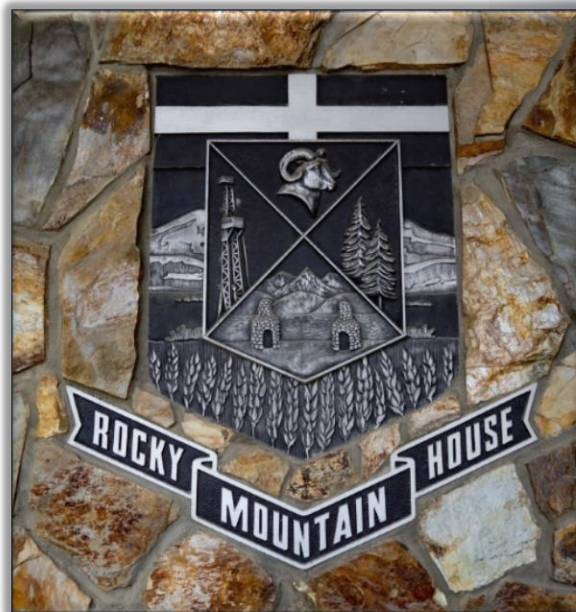


**August
2016**

**Town of Rocky Mountain House, Alberta
Municipal Inspection Report**



Strategic Steps Inc.
Sherwood Park, AB
780-416-9255



August 11, 2016

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

Re: Town of Rocky Mountain House, Municipal Inspection Report

Dear Minister Larivee:

An inspection has been conducted of the management, administration and operations of the Town of Rocky Mountain House, Alberta as directed by Alberta Ministerial Order No. MSL:020/16 approved on March 14, 2016.

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

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

Sincerely,

Strategic Steps Inc.

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Municipal Inspector
Town of Rocky Mountain House, Alberta

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1 EXECUTIVE SUMMARY

A municipal inspection has been conducted for the Town of Rocky Mountain House, Alberta as requested by the town council and further directed by the Minister of Alberta Municipal Affairs. The inspection found several areas for improvement in the processes and conduct of the town management, administration and operations. Several organizational and regional strengths were also evident.

The inspection mandate requires the inspection to determine whether the municipality is managed in an irregular, improper or improvident manner. The inspectors conducted a detailed, rigorous, independent inspection and several recommendations for improvements are provided. While some aspects of the municipality have been managed in an irregular manner, the inspectors are of the opinion that overall, the municipality is not being managed in an irregular, improper or improvident manner.

Significant ongoing strategic efforts were also evident and officials typically demonstrated good intent. Town officials and other stakeholders were cooperative throughout the process and provided the inspectors with relevant information. Community pride is evident and locals spoke highly of the many strengths of the area as a “*Gateway to the Rockies and the West Country*” and “*a town with a million-dollar name!*” This report contains several areas of affirmation in areas that are compliant with best practices and legislation.

A series of recommendations are identified for governance, administrative and financial matters to assist the municipality in moving forward towards full legislative compliance. Recommendations appear throughout the report following related sections and a full list of recommendations is summarized in Appendix 2. Some key recommendations include:

1. **Conduct Councillor Training**
2. **Update the Council Procedural Bylaw**
3. **Conduct a Core Service Review**
4. **Improve Financial Reporting**
5. **Review Planning Documents and Off-Site Levies**
6. **Improve Public Communications and Access to Bylaws**
7. **Establish Performance Measures and Communicate Results**
8. **Promote FireSmart Practices**

2 SCOPE OF MUNICIPAL INSPECTION

2.1 Legislative Basis for a Municipal Inspection

The Minister of Alberta Municipal Affairs ordered a municipal inspection in response to a resolution made by the municipal council of the Town of Rocky Mountain House, Alberta on October 6, 2015. This resolution was a formal request to the Minister of Municipal Affairs from the town council for a municipal inspection to be conducted in accordance with section 571 of the *Municipal Government Act*.

Alberta Ministerial Order No. MSL:020/16 was approved on March 14, 2016 where the Honourable Danielle Larivee, Minister of Municipal Affairs, appointed inspectors to conduct an inspection of the management, administration and operations of the Town of Rocky Mountain House pursuant to Section 571 of the *Municipal Government Act*¹ (MGA). Section 571 of the MGA is 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.*

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

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 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.

2.2 Petition

Prior to council's request for a municipal inspection, a local petition from the electors was circulated in the community from June 8 to July 17, 2015. The petition from the electors was received by the Minister of Municipal Affairs on July 20, 2015, as provided by the petition representative, Mr. Dale Shippelt. This petition contained the following petition statement:

The undersigned persons, being electors of the Town of Rocky Mountain House, in the Province of Alberta, hereby petition the Minister to conduct an independent examination of the affairs of the Town of Rocky Mountain House under Section 572 of the Municipal Government Act, specifically:

- 1. The affairs, management, administration and operation of the Town;*
- 2. The allocation and distribution of Town funds;*
- 3. The conduct of members of Council;*
- 4. The governance of the Town in the face of conflicts of interest;*
- 5. Abuse of power and positions by members of Council; and*
- 6. Failure of members of Council to consider the welfare and interests of the Town as a whole.*

Petition sufficiency criteria within the MGA requires a petition for an inquiry to be signed “*by electors of the municipality equal in number to at least 20% of the population*” (s. 572) within the 60-day period prior to filing the petition (s. 225). With an official population of 7,300 in Rocky Mountain House at that time, 1,460 eligible signatures were required for sufficiency. The petition contained 1,816 signatures, however, only 1,365 signatures could be verified as eligible electors. The petition was therefore declared insufficient. If a petition is not sufficient, *the council or the Minister is not required to take any notice of it* (MGA, s. 226.3).

Despite the insufficient petition, the Ministry conducted a preliminary review of the town in the fall of 2015. Prior to the completion of the preliminary review by Alberta Municipal Affairs, the Rocky Mountain House council formally requested a municipal inspection on October 6, 2015. The Minister responded by ordering a municipal inspection for the town.

2.3 Provincial Mandate and Inspection Process

Alberta Municipal Affairs called for proposals from qualified, independent consulting companies to conduct a municipal inspection of the Town of Rocky Mountain House through a competitive bid process. Strategic Steps Inc. was awarded the contract to provide inspection services of the town’s management, administration and operations, including creating a report to the Minister with details of the inspection findings.

The municipal inspection team conducted research, interviews and data collection from March to May 2016. After the research, interviews and data collection phase of the project, the inspectors followed local issues and remained available to receive further information from stakeholders until the final report was submitted to Municipal Affairs in August 2016. To summarize, the municipal inspection process included the following tasks:

1. Conduct stakeholder interviews, including:
 - Elected officials (current and former)
 - Chief Administrative Officer (CAO)
 - Various staff members (current and former)
 - Various members of the public
 - Residents
 - Business owners
 - Petition representative

- External stakeholders
 - Auditor
 - Provincial officials
 - Engineers
 - Planners
 - Various committee members
 - Officials from the neighbouring municipality
2. Research, review, and evaluate municipal records and processes, including:
- Bylaws
 - Policies
 - Council committees
 - Organizational structure
 - Process and procedures used to prepare for council meetings
 - Council's understanding of their role and responsibilities
 - The CAO's understanding of the role and responsibilities
 - Attendance at and evaluation of the conduct of council meetings
 - The process for preparing and approving council meeting agendas and minutes
 - A review of recent minutes
 - A review of key planning documents, bylaws and planning and development processes
 - The financial status of the municipality
 - The process of financial reporting to council
 - The budget process
 - A review of major proposed or active capital projects
 - A comparative analysis of the property assessment and tax rates with similar municipalities
 - Public engagement and communication policies and procedures
3. Prepare a written report to the Minister of Municipal Affairs on the inspection findings.
4. Present inspection report to the municipal council at a public meeting.

3 MUNICIPAL INSPECTION INTERVIEWS

The inspection process included a series of approximately 100 stakeholder interviews conducted in order to gather *qualitative* data and to develop an evaluative understanding of the recent events and local dynamic that exists in the community. Interviewees were asked consistent questions and the *quantitative* data provided was used to assess and summarize information themes presented by a fairly representative sample of the community population.

3.1 Internal Stakeholders

Several internal stakeholders were interviewed, including past and present elected officials, CAOs, and staff. These stakeholders provided firsthand knowledge of the recent actions of local officials.

3.2 External Stakeholders

External stakeholders such as auditors, provincial department staff, engineers, planners and regional committee members were interviewed. These external stakeholders provided professional knowledge and input on key issues affecting the municipality.

3.3 Local Residents and Business Owners

Several residents and business owners participated in the interview process and spoke directly to an inspector to provide their input and perspectives on current local issues. The inspectors set up a designated email address specifically for this municipal inspection to allow residents and other stakeholders to easily contact the inspectors. 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. The inspectors also advertised in the *Rocky Mountaineer*, a local newspaper, that they were available for interviews on a drop-in basis at the Lou Soppit Community Centre on May 12, 2016.

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 and businesses 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 linked to property owner information contained in the tax roll.

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 is more representative of the population and that the conclusions drawn from analysis of the sample will be valid⁵.

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>

4 LOCAL SETTING

4.1 Municipal Profile Information and Statistics

Rocky Mountain House was incorporated as a Village on May 15, 1913, and was incorporated as a Town on August 31, 1939. The town is surrounded by Clearwater County (pop. 12,278) as a rural neighbour, as well as the O'Chiese First Nation (pop. 1,108) and Sunchild First Nation (pop. 1,247). Rocky Mountain House participates in several regional service agreements that include the neighbouring Village of Caroline and Clearwater County.

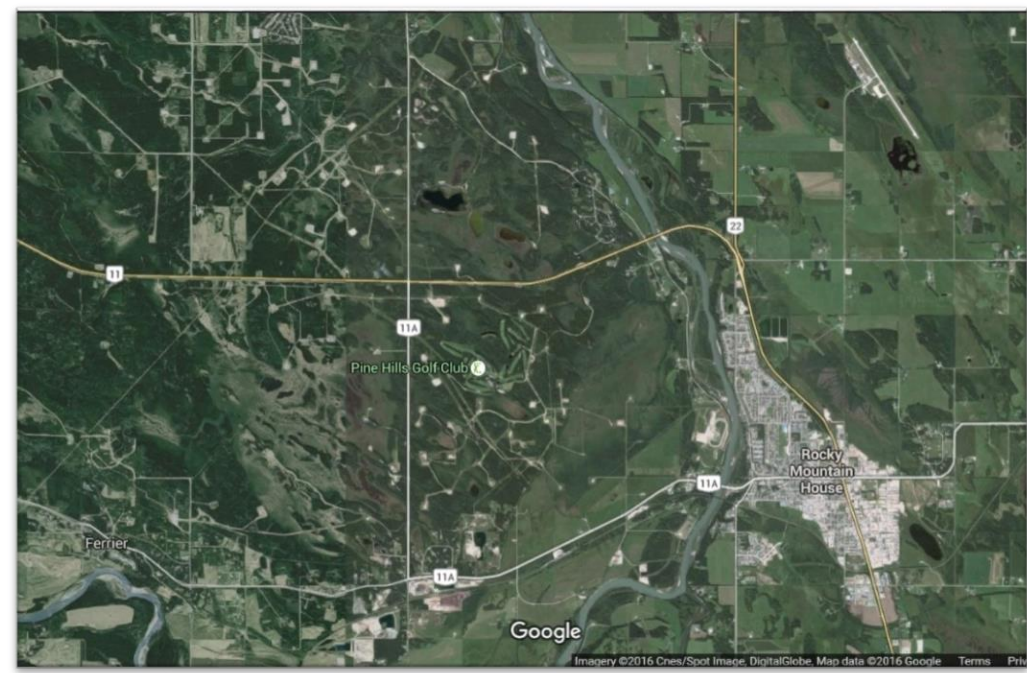
The current municipal profile⁶ and financial statement show the following statistics based on the most current available data from 2015 and 2014:

- 7 Member Council
- 55 Fulltime staff positions
- 7,220 Population (2015)
- 2,991 Dwelling units
- 1,294 Hectare land base
- 52 Kilometers of local maintained roads
- 52 Kilometers of water mains
- 48 Kilometers of wastewater mains
- 18 Kilometers of storm drainage mains
- \$ 18.585 Million in financial assets, including cash and temporary investments
- \$ 79.663 Million of equity in tangible capital assets
- \$ 648 Million in residential and farmland assessment
- \$ 209 Million in non-residential assessment
- \$ 13 Million in non-residential linear assessment
- \$ 8.57 Million in long term debt
- 45% of debt limit used

⁶ http://www.municipalaffairs.alberta.ca/mc_municipal_profiles

4.2 Geography

The Town of Rocky Mountain House is situated 80 km west of Red Deer, Alberta near the intersections of provincial highways 11, 11A, 12, 22, and secondary highways 598 and 752 as shown in the following maps:



MUNICIPAL INSPECTION FINDINGS

5 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).

5.1 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 (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 (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.

5.2 Council Structure

The Town of Rocky Mountain House is governed by a seven-member council (six councillors and a mayor) elected at large by a vote of the electors of the whole municipality in accordance with the MGA s. 147. The council holds regular council meetings twice per month and special meetings as needed. The council holds Policies, Procedures and Priorities committee (P3) meetings once per month.

The mayor is the chief elected official and is elected by a vote of the electors of the whole municipality in accordance with the MGA s. 150. Councillors are appointed as deputy mayor (deputy chief elected official) by council resolution in accordance with the MGA s. 152, and rotate through eight month terms such as outlined at the October 29, 2013 organizational meeting.

A *municipal* Chief Elected Official 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’s powers of policy-making and administration are subordinate to the council*”.⁷

Regardless of the official titles of elected officials, 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.

The mayor and councillor positions collectively serve as part of the whole council. 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.

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

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

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.*

5.3 Elections

The *Local Authorities Election Act* (LAEA) specifies the qualifications of candidates seeking elected office as follows:

Qualification of candidates

21(1) *A person may be nominated as a candidate in any election under this Act if on nomination day the person*

(a) is eligible to vote in that election,

(b) has been a resident of the local jurisdiction and the ward, if any, for the 6 consecutive months immediately preceding nomination day, and

(c) is not otherwise ineligible or disqualified.

Additional legislative provisions exist through the *Local Authorities Election Act*, regarding the trial of an election in s. 126(1) below:

Trial of an election

126(1) *If the validity of an election of a member of an elected authority or the member's right to hold the seat is contested, or if the validity of a vote on a bylaw or question is contested, the issue may be tried by the Court.*

The 2013 election and subsequent by-elections were not contested within six weeks and no judicial review was sought. Therefore, it is assumed that the current council members were properly elected in accordance with the provisions of the *Local Authorities Election Act* and the *Municipal Government Act*.

The October 2013 general municipal election and subsequent by-elections held on January 1, 2014 and June 10, 2015 resulted in the following candidates being declared elected in accordance with the LAEA s. 95. The following individuals served on municipal council for the town of Rocky Mountain House during the 2016 municipal inspection:

- Mayor Fred Nash
- Councillor Jason Alderson (elected in June 10, 2015 by-election)
- Councillor Tammy Burke
- Councillor Sheila Mizera (elected in January 15, 2014 by-election)
- Councillor Randall Sugden
- Councillor Manfred Ullmann
- Councillor Donald Verhesen

5.4 Council Orientation

Newly elected Rocky Mountain House council members received council orientation at the beginning of the 2013-2017 term. This orientation was completed internally, led by the CAO who compiled a “new council information binder” with strategy documentation, key bylaws, agreements, pecuniary interest details and roles and responsibilities information. New council members also received orientation from internal resources following the 2014 and 2015 Rocky Mountain House by-elections.

External subject matter experts were not retained to augment the council orientation process and enhance the council-CAO teambuilding process. When new team members are brought on in any organization, there is an opportunity to advance teambuilding efforts through orientation. This also provides for a valuable refresher for any incumbent members.

RECOMMENDATION FOR COUNCIL ORIENTATION: That Rocky Mountain House council retain external subject matter experts in addition to internal resources for council orientations following elections and by-elections in order to expand the professional scope of the orientation and to allow the CAO to participate in the teambuilding opportunity.

5.5 Organizational Meetings

The MGA requires municipalities to hold annual organizational meetings in accordance with s. 192 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.

Organizational meetings are expected to be limited to the following agenda items according to standard practices and guidelines⁹ 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 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.

The inspection found that the Rocky Mountain House council held organizational meetings within the timeframe legislated by the MGA. The agenda and meeting minutes could be improved by showing the council member committee appointments to be consistent with standard practices, rather than passing an uninformative resolution “*to approve the council committee structure.*”

RECOMMENDATION FOR ORGANIZATIONAL MEETINGS: That Rocky Mountain House council conduct organizational meetings in accordance with recommended guidelines provided by Alberta Municipal Affairs, including all council committee appointment details.

5.6 Council Committee Structure

Rocky Mountain House council participates in a monthly Council Committee of the Whole meeting called a ‘Policies, Procedures and Priorities Committee’ (P3) meeting. Additionally, elected officials participate in several internal, external, and intermunicipal committees. The October 20, 2015 Organizational Meeting minutes do not contain a comprehensive, descriptive list of council committee appointments, only a resolution approving the ‘Council Committee Structure’. The ‘Council Committee Structure’ provided to the inspectors, identifies various committees as shown below:

1. Admin. Executive Committee
2. Airport Commission
3. Canada 150 Planning Committee

⁹ 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. Central Alberta Economic Partnership (CAEP)
5. Central Alberta Mayors and Reeves
6. Clearwater Community Policing Advisory Committee (CCPAC)
7. Clearwater County High Speed Internet Standing Committee
8. Clearwater Housing Steering Committee (CHSC)
9. Clearwater Regional Emergency Management Agency (CREMA)
10. Canadian National Railway/Central Alberta Municipalities Community Advisory Panel
11. Community Futures
12. Family and Community Support Services (FCSS)
13. Hospital Committee
14. Inter-municipal Collaboration Committee
15. Inter-municipal Development Plan (IDP)
16. Japan/Alberta Twinned Municipalities Association
17. Library/Parkland Library
18. Municipal Planning Commission (MPC)
19. Museum/Operations Committee
20. North Saskatchewan River Park (NSRP)
21. Parkland Community Planning Services (PCPS)
22. Physician Recruitment
23. Recreation, Parks, and Community Services
24. Regional Fire Committee
25. Rocky Community Learning Council
26. Rocky Seniors' Housing Council
27. Rural Alberta Business Centre (RABC)
28. School Resource Officer
29. Spray Park Committee
30. Subdivision Development Appeal Board (SDAB)
31. Waste Authority
32. Youth Advisory Committee

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.

Rocky Mountain House has some bylaws establishing council committees and boards, such as a Library Board Bylaw No. 04/08V, and F.C.S.S. Board Bylaw No. 83/15, however, local committees were not consistently established by bylaw. For example, council passed a resolution in an attempt to establish the Downtown Steering Committee at the August 2, 2011 regular council meeting, as follows:

5.4 Main Street Steering Committee – Brad Dollevoet

Moved by Councillor Verhesen to endorse the creation of the Main Street Steering Committee to be made up of business property owners located on Main Street (50 Street) in partnership with the Planning and Community Development Department to establish a plan and vision. Carried.

Records show that some committees lacked detailed terms of reference and reporting requirements to guide, direct and provide oversight to committee initiatives. In the following example from the April 1, 2014 regular council meeting, minutes show that the Affordable Housing Committee exists, but the town is unclear on the status:

7.3b Affordable Housing Committee – Role Clarifications

Chief Administrative Officer reported to Council that Administration is in the process of researching the status of the Town's involvement with affordable housing and will report to Council at future regular council meeting.

These examples show that Rocky Mountain House council acted in an irregular manner by establishing committees without a bylaw as required by the MGA.

RECOMMENDATION FOR COUNCIL COMMITTEES: That Rocky Mountain House council authorize a review of council committees to ensure that all council committees and or other bodies are established by bylaw in accordance with the MGA, s. 145; and that related terms of reference for committee conduct and composition be developed.

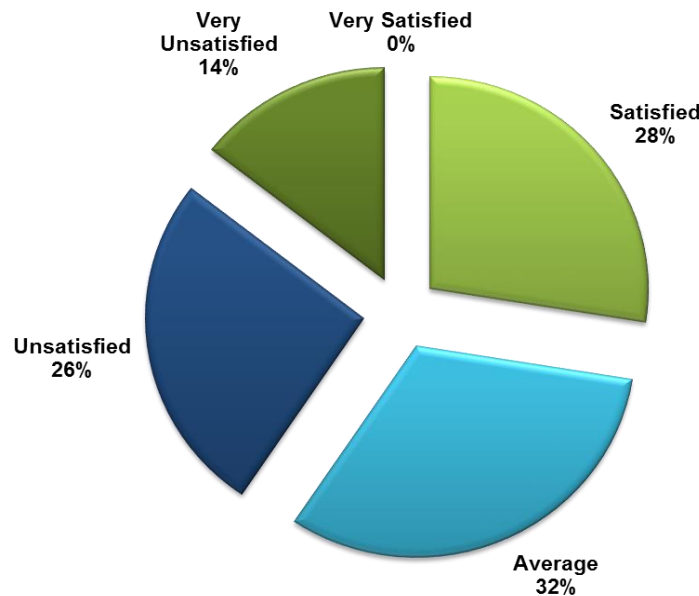
5.7 Council Leadership

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 representatives serving the community. These people have, or are expected to quickly acquire, 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 regulating development to serve local needs and build a vibrant, sustainable community by accomplishing strategic objectives.

During the inspection interviews, stakeholders were asked to rate the recent leadership shown by the Rocky Mountain House council. The results are illustrated in the chart below. This chart shows that approximately 60% of respondents indicated that they were satisfied or somewhat satisfied with council's leadership over the past two years. Approximately 40% of respondents indicated that council has not been providing satisfactory leadership.

Satisfaction with Leadership Shown by Council Over the Past Two Years



5.7.1 Core Service Review

The inspection found that the town could benefit from a high level review of core service delivery to create an inventory of services and categorize them in themes such as critical, preferable, or unnecessary. This would ensure that the types of services, means of delivery and volume are appropriate, efficient and effective in meeting the current needs of the community.

Town records show that service reviews have been completed for certain town departments in the past and that a service review/performance review model is a current strategic objective, targeted for completion in February 2017, according to the Rocky Mountain House [2016 Corporate Plan](#). A comprehensive core service review for the town would highlight services that are either critical to the viability of the town or poorly aligned with municipal purposes set out in the MGA s. 3.

A core service review can consume a lot of senior staff time and although their participation is needed and building internal evaluation capacity should be encouraged, senior staff should not be tasked with leading a core service review. Self-evaluation results contain limited value if they lack objectivity. The use of external resources can ensure that a

dedicated, timely effort is applied to the process, external expertise is accessed, and that results and recommendations are unbiased.

Internal department procedures could be developed and strengthened to increase the responsiveness of frontline staff. For example, stakeholder comments were received about inconsistencies in booking ice times at the arena and a complicated process to receive a refund for a swimming class that was cancelled. In some instances, it was reported that the town services were not meeting the needs of the user groups, such as locking public washrooms at 8:00 p.m. when ballgames were scheduled to start at 8:05 p.m. These examples signal that internal procedures could be improved to benefit the end-users of services and to promote consistent, professional municipal service delivery.

With knowledge of core services and agreement on strategic directives, leaders can respond appropriately to focus resources in core areas. This includes recruiting and retaining talented staff to implement strategic objectives.

RECOMMENDATION FOR CORE SERVICE REVIEW: That the Rocky Mountain House council undertake a core service review to analyze town services and ensure that resources are focused in key areas.

5.8 Strategic Planning

Strategic planning is one of the key ways in which a municipal council identifies its priorities for the future, typically with some 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 allows the civic administration to be clear on council's priorities and align resources to those priorities through the budgeting process.

Records show that Rocky Mountain House officials made significant efforts to understand community needs and to advance strategic initiatives from a broad, corporate perspective, regional perspective, as well as in various defined service delivery areas. The following is a summary of recent municipal strategy documents impacting the town's strategic direction:

- 2016 Corporate Plan and Strategic Priorities
- 2016 Service Level Changes Summary and Budget Impact
- 2016 Communications Policy
- 2016 Proposed Trails Development and Implementation Plan

- 2016 Rocky Mountain House CYRM Airport Development Plan
- 2016 Clearwater Regional Fire Service Review
- 2016 Governance & Operations Review, Rocky Mountain Regional Solid Waste Authority
- 2015 Sustainability Strategy, Self-Assessment Questionnaire
- 2015 Organizational Self-Assessment Scan
- 2015 Clearwater Regional Fire Rescue Services (CRFRS) Financial & Operational Review
- 2015 Central Alberta's Tourism Destination Management Plan
- 2015 Utility Master Plan, based on the IDP and future land uses
- 2014 Arena Master Plan
- 2014-2017 Strategic Plan for Clearwater Regional Family and Community Services
- 2014 Clearwater Area Regional Cooperation Work Program
- 2013 Town Vision Statements
- 2013 Stronger Together, An Intermunicipal Collaboration Framework
- 2013 Recreation, Parks and Community Services, Level of Service Review
- 2013 Agriculture Industry Profile, Rural Alberta Business Centre
- 2013 Oil and Gas Industry Profile, Rural Alberta Business Centre
- 2013 Tourism & Hospitality Industry Profile, Rural Alberta Business Centre
- 2012-2015 Economic Development Strategy
- 2012 Town Development Process Evaluation and Consultation
- 2011 Municipal Development Plan (MDP)
- 2011 Architectural Guidelines
- 2011 South West Area Structure Plan
- 2010 Community Sustainability Plan
- 2010 Affordable Housing Needs Assessment
- 2009 Community Services and Community Facilities Needs Study
- 2009 Land Supply and Growth Study
- 2008-2010 Strategic Plan with Eight Strategic Directions
- 2007 Rocky - Clearwater Intermunicipal Development Plan (IDP)
- 2002 North Saskatchewan River Park Development Concept Master Plan

Two of Alberta's municipal associations, the AUMA and 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 the recommended municipal strategic plan is solidly based on five *Dimensions of Sustainability*, as follows:

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

The town's 2010 Community Sustainability Plan mirrors the above recommended five dimensions (pillars) of sustainability. This is in accordance with best practices for municipal sustainability planning. The complementary 2008-2010 Strategic Plan identifies eight specific strategic directions for the community:

1. Ensure the town is an engaging and empowering organization
2. Study, review, update and prioritize community needs to assist in decision-making
3. Maintain and improve current levels of service, while researching and implementing efficiencies of service delivery
4. Work within guidelines and principles of sustainability; establish viable partnerships that ensure services and programs which enhance the well-being of the community
5. Design and develop sustainable facilities for the continued growth and enjoyment of Rocky Mountain House
6. Facilitate the development of an affordable housing strategy, partnering with private enterprise, social agencies and the provincial and federal governments
7. Develop the North Saskatchewan River Park (NSRP) promoting sporting and agriculture activities and community events
8. Recognize the heritage and tourism potential of the region

The council reviews the progress on the strategic plan at each regular council meeting through a report prepared by the CAO. A regular review of the strategic plan progress is recommended, however, reviewing progress twice per month is excessive since strategic initiatives are often slow-moving.

The town has developed the following vision:

“An Outstanding Organization that Cooperatively Serves the Needs of our Community”

And mission statement:

“To responsibly govern and operate the Town of Rocky Mountain House”

These noble statements were seldom broadcast publicly, such as on meeting agendas, newsletters, website homepage, in meeting rooms, or on business cards. The town vision was included as part of the CAO’s standard email signature line. The town motto *“Where Adventure Begins!”* was promoted more often. It is recommended that the town take opportunities to promote the local vision and mission statements more widely.

The 2016 Corporate Plan is publicly accessible on the town website, and contains good departmental information, however, it has a choppy, unpolished appearance since it is largely in an Excel-based table format and this makes it difficult for the average person to follow and interpret. Rocky Mountain House has over 30 strategy-related documents and reviews as summarized above and could benefit from a consolidation and definition of key strategic planning initiatives. In addition, more clear, outcome-based, achievable performance targets could be developed that link to the annual budget process with specific financial resources allocated to strategic priority areas. Current performance measurement efforts appear to be limited to tracking completion of council resolution actions.

Stronger communication with residents is needed. Best practices in municipal sustainability planning include consultation with residents in developing a vision and strategic plans, establishing meaningful performance targets and then closing the loop to regularly (i.e. annually) communicate performance results to the public in a manner that is easily understood.

RECOMMENDATION FOR STRATEGIC PLANNING: That Rocky Mountain House council update and consolidate strategic planning documents in consultation with the community.

RECOMMENDATION FOR PERFORMANCE MEASURES: That Rocky Mountain House administration develop meaningful performance measures that demonstrate how the town’s budget resources have advanced local strategic priorities.

RECOMMENDATION FOR COMMUNICATIONS: That Rocky Mountain House council allocate resources to improve communication with the community by tracking and preparing an annual report that outlines performance measures.

5.9 Bylaws

The inspection included a review of municipal bylaws. Bylaws were found to be properly passed according to 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 (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.**

Town bylaws and council meeting minutes show that the passing of bylaws followed a correct procedure in accordance with the MGA. An example is shown in the following excerpt from the April 19, 2016 regular council meeting minutes:

6.3 Mill Rate Bylaw 16/06F

Moved by Councillor Verhesen to provide **first reading** of Bylaw 16/06F - 2016

Millrate.

CARRIED.

Moved by Councillor Burke to provide **second reading** of Bylaw 16/06F- 2016 Millrate.

CARRIED.

Moved by Councillor Ullmann to give permission for third and final reading of Bylaw 16/06F - 2016 Millrate.

CARRIED UNANIMOUSLY.

Moved by Councillor Alderson to provide third and final reading of Bylaw 16/06F- 2016 Millrate

CARRIED

The inspectors noted that the town bylaws were organized, signed and stored securely in accordance with legislative requirements in the MGA. Town bylaws are categorized by Financial (F), Land Use (LU), and Various (V) as a local organizational preference. This segregation is uncommon and may be problematic if bylaws span more than one category. Town bylaws follow a logical numbering format that recognizes the year and the category, such as, 'BYLAW 16/01F'. Staff maintain a detailed bylaw index to clearly show if the bylaw was current, amended, defeated or rescinded.

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.

Town bylaw amendments followed a proper procedure to be made in the same way as the original bylaw was passed. An example is Bylaw 16/02V to amend Bylaw 15/12V which received first and second readings on January 19, 2016 and was passed after third reading at the February 2, 2016 regular council meeting. Third and final reading is shown as follows:

BYLAW(S)

Bylaw 16/02V – Revision to Bylaw 15/12V Schedule A Rate & Fee Structure

Moved by Councillor Alderson to give **third reading** to Bylaw 16/02V to amend Schedule 'A' of Solid Waste Bylaw 15/12V.

CARRIED.

When bylaws are struck, replaced or discontinued, the terminology of “repeal” should be used. Rocky Mountain House bylaws currently refer to “rescind” terminology, which is not consistent with the MGA. Rescind is a proper term when referencing council resolutions that

are discontinued, such as rescinding a resolution to give a reading to a bylaw, but “rescind” is not the most proper term to *repeal* a bylaw.

Another inconsistent term was used for the passing of a property tax bylaw. The town refers to this bylaw as a “mill rate bylaw”, which is close, but not exactly consistent with the *property tax bylaw* wording in the MGA s. 353(1), as follows:

Property tax bylaw

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

The intention of the council is understood; however, it easy and recommended that local actions and bylaw wording be consistent with the MGA to avoid any confusion.

Town bylaws do not consistently contain a title, although some bylaws do, such as Bylaw 15/12V stating “*This Bylaw may be cited as the Solid Waste Bylaw.*”

RECOMMENDATION FOR BYLAWS: That Rocky Mountain House council pass and repeal bylaws using wording that is consistent with the MGA; and that bylaws be given a formal title for ease of reference.

5.9.1 Public Access to Town Bylaws

Public expectation and current best practices provide for active bylaws to be available electronically. The inspection found that not all active bylaws were publicly accessible on the municipal website. The following screenshot from the Rocky Mountain House website (taken June 8, 2016) shows only a small sample of 16 bylaws, with the most recent being the 2015 Mill Rate Bylaw:



The online presentation format of the bylaw listing could be improved to be more inviting, comprehensive and easier to follow with the most recent bylaws presented at the top of the page in reverse chronological order. Council passes bylaws as part of their broad authority to govern (MGA s. 9). It is expected that the online bylaw list would be found under the “council” section of the town website, rather than the “corporate services” section as currently presented. A reference to “bylaws” or a related link is noticeably absent from the council section of the town website as shown in the screenshot (taken June 8, 2016) below:



RECOMMENDATION FOR BYLAW ACCESS: That Rocky Mountain House council and administration improve public access to town documents; and that active and proposed bylaws be made readily accessible to the public on the town website.

5.10 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 on the town, 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.*

Rocky Mountain House council has approved several policies over the years, such as the following:

- 001/2013 Personnel policy
- 003/2014 Event Grants/Funding for Sports and Cultural Organizations policy
- 009/2014 Ice Allocation policy
- 014/2014 Reserves policy

Some policies have been updated with an amendment, such as the Personnel Policy 001/2013 which has a new section as an 'amendment' located in a separate policy No. 001/2014. Consolidating policy amendments is recommended to avoid confusion between past and current versions. Like a bylaw amendment, updated or amended policies should be consolidated with the original policy to ensure that the document is comprehensive and incorporates all amendments for clarity of reading and interpretation.

Town council has also demonstrated an irregular practice of using a policy where a bylaw was needed. For example, the July 21, 2015 regular council meeting minutes refer to a regional Service Fees/Rates Policy, as shown below:

FIRE

7.5 Revised Clearwater Regional Fire Rescue Services (CRFRS) Fees for Service Standard Operating Guidelines (SOG) (Policy)

Moved by Councillor Ullmann that Council approve the Clearwater Regional Fire Rescue Services (CRFRS) Service Fees/Rates Policy No. SOG-04-08-1-03-15 as presented and rescind the old fees policy. Carried.

Using a policy to establish fees is an irregular matter since the MGA s. 7(f) requires that “services provided by or on behalf of the municipality” for municipal purposes be authorized by bylaw, not by a policy. Further, having a bylaw in place is required to add any unpaid fire service costs to the tax roll of a parcel of land in accordance with the MGA s. 553(1)(g).

Council also tried to establish recreation fees by resolution. The January 19, 2016 regular council meeting minutes show that council approved the recreation rates by resolution:

RECREATION

7.3a Recreation Fees and Charges 2016 Rates and Fees

Moved by Councillor Sugden to approve the Recreation Rates for 2016 as presented and approved by the Recreation Board.

CARRIED.

This is an irregular matter since the MGA requires that fees be established by bylaw. The local recreation board is established by council, and therefore council has the authority to approve and set fees and charges by bylaw, not by a resolution.

RECOMMENDATION FOR BYLAW AND POLICY REVIEW: That Rocky Mountain House council complete a review of current bylaws and policies; and to establish a comprehensive master rates bylaw to set fees and charges for services in accordance with the MGA.

5.11 Political Capacity and Council Relationships

Diversity of opinion among and between individual council members is a fundamental tenet of local government. Municipal council members are elected individually, required to vote individually and to participate individually, as part of a collective whole rooted in democratic principles of majority-rule.

Inspectors attended the April 5 and April 19, 2016 regular council meetings and observed the current political dynamic on Rocky Mountain House council. Council members seemed well-prepared and exercised a reasonable amount of probity on agenda items with a general atmosphere of respectful debate in a professional environment. Progress on strategic initiatives was presented at each meeting as a standard part of the council’s regular meeting agenda.

As a local governance body, the Rocky Mountain House council appeared to have a sufficient level of political capacity to fulfill its governance role. Several stakeholders referred to an “*Old Boy’s Club*” mentality on council, although this was not observed.

During the time of the inspection, it was noted that personal differences occasionally crept into council chambers, sometimes followed by emotional emails broadcasted to the rest of council. If unchecked, this unhealthy tactic could interfere with council meeting conduct.

An issue surfaced in July 2016 where Councillor Mizera and Councillor Ullmann wrote a letter to Mayor Nash expressing their concern for being “blindsided” by a Clearwater County initiative to work with Alberta Health Services to provide paramedic training to local volunteer firefighters. As town representatives on the Clearwater Regional Fire Rescue Services committee, Councillors Mizera and Ullmann apparently took exception to the fact that they were not informed of this initiative before reading about it in the local newspaper.

The above noted letter to Mayor Nash was received by the regional fire chief and reportedly was not received by the town. This issue points to the need for improved communications internally and regionally. This example also emphasizes that officials need to be reminded of the following protocols:

1. Town officials have no authority in the county or other jurisdictions.
2. Elected officials need to remove themselves from operational matters.
3. Elected officials are advised to discuss concerns and debate issues with tactful respect, rather than a tone of critical attack.

Council is reminded to guard their political capacity with adherence to respectful, professional conduct in order to accomplish good things for the community. Like the adage that loggers need to sharpen their saws, ongoing council teambuilding efforts are needed as well as refresher training on council roles and responsibilities to strengthen professional meeting conduct, decorum and chairmanship.

RECOMMENDATION FOR COUNCILLOR TRAINING: That Rocky Mountain House council members attend regular teambuilding events, meeting decorum training, and roles and responsibilities refresher training opportunities to strengthen their political capacity to work together as a council.

5.11.1 Council-CAO Relationship

Research, interviews and documentation showed that the Council-CAO relationship was quite strong and that lines of communication were kept open to discuss concerns and build rapport.

5.11.2 Council-Staff Relationships

Interviews showed that certain council members struggled to keep a professional distance from staff. Among examples cited, one was provided where, in the presence of other staff, a council member invited and took a clerical staff member out for lunch.

It is commendable that a friendly rapport can exist in the municipal political environment, however, council members need to understand the optics and potential problems with personal friendships with staff. Individuals need to be aware of their intentions as true friendship, without improper conduct or ulterior motives that could blur the lines of reporting between staff and council members or damage the organization and the political capacity of the council.

5.11.3 Council Performing Administrative Duties

The MGA s. 201(2) states that a council must not perform administrative duties, as follows:

(2) A council must not exercise a power or function or perform a duty that is by this or another enactment or bylaw specifically assigned to the chief administrative officer or a designated officer.

The MGA s. 153(1) also requires council members to obtain information from the CAO, as follows:

(d) to obtain information about the operation or administration of the municipality from the chief administrative officer or a person designated by the chief administrative officer;

There were many examples where council members did properly abide by the above legislative provisions. On one example, however, a councillor exercised improper conduct where they inappropriately took an operations supervisor on a tour of town to communicate priority areas.

Council's energy must remain focused at a strategic leadership level. Although potholes are interesting and very tangible, council members need to stay out of the 'weeds' and consider broad policies rather than the minutiae of municipal operations. If council members keep a conscious effort to remain focused on governance (policy, strategy and vision) they will likely not be tempted to delve into administrative matters.

RECOMMENDATION FOR COUNCIL TO AVOID ADMINISTRATIVE FUNCTIONS: That Rocky Mountain House council refrain from performing administrative duties in accordance with the provisions in the MGA s. 201(2).

5.12 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.

The inspection found that the Rocky Mountain House council did fulfill the legislative requirement to conduct annual performance evaluations of the CAO in recent years. Occasionally the evaluation was delayed, such as the 2015 CAO performance evaluation being completed in May 2016.

The performance evaluation format has varied widely over recent years from a more casual summary to a more formal evaluation format. The 2015 performance evaluation is based on a format from the [AUMA website](#) where toolkits and templates are available to provide guidance in the performance evaluation of a municipal chief administrative officer.

Past evaluations hold common themes of leadership, relationships and performance. This is a valuable thought-provoking generic base, however, an improvement can be made to make the evaluation more location-specific by linking the CAO performance evaluation to the accomplishment of council's strategic goals and objectives for the community as outlined in the town's strategic plans.

Certain performance indicators used recently should also be reconsidered, such as evaluating the CAO on the community's public perception of the council. A CAO can certainly promote a respectful, positive image of a council. A CAO is not the final arbiter on public opinion, however, and there are many moving parts to this dynamic that are beyond the control of the CAO.

Being elected to a municipal council does not require members to become *de facto* experts in all areas. Rather, council members should do their part through policy and budget allocations to attract and retain well qualified staff. 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.

Rocky Mountain House council could benefit from external advice and guidance in the CAO performance evaluation process. Involving an independent professional can help to remove emotions from the process and deal with facts of employee performance. An external expert can serve as council's resource person to summarize council's feedback and ensure that the process meets the annual legislative requirement, and incorporate relevant performance targets for accomplishment of council's strategic goals.

RECOMMENDATION FOR PERFORMANCE EVALUATIONS: That Rocky Mountain House council provide annual written performance evaluations of the town's CAO in accordance with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established in conjunction with the strategic plan; and that the council obtain qualified expertise to assist the council with the formal CAO performance evaluation process.

5.13 Council Remuneration

Rocky Mountain House council members are compensated for a monthly meeting allowance, travel, subsistence and out-of-pocket expenses associated with meeting attendance according to the October 20, 2015 Council Remuneration Bylaw No. 15/13V. Bylaw sections show that monthly allowances of \$1,568.89 and \$92.93 are paid to the mayor and deputy mayor respectively. In addition, all council members, including the mayor and deputy mayor are paid \$142.14 for each council meeting that they attend. The bylaw does not specifically show a standard monthly allowance provided to councillors performing their duties, which appears to be an omission or grammatical error. See the excerpt below:

2. That a monthly allowance of **One Thousand Five Hundred & Sixty Eight Dollars & Eighty Nine Cents (\$1,568.89)** be paid for service and for attending and performing the duties of Mayor.
3. That a monthly allowance of **Ninety Two Dollars & Ninety Three Cents (\$92.93)** be paid for service and for attending and performing the duties of Deputy Mayor.
4. That the sum of **One Hundred and Forty Two Dollars & Fourteen Cents (\$142.14)** be paid to the Mayor and each Councillor attending meetings of the Council of the Town for each properly constituted meeting so attended.
5. That the Mayor and each Councillor, in addition to Section 4, shall be paid a further **One Thousand and Ninety Eight Dollars & Seventy Six Cents (\$1,098.76)** for attending various committee meetings and functions on behalf of the Town.

Section five of the council remuneration bylaw shows that all members of council are paid a flat amount of \$1,098.76 for attending various committee meetings and functions. The bylaw wording could be improved and is somewhat ambiguous and inconsistent. For example, the bylaw states that the mayor and deputy mayor receive specific remuneration for performing their *duties as elected officials*, but councillors receive a flat amount *for committee meetings and functions*.

All council members are paid if they attend council meetings, according to section four of the council remuneration bylaw. This compensates council members for their time and provides an added financial incentive to attend meetings. Committee meeting remuneration appears to be treated differently, with a flat amount provided to all members of council regardless of their committee workload or attendance.

During the inspection process, further lack of clarity in the council remuneration was evident where some council members were debating the appropriateness of a certain lunch meeting expense. The trivial nature of this discussion signals that a policy tool (remuneration bylaw) needs to be sharpened; and that one council member seemed to use the opportunity to attack and question another council member. The debate occurred largely by email, outside council chambers which is an improper forum.

RECOMMENDATION FOR COUNCIL REMUNERATION REVIEW: That Rocky Mountain House council review and update the council remuneration bylaw and complete a review of council remuneration practices to establish a process wherein council members are fairly compensated for council and committee meetings and related functions that they attend.

5.14 Council Conduct and Meeting Decorum

Municipal councils are expected to display a certain level of formality during proceedings and in how members interact with each other. Decorum requirements identified within the council procedural bylaw are expected to be followed. Council meeting decorum could be improved by applying greater formality during council meetings. Rocky Mountain House council members were observed to regularly address each other by first names during meetings, and to address each other and the gallery directly without always channelling discussions through the meeting chair.

Several aspects of decorum strength were observed during council meetings as well, such as the following observations from the inspector while attending the April 5, 2016 regular council meeting:

- Debate was respectful, council members raised their hands to be acknowledged by the chair; all members participated in debate; members appeared comfortable
- Mayor chaired the meeting actively, allowing all council members to speak on the issues, encouraged council to stick to the agenda by saying *"I'm glad we had this discussion, but we need to get back on track"* when council debate strayed at times
- Mayor confirmed that council had their questions answered before voting
- CAO provided procedural advice to council, when asked, such as advising that council is able to amend a bylaw after first reading if they desire, pending input from the public hearing
- Mayor reminded council that it is the council's job to give direction to administration after certain councillors were hesitant to give first reading on an animal control bylaw
- Council generally asked thoughtful questions, appeared to consider the issues at hand with a good degree of probity, careful thought to decisions, considered the applicability of the actions, such as enforcement of animal control bylaw; good ideas shared during debate
- Staff spoke with confidence on issues and staff recommendations; it was apparent that staff had strong working knowledge of the issues within their operating environment; Staff addressed council respectfully, however, they didn't always respond to councillor comments through the Chair
- Staff recommendations were presented in an appropriate, consistent, succinct format

Interviewees who had attended council meetings in the past two years (see section 5.7) were asked to rate the level of professionalism observed in the council meeting process. The chart below reflects that nearly 70% of respondents rated the level of professionalism in the council meeting process as average or better. Approximately 30% of respondents indicated that the council meeting process was not professional.



5.14.1 Council Acting by Bylaw or Resolution

The MGA is very specific on the *Council Proceedings Requirements for Valid Action* where a council may act by resolution or bylaw in a public meeting with a quorum present, as follows:

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.

The inspection found that Rocky Mountain House council occasionally acted in an irregular manner outside of council meetings by engaging in council discussions and debate through

email after council meetings concluded. Council discussions and debate needs to be reserved for council meetings. The primacy of the council needs to be respected. Deliberating agenda items through emotional emails is counterproductive as well as contrary to the MGA since it is an improper council meeting forum. Heated email exchanges are unprofessional and damaging to council relationships. Rocky Mountain House council is reminded to debate issues in public in accordance with legislative requirements for the decision making process.

Rocky Mountain House council sometimes struggled with the proper process of voting on amendments to resolutions. For example, two resolutions were made at the September 1, 2015 regular council meeting following a public hearing for the “Augoustis Outline Plan and Land Use Bylaw (LUB) Amendment (2nd and 3rd reading of Bylaw 15/08LU).” It appears that council’s intention was to amend or defeat the initial resolution, but the minutes record it as rescinded:

*Moved by Councillor Alderson to adopt the Augoustis Outline Plan dated July, 2015 as presented. **Rescinded.***

*Moved by Council Alderson to table the motion to adopt the Augoustis Outline plan dated July, 2015 until additional information is presented to Council specifically service road and the future trail system. **Carried.***

In another example, three separate resolutions were made in an attempt to approve the hospital committee terms of reference on February 7, 2012, as follows:

Terms of Reference for Rocky/Caroline/Clearwater Hospital Committee

*Moved by Councillor Symko to approve the Hospital Committee Terms of Reference dated January 31, 2012 as presented. **Carried.***

*Moved by Councillor Andersen to rescind the motion to approve the Hospital Committee Terms of Reference as presented. **Carried.***

*Moved by Councillor Mizera to adopt the Rocky/Caroline/Clearwater Hospital Committee Terms of Reference as amended and change objective #4 to read “Committee members’ expenses will be the responsibility of each respective municipality”. **Carried.***

Standard practices require that the council would first vote to accept or defeat a proposed amendment to the resolution, and then vote on the original resolution which may contain revised wording if an amending resolution was carried.

Best practices enable the council to view the proposed resolution or amendments in real time, such as projecting the resolution on a screen before the vote is taken. In this way, all members of council can see the same proposed wording. This promotes clarity for council voting and for administration recording the minutes.

RECOMMENDATION FOR AMENDING COUNCIL RESOLUTIONS: That Rocky Mountain House council ensure that resolutions are carried or defeated by following proper procedures outlined in the MGA and council's procedural bylaw; and that acceptable parliamentary procedures, such as Robert's Rules of Order, are used during council meetings.

Rocky Mountain House council occasionally acted in an irregular manner in the absence of a bylaw or resolution when providing direction to administration, such as the following excerpt from the July 17, 2012 regular council meeting minutes:

Council gave direction to the Director of Engineering and Operations to research and gather data over the next two years on the different options available for the Town regarding waste management so that before the contract ends with Waste Management of Canada Corporation, they will have necessary information available to make an informed decision on which direction they will proceed.

From the May 1, 2012 regular council meeting:

Council gave direction to administration to initiate talks with the County regarding the Tourism and Economic Development Board (TEDB) with the objective of developing a more regional focus.

From the April 2, 2013 regular council meeting:

Council directed administration to keep a record of all gift in kind donations given by the Town to non-profit organizations for the year 2013.

And from the March 17, 2015 regular council meeting:

Also Council expressed an interest in having Administration gather information with respect to media training, and to invite Council members of Clearwater County and the Village of Caroline to participate.

Procurement records show that a request for proposals for the Rocky Mountain House Arena Expansion Concept was submitted on the Alberta Purchasing Connection with closing date of April 13, 2012. The contract was apparently awarded for architectural and design services in the amount of \$27,756 plus 5.8% of the \$13,500,000 project cost, estimated at \$783,000. This work was completed, however, council meeting minutes do not show a specific council resolution to award this contract.

Staff provided the inspectors with supporting documentation and described the omission as a possible error in the meeting minutes. The town's Purchasing/Tendering Policy No. 009/2010 allows contracts to be approved by the CAO and directors if the amounts are less than \$75,000.

The process followed to award the Arena Expansion Concept contract in 2012 was an irregular matter since this contract was awarded without a council resolution and it is not in accordance with the local purchasing policy.

RECOMMENDATION TO ACT BY BYLAW OR RESOLUTION: That Rocky Mountain House council ensure that all actions of council are made by bylaw or resolution in a public council meeting in accordance with the MGA s. 180 and s. 181.

5.14.2 Recording of Votes During Meetings

The ability to record an individual vote is an important legislative provision that allows a council member to potentially avoid a litigious situation where they can officially document that they were or were not in support of the 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.*

Rocky Mountain House council used recorded votes infrequently, typically a few times each year. In 2015, there were eight meetings with recorded votes. The town follows an irregular process to record votes and this needs to be improved by formally recording the name of each councillor vote for and against the resolution as required by the MGA s. 185, above. Meeting minutes show that the names of each council member were not properly recorded during recorded votes, such as the following example from the November 17, 2015 regular council meeting minutes:

12.2 Councillor's Remuneration Forms and Out of Town Travel

Council discussed attaching copies of Councillor's Remuneration/Expense forms to the agenda pack as information.

Council Mizera requested a recorded vote.

Moved by Councillor Mizera to have Administration attach copies of the Council Remuneration Forms on agenda as information. Carried.

4/0 Opposed

RECOMMENDATION FOR RECORDING OF VOTES: That Rocky Mountain House administration ensure that each council members' vote is recorded in the meeting minutes when a recorded vote is requested in accordance with the MGA s. 185.

5.14.3 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.*

The inspection found that Rocky Mountain House council regularly closed portions of council meetings to the public and that the council had an improper practice where they did not always state a clear reason to go in camera within the related council resolution, such as the following example from the July 21, 2015 regular council meeting:

3:46 PM Moved by Councillor Burke to move to In Camera at 3:46 p.m. Carried.

4:36 PM Moved by Councillor Alderson to move to out of In Camera at 4:36 p.m.

Carried.

13. IN CAMERA ITEMS

1. Land
2. Legal
3. Labour

The nature of council's 'in camera items' needs to be stated in the minutes. The generic land, legal, labour statement is too obscure, as in the example used above. Meeting minutes also need to show if any person, such as a contractor or developer, joined the council during an in camera discussion.

Records show that Rocky Mountain House council had several months of closed meeting discussions about significant development projects that were completely closed from public attention. For example, a Joint Development Area with Clearwater County was initiated in the fall of 2014 that proposed 600+ hectares of serviced commercial and industrial land, but the public was only informed of the project when the draft Joint Development Area agreement was adopted in principle by both town and county councils on May 17, 2016, followed by a June 15, 2016 open house.

Council held several closed meetings about another development initiative where an 84-lot residential subdivision was proposed as a partnership with a local developer. This proposed initiative described how both parties would share costs and the lot sale proceeds would be paid to the developer with the municipality receiving the 'benefit' of an increased tax base from the new development. This initiative had been discussed by council since 2014. The local cost-benefit to the town requires greater consideration as it appears that the town would heavily subsidize the project with the only likely 'benefit' being an increased tax base. Annual property tax revenue is not a 'profit' nor should it be construed as an extraordinary

'financial gain' for the town, since annual property taxes are the primary revenue source used to pay for expenses of current services provided during the year.

A municipal council does have the authority to subsidize development, although it is not a recommended practice and may be perceived as an improvident action or as unequitable to other market-driven development efforts in the municipality. When closed initiatives are finally presented to the public, the initial lack of transparency can cause public concern or give the impression of a secret deal. In this case, open council discussion was very limited on the proposed subdivision. Council initially requested an economic feasibility analysis for the development at the July 2, 2013 regular council meeting, as follows:

Riverview Phase 2B Development – Economic Feasibility Analysis

Moved by Councillor Andersen to obtain an Opinion of Probable Construction Costs from Stantec Consulting for both Riverside Phase 2B (revised) and the option of doing Phase 2B and 3A in combination, and for Administration to prepare an economic feasibility report for proceeding with either option to be presented to Council at a later date.

Carried.

Approval for construction cost analysis was granted at the July 16, 2013 regular council meeting, as follows:

Riverview Development – Economic Feasibility Analysis – Revised scope of services

Moved by Councillor Verhesen to direct Administration to fund Stantec Consulting to an upset limit of \$17,240 from Land Reserve for the purposes of providing an Opinion of Probable Construction Costs for both the Riverside Phase 2B (revised) option, and the option of completing Phase 2B and 3A at the same time. Carried.

An April 7, 2015 council resolution was made to proceed with a feasibility study for the Riverview subdivision on the north end of town, as follows:

Moved by Councillor Ullmann to allocate up to \$22,000 from General Reserve to conduct additional assessments at Riverview Subdivision to determine development feasibility.

Carried.

The only other time that the Riverview subdivision was recently mentioned in a public meeting was during a September 15, 2015 public hearing for a Road Closure Bylaw 15/11V in the area. Minutes show that no comments were received during this public hearing:

The Chair asked if there were any written submissions and asked if there was any one in attendance that wished to speak to the proposed bylaw.

Mr. Dollevoet confirmed that there had been no verbal or written comments received in regards to Bylaw 15/11V Road Closure.

There was no one in attendance to speak on the proposed bylaw.

There was minimal effort made to inform the public that council was exploring development options to partner with a local contractor for a future phase of the Riverview subdivision. The public could have been better informed of proposed development in this area with the town at large possibly absorbing some servicing costs.

Municipal councils are often placed in a tenuous position where they need to balance the public's right to know with the disclosure limitations of a developer's business interests. Complete silence about a proposal fails the test of public accountability, yet full disclosure could be harmful to a third party's business interest. Legal counsel should be sought for advice as needed; however, council meeting minutes should disclose the name of any person that spoke to council as a delegation during a council meeting, whether in camera or not, as well as the general nature of the discussion i.e., "a development proposal" or "a legal matter." Rocky Mountain House council acted improperly by failing to disclose delegation attendance during council meetings and the general nature of the discussion.

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.

The inspectors were informed that some closed meeting discussions were alleged to be shared with others following some council meetings over the years, to the detriment to the town and increased the business opportunity of a third party. Council members are reminded of their roles and responsibilities, including keeping 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;

RECOMMENDATION FOR IN CAMERA AGENDA ITEMS: That Rocky Mountain House council comply with the MGA s. 197 when closing any part of a meeting to the public, and state related FOIP exceptions to disclosure in the meeting minutes; And that council members keep matters in confidence as required by the MGA s. 153.

5.14.4 Public Presence During Meetings

Members of the public have the right to be present in the gallery to attend council and committee meetings. The MGA s. 198 is clear about the right of the public to be present at council meetings, 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.*

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.

Nearly two thirds of stakeholders interviewed indicated that they had attended council meetings in the past two years, as shown in the chart below:

Attended a Council Meeting in the Past Two Years



The Rocky Mountain House council chambers design has very limited space for gallery seating and alternate venues have been used on occasion to accommodate public hearings.

Council's procedural bylaw has conflicting references to public interaction with council during meetings. For example, public interaction is not permitted in section 2(q), as follows:

q) "Public meeting" means a Council or Council committee meeting held in a public forum, but not open for public interaction or debate;

Another section of the procedural bylaw permits members of the public to address council from the gallery with a related resolution of council:

17. The presiding officer, with the approval by resolution of the members, may authorize a person in the public gallery to address members only on the topic being discussed at that time within the time limits specified by the presiding officer.

The conduct section of the procedural bylaw also references public involvement at the meeting:

- 64. The public is expected to:*
a. speak only if addressed and so that all can hear...

Another section of the bylaw encourages public input during public meetings:

- 69. The public is encouraged to provide input during a public meeting. The Chair may acknowledge the public observer to provide their input during the agenda item they would like to speak on prior to calling for the vote.*

Despite the informal, spontaneous provisions for members of the gallery to randomly address council during public meetings, the procedural bylaw has a stricter process when hearing from delegations where written requests to speak to council are required in advance, as follows:

Delegations

- 27. A person or a representative of any delegation or group of persons who wish to bring any matter to the attention of Council, or who wish to have any matter considered by Council shall address a letter or other written communication to the Council outlining the subject to be discussed. The correspondence shall include the correct name of the writer; the address of the writer, and be delivered to the CAO, who has final approval, by noon on the Thursday before the Tuesday Council meeting. If the person wishes to appear before Council on the matter it shall be stated in the letter. Administration may strike out extra personal information, prior to putting the information to the public.*
- 28. Delegates shall be granted a maximum of ten (10) minutes to present the matter outlined in the letter. The chairperson may, with consent of the majority of the members present, may extend the time.*

Inconsistent public participation processes led to confusion and frustration at times where members of the public did not generally understand why they were not invited to actively participate in council debates. For example, some members of the public indicated they were not allowed to be heard during recent council debate on the animal control bylaw.

There are appropriate means for citizens to address elected officials informally before or after council meetings; or formally as a delegation to council. An 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.

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 government follows 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.¹⁰ To be clear, local government in Alberta follows a system of representative democracy where citizens elect council members to represent them in making decisions.¹¹

RECOMMENDATION FOR PUBLIC PRESENCE: That Rocky Mountain House council ensures that the public has an opportunity to be present at all council and committee meetings in accordance with the provisions of the MGA s. 197-198; and that members of the public in the gallery abide by the conduct required in the MGA and local procedural bylaw.

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

5.14.5 Council Meeting Dates, Times and Locations

The inspection found that council and committee meetings were held in council chambers on regularly scheduled dates and times. Regular council meeting dates are confirmed at the annual organizational meeting and are presently scheduled for the first and third Tuesday of each month at 1:00 p.m. Policies, Procedures and Priorities (P-3) Meetings are scheduled for the second Tuesday of each month at 7:00 p.m.

Some stakeholders expressed concern that the regular council meetings were held during the day and that this was an inconvenient time for the typical working person to attend.

¹⁰ http://www.encyclopedia.com/topic/participatory_democracy.aspx

¹¹ http://www.lopp.parl.gc.ca/About/Parliament/Education/ourcountryourparliament/html_booklet/democracy-defined-e.html

Despite some complaints, the council has acted within its authority to set regular council meeting dates, times and locations as provided in the MGA:

Regular council meetings

193(1) A council may decide at a council meeting at which all the councillors are present to hold regularly scheduled council meetings on specified dates, times and places.

The council was found to properly comply with legislative requirements to provide notice of changes in meeting dates.

The MGA s. 194(4) gives a council the authority to waive the minimum 24-hour notice of a special meeting as follows:

(4) A special council meeting may be held with less than 24 hours' notice to all councillors and without notice to the public if at least 2/3 of the whole council agrees to this in writing before the beginning of the meeting.

The council complied with legislation to provide notice of special meetings. For example, the June 14, 2016 special council meeting notice and agenda was advertised in advance with the agenda available on the town website a few days prior to the special meeting.

5.14.6 Requirement to Vote and Abstentions

The MGA requires clarity and transparency for councillor actions by requiring them to state the reasons for abstentions from voting as follows:

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.

Council meeting minutes show that the reasons for abstaining from voting and discussion were not properly stated by council members. For example, on March 15, 2016 two councillors left the meeting for unexplained reasons and missed discussion and voting on an item, as follows:

NEW BUSINESS

FINANCE/CORPORATE SERVICES

Councillor Burke and Councillor Verhesen excused themselves from the Council Chambers at 2:19 PM.

7.1a Members at Large Remuneration Policy

At the February 2, 2016 regular Council meeting, Council requested Administration to create a policy for members at large remuneration.

Moved by Councillor Sugden to approve Policy No. 002/2016 Remuneration for Town Committees/Board Members at Large as presented with the effective date to be April 1, 2016 and to schedule a review of the Policy for October 2017.

CARRIED.

Councillor Burke and Councillor Verhesen returned to Council Chambers at 2:25 PM.

These two councillors confirmed with the inspectors that their unstated reasons for abstaining from voting were related to the fact that their respective spouses were members of the local recreation board and therefore they felt that they should not participate in the policy discussion on the board member remuneration.

Although there is a clear potential of a monetary impact on a remuneration policy discussion, further details of the MGA need to be understood. When considering the MGA s. 170(3)(c) it appears that Councillors Burke and Verhesen did *not* have a pecuniary interest to require them to abstain from voting on the remuneration policy item during the March 15, 2016 meeting since their spouses were appointed by council to the local Recreation, Parks and Community Services Board. The MGA states that a councillor does *not* have a pecuniary interest when a member of the councillor's family receives remuneration related to a council-appointed position, as follows:

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

On another occasion, at the August 2, 2013 regular council meeting the mayor declared a pecuniary interest and abstained from voting on an airport agreement since he was a member of the local flying club:

Mayor Nash declared a conflict of interest, with regards to the airport agreement, on the basis that he is a member of the Flying Club at the airport. He left the meeting at 1:05 p.m. and returned at 1:14 p.m. Deputy Mayor Murias acted as Chair during Mayor Nash's absence.

7.1b Airport Agreement Update Report

Moved by Councillor Symko to authorize the CAO and the CEO to sign the updated Airport Agreement provided that the Clearwater County Council approves the same. Carried.

As a local aviation enthusiast and flying club member, there is no apparent pecuniary interest that would have required the mayor to abstain from voting and discussion on the airport agreement.

Councillor training is needed to ensure that council members follow the MGA provisions by properly recording reasons for voting abstentions; and to ensure that council members participate in voting at all times unless they are required or permitted to abstain from voting. Legislative requirements to vote or abstain are significant and council members are required to understand and abide by these provisions.

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 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 Rocky Mountain House council members provide reasons for each abstention from voting, and that the reasons for abstaining are recorded in the meeting minutes in accordance with the provisions of the MGA s. 183; 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.

5.14.7 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 directions to council members so they can 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,*

Council members are also citizens, with respective rights to conduct business with the municipality. The inspectors heard local concerns and allegations that some council members had a 'conflict of interest' when they participated in voting on a Business License Bylaw No. 15/06V during the April 7, 2015 regular council meeting. In this instance, local allegations and rumours were unfounded and any person who chose to listen to this rhetoric was misinformed.

In fact, the MGA s. 8 gives the council the power to pass bylaws to "provide for a system of licences, permits or approvals" such as business licences. The MGA s. 170(3)(k) further

confirms that a pecuniary interest does *not* exist unless a councillor's business was the *only* business affected by a bylaw:

170(3) *A councillor does not have a pecuniary interest by reason only of any interest ...*
*(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.*

Another allegation encountered during the inspection was that the mayor had a 'conflict of interest' when voting on local airport hangar lease rates while serving on the Rocky Mountain House Airport Commission. There would be no evident pecuniary interest in this regard, unless the mayor or his family members were the only individuals leasing airport hangars.

If a council member is involved in establishing lease rates within the municipality, it would be similar to setting rates and charges that impact the broader community and therefore no pecuniary interest is apparent, according to the MGA:

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

(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,

In a different example, a councillor voted on a matter that could have monetarily affected the councillor's employer and in this instance, it appears that the councillor should have abstained from voting, but did not. To elaborate, the June 17, 2014 regular council meeting minutes show that Councillor Sugden considered advice from fellow council members before making a decision to vote on Borrowing Bylaw 14/09F, as follows:

6. BYLAWS

Presenter: Sue Wood, Director of Corporate Services

Councillor Sugden asked Council if he was required to leave the Chambers for the presentation, discussion and voting of Bylaw 14/09F. Councillor Sugden also asked if he was entitled to vote re: Bylaw 14/09F. It was confirmed by the Chair and Council Members that Councillor Sugden could be present and was entitled to vote.

6.1 Main Street Interim Financing Bylaw 14/09F

Moved by Councillor Ullmann that Bylaw 14/09F Main Street Interim Financing be given first reading. Carried.

Moved by Councillor Mizera that Bylaw 14/09F Main Street Interim Financing be given second reading. Carried.

Moved by Councillor Burke that Bylaw 14/09F Main Street Interim Financing be given permission for third reading. Carried.

Moved by Councillor Verhesen to approve third and final reading of Bylaw 14/09F Main Street Interim Financing. Carried.

This example shows that council's collective opinion or advice does not supersede the legislative requirements in the MGA, and that council members are responsible for the votes they cast. On occasion, Rocky Mountain House council members abstained from voting when they had no apparent pecuniary interest and voted on a matter when a pecuniary interest was apparent. These instances seem to reflect that council members tried to act with good intent, but they need education to properly understand their legislative responsibilities in handling pecuniary interest matters.

It is appropriate for council members to 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.

The pecuniary interest provisions in the MGA refer to the monetary effect of a council decision, and this potential monetary effect could be either positive or negative. It is also noted that the MGA does not reference "conflict of interest" wording, but rather "pecuniary interest". It is important that municipalities use wording in bylaws and resolutions that is consistent with the MGA wherever possible.

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

5.15 Public Communication

The inspectors heard several comments from stakeholders who expressed concerns with the lack of communication provided by the town to its ratepayers. In some cases, it appeared that a lack of communication led to inaccurate stories and rumours that surfaced to 'fill the void' just like weeds spring forth to cover bare ground.

The desire for the community to talk about itself is quite strong in Rocky Mountain House, and this is ultimately a very good thing. Local leaders have an opportunity to channel this energy, creative thought, and group wisdom in order to develop grassroots solutions to common issues.

Internal communication efforts could also be improved to ensure that all staff remain informed about important matters. An informed staff complement can provide an important community benefit as enthusiastic ambassadors who have the privilege of participating directly to advance community projects. Staff are often residents of the community or the region and therefore they have regular contact with other citizens and businesses. With a deliberate communication effort, the town can promote more positive public interactions.

Transparency and openness of data is a good communications starting point with staff resources dedicated to a communications position. On May 3, 2016, Council also approved Communications Policy No. 006/2016. This signals local efforts to increase overall communication efforts. The town website is a valuable tool that could be used more extensively to share information. Social media use could be expanded and a related policy developed. Some traditional communications tools, such as regular newsletters and notices placed in the local paper could also be enhanced. Citizens expect more; they want the town to “close the loop” and avoid the perception of “backroom decisions.”

RECOMMENDATION FOR COMMUNICATION STRATEGY: That Rocky Mountain House council approve the development of a communications strategy to meet local needs for information sharing in the community.

6 ADMINISTRATION

6.1 Chief Administrative Officer

A Chief Administrative Officer (CAO) is responsible for the overall operations of the municipality, works closely with the council to provide advice and ensures that local objectives are accomplished and legislation is followed. As the administrative head of the municipality, the CAO is also known as a council's one and only employee. 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.*

The current CAO, Todd Becker has served in the CAO position since 2009 (seven years) and was promoted to the CAO position as part of succession planning within the organization. Mr. Becker has strong educational qualifications and municipal experience. He appears to have a good understanding of the roles and responsibilities of a CAO and has met the council's expectations. He has previously worked as the town's Director of Special Projects and as Recreation Director. Prior to Mr. Becker's appointment, Rocky Mountain House had been served by a longstanding CAO, Larry Holstead who served as CAO for 18 years, and served in the recreation department for 12 years prior to that.

CAO Becker presents a dedicated and collaborative leadership style and appears to be working diligently to lead or manage organizational changes. Reports show that regular meetings are held with the management team to provide direction and ensure organizational communication between departments. The CAO initiated organizational structure and reporting changes in recent years which seems to have improved the organizational function and culture, which was reported to be *toxic* at times, in some areas.

6.2 Performance of Major Administrative Duties

The MGA provides some 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.*

6.2.1 Council Meeting Agenda Preparation

Council meeting agendas and supporting material were found to be prepared and provided to council in advance of council and committee meetings. According to council's Procedural Bylaw No. 11/14V, agendas are to be provided to members of council "*not later than 4:30 p.m. on the Friday before the Tuesday council meeting.*" The inspectors observed that this administrative requirement was consistently met.

One-page agendas were provided to the public in advance of council meetings through the local newspaper and town website even though this is not a legislative requirement.

Late additions to the agenda are permitted in accordance with the procedural bylaw, s. 34:

"Only emergent items should be considered as additions to the agenda and require acceptance by the majority of Council."

As an example, the following items were added to the agenda on April 17, 2012:

2. ADOPTION OF AGENDA

Additions to Agenda:

7.5(b) Burning Request

5.1 Delegation – Inspector Glen de Goeij; Superintendent Curtis Zablocki and Superintendent Ken Turner

Moved by Councillor Andersen to approve the agenda as amended with the new additions 7.5(b) Burning Request and 5.1 Delegation, RCMP Inspector Glen de Goeij; Superintendent Curtis Zablocki. Carried.

A review of agenda material shows that staff use a thorough and consistent staff recommendation format when preparing agenda items for council's consideration. This format is consistent with best practices by including background information, strategic plan alignment, options, budget impact, legal considerations, and a recommendation.

Department staff recommendations are reviewed and approved by the CAO before being presented to council. An improvement could be made in the format to include full proposed resolution wording in the recommendation section. Some council resolutions lack clarity, such as resolutions stating that an item is to be funded *from reserves*. More detail is needed

to specify which reserve account from which the funds will be drawn. Overall, the existing staff report/recommendation process appears to be effective and informative.

Rocky Mountain House currently relies on hard copy agenda packages. Officials indicated a desire to upgrade to paperless agendas in the near future and this is identified as a strategic priority on the 2016 Corporate Plan.

6.2.2 Council Meeting Minutes

The recording of council meeting minutes is an administrative duty. The MGA s. 208(1)(a) reads as follows:

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;

The inspection found that notes and comments were sometimes included in the approved council meeting minutes. Public hearings also contain excessive detail. Meeting minutes were found to contain more than just a record of decisions, such as the following comments in the March 17, 2015 meeting minutes:

Also Council expressed an interest in having Administration gather information with respect to media training, and to invite Council members of Clearwater County and the Village of Caroline to participate.

Meeting minutes from the September 30, 2013 special council meeting are another example demonstrating the irregular administrative practice to record excessive detail in the meeting minutes. An excerpt from the September 30, 2013 special council meeting minutes is shown below:

1. CALL TO ORDER at 9:00 a.m.

2. Arena Concept Plan Review

Lee Chambers, Director Recreation, Parks and Community Services

Presentation by Heather Bretz, Architect of Stantec Consulting

Re: Arena - Master Plan and Concept Plan

Heather confirmed that there had been 19 various stakeholder meetings with respect to the Arena Concept and a presentation at Market on Main Street which received positive comments, especially on the matter of the central location of the project.

It was also confirmed that the Curling Club are positive about the proposed Arena Concept and will be holding their own meeting to vote on the proposed plan.

Phase I and Phase II was presented in more detail by Heather as there had been some changes since the first presentation. There were some questions asked by Council mainly to do with parking, use of common spaces, public access - viewing of events from various areas, also the number of exits and the exterior finishing. Most of the questions pertain to Phase II which has a forecast timeline of 8 -12 years. Heather advised that Phase II could have changes based on the needs of the Town at that time.

Heather presented a budget for both phases and confirmed that the Phase II was a rough estimate and needed to be reviewed further. Amount could go up or down.

Lee Chambers advised Council that he is proposing that the timeline for tender will be January/February 2014 in order for the project to begin in the Spring.

Lee also confirmed that there are meetings scheduled for Clearwater County on October 8, 2013 and a public meeting being held at the Arena on October 24, 2013.

Discussion followed regarding the timing of the decision with the election. Council felt the project needs to be initiated immediately in order to achieve the spring construction time period.

Moved by Councillor Salar that Council accept the Arena Concept Plan as presented and to engage Stantec Consulting to complete the detailed design with half the amount \$377,000 (1/2 of \$754,000) to be funded from General Reserve and the other half by Clearwater County. Carried.

Best practices for meeting minute preparation also show that “*discussion or personal opinion*” should not be recorded in the minutes, according to Robert’s Rules of Order. Additional detailed resources are available through Alberta Municipal Affairs, such as [A Guide to the Preparation of Council Meeting Minutes](#).

The inspection found that council meeting minutes were presented to council for approval in accordance with MGA s. 208(1) which reads as follows:

(c) the minutes of each council meeting are given to council for adoption at a subsequent council meeting;

The inspection found that bylaw and minute binders were kept safe within the locked vault in the town office, as shown in the sample photograph below. This practice complies with the MGA s. 208(1) which reads as follows:

(d) the bylaws and minutes of council meetings and all other records and documents of the municipality are kept safe;



Council meeting minutes are available electronically on the town's website and are posted in a timely fashion once they are approved by council. Draft minutes are sometimes available prior to approval and are marked "Not Approved". Additional efforts could be made to provide draft minutes to the public in a timelier manner. Best practice promotes timely transparency on council's actions where draft minutes are made available on the municipal website promptly following council meetings.

Recording council attendance and absence during meetings could be improved, for example, the inspector observed that Councillor Mizera left council chambers briefly at 2:44 p.m. during the April 5, 2016 regular council meeting, however, her temporary absence was not recorded in the meeting minutes.

Best practices apply a chronological numbering system to council resolutions for ease of reference and clarity. Rocky Mountain House does not currently use a resolution numbering system and this is not a legislative requirement. Resolution numbering is a helpful practice that Rocky Mountain House should consider and this practice could be as simple as developing a numbering scheme beginning in 2017, such as R.001-2017. The *R* signals to the reader that it is a *resolution*; the 001 indicates that it is the first resolution of the year and would be followed by 002, 003, etc.; 2017 indicates the year that the resolution was made

The resolution numbering would restart each year, so that the first council resolution made in 2018 would read as R.001-2018. Some administrative diligence and basic organization skills can ensure that resolutions are chronologically numbered, without duplication.

RECOMMENDATION FOR COUNCIL MEETING MINUTES: That the Rocky Mountain House CAO ensure that council meeting minutes are recorded in accordance with the MGA, s. 208.

6.3 FOIP

Rocky Mountain House passed a related FOIP bylaw No. 99/17V on September 7, 1999. This bylaw specifies fees payable and confirms that the municipal manager (CAO) is the “Designated Head” of the municipality for the purposes of the *FOIP Act*.

This bylaw fulfils the legislative requirements under s. 95(a) of the *FOIP Act*, which reads as follows:

Power to make bylaws

95 A local public body, by bylaw or other legal instrument by which the local public body acts,

(a) must designate a person or group of persons as the head of the local public body for the purposes of this Act, and

(b) may set any fees the local public body requires to be paid under section 93, which must not exceed the fees provided for in the regulations.

In addition to the FOIP bylaw, the town Personnel Policy No. 001/2013 confirms that the Director of Corporate Services is the municipality’s FOIP Coordinator, as follows:

2.3 (b) The CAO has delegated administrative procedures and the processing of FOIP requests to the FOIP Coordinator, who is presently the Director of Corporate Services.

This delegation of responsibilities is in accordance with the FOIP Act, s. 85, as shown below:

Delegation by the head of a public body

85(1) The head of a public body may delegate to any person any duty, power or function of the head under this Act, except the power to delegate under this section.

(2) A delegation under subsection (1) must be in writing and may contain any conditions or restrictions the head of the public body considers appropriate.

6.4 Records Management

The safekeeping of municipal records is an administrative duty, however, the council also has a responsibility to ensure that budget resources are allocated to ensure that appropriate space and systems are available for the storage of municipal records.

Town council passed a related records management bylaw No. 04/11V Regulation and Procedure for the Retention and Disposal of Town of Rocky Mountain House Records. This bylaw provides direction and local authority in the retention and destruction of records, but does not specifically reference FOIP requirements. The age of this bylaw, passed in 2004, indicates that the bylaw likely warrants review and consideration of current records management needs for the protection, use and disclosure of information.

Council has also approved policy No. 009/2003 Regarding the Retention and Disposition of Council and Council Committee/Board Records. This policy acknowledges FOIP provisions and outlines an administrative procedure for council and board meeting records, as follows:

Council, Committee and Board records such as agendas, supporting documents and minutes retained by Council members are subject to the FOIP Act, regardless of where the records are located....

Several FOIP and records management resources are available to municipalities through [Service Alberta](#). FOIP FAQs provide good information that is easily understood, such as the following description of a record:

RECORDS

4. What is a “record”?

Section 1(q) of the FOIP Act defines a record as “information in any form and includes notes, images, audio-visual recordings, x-rays, books, documents, maps, drawings, photographs, letters, vouchers and papers and any other information that is written, photographed, recorded or stored in any manner, but does not include software or any mechanism that produces records.”

Related FOIP resources also reference municipal documents stored at a councillor’s home, which are also subject to legislative privacy provisions:

10. Are records of elected officials of municipalities excluded from the FOIP Act?

Records dealing with the business of the municipality are covered by the Act even if they are stored at a councillor's home.

Another component to records management requires appropriate levels of security and access to public records by municipal staff. The logic here is that staff members will have access to records that are needed to perform their duties. As a hypothetical example, a tax clerk would need access to detailed tax and assessment information, but would not require access to payroll records.

Municipal records require security and proper access protocols. Some Rocky Mountain House management staff were unclear about the user security settings for electronic records. Staff did confirm that security passwords were used.

Security protocols for physical records could be improved. Inspectors observed a local practice where several doors to offices within the administration building were not locked after hours. This could lead to willful or inadvertent access to municipal records by unauthorized individuals.

When employment is concluded with staff members, the town should ensure that all town records are returned to the town. The inspectors observed an improper practice where some original town documents were in the possession of former staff members.

RECOMMENDATION FOR RECORDS MANAGEMENT: That Rocky Mountain House council review and update the records management bylaw and practices to ensure the safety, privacy or accessibility of all electronic and physical municipal records in accordance with FOIP legislation.

7 OPERATIONS

The town of Rocky Mountain House maintains a broad array of municipal operations to deliver local services and coordinate capital works using a departmental structure that comprises four main departments. Rocky Mountain House also participates in some regional service delivery efforts, such as waste management and fire department services. Municipal operations are primarily funded through property taxation and utility charges.

7.1 Organizational Structure

Municipal operations are managed by the CAO who is appointed by the town council. Rocky Mountain House council also approved the organizational structure and allocated corresponding budget resources for salaries. The organizational structure is of great importance for any entity that wishes to accomplish its strategic objectives. For Rocky Mountain House, for example, economic development is a corporate strategic priority and an economic development officer position exists within the Planning and Community Development department as part of that department's organizational structure.

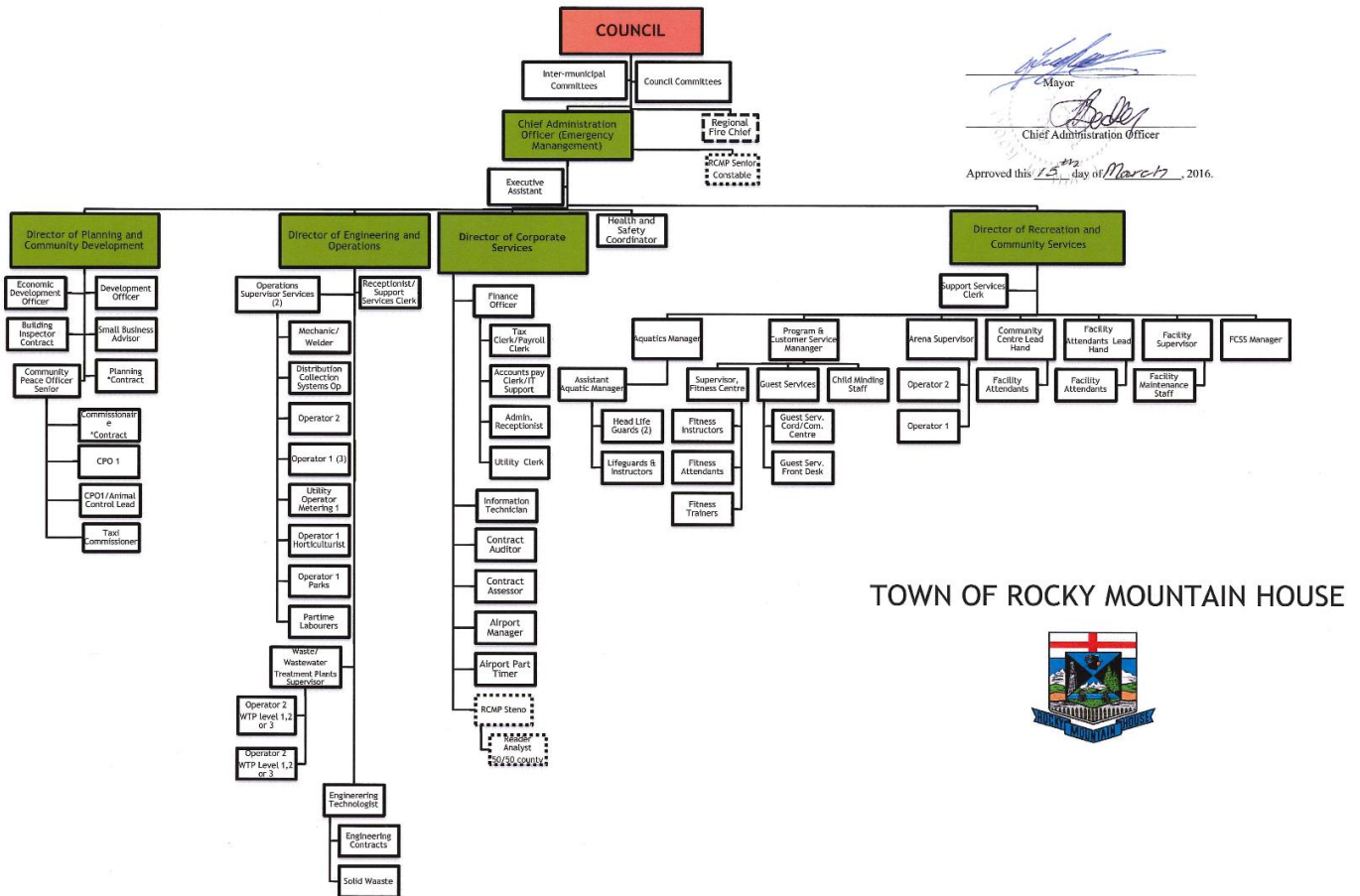
Leadership is needed, and council has the authority and responsibility to make decisions that fulfill the needs in the community in order to accomplish strategic directions within the current operating environment. Staff play an important role in implementing the defined strategy. The adage holds true that *"people are an organization's greatest resource."*

Department staff are also subordinate to the council and report to the CAO rather than council. Based on this reporting relationship, some humility is needed to accept organizational changes that may be imposed upon the town's staffing complement from time to time. Corporate thinking requires organizational leaders to approve an organizational structure, recruit and retain qualified staff and align resources wisely in order to accomplish strategic objectives.

Diverse and complementary strengths are needed across all municipal departments. All staff are inextricably part of the same municipal team, and are required to focus efforts to accomplish strategic objectives and deliver local services to town citizens and businesses with excellence.

7.2 Organizational Chart

The organizational structure in effect for Rocky Mountain House has four directors reporting to the CAO, as shown in the following approved organizational chart dated March 15, 2016.



In addition to the directors, an executive assistant, regional fire chief and RCMP senior constable are shown to report directly to the CAO. The organizational structure appears to be working, despite some anomalies such as the dual reporting for the regional fire chief, having only one development officer for a community of over 7,200 people, and no dedicated communications officer position. Overall, the structure seems to reflect an organization experiencing growth, with some bulges and gaps that appear in specific areas where service needs are changing.

RECOMMENDATION FOR ORGANIZATIONAL STRUCTURE: That Rocky Mountain House council authorize a review of the town’s organizational structure to ensure that the structure can logically achieve corporate strategic plan objectives.

8 PLANNING AND COMMUNITY DEVELOPMENT

The Planning and Community Development department is responsible for the following areas:¹²

- Protective Services
- Economic Development
- Planning and Development

8.1 Protective Services

8.1.1 Bylaw Enforcement

Town peace officers and bylaw officers are responsible for enforcement of municipal bylaws and the *Traffic Safety Act*. The inspectors heard comments from residents that the officers could improve by more promptly addressing parking issues, animal control issues, and complaints between neighbours. There may be some efficiencies and economies of scale to explore shared peace officer services within the region since neighbouring jurisdictions also provide similar services.

Rocky Mountain House also contracts RCMP police services directly from the federal government through a municipal police service agreement, as required for urban municipalities over a 5,000 population. The town contributed \$1.95 million for policing services in 2014 according to the 2014 audited financial statement:

<p>TOWN OF ROCKY MOUNTAIN HOUSE</p> <p>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</p> <p>DECEMBER 31, 2014</p>
<p>16. COMMITMENTS</p> <p>On April 1, 2012 the Town entered into an agreement with the Government of Canada for the employment of the Royal Canadian Mounted Police to provide policing services during the term of the agreement which ends March 31, 2032. The policing services expenses for 2014 are \$1,951,243 (2013 - \$2,001,450). The Town received Provincial grants to assist with the cost sharing in the amount of \$358,400 (2013 - \$358,400) .</p>

RECOMMENDATION FOR BYLAW ENFORCEMENT: That Rocky Mountain House administration develop performance measures for bylaw enforcement, such as response times to ensure that enforcement services achieve council's level of service expectations.

¹² <http://www.rockymtnhouse.com/index.aspx?nid=175>

8.1.2 Fire Services

Fire services are contracted from the Clearwater Regional Fire Rescue Services (CRFRS) with trucks and other apparatus housed in the local Rocky Mountain House fire station.

There appeared to be a lack of clarity in organizational reporting, wherein the regional fire chief officially reported to the regional services board, as well as the Clearwater County CAO.



All participating municipalities undertook a 2016 Clearwater Regional Fire Service Review which included a subsequent recommendation for a new reporting structure. It is important that the regional fire chief officially reports to one of the CAOs in the region, as a managing partner to ensure proper organizational structure and administrative oversight. This fire service review provides several other helpful insights and recommendations for the region and acknowledges the strength and dedication of the predominantly volunteer service. Town council is advised to continue working collaboratively with neighbouring municipalities in providing critical protective services.

Forestry was identified as one of the major industries in Rocky Mountain House in the 2011 Municipal Development Plan. Heavily forested areas exist to the west of the town toward the Rocky Mountains and agricultural lands extend to the east of the town. The proximity to forested areas creates an economic opportunity but it also creates a wildfire risk. Officials could take steps to educate and promote FireSmart safety in the community, such as using fire-resistant and non-combustible exterior home products.

Records show that wildfire threat assessment and FireSmart preventative measures were discussed at the March 8, 2016 Policies, Procedures, and Priorities Committee meeting.

Emergency services are provided by the Clearwater Regional Emergency Management Agency through an intermunicipal agreement between the Town of Rocky Mountain House, Village of Caroline, Summer Village of Burnstick Lake and Clearwater County.

Rocky Mountain House council passed a related Municipal Emergency Management Bylaw No. 15/17V on January 19, 2016. This bylaw meets provincial legislative requirements for local authorities to direct emergency responses, appoint an emergency advisory committee, and maintain an emergency management agency in accordance with the Emergency Management Act.

Although there are some areas for improvement, such as the fire services reporting structure noted above, the town's protective services appear to be operating in accordance with provincial legislation, local bylaws and regional agreements.

RECOMMENDATION FOR FIRESMART: That Rocky Mountain House council consider promoting FireSmart practices for the community.

8.2 Economic Development

The town has a dedicated economic development officer position. Local economic development efforts are focused on seven economic development goals approved by council in the 2012-2015 Economic Development Strategic Plan, as follows:

1. Increase the availability of commercial and industrial land
2. Encourage events and attractions
3. Develop a mentorship program
4. Develop a business attraction campaign to promote Rocky Mountain House
5. Develop a unified regional economic development action strategy (Clearwater County, Rocky Mountain House, Caroline)
6. Improve tourism assets to enhance Rocky Mountain House as a destination
7. Create a downtown to become a central point for the community

Records show that progress to achieve economic development goals is ongoing, and that the progress is communicated to the public through the town website. The seasonal Marketplace on Main, the 2016 Tour of Alberta Bike Race and the bi-annual Rocky Mountain House Airshow are examples of local events that promote the area. Many interviewees commented that Rocky Mountain House is ideally located as the 'Gateway to the West Country', with close proximity to the Rocky Mountains; and only a two-hour drive to either the Calgary or Edmonton International Airports.

The town also has a strong regional Chamber of Commerce serving the town of Rocky Mountain House, Clearwater County and the communities of Caroline, Condor, Leslieville, Nordegg, Sunchild and O'Chiese, according to the chamber [website](#). The Chamber appears to have a very strong understanding of the town's local economic development needs and acts as a notable liaison with the business community. The Chamber promotes local economic development and tourism in the region with the following mission statement:

*To be a thriving sustainable organization that works to ensure the region is a vibrant and prosperous place to carry on business.*¹³

The Chamber also manages the local Visitor Information Centre which is located in the attached museum. The town has agreements in place with Clearwater County dated 2014 for the Chamber of Commerce to manage the Visitor Information Centre and for a Museum Operations Board to advise the Rocky Mountain House Reunion Historical Society in the operations of the museum building. Town council passed resolutions approving these agreements at the November 18, 2014 regular council meeting as shown below. No bylaw was located to establish the Museum Operations Board. As noted earlier in this report, council committees and other bodies need to be established by bylaw (MGA s. 145).

Rocky Mountain House Reunion Historical Society Agreement

Dean Schweder, Economic Development Officer reported that the current Rocky Mountain House Reunion Historical Society Agreement expires December 31, 2014. The proposed Agreement between the Rocky Mountain House Reunion Historical Society, Clearwater County and the Town of Rocky Mountain House is for a term of 4 years and includes an increase of \$5,000 from both the Town of Rocky Mountain House and Clearwater County. Mr. Schweder advised Council that there had not been an increase since 2010 and confirmed that the contribution of funds from the Town and County are paid annually for the operating and maintenance costs of the Museum. The contribution amount is to be reviewed annually.

Moved by Councillor Sugden that Council approves the Rocky Mountain House Reunion Historical Society Agreement as presented with the increase of \$5,000 for a total of \$30,000 for 2015, and authorizes the Mayor and Town CAO to sign the Agreement for a four (4) year term January 1, 2015 to December 31, 2018 on behalf of the Town of Rocky Mountain House. Carried.

¹³ <https://www.rockychamber.org/?vw=bb>

8.3 Planning and Development

Rocky Mountain House has one dedicated development officer position, a role that has been filled by a longstanding staff member who appears to work very efficiently and holds the requisite training and experience. Some development officer assistance is provided from the department director, however, this department appears to be understaffed for the size of the community. A lack of cross training and succession planning was also noted in this area, which could place the organization at risk of losing some corporate knowledge if the current development officer was to leave the organization.

The scope and complexity of development services within the town is quite extensive although only a few planning initiatives are highlighted on the town website:

- Joint Development Area & Intermunicipal Development Plan (IDP) Updates
- Main Street Reconstruction Project
- Storefront Improvement Program

Rocky Mountain House contracts additional planning expertise through Parkland Community Planning Services to assist with preparing statutory planning documents and carrying out the professional responsibilities associated with the subdivision approval process.

8.3.1 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 land use districts such as residential, commercial, parks and environmental reserve, and it identifies permitted and discretionary uses within each district and describes when a development permit is required, or not. The LUB regulates general development provisions such as site coverage, off-street parking, signage, grading, accessory buildings, water supply and sewage disposal. The LUB may also establish a process for applicants to appeal subdivision and development decisions in accordance with the MGA s. 678 and 686.

Rocky Mountain House council passed the current Land Use Bylaw No. 11-11 LU on May 1, 2012 and this bylaw has been properly amended by bylaw periodically over the years in response to current demands. For example, the May 17, 2016 LUB amendment No. 16/05 LU establishes land use provisions for medical marijuana facility, craft brewery and distillery, child care parking and home occupation signage. The 2016 LUB review was also identified as a strategic priority in the 2016 Corporate Plan.

8.3.2 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.

Rocky Mountain House council passed Municipal Development Plan Bylaw 11/12 LU on May 1, 2012 in accordance with the MGA s. 632.

Long range planning is particularly important to communicate intended land uses to local stakeholders, future investors and neighbouring municipalities to promote well-ordered growth. The MDP bylaw 11/12 LU purpose reads as follows:

*The overall purpose of the Town of Rocky Mountain House Municipal Development Plan (MDP) is to guide future growth and development to ensure that it is sustainable, orderly, appropriate, complementary, efficient, and that it enhances the quality of life for the citizens of Rocky Mountain House. The MDP is primarily a policy document that can be utilized as a **framework for the physical development of the community** within which both public and private sector decision making can occur. As a policy document it is, for the most part, general in nature and long range in its outlook. The MDP helps Council evaluate immediate situations or proposals in the context of a long range plan.*

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

Intermunicipal development plan

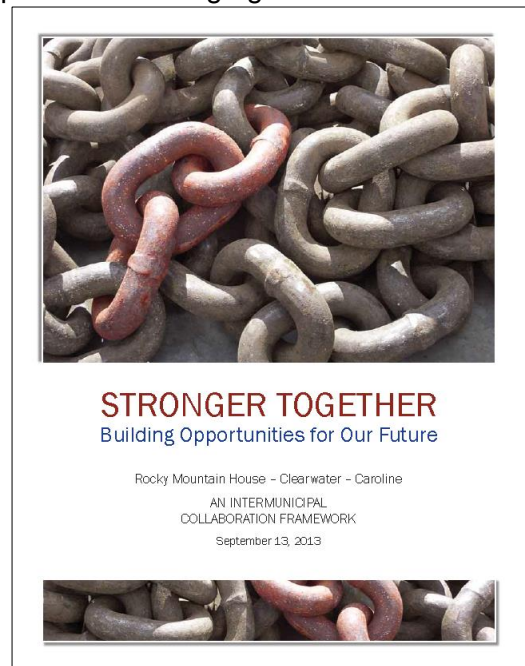
631(1) Two or more councils may, by each passing a bylaw in accordance with this Part or in accordance with sections 12 and 692, adopt an intermunicipal development plan to include those areas of land lying within the boundaries of the municipalities as they consider necessary.

The town of Rocky Mountain House and Clearwater County adopted an IDP by passing bylaw No. 07/19 LU in 2007 in accordance with the MGA s. 631.

8.3.3 Intermunicipal Collaboration Framework

MGA amendments are currently being proposed that would require an Intermunicipal Collaboration Framework (ICF) for neighbouring municipalities to manage growth and fund regional service delivery.

Municipalities in the Rocky Mountain House region have a long history of collaboration and partnerships, such as the 2013 *Stronger Together, Intermunicipal Collaboration Framework* which identifies joint initiatives for recreation, fire services, waste management, physician retention and sharing of equipment and knowledge. This collaborative regional agreement received provincial recognition with a 2015 Minister's Award for Municipal Excellence. The agreement presents a noble framework that aims to implement shared collaboration principles, commits to intermunicipal communication, and establishes a process to handle differences.



The agreement is described as a “living document” that can adapt to the needs of the region. As such, it could likely be easily updated to meet new legislative requirements that may be needed for growth management and funding shared services. For the existing partner municipalities, an updated version of the collaborative framework could be seen as *Stronger Together 2.0*.

RECOMMENDATION FOR COLLABORATION: That Rocky Mountain House council establish a plan to build on the existing *Stronger Together* Intermunicipal Collaboration Framework (ICF) to determine specific details on growth management and equitable funding models for all shared services.

8.3.4 Area Structure Plans

The MGA s. 633 states that a council may adopt area structure plans by bylaw, as follows:

Area structure plan

633(1) For the purpose of providing a framework for subsequent subdivision and development of an area of land, a council may by bylaw adopt an area structure plan.

Rocky Mountain House has also adopted several Area Structure Plans (ASPs), and Area Redevelopment Plans (ARPs) as shown below. In some cases, the corresponding bylaw appears to be missing or the dates do not coincide with the date of the plan.

- 2014 Old Town Area Redevelopment Plan, bylaw No. 14/14 LU
- 2011 East ASP, bylaw No. 00/18 LU; 08/03 LU (Falcon Ridge Outline Plan)
- 2011 South West ASP, 2007 bylaw 07/17 LU; Outline Plan amendment 10/18 LU
- 1994 North ASP, bylaw No. 94/01 LU
- 1994 North East Outline Plan

Several of the ASPs in Rocky Mountain House are not current. In some cases, office consolidations of an ASP occurred without a corresponding bylaw, such as the 2011 East Area Structure Plan.

The MGA s. 638 requires consistency among a municipality's statutory plans:

Plans consistent

638 All statutory plans adopted by a municipality must be consistent with each other.

Ideally, the IDP would precede the MDP, which would in turn precede all ASPs and the LUB. Given that only the MDP and LUB are mandatory, and are therefore the most likely to be regularly reviewed and updated, it is common for other statutory documents to become outdated by being adopted well prior to the latest revisions and amendments to the MDP and LUB. Minor differences between planning documents can lead to a public perception

that the municipal plans are in conflict or applied inconsistently. There is a need to ensure consistency between statutory documents, policies and LUB regulations.

The implementation of plans proceeds at a pace that is often dependent on market forces beyond the control of council and municipal staff. For this reason, all statutory plans should be reviewed and updated, as appropriate, on a regular basis, as should the LUB. Ideally, ASPs should be reviewed concurrently with any IDP and MDP amendments.

The regular planning document review process does not need to be expensive or lengthy, but it should be open to input from residents, business owners and other interested stakeholders. Revised statutory plans can then be adopted by council by bylaw.

RECOMMENDATION FOR PLANNING DOCUMENT REVIEW: That Rocky Mountain House council review and update area structure plans, area redevelopment plans and related planning documents to ensure consistency among all statutory plans in accordance with the MGA s. 638.

8.3.5 Subdivision Development and 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

Rocky Mountain House council complied with this legislative requirement by passing a related Subdivision Development and Appeal Board Bylaw No. 98/24V in August 1998. As a quasi-judicial board, the Subdivision Development and Appeal Board (SDAB) meets as needed to hear appeals of subdivision and development matters. Five members at large are appointed by council at the annual organizational meeting to serve on the SDAB for a one-year term. Records indicate that these members received recent and periodic training.

Through the course of the inspection and research it appears that the SDAB members have acted within the authority provided by the MGA or established bylaw. Similarly, research indicates that municipal staff acted in accordance with the provisions of the MGA and did not act in a prejudicial or preferential manner.

8.3.6 Municipal Planning Commission

Municipal planning commissions may be established in accordance with the 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.

Rocky Mountain House established a Municipal Planning Commission (MPC) in 1993 and has updated the bylaw over the years to the recent version No. 98/25V. The municipal planning commission consists of seven members who are appointed by council at the annual organizational meeting to serve for a one-year term. Rocky Mountain House has currently appointed four municipal council members and three members at large to serve as MPC members. The MPC meets twice per month to consider and make decisions on development permits and applications for subdivision and development. MPC meeting minutes are available to the public on the town website.

An inspector attended April 5 and April 19, 2016 MPC meetings to observe the conduct and process. The meetings were found to be professional with thoughtful comments shared by MPC members and staff when considering development matters.

8.4 Development Matters

Several current development matters surfaced during the inspection process as local concerns or observations.

The inspectors were also informed of some historical improper practices in the development services department, however, these historical practices were addressed several years ago and are no longer prevalent in operations. The following matters were reviewed in detail:

8.4.1 Joint Development Area

The town of Rocky Mountain House and Clearwater County proposed a 600+ hectare commercial/industrial development immediately northeast of the town as part of a long-term growth strategy. A related agreement was approved in principle by both councils at a joint council meeting held on May 17, 2016. The related resolution reads as follows:

COUNCILLOR BURKE That the Town of Rocky Mountain House Council accepts in principle the draft Joint Development Area Agreement and the draft Intermunicipal Development Plan.

CARRIED 6/0

Access to the joint council meeting minutes was not readily available on the town website, but could be accessed on the Clearwater County website. A news release was provided to announce the June 15, 2016 open house and describe the proposed initiative, as follows:

The JDA proposes a 40 year contract which designates an area to the north of Town for new industrial and commercial development, with shared tax revenue and the provision of municipal water and wastewater services; an initiative meant to streamline the subdivision and development processes. In conjunction with the JDA, the Town has identified two potential long-term annexation areas that will help in furthering its growth in urban residential and highway commercial development located north of the Town and south of the Airport Road (Township Road 40-0); as well as south of Town and north of the Hwy. 752 – Hwy. 11 connector road.

Upon review of this joint development initiative, it appears that Rocky Mountain House elected officials have acted within the authority of the MGA s. 3 “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.” The council appears to be considering the future viability of the community and region by designating areas for future commercial and industrial growth. The council actions are consistent with current strategic priorities identified in the town’s 2016 Corporate Plan. Council’s actions are also consistent with the collaborative philosophy identified in the 2013 Stronger Together regional agreement.

This initiative also presents some items of concern:

1. There is an absence of a comprehensive fiscal impact analysis to assist decision makers by providing solid data to measure the financial impact of this proposed land

use planning decision. The May 17, 2016 joint council meeting minutes show concerns expressed by council members about the unknown ability to recoup site servicing costs and infrastructure investments. Fiscal impact analysis would provide decision makers with a greater degree of certainty and prudence with evidence-based decision making.

2. There is a lack of economic and marketing studies to assist decision makers in determining the necessity and recommended scope of the project. Conducting preliminary studies is briefly mentioned in the meeting minutes, but timely studies are not apparent.
3. Transparent and timely communication with the electorate appears to be missing from the process since it appears that the public was only informed of this initiative in May 2016. The [town website](#) provides background information that the two municipalities have been working on the project since the fall of 2014, as follows:

In the fall of 2014, the Town Council and County Council agreed in principle to work toward developing a framework that would encourage land development and economic development in the region, in a manner that would benefit both municipalities. Over the past 18 months, Town and County staff and the IDP Committee have worked to identify what changes are required as well as undertake preliminary engineering relating to the sharing of Town water and sewer services and the potential for tax sharing.

RECOMMENDATION FOR FISCAL ANALYSIS: That Rocky Mountain House council complete a fiscal impact analysis and related background studies for large developments in order to assist council in making wise, evidence-based decisions.

8.4.2 16-year Developer Lawsuit

The town of Rocky Mountain House was involved in a lengthy legal matter with a local development company and business owners known as RVB Managements Ltd. and Lavoy Property Developments Ltd. The town was successful in its defense of a \$20 million claim against the town for alleged damage to land from surface water flow and alleged delays in development approvals. Legal action on this matter began in March 1998 and concluded in January 2014 with a Court of Queen's Bench ruling by Justice Browne wherein she ruled to *"dismiss the action in its entirety."*

The town's legal defense costs totaled \$937,621.86, and this amount was covered through the town's insurance. Additional internal staffing costs were directly incurred and absorbed by the town as various staff addressed this 16-year legal matter. The exact cost could not be determined.

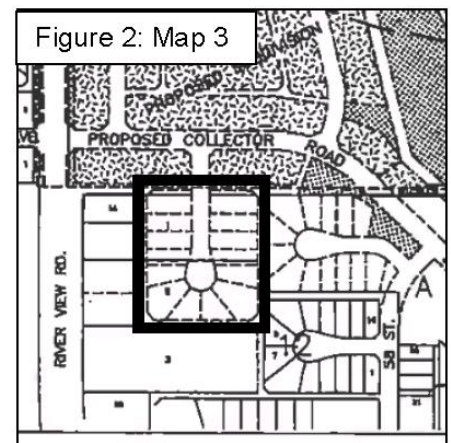
8.4.3 Subdivision Process

The inspectors heard reports from certain stakeholders alleging that the town's Director of Planning and Protective Services denied a request for subdivision and then purchased the property and subdivided it for himself. Facts, professional process and documentation on file do not support this contention.

Historical planning records show that several subdivisions have occurred or are proposed for the subject area, as follows:

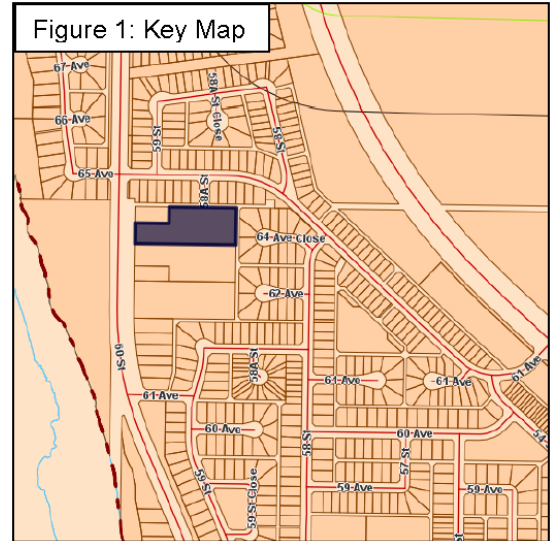
1. A 1994 North Area Structure Plan includes a concept map showing several residential lots proposed in the area around 58A Street. Shown in the related Figure 2: Map 3:
2. A 2013 subdivision application was received from the property owners with the following purpose:

To consider the subdivision of Lot 1, Plan 5064KS in order to create one residential parcel and one remained parcel zoned Low Density Residential District (R-1)



This subdivision application was considered and approved with conditions. Plan 142 2133 was subsequently registered at Land Titles. Consistent, proper processes appeared to be followed. A key map of the subdivision area is shown in Figure 1: Key Map:

3. A further 2015 subdivision application was received affecting the previously subdivided property mentioned above. This application requested to *subdivide Lot 2, Block 1, Plan 142 2133 to create two (2) residential parcels* and it was approved with conditions.



This application was received from the property owners who were negotiating the sale of the property. The town's Director of Planning acted as an agent in his personal capacity through this process since he was personally negotiating the purchase of the property.

Records show that a proper process was followed in this application review and that the Director appropriately removed himself from the process and did not review or comment on the application. Rocky Mountain House adheres to a professional and consistent subdivision application approval process and it was followed in this example.

It is also worth mentioning that the Director is not the town's subdivision authority and therefore has no authority to approve or not approve any subdivision application. Any allegations that the Director approved his own subdivision appear to be unfounded.

Further, public servants such as town employees still have rights as citizens and residents of the community in which they live. Municipal employees are often encouraged to live in the communities they serve. All citizens, including municipal employees and councillors, have a right to fair processes and respectful treatment.

4. A 2016 subdivision application was received and approved with conditions affecting property adjacent to the properties mentioned above. The purpose of this subdivision

is to “consider the subdivision of Lot 2 Block 2 Plan 1420703 in the Town of Rocky Mountain House in order to create two (2) Residential parcels.”

This example shows consistency in the subdivision application process in the North Area Structure Plan area regardless of the applicant.

5. A 2011 subdivision application was approved with conditions in another area of town. The application requested subdivision approval “to create twenty-nine (29), residential parcels, two (2) public utility parcels and two (2) remainder parcels located south of 48th Avenue from Lot 4, Block 1, Plan 972 4130 and a part of the N.W. ¼ 22; 39-7-5, with the two (2) public utility parcels located along the north side of the Canadian Pacific Railway.”

Subdivision approval was granted for a one-year period. In this 2011 subdivision application example, the subdivision was approved, however, the applicant did not proceed with the subdivision. Records show that the applicant requested time extensions in each of the four years following the subdivision approval (2012-2015).

Records show that the town council granted time extensions in each of the four years, such as the following council resolution from the September 1, 2015 regular council meeting:

7.4b Request for extension of time to subdivision RMH10403 – RVB Management

Tina McCallum, Parkland Community Planning Services (PCPS) presented Council with an update of subdivision RMH10403 – RVB Management Ltd.

PCPS received on August 10 2015, a request for an Extension of Time Agreement from Snell & Oslund Surveys Ltd. Agent for RVB Management Ltd. Administration recommended that council grant an extension of time to September 20, 2016.

Moved by Councillor Alderson to approve the request submitted by Snell & Oslund Surveys Ltd dated July 28, 2015, that Subdivision File RMH10403-RVB Management Ltd. be extended for a further one year term. Carried.

The subdivision approvals demonstrated above reflect a consistent and equitable approval process for applicants across various areas of the community.

8.4.4 Residential Development

The Riverview subdivision is an area of town that local officials are considering the feasibility of developing up to 84 residential lots. The town is considering a 'Joint Venture' project with a local developer to construct this subdivision. This is council's decision to make, however, it could ensure greater transparency in the decision making process, and could have conducted greater research on the cost-benefit of the proposed project.

Closed door discussions on this proposed subdivision have occurred since 2014 and surprisingly, the town's subdivision authority had not been made aware of the proposed development at the time of the 2016 municipal inspection. The only recent open council meeting discussion on this proposal was from an April 7, 2015 council meeting where a resolution was made to assess the feasibility of the Riverview subdivision, as follows:

Moved by Councillor Ullmann to allocate up to \$22,000 from General Reserve to conduct additional assessments at Riverview Subdivision to determine development feasibility.

Carried.

Affordable housing options seem to be readily available, although some stakeholders indicated that there was a general shortage of available housing options and that the vacancy rate was very low. Some stakeholders indicated that the town was fortunate to have several affordable housing options with benevolent landlords holding a large number of residential properties.

The Creekside Subdivision is a large residential subdivision on the south side of town proposing development of up to 725 dwelling units, according to a March 2016 outline plan. Residents expressed concern with the limited access and egress to this subdivision, with only one road into/out of the subdivision. Records show that town officials are working with the adjacent property owner to extend 54th Street from the subdivision, north across the rail line to connect with the downtown. A sample of the existing and proposed Creekside development area is provided below:


















Legend			
	R-1 Low Density Residential		Reduced Setbacks
	R-1C Compact Residential		Existing Property Lines
	R-1N Narrow Lot Residential		Proposed 2.5m Pathway
	R-2 General Residential		Proposed Child Play Area
	R-3 Multiple Family Residential		Outline Plan Boundary
	R-4 Manufactured Home		Two Storey Walkouts
	ER Environmental Reserve		
	MR Municipal Reserve		
	PUL Public Utility Lot		

Figure 5 - Concept with Aerial



Creekside | March 2016

8.4.5 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. This allows a municipality to charge for service upgrades such as roads, sanitary sewer systems, and water systems that are not necessarily located on the development site.

For example, if a proposed development required more water than the existing water treatment plant could produce and store, an off-site levy bylaw would allow a municipality to enter into an agreement with the developer to pay for all or a portion of the water treatment plant upgrades needed to service the development, even though the water treatment plant is not on the development site.

Rocky Mountain House council passed Off-site Levy Bylaw No. 04/09OS on July 20, 2004. This bylaw establishes development areas and detailed off-site levy costs for residential and commercial development within these areas.

The bylaw preamble indicates that new subdivisions should bear a fair portion of the cost of new or expanded facilities required to support the development, as follows:

TOWN OF ROCKY MOUNTAIN HOUSE BYLAW NO. 04/09OS
<p>THIS BEING a Bylaw of the Town of Rocky Mountain House, in the Province of Alberta, to authorize a levy of Off-site costs on Lands within the Town proposed for subdivision.</p> <p>WHEREAS new residential, commercial and industrial sites within the Town have required and will continue to require new construction or expansion of certain municipal facilities, or land in connection with such facilities;</p> <p>AND WHEREAS it is deemed just and reasonable that subdivisions should bear a fair portion of the cost of constructing or expanding such facilities;</p>

The bylaw objective is defined in section 3 to collect funds to pay for capital costs, as follows:

The object of this Bylaw shall be the collection of funds to pay for the capital cost of new or expanded facilities for the storage, transmission, treatment or supply of water; the

treatment, movement or disposal of sanitary sewage; the construction or storm sewer drainage facilities; and the acquisition of lands in connection therewith.

Town council also approved an Off-site Levy Policy No. 005/2004 to provide guidance to administration and consistency in collecting off-site levies. Council's historical actions show good foresight in attempting to cover costs of growth. These actions are consistent with legislative authority and best practices where the cost of growth does not burden the existing community. A lack of foresight and failure to plan for future needs would be an improvident action, however that is not the case for these local leaders in this regard.

Records show that \$1,459,261 in off-site levies has been collected since 1999 and that \$864,922 has been committed to capital projects as of December 31, 2013, as shown in the following summary:

Town Off-Site Levies Summary						
1999-2011	2012	2013	2014	2015	2016 <small>(as of July 14)</small>	TOTAL
\$ 1,294,398	\$ 51,684	\$ 59,608	\$ 53,572	\$0.00	\$0.00	\$ 1,459,261
					Spent on projects as of Dec. 31, 2013:	<u>\$ 864,922</u>
					Estimated funds available:	<u>\$ 594,338</u>

It could not be determined if the town's off-site levies have been consistently applied to all new development, or if council waived levies in some instances. The town's system of tracking off-site levies appears cumbersome and should be reviewed to ensure that it is accurate and comprehensive. The off-site levy calculations, and development areas should also be reviewed due to the age of the bylaw. Staff have indicated that some work is presently underway for an off-site levy review.

RECOMMENDATION FOR OFF-SITE LEVY: That Rocky Mountain House council review and update the off-site levy bylaw to ensure that it meets the town's current municipal development needs; that the council approve a related policy to ensure the consistent, equitable, and appropriate application of off-site levies in accordance with the MGA s. 648; and that administration review and update internal processes to track and record revenue received from off-site levies.

8.4.6 Big Box Store

Local stakeholders shared comments both in favour and against subsidizing a past development proposal for the construction of a big box retail department store in the town of Rocky Mountain House.

Apparently, the town was presented with a proposal to develop a large retail department store in town around 2005. At the time, the municipality had a standard development agreement in place for developers to pay for development servicing costs and the council relied on a principle of equitable treatment for developers. This developer requested servicing concessions asking the town to pay for related servicing costs estimated at \$1 million for paved roads, lighting and other infrastructure services required for the development. Local officials informed the inspectors that the town council offered a 20% concession on servicing costs, but the developer wanted 100% concession and therefore, the big box store did not develop in Rocky Mountain House.

Offering incentives, concessions or subsidizing development means that the town at large would have indirectly paid for the servicing costs of a private development. On a positive note, the town and region could have had the benefit of a popular retail shopping option.

Upon review of the council's actions, it appears that the council relied on a principle of equity and consistency wherein all development was to be treated equally and new development was expected to pay for itself without creating a financial burden to the existing community. There is merit in this approach. Some smaller communities may be so anxious for development that the officials consider approving development at nearly any cost to the existing taxpayers. This is a questionable practice with long term financial consequences.

As local decision makers, Rocky Mountain House council decided against placing a financial burden on the community with the development servicing costs for this project. As elected officials, this was the council's decision to make. It appears that the council also attempted to negotiate an arrangement and considered offering some concessions on servicing costs. This is also the council's decision to make as part of the broad authority to govern.

Local leaders are often faced with difficult decisions and competing interests. There are no free rides when it comes to development; someone will always need to pay for servicing costs in order to support the amenity. In the Rocky Mountain House big box store example,

either the developer or the existing taxpayers would have paid for servicing costs to support the proposed development.

Some stakeholders commented that the town would have recouped costs over time through property taxes. As mentioned previously in this report, and again for good measure, annual property tax revenue is not a 'profit' nor should it be construed as a 'benefit' or windfall to the town. Annual property taxes are the primary *revenue* source used to pay for *expenses* of current services provided during the year.

8.4.7 Intermunicipal Servicing Requests

The 'Estates at Lake Ernie' is a development proposal to create up to 44 country residential lots located outside, but adjacent to, the town's east boundary. The property owners initiated a request for water and wastewater services with Clearwater County. The applicant was advised to contact the town of Rocky Mountain House pursuant to IDP policy s. 7.2.

Town council heard from a delegation on the proposed development at the January 5, 2016 regular council meeting and passed a resolution to seek input from the Intermunicipal Development Plan committee, as follows:

5. DELEGATION

5.1 Tagish Engineering Ltd. re: Lake Ernie (proposed development)

Greg Smith, President/General Manager and Phil Nelson, Senior Project Manager of Tagish Engineering Ltd. introduced themselves as the Engineers for the developers Bryan Shippelt and Dale Shippelt, who were also present.

Mr. Smith outlined the various projects that the Shippelt have had over the years, and gave a detailed explanation with respect to the request made to the Town from the Shippelt development known as Lake Ernie. The representatives from Tagish indicated that the Shippelt proposed project would not be moving forward until the Town Council made their decision as to the water and sewer services being run to the development area.

Moved by Councillor Ullmann to defer the request of utilities service request made by Tagish Engineering on behalf of Dale and Bryan Shippelt re: Ernie Lake Development, to the Inter-Municipal Development Plan (IDP) Committee for input and review to be brought back to Council at the February 2, 2016 regular Council meeting. CARRIED.

The Intermunicipal Development Plan committee considered the matter at the January 25, 2016 meeting. The committee considered various options, including implications of a hook-up to non-annexed rural lands and recommended that the town support the request to provide services to the development provided that the following four conditions were met:

1. *That annexation into the Town be applied for by the landowners;*
2. *That the IDP be appropriately amended to allow for residential development;*
3. *A taxation agreement be entered into by the Town and landowner; and*
4. *That a caveat with respect to the annexation agreement be registered on each lot in the Estates at Lake Ernie development.*

Rocky Mountain House council considered the input from the IDP committee at the February 2, 2016 regular council meeting and passed a resolution to approve the servicing request for the development with conditions, such as requiring an annexation of the property into the town boundaries, with the developer to pay for all annexation costs.

This resolution was amended and again passed at the February 16, 2016 regular council meeting to read as follows:

7.4c IDP Committee – Estates at Lake Ernie Development

Moved by Councillor Burke that the Town agree to the proposed request for water and wastewater servicing connection for the Estates at Lake Ernie development with the following conditions:

1. *The Developer enter into an agreement with the Town of Rocky Mountain House, by which the Town would agree to initiate an annexation of the “Estates at Lake Ernie lands” at the request of the Developer;*
2. *the Developer would be obligated to bear all of the costs associated with such annexation process by which the “Estates at Lake Ernie lands” would be annexed to the Town of Rocky Mountain House and would be required to obtain the consent of Clearwater County to that annexation;*
3. *the effective date of the required provincial annexation order would be required to precede subdivision approval for the “Estates of Lake Ernie lands;”*

4. *in addition to entering into the said agreement the Developer submit a request to both the Town and the County to amend the existing Inter-municipal Development Plan to include the subject property within the Town's long term boundary, designated as a future residential use;*
5. *upon annexation being completed, a taxation agreement be entered into with the Town and the Developer. and*
6. *the annexation process and agreements are to ensure compliance with the Municipal Government Act prior to acceptance CARRIED.*

The details of this February 16, 2016 council resolution were communicated to the landowner in writing on February 17, 2016.

Inter-municipal servicing is most often provided for through an agreement between two or more adjoining municipalities. It is unclear why the above resolution references an agreement with the developer in paragraph 5, rather than an agreement with the county. Servicing agreements are most often supported by policy in an Intermunicipal Development Plan. Relevant excerpts from the town of Rocky Mountain House – Clearwater County IDP (2007) are as follows:

7.0 UTILITY SERVICES

Goal: To establish the broad parameters and expectations leading to the effective and cost- efficient provision of municipal utility services capable of supporting future growth and development

Objectives:

1. *To determine appropriate servicing standards and expectations within the Plan Area*
2. *To provide for the coordination and integration of utility systems within the Plan Area*
3. *To provide for the orderly and cost-effective extension of servicing systems*
4. *To identify strategies for storm water management reflecting best management practices*

Policy Directions:

7.1 All development shall be supplied with an appropriate level of utility services based on the location and characteristics of the development.

7.2 Each municipality shall determine the nature of the utilities to be provided by the municipality or the developer.

7.3 Town water and sanitary sewer services shall not be extended beyond the Town boundaries unless these extensions form part of a joint development initiative based on the joint development policies section of this Plan.

The recommendations of the IDP committee and town council's resolution are consistent with standard municipal practice and IDP policy.

For the Estates at Lake Ernie application, it appears the goal, objectives and policies of the Intermunicipal Development Plan were followed in local decision-making. The fact that the discussions took place in a transparent process is to the credit to both municipalities.

The mayor and reeve jointly communicated with the landowner, in what appears to be a reflection of each municipal council's commitment to the IDP policies and a statement of common interest being jointly recognized.

9 ENGINEERING AND OPERATIONS

The Engineering and Operations Department is responsible for many day-to-day operational services and for infrastructure management such as roads, water, wastewater, trails and parks. This department is infrastructure intensive with significant capital project works, such as projects identified in the 2014 Capital Improvements program and the 2014-2016 Main Street Reconstruction project.

Many stakeholders provided positive comments and appreciation for the day-to-day operational services provided by this department. Department staff have gained a reputation of being responsive to local needs, however a few comments were received suggesting areas for improvement such as coordinating and providing better notice in advance of neighbourhood street sweeping.

A 2014 departmental reorganization moved the town parks department out of recreation and into the engineering department. The result appears to have improved the communication and strengthened the culture between affected staff. Overall, the various department responsibilities are demonstrating signs of progress and compliance for general operational processes are strong. As an example, the 2015 overall waterworks component of the town's COR (Certificate of Recognition) safety audit showed a PASS with a 90% overall waterworks rating.

9.1 Main Street Reconstruction Project

Rocky Mountain House has approved a \$10+ million Main Street Reconstruction project that was completed during 2014-2016. Several stakeholder comments were received expressing both concern and approval for the Main Street reconstruction project. Some interviewee concerns were shared over the accessibility of handicapped designated parking zones, potential snow clearing issues and an overall reduced roadway width for an agricultural-focused community.

Some positive comments were that it looks nice, that the water and sewer infrastructure needed replacing and that the project will attract people to downtown businesses. One resident stakeholder commented that *"As soon as you have change, you have bitching."*

The objective analysis shows that the project was initiated after broad community consultation, consideration of strategic planning objectives and core infrastructure needs.

The 2010 Municipal Sustainability Plan identifies the need for a downtown economic rebirth as a current reality in the built environment, with an historical theme and business revitalization as actions. The town's Tangible Capital Asset Policy 018/2007 recognizes the maximum useful life of water and sewer systems to be 75 years, and the maximum useful life of paved roads to be 20 years.

Capital planning reports from 2005 show that the Main Street was scheduled for road rehabilitation in 2008. Some area patchwork was completed, however, the surface work was delayed as leaders considered the more comprehensive project of underground water and sewer infrastructure replacement to proceed in advance of road surface improvements.

Underground utility infrastructure records show that the water main lines running under Main Street were mostly 200mm cast iron pipes installed in 1950. Sanitary sewer lines were also installed in 1950 and are the same size, 200mm, except for the lower block of Main Street, where the diameter is reduced to 150mm. Sewer lines were constructed of clay pipe as well as PVC pipe for service connections. The rehabilitation component of the project saw the replacement of water mains and the relining of sewer mains.

Disrupting traffic and activity on the Main Street of any community is rife with short term challenges and Rocky Mountain House was no exception. The physical slope of the land presented additional design limitations and led to the approval of a tiered design with a series of stairs and hand railings. Council provided direction to proceed with a tiered streetscape concept, as directed in the following resolution from the February 19, 2013 regular council meeting:

7.4 b Main Street – Direction on Sidewalk Concept

1) Report – Brad Dollevoet/Kris Johnson

2) Concept Drawings of Terraced Storefront Sidewalk and two-sloping sidewalk

Moved by Councillor Mizera to approve the terraced storefront sidewalk concept for the Main Street detailed engineering designs in the environments where it is possible to do so. Carried.

Various concepts were considered prior to council's direction, such as the following excerpt from a 2012 streetscape concept:



Streetscape concepts were also presented using 'before and after' illustrations to show a visual example of the proposed changes, such as the following:



Town council also considered options for one-way and two-way traffic on Main Street, and ended up selecting the two-way traffic option at the February 5, 2013 regular council meeting, as follows:

Moved by Councillor Symko that Council approve the two way option of the Main Street Conceptual Plan and that Administration proceed to Phase 2 of the Main Street Improvements project titled "Detailed Engineering Designs" utilizing the two way street concept. Carried.

The Main Street reconstruction project was contemplated in the town's capital planning documents and the engineering design and reconstruction components. This shows foresight and this planning was followed by a competitive bid process. A pair of anomalies were present in this project:

- Only one bid was received for reconstruction work of nearly \$10.2 million. While it is not the norm, single bids are not uncommon, particularly for complex, multi-discipline projects such as this one.
- The town negotiated a project financing arrangement with the contractor to complete the majority of the work in 2014-2015 and to defer a portion of payment to 2016 and 2017 totalling just over \$3 million, including interest.

Records show that local officials, both council and staff members, made significant efforts to consult the public before and during the project. For example, open houses were held to present concepts and staff were regularly present with a booth at the seasonal "Market on Main" event held in the community each week. The local Downtown Steering Committee was also involved with a purpose "to provide a voice for the Downtown business community in providing input on town-led downtown projects."

Records show that the council acted within their governance capacity to approve the Main Street reconstruction project. The council acted within its broad authority to govern to "consider the welfare and interest of the municipality as a whole" (MGA s. 153). The decision to proceed with this large project was not made in haste. Rather, council proceeded after considering community input, the strategic direction for the community, local infrastructure needs, and available project funding options.

Rocky Mountain House council passed the following resolution to award the contract on March 18, 2014:

7.2a Main Street Improvements (EN2010/0005)

Moved by Councillor Verhesen to award, and authorize the CEO and CAO to endorse, the Main Street Reconstruction contract with M. Pidherney's Trucking Ltd. in the amount of \$10,180,669.47 excluding GST. Carried.

At the time of the municipal inspection, the project was nearly completed and town staff were working to address any concerns, such as the sidewalk handrail style, that had been brought to their attention.

It seemed that public concern was generated by what appears at first glance to be an overly complicated design with many railings, multiple ramps, and sidewalk levels that were required for accessible entry to be provided to all businesses. A system of ramps and railings was selected as the most efficient way to accommodate the significant slopes and the varying elevations of the adjacent business entrances. While there may or may not have been an alternative way of achieving the desired accessibility, the design process was conducted by a qualified team in an open, transparent process that appears well intentioned.

Despite some negativity to the Main Street reconstruction project, the general theme of local stakeholders was to accept the project because it is *"here to stay"* and wont be changing anytime soon. One stakeholder commented that they were *"going to stop being upset and frustrated about Main Street since they can't change it."* Once the project was completed, the town received positive comments that *"the town has never been more beautiful"* and that *"visitors were very impressed with Main Street."*



Photo of Main Street taken by Strategic Steps, April 4, 2016

9.2 Solid Waste Management

Garbage collection practices have undergone several changes in recent years with a variety of service options being used. The town has contracted out this service and managed it in-house over the years. Rocky Mountain House also has a solid waste related position in the engineering and operations department as shown on the town organizational chart. This position was vacant at the time of the inspection.

At the present time, solid waste collection services are provided by the Rocky Mountain Regional Solid Waste Authority using a roll out cart system for residential garbage collection. Commercial customers contract waste collection services directly from the waste authority. Despite some transition issues with the new roll out cart system, it appears to be providing an appropriate level of service to the town.

Two Rocky Mountain House town council members are appointed to the Rocky Mountain Regional Solid Waste Authority board which is comprised of elected officials from the town of Rocky Mountain House, Village of Caroline and Clearwater County. A waste authority manager reports to the board of elected officials and oversees operations.

The Rocky Mountain Regional Solid Waste Authority owns and manages the Rocky Regional Landfill, several waste transfer stations, and the Regional Recycling Facility. In the past, landfill operational costs were heavily subsidized by an onsite lease to a local company, however that lease has expired and, over the past few years, the landfill has transitioned to a full cost recovery model.

The inspectors heard numerous comments from stakeholders regarding the governance and operations of the Rocky Mountain Regional Solid Waste Authority. Documents were provided to the inspectors that give a strong indication of inefficiencies and operational concerns in this organization. A 2016 Governance and Operations Review was initiated by the Rocky Mountain Regional Solid Waste Authority.

RECOMMENDATION FOR WASTE AUTHORITY REVIEW: That a detailed independent review of the management and operations be conducted for the Rocky Mountain Regional Solid Waste Authority.

10 CORPORATE SERVICES

The Rocky Mountain House Corporate Services department is responsible for the following service areas:¹⁴

- Budget
- Bylaws
- Cemetery
- Finance
- Health and Safety
- Human Resource Management
- Information Technology
- Policies
- Rocky Airport
- Tax & Assessment
- Town Reception
- Utilities

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. Revenue received and expenses incurred are recorded using accounting processes and reporting that are relevant to municipal finance. 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 operating and capital revenues and expenditures with a comparison to budget
- Annual audited financial statement preparation with reporting to the public and Alberta Municipal Affairs.
- 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.

¹⁴ <http://www.rockymtnhouse.com/index.aspx?nid=152>

10.1 Budget Process

A municipal budget demonstrates financial commitments to various department services and programs. It is a means of funding local services such as administration, roads, water, protective services, development services, community services, recreation and cultural facilities.

Rocky Mountain House council approves operating and capital budgets each year. The 2016 municipal expenditures totaled \$28,901,027 with \$8,132,990 funded from general taxation and \$20,768,037 funded from other sources as shown in the 2016 Tax Rate Bylaw No. 16/06F. The budget process included input from council and management over several meetings, such as the December 7, 2015 special council meeting:

2016 Budget

Todd Becker, CAO and Lynn Webster, Director of Corporate Services presented Council with the amended 2016 Budget outlining changes that were discussed at the December 7, 2015 Budget meeting.

Moved by Councillor Burke to increase the 2016 Budget by \$5,750 in order to fund the request from the Rocky Chamber of Commerce - Visitor Information Centre. CARRIED.

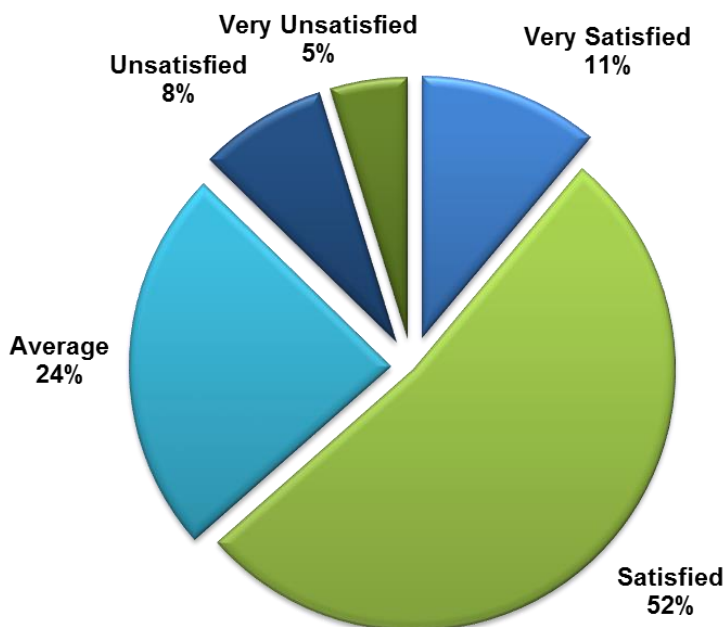
Moved by Councillor Alderson to approve the 2016 New Service levels as presented. CARRIED.

Moved by Councillor Verhesen to approve the 2016 Operation and Capital budgets with the understanding that there may be an adjustments made with respect to Regional Fire and that administration will provide Council with information at the regular Council meeting on February 2, 2016 with respect to remuneration of members at large which could also reflect a change in the 2016 Budget. CARRIED.

The 2016 budget and service levels were approved by council and the resolution should have shown the budget impact of these service level changes which were estimated to total \$414,113. Overall, the budget process seems appropriate and council is reminded that their input is best utilized in determining local priorities and ensuring that sufficient financial resources are allocated to accomplish strategic objectives.

The level of services that are presently provided seem to be meeting the needs of local residents. More than 80% of residents were generally satisfied or very satisfied with services provided to them as indicated by interviewee responses, as shown below:

Level of Satisfaction with Overall Service Delivery in the Community



10.2 Taxation and Assessment

10.2.1 Tax and Assessment Notices

The 2016 property tax bylaw authorized rates of taxation to generate municipal tax revenue totalling \$8,132,990, plus additional requisition amounts. Some town records refer to a “*Mill Rate Bylaw*” however, the appropriate term is a “*Property Tax Bylaw*” and the town should use wording in the bylaw title that is consistent with the MGA, 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.*

Rocky Mountain House sends out combined tax and assessment notices in accordance with the provisions of the MGA s. 308(4):

(4) The assessment notice and the tax notice relating to the same property may be sent together or may be combined on one notice.

Combined assessment and tax notices were mailed to property owners on May 9, 2016 and it appears that a proper process was followed in the preparation and mailing of notices.

10.2.2 Tax Recovery

The MGA requires municipalities to prepare a tax arrears list each year by March 31, as follows:

Tax arrears list

412(1) A municipality must annually, not later than March 31,

(a) prepare a tax arrears list showing the parcels of land in the municipality in respect of which there are tax arrears for more than one year,

Town records show that the town has prepared an annual tax arrears list in recent years as required by the MGA s. 412(1). When a property is placed on the tax arrears list, a 'Tax Recovery Notification' is registered at Alberta Land Titles and placed on the certificate of title for that property.

The MGA s. 418(4) allows a municipality to enter into a tax agreement with a property owner to pay tax arrears. If no agreement is made, after required advertising and notifications, the tax recovery process in the MGA requires municipalities to hold a tax sale for properties that remain in tax arrears, as follows:

Offer of parcel for sale

418(1) Each municipality must offer for sale at a public auction any parcel of land shown on its tax arrears list if the tax arrears are not paid.

The MGA s. 208(1)(n) also places a legislative responsibility on the CAO to hold public auctions to recover taxes if properties remain in arrears, as follows:

(n) public auctions held to recover taxes are carried out in accordance with Part 10;

Financial indicator statistics show that the town has a very high tax collection rate where nearly 100% of tax arrears are eventually collected. This is an indication the overall tax recovery process and legislation is effective. The town's tax arrears list for 2013 shows that one property remains in arrears and the 2014 tax arrears list shows three properties that remain in arrears. There is no record of tax agreements being made affecting the properties in tax arrears and the town did not hold tax sales in recent years as required by the MGA s. 418.

A summary of tax arrears reports for Rocky Mountain House show a total of \$125,508.23 in unpaid property taxes from 2015 and earlier, as shown below:

Rocky Mountain House Tax Arrears Summary				
2015	2014	2013	<=2012	Total
\$97,074.52	\$19,599.30	\$5,300.87	\$3,533.54	\$125,508.23

RECOMMENDATION FOR TAX RECOVERY: That Rocky Mountain House administration review and abide by the tax recovery provisions in the *Municipal Government Act*.

10.2.3 Tax Rates and Assessment Comparisons

The inspection included a comparison of property tax rates with 11 neighbouring communities. The communities chosen for this summary match the set of communities used by Alberta Municipal Affairs for comparison purposes in preparing Financial Indicator Graphs for the town. The data was taken from each community's most recent municipal profile available through the Alberta Municipal Affairs website. All data except the number of residences is based on 2015 statistics. Number of residences is typically based on 2014 statistics.

Among the 11 communities in the comparison group, the town of Rocky Mountain House had the highest 2015 residential mill rate (8.2508 mills) which was 1.68 mills higher than the average. The town's 2015 non-residential mill rate was approximately 1.26 mills lower than the average, as shown in the following table:

Rocky Mountain House Tax and Assessment Comparison

(by population, largest to smallest)

Name*	Pop.	No. of Residences	Residential Muni Tax Rate (mills)	Non-Res. Muni Tax Rate (mills)	Equalized Assessment (\$)	EA per capita (\$)
Banff	9,386	3,346	3.1785	12.7140	\$ 2,062,458,697	\$ 219,738
Taber	8,380	3,546	7.2740	11.3196	\$ 938,853,657	\$ 112,035
Drumheller	8,029	3,198	7.3019	11.8443	\$ 971,932,463	\$ 121,053
Innisfail	7,953	3,812	6.5111	8.0739	\$ 1,046,272,100	\$ 131,557
Coaldale	7,526	3,090	7.9518	10.0896	\$ 762,118,443	\$ 101,265
Rocky Mountain House	7,220	2,991	8.2508	8.7508	\$ 870,122,814	\$ 120,516
Blackfalds	8,793	3,361	7.7246	8.3050	\$ 1,006,873,108	\$ 114,508
Drayton Valley	7,049	2,656	5.3619	11.5747	\$ 1,294,518,079	\$ 183,646
Bonnyville	6,921	2,175	5.1096	7.0505	\$ 1,108,927,617	\$ 160,227
Slave Lake	6,782	2,556	6.9030	10.0077	\$ 972,597,906	\$ 143,409
Ponoka	6,773	3,490	6.7285	8.9125	\$ 778,555,343	\$ 114,950
Averages	7,710	3,111	6.5723	9.8766	\$ 1,073,930,021	\$ 138,446

The term 'mills' is used in the table above. A mill rate is another way of expressing a tax rate multiplied by 1000 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.

Tax rates need to be set appropriately so they increase and do not inhibit a municipality's ability to sustain and deliver comprehensive services. Local service demands are extensive and citizens expect accountability, efficiency and good value for services provided. Citizens and businesses who were interviewed during the municipal inspection indicated that they were, on balance, satisfied with the service levels provided by the town as shown in a chart presented earlier in this report (page 105).

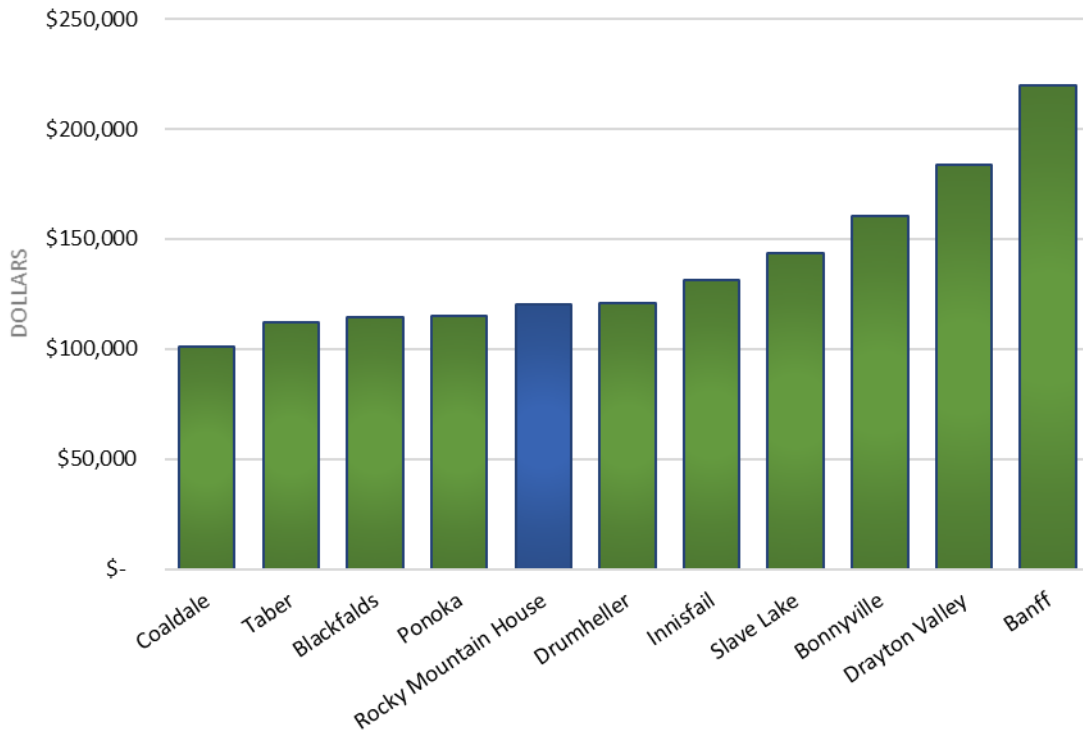
Legislation requires local leaders to provide good governance, providing necessary and desirable services while maintaining safe and viable communities. Local governments have an active and aggressive mandate with broad service responsibilities that affect every citizen, every day. Municipal taxes are a means to collectively fund common services and there is no prize awarded to a municipal council that wins the race to the bottom with the lowest comparable taxes in the area.

The assessment base of a municipality indicates its capacity to generate tax revenues. Rocky Mountain House was found to have a significantly lower than average equalized assessment per capita among the comparison group and the town's total equalized assessment value was also lower than the group average. This means that in general, property assessments in Rocky Mountain House are slightly lower than the average of the comparison group. It should be noted that the community at the high end of the equalized assessment, Banff, relies on a significantly different ratio of residential to non-residential assessment than Rocky Mountain House does. For a comparative example, the non-residential assessment base in Rocky Mountain House is estimated at 27% of the total taxable assessment, and the non-residential assessment base in Banff is estimated at 43% of the total taxable assessment.

Town council has traditionally applied a general municipal tax rate on non-residential properties that is 0.5 mills higher than the residential rate, in an apparent attempt to ease some of the tax burden on residential properties.

A smaller assessment base in Rocky Mountain House equates to a smaller capacity to generate tax revenue to fund local services. The comparative summary of equalized assessment per capita is shown in the chart below:

Equalized Assessment Per Capita (in \$)
(listed EA per capita smallest to largest)



10.2.4 Local Improvement Tax

Municipal projects typically provide a broad benefit to the community. There are some projects, however, that are considered to be of a greater benefit to a specific area, than to the whole municipality. For example, a sidewalk or paving on a remote street could be seen to have a greater benefit to the property owners on that street than to other property owners in the municipality as a whole.

The MGA defines a local improvement as follows:

Division 7

Local Improvement Tax

Definition

391 In this Division, “local improvement” means a project

- (a) that the council considers to be of greater benefit to an area of the municipality than to the whole municipality, and*
- (b) that is to be paid for in whole or in part by a tax imposed under this Division.*

If taxes are generated to fund local improvements, the MGA authorizes a council to pass a local improvement tax bylaw, as follows:

Local improvement tax bylaw

397(1) A council must pass a local improvement tax bylaw in respect of each local improvement.

(2) A local improvement tax bylaw authorizes the council to impose a local improvement tax in respect of all land in a particular area of the municipality to raise revenue to pay for the local improvement that benefits that area of the municipality.

Rocky Mountain House council has passed several local improvement tax bylaws over the years, dating back as far as 1984 in order to generate revenue for local improvements such as sidewalks, paving, and utilities.

In 2014 local officials considered levying a local improvement tax on properties adjacent to Main Street in the amount of \$458,150 plus interest over 20 years “for the purpose of construction of the **landscaping capital cost items** of the 2014 - 2016 Main Street Reconstruction Project” according to the proposed Local Improvement Bylaw No. 14/03F.

Town staff prepared a local improvement plan and council gave first reading to a Local Improvement Tax Bylaw No. 14/03F on March 18, 2014, as follows:

PLANNING AND COMMUNITY DEVELOPMENT

Presenter: Brad Dollevoet, Director of Planning and Community Development

Main Street Reconstruction Project – Local Improvement Bylaw 14/03F

Moved by Councillor Sugden to give first reading to Bylaw 14/03F to include an amendment to delete reference to Section 251 of the Municipal Government Act and insert Section 393(1) and, to direct Administration to send notice of the local improvement to all affected property owners. Carried.

The inspectors heard comments from some property owners on Main Street who claimed that they were told that the Main Street project would not overly affect their property taxes

when town officials initially consulted the public about the proposed the project. When the town officials proposed the local improvement tax bylaw 14/03F it seemed to spark some distrust with the public and was seen as the town officials “going back on their word” according to some property owners.

This local improvement bylaw never received further readings and was never passed. The affected property owners petitioned against the proposed bylaw and the petition was declared valid by the CAO at the April 15, 2014 regular council meeting, as follows:

7.1d Main Street Improvement Bylaw 14/03F Petition

Sue Wood, Director of Corporate Services advised Council that the petition has been reviewed by the Chief Administrative Officer and has been declared a valid petition, based on the Municipal Government Act section 392.

Moved by Councillor Verhesen not to proceed with Bylaw 14/03F “to authorize the imposition of a local improvement tax to raise the revenue to pay for the construction of landscaping capital cost items in the 2014 - 2016 Main Street Reconstruction project” as the CAO has received and declared a valid petition, based on the Municipal Government Act section 392, against the proposed bylaw. Carried.

In this example, it appears that the taxpayers exercised their right to petition against the local improvement bylaw and that the council responded properly to the valid petition.

10.3 Finance

10.3.1 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;

In accordance with the above section, council approved a Financial Reporting Policy No. 001/1998. This policy provides clear direction from council to administration for financial reporting, as shown in the following excerpt:

SUBMISSION TO COUNCIL

Financial reports including a month-end balance sheet, a statement of revenue and expenditure, and a supporting financial statement commentary will be submitted to council quarterly throughout each year.

This Financial Reporting Policy 001/1998 does meet legislative requirements, however, it lacks capital reporting, and excessively limits staff flexibility on presentation style. For example, the policy specifies what information should be placed in each column, requires the report to follow the Municipal Financial Information Return (FIR) layout, and states: *“Use separate pages for Revenue and Expenditure, as they will not fit comfortably onto one page.”*

The policy also requires a balance sheet to be submitted to council, which is not required by the MGA. Providing a quarterly balance sheet would only be based on preliminary numbers since the complete details of capital project reporting are recorded annually.

The CAO job description also refers to ‘periodic’ financial reporting as part of the CAO duties, as follows:

“...submitting to the council periodic revenue and expenditure reports compared with the approved budget with explanation of significant variations and account reallocations.”

Staff commented that quarterly financial reports were provided to council is an historical practice. Council meeting minutes show that council received financial information for budget deliberations and presentation of the annual audited financial statement, however, financial reports were provided to council infrequently. A complete quarterly report for the period ending September 30, 2015 was provided to council and approved on October 6, 2015. The next financial report presented to council was eight months later, on June 7, 2016 when council received an April 30, 2016 income and expense report only.

Both the Director of Corporate Services and the Finance Officer were fairly new to their positions in 2016 following related staff vacancies within the previous year. Finance staff appear to be diligent and hardworking, but are hindered by a backlog of tasks. Staff turnover usually comes at a cost and is a risk to any organization. For Rocky Mountain House, the interruption in service continuity appears to have contributed to a delay in financial reporting. Fresh ideas often add value to an organization. New staff have reported that they are also reviewing and updating internal processes as they become more familiar with their positions.

Council and the CAO have an important role to ensure that operations are adequately resourced to meet operational requirements. The lengthy gap in financial reporting following staff turnover could have been avoided by supplementing internal resources with external expertise. Infrequent financial reporting does not enable sufficient management oversight or general financial awareness of the organization. Local leaders acted in an improper manner by allowing a lengthy delay in financial reporting and failing to address a temporary internal capacity issue in the corporate services department.

If service gaps are created during staff vacancies, retaining temporary external resources is a good option to allow staff to maintain workload demands and avoid a backlog on services, such as producing accurate and timely financial reports.

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.

10.3.2 Financial Reporting to Management

The municipality should also establish an internal process to provide ***monthly financial reports to management***. These financial reports should be prepared at a departmental level or a level which is appropriate for managers to analyze the financial results of their departments. Management financial reports should include the following components:

- Operating revenue and expenses showing actual to budget comparisons noting variance dollar amounts and percentage
- Capital revenue sources and capital expenses showing actual to budget comparisons noting variance dollar amounts and percentage

Several municipalities provide an annual management report that supplements annual financial statements, including:

- Statement of reserves: actual, committed and remaining
- Statement of grants: actual, committed and remaining
- Balance sheet section

The structure of the historical financial reports to council appeared to be prepared in an Excel-based format, rather than being generated directly from the municipal financial software program. When financial reports are created manually they are typically not as robust as a report that is generated from a comprehensive software program. Additionally, manual reports are much more prone to input errors. Municipal leaders should require authentic, balanced financial reports that are generated by the municipal financial software system where sub ledgers are reconciled to the general ledger.

RECOMMENDATION FOR FINANCIAL REPORTING POLICY: That Rocky Mountain House council update the financial reporting policy to specify the detail and frequency of financial reports to council in accordance with the MGA s. 208(k); and that council allocate additional resources to avoid service backlogs by contracting external services when needed.

10.3.3 Sub-ledger Reconciliation

Rocky Mountain House has an historical practice of using Excel spreadsheets to track and balance certain financial sub-ledgers, such as reserves and investments. It is preferable for a municipality to maintain a comprehensive financial software system that contains various sub-ledger modules and reconciles all sub-ledgers to the general ledger in the municipal software system. Standalone worksheets increase the risk of error and lead to a duplication of work where values need to be re-entered into the municipal software program. Town administration also relies heavily on Excel-based worksheets when preparing annual operating and capital budgets, which leads to some duplication of work.

RECOMMENDATION FOR SUB-LEDGERS: That Rocky Mountain House administration use the central municipal software system where possible to strengthen the integrity of reconciling financial records.

10.3.4 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.*

Rocky Mountain House staff had difficulty meeting the May 1, 2016 financial reporting deadline for the 2015 fiscal year and the Minister provided the municipality with time extensions to complete their 2015 financial reporting by August 31, 2016. Prior to this delay, however, the town had a long history of meeting legislative reporting deadlines. The town has received a clean audit report and unqualified financial statements in recent years. The timing of staff vacancies around the 2015 year end appeared to contribute to the delay in compiling year end working papers for the auditor.

An improved internal process is required to support and strengthen the ability of staff to meet legislated deadlines for reporting to the Minister in accordance with the MGA s. 278. To achieve this, the municipality should review year end procedures, establish strict cut-off deadlines, develop a comprehensive audit binder and establish a detailed work plan with input from the municipality's auditor to ensure that year end working papers are reconciled and provided to the auditor well in advance of financial reporting deadlines.

RECOMMENDATION ON FINANCIAL REPORTING TO THE MINISTER: That Rocky Mountain House administration establish procedures that enable the municipality to meet legislative deadlines for financial reporting to the Minister in accordance with the MGA s. 278.

10.3.5 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.

Since Rocky Mountain House missed the May 1, 2016 deadline for financial reporting to the Minister for the 2015 fiscal year, the town also missed the May 1 deadline for financial reporting to the public. Historical practices show that annual financial statements were made available to the public once they were approved by council. Annual financial statements, budget highlights and other financial information were available on the municipal website and town staff confirmed that paper copies of annual financial statements were also provided to the public at the town office.

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.

Best practices show financial data presented in graphical format, where possible to help citizens understand where and what their tax dollars are being used for. This type of annual report to the public requires input from all departments within the municipality. A basic report template could be considered and the format could evolve and improve over time. For starters, the town has a historical practice of providing a one-page press release once the annual budget is approved by council.

RECOMMENDATION ON FINANCIAL REPORTING TO THE PUBLIC: That Rocky Mountain House council provide sufficient staff and budget resources to enable the municipality to meet the legislative deadline for providing council approved financial reporting to the public in accordance with the MGA s. 276; and that additional public reporting be considered to communicate departmental performance and the accomplishment of strategic objectives.

10.3.6 Project Management

Large projects often span more than one fiscal year and it is important to ensure that a proper recordkeeping system is in place to accurately track work in progress (WIP). Upon review of Rocky Mountain House budget documents, several projects were partially completed in certain years and therefore capital expenses and draws from reserves, debentures, grants or other funding sources are affected, to be determined at year end. Efforts to track capital projects are evident.

Capital projects should either be closed if completed within the year; transferred to Work in Progress to be completed in the following year/s; or if a project has not been started, it should be included within the current budget cycle to be considered along with other new proposed capital projects. Capital projects need to be funded annually along with the tracking of funding through reserves, debentures, grants, taxation or other source. Capital projects need to be budgeted and tracked closely so that the municipality can report the actual, committed and remaining balance of funding sources.

RECOMMENDATION FOR PROJECT COST TRACKING: That Rocky Mountain House administration establish capital project accounts within the municipal software system in order to more easily track and report on work in progress for capital projects.

10.3.7 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.

Rocky Mountain House council also approved a Purchasing/Tendering Policy No. 009/2010 on March 15, 2011. This policy objective refers to a transparent and competitive process, as follows:

The objective is to make certain that goods and services are acquired through a fair, open, transparent and competitive process that uniformly balances the interests of the taxpayer, fair treatment of suppliers and takes into consideration situations where environmentally preferred products and practices are considered when they are proven and are offered at a reasonable cost.

Additionally, the town's procurement policy binds Rocky Mountain House officials to comply with provincial trade agreements, as follows:

1. General

- a)** *All applicable legislation is to be observed including but not limited to the Municipal Government Act (MGA), Agreement on Internal Trade (AIT), Trade Investment and Labour Mobility Agreement (TILMA) and other Town Policies and Bylaws.*

Rocky Mountain House officials confirmed that the town abides by the local Purchasing/Tendering policy and Alberta Purchasing Connection advertising requirements. Inspection research confirmed that procurement practices followed the policy process. External engineering services were retained as needed to guide town officials through complex project procurement processes, such as the recent Main Street rehabilitation and recreation projects.

The town's procurement policy meets the legislative requirement for the town to establish procedures to authorize and verify unbudgeted expenditures. Town officials appeared to follow a proper process when handling unbudgeted expenditures, such as project change orders, by bringing unbudgeted items to council's attention to be considered for authorization, in accordance with the procurement policy and MGA requirements.

One instance was identified where town officials could not confirm if a council resolution was passed before engaging architectural services for the recent recreation centre project, as noted earlier in this report. If there is an omission in this regard, the council should pass a related resolution to correct the omission and seek further advice from Alberta Municipal Affairs.

10.3.8 Grant Applications and Reporting

Rocky Mountain House accessed grant funding for several projects through grant programs such as the provincial Municipal Sustainability Initiative (MSI), Federal Gas Tax Fund (GTF), Alberta Community Partnership (ACP)/Regional Collaboration Program, and Small Communities Fund (SCF). The grant funding through the Municipal Sustainability Initiative (MSI) is most notable since the town was able to access capital and operating grant funding totalling \$13,564,654 and \$1,007,177 respectively in recent years.

Records show that grant funding was applied to several local projects to improve infrastructure and operations. The town also participated in several regional projects, such as developing geographic information systems, sharing orthophotography data, a high speed internet access assessment, a marketing strategy, an intermunicipal collaboration framework. In 2015, the town was also approved for a \$3,300,000 for a regional landfill waste disposal cell construction project through the Small Communities Fund (SCF).

Records show that grant application spending plans have been submitted and the statement of financial expenditures reported to the province is up to date. This seems to indicate that town staff have been diligent in applying for and reporting on grant funding. The community at large has seen a significant financial benefit from having grant funds available to complete various projects.

10.3.9 Borrowing Bylaws

The MGA authorizes a municipality to undertake a borrowing if the borrowing is authorized by a borrowing bylaw:

Validity of borrowings, loans and guarantees

273(1) A borrowing made by a municipality and a loan or guarantee of a loan made by a municipality under section 264 and any legal instrument issued under the borrowing, loan or guarantee is valid and binding on the municipality and is not open to question in any court if the borrowing is authorized by a borrowing bylaw or the loan or guarantee is authorized by bylaw.

Rocky Mountain House council approved a delayed payment arrangement in 2014 totaling just over \$3 million, including interest with the contractor that completed the Main Street reconstruction project. A delayed payment with interest-bearing terms appears to be a type

of borrowing. It is unclear if the terms of this delayed payment arrangement created an indebtedness for town borrowing.

The MGA also requires borrowing to be secured prior to beginning capital works, as follows:

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.

No local records could be found to indicate that the Rocky Mountain House council passed a borrowing bylaw to authorize the apparent \$3 million borrowing created from the delayed payment to the contractor. This matter was not consistent with legislative requirements for borrowing money. There was also an indication that administration did not adequately research or advise council on their legislative responsibilities on this matter.

RECOMMENDATION FOR BORROWING TERMS CLARIFICATION: That Rocky Mountain House council seek clarification to determine if delayed payments with interest-bearing terms are considered municipal borrowing, such as the \$3,000,000+/- delayed payment to a local contractor in relation to the Main Street rehabilitation project.

The town periodically incurred short term borrowing to fund operating expenditures, such as borrowing bylaws passed in 2010, 2013 and 2015. The borrowing bylaws use fairly consistent wording to describe the bylaw purpose, such as the following description from Borrowing Bylaw No. 15/01F:

***WHEREAS**, the Council of the Town of Rocky Mountain House in the province of Alberta, considers it necessary to borrow certain sums of money for the purpose of providing operating expenditures.*

It appears that the town borrowing bylaw has a typographical error or unclear wording where the bylaw reads that the purpose of the borrowing is to “*provide operating expenditures.*” The intent of the borrowing should not be to provide expenditures, but rather, a borrowing is made for the purpose of “*financing operating expenditures.*” The bylaw wording should be updated if used in the future and should be consistent with the MGA wording, as follows:

Operating expenditures

256(1) *This section applies to a borrowing made for the purpose of financing operating expenditures.*

The town borrowing bylaws also contain a section to rescind previous borrowing bylaws. For example, borrowing bylaw 15/01F contains the following section:

7. That By-law 14/01F is hereby rescinded.

There is no apparent need to include this wording in a typical borrowing bylaw. The terms of the bylaw should be sufficient to determine when the borrowing concludes. Further, the proper terminology to end or strike down a bylaw is to *repeal* the bylaw, not rescind it.

RECOMMENDATION FOR BYLAW TEMPLATE: That Rocky Mountain House administration review and update the borrowing bylaw template in consultation with legal counsel to ensure clarity if used in the future.

10.3.10 Auditor Letters to Management

Each year the town auditor prepares a detailed letter for management that outlines any major or minor process improvements that they become aware of. Records show that the town has several years of repeated recommendations from the auditor that were not fully addressed. Some items include: Improved reporting for tangible capital assets, strengthening internal controls, and establishing a liability for the town landfill site post-closure care. It is an improper matter to delay addressing auditor recommendations. If internal staff resources lack the capacity to correct recommended actions in a timely fashion, contracting temporary external resources should be considered to ensure specific task completion.

RECOMMENDATION FOR ACTION ASSOCIATED WITH AUDITOR LETTERS: That Rocky Mountain House council ensure that staff have the capacity to review and address recommendations made by the town auditors in recent years; and that administration provide a response to the auditor to describe the actions taken, or proposed to be taken in response to the auditor's recommendations.

RECOMMENDATION FOR INTERNAL CONTROLS: That Rocky Mountain House council approve policies for internal controls; and that administration develop related

procedures to ensure that strong internal processes are in place for segregation of duties and handling cash transactions.

10.3.11 Overall Financial Position

Basic financial management practices ensure that all revenues received and all expenses incurred are recorded in the municipal accounting system, and that the transactions rely on source documents to verify and substantiate transaction details.

Financial statements show that Rocky Mountain House is in fairly good financial condition overall. Records indicate that the organization has relatively strong fiscal health with approximately \$12.6 million cash, \$8.57 million long term debt, and \$90 million in accumulated surplus, based on the 2015 audited financial statements. Capital project activity impacted the town's 2015 financial position with a \$14 million increase in tangible capital assets. The town also has \$10 million in short term borrowing and accounts payable and a large portion of these liabilities are related to the town's capital project funding.

Local leaders chose to advance significant infrastructure projects in recent years, which appears to be well-timed with comparatively low interest rates for borrowing. Records show that in 2014 the town council authorized borrowing \$3 million from the Rocky Credit Union for the Main Street upgrade project and \$3.75 million from the Alberta Capital Finance Authority to fund Phase 1 of the arena complex upgrade. Other revenue sources were also applied to fund these large projects.

10.4 Shared Service Funding

Many services provided by the town are used by individuals who reside outside the jurisdictional boundary of Rocky Mountain House. In this way, urban infrastructure, programs, and amenities provide a direct spinoff benefit to the region, and in particular to residents and business located in close proximity to the town. Rocky Mountain House's services such as parks, roads, arenas, curling rink, swimming pool, library, FCSS, and a lagoon are enjoyed by the region.

Rocky Mountain House also contributes to shared regional services provided to the town, such as regional fire services and solid waste management. 2015 records show that Rocky Mountain House had a \$525,178 expense for fire services provided by other local government. 2015 records also show a \$691,858 expense for solid waste services paid to

other local government in addition to other town expenses, such as a contracted services expense for solid waste totalling \$213,750.

The use of the town lagoon is an example of shared services and local cooperation. Records show that the town lagoon existed as a shared service for many years. The lagoon reached capacity in 2010 and the town officials made a decision to close the lagoon to outside users. This sparked great concern for many Clearwater County residents as they had come to rely on this service, owned and operated by the town. This example demonstrates that the actions in one municipality can have an impact on another municipality even though jurisdictions have physical boundary limits.

Related meeting minutes show that Rocky Mountain House council considered options following the lagoon access restriction, but were concerned with licencing restrictions and liability exposure. The April 5, 2011 regular council meeting minutes read as follows:

Lagoon

Move by Councillor Andersen that the Town will continue to be good environmental stewards and is not prepared to create any undo liabilities to the municipality; as such the Town will not be requesting an amendment to its wastewater licence to increase the allowable CBOD discharge to the river beyond the limits currently set within it's licence.

Carried.

Local leaders worked to understand broad regional needs and developed a lagoon access agreement with the Clearwater County where this rural municipal neighbour contributed to operating costs and capital costs of a lagoon upgrade that increased the lagoon capacity. The related October 15, 2013 regular council meeting minutes read as follows:

Clearwater County Re: Draft Rocky Waste Water Lagoon Access, Usage and Operations Agreement

Moved by Councillor Murias to approve the Rocky Waste Water Lagoon Access, Usage, and Operations Agreement with Clearwater County for a period of 10 years commencing on October 15, 2013 and ending on October 14, 2023 with the ability to renew for two further five year terms and authorize the CEO and CAO to endorse the Agreement.

Carried.

Reeve Alexander of Clearwater County presented Mayor Nash with a cheque in the amount of \$500,000.00 for the Upgrade Advance, payable to the Town of Rocky

*Mountain House at the Commencement Date as stated in the Agreement effective
October 15, 2013.*

Financial records show several revenue accounts with grant revenue received from other local governments. For example, \$673,914 is recorded as revenue in the 'Recreation Administration - Local Government Grants' GL account #1-70-70-01-1850 for 2014. This revenue is predominantly received from the neighbouring rural municipality, Clearwater County, where the leaders hold a collaborative philosophy for shared regional benefits and costs.

These rural leaders appear to recognize that town amenities such as recreation services are a benefit to the region, including rural ratepayers, and the county has voluntarily responded by contributing to operational costs. If the county failed to contribute shared costs for shared services, the town would heavily subsidize the county by providing services to county ratepayers without these neighbours sharing in the costs of providing those services.

A 2009 recreation agreement is in place between the town and the county to specify that the county will contribute to 50% of the annual operational deficit for recreation services, subject to county approval and audited financial statement as described in the following excerpt from the agreement:

6. A) In the month of November the Board shall submit to the Town and to the County a budget for joint approval. The budget will be prepared in a manner which clearly identifies the revenues, expenditures, and operational deficit of each service area.
- B) The County shall pay to the Town a portion of the operational deficit as identified in the approved budget. Such payment shall be determined by applying a 50 percent rate to the total operational deficit of the Pool, the Arena, the Ball Diamonds, Recreation Programs, and the Arena Concessions, and by applying the same percentage rate to one-half the operational deficit of Administration.
- C) The County shall pay one-half of its share of the operational deficit, as calculated in B) above, upon the County's approval of its annual municipal budget.
- D) The Town shall supply to the County an audited financial statement in a manner and form as agreed to by the Town and the County. Upon receipt and review by the County of the financial statement, the County will pay the remaining half of its share of the operational deficit as calculated in B) above.

The above examples show that Rocky Mountain House participates broadly in shared services by both contributing to the service costs or directly delivering regional services in various capacities.

An improvement could be made where shared service funding models could be based on relevant data such as the actual costs of the service, population served and usage statistics, rather than arbitrary values such as cost sharing based on 50% of an operating deficit as shown in the above example.

10.5 Human Resource Management

Human resource (HR) management responsibilities are part of the Director of Corporate Services profile as listed in the position job description. The town has 55 full-time equivalent staff and it appears that HR responsibilities compete for time with other financial responsibilities of this management position. The current structure may be the most efficient, but not the most effective in meeting the HR needs for this size of organization. The town could benefit by creating a dedicated human resource manager position and properly aligning duties to assist all department areas in the organization.

Town staff are guided by a Comprehensive Personnel Policy No. 001/2013. This policy has been reviewed and updated regularly over the years to meet current needs, such as the March 18, 2014 amendment to include an employee retention incentive program.

Rocky Mountain House has experienced staff turnover in several key positions in recent years. Some employees left the organization voluntarily and some employees were dismissed by management. *“As a general principle, employees have a right to terminate their employment with an employer and employers have the right to terminate the employment of employees”* according to Alberta Employment Standards. Employees serve a municipal organization at the pleasure of their supervisor. Just like any other organization, managers have the authority and responsibility to hire, dismiss, and manage staff in order to deliver the best organizational results.

Upon review, it appears that the CAO and town directors acted to the best of their ability in accordance with employment standards when addressing sensitive personnel matters. On a couple of occasions, staff were dismissed without cause and were given ‘termination notice’ rather than termination pay. This management decision could cause damage to the organizational culture or some degree of organizational risk if a disgruntled employee shows up to work everyday until their termination date arrives. Regardless, the process that was followed was legal, more cost efficient, and the manager had the authority to make the decision.

According to the Alberta Employment Standards Code, an employer can give termination notice, termination pay, or a combination thereof when an employment relationship is terminated, as follows:

Options for employer to terminate employment

55(1) *Unless subsection (2) applies, an employer may terminate the employment of an employee only by giving the employee*

- a) a termination notice under section 56,*
- b) termination pay under section 57(1), or*
- c) a combination of termination notice and termination pay under section 57(2).*

Some staff indicated that there was a lack of training when they started working for the town, while other staff indicated that training opportunities were strong. Some staff indicated that they felt that their employment was threatened at times, such as an example of a director making a comment to imply that if a staff member signed the petition, it could affect their employment. There was a clear need to improve internal, reciprocal communication efforts among all staff and between staff and management.

The inspectors heard allegations that town officials were prejudiced, sexist, chauvinist, and arrogant at times. Whether these allegations are true or not, it serves as an important reminder for town officials, both elected and appointed, to serve in leadership positions with some humility, great ethics and broad respect for others.

RECOMMENDATION FOR HUMAN RESOURCES: That Rocky Mountain House council allocate resources to update and consolidate the town's personnel policy to ensure consistency in staff recruitment, development, and training so staff can learn to complete their related tasks with excellence.

10.6 Occupational Health and Safety

Municipal employers and workers are required to comply with legislative requirements outlined in the Occupational Health and Safety Act, Regulation and Code to provide safe and healthy workplaces.

The town has a newly-created fulltime Health and Safety Coordinator position reporting to the Director of Corporate Services, as shown in the 2016 job description. This position was previously filled on a part-time basis by Protective Services staff.

Records show that monthly safety meetings are held for the Engineering and Operations Department and the joint health and safety committee with representation from each town service area. Organized meeting minutes are kept and the content appears comprehensive and meaningful.

Interview comments received show that staff feel that safe work practices have improved in recent years, particularly regarding lagoon maintenance and excavations. Some safety concerns were raised in the area of solid waste management, such as working alone safely; however, the Rocky Mountain House Solid Waste Authority is not managed under the town's safety program.

Some staff shared examples where they received aggressive and disrespectful treatment from certain members of the public which is unacceptable conduct and below expected decency in treating another person.

Continued workplace safety efforts are evident with the hiring of a full-time health and safety coordinator in June 2016 to provide a dedicated focus to workplace safety, incident reports, investigations, and legislative compliance. Staff training efforts have also increased recently, such as hosting educational sessions with the town's Workers' Compensation Board account manager.

The town has historically maintained a workplace Certificate of Recognition (COR) with annual external audits conducted of the health and safety management system, however, the town did not pass a recent audit. Health and safety manuals are available to staff and the content is reviewed and updated regularly. The town appears to have responded properly to some past challenges and now has health and safety resources available to potentially provide assistance to other organizations, such as the regional waste authority, of which the town is a regional partner.

RECOMMENDATION FOR HEALTH AND SAFETY: That Rocky Mountain House council research options to provide shared services for workplace health and safety with the Rocky Mountain Regional Solid Waste Authority.

10.7 Airport Management

The Rocky Airport is located north east of town within Clearwater County. The airport manager reports to the town's director of corporate services, according to the town organizational chart. The airport manager also reports to the Rocky Mountain House Airport Commission which was established by agreement on August 13, 2013. This commission should have been established by bylaw with a supporting agreement.

The commission is comprised of six voting members with representation from the town, county, Sustainable Resource Development, and an independent member. The town is the managing partner for the commission. The purpose of the airport commission is *"to develop policy, rules and regulations, and direct the town in all aspects of operating and managing the airport in a safe, efficient and effective manner."*

The airport is a strategic priority for the town and recent efforts in 2015 saw the creation of an Airport Development Plan. This plan identifies a vision for the airport: *"The Airport will be a highly functional airfield, supporting private and commercial uses that are an asset and economic driver for both the Town of Rocky Mountain House and Clearwater County;"* as well as a strategy *"to direct short term growth in a manner that will support continued expansion and efficient use of infrastructure."*



10.8 Information Technology

The town has one fulltime staff position for computer support. The town's information technology (IT) system consists of approximately 90 systems that require software selection, installation and ongoing computer support. Staff have confirmed that security protocols and passwords are used for network security. The town also provides free public access internet at certain town facilities.

The town also has a Policy on Internet and Computer Use, No. 003/2001 that contains the following policy statement to guide computer use:

To establish a written policy, as approved by Council, regarding rules and regulations that define acceptable and ethical use of the Town's computer systems and programs. To provide employees with the understanding that using the Town's email and internet connection is the same as using the Town's letterhead and name.

The inspection identified a lack of cross training in this area where operational knowledge was largely limited to one staff member, which could place the town at risk of losing corporate knowledge. It was apparent that the town management relied heavily on the aptitude of the Information Technician. Third party IT support was used occasionally for complex tasks. Near the end of the inspection the inspectors noted that the town was recruiting for an Information Technician as the position had become vacant.

RECOMMENDATION FOR INFORMATION SYSTEMS: That Rocky Mountain House council allocate resources to review the town's information technology needs to ensure system integrity, security and business continuity.

11 RECREATION AND COMMUNITY SERVICES

The Recreation and Community Services department is responsible for several facilities, such as the following shown on the [town website](#):

- Ball Diamonds
- Campgrounds
- Community Centre
- Curling Rink
- Extensive trail system - in town and out to Crimson Lake
- Football Field
- Outdoor Basketball Courts
- Playgrounds
- Skate park
- Soccer Fields
- Swimming Pool - zero depth entry pool, waterslide, hot tub, 25 metre pool
- Tennis Courts
- Twin Arena

11.1 Recreation Centre

The town undertook a major project to upgrade the arena complex over the last few years. The total cost of Phase 1 of this recreation centre project was estimated at \$14,800,000, to be funded with the following revenue sources according to debenture bylaw 14/02F:

Capital Reserves	\$2,900,000
Clearwater County	\$6,650,000
Curling Club	\$1,500,000
Debenture(s)	\$3,750,000
<hr/> Total Cost	<hr/> \$14,800,000



Photo taken by Strategic Steps, April 4, 2016

Phase 1 of this project was nearly complete during the time of the inspection and the town held a [grand opening](#) on June 24-25, 2016. The recreation centre was officially named the Christenson Sports & Wellness Centre. Phase 1 of this recreation centre project created a large foyer to join the two arenas (Voyageur and Kootenay) and curling rink with a large reception lobby, developed several multi-purpose rooms, offices and a fitness area.

Significant research and consultation was conducted prior to undertaking this recreation project, such as a comprehensive 2009 Community Facility and Community Services Needs Study. Additional concepts are proposed for future phases of the recreation facility, such as a fieldhouse addition and pedway connection to the adjacent pool. The town also offers a variety of fitness and recreational programs and recognizes local decorated athletes on a Wall of Fame featured on the town website.

The physical location of the town recreation centre is near two local high schools and a Red Deer College Satellite Campus, as shown in the photo below. The schools are across the parking lot from the recreation centre, and sports fields are located across the road. This clustering of compatible land uses signals that thoughtful design was given to historical municipal planning decisions.



Photos taken by Strategic Steps, April 4, 2016



Stakeholders from the community and the region shared both positive and negative comments about various aspects of the recreation centre project. Upon review of the project

approval process, it appears that the council considered the broad needs of the community and the region, conducted prior planning and research, and teamed up with the county and the local curling club to bring the project to fruition.

Town staff developed a detailed project plan and were noted to work with local community groups that anticipated using the facility in order to understand their needs and respond with design incorporation or modifications. The final decision to complete the recreation centre project rested with the municipal council who has the broad authority to govern the community and advance municipal purposes, such as “*providing services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality*” (MGA s. 3.b).

Rocky Mountain House council passed resolutions and discussed the project, such as the following excerpts from meeting minutes.

At the December 10, 2013 budget section in the P3 meeting describes stakeholder consultation:

2014 Budget

Council is committing to Phase 1 Arena project and will be working towards solidifying the development plan and timeline for Phase 2 in the near future based on community support. This priority has been formulated in relation to the 2009 Recreation Facilities Needs Assessment as well the numerous stakeholder and public consultation meetings. With this commitment Council is directing Administration to explore opportunities that enables Council to achieve a 4.5% increase to the 2014 operational budget to be presented at the next Council meeting.

At the February 18, 2014 regular council meeting, council approved detailed design plans:

Arena Phase I Update

Moved by Councillor Mizera to approve the detailed design Arena Plans as presented and to move ahead with the tendering process. Carried.

Moved by Councillor Sugden to close the Voyageur and Curling Club during the Arena construction, and should there be any changes to the closures it would be through a change order and approval by Council. Carried.

Moved by Councillor Burke to hire Associated Engineering as a project manager for the Arena Upgrade project at a cost of \$170,000, subject to the County agreeing to share 50% or \$85,000 of the cost, and the Town's portion of \$85,000 would then be funded from the Town's reserves. Carried.

At the April 15, 2014 regular council meeting, council awarded the arena upgrade project tender:

7.3c Arena Upgrade Project Tender Award

Todd Becker, CAO reported that there were 9 Tenders submitted to Stantec for the Arena upgrade project.

Moved by Councillor Sugden to allocate \$389,298.08 from General Reserve to the Arena Project. Carried.

Moved by Councillor Mizera to award the Arena Project tender award to Timcon Construction Ltd. in the amount of \$13,134,000 plus GST. Carried.

At the May 6, 2014 regular council meeting, council heard a delegation from the local curling club:

DELEGATION

1:00 PM Rocky Curling Club - Andy Fitzel and Corey Block

Andy Fitzel and Corey Block representatives from the Rocky Curling Club appeared before Council to discuss the Arena project from the Club's perspective. The Town and Club will soon enter into a memorandum of understanding that outlines the Club's payment plan in relation to their \$1.5 million contribution into the project.

At the February 3, 2015 regular council meeting, council was informed of project challenges and possible delays:

1:30 pm STANTEC ARCHITECTURE LTD.

Daniel Johnson, Principal

Luc Jobin

Stantec reported on the progress at the arena. Some challenges to date are the piling requirements and the deep foundation work as well as steel delivery. The original schedule project completion was expected to be beginning of November 2015 and now

the new schedule is around the end February 2016. However, the entire facility will not be inaccessible; there are now 2 phases proposed for completion. Focus on change rooms and ice access for the original target date of November 2015 and then the second phase, including the second floor, for the remaining portions of the facility and a target date of February 2016. All attempts will be made to ensure all ice surfaces are usable in November 2015. The impact on the schedule and budget will be reported to Council ongoing.

At the September 1, 2015 regular council meeting, council was informed of additional safety components required for the recreation centre project at a \$3 million cost:

RECREATION

7.3 Enhanced Recreation Facility Funding

Administration advised Council that at the last stakeholders meetings it was discussed that the Recreation Centre project cost will require the installations of life safety systems within the Voyageur Arena, Curling Club, and the newly constructed snow shelf. These three areas were not captured within the original design and it has been determined a sprinkler system is required. The purpose of the report was to provide Council with a project update in relation to expended and required financial resources, what are a priority and a requirement within the project, and what is considered additional.

A detailed PowerPoint presentation was given by Roger Smolnicki, Director of Recreation and Community Services, and he advised that the same presentation will be given to Clearwater County Council at their next council meeting on Tuesday September 8, 2015.

Moved by Councillor Sugden that pending the approval of Clearwater County to fund half of the additional funding, the amount of \$3 million dollars will be allocated for the proposed additional changes to the Recreation Centre, with the understanding that any funds received from the pending Canada 150 grant application valued up to \$850,000, will be applied to the \$3 million contribution. Carried.

Council's actions show that they were continually committed to the completion of the recreation centre project and took steps to engage professional services to complete the work. Records show that administration took steps to implement council's direction and kept council informed throughout the project.

Some stakeholders wanted to see a new recreation facility, rather than the arena upgrade/renovation. Some stakeholders felt that Phase 2 of the recreation centre should have been completed in conjunction with Phase 1 so that the community could enjoy even more recreational amenities with an indoor fieldhouse and running track. Council took additional steps to plan for future needs where they granted approval at the June 18, 2013 regular council meeting to develop a concept plan for the 'future phase 2' (fieldhouse) at the recreation centre, as follows:

Arena Concept Plan Phase 2 – Report

Stantec Architecture Ltd. – Additional scope of services for master plan, renderings and concept design

Moved by Councillor Verhesen to engage Stantec Architecture Ltd. up to the amount of \$70,150 plus GST less other funding sources, for the development of a site master plan and a future phase 2 concept plan of the twin arena site to accommodate other community recreational needs, with the understanding that this is a plan for the future, so will not be constructed until funding has been secured. Carried.

Despite some complaints about the recreation centre project, it has also created significant excitement in the region and is a notable landmark for the community. For example, one stakeholder commented that “*The building is nice and I can accept it*” even though it was not exactly what they expected since they were hoping for a brand new facility. Local leaders appear to be working diligently through any construction issues and to address unexpected cost increases.

Large infrastructure projects seemed to be lagging in the community and it was reported that the last highly visible *large* project in the town was a \$2 million pool renovation around the year 2000. Some stakeholder comments were received that appear to be local buzzwords stating that the town undertook two large projects at the same time (recreation centre and Main Street) and that this was “*too much*” for the community.

In reality, the town has many more than just two large projects underway and there is no quota or municipal limit to the number of projects that can be completed at a given time. Rather, resources and political will are the deciding factors to advance projects of public value. If a council feels that more than one project at a time is necessary or desirable for the community, they have the authority to approve that direction.

The town has a history of joining together to 'make things happen' for recreational needs. Stakeholders commented that the local businesses "*put their shoulder behind everything!*" An example reported that the town's second arena was built in 1998 largely because of a "*Two is Overdue*" volunteer initiative that canvassed the community and raised funds to cover half of the project costs. It was also reported that the bleachers at the local rodeo grounds were improved with hand railings through the volunteer efforts to raise \$25,000 by selling homemade cinnamon rolls. Area trails were also reported to receive attention from local volunteers assisting with upkeep.

11.2 Family and Community Support Services

Family and Community Support Services (FCSS) in Alberta are regulated provincially through the *Family and Community Support Services Act*. Rocky Mountain House is the managing partner of the jointly established Clearwater Regional Family and Community Support Services (CRFCSS) that includes the town of Rocky Mountain House, Clearwater County, and the village of Caroline. Resource information on the town website describes FCSS as "*a unique 80/20 funding partnership between the Government of Alberta and participating municipalities or Métis Settlements.*"

Reporting records show that the 2014 FCSS budget was \$582,503. FCSS programs are provided to all ages, from youth to seniors. Programs are open to anyone in the region and although programs cannot be funded in neighbouring First Nations communities, since these are within federal jurisdiction, these residents can participate in programs offered in municipalities.

The seven-member CRFCSS board purpose is to "*provide for the establishment, administration and operation of joint FCSS programs.*" The CRFCSS board meets at least six times per year according to the May 2016 agreement, and meeting minutes are provided to the town as information items on council meeting agendas.

The CRFCSS board approved a 2014-2017 Strategic Plan with a vision to be "*A thriving community supported by locally driven social networks.*" The FCSS mission is "*Developing and supporting preventative social initiatives that enhance the well-being of individuals and families in our community.*"

Several stakeholder comments expressed that FCSS staff were doing an excellent job, and there was a strong concern that the area was understaffed.

The town website provides links to FCSS funding applications and information on FCSS services, as follows:

The Regulation sets out the service requirements that a municipality or Métis Settlement must meet to be eligible for funding. Section 2.1(1)(a) of the FCSS Regulation states: "Services under a program must be of a preventive nature that enhances the social well-being of individuals and families through promotion or intervention strategies provided at the earliest opportunity." Section 2.1(2)(b) states:

Services under a program must do one or more of the following:

- 1. help people to develop independence, strengthen coping skills and become more resistant to crisis;*
- 2. help people to develop an awareness of social needs;*
- 3. help people to develop interpersonal and group skills which enhance constructive relationships among people;*
- 4. help people and communities to assume responsibility for decisions and actions which affect them;*
- 5. provide supports that help sustain people as active participants in the community.*

Overall, the scope of FCSS programs that are offered appear meaningful and appropriate to meet many social needs in this culturally-diverse region. The town has a 1985 bylaw in place for the establishment of an FCSS board (Bylaw 85/15), but no further bylaw could be found to approve the establishment and the town's participation in the *joint* CRFCSS board.

RECOMMENDATION FOR FCSS BYLAW: That Rocky Mountain House council pass a bylaw to authorize the establishment of and participation in a joint Family and Community Support Services Board, in accordance with the MGA s. 145.

Town council has also supported cultural events hosted by neighbouring First Nations population, such as waiving rental fees for bleachers that was approved at the April 15, 2014 regular council meeting:

Rocky Mountain House Pow Wow Committee – Letter of Request

Moved by Councillor Ullmann to waive Rocky Pow Wow Committee's \$1,550 rental charge for the use of the town's bleachers and Kootenay arena during the July 11 – 13, 2014 Pow Wow event with the Kootenay Arena only to be used as a backup venue due to extreme inclement weather. The fee waiver to be funded from contingency. Carried.

Council also authorized the hosting of a joint luncheon on June 17, 2014:

Mayor's Report

Joint letter with Clearwater County re: "Calling of the Drums" Pow Wow to Sunchild First Nations.

Moved by Councillor Mizera to approve Mayor Nash signing the joint letter with Clearwater County to Sunchild First Nations, extending an invitation to attend a luncheon hosted by the County and Town on Saturday, July 12, 2014. Carried.

11.3 Library

The Rocky Public Library is part of the Parkland Regional Library System and it, provides service to residents of Rocky Mountain House and the region. The library is governed under the Alberta *Libraries Act* and the *Libraries Regulation*. The Act defines library service as a municipal service and provides for the library to be managed by a library board on behalf of council, with up to two councillors being appointed to the board. In 2004, Rocky Mountain House council passed bylaw No. 04/08V *"To establish the structure of the Town of Rocky Mountain House Library Board"*.

The library board is accountable to oversee the operations of the Rocky Public Library and employs a library manager. Records show that the library had a 2014 budget of \$281,857 and managed expenditures within that budget. Revenue is generated largely from municipal contributions and services, such as the sale of library cards.

The library building is officially named the "Helen Hunley Memorial Public Library" following council approval on July 5, 2011. The day to day operations continue to refer to the Rocky Public Library.

The library services provided appear to be managed appropriately and appear to be meeting the local needs of the region. The inspection identified that the library is well liked and well used by area residents. Several positive comments were received from stakeholders interviewed, such as *“I Love our Library!”*



Photo of Library taken by Strategic Steps, April 4, 2016

12 NEXT STEPS FOR ROCKY MOUNTAIN HOUSE

The objective findings of the municipal inspection and related recommendations can be very helpful for local officials to build on existing strengths and improve internal processes in certain areas. This report contains a large volume of information which may appear overwhelming. To assist the municipality in getting started, the inspectors have outlined suggested actions as the community begins to consider and implement recommendations in the report.

Similar to the town's motto "*Where Adventure Begins!*" these next steps will help the town of Rocky Mountain House officials get started to implement the report recommendations and continue to grow and thrive as an outstanding Alberta community. Next steps include:

1. Governance

- a. **Conduct governance training** to better understand roles and responsibilities and build political capacity to work effectively together.
- b. **Address legislative needs** by passing bylaws to establish committees and authorize borrowing; ensure proper use of policies; ensure resolution clarity.
- c. **Update strategic planning documents** in consultation with the public; ensure transparency in decision-making processes; conduct fiscal analysis.
- d. **Consider organizational needs** to ensure that adequate resources are available to meet strategic objectives; conduct a core service review.

2. Administration

- a. **Improve financial processes** and reporting; review tax recovery procedures; review auditor recommendations; strengthen internal controls.
- b. **Improve legislative components** such as recording meeting minutes and public accessibility to council documents.
- c. **Develop communications strategy** to improve internal and external communications.

3. Operations

- a. **Develop performance measures** to track and report on achievement of strategic objectives.
- b. **Develop cross training** procedures for staff.
- c. **Improve project cost tracking** and reporting.

13 CONCLUSION

The municipal inspection for the town of Rocky Mountain House, Alberta identified several examples of municipal excellence and some areas where improvements and changes are needed. Overall, the inspectors are of the opinion that the municipality was not being managed in an irregular, improper, and improvident manner.

Elected officials require education to ensure that they understand legislative responsibilities such as establishing committees with a bylaw, handling of pecuniary interest matters, and stating clear reasons to close portions of meetings to the public. Administration needs to review tax recovery procedures and improve financial reporting processes.

Local officials need to reinforce their political capacity to work together professionally. Despite any personal differences they may have, the public is counting on these leaders to accomplish public good and work together with all the members who are on the team by happenstance and providence. A municipal council has the responsibility to lead the community by providing good governance that promotes a well-ordered municipality where legislative requirements are followed and strategic priorities are realized. This broad political authority to govern is significant and the actions or inactions of council can have a long term impact, hopefully for the betterment of the community.

Clear, regular communication with citizens is needed to demonstrate strategic outcomes and maintain a healthy degree of confidence that Rocky Mountain House officials have a high regard for regulatory responsibilities. The actions of Rocky Mountain House officials have been reviewed objectively and areas of strengths and areas that need improvement have been identified. This municipal inspection can be used as a turning point for the community.

Overall, there is a great deal of community pride evident in the town of Rocky Mountain House. This “Gateway to the Rockies” community can also open a “gateway to harmony” with elected officials, town staff, residents, business owners, and neighbouring municipalities pulling together to build on local strengths and enjoy the God-given beauty of the area.

14 APPENDICES

14.1 Appendix 1: List of Acronyms

AAMDC..... Alberta Association of Municipal Districts and Counties	IDP..... Intermunicipal Development Plan
ACP..... Alberta Community Partnership	LAEA..... Local Authorities Election Act
AUMA..... Alberta Urban Municipalities Association	LUB..... Land Use Bylaw
CAO..... Chief Administrative Officer	MDP..... Municipal Development Plan
CEO..... Chief Elected Official	MGA..... Municipal Government Act
CRFRS Clearwater Regional Fire Rescue Services	MPC..... Municipal Planning Commission
CPO..... Community Peace Officer	MSI..... Municipal Sustainability Initiative
EDO..... Economic Development Officer	MSP..... Municipal Sustainability Plan
FCSS..... Family and Community Support Services	P3..... Policies, Procedures and Priorities Committee
FIR..... Financial Information Return	PCPS..... Parkland Community Planning Services
FOIP..... Freedom of Information and Protection of Privacy (Act)	PSAB..... Public Sector Accounting Board
HR..... Human Resources	RCMP..... Royal Canadian Mounted Police
ICF..... Intermunicipal Collaboration Framework	s..... Section (of legislation)
ICSP..... Integrated Community Sustainability Plan	SDAB..... Subdivision and Development Appeal Board
	TCA..... Tangible Capital Assets
	WIP..... Work in Progress

14.2 Appendix 2: 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 and Finance. The context for each recommendation can be found in the associated section of the report that is referenced by the page number.

14.2.1 Governance Recommendations

#	Governance Recommendation	Page
G1	RECOMMENDATION FOR COUNCILLOR TRAINING: That Rocky Mountain House council members attend regular teambuilding events, meeting decorum training, and roles and responsibilities refresher training opportunities to strengthen their political capacity to work together as a council.	35
G2	RECOMMENDATION FOR STRATEGIC PLANNING: That Rocky Mountain House council update and consolidate strategic planning documents in consultation with the community.	27
G3	RECOMMENDATION FOR COUNCIL ORIENTATION: That Rocky Mountain House council retain external subject matter experts in addition to internal resources for council orientations following elections and by-elections in order to expand the professional scope of the orientation and to allow the CAO to participate in the teambuilding opportunity.	18
G4	RECOMMENDATION FOR ORGANIZATIONAL MEETINGS: That Rocky Mountain House council conduct organizational meetings in accordance with recommended guidelines provided by Alberta Municipal Affairs, including all council committee appointment details.	19
G5	RECOMMENDATION FOR COUNCIL COMMITTEES: That Rocky Mountain House council authorize a review of council committees to ensure that all council committees and or other bodies are established by bylaw in accordance with the MGA, s. 145; and that related terms of reference for committee conduct and composition be developed.	22
G6	RECOMMENDATION FOR CORE SERVICE REVIEW: That the Rocky Mountain House council undertake a core service review to analyze town services and ensure that resources are focused in key areas.	24
G7	RECOMMENDATION FOR COMMUNICATIONS: That Rocky Mountain House council allocate resources to improve communication with the community by tracking and preparing an annual report that outlines performance measures.	27

#	Governance Recommendation	Page
G8	RECOMMENDATION FOR BYLAWS: That Rocky Mountain House council pass and repeal bylaws using wording that is consistent with the MGA; and that bylaws be given a formal title for ease of reference.	30
G9	RECOMMENDATION FOR BYLAW AND POLICY REVIEW: That Rocky Mountain House council complete a review of current bylaws and policies; and to establish a comprehensive master rates bylaw to set fees and charges for services in accordance with the MGA.	34
G10	RECOMMENDATION FOR COUNCIL TO AVOID ADMINISTRATIVE FUNCTIONS: That Rocky Mountain House council refrain from performing administrative duties in accordance with the provisions in the MGA s. 201(2).	37
G11	RECOMMENDATION FOR PERFORMANCE EVALUATIONS: That Rocky Mountain House council provide annual written performance evaluations of the town's CAO in accordance with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established in conjunction with the strategic plan; and that the council obtain qualified expertise to assist the council with the formal CAO performance evaluation process.	38
G12	RECOMMENDATION FOR COUNCIL REMUNERATION REVIEW: That Rocky Mountain House council review and update the council remuneration bylaw and complete a review of council remuneration practices to establish a process wherein council members are fairly compensated for council and committee meetings and related functions that they attend.	39
G13	RECOMMENDATION FOR AMENDING COUNCIL RESOLUTIONS: That Rocky Mountain House council ensure that resolutions are carried or defeated by following proper procedures outlined in the MGA and council's procedural bylaw; and that acceptable parliamentary procedures, such as Robert's Rules of Order, are used during council meetings.	43
G14	RECOMMENDATION TO ACT BY BYLAW OR RESOLUTION: That Rocky Mountain House council ensure that all actions of council are made by bylaw or resolution in a public council meeting in accordance with the MGA s. 180 and s. 181.	44
G15	RECOMMENDATION FOR RECORDING OF VOTES: That Rocky Mountain House administration ensure that each council members' vote is recorded in the meeting minutes when a recorded vote is requested in accordance with the MGA s. 185.	45

#	Governance Recommendation	Page
G16	RECOMMENDATION FOR IN CAMERA AGENDA ITEMS: That Rocky Mountain House council comply with the MGA s. 197 when closing any part of a meeting to the public, and state related FOIP exceptions to disclosure in the meeting minutes; And that council members keep matters in confidence as required by the MGA s. 153.	49
G17	RECOMMENDATION FOR PUBLIC PRESENCE: That Rocky Mountain House council ensures that the public has an opportunity to be present at all council and committee meetings in accordance with the provisions of the MGA s. 197-198; and that members of the public in the gallery abide by the conduct required in the MGA and local procedural bylaw.	52
G18	RECOMMENDATION TO UPDATE PROCEDURAL BYLAW: That Rocky Mountain House council update the procedural bylaw to ensure that council meeting decorum follows a consistent, orderly, respectful process; and that public participation during meetings be permitted as delegations to council only.	52
G19	RECOMMENDATION FOR HANDLING VOTING ABSTENTIONS: That Rocky Mountain House council members provide reasons for each abstention from voting, and that the reasons for abstaining are recorded in the meeting minutes in accordance with the provisions of the MGA s. 183; 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.	55
G20	RECOMMENDATION FOR HANDLING PECUNIARY INTEREST MATTERS: That Rocky Mountain House elected officials learn and abide by the pecuniary interest provisions of the MGA and consult with legal counsel as needed to ensure continued compliance with the MGA s. 170.	59
G21	RECOMMENDATION FOR COMMUNICATION STRATEGY: That Rocky Mountain House council approve the development of a communications strategy to meet local needs for information sharing in the community.	60
G22	RECOMMENDATION FOR RECORDS MANAGEMENT: That Rocky Mountain House council review and update the records management bylaw and practices to ensure the safety, privacy or accessibility of all electronic and physical municipal records in accordance with FOIP legislation.	69
G23	RECOMMENDATION FOR COLLABORATION: That Rocky Mountain House council establish a plan to build on the existing <i>Stronger Together</i> Intermunicipal Collaboration Framework (ICF) to determine specific details on growth management and equitable funding models for all shared services.	79

#	Governance Recommendation	Page
G24	RECOMMENDATION FOR PLANNING DOCUMENT REVIEW: That Rocky Mountain House council review and update area structure plans, area redevelopment plans and related planning documents to ensure consistency among all statutory plans in accordance with the MGA s. 638.	80
G25	RECOMMENDATION FOR WASTE AUTHORITY REVIEW: That a detailed independent review of the management and operations be conducted for the Rocky Mountain Regional Solid Waste Authority.	102
G26	RECOMMENDATION FOR FCSS BYLAW: That Rocky Mountain House council pass a bylaw to authorize the establishment of and participation in a joint Family and Community Support Services Board, in accordance with the MGA s. 145.	138

14.2.2 Administrative and Operational Recommendations

#	Administration and Operations Recommendation	Page
A1	RECOMMENDATION FOR COUNCIL MEETING MINUTES: That the Rocky Mountain House CAO ensure that council meeting minutes are recorded in accordance with the MGA, s. 208.	67
A2	RECOMMENDATION FOR BYLAW ACCESS: That Rocky Mountain House council and administration improve public access to town documents; and that active and proposed bylaws be made readily accessible to the public on the town website.	32
A3	RECOMMENDATION FOR PERFORMANCE MEASURES: That Rocky Mountain House administration develop meaningful performance measures that demonstrate how the town's budget resources have advanced local strategic priorities.	27
A4	RECOMMENDATION FOR ORGANIZATIONAL STRUCTURE: That Rocky Mountain House council authorize a review of the town's organizational structure to ensure that the structure can logically achieve corporate strategic plan objectives.	71
A5	RECOMMENDATION FOR BYLAW ENFORCEMENT: That Rocky Mountain House administration develop performance measures for bylaw enforcement, such as response times to ensure that enforcement services achieve council's level of service expectations.	72
A6	RECOMMENDATION FOR FIRESMART: That Rocky Mountain House council consider promoting FireSmart practices for the community.	74
A7	RECOMMENDATION FOR HUMAN RESOURCES: That Rocky Mountain House council allocate resources to update and consolidate the town's personnel policy to ensure consistency in staff recruitment, development, and training so staff can learn to complete their related tasks with excellence.	127
A8	RECOMMENDATION FOR HEALTH AND SAFETY: That Rocky Mountain House council research options to provide shared services for workplace health and safety with the Rocky Mountain Regional Solid Waste Authority.	128
A9	RECOMMENDATION FOR INFORMATION SYSTEMS: That Rocky Mountain House council allocate resources to review the town's information technology needs to ensure system integrity, security and business continuity.	130

14.2.3 Financial Recommendations

#	Financial Recommendation	Page
F1	RECOMMENDATION FOR FISCAL ANALYSIS: That Rocky Mountain House council complete a fiscal impact analysis and related background studies for large developments in order to assist council in making wise, evidence-based decisions.	83
F2	RECOMMENDATION FOR OFF-SITE LEVY: That Rocky Mountain House council review and update the off-site levy bylaw to ensure that it meets the town's current municipal development needs; that the council approve a related policy to ensure the consistent, equitable, and appropriate application of off-site levies in accordance with the MGA s. 648; and that administration review and update internal processes to track and record revenue received from off-site levies.	90
F3	RECOMMENDATION FOR TAX RECOVERY: That Rocky Mountain House administration review and abide by the tax recovery provisions in the Municipal Government Act.	107
F4	RECOMMENDATION FOR FINANCIAL REPORTING POLICY: That Rocky Mountain House council update the financial reporting policy to specify the detail and frequency of financial reports to council in accordance with the MGA s. 208(k); and that council allocate additional resources to avoid service backlogs by contracting external services when needed.	115
F5	RECOMMENDATION FOR SUB-LEDGERS: That Rocky Mountain House administration use the central municipal software system where possible to strengthen the integrity of reconciling financial records.	115
F6	RECOMMENDATION ON FINANCIAL REPORTING TO THE MINISTER: That Rocky Mountain House administration establish procedures that enable the municipality to meet legislative deadlines for financial reporting to the Minister in accordance with the MGA s. 278.	116
F7	RECOMMENDATION ON FINANCIAL REPORTING TO THE PUBLIC: That Rocky Mountain House council provide sufficient staff and budget resources to enable the municipality to meet the legislative deadline for providing council approved financial reporting to the public in accordance with the MGA s. 276; and that additional public reporting be considered to communicate departmental performance and the accomplishment of strategic objectives.	117

#	Financial Recommendation	Page
F8	RECOMMENDATION FOR PROJECT COST TRACKING: That Rocky Mountain House administration establish capital project accounts within the municipal software system in order to more easily track and report on work in progress for capital projects.	118
F9	RECOMMENDATION FOR BORROWING TERMS CLARIFICATION: That Rocky Mountain House council seek clarification to determine if delayed payments with interest-bearing terms are considered municipal borrowing, such as the \$3,000,000+/- delayed payment to a local contractor in relation to the Main Street rehabilitation project.	121
F10	RECOMMENDATION FOR BYLAW TEMPLATE: That Rocky Mountain House administration review and update the borrowing bylaw template in consultation with legal counsel to ensure clarity if used in the future.	122
F11	RECOMMENDATION FOR ACTION ASSOCIATED WITH AUDITOR LETTERS: That Rocky Mountain House council ensure that staff have the capacity to review and address recommendations made by the town auditors in recent years; and that administration provide a response to the auditor to describe the actions taken, or proposed to be taken in response to the auditor's recommendations.	122
F12	RECOMMENDATION FOR INTERNAL CONTROLS: That Rocky Mountain House council approve policies for internal controls; and that administration develop related procedures to ensure that strong internal processes are in place for segregation of duties and handling cash transactions.	122