improperly suggests that a council member can remove themselves from discussion and voting on matters that have a "perceived" pecuniary interest even though a pecuniary interest may not be present according to legislation:

19. Although a pecuniary interest on a matter before Council may not be present according to legislation, the public may perceive a pecuniary interest of a Councillor in the matter. In this case, the Councillor with the perceived pecuniary interest may wish to remove themselves from discussion and voting on that particular matter.

Pecuniary interest matters are taken very seriously in the MGA. There are no provisions to allow council members to abstain from voting on "perceived" pecuniary interest matters when they are present. Instead, if a council member does not vote on a matter that they are legislatively required to vote on, this may lead to disqualification as a council member according to the MGA s. 174(1)(f). A local bylaw or policy cannot change the MGA provisions, and need to be amended to ensure that local bylaws and policies align with legislation.

Code of Conduct for Councillors Policy No. 2.02

Council approved Policy No. 2.02: A Code of Conduct for Council Members in September 2015. The policy purpose reads as follows:

PURPOSE

This code provides a framework to assist Councillors in navigating the ethical implications of the decisions they face in the course of their duties. Acting in harmony with this code will assist in upholding public trust in the Council.

It appears that the code of conduct policy is redundant and no longer necessary since a related bylaw is passed. Similar to Bylaw 07-2016, Policy #2.02 also improperly suggests that a council member can remove themselves from discussion and voting on matters that have a “perceived” pecuniary interest even though a pecuniary interest may not be present:

2.4. Although a pecuniary interest on a matter before Council may not be present according to legislation, the public may perceive a pecuniary interest of a Councillor in the matter. In this case the Councillor with the perceived pecuniary interest may wish to remove themselves from discussion and voting on that particular matter.

Despite code of conduct guidance, some council members of this term engaged in improper conduct toward each other and towards staff during meetings and outside of meetings, such as using abrasive language and aggression. At one point emotions flared, leading to a physical altercation between two council members in council chambers prior to an April 2016 meeting.

Certain council members were also noted to mistreat staff and show disrespect during interactions. In one example from October 2015, the county fire department responded to a 911 fire call where grass and trees were burning. Councillor Primeau arrived on site and was reported to address the fire chief with “foul, threatening language” saying that he “*had a F-ing permit.*” Records show that this permit was incorrectly requested for a different property. Councillor Primeau recalled this event and told the inspectors that he “*probably shouldn’t have told [him] to go back to town.*”

Both the code of conduct bylaw and policy contain valuable content to guide the conduct for officials. A review of these documents is needed and the policy appears to be an unnecessary duplication.

RECOMMENDATION FOR CODE OF CONDUCT REVIEW: That the council review, update and adhere to a Council Code of Conduct Bylaw; and ensure that this bylaw complies with the MGA.

4.6 Council Leadership and Political Capacity

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

The local government system is designed to provide grassroots leadership with local elected officials representing the needs of the community. Local leadership requires great awareness and sensitivity to the physical, environmental, social, cultural and historical attributes of the community. A council, acting collectively can be seen as an enabler of progress by accomplishing strategic objectives that serve local needs and build a vibrant, sustainable community.

To their credit, officials made efforts to understand the organizational needs. Several consulting reports were prepared to provide guidance and recommendations to officials. Unfortunately, implementation of expert advice faltered and Westlock County council struggled to provide good leadership and governance.

4.6.1 Leadership Rating

Stakeholders were given the opportunity to rate the current leadership shown by the Westlock County council. Leadership rating data gathered from interviews and survey results is illustrated in the chart below.

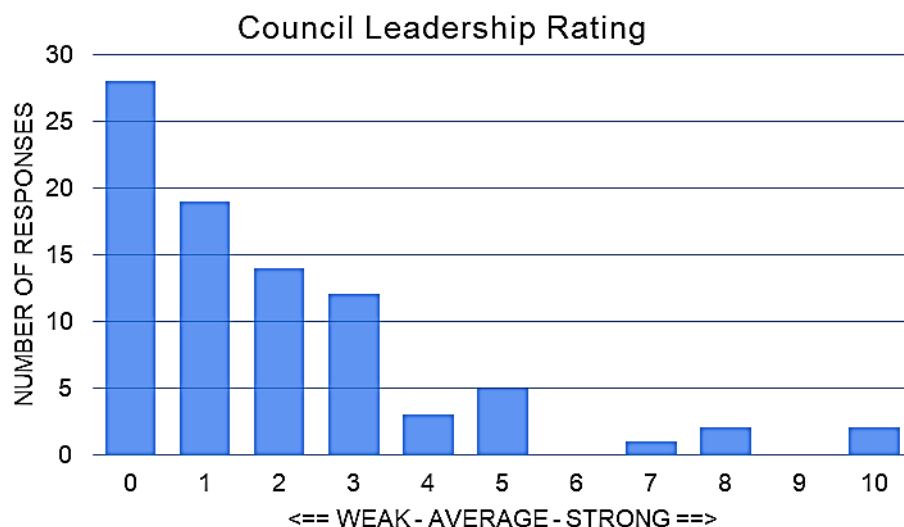


Figure 3 - Council Leadership Rating

The majority of respondents were underwhelmed with council's leadership and gave the current council an average or weak leadership rating. Several stakeholder comments reflected a desire for consultation in establishing a shared community vision.

Stakeholder comments contained a common theme calling for improved council leadership and willingness to work together for the overall good of the community:

- *Council seems to not have any sort of vision or leadership. The in-fighting between members and total lack of responsibility shown in the past three years has been a waste of tax payers money.*
- *As stated previously, the overall leadership shown by Westlock County council, led by a professional and committed Reeve was superior. Currently, it's taken many steps backwards and is weak, ineffective and unapproachable. Very, very disappointing.*
- *I believe that Massey, the former reeve tried to provide good governance during his term but leading this council was like herding cats.*
- *In fighting, personal agendas, no vision, turf wars all contribute to dysfunctional council.*
- *It seems the council is not doing a good job because there has been money wasted. For instance the ski hill and rural fire departments.*
- *It wasn't good, they were all in cahoots, formed a block and voted down anything that was good for the ratepayers.*
- *Knee jerk reaction instead of decision making.*
- *Numerous incidents have occurred where dysfunction has occurred amongst Council members. As well the inability to get along with neighbouring municipal governments and the lack of cooperation hurts the region as a whole. Also, the revolving door of CAOs is disconcerting.*
- *Reeve Don Savage is a step in the right direction from Bud Massey, but isn't exactly a shining light of municipal governance.*
- *The County Council does not give the appearance of understanding the fundamentals of good governance. The relationship between the Council and Staff should be conducted via the CAO, and it would appear that this is not done, resulting in chaos in staffing and decision-making. The Council should set policy and let the CAO deliver.*
- *The concept of governance is lost with this group. Unethical land deals (industrial park, ski hill), mass severance letters, no relationship with Town or Village.*
- *The poor choices they have made regarding the ski hill are a direct reflection of their lack of leadership skills.*
- *They lack leadership. The Councillors don't seem very informed on what their job is. They need more informed councillors next time with a community minded approach. The council and particularly Bud Massey seem to have their noses into the day to day operations making it hard for the staff to get the job done.*

- *This county has been wandering aimlessly since I moved to the county 14 years ago. Staff changes and severance payouts has been the norm, and little knowledge or direction to change this.*
- *The county has little credibility when it comes to providing service to the rate payer. Always seems to be reacting to situations rather than being in control and planning ahead.*

4.7 Strategic Planning

Strategic planning is one of the key ways in which a municipal council identifies its priorities for the future with short- to mid-range goals that lead toward achieving the municipality's vision. A homegrown strategic plan is a necessary component to centralize and communicate council direction. This level of planning provides clarity to administration on council's priorities for the community and should lead to a logical alignment of resources with strategic priorities through the budgeting process.

Several strategic planning resources are readily available for municipal use. Two of Alberta's municipal associations, the Alberta Urban Municipalities Association ([AUMA](#)) and Alberta Association of Municipal Districts & Counties ([AAMDC](#)), recommend that a strategic plan be constructed in the format of a *Municipal Sustainability Plan (MSP)* or an *Integrated Community Sustainability Plan (ICSP)* respectively to guide the community into the future.

The basic framework of a recommended municipal strategic plan is solidly based on five *Dimensions of Sustainability*, as follows:

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

Westlock County council approved a 10-year ICSP in 2009 which was updated periodically and a 2011-2021 version was available on the [municipal website](#) at the time of this inspection. Planning efforts lacked traction during the recent council term. Initially, there was an effort to discuss the ICSP, such as the following November 12, 2013 council resolution but it does not appear that the planning initiative was followed through during this council's term:

10 Year Plan
#725/13

Councillor Albert St. Louis: That Council meet as a group following the November 26, 2013 Regular Meeting of Council to determine whether or not to hire a facilitator to assist with the continuation of the County's 10 Year Integrated Community Sustainability Plan (ICSP).

Carried 7-0

Strategic planning lacked attention from the new council and current officials confirmed that the ICSP had not been used as a guiding document to influence council decision-making over this term. This key planning document needs a refresh and a strategic planning process should be initiated, including ample public consultation to determine local priorities and align resources. The need to prioritize strategic planning is "old news" to this council since this same recommendation has been made in past consulting reports from subject matter experts.

A strategic plan for the community should describe performance targets that link to the annual budget process where specific financial resources are allocated to strategic priority areas. A strategic plan can also serve as a primary measure of CAO performance evaluation where success in the CAO position is linked to the achievement of council's strategic priorities.

Best practices in municipal strategic/sustainability planning include consultation with residents in developing a vision and strategic priorities, establishing meaningful performance targets and then closing the loop to communicate performance results back to the public in a manner that is easily understood. Westlock County officials can begin the process by engaging expertise in public consultation and preparation of a strategic plan, to be renewed annually.

Failing to plan for the future is an improvident manner that could affect the viability of a community. There is also a need to connect the financial reality of the community with the strategic plan to ensure well-ordered growth and proper stewardship of local resources and capital assets. A lack of strategic planning for the community may have contributed, in part to some council dysfunction where the leadership was resting on a weak foundation.

RECOMMENDATION FOR STRATEGIC PLANNING: That strategic plans be updated annually, including input from senior staff and public consultation.

RECOMMENDATION FOR PERFORMANCE MEASURES: That administration develop meaningful performance measures to demonstrate how the use of budget resources have advanced strategic priorities.

4.8 Community Engagement

Local interest groups play a valuable role in community engagement and offer a concentrated means for reciprocal dialogue on a variety of community and regional issues. Local officials are well-advised to consider broad input for community initiatives, safety and viability. Besides the strength and influence of local groups and ambassadors, there is a duty for a municipal council to remain as the central force for community leadership and decision-making.

Westlock County hosts a diverse tapestry with clusters of urban development in hamlets and subdivisions, amid a primarily agricultural landscape. Records show that some consultation efforts were conducted in some local hamlets around 2010. The following draft vision was provided to the inspectors for the local hamlet of Jarvie although it may not have been formally adopted:

Jarvie Vision

The vision of Jarvie is of a vibrant, friendly community that treasures its heritage and community spirit. Jarvie appreciates its open spaces and offers tremendous access to a wide variety of cultural and recreational opportunities. Jarvie values its rural, small town lifestyle while fostering balanced opportunities for residential and commercial development.

Past consultative efforts can serve as a good starting point to begin a renewed process. A similar vision was prepared for the hamlet of Busby:

Busby Vision

The vision of Busby is of a caring, cooperative community that treasures its heritage and community spirit.

Busby is active and engaged and offers tremendous access to a wide variety of cultural and recreational opportunities for an enhanced quality of life.

Busby is a growing, sustainable community that fosters balanced opportunities for residential and commercial development.

Stronger communication with residents is needed for council to ensure legitimacy in establishing official priorities for the community. Community plans deserve broadcasting and should be promoted and publicly accessible. Consultation and engagement opportunities can lead to increased sensitivity to local needs and officials can work collaboratively towards meaningful solutions.

There is no shortage of local concerns. At the June 27, 2017 meeting, Westlock County council received and promptly denied a request from the Jarvie community council to install speed bumps in the hamlet. Inspectors heard many concerns about unsafe roads.

Concerns were also shared from subdivision residents that they felt unsafe at times when trying to pick up their mail when aggressive-looking dogs were running at large near the community mailboxes. There was a strong indication that safety enforcement has improved and that the county is served well by the current peace officer.

RECOMMENDATION FOR COMMUNITY ENGAGEMENT: That council establish a community engagement strategy to effectively engage and inform citizens, business owners and local community groups.



Figure 4 – Hamlet of Dapp, Welcome Sign and Recreation Building



Figure 5 – Hamlet of Pickardville, Local Park

4.9 CAO Performance Evaluation

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

Performance evaluation

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

Westlock County council members completed CAO performance evaluations in recent years in accordance with the legislative requirements of the MGA. Past evaluations followed an acceptable format and showed that past chief administrative officers met the expectations of the majority of the council. The evaluations did not contain a clear overall measurement of the strategic objectives accomplished through the annual budget process.

Performance evaluations were interrupted during the recent council term due to the high turnover of staff in the CAO position. There were several appointments and interim appointments for the CAO position during the recent council term. Some council members expressed concern with the format and process of CAO evaluations where they felt that some members of council rushed through a recent process *"just putting numbers down, with no reasoning"* which lacked meaningful feedback to the CAO. Comments were also shared that some council members scored the CAO at the highest rating across the board.

Being elected to a municipal council does not require members to become *de facto* experts in municipal governance. Council members should do their part through policy and budget allocations to enable the organization to attract and retain the best qualified staff they can afford. Council members are also expected to have the wisdom to draw on external expertise and guidance when needed, such as when considering sensitive legal or human resource matters.

The council could benefit from professional advice and guidance throughout the CAO performance evaluation process. Involving an independent professional can help to remove emotions from the process and allow officials to deal with analyzing the facts of the performance of the CAO, as the administrative head of the municipality. An external expert can serve as council's resource person, summarize council member feedback, ensure that the process meets annual legislative requirements, and incorporate relevant performance targets of local strategic goals.

RECOMMENDATION FOR CAO PERFORMANCE EVALUATIONS: That the council review and update the template to provide a more meaningful annual written performance evaluation of the CAO when complying with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established through the annual strategic plan; and that the council obtain professional expertise to assist with the formal CAO performance evaluation process.

4.10 Council Meeting Procedures

Municipal councils are expected to display formality and respect in interactions during public meetings. Westlock County council members are guided by Council Procedural Bylaw 02-2005 “to establish rules and regulations according to which the proceedings of the Council are to be governed and conducted.”

This bylaw contains a lot of good content, such as describing the “order of business” and “rules of conduct and debate.” Some of the content within the bylaw is redundant since it unnecessarily repeats legislation from the MGA, such as giving three readings to bylaws and requiring members to vote on agenda items. Some of the bylaw content is improper or contains unclear intent, such as permitting the removal of a councillor if they resist or disobey:

4. No Member to Resist Rules:

No Member shall resist the rules of the Council or disobey the decision of the Council on points of order or practice, or upon the interpretation of the rules of Council.

In any case any Member shall so resist or disobey the Reeve may order him to leave his seat for that meeting and, in case of refusing to do so, the Reeve may order the Police to remove him from the meeting. However, in case of ample apology being made by the offender, the Council may, by a simple majority vote, permit him to re-take his seat forthwith.

Inspection team members attended the following council and committee meetings and observed the current political dynamic of Westlock County council members:

- March 14, 2017 regular council meeting
- March 28, 2017 regular council meeting
- April 11, 2017 regular council meeting
- April 18, 2017 budget committee meeting
- May 9, 2017 regular council meeting
- June 13, 2017 regular council meeting
- June 27, 2017 regular council meeting

Regular meetings were held on the second and fourth Tuesday of each month. Agendas were provided to council in advance, typically on the Friday before the meeting. Agendas were usually available to the public on the day before the meeting. Management commented on this process:

“We delay posting the agenda on the website to give Councillors a reasonable amount of time to read their email copy or pick up their package before it is published publicly, while still posting the agenda for the public to view ahead of the meeting.”

The courtesy of a prior review by council caused an unfortunate delay in sharing the agenda with the public. The process of posting agendas online could be improved by providing the agenda a few days in advance of the meeting to ensure that the courtesy of time to review in advance is given to the public as well as council members. Sometimes members of the public may wish to adjust their schedules in order to attend a council meeting if they are aware of items of interest on the agenda. Council members sometimes added non-emergent items to the agendas, which is contrary to the council's procedural bylaw.

Council meetings appeared fairly organized and officials engaged in good debate which seemed to show prior review and consideration of agenda items. Several councillors communicated clearly during deliberations saying, “I support this because...” Council members typically spoke when recognized by the Chair and referred to each other and staff formally, such as “Councillor...” Some stakeholders commented that this level of formality was not the “norm” for the council and that they were acting more formal since the inspectors were observing meetings. Regardless, the council was observed to exercise a degree of formality and respect towards each other during meetings and this shows that they are capable of achieving this professional standard.

The order of business could be improved for council meetings. The inspectors observed a pattern where council would pass a resolution to go in camera, and then immediately call for a brief recess. During this time, council was officially “in camera” and in a recess. This improper process led to some disorder as council and members of the public were loitering and casually chatting while council was concurrently, and officially in camera and in a recess. On June 27, 2017 for example, a member of the public captured one of these moments and spoke to council at some length about his serious concerns over county road conditions.

Council members commonly focused on operational matters, rather than remaining focused at a higher level of policy-based governance. For example, at the March 28, 2017 regular council meeting, council discussions included frozen culverts, grave markers and cemetery grass cutting. The inspectors were also informed of a council member who contacted an equipment dealership to inquire about grader specifications rather than trusting staff to conduct the research. This improper action shows a propensity for some council members to jump into operational matters with a lack of respect for proper roles and responsibilities. If some elected official contacts a supplier directly, this could send an implied message that one of the decision-makers at the table will act as a champion for the supplier's product.

Through the municipal inspection survey, stakeholders were asked to rate the level of professionalism they observed in the council meeting process. Most respondents indicated that they observed an average or unprofessional level of professionalism in the council meeting process for Westlock County, as shown in the following chart:

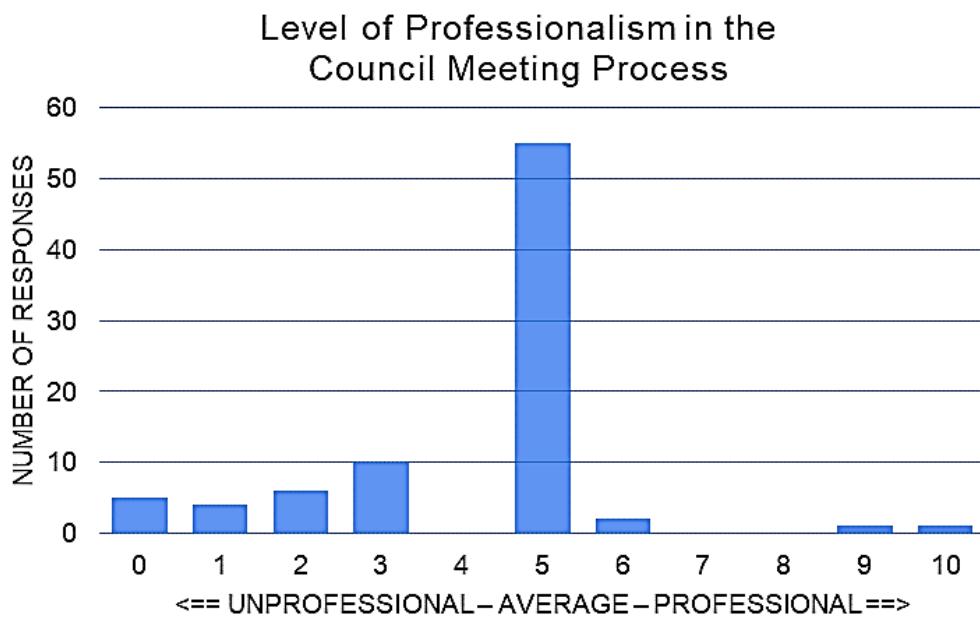


Figure 6 - Meeting Professionalism, Public Rating

Although respondents gave council meetings an average rating for professionalism, many stakeholder comments expressed concern over council member conduct, such as the following sample of anonymous comments shared through the online inspection survey:

- *Almost no professionalism. No respect for each other or the staff. It is very evident they don't understand the process or even the issues.*
- *All too often councillors choose not only to disagree with the advice of professionals, but all too often openly criticize staff at these meetings. At one point, then-Reeve Bud Massey yelled at Transportation manager Bill Mills, in open council, about the cost of some project or another. Totally unacceptable.*
- *For the most part a bunch of hicks pretending to be politicians.*
- *Fist fight very unprofessional.*
- *Some seemed quiet and others enjoyed hearing their own voice.*
- *Not very professional, first names used, not councillor name etc. The meeting appeared to be whatever Reeve Massey wanted, telling people how to vote or rewording any motion they were making and those councillors allowing him to do it.*
- *It is ok, the lead was Ed Leblanc [when] I was there.*
- *I found the previous reeve to try and dominate the meeting proceedings and did not provide ample opportunity and time for each councillor to express their opinions and/or ideas, which in turn, limited good debate.*

Some council members were observed to be insensitive to staff during public meetings. For example, a director presented a report to council and shared some positive comments and feedback received from ratepayers. To this, Councillor Kroetsch took offence and suggested that the report was not balanced since it only shows positive comments and not negative. He offered a sharp comment to the director in a public meeting to “*Balance it, Okay!*”

Councillor Kroetsch later told the inspectors that he felt they should report the bad stuff too and that he was concerned that administration would try to sweep shortcomings under the carpet. This display is an example of a prevalent negative culture rather than celebrating successes. There seemed to be an unwillingness of some council members to accept staff dedication and acknowledge that some tasks were accomplished with excellence. One director commented that “*if council knew how hard these people work and how dedicated they are to the citizens of the county, they would be surprised.*”

These seven councillors are required to represent the county as a whole, however, it is implied that they will also know of and champion for home front needs within their respective division. The absence of broad strategic planning within Westlock County led to some hard feelings, parochialism and the appearance of turf wars between divisions.

At the March 28, 2017 regular meeting, Councillor Zadunayski championed for divisional needs stating: “*My taxpayers have issues, too*” and he requested improved divisional reporting. Logically, an overarching strategic plan would determine broad priorities benefiting all county ratepayers, and also reach to each corner and each division with a balanced approach to address local needs.

4.10.1 Public Presence During Meetings

Transparent decision-making is a fundamental tenet of local government. There is an expectation that a municipal council will deliberate matters of local concern in a public setting with respectful, professional meeting procedures. Members of the public have the right to be present in the gallery to attend council and committee meetings, in accordance with s. 198 of the MGA, as follows:

Right of public to be present

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

Council meetings were regularly attended by the local media and some members of the public. 60% of survey respondents indicated that they had attended a Westlock County council meeting in the past three years. The council chambers provided an adequate meeting space, but with limited gallery seating. Hard copies of the meeting agenda were not always available to the public as a courtesy to follow along during meetings. It would be wasteful to print full agenda packages that may not be used at meetings, but the brief two-page summary of the agenda is expected to be available for observers.



Figure 7 - Westlock County Council Chambers

The right of the public to be present during council meetings is not intended to mean that the public can actively engage in council meeting discussions. Local governments follow a system of *representative democracy* where candidates are elected to represent the citizenry. This is different from *participative democracy*, or direct democracy, where all citizens are actively involved in all important decisions.⁹ To be clear, local governments in Alberta follow a system of representative democracy where citizens elect council members to represent them in making decisions.¹⁰

Ongoing reciprocal consultative dialogue between citizens and their elected officials can add legitimacy to decision-making and lead to a greater understanding of the potential impact of local issues. There are appropriate means for citizens to address elected officials informally before or after council meetings; or formally as a delegation to council.

Some survey respondents expressed concern that they were not allowed to speak during council meetings, such as the following comment: *“The old Reeve Bud Massey would never answer questions from visitors or would just tell them to sit down and please be quiet.”* Some education is needed for public members to understand that the council meeting is for council to deliberate issues. The public role during council meetings is to keep informed by observing the meeting in the gallery or to participate by presenting to council formally as an official delegation.

⁹ http://www.encyclopedia.com/topic/participatory_democracy.aspx

¹⁰ http://www.lopparl.gc.ca/About/Parliament/Education/ourcountryourparliament/html_booklet/democracy-defined-e.html

Westlock County council had a past practice of inviting public input during the start of the meeting, such as the following example:

June 28, 2016

Public Participation continued:

- Marlene MacLean had concerns regarding the sandpit at Spruce Hill Estates being shut down. A meeting with residents of interest and Council was requested.
- There were other County Residents there with the same concerns of road maintenance and safety for the school children being transported to and from school on the buses.
- Questions were raised regarding what procedures need to be followed by the Residents to get results, and what the policies are.
- Two Residents raised concern that they feel the roads are affecting their livelihood.
- Councillor Ron Zadunayski spoke about the graveling program and how it works according to the Westlock County Policy.
- Reeve Bud Massey indicated that we are putting out more gravel on the roads this year as compared to last year.
- Fred Vandeligt voiced that he keeps a record of the weather due to the farm and knows exactly when the graders go by.
- Suggestions were made to Council to follow the graders and witness the job done by the operator, and to also speak to farmers in the area to get feedback of when and where gravel is needed.
- There were also complaints about not being heard when residents are calling in to the County office to complain, phone calls not being returned and rude staff.
- Reeve Bud Massey indicated that he feels the same frustration, but the MGA has taken the power of Council away.
- Resident Stuart Fox-Robinson stated the comment made by Reeve Massey was incorrect, the MGA is strengthening Councils – effective in April.
- A Resident asked what the County's three year plan was and Reeve Massey indicated that he did not have an answer.

Reeve Bud Massey thanked everyone for their feedback and asked if anyone else would like to speak at this time.

This type of impromptu public participation is not a recommended practice. It invites informality into the meeting and does not give the municipal staff or council the ability to prepare to hear the speaker's comments or concerns. This attempt at public engagement opens the floodgates for abuse of council meeting process and a lack of preparedness by officials. Positive comments have been shared at times but generally this impromptu engagement is ripe for grandstanding and ridicule by individuals seeking a public audience. This practice was discontinued in 2016 and local officials are commended for making this change.

A person or group presenting to council should be heard as a formal delegation based on the rules outlined in the procedural bylaw, rather than as ad hoc and unannounced speakers. This improper process contravened the council's Procedural Bylaw No. 02-2005 that requires delegations to provide a written request in advance, as follows:

1. Requests for Delegations:

Any person or group wishing to appear as a delegation before Council may request a time allotment through the office of the Municipal Administrator. All such requests must state the nature and subject area the delegation wishes to discuss.

Requests for appointments must be received no less than six (6) clear working days prior to the date of the meeting.

The procedural bylaw also allows a maximum of 30 minutes per delegation, which appears excessive and should be reconsidered.

RECOMMENDATION TO UPDATE PROCEDURAL BYLAW: That council update the procedural bylaw to ensure that council conduct and meeting decorum follows a consistent, orderly, respectful process; and that public participation during meetings continue to only be permitted as formal delegations to council, or through formal public hearings.

4.11 Recording of Votes

The ability to request a recorded vote is an important legislative provision to officially record council member votes that are "for" or "against" actions taken by a council. The MGA s. 185 provides a specific procedure for the recording of votes during a council meeting, as follows:

Recording of votes

185 (1) Before a vote is taken by council, a councillor may request that the vote be recorded.

(2) When a vote is recorded, the minutes must show the names of the councillors present and whether each councillor voted for or against the proposal or abstained.

Westlock County council members occasionally requested recorded votes. Past minutes show a less formal and rather casual reference of "Yay" and "Nay" to track votes cast during recorded votes, such as the following examples:

Allocate funds for
TV Ski Hill
#409/15

Councillor Don Savage: Moved that the County allocate \$75,000.00 from Contingency Reserve to complete the work at Tawatinaw Valley Ski Hill for the 2016 season.

Carried 4-2

Councillor Jim Wiese has asked for a recorded vote;

Yay
Dennis
Don
Bud
Ron

Nay
Jim
Mel

Approval of lease and
purchase of TV Ski
Hill
#417/15

Councillor Dennis Primeau: Moved that Council approve in principle a 3 year lease with option to purchase in year 3, pending final viewing.

Carried 4-2

Councillor Jim Wiese requested a recorded vote,

Yay
Dennis Primeau
Ron Zadunayski
Bud Massey
Mel Kroetsch

Nay
Jim Wiese
Albert St. Louis

Recent minutes show a proper process of recording votes “for” and “against” proposed motions as well as formally listing the names of council members.

Meeting minutes show a current and longstanding practice to show the total number of votes cast without the names of councillors, such as shown in R#036/17 below:

Request for Waiver of Development Fee Penalty:

#036/17 MOVED by Councillor Zadunayski; that Council refund the penalty applied to the Development Permit Application as outlined in the in-camera report.

Carried 6-1

When a council resolution is carried without a request for a recorded vote, there is no need to display the number of votes, such as “6-1” above. This record is not contemplated within the procedural bylaw or the MGA, and serves no obvious purpose except to acknowledge unnamed supporters and dissenters on issues.

4.12 Pecuniary Interest

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

Pecuniary interest

- 170(1) *Subject to subsection (3), a councillor has a pecuniary interest in a matter if*
- (a) the matter could monetarily affect the councillor or an employer of the councillor, or*
 - (b) the councillor knows or should know that the matter could monetarily affect the councillor's family.*
- (2) *For the purposes of subsection (1), a person is monetarily affected by a matter if the matter monetarily affects*
- (a) the person directly,*
 - (b) a corporation, other than a distributing corporation, in which the person is a shareholder, director or officer,*
 - (c) a distributing corporation in which the person beneficially owns voting shares carrying at least 10% of the voting rights attached to the voting shares of the corporation or of which the person is a director or officer, or*
 - (d) a partnership or firm of which the person is a member.*

Alberta's local government system emphasizes transparency and the MGA gives clear direction to council members to conduct themselves properly when they encounter pecuniary interest situations, as follows:

Disclosure of pecuniary interest

- 172(1) *When a councillor has a pecuniary interest in a matter before the council, a council committee or any other body to which the councillor is appointed as a representative of the council, the councillor must, if present,*
- (a) **disclose the general nature** of the pecuniary interest prior to any discussion of the matter,*
 - (b) **abstain from voting** on any question relating to the matter,*
 - (c) subject to subsection (3), **abstain from any discussion** of the matter, and*
 - (d) subject to subsections (2) and (3), **leave the room** in which the meeting is being held until discussion and voting on the matter are concluded.*
- (2) *If the matter with respect to which the councillor has a pecuniary interest is the payment of an account for which funds have previously been committed, it is not necessary for the councillor to leave the room.*
- (3) *If the matter with respect to which the councillor has a pecuniary interest is a question on which, under this Act or another enactment, the councillor as a taxpayer, an elector or an owner has a right to be heard by the council,*
- (a) it is not necessary for the councillor to leave the room, and*

- (b) the councillor may exercise a right to be heard in the same manner as a person who is not a councillor.*
- (4) If a councillor is temporarily absent from a meeting when a matter in which the councillor has a pecuniary interest arises, the councillor must immediately on returning to the meeting, or as soon as the councillor becomes aware that the matter has been considered, disclose the general nature of the councillor's interest in the matter.*
- (5) The abstention of a councillor under subsection (1) and the disclosure of a councillor's interest under subsection (1) or (4) must be recorded in the minutes of the meeting.*
- (6) If a councillor has disclosed a pecuniary interest at a council committee meeting and council considers a report of the committee in respect of which the councillor disclosed a pecuniary interest, the councillor must disclose the pecuniary interest at the council meeting and subsection (1) applies to the councillor.*

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

(3) A councillor does not have a pecuniary interest by reason only of any interest

- (a) that the councillor, an employer of the councillor or a member of the councillor's family may have as an elector, taxpayer or utility customer of the municipality,*
- (b) that the councillor or a member of the councillor's family may have by reason of being appointed by the council as a director of a company incorporated for the purpose of carrying on business for and on behalf of the municipality or by reason of being appointed as the representative of the council on another body,*
- (c) that the councillor or member of the councillor's family may have with respect to any allowance, honorarium, remuneration or benefit to which the councillor or member of the councillor's family may be entitled by being appointed by the council to a position described in clause (b),*
- (d) that the councillor may have with respect to any allowance, honorarium, remuneration or benefit to which the councillor may be entitled by being a councillor.*
- (e) that the councillor or a member of the councillor's family may have by being employed by the Government of Canada, the Government of Alberta or a federal or provincial Crown corporation or agency, except with respect to a matter directly affecting the department, corporation or agency of which the councillor or family member is an employee,*
- (f) that a member of the councillor's family may have by having an employer, other than the municipality, that is monetarily affected by a decision of the municipality,*
- (g) that the councillor or a member of the councillor's family may have by being a member or director of a non-profit organization as defined in section 241(f) or a service club,*
- (h) that the councillor or member of the councillor's family may have*
 - (i) by being appointed as the volunteer chief or other volunteer officer of a fire or ambulance service or emergency measures organization or other volunteer organization or service, or*

- (ii) by reason of remuneration received as a volunteer member of any of those voluntary organizations or services,*
 - (i) of the councillor, an employer of the councillor or a member of the councillor's family that is held in common with the majority of electors of the municipality or, if the matter affects only part of the municipality, with the majority of electors in that part,*
 - (j) that is so remote or insignificant that it cannot reasonably be regarded as likely to influence the councillor, or*
 - (k) that a councillor may have by discussing or voting on a bylaw that applies to businesses or business activities when the councillor, an employer of the councillor or a member of the councillor's family has an interest in a business, unless the only business affected by the bylaw is the business of the councillor, employer of the councillor or the councillor's family.*
- (4) Subsection (3)(g) and (h) do not apply to a councillor who is an employee of an organization, club or service referred to in those clauses.*

The pecuniary interest provisions in the MGA refer to the monetary effect of a council decision, which could be either positive or negative. It is appropriate for council members to personally seek legal counsel prior to voting or abstaining from voting on matters if they are unclear on a potential pecuniary interest matter. Legal counsel can consider the situation and advise a council member whether or not they have a pecuniary interest, or if they are required to vote on an agenda item.

It appeared that council members attempted to properly comply with the pecuniary interest provisions of the MGA. Public concerns were shared with the inspectors that a council member's wife was employed at the Tawatinaw Valley Ski Hill and the related council member continued to vote on matters affecting the ski hill, including the construction of a new chalet and entering into an operating agreement. Committee appointment records also show that this council member sat on the Tawatinaw Valley Advisory Board.

A legal opinion was obtained by the county in April 2016 and based on the information the county provided to legal counsel, the advice received stated that there was no pecuniary interest in this matter in considering MGA s. 170(3)(f). Apparently, the inquiry to legal counsel asked about "*allocating money to complete repairs to the ski hill facilities*" rather than broader ski hill matters. Based on the advice received, the council member was required to vote on the ski hill repairs, but it is unclear if a pecuniary interest was present when this council member voted on the ski hill operating lease agreement or suspending rent and tax payments. The inspectors were informed that this council member's wife was no longer employed at the ski hill during the time of the inspection.

The inspectors heard other unsubstantiated stories and rumours of alleged wrong-doings such as officials receiving free dirt, gravel, drainage or other services.

RECOMMENDATION FOR HANDLING PECUNIARY INTEREST MATTERS: That elected officials learn and abide by the pecuniary interest provisions of the MGA and consult with legal counsel as needed to ensure compliance with the MGA s. 170.

4.13 Requirement to Vote and Abstentions

The MGA requires clarity and transparency for councillor actions by requiring them to vote on a matter or state the reasons for abstentions from voting, as referenced below. Failing to vote on a matter when the councillor is present is a reason for councillor disqualification.

Requirement to vote and abstentions

183(1) A councillor attending a council meeting must vote on a matter put to a vote at the meeting unless the councillor is required or permitted to abstain from voting under this or any other enactment.

(2) The council must ensure that each abstention and the reasons for the abstention are recorded in the minutes of the meeting.

Reasons for disqualification

174(1) A councillor is disqualified from council if

(f) the councillor does not vote on a matter at a council meeting at which the councillor is present, unless the councillor is required or is permitted to abstain from voting under this or any other enactment;

If a council member does have a pecuniary interest requiring an abstention from voting, it is necessary that they state reasons and leave the room prior to discussion and voting. Council meeting minutes show that council members made an effort to follow proper procedures when abstaining from voting, however, stronger understanding and adherence to the MGA is needed. It is also important to maintain consistency with the MGA by referring to a “pecuniary interest” rather than a “conflict of interest.” Pecuniary interest and conflict of interest are not synonymous in Alberta local government. An entire *Conflicts of Interest Act* exists in Alberta, which is largely focused on guiding actions of provincial officials.

Minutes show that at the October 14, 2014 regular council meeting, Reeve Massey left the meeting due to a somewhat unclear “possible conflict of interest” as shown below:

c) Request for Letter of Support from CCI Wireless

Reeve Bud Massey left the Meeting at 9:46 a.m. due to possible conflict of interest relating to CCI Wireless and future personal service contracts.

Deputy Reeve Jim Wiese assumed the Chair at 9:46 a.m.

Letter of Support for CCI Wireless #452/14 **Councillor Albert St. Louis:** That Westlock County offer a Letter of Support for CCI Wireless as requested. Defeated 1-5

Reeve Bud Massey returned to the Meeting at 9:48 a.m. and resumed the Chair.

On another occasion, the November 25, 2015 regular council meeting minutes show that Councillor Wiese left the room after a motion was made and therefore did not vote on the matter. The minutes do not state that he declared a pecuniary interest matter related to R#404/15 below. When asked by the inspectors, former Councillor Wiese could not recall the reason that he left the room and did not vote on this matter:

Operating Variance Report #404/15

Councillor Don Savage: Moved to accept the Operating Variance Report as of October 31, 2015.

Councillor Jim Wiese left the room at 11:27 a.m. – 11:32 a.m. and did not vote.

Carried 6-0

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

RECOMMENDATION FOR HANDLING VOTING ABSTENTIONS: That council members review the MGA s. 183 to fully understand the requirement to vote or abstain; and that council members provide reasons for each abstention from voting; and that the reasons for abstaining are recorded in the meeting minutes; and when abstaining from voting, that council members leave the room until discussion and voting on matters of a pecuniary interest are concluded in accordance with the provisions of the MGA s. 172.

4.14 Organizational Meetings

A council must hold an organizational meeting each year, in accordance with the MGA s. 192(1) which reads as follows:

Organizational meetings

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

It appears that Westlock County council held annual organizational meetings within the timeframe legislated by the MGA in recent years. Some irregular matters were noted, such as organizational minutes that were unsigned from an October 28, 2014 organizational meeting; and only a handwritten record was found from the 2015 organizational meeting minutes which do not appear to be approved by council. The lax handling of organizational meeting minutes appeared to be corrected with current management since an organizational meeting was properly held on October 25, 2016 and the related minutes were properly recorded and subsequently approved by council and signed.

Organizational meetings contained appropriate agenda items which were limited to committee involvement and meeting scheduling. This conforms with standard practices and guidelines¹¹ for organizational meetings as provided by Alberta Municipal Affairs:

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

- (a) The appointments of members to Committees which Council is entitled to make;*
- (b) Establishing a roster of Deputy Mayors[Reeve] for the following year;*
- (c) Any other business required by the MGA, or which Council or the CAO may direct.*

Appointments of Council members to committees shall be for a term of one year, unless otherwise specified and reviewed at the Organizational Meeting.

¹¹ Alberta Municipal Affairs. (2013) Municipal Procedural Bylaw containing standard organizational meeting content accessed from: http://www.municipalaffairs.alberta.ca/documents/ms/Basic_Principles_of_Bylaws_2013.pdf

4.15 Council Committee Structure

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

Bylaws - council and council committees

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

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

Composition of council committees

146 A council committee may consist

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

Westlock County council members participate in various internal, external, and regional committees. The current list of council committees was reviewed by the inspection team which showed a strong regional and community focus.

Several council committees did not have terms of reference outlining the committee purpose and membership. Most, but not all committees were established by bylaw such as a public relations committee and social committee. It is an irregular matter for a municipality to have committees in place without an authorizing bylaw to establish their function. A June 2015 council resolution appointed council as a whole to the policy committee, as shown below:

**Policy Committee
#218/15**

Councillor Jim Wiese: That Council as a Whole be appointed as the Policy Committee for Westlock County.

Carried 7-0

It is necessary to 'refresh' and review all council appointments to ensure appropriateness due to the passage of time and application of best practices. The function of a personnel committee, for example could improperly invite council members into operations and staff management.

Officials informed the inspectors that most internal committees have been discontinued. Records show that several committees were reviewed in October 2016 and related bylaws were repealed, such as the policing committee, public works committee and audit committee.

Apparently, the audit committee has never had a meeting. The council committee review is a commendable effort and a good step towards attaining legislative compliance in establishing committees. Further work is still needed for a full review of the remaining council committees.

RECOMMENDATION FOR COUNCIL COMMITTEES: That the council complete a review of council committees and council appointments to ensure that all council committees and/or other bodies are established by bylaw in accordance with the MGA, s. 145-146; and that related terms of reference for committee conduct and composition be developed where applicable.

4.16 In Camera Portions of Meetings

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

Public presence at meetings

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

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

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

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

Some irregular matters were noted in the past where meeting minutes did not show the nature of the item and the FOIP provision identifying the reason to close the meeting to the public. This irregularity has been corrected as shown in the following example from the June 13, 2017 agenda:

9. IN-CAMERA

9.1 2017 Gravel Spread Program (FOIPP Section 24(1)(c))

9.2 Legal Matter – Personnel (FOIPP Section 27 (1)(a))

9.3 Regional Collaboration Project Report (FOIPP Section 24(1)(d))

Council and community members expressed concern over alleged breaches of confidential information discussed in camera. Some council members allegedly discussed in camera

matters at local restaurants where sensitive details about personnel matters were overheard by community members.

When items are discussed in private, council members are reminded of their legislative responsibility to keep matters in confidence, according to the MGA s. 153(e), as follows:

(e) to keep in confidence matters discussed in private at a council or council committee meeting until discussed at a meeting held in public;

Council members seemed to struggle with understanding what should be discussed in public, and what should be discussed in private. While observing council meetings, the inspectors noted that some council members didn't fully switch gears to refrain from discussing sensitive matters after coming out of in camera portions of meetings.

4.16.1 FOIP Exceptions to Disclosure

Best practices require municipal councils to show greater disclosure on the *reason* for closing the meeting, and specifically state applicable *Freedom of Information and Protection of Privacy Act* (FOIP) exceptions to disclosure. Exceptions to disclosure in Division 2 of Part 1 of the *Freedom of Information and Protection of Privacy Act* are listed below:

Division 2

Exceptions to Disclosure

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

Agenda items that do not fall within the above FOIP Exceptions to Disclosure are to be discussed by council during the open portion of public council meetings. During the inspection, council followed proper processes when closing portions of council meetings to the public. The CAO provided guidance to council on the appropriateness of in camera matters and the exceptions to disclosure under the *FOIP Act*. Council members need to ensure that confidential matters are discussed in a closed meeting and remain private until a proper time.

RECOMMENDATION FOR IN CAMERA AGENDA ITEMS: That council members keep private matters in confidence as required by the MGA s. 153.

4.17 Meeting Minutes

The MGA requires council meeting minutes to be properly stored and presented to council for approval in accordance with the MGA which reads as follows:

208(1)(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;

A proper system was in place to record, store and present meeting minutes to council. However, some past meeting minutes were not properly handled. For example, officials could not provide the inspectors with an approved copy of the December 15, 2015 special council meeting minutes, or the organizational meeting minutes from October 2014 and October 2015.

Sometimes council resolutions lacked clarity in clearly communicating council's intent. For example, on February 9, 2016 council passed an ambiguous resolution #71/16 to "*send the Airport Agreement back to the town*" which does not indicate acceptance, rejection, or negotiation of the agreement, as follows:

**Airport Agreement
#71/16**

Councillor Mel Kroetsch: Moved that Council send the Airport Agreement back to the town.

Carried 7-0

In a recent example from February 28, 2017, council approved a ski hill operating agreement in R#071/17 which is quite vague, showing no details of a lease term or financial impact to the county as shown below. Officials indicated that the resolution wording was intentionally vague since negotiations were ongoing.

Operating Lease

071/17 MOVED by Councillor Primeau that Westlock County Council approve proceeding with Option #1 from the “in camera” report on the Tawatinaw Ski Facility Operator’s Agreement with the condition that the operator’s name be DK Consulting Ltd.

Councillor Massey requested a recorded vote.

For: Councillors Zadunayski, St. Louis, Marquette, Primeau and Reeve Savage

Against: Councillor Massey

Carried 5-1

Council agenda items were regularly accompanied with a staff recommendation in a proper request for decision (RFD) format. Two monitors were used within council chambers where the CAO would scroll through the agenda to display items being discussed throughout the meeting. This is an example of a best practice since it enables the council and the public to view proposed resolutions.

The existing technology could be used even better if motion amendments or new resolution wording could be viewed in real time before the vote is taken so that all members of council can see the same proposed resolution wording. This visual aid promotes clarity for council during voting and for staff recording the minutes.

Additionally, county recording secretaries were observed to take a handwritten record of meeting proceedings. Recording secretaries should be provided with the option of using a laptop computer for their ease of use during meetings.

RECOMMENDATION FOR RESOLUTION CLARITY: That council resolutions are comprehensive, concise, and appropriately worded so that council actions are clear to the general public and future councils; and that exact resolution wording is understood and agreed to by all of council prior to the vote.

Draft council meeting minutes were not provided to the public. It is a best practice that draft meeting minutes be provided once they are available, shortly after council meetings. Council’s decision-making process is public and providing draft minutes would help to advance transparency and public awareness of council decisions. Draft minutes could be made available in electronic format through the municipal website.

RECOMMENDATION FOR ONLINE MINUTES: That draft council meeting minutes be made available to the public through the municipal website.

4.18 Bylaws

The MGA provides clear direction on how municipal bylaws are to be properly passed in accordance with the provisions of the MGA s. 187 as follows:

Bylaw readings

187 (1) Every proposed bylaw must have 3 distinct and separate readings.

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

The MGA s. 189 states that bylaws need to be signed in order to be passed, as follows:

Passing of bylaw

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

The MGA s. 213(3) requires bylaws to be signed by the chief elected official (reeve or mayor) and a designated officer, such as the CAO, as follows:

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

The MGA s. 191 requires bylaw amendments to be made in the same way as the original bylaw was passed, as follows:

Amendment and repeal

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

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

The inspection included a review of municipal bylaws and found that bylaws were generally well prepared. Very few bylaws were available electronically on the municipal website. The sample of municipal bylaws reviewed were found to be organized and stored securely in accordance with legislative requirements in the MGA. Local bylaws had logical titles and followed a sequential numbering format. Officials typically followed proper procedures when passing, amending and repealing bylaws by giving three separate readings in accordance with the MGA s. 187. On the surface, local bylaws appear to be in good order; however, several irregularities were found by inspection team members during the comprehensive review.

An irregular matter was identified where Borrowing Bylaw 17-2016 was passed after the project tender was awarded. This Bylaw 17-2016 was passed by council on January 24, 2017 and authorized Westlock County *“to incur indebtedness by the issuance of debenture(s) in the amount of \$470,000.00 for the purpose of construction of the Fawcett Fire Hall.”* Records show that the project was contemplated in 2015 and the project tender was awarded in September 2016, well before the bylaw was passed. It is possible that the turnover in management staff led to a breakdown in communication and a delay in bringing this bylaw forward. Further details of this project are referenced in the capital projects section of this report.

The fire protection services charges were defined in Policy #7.08 rather than through a bylaw. This is an irregular matter. The MGA provides for related fees to be imposed by bylaw:

Adding amounts owing to tax roll

553(1) A council may add the following amounts to the tax roll of a parcel of land:

(g) if the municipality has passed a bylaw making the owner of a parcel liable for expenses and costs related to the municipality extinguishing fires on the parcel, unpaid costs and expenses for extinguishing fires on the parcel;

Fire department members and the extended network of volunteers were noted to provide a strong service dedication to Westlock County. An irregular matter was found in the administration of the Westlock County Fire Protection Bylaw No. 05-2015. The Fire Chief was apparently elected by the department members, rather than being appointed by the CAO, as specified in the Fire Protection Bylaw, as follows:

4. COUNTY FIRE CHIEF:

4.1 The County Fire Chief shall be appointed by the CAO and report to the CAO or their designate;

Council passed a Policing Committee Bylaw 06-2016 in February 2016. The Policing Committee Bylaw 06-2016 was apparently drafted based on a bylaw from another community which had a full-scale municipal policing service contract with the RCMP. Westlock County does not maintain that level of policing services.

Bylaw 06-2016 and a related policy were subsequently repealed based on advice from current administration that *“they were not suitable or even practical, nor would the RCMP allow the county to do the majority of the things listed in the policy and bylaw.”* The process of creating and repealing bylaws consumed time and resources by county officials. Council passed Bylaw 12-2016 in October 2016 to repeal Bylaw 06-2016 as referenced below:

A BYLAW OF WESTLOCK COUNTY IN THE PROVINCE OF ALBERTA TO REPEAL BYLAW 06-2016, A BYLAW THAT ESTABLISHED A POLICING COMMITTEE, IN ACCORDANCE WITH SECTION 191 OF THE MUNICIPAL GOVERNMENT ACT, R.S.A. 2000, CHAPTER M-26, AS AMENDED.

Westlock County had a records retention policy No. 04.08, but did not have a records management bylaw in place. Westlock County staff indicated that document shredding logs were inconsistent over the last few years, except for the finance department. The policy was apparently revised in October 2015 by council resolution 366/15, although a signed copy of these council meeting minutes could not be located. One staff member indicated that former CAO Kelly *“Put a policy in place as to what documents had to be kept and for how long, and then he started having the past EA shred documents and was adamant that it all needed to be done before the new CAO started.”*

Officials shared several records management concerns with the inspectors and some documents could not be readily located during the inspection. Creating a records management bylaw is recommended. Increasing access to searchable documents is a commendable project, in line with best practices for ease of reference. The 2017 budget included approval for a records management project and officials informed the inspectors of the intent to achieve accessible and searchable documents, including bylaws. There is also a need for an overall review of county bylaws to ensure suitability and general appropriateness.

RECOMMENDATION FOR BYLAW REVIEW: That the council authorize a bylaw review to ensure that local bylaws are established to serve the needs of the municipality; to correct irregular matters identified in fire services, records management, transportation, and borrowing; and to ensure compliance with the MGA and other legislation.

4.19 Policies

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

Powers, duties and functions

5 A municipality

(a) has the powers given to it by this and other enactments,

(b) has the duties that are imposed on it by this and other enactments and those that the municipality imposes on itself as a matter of policy, and

(c) has the functions that are described in this and other enactments.

A sample of Westlock County policies were reviewed. Overall, the policies followed a consistent and organized format. Some anomalies were identified, such as establishing a Tax Penalty Policy No. 5.05, when a tax penalty bylaw is needed. A Tax Penalty Bylaw No. 28-2012 was passed in May 2012. It appears that the tax penalty policy is redundant and unnecessary. Penalties on taxes need to be established by bylaw, not policy, according to the MGA:

Penalty for non-payment in current year

344(1) A council may by bylaw impose penalties in the year in which a tax is imposed if the tax remains unpaid after the date shown on the tax notice.

Officials informed the inspectors that several policies were reviewed in 2015 under the direction of former CAO Peter Kelly who recruited an individual from Nova Scotia to update several county policies and bylaws. Staff were uncertain if the individual undertaking the review was serving the county in an employment or contract capacity. Mr. Kelly informed the inspectors of the following:

“As the County was in need of updating its policies, as well as other research requirements, I sought out an individual that had the known qualifications and skill sets that I required... [This individual] was hired under an 18 month contract with inherent flexibility to extend or shorten as deemed appropriate...More policy updates and new policies were created in this timeframe than in any other previous comparative defined timeframes.”

Staff expressed concerns from email records showing that the individual engaged in the county policy review appeared to be concurrently working on a consulting project for the City of Charlottetown which former CAO Kelly was also concurrently engaged in during that time. Mr. Kelly acknowledged the concurrent projects and informed the inspectors that this individual:

“...did provide some research assistance [on the Charlottetown project]; and in lieu of such assistance, I provided Westlock County with One-and-One-Half Hours of unpaid overtime for every hour that [he] assisted. The overtime-in-lieu I provided to the County was done on evenings and on weekends... to the best of my recollection, [he] provided approximately 3 days of research; which in turn, I provided 45 to 50 hours of unpaid overtime to the County to make up for that timeframe.”

Staff concerns were shared that they had limited involvement in policy revisions affecting their department and that proposed policies sometimes contained surprises, such as a “draconian” dress code policy as described by staff. According to current staff, agricultural policies such as Tansy Incentive Program 11.12 and the Vegetation Management Program 11.09, among several others, were changed with no input from the Ag Fieldman.

Records show that many policies were updated and approved by council in early 2016 although current staff indicated that they could not readily locate the related agenda package containing the policies considered by council. A copy of the agenda package was eventually obtained by staff from a council member’s records. Current CAO Ludwig indicated that staff *“have begun an internal policy review and will be bringing more policies to council for review in the future.”* Current staff expressed concerns of policies containing duplications and inconsistent numbering:

“During this review in 2015 to early 2016, a number of policies were given new numbers that were already assigned to other policies and there were several drafts of the same policies that were signed that were not identical so it became a very convoluted and difficult exercise to determine which actual version was presented to Council because of this and that there were four different policy binders in the EA’s office that contained these different signed and even many unsigned iterations.”

The Code of Conduct Policy No. 2.02 from September 2015 contains an irregular matter that is contrary to the MGA where it suggests that council members can exercise discretion by abstaining from voting without a clear pecuniary interest. This item was previously referenced in this report.

Irregularities in local policies are problematic and require review and amendment. Failing to involve staff or seek input on policy revisions is an improper matter. There is a need to ensure that approved policies are developed with clear input from operational staff and subject matter experts; that the policy format remains succinct and clear; and that policies are organized and accessible to staff, council and the public.

RECOMMENDATION FOR POLICY REVIEW: That the council authorize a policy review to correct irregular matters and ensure that approved policies are consistent with the MGA; and that management and department staff be involved in policy reviews to ensure suitability with county operations.

5 ADMINISTRATION

5.1 Chief Administrative Officer

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

Chief administrative officer's responsibilities

207 The chief administrative officer

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

There were several appointments and interim appointments for the CAO position during the recent council term. Mr. Leo Ludwig, CLGM served as CAO during the municipal inspection and was recruited on a permanent basis with a full-time employment contract. Mr. Ludwig and other county staff were obliging and willing to provide information upon request throughout the inspection process. The diligence, commitment and cooperation of the administrative team was duly noted by the inspection team.

5.2 Performance of Major Administrative Duties

The MGA provides specific direction on the performance of administrative duties for a CAO:

Performance of major administrative duties

208(1) The chief administrative officer must ensure that

- (a) all minutes of council meetings are recorded in the English language, without note or comment;*
- (b) the names of the councillors present at council meetings are recorded;*
- (c) the minutes of each council meeting are given to council for adoption at a subsequent council meeting;*
- (d) the bylaws and minutes of council meetings and all other records and documents of the municipality are kept safe;*

- (e) the Minister is sent a list of the councillors and any other information the Minister requires within 5 days after the term of the councillors begins;*
 - (f) the corporate seal, if any, is kept in the custody of the chief administrative officer;*
 - (g) the revenues of the municipality are collected and controlled and receipts are issued in the manner directed by council;*
 - (h) all money belonging to or held by the municipality is deposited in a bank, credit union, loan corporation, treasury branch or trust corporation designated by council;*
 - (i) the accounts for authorized expenditures referred to in section 248 are paid;*
 - (j) accurate records and accounts are kept of the financial affairs of the municipality, including the things on which a municipality's debt limit is based and the things included in the definition of debt for that municipality;*
 - (k) the actual revenues and expenditures of the municipality compared with the estimates in the operating or capital budget approved by council are reported to council as often as council directs;*
 - (l) money invested by the municipality is invested in accordance with section 250;*
 - (m) assessments, assessment rolls and tax rolls for the purposes of Parts 9 and 10 are prepared;*
 - (n) public auctions held to recover taxes are carried out in accordance with Part 10;*
 - (o) the council is advised in writing of its legislative responsibilities under this Act.*
- (2) Subsection (1)(a) to (d) and (o) apply to the chief administrative officer in respect of council committees that are carrying out powers, duties or functions delegated to them by the council.*

Mr. Peter Kelly served as CAO for Westlock County from September 2014 to March 2016, during a period of significant organizational change and capital project involvement. Some actions were taken by Mr. Kelly in the absence of an authorizing council resolution, such as negotiating an industrial land lease and authorizing site improvements. Mr. Kelly seemed to feel that direction given in camera was sufficient for action, which is not accurate and contravenes the MGA which requires a council to act by resolution or bylaw.

At times, it appeared that Mr. Kelly did not exercise reasonable oversight of capital project costs. For example, he told the inspectors that he “*wasn't going to question the numbers*” provided by a county staff supervisor related to the Horizon North industrial park lot improvements.

At other times, Mr. Kelly apparently bypassed managers and directed subordinate staff, such as requiring a clerk to create and cancel certain invoices for the Horizon North project. Mr. Kelly informed the inspectors that *“To say that I dealt directly with all employees and regularly bypassed department directors would not be correct; but rather said, that when the need arose, I took the opportunity and/or responsibility to do so.”*

Former CAO Peter Kelly was held in high regard by some Westlock County council members who truly appreciated his style. In one comment shared with the inspectors, a council member stated that Mr. Kelly was *“very responsible.”*

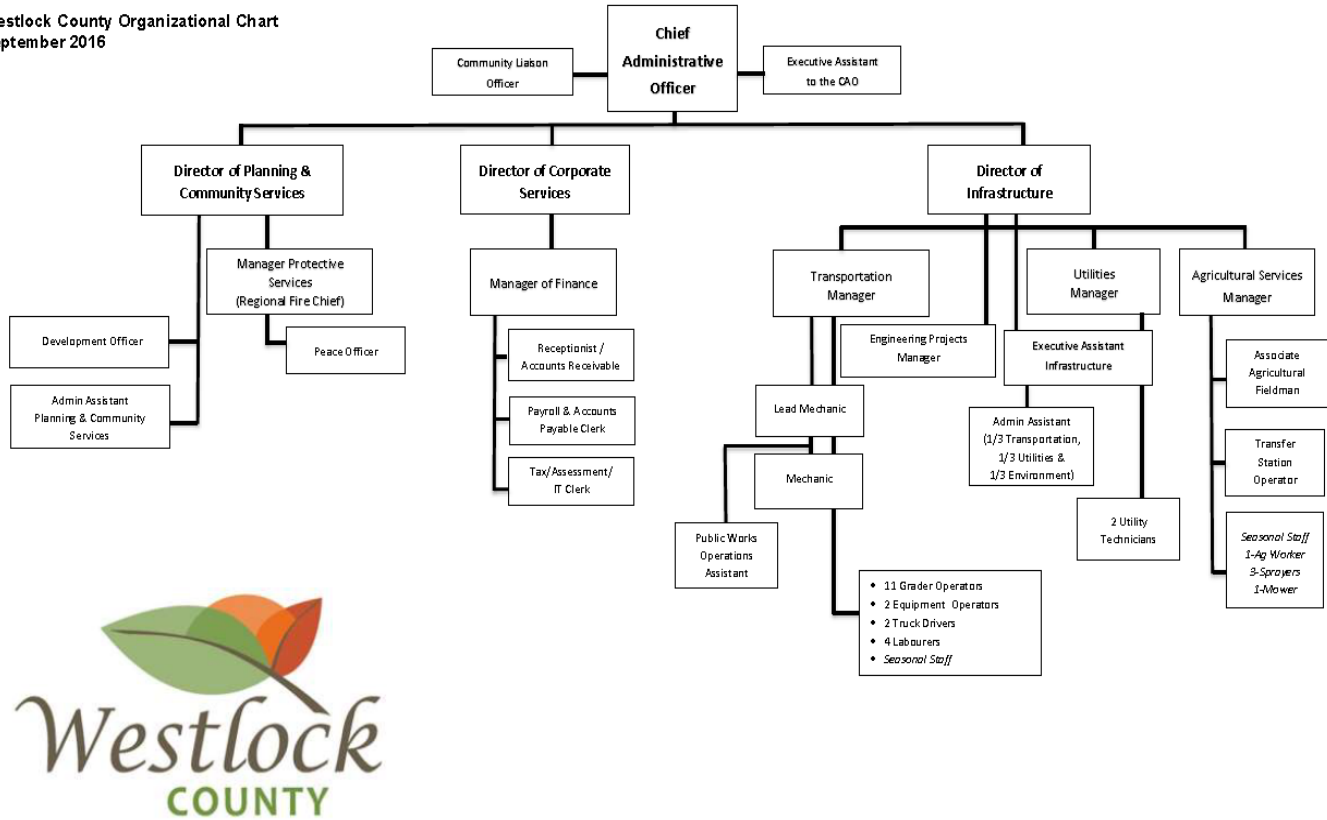
There was very high turnover in the CAO position and senior management staff during the current council term. Temporary and interim CAOs over the past few years were often met with respect and admiration for their efforts. According to one council member, the involvement of a certain interim CAO was *“the best thing that ever happened to the county.”*

A concentrated effort to strengthen operational processes and improve staff morale was led by the current CAO and management team and was noted by the inspectors. As the administrative head of the organization, current CAO, Mr. Leo Ludwig began his tenure in September 2016 and appeared to have a good understanding of administrative roles and responsibilities. Mr. Ludwig also holds requisite training and experience that should enable him to succeed in the position. His leadership style appeared to be well-suited for many of the current staff complement who felt motivated and supported under his direction.

5.3 Organizational Structure

The organizational structure in effect for Westlock County is shown below, and was also available on the municipal [website](#). The organizational structure appeared to be meeting the minimum needs to provide county services, although a lack of resources was noted in several departments.

Westlock County Organizational Chart
September 2016



5.4 Human Resource Management

As the administrative head of the organization, the CAO has a responsibility to ensure proper administration and staffing of the organization. Human resource (HR) management practices and several related documents were reviewed.

5.4.1 Severance Offer

An irregular matter was identified in September 2014 where all staff were offered severance packages of three-months' salary if they voluntarily terminated their employment with Westlock County. This irregular matter caused union challenges and was widely reported in the local news. A limited number of staff took this package, and the county was obliged to honour the severance offered by former CAO, Peter Kelly.

The severance package initiative was apparently discussed by CAO Kelly and Westlock County council without consulting finance staff, HR, the local union, or legal counsel prior to the September 24, 2014 county-wide offering. There was no council resolution authorizing this broad action, no record of a contingency plan for county operations, nor any budget consideration approved to absorb the financial impact that could have resulted.

Former CAO Kelly informed the inspectors that he acted on council's direction which was provided in camera. As referenced previously, a council can only act by resolution or bylaw, in a public meeting. Former Councillor Wiese informed the inspectors that the severance initiative was mishandled and misunderstood and was not intended to be applied *carte blanche*.

The broad severance initiative led to the need for immediate damage control. Finance and HR staff were surprised at the severance offer and expressed concern for organizational risk. CUPE representatives filed a complaint to the Alberta Labour Relations Board on October 10, 2014 citing an unfair labour practice and contraventions of the *Alberta Labour Relations Code*. Correspondence shows that CAO Kelly was not cooperative in meeting with CUPE representatives:

10. On October 2, 2014, Ms. Mottola sent a further email to Mr. Kelly requesting that if he was not prepared to meet, that he provide some further information about the "direction" that the County was taking, how any ensuing vacancies would be handled, and requesting an extension of time on the severance package to October 31, 2014.

11. On October 8, 2014, Mr. Kelly responded. He indicated that the offer of the severance package would not be extended, indicated that he was working in determining what the organization structure would evolve into, but he had no further information to provide.

Records show that on October 10, 2014 Westlock County received legal advice on this severance matter. From that point forward, it appears that county officials accepted and proceeded according to the legal advice received on this matter. This led to the county-wide severance offer being placed on hold while an agreement was negotiated and signed with CUPE to resolve the CUPE Labour Relations Board complaint, and to reach a final agreement with those CUPE employees who wished to accept the severance offer and voluntarily terminate their employment with Westlock County.

A Consent Order was issued by the Alberta Labour Relations Board on January 14, 2015. This Order concluded the complaint, acknowledged that the employer (Westlock County) breached the *Alberta Labour Relations Code* by offering the 'Voluntary Severance Program', and incorporated terms of settlement reached by the parties:



CONSENT ORDER

RE: An unfair labour practice complaint brought by the Canadian Union of Public Employees, Local 3007 affecting The Municipal District of Westlock No. 92 – Board File No. GE-06943

Whereas the Canadian Union of Public Employees, Local 3007 filed a complaint on October 10, 2014, alleging Westlock County (the "Employer") breached sections 148 and 149 of the *Labour Relations Code* (the "Code");

And Whereas the Employer and Union (the "Parties") agree that the Union's complaint shall be concluded with the Board issuing this Consent Order, which incorporates terms of settlement reached by the Parties.

The Board hereby orders that:

1. The Employer has apologized for and, while not intentional, conceded and the Board confirms that the *Voluntary Severance Program* did breach the provisions of the *Alberta Labour Relations Code* as a result of the fact that the Program was offered to employees without the Employer first consulting with and going through the employee-designated bargaining agent, CUPE Local 3007.
2. The Board notes that the Employer and CUPE Local 3007 have entered into discussions and reached amicable agreement with respect to the Voluntary Severance Program and the Employer and CUPE Local 3007 look forward to working together cooperatively moving forward.
3. The Employer has confirmed the significant value it places on its employees and understands and looks forward to working with the employees and their designated bargaining representative, CUPE Local 3007.

ISSUED and DATED at the City of Edmonton in the Province of Alberta this 14th day of January, 2015 by the Labour Relations Board and signed by its Vice-Chair.


Nancy E. Schlesinger
Vice Chair

The September 24, 2014 severance package offer caused a tense working environment where many staff became uncertain about their employment and felt uncomfortable working under Mr. Kelly's leadership, which started on September 1, 2014. Some staff were not overly surprised by the severance initiative since it was seen as a progression of an alleged council vendetta to "clean house" in the organization. The staff culture suffered tremendously during this time as staff appreciation reached an all-time low.

5.4.2 Council Involvement in Operations

The inspectors heard many concerns from staff that some council members misunderstood their roles and stepped into administrative matters. Councillor Bud Massey informed the inspectors that he addressed public works and office staff on a few different occasions at the request of staff in March and April 2014. This was shortly after being elected in October 2013, while he served as reeve early in the council term. Some staff felt that their jobs were being threatened when then-Reeve Massey addressed them during these meetings. Councillor Massey indicated that during these meetings he shared a message that:

- There would be changes in the organization;
- The need for a unified vision;
- That drug testing would be implemented; and that
- *"Good and productive employees have no reason for job insecurity."*

Some staff reported that they were approached by Councillor Massey to be a confidential informant, like a spy or a mole within the organization. Councillor Massey told the inspectors that he felt he made some mistakes during his term. He stated that *"everybody has made significant mistakes in judgement during this term, myself included...I want the truth to come out and I'm not trying to whitewash my actions."*

Some council members expressed concerns over staff issues such as alleged theft, personal use of county equipment, and staff work schedules. Council meeting discussions regularly dipped into operational matters amid broader policy related discussions. For example, at the June 13, 2017 regular council meeting a councillor suggested to *"use inch and a half gravel to repair some soft spots on roads"* while a director was presenting a report. At the June 27, 2017 regular council meeting, council members showed excitement over community events and discussed the minutiae of parade candies.

Staff commented that the first year of the council term, 2014, was particularly rough. When presenting the 2014 draft budget, one staff member was yelled at and felt “crucified” by certain council members during a public meeting, according to an observer. This demeaning behaviour and disrespectful treatment of staff continued to bear bad fruit throughout most of the council term. Council members apparently could not resist delving into staffing issues and a culture of council-against-staff emerged.

Some council members seemed to lose confidence in administration and began to seek their own answers. Elements of suspicion and a lack of trust between council and administration were still present in 2017. Some council members expressed growing pains as they tried to maintain their policy role, rather than a traditional “road councillor” role. At the time of this report some councillors felt a lack of purpose and “*totally frustrated*” as they wanted to be better informed with “*a heads up for what is going on in their division.*” One councillor commented that: “*I sit at home and collect a salary, and have nothing to do. Council is not informed, I have no idea what is going on. I have no work now.*”

It appeared that a lack of communication from administration and weak processes to close the loop on project updates contributed to council concerns. Sometimes certain staff actions contributed to a diminished confidence from council, such as a staff member parking a county truck outside a local hotel in the evening. It is possible, but highly unlikely for anyone to assume that an employee was conducting county business at that time.

Education is needed for both council and staff to understand roles, responsibilities, and to maintain healthy workplace boundaries. Staff safety and training were also identified as concerns communicated to the inspectors during the inspection.

RECOMMENDATION FOR HUMAN RESOURCE MANAGEMENT: That the municipality engage qualified HR expertise to undertake an HR policy review, and conduct roles and responsibilities training for council and staff.

6 PLANNING AND DEVELOPMENT

The County webpage provides access to both the MDP and the LUB, as well as related application forms. The scope and complexity of planning related issues is generally not significant and appears typical of that found in other largely agricultural rural municipalities in the province.

6.1 Municipal Development Plans

The MGA requires municipalities to adopt a municipal development plan if their population is 3,500 or greater, as follows:

Municipal development plan

632(1) A council of a municipality with a population of 3500 or more must by bylaw adopt a municipal development plan.

Westlock County council passed a Municipal Development Plan Bylaw No. 05-2016 in April 2016 in accordance with MGA s. 632. Effective long-range planning requires the communication of intended land uses to local stakeholders, future investors and neighbouring municipalities to promote well-ordered growth. The MDP statement of Plan Philosophy and Principles reads:

Sound planning and development initiatives are necessary in order to achieve a balance between supporting large and small scale agricultural pursuits within the County while also planning for resource- based industry, industrial sector growth, commercial development and; in appropriate locations; residential growth.

The MDP enables the municipality to benefit from long range planning. This level of planning is particularly important to communicate intended land uses to local stakeholders, future investors and neighbouring municipalities to promote well-ordered growth. The MDP provides a broad framework for future development, land use, infrastructure and transportation. The broad provisions of the MDP are often implemented through Area Structure Plans (ASPs), Area Redevelopment Plans (ARPs) and the LUB. All of these statutory planning documents must be consistent with the MDP.

Current MGA provisions allow voluntary agreement for councils to adopt an Intermunicipal Development Plan (IDP), as follows:

Intermunicipal development plan

631(1) Two or more councils may, by each passing a bylaw in accordance with this Part or in accordance with sections 12 and 692, adopt an intermunicipal development plan to include those areas of land lying within the boundaries of the municipalities as they consider necessary.

Westlock County and the Town of Westlock adopted an IDP by passing bylaw 2009-003 in April 2009. This IDP expired in April 2014. The town was apparently willing to renew the IDP but the county has taken no action to renew it. New provisions in recent MGA amendments will require municipalities to negotiate IDPs with neighbouring municipalities. This is not a requirement at the present time since the related legislation has not yet been proclaimed.

Westlock County participated in a Regional Collaboration Study which commenced in August 2016 and was underway during the municipal inspection. Regional partners in this study included Westlock County, the Town of Westlock and the Village of Clyde. Officials are commended for taking steps to advance regional collaboration by collectively discussing regional needs, strengths and opportunities to work together. MGA amendments are proposed that would require an Intermunicipal Collaborative Framework (ICF) to be in place between all municipalities with shared boundaries. Research and understanding gained through regional studies is valuable and could be applied to future ICF projects.

6.2 Land Use Bylaw

The use of land in a municipality is primarily regulated by the local Land Use Bylaw (LUB) and the MGA requires every municipality to have an LUB:

Land use bylaw

639 Every municipality must pass a land use bylaw.

The MGA s. 640 allows a municipal council to pass a land use bylaw to prohibit or regulate and control the use and development of land and buildings in a municipality. The LUB designates the land use districts such as residential, commercial, industrial, institutional, parks and environmental reserve. It also identifies permitted and discretionary uses within each district and

describes when a development permit (DP) is required, or not required. The LUB regulates general development provisions such as site coverage, off-street parking, signage, grading, accessory structures, provision of potable water and sewage disposal. The LUB may also establish a process for applicants to appeal subdivision and development decisions in accordance with MGA s. 678 and 686.

Westlock County council passed the current Land Use Bylaw No. 04-2016 in April 2016. This bylaw is a very sophisticated regulatory document that will likely require staff to seek expert advice and technical support to assist with interpretation. In a recent LUB amendment Bylaw No. 03-2017 re-designated portions of a quarter section from Agriculture (AG) to Highway Commercial (HC) in order to allow a home-based mobile recreation vehicle repair service to be established as a discretionary use in the HC district. In a detailed review of the AG district, it appeared that a home-based business such as Bylaw No. 03-2017 contemplates, could likely have been accommodated as a home occupation-major discretionary use in the AG district.

This redistricting of a portion of this quarter section to HC potentially allows the owners, or their authorized agent(s), to carry out eighteen (18) permitted commercial land uses that are not allowed in the former AG district. These HC permitted uses could be carried out without the requirement for further public notification or a public hearing. The affect of Bylaw No. 03-2017 may have led to the re-designation of a much larger portion of the quarter section than was required or desired by the applicant.

Additionally, it appeared that the application information was not site verified to ensure accuracy of the applicant's actual needs and intentions. Best practices for application review procedures include at least one field check of application information and site description data prior to the application being considered for approval by council or the designated development authority.

Planning staff indicated that they did not have the time and resources to conduct regular field checking and site visits to confirm the information that is contained in all applications. Given the extensive land area of Westlock County, staff cannot be expected to process these types of applications based on corporate knowledge, familiarity with applicants, review of aerial photography or larger scale inventory data. There is a need to review staffing levels of the development department to ensure that adequately trained resources are in place to perform these broad and important duties.

RECOMMENDATION FOR DEVELOPMENT APPLICATION REVIEW: That additional resources for training and succession planning be committed to the planning and development department to ensure that the complexities of the LUB are well understood and can be properly applied to applications received; and that application forms used by the department be reviewed to ensure that the LUB required application information is clearly specified; and that site verification be incorporated as a standard component in the development application review process.

6.3 Subdivision and Development Appeal Board

The MGA requires municipalities to establish a subdivision and development appeal board, as follows:

Appeal board established

627(1) A council must by bylaw,

- (a) Establish a subdivision and development appeal board, or*
- (b) Authorize the municipality to enter into an agreement with one or more municipalities to establish an intermunicipal subdivision and development appeal board, or both*

Westlock County has complied with this legislative requirement by passing the related Subdivision and Development Appeal Board (SDAB) Bylaw No. 24-1995 in October 1995. As a quasi-judicial board, the SDAB meets as needed to hear appeals of subdivision and development matters.

The board is appointed at the annual council organizational meeting and consists of five members, two appointed members of council and three members at large. The board has been regularly trained by the planning professional (RPP) who has been appointed as the Subdivision Authority for Westlock County. Despite training, some members seemed to have a poor understanding of their role.

An irregular matter was noted from January 7, 2015 where the SDAB held an organizational meeting and a member of the SDAB accepted the appointment as chairperson on the condition that then-CAO Peter Kelly be appointed as the secretary to the SDAB, as shown in the following meeting minutes excerpt:

**MINUTES OF THE ORGANIZATIONAL MEETING OF THE
SUBDIVISION AND DEVELOPMENT APPEAL BOARD (SDAB) FOR
WESTLOCK COUNTY HELD IN THE COUNCIL CHAMBERS AT THE
LOCAL ADMINISTRATION BUILDING IN WESTLOCK ON
WEDNESDAY, JANUARY 7, 2015**

Members Present In attendance were members Don Petryshen, Alberta St. Louis, Matt Haisan, Howard Ringstad, Dennis Primeau, alternate Carol Wolff and Laurie Strutt, Manager of Planning and Development.

Administration called the meeting to order at 9:00 a.m.

Chairperson Election #01/15 Administration informed the SDAB members that as a result of the recent County Council's Organizational Meeting whereby two Board members were re-appointed and one new member was appointed, namely, Matt Haisan, it would be necessary to hold an election for the position of Chairperson and Vice Chairperson

Administration called for nominations for Chairperson.

Board Member Albert St. Louis nominated Board Member Howard Ringstad.

Administration called for nominations for chairperson for a second time.

No response

Administration called for nominations for chairperson for a third time.

No response.

Board Member Don Petryshen moved that nominations ceased.

Board Member Howard Ringstad, allowed his name to stand, with the condition that CAO Peter Kelly be appointed as Secretary to the Subdivision and Appeal Board.

CAO, Peter Kelly, agreed with the condition.

Carried 4-0

The SDAB members had no authority to initiate this change in SDAB secretary appointment. The SDAB Bylaw No. 24-1995 states that the secretary is appointed by county council, as follows:

7.2 The Subdivision and Development Appeal Board Secretary shall be appointed by Resolution of the Council and shall not be a Member of the Subdivision and Development Appeal Board.

County council addressed this matter at the February 14, 2017 regular council meeting and passed R#041/17:

Appointment of Secretary to the Subdivision and Development Appeal Board:

#041/17 MOVED by Councillor Primeau that Council appoint the CAO as the Secretary to Subdivision and Development Appeal Board (SDAB) and/or the CAO's appointed delegate.

Carried 5-0

Around the same time period, the manager of planning and development expressed concern that she was excluded from an SDAB process. In a January 21, 2015 email to then-CAO and SDAB secretary Peter Kelly, the manager expressed concern that her participation was limited, as follows:

...As Manager of Planning and Development and the Development Authority, I should have had the opportunity to discuss these points with the SDAB and to also have read a portion of the legal opinion prepared for me by our lawyer. It is disappointing to have been dismissed throughout this whole process.

Laurie

Laurie Strutt

Manager, Planning and Development

Westlock County

6.4 Municipal Planning Commission

Municipal planning commissions may be established in accordance with MGA s. 626 which reads as follows:

Municipal planning commission

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

Westlock County established a Municipal Planning Commission (MPC) in 1979 through the adoption of Bylaw No. 10-1979. The MPC consists of five members appointed annually by council. The MPC meets once a month to consider and make decisions on development permits and applications for subdivision and development. MPC minutes were available at the county office and officials indicated the intention to have these minutes accessible on the municipal website.

6.5 Development Matters

An improper matter was noted where Councillor Kroetsch began construction of a dwelling without necessary permits and in contravention to provincial new home warranty standards. On another occasion, the same council member constructed a pole shed without a development permit. The nature of the development was not clearly communicated to department staff who reached out to the councillor through notices to assist with compliance. A related Order was issued on June 6, 2017 to Councillor Kroetsch by Superior Safety Codes Inc.

This councillor responded in a manner that was interpreted as aggressive and rude towards staff who were trying to help him. Councillor Kroetsch told the inspectors that his actions were not meant to be aggressive in no way, shape or form; and that he came into the office and told a planning staff member *“that they could stop sending me nasty letters.”*

After CAO involvement, Councillor Kroetsch apologized to one staff member, and he told the inspectors that he would not apologize to other development staff *“because they are wrong.”*

Improper councillor conduct was noted in this example on both a personal and professional level where a council member failed to comply with development and safety codes standards and then chose to act in a disrespectful and confrontational manner in an apparent attempt to justify their contravention. The inspectors heard several examples of improper councillor conduct and mistreatment of staff, some examples are noted in the council conduct section of the report.

There is an expectation that local officials will hold themselves to a high professional standard and ensure compliance with regulations and the municipality’s own bylaws. When councillors interact with staff in their dual role as citizens and elected officials, this should be a harmonious encounter filled with understanding and mutual respect that each one is serving in an important capacity with different roles, while on the same team.

7 FINANCE

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

- Annual operating and capital budgets
- Property assessment and taxation
- Accounting methods and procedures that track financial transactions and projects to ensure that expenditures remain within the budget
- Regular financial reporting to management and council showing actual to budget comparisons.
- Annual audited financial statement preparation with reporting to the public.
- Annual provincially mandated financial information returns (FIR)

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

7.1 Budget Process

Westlock County council approved annual operating and capital budgets, showing financial commitments to various department services and programs. The 2017 operating and capital budgets were approved by council on April 25, 2017 and were accessible on the municipal website. Council had several meetings prior to the 2017 budget approval. The budget process included input from council and management.

Three out of four management staff were new to their positions within the last year and the overall management team appeared to do a commendable job pulling the 2017 budget together in a tight timeframe amid many other competing priorities. Some concerns were heard that some council members wanted to have more detail for budget discussions, such as considering the mowing costs for each lagoon, rather than properly remaining focussing on a higher level, big picture process.

A 2013 budget binder memo from the finance manager dated November 26, 2012 references the county's Integrated Community Sustainability Plan as well as "an attempt to establish the County's long-term capital planning strategy." The current budget process could be improved in the future by establishing timelines for budget completion by year end.

The budget process could also be improved by engaging the public in a meaningful way to confirm local priorities prior to approving the budget, and linking local strategic priorities to the budget process. These important aspects were not observed currently or historically.

Council carries the responsibility to determine local service priorities and to ensure that sufficient financial resources are allocated in annual budgets to accomplish strategic objectives, and to "maintain a safe and viable community" (MGA s 3). The level of services presently provided did not meet the satisfaction of most local residents who responded to this inspection survey question as shown in the chart below:

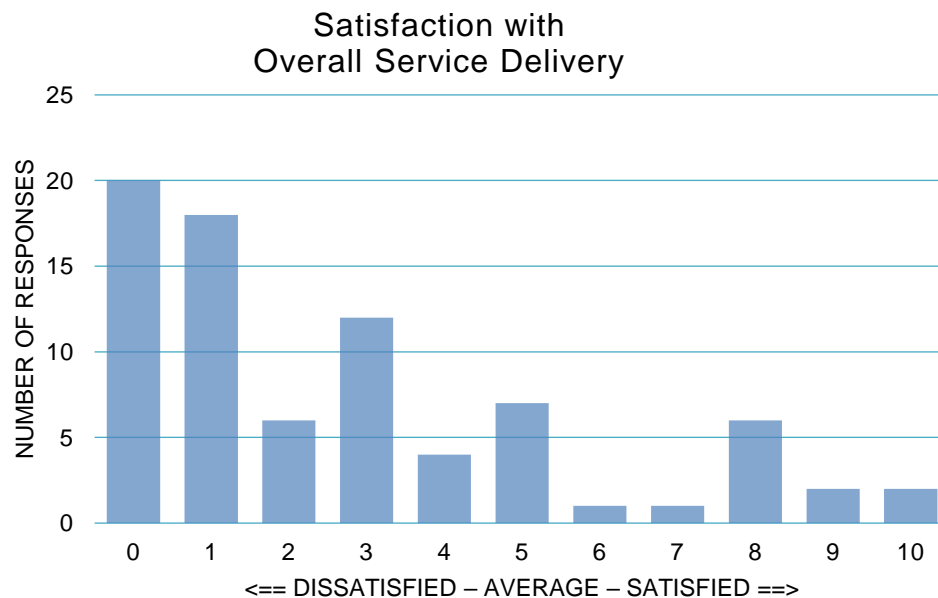


Figure 8 - Service Delivery Satisfaction

A sample of stakeholder comments related to service delivery satisfaction include:

- *Administration has helped me quickly. Other department I have had to call a few times to either grade the roads for snow or gravel. Roads were repaired and now in worse shape than before.*
- *Big taxes and a total lack of services. This organization needs a real overhaul!*
- *Country roads are a disgrace, when muddy you can get stuck on the main ones. When you suggest something it is like talking to a wall, there is no feedback on the issue.*
- *Efficiency in our county is totally out of control. I feel all departments are overstaffed. Far too many vehicles etc.*
- *Everything seems to be a gong show with the County and nothing seems to go smooth. It stems from the top as the employees are mostly good people and want to help the ratepayers.*
- *Extremely poor because of the lack of leadership. There is no single area that has been acceptable.*
- *The gravel roads in the County are horrible. The roads in the Division 5 are the worst. The grader operator needs some training or someone new. The roads are just washboard & there are places where they are so soft that even at 20 kms you feel like your being pulled into the ditch.*
- *There used to be road bans on the roads at this time of the year but you don't see that anymore. Everyone just keeps hauling whatever & making the roads even worse. There are cattle grazing along the waterways (creek).*
- *As for Ag services, there needs to be some serious weed control done. Tansy and thistle are taking over.*
- *It seems the transportation services doesn't get much funds to do a lot of work like rebuilding roads.*
- *Most County staff is easy to work with and do their jobs adequately in my experiences.*
- *No problem with the roads.*
- *Road maintenance is lacking, protective services are alright.*
- *Serious lack of snow removal in the winter.*
- *Staff try hard to provide good services but are held up or diverted by deal with an incompetent Council.*
- *The services provided have no support from their council, the people that deliver them do a great job with what they are given to work with. The roads in the county have never been in worse condition, facilities in the county are being neglected.*
- *There is no plan on how to deliver services, no goals, no deliverables, no accountability, that comes from Council.*

- *These services do the very best with what they are given by council. That said, the overall level of service has been greatly damaged by the current council, particularly protective services.*
- *They do not provide a strong Ag. Service Board, they do not support tourism.*
- *Instead of acting they react and play catch up on problems.*
- *No one is enforcing the bylaws that the county has put in place. ie: illegal septic systems.*
- *The staff was always helpful and would do their very best to help you, this seemed to get even better after Peter Kelly left and the new CAOs let the staff do their jobs without stepping in.*

RECOMMENDATION FOR BUDGET PROCESS: That the municipality establish timelines for budget approval by yearend, and establish a meaningful process for public input on local budget priorities.

7.2 Taxation and Assessment

7.2.1 Property Tax Bylaw

Property taxation is the primary source of revenue for municipalities. An annual property tax bylaw is required by the MGA s. 353 which authorizes the council to impose property taxes, as follows:

Property tax bylaw

353 (1) *Each council must pass a property tax bylaw annually.*

- (2) The property tax bylaw authorizes the council to impose a tax in respect of property in the municipality to raise revenue to be used toward the payment of*
 - (a) the expenditures and transfers set out in the budget of the municipality, and*
 - (b) the requisitions.*

Westlock County council passed Property Tax Rate Bylaw 05-2017 on April 25, 2017 to generate estimated municipal tax revenue totalling \$10,589,768 plus additional amounts for senior's housing and education requisitions.

The format of the 2017 property tax bylaw has improved from recent years since the assessment values for each assessment class were shown (in a schedule), rather than including one total assessment value in several previous property tax bylaws. The MGA s. 354(2) quoted below requires tax rates to be set for each assessment class or sub-class and therefore it is important to clearly show the various assessment class totals, rather than one combined total.

Tax rates

354(1) The property tax bylaw must set and show separately all of the tax rates that must be imposed under this Division to raise the revenue required under section 353(2).

(2) A tax rate must be set for each assessment class or sub-class referred to in section 297.

Westlock County council also passed Special Tax Levy Bylaw 06-2017 on April 25, 2017 to generate an estimated \$111,562 in revenue to fund utility-related maintenance and service costs within the local hamlets, the industrial park, and other serviced areas within the county.

The MGA authorizes a council to pass a special tax bylaw, as follows:

Special tax bylaw

382(1) Each council may pass a special tax bylaw to raise revenue to pay for a specific service or purpose by imposing one or more of the following special taxes:

(a) a waterworks tax;

(b) a sewer tax;

(c) a boulevard tax;

(d) a dust treatment tax;

(e) a paving tax;

(f) a tax to cover the cost of repair and maintenance of roads, boulevards, sewer facilities and water facilities;

7.2.2 Tax Rates and Assessment Comparisons

The inspection included a comparison of property tax rates. Among the communities in the comparison group, Westlock County had the highest 2016 non-residential tax rate (26.1955 mills) and the third highest 2016 residential mill rate (4.5785 mills) which is slightly higher, but very close to the average (4.5175 mills) as shown in the following table:

Tax and Assessment Comparison

(sorted by residential tax rate, lowest to highest)

Municipality	Pop.	No. of Dwelling Units	Res/Farm Muni Tax Rate (mills)	Non-Res. Muni Tax Rate (mills)	Equalized Assessment	EA per capita
Clear Hills County	2,829	1,204	1.3022	14.6459	\$ 1,224,837,202	\$ 432,958
Bighorn, M.D.	1,341	797	1.8920	7.0320	\$ 913,307,585	\$ 681,065
Lamont County	3,872	1,925	3.3322	19.3453	\$ 1,218,204,854	\$ 314,619
Minburn County	3,383	1,603	4.1599	20.8636	\$ 873,964,087	\$ 258,340
Beaver County	5,689	2,760	4.1719	17.0589	\$ 1,229,268,349	\$ 216,078
Paintearth County	2,029	792	4.4778	13.3410	\$ 1,191,679,273	\$ 587,323
Westlock County	7,644	3,627	4.5785	26.1955	\$ 1,025,073,229	\$ 134,102
Barrhead County	6,096	2,478	5.7020	16.9012	\$ 948,316,651	\$ 155,564
Starland County	2,071	746	11.0407	15.8189	\$ 832,136,346	\$ 401,804
Averages	3,884	1,770	4.5175	16.8003	\$ 1,050,754,175	\$ 353,539

Figure 9 - Tax and Assessment Comparison Table

The term 'mills' is used in the table above. A mill rate is another way of expressing a tax rate per \$1,000 of assessment for ease of presentation. This analysis of tax comparisons is restricted to municipal tax. It does not include the requisitioned education property tax that is collected by the municipality on behalf of the Province of Alberta, or other taxes such as seniors lodging.

The MGA limits municipalities to have a maximum tax ratio of 5:1 for non-residential to residential tax rates, effective May 1, 2016. Westlock County's tax ratio is nearly 6:1 and the county is considered a "noncomplying municipality" according to the MGA s. 358.1 since its tax rate ratio exceeds the maximum 5:1 ratio. Noncomplying municipalities have a grandfathering provision where they are *permitted to maintain* a tax ratio higher than 5:1, but cannot increase it. There are indications that compliance will be required after a period of time.

Municipal taxes are the primary means to collectively fund common services. Local service levels are set by council through the budget process. Local service demands are extensive and citizens expect accountability, efficiency and good value for services provided. Citizen feedback gathered during the inspection commended staff efforts, but expressed fairly low satisfaction with overall local service levels, as shown previously in this report. Legislation requires local leaders to provide good governance with necessary and desirable services while maintaining safe and viable communities. Local governments have an active mandate with broad service responsibilities that affect every citizen, every day. Tax rates need to sufficiently allow a municipality to sustain and deliver comprehensive services.

Westlock County had a significantly lower than average equalized assessment per capita among the comparison group. The assessment base of a municipality is an indicator of the municipality's capacity to generate tax revenue to fund local services. Overall, the \$134,102 assessment value per capita value in Westlock County is the lowest in the comparison group of nine municipalities. The comparative summary of equalized assessment per capita is shown in the chart below:

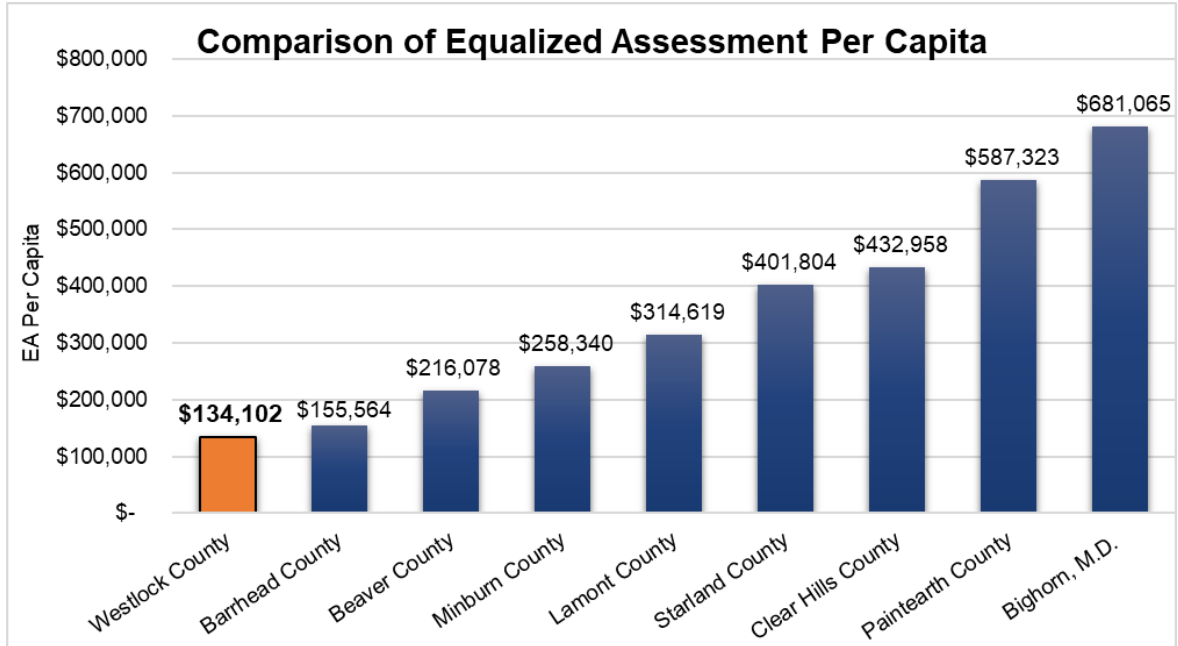


Figure 10 - Equalized Assessment Per Capita

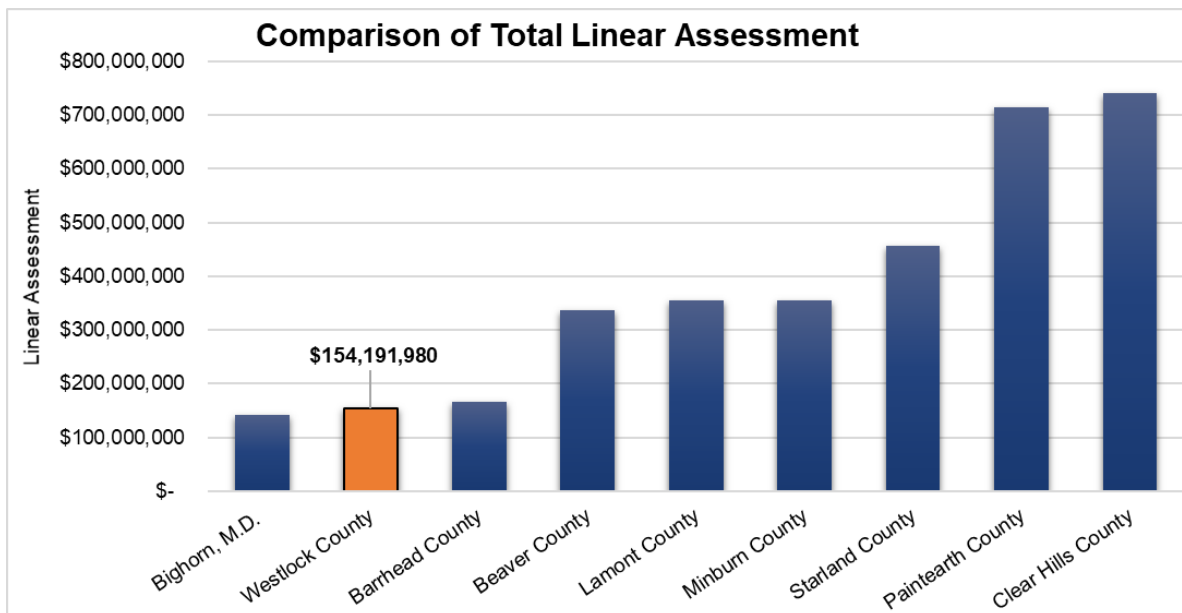


Figure 11 - Linear Assessment Comparison

Additional data comparisons were prepared to show the size of the road network, equalized assessment per km of maintained roads, as well as total linear assessment:

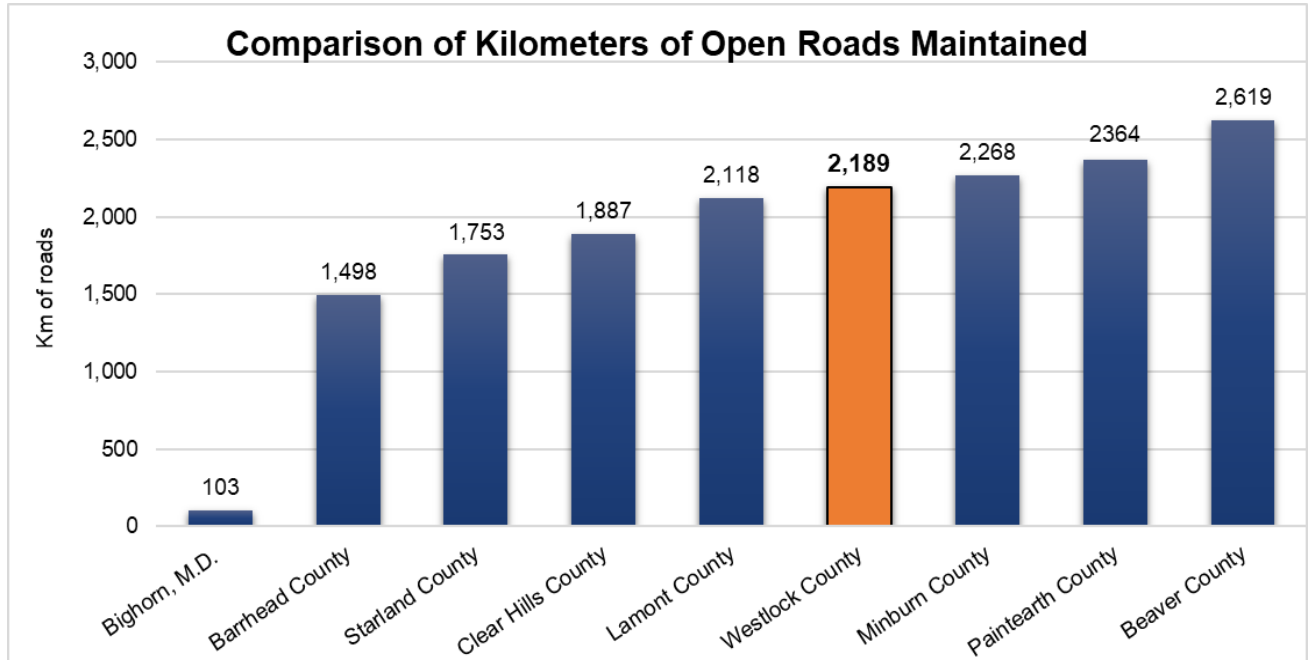
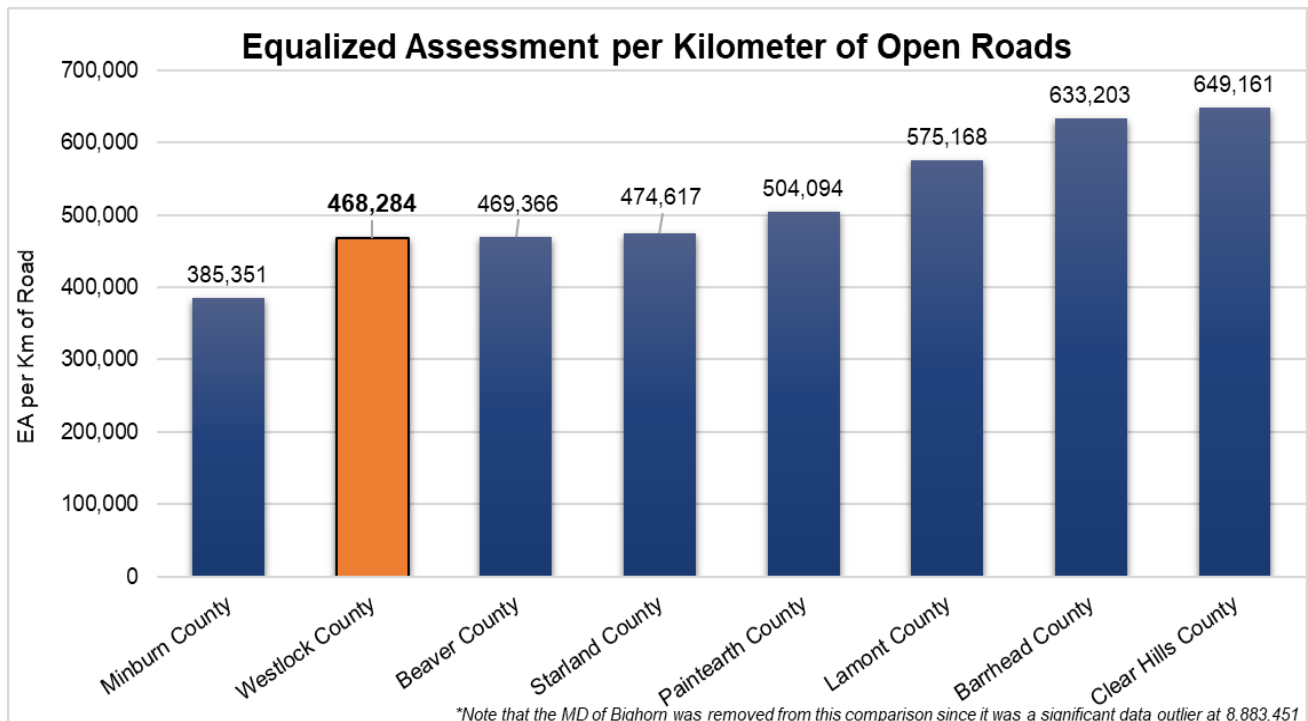


Figure 12 - Km of Maintained Roads



*Note that the MD of Bighorn was removed from this comparison since it was a significant data outlier at 8,883,451

Figure 13 – EA per Km of Open Roads

7.3 Financial Reporting

7.3.1 Financial Reporting to Council

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

(k) the actual revenues and expenditures of the municipality compared with the estimates in the operating or capital budget approved by council are reported to council as often as council directs;

Council meeting agendas show that council received periodic variance reports with a comparison to budget. The structure of recent financial reports to council were created in an Excel-based format rather than generated directly from the municipal financial software program. According to staff, the Excel-based report is more council friendly, easier to follow and allows for the ability to add comments. It is appropriate for council to periodically review financial reports generated directly from the municipal financial software system, in addition to the flexible Excel-based reports.

It did not appear that council provided clear direction on financial reporting in accordance with the MGA s. 208(k). Over the past several years the financial reporting to council included a supplier “accounts for payment” list, such as shown in R#217/15 below:

**Accounts for
Payment
#217/15**

**Councillor Don Savage That the Accounts for Payment in the amount of
\$ 581,496.91 be approved for payment.**

Carried 7-0

Several council members stated that prior approval of the accounts payable list was one of the duties assigned to the deputy reeve. This is an improper matter since regular accounts payable approvals are part of the internal financial controls, and are far below the higher-level council policy realm. Council members can review invoices if they wish, but the process of “approving” payments is an administrative function, based on council’s prior budget approval.

The accounts payable listing does not need to be reviewed or approved by council since these expenses should have already been approved through the budget process and procurement practices. These expenses are to be recorded in the financial statements and presented in a proper context with a budget comparison. Providing a payable listing to council is redundant and council should not be relegated to reviewing this duplicate level of financial detail.

Best practices for **financial reporting to council** are for staff to provide reports on a quarterly or monthly basis, as council directs, that include the following components:

- Summarized operating revenue and expenses showing actual to budget comparisons with variance dollar amounts and percentage
- Capital expenses showing actual to budget variance dollar amounts and percentage
- Capital project status updates from managers

Financial reports to council should show sufficient departmental activity to provide enough information to understand the financial results of municipal operations. Council members should receive training on how to read and interpret financial statements at the beginning of each term.

RECOMMENDATION FOR FINANCIAL REPORTING POLICY: That council approve a financial reporting policy to specify the detail and frequency of financial reports to council in accordance with the MGA s. 208(k); and that accounts payable reports to council be discontinued where budgeted expenses are previously approved; and that the approval of accounts payable by the deputy reeve be discontinued.

7.3.2 Financial Reporting to the Minister

Municipalities are required to submit annual financial statements, the auditor's report on the financial statements, and a financial information return to the Minister of Municipal Affairs by May 1 of each year, in accordance with the MGA s. 278, as follows:

Returns and reports to Minister

278 Each municipality must submit

(a) its financial information return and the auditor's report on the financial information return, and

(b) its financial statements and the auditor's report on the financial statements to the Minister by May 1 of the year following the year for which the financial information return and statements have been prepared.

Westlock County was compliant in meeting the financial reporting deadline for the 2016 fiscal year. Financial reporting to the Minister was delayed in recent years with staff shortages and turnover impacting operational continuity. The municipality was granted extensions to July in meeting legislative reporting deadlines for 2014 and 2015. The municipality received a clean audit report and unqualified auditor's opinion in financial statements in recent years.

7.3.3 Financial Reporting to the Public

Public accountability and financial transparency are key aspects of local government. The MGA s. 276 (3) requires annual financial reporting to the public, as follows:

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

May 1 is the annual deadline for financial reporting to the public. Financial statements were readily available on the municipal website for recent years. Besides providing annual financial statements to the public, best practices include providing an annual management report and annual budget as information to the general public. It is increasingly common for municipalities to provide annual reports to the public that demonstrate how the general mission and strategic objectives of the municipality were accomplished and to establish performance measures that link actual performance to the financial results.

Based on the feedback received during the inspection, Westlock County ratepayers expressed great concern over finances, services and overall leadership. There is a clear need to confirm local priorities through consultation and to improve transparency and accountability by closing the loop to report back to the public on accomplishments in a format that is meaningful and easy to understand.

RECOMMENDATION ON FINANCIAL REPORTING TO THE PUBLIC: That additional financial reporting to the public be considered to communicate municipal performance and the accomplishment of strategic objectives.

7.4 Procurement Practices

The MGA s. 248 provides direction for the municipality to make expenditures, as quoted below:

Expenditure of money

248(1) A municipality may only make an expenditure that is

- (a) included in an operating budget, interim operating budget or capital budget or otherwise authorized by the council,
- (b) for an emergency, or
- (c) legally required to be paid.

(2) Each council must establish procedures to authorize and verify expenditures that are not included in a budget.

Municipalities are subject to tender advertising requirements through the Alberta Purchasing Connection, the Agreement on Internal Trade (AIT) and the New West Partnership Trade Agreement (NWPTA). Municipalities need to abide by government procurement rules related to threshold values of goods, services and construction.

Westlock County council approved a Purchasing Policy #05.10 in 2007 which was last revised in 2011. Purchasing Policy #05.10 does not appear to be in accordance with broad procurement practices and advertising currently required by the NWPTA and AIT. A review is needed to ensure that local procurement practices fully align with these provincial trade agreements.

Purchasing Policy #05.10 states that “*all purchasing will be done on a competitive basis*” and that “*department heads are responsible to ensure that budget funds are available.*” The policy also gives the Administrator (CAO) fairly wide latitude in alternate approvals, as follows:

“The Administrator is authorized to delegate purchasing authority. All changes or alternate purchasing authority must be approved by the Administrator.”

The policy emphasizes competitive procurement for budgeted items. The policy purpose is noble and reads as follows:

To provide a policy for the acquisition of capital equipment, non-consumable and consumable supplies and services. Westlock County is a taxpayer-supported organization, and will, therefore, utilize its funds in the most economical manner by using competitive purchasing practices.

It does not appear that officials always abided by the purchasing policy to ensure competitive purchasing practices when managing operations. For example, engineering services were acquired by a sole-source contract in 2015 for the Tawatinaw Ski Chalet. Former CAO, Peter Kelly informed the inspectors that at the time, they couldn't find an engineer to meet timeframes for the

project so he brought in an engineer from Nova Scotia with Alberta licencing. Records show that related contract costs for this vendor totalled \$31,970 for engineering services provided from December 2014 to September 2015.

On another occasion, a county supervisor appeared to unilaterally switch rental companies that provided heavy equipment to Westlock County from May 2015 to April 2016. Purchasing Policy #05.10 requires three competitive quotes to be obtained. The inspectors were told that the new company, Iron City Rentals Inc. from St. Albert, provided “better rates,” however, a record of competitive quotes was not available. Council members questioned the switch in rental companies at that time and were also advised by the supervisor that the county got a better deal with the new rental company.

County records show that equipment rental costs totalled \$45,381 in 2013 and \$21,263 in 2014. An anomaly exists where equipment rental costs were exceedingly high during May 2015 to April 2016, totaling \$156,457. A former director stated that the reasons for the anomaly in rental costs were due to a significant effort needed to address compliance issues at the regional landfill and a county gravel pit.

Some staff members expressed concerns that former CAO Kelly directed equipment and operators away from these priority projects to work on the “Horizon” lot in the industrial subdivision. Council members expressed concern over rented equipment that was apparently in the county’s possession but not always in use. A former official stated that a monthly equipment rate was sometimes a better deal.

The inspectors heard comments that staff members were directed by a supervisor to pick up and drop off various equipment at unusual locations within and outside the county in 2015. Some stakeholders expressed concern that a county supervisor allegedly orchestrated a third-party rental company as a “shell” in order to pay off personal debts owed from prior business dealings. Although the equipment rental arrangements are fuzzy, it appears that solid, competitive procurement practices were not followed in 2015.

RECOMMENDATION FOR PROCUREMENT PRACTICES: That the municipality review procurement practices, procedures, and the purchasing policy to ensure that appropriate controls are in place for competitive purchasing of budgeted expenses; and to ensure that local procurement practices are consistent with the MGA, applicable trade agreements and other legislation.

7.5 Overall Financial Position

Financial statements show that Westlock County is in fairly good financial condition overall. Records from the 2016 audited financial statements indicate that the organization has relatively strong fiscal health with a surplus of assets exceeding liabilities, as follows:

\$19,463,358	Financial Assets
-\$14,430,703	Financial Liabilities
<u>\$28,687,101</u>	<u>Tangible Capital Assets and Inventory</u>
\$33,719,756	Accumulated Surplus

Records indicate that the county's liabilities include over \$2.3 million in deferred revenue from grant revenue received but not yet spent. Nearly \$7 million in long term debt is held on behalf of community organizations, including the Westlock Foundation and the Westlock Seed Cleaning Co-op Ltd.

Current staff showed efforts to strengthen internal controls, financial processes and financial reporting. Significant issues were noted in the July 28, 2015 auditor's letter and it appeared that management took proper steps to address system weaknesses that contributed to a misappropriation of funds. The auditor recommended reconciling void and complementary ski hill lift tickets and recreational camping passes, as well as following standard employment practices in handling staff vacation pay.

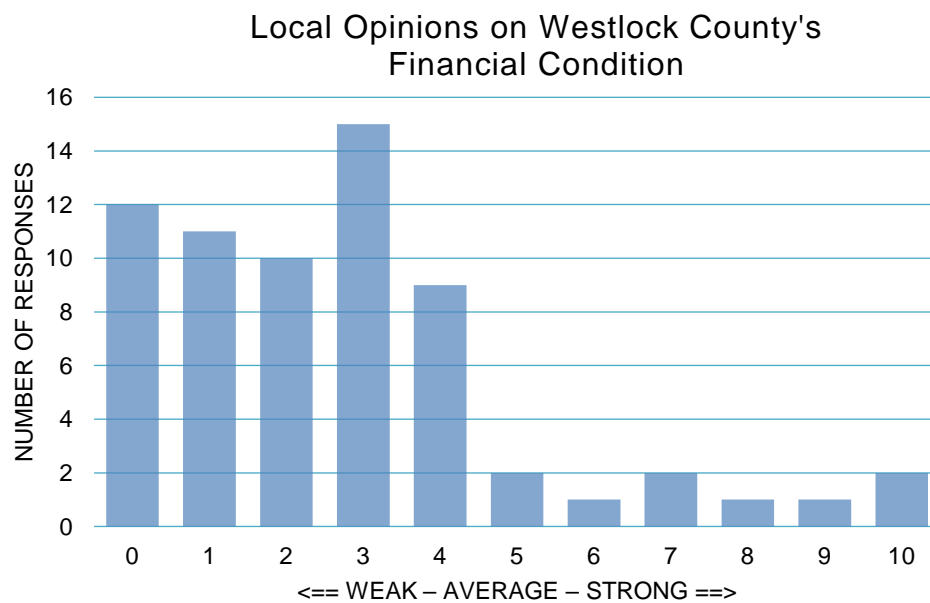
Records show that former CAO Peter Kelly received vacation pay upon the start of his employment rather than after earning it, and this was apparently negotiated with the council. By providing vacation pay in advance, the council acted in an improvident, spendthrift manner and the county may not have been able to collect these funds if the employee had left the organization before the vacation pay was actually earned.

The municipality was contributing to reserves and accessing grant funding for many projects. Auditor comments from 2017 were very positive and commended current efforts of the management team in improving overall financial practices.

Although the overall financial picture is positive, it could have been stronger. County officials have undertaken some costly endeavours in recent years, particularly in managing capital projects and developing industrial land. High profile projects such as the local ski hill chalet received great

scrutiny from the public who expressed concern over the project design, placement and the use of tax dollars. Greater transparency is needed to demonstrate the overall stewardship of public assets and to communicate the county's financial picture in a meaningful way to citizens.

Survey respondents were invited to rate and comment on the county's overall financial condition. Despite the county's relatively strong financial picture, most stakeholders felt that that county was in a weak financial position, as shown in the ratings and comments below:



- *If they would hire local contractors. All the money or most of it would stay within the county. And be spent to other local business.*
- *Could do a lot better if they stayed away from Tawatinaw ski hill.*
- *Frankly, without a long term strategic plan it doesn't matter how the financials look, financials can be very misleading, to have a surplus simply means poor planning and lack of vision.*
- *Council can only make good sound financial decisions if they are given the correct information. Building a pad for swamp mats but given cost estimates of 50-60 thousand but the final cost come in more then 10 times that cost. How can there be good governance when Council is kept in the dark but left holding the bag when it come back to reality.*
- *Do not spend the money wisely.*

- *How can you have any money to run the county when all the taxes have been going to take care of severance packages and paying of exiting CAOs and organizations that 'duped' council into paying bills that should not have occurred. eg. Pentagon Farms, Tawatinaw Ski Hill, Horizon North and on and on!*
- *I think the County should work to grow its tax base by focusing more on economic development initiatives. The chaos and negative publicity surrounding the current council only helps to scare away, not attract, businesses and gives the County a poor image.*
- *It appears that some of Council has a lack of concern/respect for the annual budgets. The fact that they recently had to write off a substantial amount of money in a poorly managed industrial development is inexcusable.*
- *It seems as though the county is broke.*
- *It would be better, but Council has obviously wasted lots on lawyers, the ski hill, severance, interim CAOs, industrial park etc.*
- *Money spent in the wrong areas is money that we don't have for critical expenditures like roads.*
- *No release from the county on there overall financial position ever given. You would have to access the accountants financial report and be able to understand it.*
- *Need more business in the county and need more acreages with some controls.*
- *Opinion is that current financial is ok but concern is around long term financial viability of the County and new sources of revenue.*
- *Poor use of funds for road upkeep of gravel roads and more attention needs to be payed to smaller hamlets of the county.*
- *Sad but our taxes are very high but we hardly get anything for it. Poor management...*
- *Ski hill no revenue, taxpayers continue to subsidize for the elite few that use the facility. Why are [we] not mining fracking sand from the hill, at least that makes financial sense. Farm equipment heavy loads wrecking our roads, no way to be accountable for the damage. Farmers pay a limited percentage for land tax but abuse the roads extensively. (no enforcement)*
- *The Ski Hill again is just the financial headache that keeps on giving. The amount of money they paid the engineers to put the new chalet in the middle of the muskeg.*
- *The ski hill at Tawatinaw boondoggle, an example of mismanagement.*
- *The ski hill comes into the picture again. So much money has been spent on this project that at one point the county didn't have enough money to gravel our roads. At least that was the excuse given by one councillor when asked.*
- *They are limited with funding for any projects due to the overhead incurred at the ski hill. This is a constant weight that limits all other areas.*
- *Through extravagant and foolish spending the current council has shaken the faith of residents as to the financial condition of the County.*

- *Industrial projects such as the grossly expensive Horizon North parking lot and the Tawatinaw Valley ski lodge are great examples of terrible leadership. The money spent on these projects would have been far better spent on permanent infrastructure, not give away at a loss pet projects.*
- *Too much borrowing and no transparency on exactly where the money is being spent.*
- *They claim that they are always short of money but I think they have mismanaged things over the past 4 years.*

8 CAPITAL PROJECTS

Westlock County undertook several important capital projects during the recent council term which required strong leadership and careful planning. The 2017 capital budget shows that many capital projects are ongoing. The municipality had a 2011 to 2021 Integrated Community Sustainability Plan (ICSP) in place which was originally approved in 2009 and updated/ revised in 2010 and 2011. Overarching sustainability planning and long-term capital plans lacked attention during the 2013-2017 council term. Failing to plan for the future is an improvident action. Many officials acknowledged the lapse in long-term planning efforts and the current director of infrastructure stated that developing long range plans is a current priority.

The inspection team reviewed several capital projects during the limited time of the inspection. Officials did not appear to refer to the 2011-2021 sustainability plan or any overarching long-term capital plan to guide decision-making. Without well-ordered planning, the council appeared to rush from one crisis to the next, sometimes throwing good money after bad according to stakeholder comments. A theme emerged to “*save a penny, then spend a pound*” with the propensity to cut corners upfront which required costly fixes later.

RECOMMENDATION FOR CAPITAL PLANNING: That the municipality develop a comprehensive long-term capital works plan to address existing infrastructure issues and identify new or upgraded infrastructure priorities.

8.1 County Road Network

County roads were a major concern for many stakeholders. The inspectors heard numerous comments about the poor shape of county roads from an apparent lack of maintenance, topped by a particularly wet 2017 Spring season.

The 2017 capital budget showed three separate road rehab projects for “shoulder pulls” across 34 miles, at a cost of \$680,000. This reflects an effort by local officials to upgrade and maintain the road network. Some stakeholders wanted to see some roads completely rebuilt. Officials estimated the cost of rebuilding a typical county road at more than \$100,000 per kilometer.

It appears that the county focused on shoulder pull road rehabilitation as a more economical option for road asset maintenance. In June 2017, a council member commented that roads that were rehabilitated with shoulder pulls in previous years *“really stood up well in this wet spring.”*

Staff informed the inspectors that they make a strong effort to manage the road network that consists of 2,189 kilometers of open maintained roads. Many local roads were built in the 1960s with organics in the road base and limited construction design. While suitable for the traffic of the day, these roads were not designed to accommodate either the volume of traffic or the types of modern farm equipment used today. The life of these roads could be extended with the application of a comprehensive road management program including drainage and vegetation control, road grading, ditch pulls, and load/weight management.

RECOMMENDATION FOR ROADWAY MANAGEMENT PLAN: That council enable administration to conduct a comprehensive study to evaluate all road infrastructure; and based on that data, to develop a comprehensive roadway management plan to recommend strategies for ongoing maintenance, drainage control, vegetation controls, shoulder pulls, reconstruction projects, and load management.

8.1.1 Traffic Bylaw Enforcement

Westlock County has a Traffic Control / Road Protection Bylaw No. 15-2012 in place. Within this bylaw, there are provisions to enforce weight restrictions on local roads and bridges, as shown in the excerpt below. The 2010 standard operating procedures for the county peace officer require training “as soon as practical” in many diverse areas, including Commercial Vehicle Weights and Dimensions. Commercial vehicle weight enforcement was also one of the many requirements in a 2013 county peace officer recruitment advertisement.

WEIGHT CONTROL ON HIGHWAYS AND BRIDGES

1. (1) The Council hereby authorizes the Municipal Administrator to set out in Orders from time to time:
 - (i) Highway locations, with the percentage axle weight allowed on those highways, and
 - (ii) Bridge locations, with the maximum allowable weight allowed on those bridges.
- (2) The maximum allowable weights referred to in Sub-Section (1) shall be posted and/or advertised in a manner deemed necessary by Council.
2. An Order, under Section (1), shall be on a form, as prescribed by Schedule “H”, Form “A” or “B” of this By-Law.
3. An overload or over-dimensional approval may be granted by the Municipal Administrator or a By-Law Officer, or Peace Officer in conjunction with the respective Provincial Permit, at his discretion, and subject to such conditions as may be deemed necessary. Any such approval shall be in the form prescribed by Schedule “J”, attached hereto.
4. Any person who contravenes the provisions of this part is guilty of an offense punishable as per schedule K of this Bylaw, or by summary conviction.

Figure 14 - Traffic Control Bylaw Excerpt



Figure 15 - Local Bridge with Weight Restriction Signage

Westlock County council members interfered with local peace officer training efforts and overall enforcement of road weight restrictions. Records show that protective services staff had registered for related training in early 2014, which was stopped after council intervened. Related January 31, 2014 email correspondence from a former Westlock County accounting clerk reads as follows:

“Council has decided that Erik does not need to take the Weights and Dimensions course he was enrolled to go to at Leduc County, they feel we do not have to produce that level of service for our rate payers. Can you please do a stop payment on the cheque issued to Leduc County in the amount of \$500.00, cheque # 20014, issued January 28/14.”

On January 30, 2014, prior to the weights and dimensions course enrollment cancellation, then-Reeve Massey sent an abrupt email to the county fire chief who was the peace officer’s manager, as follows:

Subject: Re: Training

An example of my concern, shared by other councillors is that [in] our presentations we clearly indicated that we did not wish Eric to [take] the course for weights and yet I understand that you authorized it even though you clearly heard council say no, it appears that our wishes are not respected, maybe we have to be very, very directive.

On January 31, 2014, then-Reeve Massey sent an email to then-CAO, Mr. Edward LeBlanc, with an apology to the CAO for engaging directly with the fire chief, rather than addressing the matter through the CAO.

On another occasion, former Councillor Wiese expressed emotionally-charged comments to the county peace officer during a traffic stop on September 9, 2016 where he stated: *“...It’s the same thing when you were going to take the weights and measures course, we said you’re not going to do that because we don’t want that happening.”* Former Councillor Wiese shared comments with the inspectors of council’s prior intention to *“sell the officer’s weigh scales.”*

Westlock County had an enhanced RCMP member agreement between Westlock County and the RCMP in 2014. Records show that the contract was renewed on August 1, 2014 and when the new memorandum of understanding (MOU) was drafted the reference to “Weights and Measures – Commercial vehicle dimensions and weight regulations” was removed.

It is an irregular matter for council to require enforcement by bylaw, and then interfere in operations and strategically fail to enforce weight restrictions on local roads and bridges. Allowing heavily loaded trucks to damage county roads is an improvident matter and very costly from an asset management perspective. The permissive approach, turning a blind eye to restricting heavy loads, is an example of short-sighted leadership which is at complete cross-purposes to noble and costly road upgrades. Discussion during the June 13, 2017 council meeting included comments from officials that bridges were damaged from oversized loads. Subsequent road and bridge closures, inconvenience, and costly repairs were scheduled.

Current staff have indicated that they are scheduled to complete the Weights and Dimensions training course in the Fall of 2017, and that the weigh scales are currently sitting in the basement at the Westlock County office. Trained and qualified enforcement staff are needed to reduce costly damage to roads and bridges and assist with proper stewardship of the county road network.

RECOMMENDATION FOR AXLE WEIGHT RESTRICTIONS: That council review and update the Traffic Control / Road Protection Bylaw 15-2012 to ensure appropriate axle weight controls are in place for local roads and bridges.

8.2 Industrial Subdivision

Westlock County developed an industrial subdivision located immediately south of the Town of Westlock several years ago. The Westlock County public works shop and several established businesses are located within this industrial subdivision.

The county entered into a lease agreement effective April 1, 2015 with Horizon North Camp & Catering Partnership (Horizon North, a.k.a. Swamp Mats) for an 8.55-acre lot in this industrial subdivision to be used as a laydown yard. This one-year lease agreement was for \$2,500 per month, with rent to continue on a month-to-month basis after the March 31, 2016 expiration date.

The agreement also contained a “right of first refusal” for the tenant to purchase the lands if the county received an offer it was willing to consider. This April 1, 2015 agreement was approved by council on July 28, 2015, as shown in R#262/15 below and was signed by former-CAO Peter Kelly on September 9, 2015.

Lease Agreement
#262/15

Councillor Don Savage: That Westlock County ratify the Lease Agreement with Horizon North Camp & Catering Partnership with the addition of a clause to offer them First Right of Refusal if an offer to purchase is received for this property.

Carried 6-0

It is an irregular matter that the project began and significant work was completed on the property prior to formal approval by council and endorsement of an agreement by both parties.

Records indicate that related site enhancement work was largely completed in August 2015 and that Westlock County incurred project costs of \$375,707 at the Horizon North lot. This project was not approved in either the 2015 budget or by council resolution in 2015. Spending money without budget approval is an irregular matter and contrary to the MGA, which reads as follows:

Expenditure of money

248(1) A municipality may only make an expenditure that is

(a) included in an operating budget, interim operating budget or capital budget or otherwise authorized by the council,

(b) for an emergency, or

(c) legally required to be paid.

(2) Each council must establish procedures to authorize and verify expenditures that are not included in a budget.

(3) If the Minister establishes a budget for a municipality under section 244, the municipality may not make an expenditure that is not included in the budget unless the expenditure is

(a) authorized by the Minister,

(b) for an emergency, or

(c) legally required to be paid.

Former CAO, Mr. Peter Kelly informed the inspectors that he was aware that project costs were approximately \$190,000, and that he was not advised of project costs exceeding this amount. Other officials indicated that Mr. Kelly was kept informed that project costs had exceeded \$100,000 at one point during 2015. Staff informed the inspectors that former CAO Kelly directed action on this project, such as prioritizing public works staff and equipment to work on the Horizon lot, which delayed other remediation projects that were underway at the same time.

Mr. Kelly appeared to be the key point of contact for the Horizon North project, assisted by the public works supervisor. County directors felt left out of the loop as former CAO Kelly communicated directly with Horizon North officials, engaged a public works supervisor to arrange site work, and directed an office clerk to produce, edit and cancel related project invoices.

Correspondence shows that both county council and the lessee appeared to be left in the dark at times due to poor communication. When asked by council in a July 2015 council meeting, former-CAO Kelly apparently did not properly inform the council, although an update had been anticipated and a former director had diligently prepared this update for him and council. Correspondence from Horizon North officials in November 2015 indicates their surprise upon receiving an invoice for over \$190,000 when they expected a \$55,000 cost for site improvements. It appears that former CAO Kelly acted outside his authority by approving unbudgeted site development work for the Horizon North industrial subdivision lot.

Horizon North officials informed the inspectors that their company had originally offered to construct the gravel pad on the lot since they were in the business and had the equipment, but the county said they preferred to do it and agreed that they could match the Horizon North budget. Horizon North officials stated that the county costs came in far exceeding the original budget and the company continues to have concerns with the quality of the work.

Efforts to recognize increased project costs led to an amending lease agreement being prepared, effective January 1, 2016 – December 31, 2018 with a monthly payment increased to \$6,170.47, and an option to purchase the land for \$30,000 per acre.

On December 15, 2015, council approved a three-year lease agreement in principal with Horizon North, with final documentation to be brought back to council. Councillor Massey informed the inspectors that council is largely at fault for approving an open-ended motion without setting a maximum amount to be spent on site servicing. R#442/15 is shown below, although current officials could not locate a signed and approved copy of these meeting minutes.

Horizon North
Agreement
#442/15

Councillor Don Savage: Moved that Council advise Administration to enter into a three year term Lease Agreement In Principal with Horizon North with final legal documentation to be brought back to Council, with the amount of \$56,000 being payed upfront and the final balance plus G.S.T. and 3.5% interest over the next 3 years. The Final payment will be made in December of 2018 or the balance may be paid in full before the end of December, 2018.

Carried 6-0

Officials have confirmed that Horizon North began paying the increased lease payments in June 2016. A signed copy of the amending lease agreement could not be located by current staff. On June 28, 2016, council passed the following R#279/16 to negotiate a lease amending agreement with Horizon North, as shown below. Officials informed the inspectors that an amending agreement has not yet been brought back to council for approval.

Horizon North Agreement #279/16	Councillor Ron Zadunayski: Moved that Westlock County Council direct administration to negotiate a Lease Amending Agreement with Horizon North and bring it back to Council for final approval.
	Carried 7-0

There are indications that a sale price was negotiated with Horizon North to purchase the property for \$30,850 per acre. At the time of this report, county management was aware of the unsigned agreement on the Horizon North property. Efforts were being taken to locate documents and confirm intentions of the parties.

After Mr. Kelly concluded his tenure with Westlock County, legal advice was sought and a former-CAO, Mr. Duane Coleman subsequently presented a recommendation to council to retroactively approve the unbudgeted expenses incurred on the Horizon North lot. On June 28, 2016, council approved the related expenditure of \$375,863.77 shown in R#277/16, as follows:

Horizon North Project #277/16	Councillor Don Savage: Moved that the Council of Westlock County authorize the expenditure of \$375,863.77 for the enhancement of the Lands for the purpose of leasing the Lands to Horizon North.
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Project cost estimates from various officials range from \$376,000 to just over \$426,000. Records show a write down was required for the sale of land, estimated at approximately \$234,000 related to the 2015 Horizon North lease project. The inspectors also noted that some other properties in the industrial subdivision were reported to receive costly site improvements at the county's expense several years ago.

The determination of land value on the Horizon North lot was also managed in an irregular manner. A previous council resolution #480/08 set the list price for lots in the industrial park to be "not less than \$35,000 per acre." Correspondence from Mr. Kelly to Horizon North referred to a \$30,000 per acre value. Mr. Kelly informed the inspectors that he was acting on council's direction which was provided in camera and that he was working hard to promote county interests.

Regardless of intent, the land value component of the lease was handled in an irregular manner without a formal council resolution. Additional irregularities exist of potentially selling land for less than market value without properly advertising the intended sale as required in the MGA.

Weak leadership in both council and administration created an environment that was ripe for chaos with site development work being completed and commitments being made without proper authority and council approval. In apparent enthusiasm for economic development, former CAO Kelly acted without proper authority and failed to advise council of their legislative responsibilities, such as requiring advertising when considering selling land for less than market value, and approving unbudgeted expenditures.

A proper decision-making process would start with a formal proposal being presented to council for consideration accompanied by a well-researched staff recommendation including legal, operational, and financial considerations. In a proper order of events, project activities would follow council and/or budget approval.

RECOMMENDATION FOR INDUSTRIAL LOT SALES REVIEW: That Westlock County officials seek legal counsel and financial advice to correct outstanding matters on industrial land sales and to formalize unsigned agreements.

8.2.1 Industrial Subdivision Highway Access

The Westlock County industrial subdivision is adjacent to Highway 44 and a Traffic Impact Assessment (TIA) was required by Alberta Transportation (AT) to determine the appropriate design standards to be applied to each of the three proposed access road intersections, based on the intended land uses and projected traffic volumes.

It appears that at the time of the subdivision construction the intersections constructed failed to comply with standards set by AT to accommodate Highway 44 widening for turning lanes, acceleration lanes and deceleration lanes. Indications are that council and senior administration did not budget for the required highway upgrades and subsequently chose not to comply with AT stipulated highway standards. Failure to comply with AT standards has increased the safety risks associated with ingress and egress at the industrial subdivision. Roadside “truck turning” signs are posted on Highway 44 and the inspectors noted that the industrial subdivision access was noted as an ongoing matter being considered and discussed by local officials.

8.2.2 Off-Site Levy

The MGA s. 648 allows a municipality to pass an off-site levy bylaw that authorizes the municipality to enter into agreements with developers for payment of capital costs impacted by a development, as referenced below. This allows a municipality to charge developers for service upgrades such as roads, sanitary sewer systems, and water systems that are not necessarily located on the development site. Without charging an off-site levy to a developer, off-site service costs related to new development would be absorbed by the general tax base of the municipality.

Off-site levy

648(1) For the purposes referred to in subsection (2), a council may by bylaw

(a) provide for the imposition and payment of a levy, to be known as an “off-site levy”, in respect of land that is to be developed or subdivided, and

(b) authorize an agreement to be entered into in respect of the payment of the levy.

(2) An off-site levy may be used only to pay for all or part of the capital cost of any or all of the following:

(a) new or expanded facilities for the storage, transmission, treatment or supplying of water;

(b) new or expanded facilities for the treatment, movement or disposal of sanitary sewage;

(c) new or expanded storm sewer drainage facilities;

(c.1) new or expanded roads required for or impacted by a subdivision or development;

(d) land required for or in connection with any facilities described in clauses (a) to (c.1).

An off-site levy could have been used to pay for the road improvement costs. In addition to MGA requirements, the *Principles and Criteria for Off-site Levy Regulation* must be used when creating an off-site levy bylaw. In association with industrial development, it is common that the municipality in parallel adopts by bylaw appropriate off-site levies to allow the county to recover the cost of infrastructure upgrades, such as those stipulated by AT for Highway 44, from future purchasers or long-term lease holders of the industrial subdivision lots.

Similarly, best development practices indicate that the municipality work with legal counsel to craft a standard development agreement that provides staff with the basis for negotiations with land purchasers or long-term lease holders. The county acted in an improvident manner by failing to take either of these steps that would have allowed for appropriate recovery of off-site highway upgrades costs.

RECOMMENDATION FOR OFF-SITE LEVY: That Westlock County create an off-site levy bylaw to address off-site costs of municipal development.

8.3 Fawcett Fire Hall

Several irregular and improper practices were identified with the process that led up to the award of the construction tender to build a new Fawcett Fire Hall. The project was contemplated in the fall of 2015 and the CAO and several members of the council visited the neighbouring Baptiste Lake Fire Hall. Based on their visit, county staff were asked to prepare a request for proposal for a similar structure to the Baptiste Lake fire hall, with the addition of 465 square feet for one washroom, a small office, and a kitchen counter.

A staff RFD presented to council on April 26, 2016 states that the RFP was sent out to three firms on November 11, 2015 with a closing date of December 15, 2015. It is unclear if this RFP was advertised in compliance with provincial trade agreements or made available to other contractors. Only one bid was received by E & D Kuzyk Konstruktion, in the amount of \$498,300.

The Request for Decision provided to council on April 26, 2016 states that on February 3 and 14, 2016, former CAO Kelly contacted Pembina Construction and NCV Industrial respectively, and gave them copies of the Baptist Lake Engineering Drawings, and asked administration to send them a copy of the RFP, shown below. This was after the tender had closed and the bid of E&D Kuzyk Konstruktion had been received by administration. NVC Industrial responded to the CAO's request on March 17, 2016 submitting a quote with three options varying from \$1,427,527 to \$1,890,580.

- **On February 3, 2016, the CAO gave Pembina Construction the Baptist Lake Fire Hall design plans and instructed the Project Manager to provide them with the Request for Proposal. No response to date.**
- **February 4, 2015 Minutes from the Fire Chief's meeting, the CAO informed the departments that the Westlock Rural Fire Department project would be on hold until after the study between the County and Town on collaboration was completed.**
- **On February 14, 2016, the CAO gave NCV Industrial the Baptist Lake Fire Hall design plans and instructed the Project Manager to provide them with the Request for Proposal.**

It appeared that the Baptist Lake Fire Hall design drawings were being used in an attempt to avoid hiring an engineer or architect to design a facility for the Fawcett location. This was an improper matter which could have violated copyright infringements on the design drawings held by the architect or engineer. It could have also led to liability issues as the design was prepared for a different site which may not have been compatible with the proposed site in Fawcett.

On March 30, 2016, at the direction of former CAO Kelly, an email was sent to the engineering firm that had designed the Baptist Lake Fire Hall, asking if their drawings could be used for the Fawcett Lake Fire Hall. County staff advised the inspectors that they felt embarrassed sending this email because the reply would obviously be “no.” A related response was received from Rocky Mountain Engineering Inc. which included the following statement:

“As far as any permission to use our drawings for Baptist Lake Fire Hall: No permission will be given by our firm to use our copyright drawings in whole or part. The design for structural components is site specific and requires new engineering for every new building. The reasons for this include but are not limited to wind loads, snow loads and soil characteristics. Our position on the drawings extends beyond the mentioned construction use. Any drawings that we have issued on previous projects or portions of this RFP Package are not to be used for pricing, preliminary designs, conceptual design or construction without written consent directly from the principles at Rocky Mountain Engineering Incorporated.”

This information was presented to council, in brief at the April 26, 2016 council meeting as referenced below. The inspectors were told that Rocky Mountain Engineering Inc. was then advised by staff that their Baptist Lake fire hall plans would not in any way be used for the Fawcett fire hall project.

- **March 30, 2016 the Director of Planning and Community Services contacted Rocky Mountain Engineering Inc. in attempt to obtain approval to use the same design plans for the Fawcett Fire Hall. The Director of Planning and Community Services received an e-mail from Darren Sanderson, President of Rocky Mountain Engineering informing Westlock County that the plans used for the Baptiste Fire Department could not in any way be used for the Fawcett Fire Hall.**

At the council meeting April 26, 2016, council considered three related project options as follows:

Options:

- Option # 1 – Direct administration to contact E&D Kuzyk Konstruktion/Rocky Mountain Engineering and inquire if they would be willing to honor the quote received from the Request for Proposal that was sent out in November, 2015.
- Option #2 – Direct administration to sole source the design/build of the Fawcett Fire Hall to Rocky Mountain Engineering/E&D Kuzyk

Page 3 of 1

Konstruktion. This is contrary to Westlock County’s Purchasing Policy, 5.10.

- Option # 3 – Direct administration to prepare a Request for Proposal for the Engineering Services for the Fawcett Fire Hall.

The proposed “Option #2” to sole-source the project is contrary to the county purchasing policy and also violates broader trade agreements. Council decided to table the item pending further information:

**Fawcett Fire
Hall
#174/16**

Councillor Don Savage: Moved to table the Briefing for Fawcett Fire Hall and gather further information.

Carried

At the June 28, 2016 council meeting, administration advised that they had received advice that providing a sole source contract to E&D Kuzyk Konstruktion at this point would be contrary to the broader procurement provisions in the *Agreement on Internal Trade* (AIT) and the *New West Partnership Trade Agreement* (NWPTA). The legal advice also outlined the possible consequences of not complying with the agreements.

Following the discussion, council directed administration to proceed with a new RFP for the Fawcett Fire Hall as attached to the agenda package.

**Fawcett Fire
Hall
#281/16**

Councillor Dennis Primeau: Moved that the Westlock County Council directs administration to proceed with a "Request for Proposal" for the design/build of the Fawcett Fire Hall, as attached to and forming part of these minutes.

Carried 6-1

A review of the 2016 RFP finds several irregularities. Most significant may be the lack of detail about the building included in the quotation.

1. **PROJECT DESCRIPTION**

General Information

The fire hall will be approximately 4,500 square foot in area.

The building site is located at Fawcett, northwest of the Town of Westlock in the Westlock County.

The site is a part of Lots 3 & 4, Block 2 Plan 589 HW Fawcett owned by the County.

2

Specifications such as requiring an 8'x10' kitchen counter (with no kitchen area specified), or a 6'x8' lobby seem very specific and seem to imply that a specific floor plan was being used as a model, although not included in the proposal. Some significant details were missing from the RFP such as the height of the truck bays and the dimensions of the bay doors which are very critical details depending on the specific types of equipment being used by the fire department.

Other missing details were any information at all related to expected energy efficiency, insulation ratings, heating and ventilation requirements. Specifications required a 12'x16' mechanical/storage room to include a washer and dryer, but lacked details on what mechanical equipment was to be installed or the layout of the equipment in the room yet no mechanical equipment was specified in the 2016 fire hall RFP. An excerpt from the RFP is shown below showing interior and exterior descriptions:

Building Interior Description

At a minimum, the Fire Hall must contain, but not limited to:

- 4 Truck Bay Fire Hall - 64' x 48'
- Lobby- 6'x 8'
- Office room – 10 x 8'
- Meeting room – 20' x 26'
- Kitchen Counter – 8' x 10'
- Mechanical/Storage room acquiring Washer & Dryer– 12' x 16'
- 2 Washrooms/Showers - 8' x 6' each

Building Exterior Description

- The Fire Hall will be a one story metal building with a wall of stucco, sand & plaster smooth finish.
- Concrete Apron and Drives that connect all around the building and to the Road in front of the Building.
- All concrete will be 6" reinforced with wire mesh, metal keys and drains as needed.
- All open ground will be graded with topsoil and seeded with grass.

One might assume that these details would be worked out with the submission of the bids and that an evaluation would be done on the cost and benefit of the various alternative designs, however, the decision matrix provided in the RFP did not provide the ability to rate the proposals based on their design features, energy efficiency, or functionality:

7. PROPOSAL EVALUATION AND AWARD

The following criteria will be those considered in evaluation of proposals:

Criteria	Point Weighting
a) Firm's Experience with similar design/build projects	10%
b) Team members' Experience with similar works	5%
c) Methodology of the Works	10%
d) QA/QC Plan	5%
e) Technical Specifications for the Materials	5%
f) Proposed Schedule/Time of Completion	5%
g) Total cost of the Project	60%
Total	100%

As shown above, the selection criteria was heavily weighted on project cost (60%) with the next significant weighting on the experience of the contractor and team. There is no apparent weighting for evaluation of the design other than 5% for “Technical Specifications for the Materials.”

The lack of building specifications and the structure of the evaluation matrix provided in the RFP placed the municipality at risk by limiting the ability to accept a proposal of superior design. Nothing in the proposal said that the building had to be enclosed or heated, therefore, in an extreme example, an experienced contractor could have submitted a competitive, compliant bid based on a design for a three-sided open pole shed with heated washrooms, laundry area and an 8’x10’ kitchen counter. If a design lacked basic components such as equipment bay doors, the county may have been in the difficult position of having to either accept an inferior design, or reject all tenders and start over.

Shortly after the 2016 fire hall RFP was released, a letter dated July 19, 2016 was received from The Alberta Association of Architects (AAA), Director of Practice, expressing concern with the structure of the 2016 RFP. The Association is empowered under the *Alberta Architects Act* to regulate and monitor the profession of architecture in Alberta and to enforce member compliance. Westlock County was informed that the association had received a complaint from a member about the Fawcett Fire Hall RFP. The letter outlined a number of concerns and requested that the county respond with information about how they intend to address the concerns.

On July 21, 2016, a letter was received by the county from the Consulting Architects of Alberta Executive Director, identifying 17 concerns with the RFP and offering assistance to help address the concerns.

The AAA Director of Practice who authored the July 19, 2016 letter, advised the municipal inspectors that the Association became extremely frustrated with Westlock County as they showed no signs of cooperation and did not respond to queries. His frustration is apparent in a follow-up email correspondence to Westlock Council on August 31, 2016:

Sirs:

We have been trying for some time to contact your offices for an update on matters related to your Firehall project, to no avail, despite the date for submission having long since passed.

Your unwillingness to communicate with this Association is noted.

Regardless, the Alberta Association of Architects, as the regulator of the architectural profession in this province requires a response from your office as requested, failing which we shall take the appropriate steps to address this matter with our membership and others as applicable.

Regards,

Barry Johns

Architect AAA FRAIC HON(FAIA) RIBA RCA LEED AP

Director of Practice

The Alberta Association of Architects

County officials provided a short, one sentence reply stating that it was the county's understanding that the building did not require the services of an architect because it had a footprint of less than 500 square meters. The AAA responded that a Fire Hall is not exempt under the 2014 *Alberta Building Code* irrespective of size. Their email correspondence to the county communicated the association's intent to issue a general notification to the membership, as shown in the following notice:

Requests for Proposals such as the one issued for the Westlock Fire Hall in its current form, places our membership and the entire design and construction industry in a very tenuous position by pitting the business interests against the professional obligations of our members. We are very concerned about the time it has taken for you to respond to our initial concerns and request you again provide an update on the status of the RFP at your earliest possible convenience including the identities of any architectural practices that may have replied. In the absence of a response, we are obligated to issue a general notification to our membership reminding them about their professional obligations to decline any involvement in uncompensated non-endorsed design competitions, *even if the RFP deadline has already closed.*

We shall proceed with such notification if we do not hear back from you by the close of business Friday, September 16, 2016.

In 2017, the Director of Practice at the AAA informed the municipal inspectors that there was no need for this issue to be escalated to the extent that it was; and that the issues could have been handled relatively easily if they had received responses to their inquiries and some cooperation. A lack of response and apparent unwillingness to cooperate forced the escalation.

Current staff at Westlock County advised the inspectors that during this process they were repeatedly told by management not to worry and to ignore the letters from AAA and CAA.

Irrespective of whether or not the building actually fell under the legislation requiring an architectural firm, the lack of communication and cooperation with the Alberta Association of Architects was an unprofessional and improper matter.

The county budget for the Fawcett fire call was \$425,000. Four project proposals were received with costs ranging from \$513,300 to \$971,234, all which exceeded the budget. These proposals were presented to council on August 23, 2016. In a convoluted resolution, council tabled the motion to enter into a contract pending further discussion by the transportation committee:

Fawcett Fire Hall #342/16 **Councillor Ron Zadunayski:** Move that Westlock County Council Table the motion that Westlock County enter into contract with E & D Kuzyk Konstruction Ltd. for Design/Build Services for the New Fire Hall at Fawcett for the amount of \$513,300.00 excludes GST until the next Regular Meeting of Council September 13, 2016 and have discussion at the next Transportation Committee meeting and set the meeting to be held earlier than scheduled date of September 20.

Carried 7-0

At the September 13, 2016 regular council meeting, the project was awarded to E&D Kuzyk Konstruction (see below), who had submitted the low bid of \$513,300, and had apparently received the highest score using the evaluation criteria matrix described above. A significant portion of the project funding was expected to come from a \$470,000 debenture borrowing with the remaining \$80,000 from the fire hall reserve fund according to R#358/16 below. A construction agreement was subsequently signed on September 22, 2016, committing the county to the project. At that time, there was no borrowing bylaw in place.

Fawcett Fire Hall #358/16 **Councillor Bud Massey:** Moved that the Council of Westlock County enter into contract with E & D Kuzyk Konstruction Ltd. for the Design/Build Services for the New Fire Hall at Fawcett for the amount of \$513,500.00 plus GST to be funded by \$470,000.00 from Debenture Borrowing and \$80,000.00 from the Fire Hall Reserve. Assuming there is extra work in the future a total amount of \$550,000.00 shall be allocated to this project as a whole.

Councillor Ray Marquette requested a recorded vote:

For: Councillor Bud Massey, Councillor Dennis Primeau, Interim Reeve Don Savage and Councillor Albert St. Louis.

Against: Councillor Ray Marquette, Councillor Ron Zadunayski and Councillor Mel Kroetsch.

Carried 4-3

The Fawcett Fire Hall Borrowing Bylaw 17-2016 received final reading on January 24, 2017 as shown in R#024/17 below, well after the project commitments had been made to award the project contract. The physical construction apparently did not start until the spring of 2017.

Borrowing Bylaw #17-2016 – Fawcett Fire Hall

Diane Urkow, Director of Corporate Services, reported that Bylaw #17-2016 had been advertised after first reading pursuant to the Municipal Government Act and that no responses to the advertisement had been received.

#023/17 MOVED by Councillor Albert St. Louis that Council give second reading to Bylaw #17-2016, a borrowing bylaw for the construction of the Fawcett Fire Hall.

Carried 6-1

#024/17 MOVED by Councillor Ron Zadunayski that Council give third reading to Bylaw #17-2016, a borrowing bylaw for the construction of the Fawcett Fire Hall.

Carried 6-1

The municipality assumed some financial risk and acted in an improvident manner by awarding this construction contract prior to securing debenture funding. This *“put the cart before the horse”* in a sense where council approved a binding contractual obligation to construct the fire hall and approved a borrowing bylaw four months later. If the \$470,000 borrowing bylaw had not passed, the council would have needed to find an alternate funding source for the project, or bear the financial and legal risks of cancelling the project after the contract was awarded.

The MGA requires municipalities to follow proper order by passing a borrowing bylaw before starting construction of capital property when financing is involved:

Capital property

254 *No municipality may acquire, remove or start the construction or improvement of a capital property that is to be financed in whole or in part through a borrowing unless the borrowing bylaw that authorizes the borrowing is passed.*

Current staff appeared to be working diligently to address historical issues that they inherited with respect to the Fawcett fire hall project, as well as other matters.

RECOMMENDATION FOR CAPITAL PROJECTS: That the municipality seek professional advice and establish sound procedures in managing project tenders and securing funding for capital projects to ensure legal compliance and adherence with professional standards.

8.3.1 Fire Equipment and Hall Expansions

An irregular matter was identified regarding the unclear ownership of fire services equipment. In some fire departments the local officers conducted fundraising and made personal contributions of time and resources in order to pay for capital items, including a building expansion. This level of dedication is commendable, however, the municipality needs to ensure that public ownership and maintenance of public assets and equipment is clearly defined, with municipal ownership.



Figure 16 – County Fire Truck



Figure 17 - Busby Fire Hall

Other concerns were shared of an improvident manner due to a lack of budget resources where auxiliary pieces of fire and emergency apparatus and equipment were housed outside and poorly situated for quick access and response.



Figure 18 - Fire Equipment and Apparatus

There was a positive indication from county fire departments that there was much more support under the new management team with respect to equipment maintenance. For example, when a critical fire apparatus required repair it was given top priority in the public works shop.



Figure 19 - Water Truck Stored Outside

8.4 Tawatinaw Valley Alpine & Nordic Centre

Westlock County took over the operation of the Tawatinaw Valley Ski Hill from the Ski Club Association in 2006. The ski hill historically ran a deficit, like many recreational facilities. Records show that an Advisory Board was created that carried a non-profit status to conduct fundraising for capital purchases as well as to advise Westlock County on ski hill operations.

In July 2015, proposals were requested for contract managers for the ski hill and lodge. Leadership direction was unclear on this matter and some staff expressed confusion on whether to prepare a RFD for either the purchase or lease of the property. On November 21, 2015 council approved, in principle, a three-year lease with an option to purchase in year three, as shown below in R#417/15:

Approval of lease and purchase of TV Ski Hill #417/15	Councillor Dennis Primeau: Moved that Council approve in principle a 3 year lease with option to purchase in year 3, pending final viewing.										
	Carried 4-2										
	Councillor Jim Wiese requested a recorded vote,										
	<table><tr><td><u>Yay</u></td><td><u>Nay</u></td></tr><tr><td>Dennis Primeau</td><td>Jim Wiese</td></tr><tr><td>Ron Zadunayski</td><td>Albert St. Louis</td></tr><tr><td>Bud Massey</td><td></td></tr><tr><td>Mel Kroetsch</td><td></td></tr></table>	<u>Yay</u>	<u>Nay</u>	Dennis Primeau	Jim Wiese	Ron Zadunayski	Albert St. Louis	Bud Massey		Mel Kroetsch	
<u>Yay</u>	<u>Nay</u>										
Dennis Primeau	Jim Wiese										
Ron Zadunayski	Albert St. Louis										
Bud Massey											
Mel Kroetsch											

On December 8, 2015 council gave final acceptance to the lease. Following R#433/15 to accept the lease Councillor Wiese resigned his position as a councillor for Westlock County:

Lease to Purchase Agreement with DK Enterprises #433/15	Councillor Dennis Primeau: Council moved to accept the 3 year Lease purchase agreement with DK Consulting Ltd, with a stated value and not if exercised goes back to the county, also if any extraction of minerals and materials they are retained by the County.										
	Carried 4-2										
	Councillor Jim Wiese has asked for a recorded vote;										
	<table><tr><td><u>Yay</u></td><td><u>Nay</u></td></tr><tr><td>Dennis</td><td>Jim</td></tr><tr><td>Mel</td><td>Albert</td></tr><tr><td>Bud</td><td></td></tr><tr><td>Ron</td><td></td></tr></table>	<u>Yay</u>	<u>Nay</u>	Dennis	Jim	Mel	Albert	Bud		Ron	
<u>Yay</u>	<u>Nay</u>										
Dennis	Jim										
Mel	Albert										
Bud											
Ron											
	Break for Lunch 12:30 p.m.										
	Reeve Massey called Meeting to order at 1:10 p.m.										
	Councillor Jim Wiese, Tendered his resignation as a Councillor with Westlock County at this time.										

The lease provided the tenant with an option to purchase “shall have the option to purchase the lands” during a set option period at the end of the lease (August 1, 2018 to October 31, 2018) at a set price of \$2,200,000 as shown in the agreement excerpts below:

ARTICLE 4 - OPTION TO PURCHASE

4.1 **Option to Purchase.** Provided that this Lease remains in good standing, the Tenant shall have the option to purchase the Lands, the Ski Hill Equipment and the Facility Equipment upon the terms and conditions of the Option to Purchase set out in **Schedule "C"** attached hereto.

1.0 **GRANT OF OPTION**

1.01 Upon payment of the sum of TEN (\$10.00) DOLLARS (the "**Option Consideration**"), by the Optionee to the County, the County hereby grants to the Optionee the sole and exclusive Option irrevocable for the period commencing on August 1, 2018 and expiring on October 31, 2018 (hereinafter referred to as the "**Option Period**") to purchase the Lands, the Ski Hill Equipment and the Facility Equipment in accordance with the terms and conditions of this Agreement.

6.0 **PURCHASE PRICE**

6.01 The Purchase Price that shall be payable by the Optionee in consideration of the transfer of title to the Lands, the Facility Equipment and the Ski Hill Equipment shall be the sum of **Two Million, Two Hundred Thousand (\$2,200,000.00) DOLLARS, not including applicable Goods and Services Tax** (hereinafter referred to as the "**Purchase Price**"), and shall be paid in lawful money of Canada following the exercise of the option to purchase and in the following manner, namely:

The process and intent to sell this recreational property through an option to purchase, with a potential sale price that was less than market value appeared to be an irregular matter and council's intent did not appear to be properly advertised. Section 70 of the MGA sets out the terms and advertising requirements for a municipality to dispose of land:

Disposal of land

- 70(1) If a municipality proposes to transfer or grant an estate or interest in*
- (a) land for less than its market value, or*
 - (b) a public park or recreation or exhibition grounds, the proposal must be advertised.*
- (2) The proposal does not have to be advertised if the estate or interest is*
- (a) to be used for the purposes of supplying a public utility,*
 - (b) transferred or granted under Division 8 of Part 10 before the period of redemption under that Division, or*
 - (c) to be used by a non-profit organization as defined in section 241(f).*

If the advertising had been done in advance of the execution of the agreement, it would have been three years in advance of the sale, and it is unclear how a future market value would be determined. Inspectors also heard discussions that there may be valuable fracking sand deposits on the land, that may also impact the market value in the future.

The lease arrangement apparently did not work well for the ski hill operator, DK Consulting Services, who found that he was not able to operate the hill on a break-even basis. Lease agreement terms required the ski hill operator to pay \$18,000/year in lease payments to the county as well as county taxes. The county agreed to reconsider the terms of the lease. On June 28, 2016, council agreed to “suspend all rent and tax payments” until a new agreement could be reached, as shown in R#273/16:

Suspend rent & tax for DK #273/16	Councillor Don Savage: Moved that Westlock County suspend all rent and tax payments until we have a new CAO and a new Agreement can be made with DK Consulting.
Carried 6-1	

The ski hill lease revisions were reviewed by the new county management staff in October 2016 and some problematic issues were noted, such as an option to purchase clause with a fixed future price that may or not reflect a future market value and the requirement for municipal tax to be paid on all leased municipal lands. It also appeared that the county would need to return some of the grant and casino funding used to improve the ski hill facility in past years.

The 2015 annual financial statements show that the 2016 lease agreement reflects an asset value of the ski hill lodge that was \$527,499 less than the cost to build the lodge and that the lodge was “written down to its market value at December 31, 2015” shown in the excerpt below:

WESTLOCK COUNTY
Notes to Consolidated Financial Statements
December 31, 2015

7. IMPAIRMENT OF LONG LIVED ASSET

The Tawatinaw Valley Ski Lodge was a part of a lease to purchase agreement made by Westlock County in 2016. The total value attributed to the building in the lease to purchase agreement is \$527,499 less than the cost to build the lodge. Hence, the Tawatinaw Valley Ski Lodge has been written down to its market value at December 31, 2015.

On October 25, 2016, council reviewed and approved a revised lease which removed requirements for lease payments and the payment of taxes, shown in R#432/16 and R#509/16:

**Tawatinaw Ski
Hill Lease
Agreement
#432/16**

Councillor Dennis Primeau: Moved that the Council of Westlock County, approve all of the revisions and amendments to the lease agreement with DK Consulting Services Ltd. for the operation of the Tawatinaw Valley Alpine and Nordic Centre (Pine Valley Resort) as have been presented and reviewed; and, direct administration to have legal counsel incorporate those revisions and amendments in a final draft lease agreement ready for signature.

Carried 7-0

**Lease Matter
#509/16**

MOVED by Deputy Reeve Marquette that Council rescind Council Motion #273/16 that suspended rent and tax payments pursuant to the Ski Hill Lease Agreement with DK Consulting.

Carried 5-0

MOVED by Deputy Reeve Marquette that, once the taxes and rent due under the Ski Hill Lease are paid to current, administration resume negotiations with the Lessee on a modified agreement.

Carried 5-0

The operator, DK Consulting Ltd. was consulted and eventually agreed to abandon the lease where DK Consulting Ltd. paid the county, in favour of an operating agreement where the county paid DK Consulting Ltd. The operating agreement which commenced on December 1, 2016 was a significant shift from what council had originally directed. The operating agreement contains the following provision for the county to pay an operating fee to the lessee, DK Consulting Ltd.:

ARTICLE 5 – MANAGEMENT FEE AND COSTS

5.1 Management Fee

The County shall pay to the Contractor the Management Fee as follows:

- (a) Sixty Thousand (\$60,000.00) Dollars for the period of December 1, 2016 to September 30, 2017, payable within thirty (30) days of the parties executing this Agreement;
- (b) Sixty Thousand (\$60,000.00) Dollars for the period of October 1, 2017 to September 30, 2018, payable on or before February 28, 2018;

The Management Fee is the sole compensation payable by the County to the Contractor to provide the Services and operation of the Facility.

Officials advised the inspectors that operating costs to the county had previously been in the range of \$200,000/year and therefore considered the \$60,000 annual payment/subsidy to the lessee to be a cost-efficient way of maintaining this high caliber recreation facility in the county.

Ski hill lease and tax payments were outstanding at December 31, 2016 totalling \$53,716.09. On January 10, 2017 council approved an extension for outstanding 2016 payments as shown in R#005/17 below. County records show that this amount was paid in full on March 20, 2017.

Lease Agreement Tawatinaw Valley Ski Hill:

#005-17 MOVED by Councillor Primeau that Council agree to extend the deadline from January 10, 2017 to January 31, 2017, for payment of outstanding lease and tax amounts by DK Consulting Services Ltd. relating to the 2016 Tawatinaw Valley Ski Hill Facility and Lands Lease Agreement.

Carried 6-1

On January 24, 2017 after reviewing the proposed operating agreement in camera, council agreed, in principle to proceed with an operating agreement based on Option #1, which was apparently presented during the in-camera portion of the meeting:

Tawatinaw Ski Hill Lease Operating Agreement:

#037/17 MOVED by Councillor Zadunayski; that Council approve, in-principle, proceeding with Option #1 to September 30, 2018 regarding the Tawatinaw Ski Facility Operator's Agreement as outlined in the in-camera report.

Carried 7-0

On February 28, 2017, council reviewed and approved the final operating agreement for the Tawatinaw Ski Facility, based again on Option #1, referencing an in camera report:

Operating Lease

071/17 MOVED by Councillor Primeau that Westlock County Council approve proceeding with Option #1 from the "in camera" report on the Tawatinaw Ski Facility Operator's Agreement with the condition that the operator's name be DK Consulting Ltd.

Councillor Massey requested a recorded vote.

For: Councillors Zadunayski, St. Louis, Marquette, Primeau and Reeve Savage

Against: Councillor Massey

Carried 5-1

The council resolution wording is vague, lacks transparency and does not give any description of financial implications associated with Option #1. As Option #1 was discussed in camera, there may not be a clear record of what it contained.

On April 11, 2017, council discussed whether or not the county should be in the business of operating and/or subsidizing a Ski Hill recreation area. At the time of this report, council members were split on the issue of operating or selling the local ski hill. Council unanimously agreed to put the issue to the public (R#121/17) and directed staff to prepare a series of plebiscite questions for council to review:

Notice of Motion – Plebiscite for Tawatinaw Valley Ski Hill Facility

121/17 MOVED by Deputy Reeve Marquette that Council agree to put the question about the future of the operation/sale of the Tawatinaw Valley Ski Hill to the electorate at the 2017 Municipal Election.

Initial



Initial



Carried 7-0

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122/17 MOVED by Councillor Massey that Council direct administration to prepare a series of questions for the plebiscite regarding the future of the Tawatinaw Valley Ski Hill and bring a report back on the matter for Council review at the May 9, 2017 Council meeting.

Carried 7-0

On May 9, 2017, council agreed on the wording of the “question to be placed on a ballot for the 2017 general municipal election” as follows:

Plebiscite Question(s) for Tawatinaw Valley Ski Hill Facility

188/17 MOVED by Councillor Primeau that Council approve the following question to be placed on a ballot for the 2017 General Municipal Election:

Knowing the operating cost impact of the Tawatinaw Valley Ski Hill on the annual operating budget, are you in favour of selling the Tawatinaw Ski Hill Facility regardless of whether it remains a ski hill or is used for different purposes? ___ Yes ___ No.

Carried 4-3

The MGA allows for a non-binding vote of the electors, as follows:

Electors to vote on a question

236(1) A council may provide for the submission of a question to be voted on by the electors on any matter over which the municipality has jurisdiction.

(2) A vote of the electors under subsection (1) does not bind council.

It is unclear how the county will communicate with residents to enable them to make an informed decision to vote on the ski hill question in October 2017. The “question” wording presumes that electors know the “operating cost impact” of the ski hill. The inspectors heard many emotional comments related to the ski hill throughout the inspection.

After reviewing the council decision-making for related to the ski hill property, it is apparent that the county suffered from weak council leadership during this term and poor administrative guidance, particularly in 2015 where shortcuts were taken and expert advice was not followed during the new chalet construction. Now, after acting in an improvident manner and creating a “messy” situation, it seems that the council is attempting to sidestep their leadership responsibility by having the public help them decide the matter.

Certainly, consultation options are valuable, but the question for electors in October 2017 may only be meaningful if the voters truly understand the complex issues and opportunities surrounding the ski hill facility. The huge effort to educate all voters on an issue is a key reason why local government relies on representative democracy with council decisions rooted in evidence-based expert advice.



Figure 20 - Tawatinaw Ski Hill and Chalet (a.k.a. Pine Valley)

9 CONCLUSION

Westlock County experienced significant disorder and instability over the recent council term. The inspectors are of the opinion that Westlock County has been managed in an irregular, improper, and improvident manner.

Poorly managed, high-profile capital projects reflected very poorly on county officials and will require significant leadership, expertise, and a dedicated effort to correct. Local taxpayers will ultimately absorb the financial burden of escalated project costs due to irregular practices in capital project management.

Increased role clarity is needed to restore proper order within the organization. This requires elected officials to exercise leadership by providing a strong vision, strategic direction, and consulting residents to determine priorities. A qualified and dedicated staff complement is required to implement the shared vision and strategic priorities *“when the rubber hits the road.”*

Aggressive interpersonal conduct has no place in any organization and is certainly condemned in a professional public office. Professional debate and respectful information requests should become normalized in council chambers in order to yield good fruit with a balance of trust, transparency and accountability.

The municipal inspection identified areas for improvement throughout the organization and several recommendations are provided. Implementation of these recommendations should serve the county well by providing a path to higher ground with a strong focus on legislative compliance and best practices.

10 APPENDICES – RECOMMENDATIONS SUMMARY

Recommendations are found throughout the municipal inspection report and a complete list of recommendations is summarized below. Recommendations are grouped in sections representing Governance, Administration/Operations and Finance. The context for each recommendation can be found in the associated section of the report that is referenced by the page number.

10.1 Governance Recommendations

#	Governance Recommendation	Page
G1	RECOMMENDATION FOR COUNCILLOR TRAINING: That all council members attend orientation training to understand their roles and responsibilities as elected officials; and that council members participate in ongoing professional development opportunities throughout the council term to strengthen their political leadership capacity.	16
G2	RECOMMENDATION FOR CODE OF CONDUCT REVIEW: That the council review, update and adhere to a Council Code of Conduct Bylaw; and ensure that this bylaw complies with the MGA.	18
G3	RECOMMENDATION FOR STRATEGIC PLANNING: That strategic plans be updated annually, including input from senior staff and public consultation.	22
G4	RECOMMENDATION FOR PERFORMANCE MEASURES: That administration develop meaningful performance measures to demonstrate how the use of budget resources have advanced strategic priorities.	22
G5	RECOMMENDATION FOR CAO PERFORMANCE EVALUATIONS: That the council review and update the template to provide a more meaningful annual written performance evaluation of the CAO when complying with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established through the annual strategic plan; and that the council obtain professional expertise to assist with the formal CAO performance evaluation process.	26
G6	RECOMMENDATION FOR COMMUNITY ENGAGEMENT: That council establish a community engagement strategy to effectively engage and inform citizens, business owners and local community groups.	24
G7	RECOMMENDATION TO UPDATE PROCEDURAL BYLAW: That council update the procedural bylaw to ensure that council conduct and meeting decorum follows a consistent, orderly, respectful process; and that public participation during meetings continue to only be permitted as formal delegations to council, or through formal public hearings.	33

#	Governance Recommendation	Page
G8	RECOMMENDATION FOR HANDLING PECUNIARY INTEREST MATTERS: That elected officials learn and abide by the pecuniary interest provisions of the MGA and consult with legal counsel as needed to ensure compliance with the MGA s. 170.	38
G9	RECOMMENDATION FOR HANDLING VOTING ABSTENTIONS: That council members review the MGA s. 183 to fully understand the requirement to vote or abstain; and that council members provide reasons for each abstention from voting; and that the reasons for abstaining are recorded in the meeting minutes; and when abstaining from voting, that council members leave the room until discussion and voting on matters of a pecuniary interest are concluded in accordance with the provisions of the MGA s. 172.	39
G10	RECOMMENDATION FOR COUNCIL COMMITTEES: That the council complete a review of council committees and council appointments to ensure that all council committees and/or other bodies are established by bylaw in accordance with the MGA, s. 145-146; and that related terms of reference for committee conduct and composition be developed where applicable.	42
G11	RECOMMENDATION FOR IN CAMERA AGENDA ITEMS: That council members keep private matters in confidence as required by the MGA s. 153.	44
G12	RECOMMENDATION FOR RESOLUTION CLARITY: That council resolutions are comprehensive, concise, and appropriately worded so that council actions are clear to the general public and future councils; and that exact resolution wording is understood and agreed to by all of council prior to the vote.	45
G13	RECOMMENDATION FOR ONLINE MINUTES: That draft council meeting minutes be made available to the public through the municipal website.	45
G14	RECOMMENDATION FOR BYLAW REVIEW: That the council authorize a bylaw review to ensure that local bylaws are established to serve the needs of the municipality; to correct irregular matters identified in fire services, records management, transportation, and borrowing; and to ensure compliance with the MGA and other legislation.	48
G15	RECOMMENDATION FOR POLICY REVIEW: That the council authorize a policy review to correct irregular matters and ensure that approved policies are consistent with the MGA; and that management and department staff be involved in policy reviews to ensure suitability with county operations.	51
G16	RECOMMENDATION FOR INDUSTRIAL LOT SALES REVIEW: That Westlock County officials seek legal counsel and financial advice to correct outstanding matters on industrial land sales and to formalize unsigned agreements.	91

10.2 Administrative and Operational Recommendations

#	Administration and Operations Recommendation	Page
A1	RECOMMENDATION FOR HUMAN RESOURCE MANAGEMENT: That the municipality engage qualified HR expertise to undertake an HR policy review, and conduct roles and responsibilities training for council and staff.	59
A2	RECOMMENDATION FOR DEVELOPMENT APPLICATION REVIEW: That additional resources for training and succession planning be committed to the planning and development department to ensure that the complexities of the LUB are well understood and can be properly applied to applications received; and that application forms used by the department be reviewed to ensure that the LUB required application information is clearly specified; and that site verification be incorporated as a standard component in the development application review process.	63
A3	RECOMMENDATION FOR ROADWAY MANAGEMENT PLAN: That council enable administration to conduct a comprehensive study to evaluate all road infrastructure; and based on that data, to develop a comprehensive roadway management plan to recommend strategies for ongoing maintenance, drainage control, vegetation controls, shoulder pulls, reconstruction projects, and load management.	84
A4	RECOMMENDATION FOR AXLE WEIGHT RESTRICTIONS: That council review and update the Traffic Control / Road Protection Bylaw 15-2012 to ensure appropriate axle weight controls are in place for local roads and bridges.	87
A5	RECOMMENDATION FOR CAPITAL PROJECTS: That the municipality seek professional advice and establish sound procedures in managing project tenders and securing funding for capital projects to ensure legal compliance and adherence with professional standards.	101

10.3 Financial Recommendations

#	Financial Recommendation	Page
F1	RECOMMENDATION FOR BUDGET PROCESS: That the municipality establish timelines for budget approval by yearend, and establish a meaningful process for public input on local budget priorities.	70
F2	RECOMMENDATION FOR FINANCIAL REPORTING POLICY: That council approve a financial reporting policy to specify the detail and frequency of financial reports to council in accordance with the MGA s. 208(k); and that accounts payable reports to council be discontinued where budgeted expenses are previously approved; and that the approval of accounts payable by the deputy reeve be discontinued.	76
F3	RECOMMENDATION ON FINANCIAL REPORTING TO THE PUBLIC: That additional financial reporting to the public be considered to communicate municipal performance and the accomplishment of strategic objectives.	77
F4	RECOMMENDATION FOR PROCUREMENT PRACTICES: That the municipality review procurement practices, procedures, and the purchasing policy to ensure that appropriate controls are in place for competitive purchasing of budgeted expenses; and to ensure that local procurement practices are consistent with the MGA, applicable trade agreements and other legislation.	79
F5	RECOMMENDATION FOR CAPITAL PLANNING: That the municipality develop a comprehensive long-term capital works plan to address existing infrastructure issues and identify new or upgraded infrastructure priorities.	83
F6	RECOMMENDATION FOR OFF-SITE LEVY: That Westlock County create an off-site levy bylaw to address off-site costs of municipal development.	92

**Photos in this report were taken by Strategic Steps personnel, unless otherwise stated.*