

**May
2017**

Town of Athabasca, Alberta Municipal Inspection Report



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May 28, 2017

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

Re: Town of Athabasca, Municipal Inspection Report

Dear Minister Anderson:

An inspection has been conducted of the management, administration and operations of the Town of Athabasca, Alberta as directed by Alberta Ministerial Order No. MSL:092/16, approved on December 12, 2016.

The municipal inspection findings 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 questions you may have regarding the inspection findings.

Sincerely,

Strategic Steps Inc.

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1 EXECUTIVE SUMMARY

A municipal inspection was conducted for the Town of Athabasca, Alberta as directed by the Minister of Alberta Municipal Affairs. Following a detailed, rigorous, independent inspection, the inspectors are of the opinion that the municipality has been managed in an irregular, improper or improvident manner. Areas of concern were identified, such as a lack of professionalism among various councillors, improper conduct, policy weaknesses and irregular handling of pecuniary interest matters.

Organizational strengths were also noted, such as extensive shared services and a history of strong administrative processes. A notable shift in the governance dynamic was also observed during the time of the inspection with hostility present among council members during meetings the beginning of the inspection and then the tone at council meetings suddenly reached a high point with fairly productive, respectful council deliberations by the end of February 2017.

Local officials and other stakeholders were largely cooperative throughout the inspection process and provided the inspectors with a significant amount of information. Stakeholders spoke highly of the many strengths of the community and region, and how they wanted their elected officials to unite in providing leadership for the community. Respect among elected officials with a clear understanding of roles and responsibilities is needed to improve the governance of the community.

Report recommendations are identified for governance, administration and financial areas of the municipality. Implementation of these recommendations is intended to assist the municipality to strengthen local processes and achieve legislative compliance. Recommendations appear throughout the report with a summarized list in Appendix 2.

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 sufficient petition from the electors. A preliminary review was completed by Alberta Municipal Affairs in July 2016 prior to ordering a municipal inspection. Alberta Ministerial Order No. MSL:092/16 was approved on December 12, 2016 where the Honourable Shaye Anderson, Minister of Municipal Affairs, appointed inspectors to conduct an inspection of the management, administration and operations of the Town of Athabasca pursuant to Section 571 of the *Municipal Government Act*¹ (MGA), quoted below. Upon review of the inspection findings, the Minister may order directives upon a municipality pursuant to the MGA s. 574, also quoted below.

Inspection

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

(a) on the Minister's initiative, or (b) on the request of the council of the municipality.

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

(3) An inspector

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

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

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

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

Directions and dismissal

*574(1) If, because of an inspection under section 571, an inquiry under section 572 or an audit under section 282, the Minister considers that a municipality is managed in an **irregular, improper or improvident manner**, the Minister may by order direct the council, the chief administrative officer or a designated officer of the municipality to take any action that the Minister considers proper in the circumstances.*

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

(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

A petition from the electors was received by the Minister of Municipal Affairs on April 6, 2016 from petition representative, Mr. Lionel Cherniwchan containing the following petition statement:

The undersigned persons, being electors of the Town of Athabasca, in the Province of Alberta, hereby petition the Minister of Municipal Affairs to:

Whereas: The Town of Athabasca's governance process has been severely hindered by Council's in ability to work together and the toxic environment that exists throughout the organization. The undersigned hereby petition the Minister of Alberta Municipal Affairs to conduct an inquiry into the affairs of the municipality and the conduct of councillors and employees.

2.2.1 Petition Sufficiency

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). The estimated number of electors was 2,990 in the Town of Athabasca at the time the petition was received, therefore 598 eligible signatures were required for sufficiency. The petition was declared sufficient with 832 valid signatures remaining on the petition after review. If the petition had not been declared sufficient, *the council or the Minister is not required to take any notice of it* (MGA, s. 226.3).

2.3 Provincial Mandate and Inspection Process

Once the April 6, 2016 petition from the electors was declared sufficient, the Ministry conducted a preliminary review of the municipality in July 2016. The preliminary review identified concerns that justified an in-depth review, and the Minister of Alberta Municipal Affairs responded by ordering a municipal inspection in accordance with s. 571 of the MGA.

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

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

1. Conduct stakeholder interviews, including:
 - Elected officials
 - Chief Administrative Officer (CAO)
 - Various staff members (current and former)
 - Various members of the public
 - Residents, business owners, community groups
 - Petition representative
 - External stakeholders
 - Auditor
 - Provincial officials
 - Engineers
 - Various committee members
 - Officials from neighbouring municipalities
 - An online survey was used to receive comments from community members.
 - Drop-in interviews were held by the inspectors.
2. Research, review, and evaluate municipal records and processes, including:
 - Bylaws and policies
 - Council committees
 - Organizational structure

- Process and procedures used to prepare for council meetings
 - Council's understanding of their role and responsibilities
 - Council's leadership and effectiveness in working together
 - The CAO's understanding of their role and responsibilities
 - Attendance at and evaluation of the conduct of a council meeting
 - The process for preparing and approving council meeting agendas and minutes
 - A review of recent minutes
 - 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 review of key planning documents
 - A comparative analysis of the property assessment and tax rates
 - Public engagement and communication policies and procedures
3. Prepare a written report to the Minister of Municipal Affairs on the inspection findings.
 4. Present the municipal inspection report to the municipal council at a public meeting.

3 MUNICIPAL INSPECTION INTERVIEWS

The inspection process included a series of approximately 80 stakeholder interviews conducted to gather data and to develop an understanding of local events and the community dynamic. Interviewees were asked consistent questions and the *quantitative* and *qualitative* data provided was used to assess and summarize information themes gathered from a fairly representative sample of the community population. Various stakeholders were provided with follow-up interviews to give individuals a chance to hear and respond to sensitive matters affecting them.

3.1 Internal Stakeholders

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

3.2 External Stakeholders

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

3.3 Local Residents

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

Interested persons had the opportunity to speak to an inspector during drop-in interviews on January 17, 2017 at the Athabasca Regional Multiplex. Residents and ratepayers were also invited to provide input into the inspection process by completing an anonymous online survey.

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

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

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

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

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

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

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

4 LOCAL SETTING

4.1 Municipal Profile Information and Statistics

The Town of Athabasca was incorporated in 1913 and was previously named the Town of Athabasca Landing. The town is surrounded by its rural neighbour, Athabasca County.

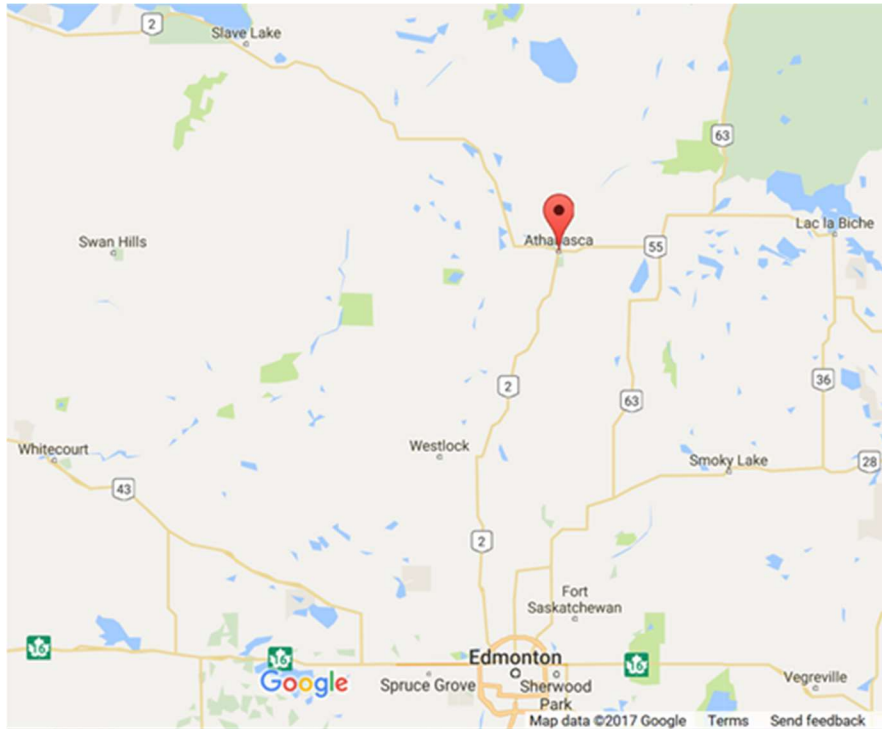
The current municipal profile⁶ and financial statements show the following statistics:

- 7 Member council
- 16 Full-time staff positions
- 2,990 Population (2016)
- 1,343 Dwelling units
- 1,683 Hectare land base
- 69.83 Kilometers of local maintained roads
- \$7.47 Million in financial assets, including cash and temporary investments
- \$24.75 Million equity in tangible capital assets
- \$285 Million in residential assessment (2016)
- \$79 Million in non-residential assessment (2016)
- \$6.2 Million in non-residential linear assessment (2016)
- \$1.3 Million long term debt
- 7.4% of debt limit used

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

4.2 Geography

The Town of Athabasca is approximately 150 kilometers north of Edmonton at the intersection of Highway 2 and Highway 55 along the banks of the Athabasca River, as shown on the following Google 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, subject to limited exceptions (s. 197);
- Councillors are required to vote on matters at a council meeting at which they are present (s. 183);
- Councillors are required to disclose pecuniary interests, abstain from voting and leave the room until discussion and voting on matters of pecuniary interests are concluded (s. 172);
- A council must adopt operating and capital budgets for each calendar year (s. 242, 245);
- A council must appoint an auditor to provide a report to council on the annual financial statements (s. 280-281);
- A council must pass a land use bylaw that may prohibit or regulate and control the use and development of land and buildings in a municipality (s. 639-640);
- A council must appoint a chief administrative officer (CAO) (s. 205) and provide the CAO with an annual written performance evaluation (s. 205.1); and
- A council must not exercise a power or function or perform a duty that is by this or another enactment or bylaw specifically assigned to the CAO or a designated officer (s. 201).

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

Protection of councillors and municipal officers

535(1) In this section,

(a) “municipal officers” means

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

(ii) employees of the municipality;

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

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

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

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

5.2 Council Structure

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

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

Council appointed a deputy chief elected official (deputy mayor) by council resolution in accordance with the MGA s. 152. Councillors rotated through the deputy mayor appointments throughout their term of office, in accordance with the council's procedural bylaw.

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.

Regardless of official titles, the mayor and councillors collectively serve as part of the whole council with a decision-making structure rooted in the basic democratic principle of majority-rule. Elected officials have no individual power and a council can only act collectively by resolution or bylaw, in a public setting, with a quorum of members present in accordance with the MGA, as follows:

Council Proceedings, Requirements for Valid Action

Methods in which council may act

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

Requirements for valid bylaw or resolution

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

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

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

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

The basic democratic principle of majority-rule means that once council decisions are made, through the passing of a resolution or bylaw, all council members are expected and obligated to uphold and honour the decision of the majority of the council, regardless of whether they voted in favour or against the decision. The effective leadership of a municipal council requires a degree of trust, tact, and professional respect.

5.3 Elections

The *Local Authorities Election Act* (LAEA) specifies the qualifications of candidates seeking elected office. The following individuals served on municipal council for the Town of Athabasca during the 2013-2017 council term:

- Mayor Roger Morrill
- Councillor Shelly Gurba
- Councillor Joanne Peckham
- Councillor Steven Schafer
- Councillor Tanu Tyszka-Evans
- Councillor Timothy Verhaeghe
- Councillor Nichole K. Adams (resigned December 30, 2016)

The inspectors heard concerns from several stakeholders over allegations that Mayor Morrill and Councillor Verhaeghe did not reside in the community yet still served on town council. Both Mayor Morrill and Councillor Verhaeghe provided proof of residency to the inspectors in April 2017 with each showing a valid Alberta driver's licence displaying an address within the Town of Athabasca.

Mayor Morrill and Councillor Verhaeghe appear to meet the rules of residence requirements in accordance with the *Local Authorities Election Act* (LAEA), referenced below:

Rules of residence

48(1) For the purposes of this Act, the place of residence is governed by the following rules:

(a) a person may be a resident of only one place at a time for the purposes of voting under this Act;

(a.1) if a person has more than one residence in Alberta, that person shall, in accordance with subsection (1.1), designate one place of residence as the person's place of residence for the purposes of this Act;

(1.1) For the purposes of subsection (1)(a.1), a person shall designate the person's place of residence in accordance with the following factors in the following order of priority:

*(a) the address shown on the person's **driver's licence** or motor vehicle operator's licence issued by or on behalf of the Government of Alberta or an identification card issued by or on behalf of the Government of Alberta;*

(b) the address to which the person's income tax correspondence is addressed and delivered;

(c) the address to which the person's mail is addressed and delivered.

5.4 Council Orientation and Development

Council members received council orientation at the beginning of the 2013-2017 term, including:

- November 2013 Roles and Responsibilities workshop hosted by Alberta Municipal Affairs, for several municipalities in the region
- November 2013 Tour of town facilities
- Orientation Binder provided to all council members

Council orientation is a very valuable education component for council members to learn or reinforce roles and responsibilities at the start of each council term, or following by-elections. The breadth and importance of councillor responsibilities require a solid orientation with ongoing teambuilding efforts and refresher training on council roles and responsibilities to strengthen professional meeting conduct, decorum and chairmanship.

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

5.5 Code of Conduct

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

Athabasca officials have accepted “Ethical Guidelines of Conduct for Members of Council” as originally adopted by council in February 2006. The current council reviewed and accepted these guidelines at the beginning of their term at the October 29, 2013 organizational meeting, as shown in R#13:381 below:

**Ethical Guidelines of
Conduct:**
13:381

Motion by Councillor Gurba **“THAT THE ETHICAL GUIDELINES OF
CONDUCT BE ACCEPTED AS INFORMATION.”**

MOTION CARRIED

These ethical guidelines were promoted by the AUMA *“to outline certain basic rules for all elected local government officials in Alberta.”* Noble objectives are identified such as following proper decision-making channels, ensuring public confidence in the integrity of its government, and not using public office for personal gain. The 2006 guidelines were observed hanging on the wall in the council meeting room adjacent to council chambers. The age of this document warrants a refresh to update the local council code of conduct that includes input and adherence from all current council members.

Some council members of this term engaged in improper conduct toward each other during meetings and outside of meetings, such as using an aggressive disrespectful tone, abrasive language and name calling. Some council members expressed concern of other members disrespecting their physical space, and one council member allegedly disengaged from a meeting by turning his chair away from the council table and remained facing away from his colleagues for the duration of the meeting.

Numerous media reports have captured degraded council conduct and dysfunction in recent years. One council member summarized council’s struggle to work together: *“We all bring something [to the table] – how can we not build on that and recognize our diversity.”* Elected officials are expected to adhere to a high standard of professional conduct toward each other and to remain cordial and respectful amid discourse and differing opinions. Council members need to guard their political capacity with steady adherence to respectful, professional conduct in order to collectively accomplish good things for the community.

RECOMMENDATION FOR CODE OF CONDUCT REVIEW: That the council review, update and adhere to a Council Code of Conduct.

5.6 Mediation Efforts

Council engaged mediation services in December 2015 and early 2016 in an effort to work respectfully together and address their fractured governance relationship. The council is commended for initiating steps in an attempt to resolve differences and rebuild their damaged professional relationship.

Regrettably, not all council members were committed to the mediation process, which ended shortly after it began. Officials noted that the *“success of mediation is dependent on all parties participating.”* Confrontation and acrimony on council prevailed and this divisive force spilled out of council chambers.

Community members appealed to the council to accept their differences and work together. The local MLA for Athabasca-Sturgeon-Redwater, Mr. Colin Piquette, also took the time to attend the February 16, 2016 regular council meeting as a delegation where he encouraged the council to reconsider the mediation process and work together for the best interest of the community:

MLA Colin Piquette was in attendance to ask Council to reconsider the mediation process offered by Alberta Municipal Affairs Dispute Resolutions Team. He stressed on the importance of working together as a team for the best interest of the community.

Mayor Morrill thanked him for his presentation.

5.7 Council Leadership and Political Capacity

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

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

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

- December 20, 2016 regular council meeting
- January 3, 2017 regular council meeting
- January 3, 2017 Athabasca Regional Water Commission meeting
- January 17, 2017 regular council meeting
- January 18, 2017 Tourism and Economic Development meeting
- February 21, 2017 regular council meeting
- March 21, 2017 regular council meeting
- April 18, 2017 regular council meeting

Each council member was observed to experience significant frustration at some council meetings as deliberations on agenda items degraded to include an abrasive or insincere tone of discussion.

A division on council was evident with a 4-3 voting split present on many issues in the current council term. One council member expressed that they were ridiculed by their counterparts if they voted with the “other side” of the council. Some council members denied any intention to vote as a bloc, stating that they were “*more aligned with similar thinking*” with certain council members. A physical division was present at the council table with members aligned with “sides” of council seated on different sides of the council table, shown below. This physical division paired with an alignment of thinking projected an unfortunate “us versus them” picture to all present, rather than council serving as a collective whole.



RECOMMENDATION FOR COUNCIL SEATING ROTATION: That council member seating be periodically rotated around the council table throughout each council term.

Some council members expressed concern for their well-being after receiving aggressive comments from their council colleagues during meetings, outside of council meetings, over email, and through various social media. In one locally publicized example, Councillor Peckham addressed Councillor Verhaeghe as a “little bitch” while they were outside of the town office after a meeting.⁹ Personal friendships were strained and damaged among some council members during this term when personal sentiments shared “among friends” were provided to the media. Comments shared on social media apparently posted by former council member, Nichole Adams in response to her telling the mayor to “*put a leash on your dog*” in reference to Councillor Verhaeghe, states that:

“I completely meant every word I said and I don’t care if people think name calling is immature...I won’t be apologizing in any case. If calling him names makes Councillor Verhaeghe storm out of the meeting I’ll be doing it a lot more, who knew that was the answer to solving bully problems and getting rid of him. I don’t care if I burn political capital while I do it...I’ve piled up enough of that to say burn, baby burn.”¹⁰

Expletives were used in council emails from Councillor Tanu Tyszka-Evans, such as the following November 7, 2016 response to Councillor Joanne Peckham’s request for a council member to cover her absence from an upcoming pool meeting:

From: Tanu Tyszka-Evans

Date: November 7, 2016

Subject: Re: Pool meeting

Sorry I have zero desire to go to one. And I’m irritable today, and would likely flip the f--- out on them.

Tanu

Councillor Evans explained to the inspectors that he is “a very, very blunt person...I say exactly what is on my mind. In email, I am particularly blunt. Yet, if someone needs a thanks, they can get a thanks.” Councillor Evans stated that “No one has brought it up as an issue;” that the use of harsh language is not exclusive to a single councillor or divide on council; that he considers

⁹ Allendria Brunjes, “Council mess spills onto streets,” *Athabasca Advocate*, April 26, 2016
<http://www.athabascaadvocate.com/article/Council-mess-spills-onto-streets-20160426>

¹⁰ Social media post on Nichole Adams’ Facebook page dated November 15, 2016, provided to the inspectors.

emails as internal; that harsh language has been returned to him; and that at no time has any council member expressed any objection or asked him to change the tone of his email language.

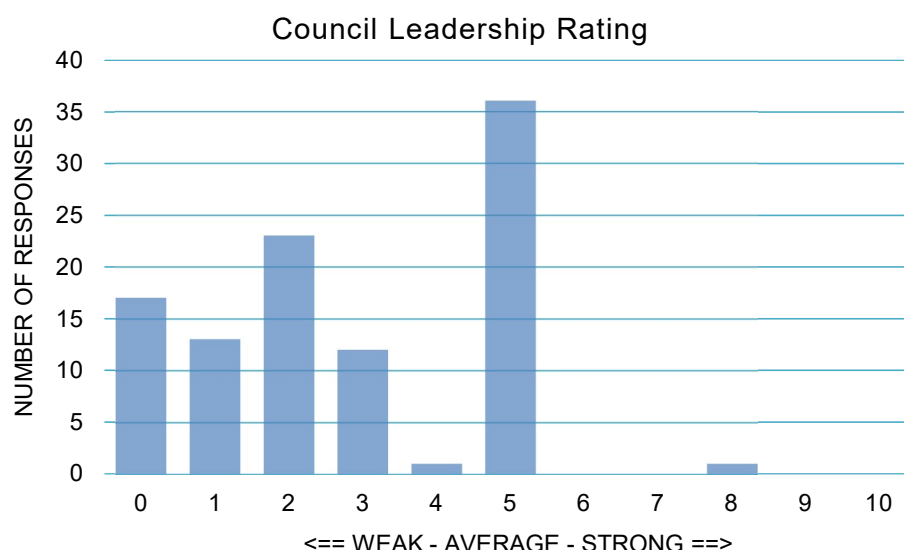
A toxic, hostile environment became entrenched within the council leadership and yielded dysfunction and uncertainty in the governance of the Town of Athabasca throughout much of the current council term. Trust among council members was lacking and the public began to lose confidence in their council's collective ability to govern.

At a minimum, a professional, respectful tone should be the starting point, and the lowest common denominator for public correspondence between officials. Clear expectations for respectful communications among officials can be addressed within an updated Council Code of Conduct.

RECOMMENDATION FOR COUNCIL COMMUNICATION: That respectful, professional communication between officials be specified as a standard in an updated Council Code of Conduct.

5.7.1 Leadership Rating

Stakeholders were given the opportunity to rate the current leadership shown by the Athabasca town council. The majority of respondents were underwhelmed with council's leadership and gave the current council an average or weak leadership rating. Leadership rating data gathered from interviews and survey results is illustrated in the chart below:



Several stakeholder comments reflected a desire for consultation in establishing a shared community vision. A common theme called for improved council leadership and willingness to work together for the overall good of the community:

- “Leadership lacking from the top down...2 distinctive opposing groups of councillors with no interest in compromising for the common good.”
- “No leadership. Haven't been able to accomplish much due to bickering all the time.”
- “Councillors prioritize personal agendas over community interests.”
- “I see a divided council with some members being consistent critics and against community enhancement under the guise of we cannot afford things. ie: new school and its services, possible new pool, infrastructure rehabilitation etc.”
- “If there is a "vision" for the town, I am unaware of it. I have concerns about infrastructure needs in view of the approaching costs of a new swimming pool.”
- “Lacking experience therefore the community suffered mainly they did not work as a team.”
- “Town Business and projects are being jeopardized by our dysfunctional and unprofessional Town Council. - Conflict and dysfunction stand in the way of our Town Council providing good governance.”

5.8 Strategic Planning

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

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

The basic framework of the recommended municipal strategic plan is solidly based on five *Dimensions of Sustainability*: Governance, Environmental, Economic, Cultural, and Social.

Athabasca council has not approved a formal Strategic Plan in recent years. A 2013 Municipal Corporate Review conducted by Alberta Municipal Affairs identified this leadership gap with a recommendation *“That council develop capital and strategic plans as important tools for council to identify priorities.”*

This key planning document should be developed with ample public consultation, wisdom, and logic in developing community priorities and aligning resources. A strategic plan for the community should describe performance targets that link to the annual budget process where specific financial resources are allocated to strategic priority areas. A strategic plan can also serve as a primary measure of CAO performance evaluation where success in the CAO position is linked to the achievement of council’s strategic priorities.

Although an official strategic plan was not in place, some council strategic priorities were identified along with regular updates to council, such as shown in the following excerpt from the March 21, 2017 council meeting agenda package:

COUNCIL STRATEGIC PRIORITIES		
Issue	Next Step	Completion
Regional Collaboration	Meet with Municipal Affairs	Next Joint Council Meeting
Multiplex Expansion	Pool Borrowing and Design	Ongoing
GIS / Public Works Superintendent	As part of Regional Collaboration	Ongoing
Economic - Community Development	TED Strategic Plan Presentation	Ongoing
Organizational Review	Council Scoping	Ongoing
Review of Bylaws and Policies	As per schedule	
Riverfront Design Review Committee Vision and 3 Year Plan	Riverfront Design Review Committee, Council, CAO	Ongoing

Council heard a delegation promoting strategic planning software at the July 28, 2015 regular council meeting, and passed R#15:323 to accept it as information as shown below. The initiative seemed to fade and the council did not produce meaningful strategic planning results.

Strategic Planning Software and Planning: 15:323 Motion by Councillor Evans **“THAT COUNCIL ACCEPT THE STRATEGIC PLANNING SOFTWARE BY MR. HICKS AS INFORMATION.”**

MOTION CARRIED

The town entered into a two-year contract for strategic planning software beginning in April 2016. According to staff, the program was not fully used. At the December 20, 2016 regular council meeting, council directed administration to pay the related invoice and resell the subscription:

Legal, PMH, FOIP, Division
2, Section 17:
16:608

Motion by Councillor Evans, "THAT COUNCIL DIRECT ADMINISTRATION TO PAY THE PMH INVOICE AND TO RESELL THE SUBSCRIPTION TO THE PROGRAM AS SOON POSSIBLE."

MOTION CARRIED

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

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

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

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

5.9 CAO Performance Evaluation

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

Performance evaluation

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

Athabasca council members completed CAO performance evaluations in recent years in accordance with the legislative requirements of the MGA. Past evaluations showed that

previous CAOs met the expectations of the majority of their council. The evaluation template had a fairly narrow focus in recent years using basic categories of relationships, personal skills, and leadership. Notably absent from the evaluation was any overall measurement of strategic objectives accomplished through the annual budget process. During the municipal inspection, certain council members, especially Councillor Peckham, expressed praise, respect and continued support for previous CAO, Josh Pyrcz.

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

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

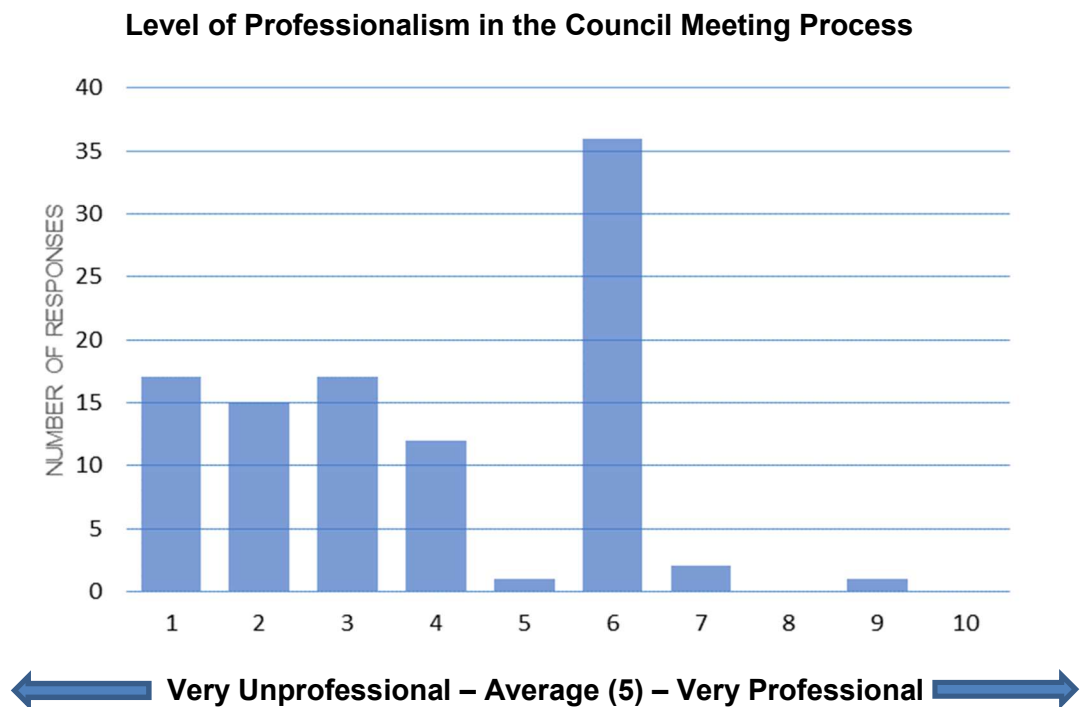
RECOMMENDATION FOR CAO PERFORMANCE EVALUATIONS: That the council review and update the template to provide a more meaningful annual written performance evaluation of the CAO when complying with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established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

5.10 Council Meeting Procedures

Municipal councils are expected to display formality and respect in interactions during public meetings. Town of Athabasca council members are guided by Council Procedural Bylaw 17-14 "*to establish the procedure and conduct of council*" during meetings. This bylaw has received several amendments during the council term. Council has the authority to pass bylaws and adjust their meeting procedures as they see fit. Frequent amendments to a procedural bylaw can give the impression that the council can't decide on their own rules. According to one

stakeholder: *"It appears changes are proposed every time it might benefit someone on council."*
One council member commented that they *"have fought over the procedural bylaw for the entire council term."*

Stakeholders were asked to rate the level of professionalism they observed in the council meeting process. Most respondents indicated that the council meeting process was unprofessional or average, as shown in the following chart:



Many stakeholders expressed concern over council member conduct, such as the following sample of anonymous comments shared through the online inspection survey:

- *"Some councillors tried to conduct themselves in a professional matter during the several meetings I attended. As the meetings progressed, the "orderly" atmosphere deteriorated with tempers flaring and personal attitudes taking over."*
- *"It appears everyone has their own personal agenda and cannot seem to come together for the good of the town."*
- *"I have never in my life ever read about councillors showing such disrespect to themselves and the town as a whole. [One] came on social media and had a full page rant...Totally unacceptable behavior for someone making decisions for our community."*
- *"Council is fractured and dysfunctional preventing fair representation for the residents and taxpayers."*
- *"Members of the audience were allowed to speak when not part of an official delegation."*

5.10.1 Public Presence During Meetings

Members of the public have the right to be present in the gallery to attend council and committee meetings, in accordance with the MGA s. 198, as follows:

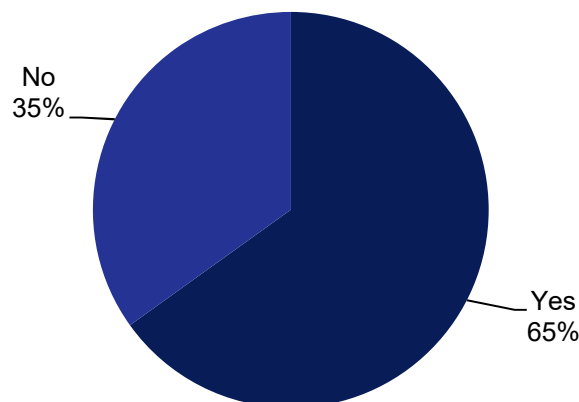
Right of public to be present

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. The council chambers provided an adequate meeting space with two rows of gallery seating.

Council meetings were regularly attended by the local media and some members of the public. 65% of 109 survey respondents indicated that they had attended a Town of Athabasca council meeting in the past three years, as shown in the chart below:

Attended a Council Meeting in the Past Three Years



Ongoing reciprocal consultative dialogue between citizens and their elected officials can add legitimacy to decision-making and lead to a greater understanding of the potential impact of local issues. There are appropriate means for citizens to address elected officials informally before or after council meetings; or formally as a delegation to council. Athabasca council discussions occasionally included comments from members of the gallery. The council procedural bylaw permits this, as follows:

- 18) The Chair may, upon request, authorize a person in the public gallery to address Council only on the topic being debated at that time in the meeting and the Chair shall specify the time limit provided to the person wishing to address the matter.

The right of the public to be present during council meetings is not intended to mean that the public can actively engage in council meeting discussions. Local governments follow a system of representative democracy where candidates are elected to represent the citizenry. This is different from participative democracy, or direct democracy, where all citizens are actively involved in all important decisions.¹¹ To be clear, local governments in Alberta follow a system of representative democracy where citizens elect council members to represent them in making decisions.¹²

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

5.11 Recording of Votes

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

Recording of votes

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

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

The Athabasca council used recorded votes quite frequently, typically at least once at every meeting. Officials followed a proper process by calling for a recorded vote before the vote was taken and the results of the vote were properly recorded in the meeting minutes. Voting records show a voting pattern over the term with some variations. Councillors Adams, Evans, Gurba and Peckham commonly voted together, and Mayor Morrill, Councillor Schafer, and Councillor Verhaeghe commonly voted together.

¹¹ http://www.encyclopedia.com/topic/participatory_democracy.aspx

¹² http://www.lopparl.gc.ca/About/Parliament/Education/ourcountryourparliament/html_booklet/democracy-defined-e.html

Excessive requests for recorded votes are unusual for a typical council and sometimes signals a point of discomfort among a minority voice. Regardless of the voting pattern, once a resolution is passed by the majority of council it is important for all council members to respect the results of the vote and work together to ensure the implementation of the resolution in an expedient and efficient fashion.

5.12 Pecuniary Interest

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

Pecuniary interest

170(1) Subject to subsection (3), a councillor has a pecuniary interest in a matter if

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

Alberta's local government system emphasizes transparency and the MGA gives clear 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) and (4) a pecuniary interest does not exist when voting on council remuneration, as follows:

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

- (a) that the councillor, an employer of the councillor or a member of the councillor's family may have as an elector, taxpayer or utility customer of the municipality,*
- (b) that the councillor or a member of the councillor's family may have by reason of being appointed by the council as a director of a company incorporated for the purpose of carrying on business for and on behalf of the municipality or by reason of being appointed as the representative of the council on another body,*
- (c) that the councillor or member of the councillor's family may have with respect to any allowance, honorarium, remuneration or benefit to which the councillor or member of the councillor's family may be entitled by being appointed by the council to a position described in clause (b),*
- (d) that the councillor may have with respect to any allowance, honorarium, remuneration or benefit to which the councillor may be entitled by being a councillor.*
- (e) that the councillor or a member of the councillor's family may have by being employed by the Government of Canada, the Government of Alberta or a federal or provincial Crown corporation or agency, except with respect to a matter directly*

affecting the department, corporation or agency of which the councillor or family member is an employee,

- (f) that a member of the councillor's family may have by having an employer, other than the municipality, that is monetarily affected by a decision of the municipality,*
 - (g) that the councillor or a member of the councillor's family may have by being a member or director of a non-profit organization as defined in section 241(f) or a service club,*
 - (h) that the councillor or member of the councillor's family may have*
 - (i) by being appointed as the volunteer chief or other volunteer officer of a fire or ambulance service or emergency measures organization or other volunteer organization or service, or*
 - (ii) by reason of remuneration received as a volunteer member of any of those voluntary organizations or services,*
 - (i) of the councillor, an employer of the councillor or a member of the councillor's family that is held in common with the majority of electors of the municipality or, if the matter affects only part of the municipality, with the majority of electors in that part,*
 - (j) that is so remote or insignificant that it cannot reasonably be regarded as likely to influence the councillor, or*
 - (k) that a councillor may have by discussing or voting on a bylaw that applies to businesses or business activities when the councillor, an employer of the councillor or a member of the councillor's family has an interest in a business, unless the only business affected by the bylaw is the business of the councillor, employer of the councillor or the councillor's family.*
- (4) Subsection (3)(g) and (h) do not apply to a councillor who is an employee of an organization, club or service referred to in those clauses.*

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

It appeared that some council members did not have a solid understanding of the pecuniary interest provisions of the MGA. The following irregular matters were identified:

1. Councillor Gurba participated in discussion and voting on matters that could monetarily affect her employer, Aspen View Public School Division No. 78, such as R#16:190 shown below in an excerpt from the May 3, 2016 regular council meeting:

Mayor Morrill declared a perceived possible pecuniary interest due to land and left the room at 6:55 p.m.

Deputy Mayor Schafer assumed the chair.

Offsite Levy
16:190

Motion by Councillor Gurba **"THAT COUNCIL CHARGE AN OFFSITE LEVY OF \$1 FOR THE SCHOOL PROJECT"**

[RECORDED VOTE]

Councillor Evans requested a recorded vote
For: Councillor Schafer, Gurba, Peckham
Against: Adams & Evans

MOTION CARRIED

Mayor Morrill returned to the chambers at 7:19

2. Councillor Evans participated in voting and discussion on R#16:449 from October 4, 2016, and R#16:576 from December 9, 2016, shown below which could have impacted him monetarily.

Cr. Tanu Evans and Section
174 of MGA:
16:449

Motion by Councillor Verhaeghe **"THAT COUNCIL ASK COUNCILLOR EVANS TO RESIGN IMMEDIATELY OR PRIOR TO OCTOBER 18, 2016, WHICH IS OUR NEXT SCHEDULED REGULAR COUNCIL MEETING, FAILING WHICH TO DIRECT ADMINISTRATION TO INITIATE AND COMMENCE AN APPLICATION TO THE COURT OF QUEEN'S BENCH TO HAVE COUNCILLOR EVANS DISQUALIFIED FOR BREACHING SECTION 174 OF THE MUNICIPAL GOVERNMENT ACT."**

Councillor Evans requested a recorded vote:

For: Mayor Morrill, Councillors Schafer & Verhaeghe
Against: Councillors Evans & Gurba

MOTION CARRIED

Legal, Disqualification,
FOIP, Division 2, Section 17:
16:576

Motion by Councillor Verhaeghe **"THAT COUNCILLOR VERHAEGHE BELIEVES COUNCILLOR EVANS HAS A PECUNIARY INTEREST AND THEREFORE HE IS ASKED TO RESIGN."**

[RECORDED VOTE]

Councillor Evans requested a recorded vote:
For: Mayor Morrill, Schafer & Verhaeghe
Against: Councillors Evans, Gurba & Peckham

MOTION DEFEATED

Other allegations of pecuniary interest surfaced which, in the inspector's opinion are not of a pecuniary nature as defined by the MGA. For example, Councillor Adams apparently initiated a paving project for her neighbourhood, coordinated through her position as a local condo board president. Records show that the town paid for this microsurfacing project which the contractor

completed in conjunction with additional related work in the community. Stakeholders have confirmed that the paving project was repaid to the town of Athabasca. Meeting minutes from October 4, 2016 show that council approved payment of the West-Can Seal Coating invoice “under protest” as follows:

16:446 Motion by Councillor Schafer **“THAT COUNCIL TO DIRECT ADMINISTRATION TO PAY THE INVOICE TO WEST-CAN SEAL COATING INC. UNDER PROTEST AND THAT THE TOWN WILL INCUR NO FURTHER LIABILITY IN REGARDS TO THIS TRANSACTION.”**

Morrill requested a recorded vote:

For: Mayor Morrill, Councillors Gurba, Schafer, Verhaeghe
Against: Councillor Evans

MOTION CARRIED

Councillor Adams was absent from the October 4, 2016 council meeting where the invoice was approved for payment by council and that Councillor Adams did not vote on this paving invoice payment issue. The fact that the project was expensed through the town, rather than having services retained and paid for directly by the respective condo association is an irregular matter. Greater diligence is needed in project oversight and communications.

Councillor Adams informed the inspectors that the benefiting condo association had a longstanding business relationship with the town where other services were contracted and paid for, such as local street sweeping and sign purchases. Councillor Adams also confirmed that there was no intention to invoice the town for the condo association microsurfacing project, and that it was a simple billing error to include the condo project on the contractor’s invoice to the town.

Councillor Gurba participated in discussion and voting on the CAO salary increase which included a cost of living increase, such as R#16:133 from March 15, 2016, shown below. As the CAO’s landlord at the time, this matter could have affected her monetarily. Although it is an unusual matter for a councillor to be the CAO’s landlord, the MGA does not contemplate a landlord-tenant relationship as a pecuniary interest and therefore Councillor Gurba was required to vote on the CAO salary item, as she did.

Motion by Councillor Peckham **“THAT THE CAO SALARY BE INCREASED BY \$10,000.00 (TEN THOUSAND DOLLARS) AND THAT BE REFLECTED IN AN AMENDMENT TO THE CAO CONTRACT.”**

MOTION CARRIED

Councillor Schafer participated in discussion and voting on matters that could monetarily affect his former employer, Athabasca University, such as R#16:079 approving a letter of support from February 16, 2016. Councillor Schafer confirmed that he retired from Athabasca University in 2013. Voting on matters monetarily affecting a “former” employer is not considered a pecuniary interest according to the MGA and therefore Councillor Schaffer was required to vote on matters affecting Athabasca University, as he did.

Mayor Morrill abstained from voting on land servicing matters in his area of town, referring to a “perceived possible pecuniary interest” such as shown in the May 3, 2016 regular council meeting reference shown above. It appears quite remote that the mayor had a pecuniary interest on this matter since the site servicing for the new school provides a broad community benefit, rather than particularly benefiting his neighbouring property. Mayor Morrill indicated that he relied on legal and staff advice he had received suggesting a possibility of a pecuniary interest.

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

5.13 Requirement to Vote and Abstentions

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

Requirement to vote and abstentions

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

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

Reasons for disqualification

174(1) A councillor is disqualified from council if

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

Council meeting minutes show irregular matters where council members either failed to vote on matters when they were present, or abstained from voting without clear reasons. If a council member does have a pecuniary interest requiring an abstention from voting, it is necessary that they state reasons and leave the room prior to discussion and voting.

The minutes of a special meeting held on April 21, 2016 show that Councillor Gurba and Councillor Schafer left the meeting and did not vote on R#16:179 affecting off-site levies for the new school project. Both of these councillors indicated that they left the meeting to affect the meeting quorum. Councillor Schafer's recollection was that he left the meeting before the motion was made.

The audio recording from this meeting shows that a motion was made by Councillor Evans "to not waive the off-site levies for the school" and that this motion was not voted on prior to Councillor Gurba and Councillor Schafer leaving the meeting. The audio also shows that the idea to leave the meeting was initiated by Councillor Gurba who invited Councillor Schafer to leave the meeting with her. As they left, Councillor Gurba is heard to say: "...you don't have a quorum. You can't have this meeting, folks."

At the same meeting, Mayor Morrill abstained from discussion and voting on R#16:179 and had previously left the room after declaring "a possible perceived pecuniary interest due to land."

The December 6, 2016 regular council meeting minutes show that Councillor Adams declared a pecuniary interest and left the room, but did not state reasons:

"Councillor Adams declared pecuniary interest and left Council Chambers at 9:46 p.m., returned 10:03 P.M."

The February 16, 2016 meeting minutes contain an "Enforcement of Disqualification" matter with the following comment:

"Mayor Morrill and Councillor Verhaeghe recused themselves from the Meeting and declared pecuniary interest."

The October 25, 2016 special council meeting minutes state that Mayor Morrill left the room:

"Mayor Morrill declared a possible perceived pecuniary interest and left the room at 7:01 p.m."

In the mayor's absence, council heard a delegation and passed R#16:479 approving a road and site services for the new school.

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

5.14 Organizational Meetings

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

Organizational meetings

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

The Town of Athabasca council held annual organizational meetings within the timeframe legislated by the MGA. Organizational meetings contained appropriate agenda items which were limited to committee involvement and meeting scheduling, which conforms with standard practices and guidelines¹³ for organizational meetings as provided by Alberta Municipal Affairs:

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

- (a) The appointments of members to Committees which Council is entitled to make;*
- (b) Establishing a roster of Deputy Mayors for the following year;*

¹³ 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

(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.

Some improvements could be made to the organizational meetings by reviewing each council committee appointment to ensure appropriateness and appropriate shared committee workload among council members. Specific committee appointments could be identified in the meeting minutes, rather than vaguely stating “that council keep committee appointments as they are” as shown in the following excerpt from the October 18, 2016 organizational meeting:

BUSINESS:
Committees of Council:

[RECORDED VOTE]

Motion by Councillor Adams “**THAT COUNCIL KEEP COMMITTEE APPOINTMENTS AS THEY ARE.**”

Mayor Morrill requested a recorded vote.

For: Councillors Adams, Evans, Gurba & Peckham.
Against Mayor Morrill, Councillors Schafer & Verhaeghe

MOTION CARRIED

RECOMMENDATION FOR ORGANIZATIONAL MEETING MINUTES: That organizational meeting minutes include a list of council committee appointments.

5.15 Council Committee Structure

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

Bylaws - council and council committees

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

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

Composition of council committees

146 A council committee may consist

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

Town of Athabasca council members participated in various internal, external, and regional committees. The council committee structure included a number of regional partnerships to manage some of the operational common services in the region, including water supply, waste collection and removal, and recreational facility management. Local partnerships in service delivery are examples of regional collaboration.

For the most part, the council committees appear reasonable and some committees have a terms of reference outlining the committee purpose and membership. Several committees were established by bylaw, such as a tourism committee and municipal planning commission. An irregular matter was identified where some committees were in place without an authorizing bylaw to establish their function, such as the pool design committee, FCSS board, communications committee, and administration committee.

Various council appointments may contain some historical remnants of past practices. It is necessary to conduct a 'refresh' and review all council appointments to ensure appropriateness due to the passage of time and application of best practices.

Council members established an improper use of an "administration committee" in the past where roles and responsibilities became blurred between the CAO and select councillors appointed to this committee. In a sense, certain councillors became administrative advisors and appeared to participate directing operations and developing advice to themselves as councillors. Minutes of this committee were not recorded. Under a reference of 'organizational improvement', the committee terms of reference states:

"The Town of Athabasca recognizes the need to continuously improve as an organization and that in some circumstances it is useful for a smaller group of peers to review the actions, policies, recommendations, budget, and performance of the Chief Administrative Officer."

Various purposes are identified that effectively shifted administrative responsibilities to council committee members, such as the following:

"Reporting to the Council, it is the responsibility of the Administration Committee to consider the human resource or financial implications of existing or proposed policies, programs and actions."

The use of the administration committee likely contributed to a council division and apparent alignment of former CAO, Josh Pyrcz with council members on this committee, particularly in

early 2016. The administration committee for the town is counterproductive, poorly designed and should be discontinued. Council used a committee of the whole in previous years which met occasionally, included the “whole” council, and recorded activities with committee meeting minutes. Some municipalities use a committee of the whole to accommodate expanded deliberation on issues, such as budgets. Some officials feel that a committee of the whole is a redundant use of council time and that if the “whole” council is present, they might as well have a council meeting.

At the October 18, 2016 organizational meeting, the council passed a resolution with a 4-3 vote to disband the committee of the whole, as follows:

Committee of the Whole
– Date & Times:

[RECORDED VOTE]

Motion by Councillor Evans **“THAT COUNCIL DISBAND THE COMMITTEE OF THE WHOLE AND NO LONGER HOLD MEETINGS.”**

Mayor Morrill requested a recorded vote:
For: Councillors Adams, Evans, Gurba & Peckham.
Against Mayor Morrill, Councillors Schafer & Verhaeghe

MOTION CARRIED

At a November 15, 2016 special council meeting, council passed R#16:510 to form a three-member hiring committee, shown below. This motion was carried with a 4-3 vote, to the dismay of certain councillors who were strategically excluded and apparently wanted to be involved in this important process. Actions like this appear spiteful, where a majority bloc vote used voting power to their advantage and frequently excluded the council minority.

CAO Recruitment:
16:510

Motion by Councillor Adams **“THAT COUNCIL FORM A CAO HIRING COMMITTEE AND APPOINT COUNCILLORS ADAMS, GURBA AND PECKHAM TO THE COMMITTEE WITH A MANDATE TO ADVERTISE, SHORTLIST, INTERVIEW AND NEGOTIATE FOR A CAO AND FOR THE COMMITTEE TO BRING BACK TO COUNCIL THE RECOMMENDATION ON THE SUCCESSFUL CAO CANDIDATE/CONTRACT WORKER AND FOR ADMINISTRATION TO PROVIDE SUPPORT FOR THIS PURPOSE.”**

[RECORDED VOTE]

Mayor Morrill requested a recorded vote:

For: Councillors Adams, Evans, Peckham & Gurba.
Against: Mayor Morrill, Councillors Schafer & Verhaeghe.

MOTION CARRIED

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

5.16 Council Sanctions

Council member sanctions were used in 2016 where Councillor Verhaeghe and Mayor Morrill were removed from all boards and committees by a resolution of council on February 16, 2016. This resolution #16:086 is silent on any reasons for sanctioning council members by restricting their committee participation:

Motion by Councillor Gurba "THAT COUNCIL REMOVE MAYOR MORRILL AND COUNCILLOR VERHAEGHE FROM ALL BOARDS, COMMITTEES, SOCIETIES AND / OR COMMISSIONS EXCEPT THOSE SPECIFICALLY REFERENCED IN THE MUNICIPAL GOVERNMENT ACT AND / OR THE TOWN OF ATHABASCA PROCEDURAL BYLAW."

In the audio recording of this meeting Councillor Verhaeghe is heard to repeatedly ask the council for reasons to be removed from committees, and no reasons were given.

The inspectors heard comments that one councillor felt pressured by certain council colleagues to vote in favour of removing Mayor Morrill and Councillor Verhaeghe from committees after allegedly being told that if she didn't support their removal from committees, 2016 funding would not be supported for the committees she participated in.

Immediately following resolution #16:086 on February 16, 2016, council passed resolution #16:087 attempting to enforce disqualification of Mayor Morrill and Councillor Verhaeghe, as follows:

Motion by Councillor Gurba "THAT COUNCIL DIRECT ADMINISTRATION TO TAKE ANY NECESSARY STEPS TO PREPARE AND EXECUTE AN APPLICATION TO THE COURT OF QUEEN BENCH FOR ENFORCEMENT OF DISQUALIFICATION OF MAYOR MORRILL AND COUNCILLOR TIMOTHY VERHAEGHE ACCORDING TO SECTIONS 172, 174, 175, 248 AND 249 OR ANYTHING ELSE THAT IS APPLICABLE UNDER DIVISION 7 OF THE MUNICIPAL GOVERNMENT ACT."

On September 20, 2016 council passed the following resolution #16:430 asking for Councillor Adams' resignation at around 10:30 p.m. after Councillors Adams, Evans and Peckham had left the meeting:

Motion by Councillor Verhaeghe "THAT COUNCIL ASK COUNCILLOR ADAMS TO RESIGN IMMEDIATELY FROM ATHABASCA TOWN COUNCIL, FAILING WHICH ADMINISTRATION IS TO INITIATE AND MAKE AN APPLICATION TO THE COURT OF QUEEN'S BENCH TO HAVE HER DISQUALIFIED."

At the October 4, 2016 regular council meeting, council passed R#16:449 calling for the resignation of Councillor Evans:

Cr. Tanu Evans and Section
174 of MGA:
16:449

Motion by Councillor Verhaeghe **“THAT COUNCIL ASK COUNCILLOR EVANS TO RESIGN IMMEDIATELY OR PRIOR TO OCTOBER 18, 2016, WHICH IS OUR NEXT SCHEDULED REGULAR COUNCIL MEETING, FAILING WHICH TO DIRECT ADMINISTRATION TO INITIATE AND COMMENCE AN APPLICATION TO THE COURT OF QUEEN’S BENCH TO HAVE COUNCILLOR EVANS DISQUALIFIED FOR BREACHING SECTION 174 OF THE MUNICIPAL GOVERNMENT ACT.”**

Councillor Evans requested a recorded vote:

For: Mayor Morrill, Councillors Schafer & Verhaeghe
Against: Councillors Evans & Gurba

MOTION CARRIED

The back and forth actions between this divided council resembled offensive strikes between opposing camps. Further actions and events can be found throughout the council meeting minutes. Local media reported on council actions, with no shortage of dirty laundry to air. The March 15, 2016 edition of the *Athabasca Advocate* refers to the “Talk of the Town” on the front page of the paper with the following caption:

“Over the past four meetings, the Town of Athabasca’s council has voted to disqualify the mayor and a councillor and remove them from all committees. They have voted against calling a lawyer about a staff intimidation statement – but voted in favour of publishing a letter about their own efficiency. What’s on the agenda for tonight?”

Overall, the extensive council drama caused a loss of public patience and confidence in the council members that were elected and entrusted with community leadership.

5.17 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.

During the inspection, council followed proper processes when closing portions of council meetings to the public. CAO Topinka provided guidance to council on the appropriateness of in camera matters and the exceptions to disclosure under the *FOIP Act*. This is an improved process and it is noted that council made an effort to standardize proper disclosure, such as noted in R#15:338 from the July 28, 2015 regular council meeting shown below:

In-Camera Items:
15:338

Motion by Mayor Morrill "THAT COUNCIL ADOPT A PRACTICE OF PLACEMENT OF IN-CAMERA DISCUSSION ITEMS ON THE AGENDA TO HAVE BOTH A BRIEF DESCRIPTION OF THAT ITEM AND RELEVANT LEGISLATION FOR IN-CAMERA INCLUSION."

MOTION CARRIED

RECESS:

Mayor Morrill declared a recess at 9:23 pm.

RECONVENE:

The Meeting was reconvened at 9:28 pm.

IN-CAMERA:
15:339

Motion by Councillor Peckham "THAT THE MEETING GO IN-CAMERA AT 9:29 PM."

MOTION CARRIED

OUT OF IN-CAMERA:
15:340

Motion by Councillor Verhaeghe "THAT THE MEETING COME OUT OF IN-CAMERA AT 9:47 PM."

MOTION CARRIED

At the February 2, 2016 regular council meeting, the minutes do not show the nature of the in camera matter, as per below, however, it was identified as "personnel" on the agenda. More recently, meeting minutes show the nature of the item and the FOIP provision identifying the reason to close the meeting to the public.

16:062

Motion by Councillor Verhaeghe "THAT THE MEETING GO IN-CAMERA AT 8:48 P.M."

MOTION CARRIED

Councillor Adams left the meeting at 8:48 p.m.

16:063

Motion by Councillor Gurba "THAT THE MEETING COME OUT OF IN-CAMERA AT 8:59 P.M."

MOTION CARRIED

Council members and community members expressed concern over alleged breaches of confidential information discussed in camera. Council members are required *to keep in confidence matters discussed in private at council or committee meetings* (MGA s. 153).

Council members seemed to struggle with understanding what should be discussed in public, and what should be discussed in private. For example, council members discussed excessive CAO candidate recruitment details in public on November 1, 2016 and passed an overly-detailed resolution describing an offer to a potential candidate, as shown below:

Legal, Personnel, FOIP,
Division 2, Section 17:
16:500

Motion by Councillor Evans "THAT COUNCIL DIRECT ADMINISTRATION TO WORK WITH DIMITRI FROM THE HR GROUP AND HAVE THE CONTRACT FROM THE LAWYER TO EXTEND AN OFFER OF EMPLOYMENT TO JOE DAY FOR THE POSITION OF CAO, OFFERING A SALARY OF ONE HUNDRED AND TWENTY THOUSAND DOLLARS WITH A SIX MONTH PROBATIONARY PERIOD. AFTER COMPLETING THE SIX MONTH PROBATIONARY PERIOD AN INCREASE TO ONE HUNDRED AND TWENTY FOUR THOUSAND DOLLARS AND A MOVING EXPENSE OF SIX THOUSAND DOLLARS."

The practice of disclosing the nature of the in-camera item and relevant legislation had improved as observed during the municipal inspection, with FOIP exceptions to disclosure identified on related agenda items.

5.17.1 FOIP Exceptions to Disclosure

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

Division 2

Exceptions to Disclosure

- 16 Disclosure harmful to business interests of a third party
- 17 Disclosure harmful to personal privacy
- 18 Disclosure harmful to individual or public safety
- 19 Confidential evaluations
- 20 Disclosure harmful to law enforcement
- 21 Disclosure harmful to intergovernmental relations
- 22 Cabinet and Treasury Board confidences
- 23 Local public body confidences
- 24 Advice from officials

- 25 Disclosure harmful to economic and other interests of a public body*
- 26 Testing procedures, tests and audits*
- 27 Privileged information*
- 28 Disclosure harmful to the conservation of heritage sites, etc.*
- 29 Information that is or will be available to the public.*

Agenda items that do not fall within the above FOIP Exceptions to Disclosure are to be discussed by council during the open portion of public council meetings. Council members need to ensure that confidential matters are discussed in a closed meeting and remain private until a proper time.

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

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

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

5.18 Community Engagement

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

Stronger communication with residents is also needed for council to ensure legitimacy in establishing official priorities for the community. Community plans deserve broadcasting and should be promoted and publicly accessible.

The 2013 Municipal Corporate Review identified the need for greater community engagement, such as including public input in the budget process, updating the town website, and improving the public hearing process. The current council has made efforts to improve in all these areas:

1. The town website was recently updated. Agendas are available electronically, prior to meetings. Current and historical minutes and bylaws are available, as well as a great deal of community information.
2. The public hearing process was improved, following a procedural error that required a hearing to be repeated.
3. Budget input was sought, such as shown in R#15:429 from the October 20, 2015 regular council meeting:

2016 Budget Discussion
and Open House/Online
Survey and Input Forum:
15:429

Motion by Councillor Peckham "THAT COUNCIL DIRECT ADMINISTRATION TO SET A DATE AND A TIME FOR THE 2016 BUDGET OPEN HOUSE AND ADVERTISE IT IN THE MEDIA AND ON THE WEBSITE."

MOTION CARRIED

Council also provided the community with an opportunity to respond on a public transportation committee matter, as shown in the October 18, 2016 regular council meeting minutes:

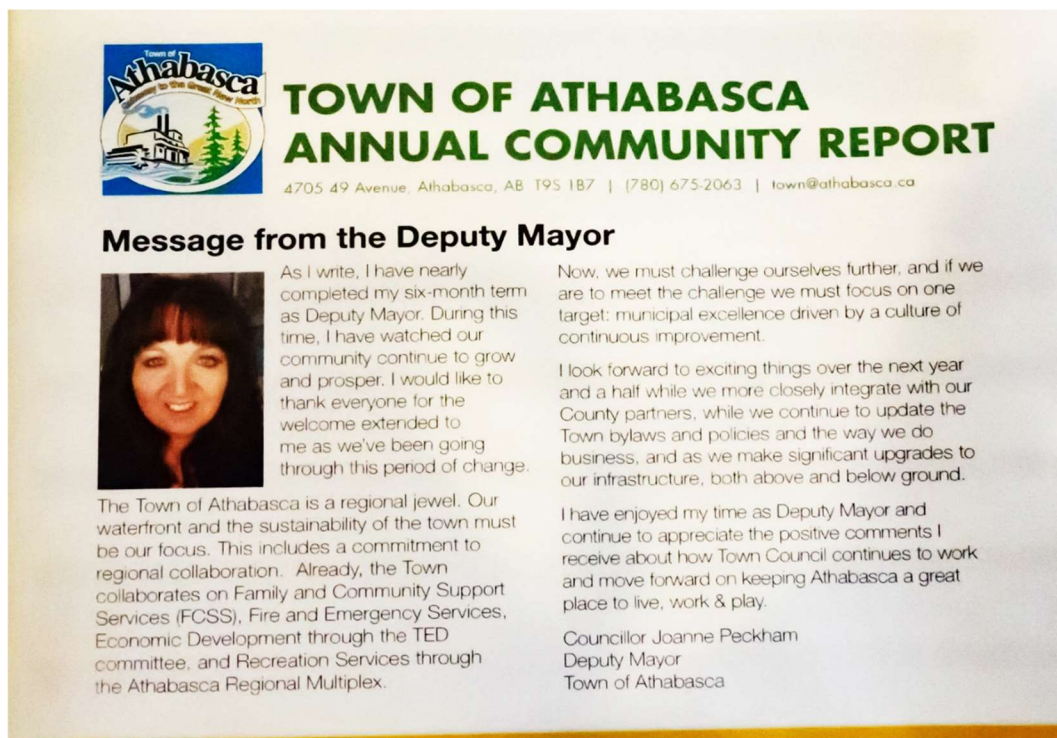
Public Transportation:
16:466

Motion by Councillor Peckham "THAT COUNCIL DIRECT ADMINISTRATION, TO SEEK ADVICE FROM THE COMMUNITY AND PROVIDE OPPORTUNITY TO RESPOND, EITHER BY WAY OF SURVEY, WEBSITE OR NEWSLETTER."

MOTION CARRIED

A one-member communications committee existed in Athabasca where a council member was tasked with "operational" communications duties. Through this one-person committee, in consultation with the CAO, community newsletters and a 2016 "Annual Community Report" were developed, such as the example shown below. This communication effort appears noble and led to the creation of an attractive publication with operational updates. An anomaly is that the report opens with a "Message from the Deputy Mayor" and this presentation inadvertently sidelines the mayor and the rest of council with their absent voice and recognition in the publication.

The communications committee should be discontinued since operational communications duties are properly handled by staff. If future publications are prepared for the community, the 2016 document can be used as a good base to build from since it provides meaningful department updates, however, it should open with a message from the mayor and acknowledge the whole council team.



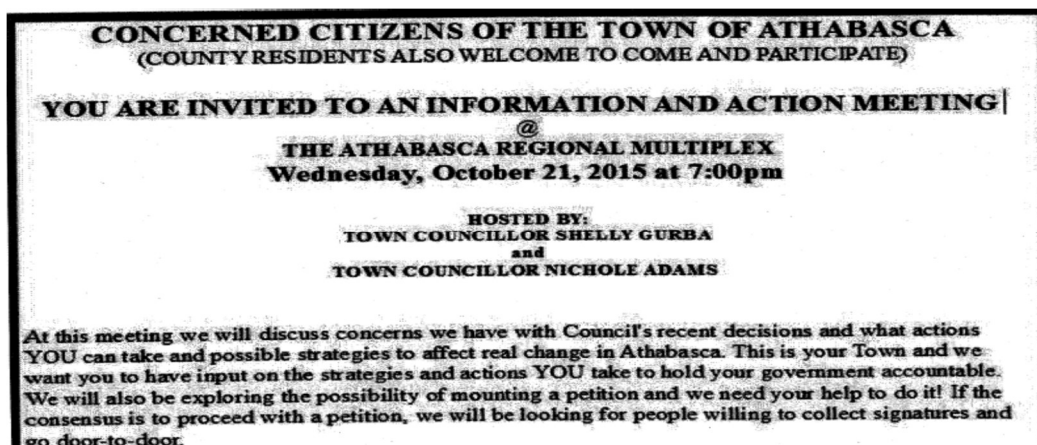
Council support was lacking to develop or even discuss a 2017 Annual report, such as shown below in the defeated R#17:056 from the February 7, 2017 regular council meeting:

Annual Community Report
17:056

Motion by Councillor Peckham, "THAT COUNCIL TABLE THE ANNUAL COMMUNITY REPORT FOR 2017 TILL THE NEXT REGULAR MEETING SCHEDULED ON FEBRUARY 21, 2017."

MOTION DEFEATED

Sometimes council members chose a divisive approach to community consultation, such as the October 21, 2015 "Information and Action Meeting" hosted by Councillor Adams and Councillor Gurba, shown in the information below. This information meeting, hosted by two councillors did not appear to be approved by the council.



Council published an “Open Letter to the Residents of Athabasca” on March 1, 2016 in an apparent attempt to “dispel false or misleading information” and “focus on progress not the past.” This communication effort also sent a strong message of a divided council since it was signed by only four of the seven council members.

Efforts have been made to increase electronic communication with residents. In addition to the newly updated town website, an E-News Sign Up was available. The website includes a description of each council member as well as a “Mayor’s Message” welcoming individuals to the community.

During the municipal inspection, stakeholders were eager to share local strengths and challenges.

- Some of the words stakeholders most frequently used to identify **strengths** of the community were: Beautiful, people, tourism, great, river, growth, gateway, town, area, businesses, friendly, city, and summer.
- Some of the words stakeholders most frequently used to identify **challenges** facing the community were: Leadership, fighting, councillors, CAO, infrastructure, growth, vision, attitude, change, small, and taxes.

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

5.19 Meeting Minutes

The inspection found that council meeting minutes were properly stored and presented to council for approval in accordance with MGA which reads as follows:

208(1)(c) the minutes of each council meeting are given to council for adoption at a subsequent council meeting;

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

Resolution clarity was a concern expressed by the council at the December 20, 2016 regular council meeting where they passed R#16:604 to read motions before voting, as shown below.

This practice did not get established as a standard. Council was observed calling for motion wording to be recited occasionally, but not consistently.

Councillor Verhaeghe,
Motions:
16:604

Motion by Councillor Verhaeghe, **"THAT COUNCIL DIRECT ADMINISTRATION TO READ ALL MOTIONS BY THE CAO OR BY HER/HIS DESIGNATE, BEFORE BEING VOTED ON."**

MOTION CARRIED

Best practices enable the council to view proposed resolutions and 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 visual aid promotes clarity for council during voting and for staff recording the minutes. Viewing resolutions before voting was also recommended in the 2013 Municipal Corporate Review.

Administration typically presented agenda items in a request for decision format with a recommendation containing proposed resolution wording.

Some past resolutions were poorly constructed since they referenced an assortment of items, rather than providing a specific, direct action on a matter. For example, R#15:004 from the January 6, 2015 regular council meeting reads as follows:

Motion by Councillor Peckham "THAT COUNCIL AUTHORIZE THE PURCHASE OF THE NEW VEHICLE FOR THE COMMUNITY PEACE OFFICER, ALLOCATE MSI AND CARRY IT OVER TO BUDGET SOFTWARE AND START PURSUING TENDERS ON TRAIL MAINTENANCE AND CONSTRUCTION, FORGOTTEN PARK PLAYGROUND, SPRAY PARK RUBBERIZED COATING, ENGINEERED WOOD CHIPS FOR SPRAY PARK, AND NORTHLANDS MANOR SAFETY SURFACE."

Another example of broad spectrum motion is R#16:579 from the December 9, 2016 special council meeting, as follows:

Motion by Councillor Verhaeghe "THAT MAYOR MORRILL AND I BE PLACED BACK ON MULTIPLEX, WITH COUNCILLOR SCHAFER STEPPING DOWN, AND BECAUSE COUNCILLOR ADAMS SEAT IS GOING TO BE VACANT THAT ALLOWS MAYOR MORRILL AND I BACK ON MULTIPLEX; AND ON POOL DESIGN COUNCILLOR SCHAFER REMAINS AND COUNCILLORS PECKHAM AND GURBA AGREEING TO STEP DOWN THEREBY ALLOWING MAYOR MORRILL AND I BACK ON; WITH THE

RIVERFRONT DESIGN REVIEW COMMITTEE IN LIEU OF COUNCILLOR ADAMS I AM GOING BACK ON; THE ADMIN COMMITTEE IS EXPANDED TO INCLUDE ALL MEMBERS OF COUNCIL AND THEN FOR IDP MAYOR MORRILL AND MYSELF ARE BACK ON IDP IN LIEU OF COUNCILLOR ADAMS SPOT AND COUNCILLOR EVANS STEPPING DOWN." *MOTION CARRIED*

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

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

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

5.20 Bylaws

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

Bylaw readings

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

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

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

Passing of bylaw

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

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

(3) Bylaws must be signed by

(a) the chief elected official, and

(b) a designated officer.

The inspection included a review of municipal bylaws and found that town bylaws were generally well prepared. Officials followed proper procedures when passing bylaws by giving three readings in accordance with the MGA s. 187.

Municipal bylaws were found to be organized, signed and stored securely in accordance with legislative requirements in the MGA. Local bylaws had logical titles and followed a sequential numbering format. Several bylaws were available electronically on the municipality's website.

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

Amendment and repeal

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

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

The council procedural bylaw was presented for amendments quite frequently during the council term. Sometimes proposed amendments were defeated or poorly contemplated to begin with, such as the November 15, 2016 R#16:525 directing staff to prepare an amended procedural bylaw to remove the mayor as ex-officio from committees:

Procedural Bylaw:
16:525

Motion by Councillor Peckham **"THAT COUNCIL DIRECT ADMINISTRATION TO BRING BACK AT THE NEXT REGULAR COUNCIL MEETING THE COUNCIL PROCEDURAL BYLAW 17-14 WITH AMENDMENTS TO INCLUDE – TO AMEND COUNCIL PROCEDURAL BYLAW 17-14, PART THREE SECTION SEVEN AND REMOVE THE MAYOR AS EX-OFFICIO MEMBER OF COMMITTEES AND BODIES WHICH COUNCIL HAS A RIGHT TO APPOINT MEMEBERS UNDER THE MGA (DOES NOT APPLY TO CERTAIN COMMITTEES, EX. SDAB, ARB, ETC...) AND THAT THE MAJORITY OF COUNCIL MAY APPOINT A CHAIR AND OR VICE CHAIR BY WAY OF A SEPARATE BYLAW AT THE DISCRETION OF THE CAO TO SEEK LEGAL ADVICE FOR THE AMENDMENTS."**

Mayor Morrill requested a recorded vote:

For: Councillors Adams, Evans, Gurba & Peckham.
Against: Mayor Morrill, Councillor Schafer.

Councillor Adams left Council Chambers at 7:22 p.m., returned 7:24 p.m.

MOTION CARRIED

This report contains a previous recommendation for council to review and update the procedural bylaw. This refresh is important for clarification due to the numerous revisions and attempted revisions.

Allegations surfaced of the CAO Pycrz amending a draft CAO bylaw 02-16 in June 2016 in between readings. It appears that alleged changes may have been of a grammatical nature. A June 2016 staff recommendation for council to pass 2nd and 3rd reading of the amended bylaw does highlight some changes stating: *"The following amendments to the bylaw have been made since 1st reading..."* Council defeated the draft CAO bylaw 02-16 on June 21, 2016 as shown below. A 2002 CAO bylaw remains in effect for Athabasca.

Motion by Councillor Peckham "THAT COUNCIL GIVE THIRD READING TO BYLAW 02-16 BEING THE CHIEF ADMINISTRATIVE OFFICER BYLAW."

Mayor Morrill requested a recorded vote:

For: Councillors Gurba, Peckham, Adams,
Against: Mayor Morrill, Councillors Verhaeghe, Schafer, Evans

MOTION DEFEATED

An irregular matter was found in the administration of the Town of Athabasca Fire Services Bylaw 10-15. The bylaw specifies that the Fire Chief shall be appointed by the Administrator (town CAO), and that the Fire Chief may appoint department officers, as follows:

SECTION 4 – FIRE CHIEF

4.1 The Fire Chief shall be appointed by and report to the Administrator.

4.2 The Fire Chief may appoint Officers of the Department with the approval of Administrator.

A typical system of position appointments is expected to involve a competitive process with successful candidates appointed based on merit with the requisite qualifications, experience and overall suitability for a position. Contrary to position appointments outlined in the town bylaw, an internal system of officer elections was in place within the town of Athabasca fire department. An Athabasca Fire Department Policy Manual, written by the fire department members, identifies elected positions of members including the Fire Chief as shown in the excerpt below:



Athabasca Fire Department
Policy Manual

1.3.1 Elected Positions

The following positions shall be filled through the electoral process for fixed terms as outlined below.

- Fire Chief – First term 2 years / Incumbent terms 3 years
- Deputy Chief – First term 2 years / Incumbent terms 3 years
- Captain(s) – 1 year term
- Lieutenant(s) – 1 year term
- Training Officer – 1 year term
- Safety Officer – 1 year term
- Procurement Coordinator – 1 year term

In the event that a new Fire Chief is elected; the Deputy Fire Chiefs term shall automatically end and an election for Deputy Chief shall be held.

Section 3 of the Fire Services Bylaw 10-15 also refers to a Quality Management Plan and that the department would investigate the causes of fires in accordance with the Quality Management Plan, as follows:

g. investigating the cause of fires in accordance with the MD's Quality Management Plan approved by the Safety Codes Council;

h. carrying out preventable patrols, prefire-planning and fire inspections in accordance with the Municipality's Quality Management Plan approved by the Safety Codes Council;

i. enforcing the provisions of the Safety Codes Act and the Alberta Fire Code 2006 (the "Code");

Athabasca does not have a Quality Management Plan in place for fire services under the *Safety Codes Act* and therefore the provincial office of the Fire Commissioner would undertake fire inspections and enforce Safety Code provisions. The volunteer nature of the department also presents resource capacity limits and it appears that this section of the bylaw may be better suited for a municipality with some full-time department officers.

RECOMMENDATION FOR FIRE SERVICES REVIEW: That the council authorize a review of the fire services bylaw and fire department operational policies to ensure alignment and appropriateness.

5.21 Policies

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

Powers, duties and functions

5 A municipality

- (a) has the powers given to it by this and other enactments,*
- (b) has the duties that are imposed on it by this and other enactments and those that the municipality imposes on itself as a matter of policy, and*
- (c) has the functions that are described in this and other enactments.*

Council has approved several policies over the years which are organized across town functions in categories of Council, Administration, Personnel, Outside Services, Peace Officer, and Risk Management. Overall, the policy format is succinct and clear. Policies could be more accessible to the public. At the time of this report, only one policy was listed on the town website under the "Policies" tab.

Improvements can be made in the process of amending policies. A best practice in policy change process includes rescinding an outdated policy and creating a new policy each time a policy change occurs, including receiving a new title number so that the old and the new policies are easily distinguished. When policy changes are needed, the old policy should be rescinded with a council resolution and a new policy approved by council resolution. For example, on February 7, 2017, council approved an amendment to their remuneration policy 100-400, but kept the same policy number:

Policy 100-004 Amendment: Motion by Councillor Evans, **"THAT COUNCIL ADOPT DRAFT 1 OF THE POLICY 100-004 BEING THE COUNCIL REMUNERATION POLICY."**
17:053

MOTION CARRIED

Policy 100-400 was previously amended at the May 19, 2015 council meeting with R#15:256:

Motion by Councillor Peckham "THAT COUNCIL APPROVE POLICY 100-004 - COUNCIL REMUNERATION POLICY AS AMENDED."

At the March 15, 2016 regular council meeting, council amended council subsistence and remuneration policies through R#16:123 to have claims approved by the CAO:

Council Expense Claim
Policy:
16:123

Motion by Councillor Adams **"COUNCIL APPROVE TO AMEND POLICY 100-003 - COUNCIL SUBSISTENCE AS FOLLOWS: SECTION 5 TO READ "MONTHLY EXPENSE AND REMUNERATION CLAIMS SHALL BE APPROVED BY THE CAO"; AND THAT COUNCIL APPROVE TO AMEND POLICY 100-004 - COUNCIL REMUNERATION AS FOLLOWS: SECTION 3 OF PRINCIPLES TO READ "MONTHLY REMUNERATION CLAIMS BEYOND BASIC MONTHLY PAY SHALL BE APPROVED BY THE CAO"; AND SECTION 5 OF PRINCIPLES TO READ "COST OF LIVING INCREASE WILL BE APPLIED TO THE BASE AND MEETING RATES EQUAL TO TOWN STAFF ANNUAL COST OF LIVING INCREASE AS PER COUNCIL'S APPROVAL ON AN ANNUAL BASIS."**

MOTION CARRIED

At the January 17, 2017 regular council meeting, council passed R#17:025 approving policy 300-004 without rescinding the previous/existing policy 300-004, shown below. Without clearly rescinding a previous policy, it could appear that two policies with the same number are concurrently in effect.

Policy 300-400 Statutory
Holidays:
17:025

Motion by Councillor Peckham, **"THAT COUNCIL APPROVE POLICY 300-004 STATUTORY HOLIDAY POLICY AND THAT THE FLOAT DAY BE USED WITHIN THE CALENDAR YEAR IN WHICH IT WAS ISSUED."**

MOTION CARRIED

Creating new policies when amendments are needed is recommended to avoid confusion between past and current versions. For ease of reference, updated or amended policies should be consolidated with the original policy to ensure that the new policy is comprehensive.

Policy 200-007 Procedures for Development provides a development fee schedule and appears to try to establish development fees by policy, as shown in the policy purpose statement:

“Council recognizes the need to establish a policy governing the fees and procedures for development within the Town of Athabasca.”

Development fees and charges need to be established by bylaw, rather than a policy. Policy 200-007 Procedures for Development was approved through a poorly worded resolution on February 4, 2014 and needs to be reviewed and reconsidered for appropriateness.

Motion by Councillor Verhaeghe “THAT COUNCIL APPROVE THE UPDATED PROCEDURES FOR DEVELOPMENT.”

Municipal Business Credit Card Policy 200-014 is in effect and was last amended in 2002 with a purpose *“to regulate the use of the Municipal Business Credit Card.”* This policy contains the following Guidelines and Procedures and is intended to be used for purchases from firms that don't have an established account, as follows:

- 1. The Municipal Business Credit Card shall be used for purchases from firms and organizations that we do not have an established account with.*
- 2. A maximum charge limit of \$10,000.00 will be attached to the Municipal Business Credit Card.*
- 3. The Chief Administrative Officer and Assistant Chief Administrative Officer shall be authorized to make purchases with the Municipal Business Credit Card.*
- 4. Standard Accounts Payable practices will be applied to the payment of the credit card statement.*

An irregular matter was found where former CAO Josh Pyrcz used the town credit card for a personal transaction to put a \$480 deposit on a temporary car loan at a local business in August 2015. Records show that the amount was paid back in full by CAO Josh Pyrcz on February 23, 2016. There was no authorization for the CAO or any staff member to use the town credit card for personal use.

Additional concerns were heard where a council member's credit card was used to book hotel rooms for some councillors while attending conferences, rather than the standard practice of using the town credit card to reserve and pay for hotel rooms. It was implied that this practice enabled a council member to earn travel rewards points, however it is a common practice for officials to charge travel expenses to a personal credit card and then submit the town-related expense for reimbursement.

Concerns were shared that former CAO Josh Pycrz amended the Hours of Work Policy 300-002 in July 2015, without council approval. It appears that an overtime clause was changed to state that overtime worked by office staff shall be “paid out at a rate of straight time or shall be taken off at a rate of straight time...” Officials confirmed that Policy 300-002 previously authorized overtime to be paid out or taken off “at a rate of time and a half...” The inspectors asked Mr. Pycrz about the allegations that he amended bylaw and policies without council approval and he denied the claim, saying “that has never been done.” Records do not show a council resolution authorizing the 2015 “straight time” amendment for policy 300-002.

Records provided to the inspectors show that former CAO, Josh Pycrz sent an email to an office staff member on July 27, 2015 referring to an overtime agreement as per policy 300-002 which reads as follows:

“That’s the magic of leaving policies in word format. I already made the change! I’ll send an announcement around 4:25 right before I leave haha. Cheers, Josh Pycrz, Chief Administrative Officer”

Riverfront & Chalet Facilities User Policy 200-006 is also alleged to be amended by CAO Pycrz in 2016 without council approval to change the facility access permission to be obtained from the CAO or designate, rather than from the Outside Services Superintendent. Records do not show a council resolution amending policy 200-006.

Athabasca has a Staff Appeal Procedure Policy 300-014 that allows staff and department heads to appeal the “interpretation and application” of their supervisor. The procedures allow an appeal to eventually be heard by the Administration Committee, as shown in the following excerpt:

(e) If the Employee is not satisfied with the written reply from the CAO and the Employee wishes to further appeal the decision, the Employee shall within 15 working days give written notice to the Administration Committee including a copy of the specific areas of concern provided to the CAO.

(f) The Administration Committee upon receipt of an appeal shall set up a meeting with the Employee to discuss the areas of concern within 20 working days and the Committee shall provide the Employee a written response within 15 working days of the meeting.

The Administration Committee was made up of council members, and this staff appeal policy enables staff to make their concerns political. This policy circumvents the CAO, as the administrative head of the organization, and interrupts proper organizational order as it allows staff to appeal to their boss's bosses. The policy places contentious and sensitive HR matters at the feet of council members. This is an improper practice which contravenes the MGA s. 201 and policy 300-014 should be rescinded. If there is a local desire to implement a staff appeal process, the new policy should refer to engaged dispute resolution resources and qualified, objective professionals to hear appeals.

Irregular financial policies were also noted. For example, the Purchasing and Expenditures Policy 200-013 approved on May 7, 2013 gives improper procurement authority to the CAO to potentially avoid a competitive process by stating: *"Unless the CAO determines that a sole source arrangement is justified and required, purchases of goods or services greater than \$75,000 and construction projects greater than \$200,000 will require a publicly posted competitive process."*

The policy also states that any invoices over \$10,000 are to be approved by the mayor prior to processing (excluding utilities, LAPP, benefits, WCB and receiver general). This is a redundant, questionable practice that could be open to manipulation through the increased frequency and timing of invoices to remain under \$10,000. The overriding authorization to spend money is provided through the budget approval process.

Municipalities are subject to tender advertising requirements through the Alberta Purchasing Connection, the Agreement on Internal Trade (AIT) and the New West Partnership Trade Agreement (NWPTA). Municipalities need to abide by government procurement rules related to threshold values of goods, services and construction. The Purchasing and Expenditures Policy 200-013 does not appear to be in accordance with broad procurement practices and advertising required by the NWPTA and AIT.

Expenditures not Included in Annual Budgets Policy 200-028 appears to be redundant since this matter is already covered through the MGA s. 248 which requires council approval for unbudgeted expenditures. Similarly, the In-Camera Policy 200-010 appears redundant since related legislation exists through the MGA s. 197 and the *FOIP Act*.

Town of Athabasca policies need attention and a dedicated effort to promptly address irregular matters and provide municipal administration with proper standards and guidelines for service levels.

RECOMMENDATION FOR POLICY REVIEW: That the council authorize a policy review to correct irregular matters and ensure that approved town policies are consistent with the MGA, applicable trade agreements and other legislation.

5.22 Council Remuneration

Council passed R#15:398 on September 15, 2015 to post council expenses on the town website, as shown below. A similar resolution was made by the council in the previous term. Despite these resolutions, it did not appear that the town maintained a practice of openly publicizing council member expenses. Athabasca council could be more open and accountable to the public by disclosing council remuneration and expense claims. These expenses of public funds are not intended to be hidden.

Council Expense Forms: 15:398 Motion by Councillor Gurba **"THAT COUNCIL APPROVE THAT COUNCIL EXPENSES BE POSTED ON THE WEBSITE RETROACTIVE TO SEPTEMBER 1, 2015."**

Mayor Morrill requested a recorded vote.

[RECORDED VOTE] For: Councillors Evans, Adams, Gurba and Peckham.
Opposed: Mayor Morrill, Councillors Verhaeghe and Schafer.

MOTION CARRIED

The salary and benefits disclosure for council and the CAO is shown below from the 2016 annual financial statement:

15. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	2016			2015
	Salary & Honoraria	Benefits/Allowances	Total	Total
Mayor:				
R.Morrill	\$ 21,120	\$ -	\$ 21,120	\$ 24,600
Council:				
N. Adams	15,600	-	15,600	19,740
S. Gurba	16,680	-	16,680	17,280
J. Peckham	22,320	-	22,320	23,760
S. Schafer	21,240	-	21,240	22,308
T. Tyszka-Evans	15,600	-	15,600	17,640
T.Verhaeghe	13,560	-	13,560	17,040
Chief Administrative Officer	\$ 73,380	\$ 15,686	\$ 89,066	\$ 106,843

Records show an irregular matter where Councillor Peckham received her remuneration as an advance, apparently approved by former CAO Pyrcz. This matter, and other council member timesheet adjustments were discussed at the March 1, 2016 regular council meeting. The result was an approval of amended timesheets, as shown in the following R#16:105. Council's discussion and concerns on timesheets was reported in the local media in March 2016.¹⁴

Council Timesheets:
16:105 Motion by Councillor Adams **"THAT COUNCIL TIMESHEETS BE APPROVED AS AMENDED."**

[RECORDED VOTE] Mayor Morrill requested a recorded vote.

For: Councillors Evans, Adams, Gurba and Peckham.
Against Mayor Morrill, Councillors Verhaeghe and Schafer.

MOTION CARRIED

Council Expenses: Council directed Administration to forward the policy dealing with Council Expenses to the next Council Meeting.

Athabasca's Council Expense Claim Policy 100:003 was amended on March 16, 2016, as below. It contains an anomaly where council expenses require CAO approval rather than having the council "police" themselves somehow with a process for council approval of council member timesheets.

Council Expense Claim
Policy:
16:123 Motion by Councillor Adams **"COUNCIL APPROVE TO AMEND POLICY 100-003 - COUNCIL SUBSISTENCE AS FOLLOWS: SECTION 5 TO READ "MONTHLY EXPENSE AND REMUNERATION CLAIMS SHALL BE APPROVED BY THE CAO"; AND THAT COUNCIL APPROVE TO AMEND POLICY 100-004 - COUNCIL REMUNERATION AS FOLLOWS: SECTION 3 OF PRINCIPLES TO READ "MONTHLY REMUNERATION CLAIMS BEYOND BASIC MONTHLY PAY SHALL BE APPROVED BY THE CAO"; AND SECTION 5 OF PRINCIPLES TO READ "COST OF LIVING INCREASE WILL BE APPLIED TO THE BASE AND MEETING RATES EQUAL TO TOWN STAFF ANNUAL COST OF LIVING INCREASE AS PER COUNCIL'S APPROVAL ON AN ANNUAL BASIS."**

MOTION CARRIED

Later in the same meeting council approved a \$10,000 raise for CAO Pyrcz in R#16:133. This peculiar timing of events gives an unfortunate reciprocal appearance by council giving the CAO

¹⁴ Victor Kaiser, "Joanne Peckham's Advance Pay Stirs Council," *94.1 The River*, March 8, 2016. Accessed from: <http://941theriver.ca/index.asp?mn=19&id=8160&cc=1419>

a raise and at the same meeting authorizing the CAO to approve council expenses. Council timesheets were a previous point of contention among councillors. Greater transparency and a stronger process of accountability among council is more appropriate than having council remuneration and expense claims approved by the CAO.

On April 19, 2016 council passed R#16:173 to bring council timesheets and expenses to council for information:

Council Timesheets:
16:173

Motion by Mayor Morrill "THAT COUNCIL DIRECT ADMINISTRATION TO BRING FORWARD ALL COUNCIL TIMESHEET AND COUNCIL EXPENSE CLAIMS, INCLUDING PURCHASES ON THE TOWN MASTERCARD, TO COUNCIL MEETINGS ON A MONTHLY BASIS FOR INFORMATION PURPOSES ONLY."

[RECORDED VOTE]

Mayor Morrill requested a recorded vote.
For: All members of Council

MOTION CARRIED

6 ADMINISTRATION

6.1 Chief Administrative Officer

A Chief Administrative Officer (CAO) is responsible for the overall operations of the municipality. The person holding this position works closely with the council to provide advice, ensure that local objectives are accomplished, and that 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 following individuals served as CAO for the Town of Athabasca in recent years:

- Doug Topinka, CLGM (interim since October 2016)
- Warren Zyla (Interim August 2016 - September 2016)

- Josh Pyrcz (October 2014 - August 2016)
- Melody Wolansky, CLGM (interim, August 2014 - October 2014)
- Ryan Maier (September 2012 - August 2014)
- Doug Topinka, CLGM (10+ years concluding with retirement in September 2012)

Mr. Doug Topinka served as Interim CAO during the municipal inspection. Mr. Topinka and all staff were obliging and willing to provide information upon request throughout the inspection process. The diligence, commitment and cooperation of the administrative team was duly noted by the inspection team.

Efforts in recruiting a permanent CAO were a significant point of contention among council members and council dysfunction greatly impacted the CAO hiring process at various times throughout the council term. As of the date of this report, the town was advertising and managing the recruitment process using internal resources and a CAO hiring committee consisting of all council members.

The October 29, 2013 organizational meeting minutes refer to an approved Council/CAO Covenant as described below, however, this did not appear to be an active guiding document used in the municipality.

**Council / CAO
Covenant:**
13:380

Motion by Councillor Schafer “**THAT COUNCIL APPROVES THE COUNCIL / CAO COVENANT AS PRESENTED, A COPY OF WHICH IS ATTACHED.**”

MOTION CARRIED

The administration of the CAO contract (agreement) between the Town of Athabasca and former CAO Mr. Joshua Pyrcz contains an irregular matter. Appendix 2 shows the CAO’s annual salary schedule which identifies \$80,000 for year 1, beginning on October 21, 2014. A document stamped April 22, 2015 shows the \$80,000 figure crossed out and manually adjusted to read \$90,000. Insufficient documentation was provided to show council’s approval of an annual salary increase to \$90,000 beginning April 22, 2015.

At the April 21, 2015 council meeting council passed R#15:200 to accept the CAO performance review and salary scale for the six-month probationary period as shown below. There is no reference to an increase in salary or compensation for the CAO at that time. If approval for a salary increase was intended by the council, it is not reflected in the council resolution wording.

Motion by Councillor Adams “THAT COUNCIL ACCEPT THE CAO PERFORMANCE REVIEW AND SALARY SCALE FOR THE SIX MONTH PROBATIONARY PERIOD.”

MOTION CARRIED

At the March 15, 2016 council meeting council passed R#16:133 to increase the CAO salary by \$10,000, as shown below. To the reader, it appears that the CAO salary was to be increased by \$10,000 from the starting salary of \$80,000, however, on March 16, 2016 the CAO annual salary was increased to \$100,000.

Motion by Councillor Peckham “THAT THE CAO SALARY BE INCREASED BY \$10,000.00 (TEN THOUSAND DOLLARS) AND THAT BE REFLECTED IN AN AMENDMENT TO THE CAO CONTRACT.”

MOTION CARRIED

On August 10, 2016 council passed R#16:325 to pay CAO Pyrcz an additional five-weeks salary in an apparent severance negotiation, as shown below:

Motion by Councillor Gurba “THAT COUNCIL PAY OUT THE FIVE WEEKS FOR THE CAO’S TIME AT THE TOWN IN EXCHANGE FOR HIS IMMEDIATE DEPARTURE AND WAIVER OF THE BUY-OUT CLAUSE IN HIS CONTRACT.”

MOTION CARRIED

6.2 Performance of Major Administrative Duties

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

Performance of major administrative duties

208(1) The chief administrative officer must ensure that

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

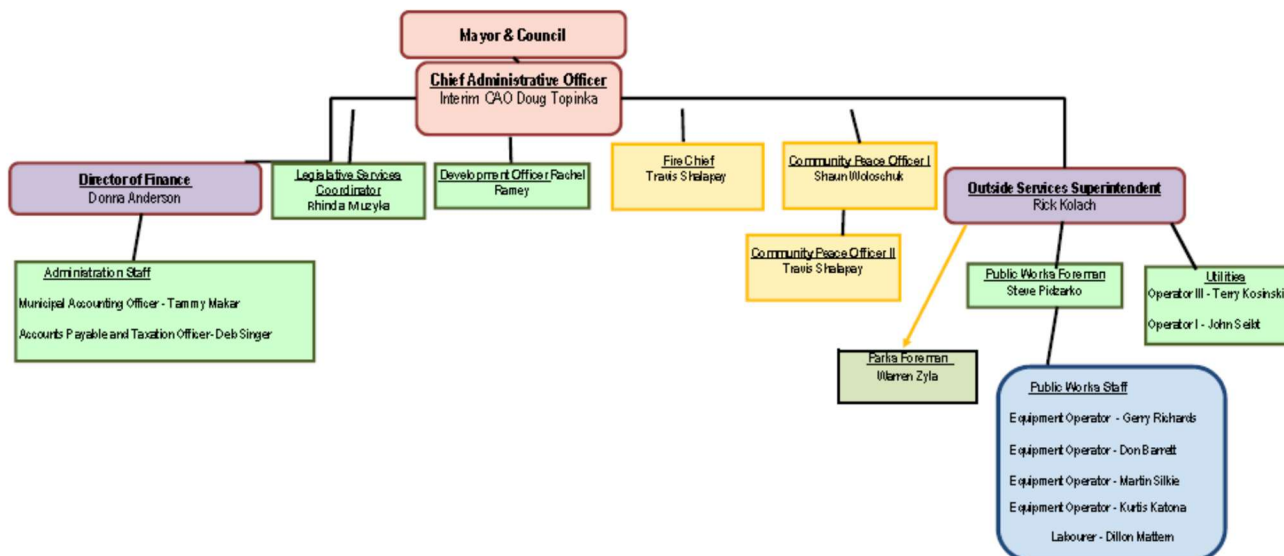
- (e) the Minister is sent a list of the councillors and any other information the Minister requires within 5 days after the term of the councillors begins;*
 - (f) the corporate seal, if any, is kept in the custody of the chief administrative officer;*
 - (g) the revenues of the municipality are collected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

Overall, major administrative duties were completed well in recent years in the Town of Athabasca. Several current practices have carried forward from past administration, such as former CAO Doug Topinka, who held a considerable depth of municipal administration knowledge and experience and paired this with a dedicated leadership style.

Athabasca also has a strong and dedicated staff complement that are often able to complete their tasks with excellence, adding strength to the overall administrative machinery. Past staff concerns were noted over the accessibility and conduct of a former CAO. Council is currently recruiting for a new CAO who will play a pivotal role of providing leadership to staff as well as guidance and recommendations to the council.

6.3 Organizational Structure

The organizational structure in effect for Town of Athabasca is shown below, as provided to the inspectors in January 2017. The organizational structure appears to be meeting the needs of the community.



Athabasca has a benefit of several shared regional services which are operated by formal regional entities. For example, most recreation facilities and amenities are owned and managed by a regional Multiplex Society. Therefore, the town organizational structure does not have a recreation director.

The organizational structure previously included an Assistant CAO (ACAO) management position which was filled by long term employee, Ms. Melody Wolansky, CLGM. Position responsibilities also included financial and staff management responsibilities. The ACAO position was discontinued in the organization after Ms. Wolansky's February 5, 2016 resignation where she references *"with much thought and a heavy heart."*

Records show that financial management continued in March 2016 through a contract arrangement with 1809124 Alberta Ltd. to provide Interim Director of Finance services to the town. Records show invoices submitted by 1809124 Alberta Ltd. were approved by CAO Pyrcz. Management and oversight of this contract includes some irregularities:

1. Services were provided on a contract basis for consulting services, GST was charged, no payroll deductions were remitted, however, the invoices were expensed to the salaries GL account 2-12-2110.
2. The contract proposal terms state that *the “day rate is inclusive of all costs and expenses...”* as well as a contradictory clause stating that *“approved expenses will be billed through at cost to the town.”* Records show that the town paid for conference registration, membership and reimbursement for meals and accommodation totalling \$1,551.54 in June 2016, as approved by CAO Pyrcz. These types of expenses would be typical for an employee but are unusual for a contractor providing consulting services. The contractor informed the inspectors that these expense payments were negotiated with the town CAO.
3. Council approval of this contract was not provided. In accordance with the purchasing and expenditure policy 200-013 in place at the time the CAO had the authority to approve a sole-source contract, however, policy 200-013 also contains a provision that contracts for services are not to be of an “employment” nature. It does not appear that the CAO had the authority to approve the contract of an “employment nature” for Interim Director of Finance services provided by 1809124 Alberta Ltd. in 2016.

6.4 Human Resource Management

As the administrative head of the organization, the CAO has a responsibility to ensure proper administration and staffing of the organization. Human resource (HR) management practices and a sample of personnel files were reviewed. Some best practices were in place, such as completing annual staff performance evaluations, however, the following improper items were found:

1. Hiring letters were not always prepared when employees were promoted internally. Regardless of the employment tenure, a formal letter of hire or employment contract should be prepared for all promotions and new hires.
2. No written overtime agreements were in place although the Hours of Work Policy 300-002 requires that *“employees shall enter into an Overtime Agreement”* as a condition of employment.

Athabasca has several personnel related policies that could be updated and consolidated into sections of a comprehensive personnel policy. An overall policy review is recommended earlier in this report and a specific HRM recommendation is provided below.

RECOMMENDATION FOR HUMAN RESOURCE MANAGEMENT: That the municipality engage qualified HR expertise to undertake an HR policy review, create an updated personnel policy and employee handbook to ensure consistency and appropriateness in managing staff.

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

Allegations of staff harassment and intimidation surfaced in February 2016 which ended up being heard and considered by the council in the form of a letter from staff. This issue appeared to cause significant disruption on council as some council members wanted to respond and felt obligated to address concerns, while the majority of council did not wish to act on the matter.

At the February 2, 2016 regular council meeting, council came out of camera and defeated several motions, including: a motion to seek legal advice, hiring an HR consultant, and providing the CAO with documents received in camera. Minutes from the February 8, 2016 special council meeting show another defeated motion to seek legal advice on a staff issue:

[RECORDED VOTE]:
16:068

Motion by Councillor Verhaeghe "THAT COUNCIL IMMEDIATELY CONTACT THE TOWN'S LAWYER BY SPEAKER PHONE REGARDING A STATEMENT FROM A CAO WOLANSKY DATED FEBRUARY 4, 2016, TO MAYOR MORRILL REGARDING AN IMMEDIATE OR URGENT SITUATION AT THE TOWN OFFICE AS THE CAO WAS INTIMIDATING STAFF."

Mayor Morrill requested a recorded vote.

For: Mayor Morrill, Councillor Schafer and Verhaeghe.

Against: Councillors Evans, Adams, Peckham and Gurba.

MOTION DEFEATED

Without council support, Councillor Verhaeghe took it upon himself to seek legal advice on a town staff matter during this meeting, at his personal expense and Mayor Morrill accompanied him. The majority of council took exception with this and attempted to disqualify Mayor Morrill and Councillor Verhaeghe for allegedly spending money without approval by making an unauthorized call to legal counsel. Mayor Morrill and Councillor Verhaeghe left the council meeting before discussion and voting on R#16:071 which is shown below: This matter is

referenced in the council sanctions section of this report, and also reference here as it stems from the HR matter.

[RECORDED VOTE]:
16:071

Motion be Councillor Adams "THAT COUNCIL FIND MAYOR MORRILL AND COUNCILLOR VERHAEGHE LIABLE TO THE TOWN OF ATHABASCA UNDER THE MUNICIPAL GOVERNMENT ACT, PART 8, SECTION 249 1 (A) AND 249 (K); AND TO DISQUALIFY MAYOR MORRILL AND COUNCILLOR VERHAEGHE FROM COUNCIL AS PER THE MUNICIPAL GOVERNMENT ACT, PART 5, DIVISION 7, SECTION 174 1 (K); AND TO DIRECT ADMINISTRATION TO ENFORCE LIABILITY AS PER MUNICIPAL GOVERNMENT ACT, PART 8, SECTION 249 4 (A)."

Councillor Schafer requested a recorded vote.

For: Councillors Evans, Adams, Gurba and Peckham.
Against: Councillor Schafer.

MOTION CARRIED

On February 16, 2016 council passed R#16:086 to remove Mayor Morrill and Councillor Verhaeghe from all possible committees and took further action to disqualify Mayor Morrill and Councillor Verhaeghe by pursuing a court application as directed in R#16:087:

Enforcement of
Disqualification:

Mayor Morrill and Councillor Verhaeghe recused themselves from the Meeting and declared pecuniary interest.

Deputy Mayor Joanne Peckham was delegated to chair the meeting.

16:087

Motion by Councillor Gurba "THAT COUNCIL DIRECT ADMINISTRATION TO TAKE ANY NECESSARY STEPS TO PREPARE AND EXECUTE AN APPLICATION TO THE COURT OF QUEEN BENCH FOR ENFORCEMENT OF DISQUALIFICATION OF MAYOR MORRILL AND COUNCILLOR TIMOTHY VERHAEGHE ACCORDING TO SECTIONS 172, 174, 175, 248 AND 249 OR ANYTHING ELSE THAT IS APPLICABLE UNDER DIVISION 7 OF THE MUNICIPAL GOVERNMENT ACT."

[RECORDED VOTE]:

Deputy Mayor Peckham requested a recorded vote.

For: Councillors Peckham, Evans, Adams, and Gurba.
Against: none.

MOTION CARRIED UNANIMOUSLY

Throughout the extensive actions and energy spent in the attempt to disqualify council members, the staff issue largely went unaddressed. An impossible situation developed where council was ill suited to deal with staff concerns. The majority of council didn't want to deal with the staff concerns and didn't support hiring an HR consultant. The staff appeals policy 300-014 obligates council members to hear the staff appeal through the Administration Committee. The result was

organizational stress, a damaged office culture, staff resignations, and tax dollars spent in pursuit of council disqualifications, which were eventually dropped.

The 2016 office staff concerns revolved around the actions of former CAO Josh Pycrz allegedly intimidating staff. Mr. Pycrz informed the inspectors that no actions escalated into anything that could be interpreted as intimidation of staff and that under his leadership was the first time the staff had been confronted with their behavioral issues. He also stated that *“If being a boss and holding staff accountable makes people uncomfortable and they feel intimidated, I take full responsibility.”* Undertaking a human resources review is important to ensure that a safe and supportive working environment exists for all staff.

RECOMMENDATION FOR HUMAN RESOURCES REVIEW: That the municipality undertake a human resources review to ensure the physical and emotional safety of all staff in their working environment.

A concern was identified with a minimal staff complement managing utility services. At the time of this inspection, the town of Athabasca had only one certified water and wastewater operator. Relying on a single certified operator could put the community at risk in maintaining appropriate levels of service and regulatory requirements. There was a lack of adequate cross-training and department succession planning did not appear to be in place. Plans for relief of on-call duties were also lacking.

RECOMMENDATION FOR UTILITY STAFFING: that the town review the staffing levels of the utility operations to ensure adequately trained backup resources.

Athabasca's Peace Officer Program struggled from a lack of clearly defined and consistent priorities. Some confusion appeared to stem from multiple CAO changes over the past two years where each CAO brought a slightly different vision for the peace officer program. A lack of consistent direction and management oversight appeared to contribute to a fairly self-directed peace officer program.

RECOMMENDATION FOR PEACE OFFICER SERVICES: That council establish peace officer program priorities and service levels; and that the CAO provide guidance and oversight to ensure that a robust peace officer program exists in the community.

7 FINANCE

Municipal operations and capital projects are primarily funded through property taxes, user fees and grants. The Public Sector Accounting Board (PSAB) specifies the standards, practices and reporting required by municipalities. 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 actual to budget comparisons.
- Annual audited financial statement preparation with reporting to the public.
- Annual provincially mandated financial information returns (FIR)

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

7.1 Budget Process

Town of Athabasca council approved annual operating and capital budgets, showing financial commitments to various department services and programs. In 2016, budgeted municipal expenditures totalled \$9,231,006 with \$3,663,906 funded from general taxation and \$5,567,100 funded from other sources as shown in the 2016 Rates of Taxation Bylaw No. 03-16.

The budget process included input from council and management. Overall, the budget process could be improved by establishing timelines for budget completion by year end, engaging the public in a meaningful way to confirm local priorities, and linking local strategic priorities to the budget process. Council input is best utilized in determining local priorities and to ensure that sufficient financial resources are allocated in annual budgets to accomplish strategic objectives.

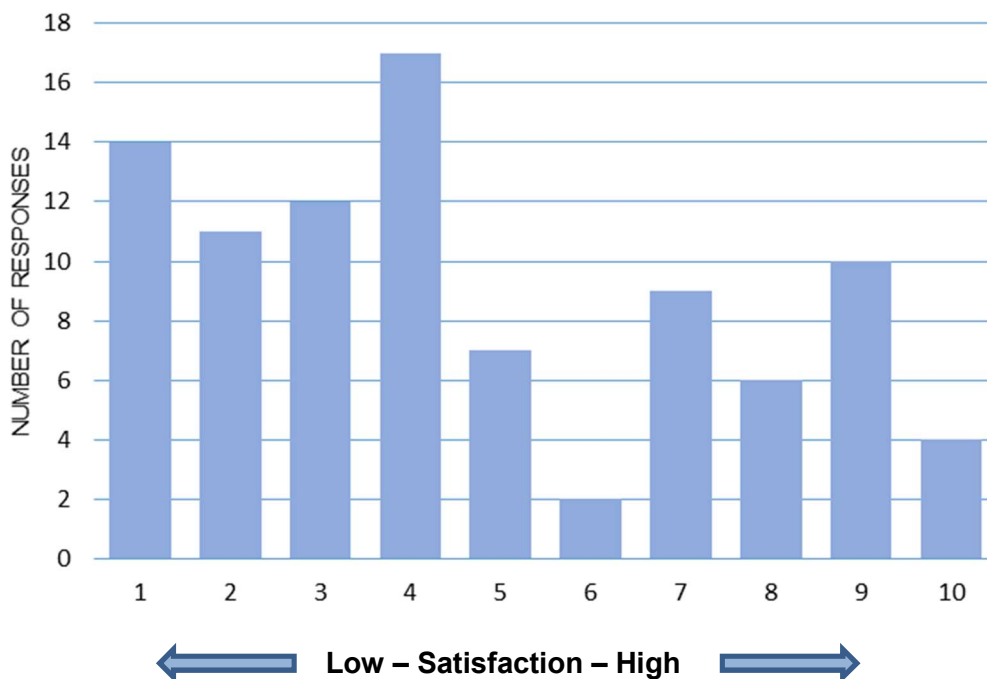
The town purchased a subscription to web-based budgeting and performance measurement software. This software was never fully used by staff and the contract was eventually cancelled by council resolution at the February 7, 2017 regular council meeting:

Motion by Councillor Verhaeghe, "THAT COUNCIL CANCEL THE ONGOING QUESTICA ANNUAL PAYMENT." *MOTION CARRIED*

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

The level of services presently provided appeared to meet the satisfaction of some local residents, but most residents gave a low satisfaction rating for the overall service delivery in the community, as shown in the chart below:

Level of Satisfaction with Overall Service Delivery in the Community



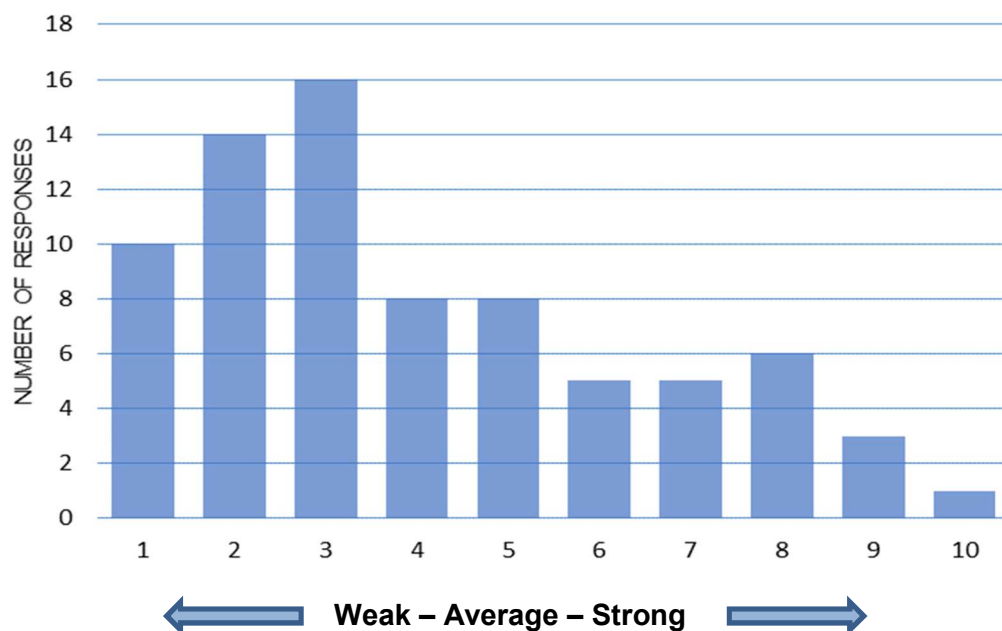
A sample of stakeholder comments related to service delivery satisfaction include:

- *"I'm very pleased with town staff. Snow is cleared promptly, trees and plants are well maintained. One wouldn't get the sense that there is so much infighting at town council just by viewing their various departments."*

- *"It appears to me that when it comes to getting the business of the Town done this Council seem to be able to accomplish this fairly well. I have not actually witnessed any important project fail due to their inability to get along."*
- *"Kudos to outside services but planning and development seem to always be hitting a snag when some type of motion tries to get passed."*
- *"Council is so busy fighting among themselves they have gone through 4 administrators in 2 years - Administration does not have the time/experience to even have the 2016 budget passed. Outside services have no direction."*
- *"City workers in town hall very polite and informative when you request services. Now that CAO has left better planning will occur?"*
- *"Basic service in the community appears to be functioning fairly well. No real complaints, I'm satisfied."*
- *"So perhaps the business of the day somehow moves along in our town...but I would love to know what proportion of ANY paid time over the past 3 years has been spent on internal 'fighting' and not on the business of the Town. My guess is that it is a shocking high amount of time, in some cases it is reported to take up entire meetings...paid for by tax payers. I want to only pay for productive time, I do not expect to pay for them to have to learn to play nice...sadly, I am doing so."*
- *"Admin, services, and office staff are excellent. They deserve and need an effective council. This is not happening to the extent that it should."*

Stakeholders were invited to rate and comment on the town's overall financial condition. The following ratings and comments were received:

Do you have an opinion on the financial condition of the Town of Athabasca?



- *"I am disturbed by monies being spent on behalf of the behaviour of the council ie...legal action filed against councillors, legal actions filed and then cancelled. The monies spent looking for a new CAO and the ongoing saga of getting one."*
- *"I believe some councillors exaggerate the financial condition to meet their political needs (ie. ability to fund new capital)."*
- *"Athabasca has a precarious but sustainable financial situation due to the low tax base (largest employers are public sector). I think the mass development taking place up by the Multiplex is an incredible, costly mistake, but I don't pin that on this council personally."*
- *"Concerned with decisions involving a new pool, new school and where to put a new library."*
- *"According to auditors: excellent. This again is overshadowed by a dysfunctional council."*
- *"Again, for the amount of taxes we pay, this town should be in good financial standing. Yet, we have to borrow to pay for the construction of the new swimming pool to be constructed at the Athabasca Regional Multiplex."*
- *"I have no idea what condition we are in. There is no 'voice' of the town that I would believe or trust now, because one Councillor says the pool costs this and we shouldn't approve it, but then the other says no, that's not the truth,they blame each other for overruns of costs and failed contracts ...it sure would be good to have a council who messaged its citizens about issues and the budget collectively. I would have no idea who to believe."*
- *"Financial condition is OK, but with the possible expenditure of 6+million on a new pool plus needed infrastructure work, the debt will be rising higher than I prefer. Previous CAO did not understand budgets and I doubt if any on Council do. They seem to have muddled through, though I suspect some issues to come forward."*
- *"I believe we are average in comparison provincially. With the development of the new pool and I do have some angst with the increased debt that will come with that. Clearly there is a provincial economic downturn and growth and additional tax revenue will be limited and so I have concerns about thoughtful planning with regard existing required infrastructure maintenance and upgrades such as sewer and roads when the town is tacking on such a significant debit position attached to its share commitment with the pool. Short and long term planning I believe is not well understood and or it has not been publicly well presented to provide assurance of best future financial management solvency."*
- *"I feel we with the right leadership, the Town of Athabasca can become a prosperous community with a bright economic future."*
- *"I hear from comments that we are actually in a strong financial position compared to other communities our size. Some on council have strong business backgrounds and acumen."*

- *"I think they are wasting a lot of money on lawyer consults and fighting amongst themselves. Even if they agreed on something I think they will vote the opposite just to prove a point."*
- *"I'm concerned with the financial condition. There has been a great deal of money spent on legal fees that had turned out for nothing."*

7.2 Taxation and Assessment

7.2.1 Tax and Assessment Notices

The *Rates of Taxation for 2016 Bylaw No. 03-16* generated estimated municipal tax revenue totalling \$3,663,906 plus additional requisition amounts. The appropriate bylaw title is a *"Property Tax Bylaw"* to be 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.*

Town of Athabasca sends out combined tax and assessment notices in accordance with the provisions of the MGA s. 308(4), quoted below:

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

7.2.2 Tax Rates and Assessment Comparisons

The inspection included a comparison of property tax rates with eight other similar sized communities. 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 2016 statistics. Number of residences is typically based on 2015 statistics.

Among the communities in the comparison group, the Town of Athabasca had the highest non-residential tax rate and the fourth lowest 2015 residential mill rate (7.7013 mills) which is slightly lower, but very close to the average (8.0085 mills) as shown in the following table:

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 (\$)
Three Hills	3,230	1,374	10.6116	13.4571	\$ 308,815,965	\$ 95,609
Fairview	3,162	1,244	9.8500	14.6500	\$ 311,101,076	\$ 98,387
Fort Macleod	3,117	1,431	5.6933	12.6016	\$ 330,858,629	\$ 106,146
Gibbons	3,030	1,237	5.9660	11.1288	\$ 376,630,812	\$ 124,301
Athabasca	2,990	1,343	7.7013	16.2104	\$ 370,410,197	\$ 123,883
Crossfield	2,918	1,153	4.8248	6.4548	\$ 527,210,056	\$ 180,675
Penhold	2,842	1,376	9.0000	12.0000	\$ 328,812,708	\$ 115,698
Sundre	2,695	1,271	7.7400	11.4210	\$ 367,700,082	\$ 136,438
Hanna	2,673	1,382	10.6896	14.2596	\$ 241,167,620	\$ 90,224
Averages	2,962	1,312	8.0085	12.4648	\$ 351,411,905	\$ 119,040

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

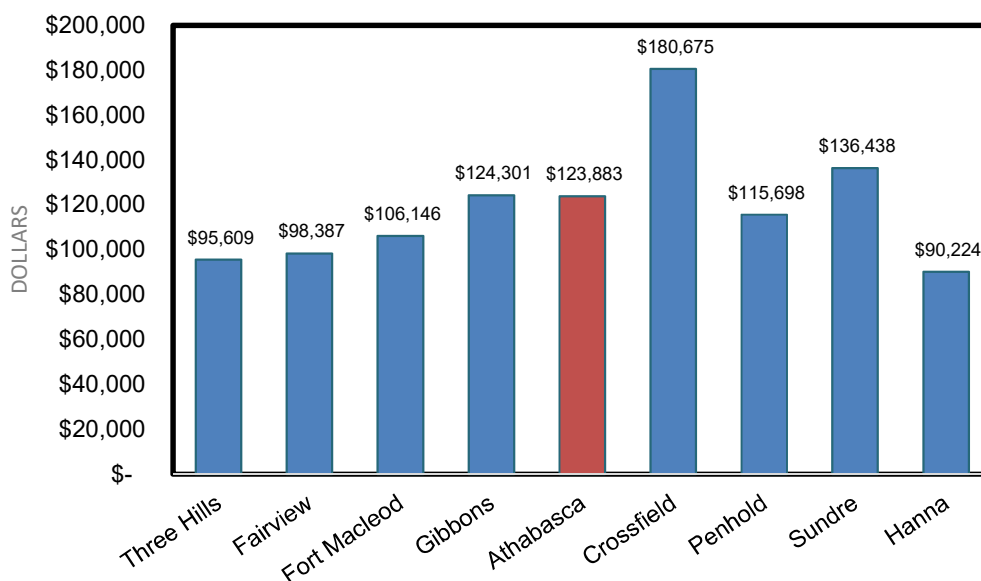
Municipal taxes are the primary means to collectively fund common services and service levels are set by council through the budget process. Local service demands are extensive and citizens expect accountability, efficiency and good value for services provided. Citizen feedback gathered during the inspection largely commended staff efforts, but expressed fairly low satisfaction with overall local service levels, as shown elsewhere in this report (page 71).

Legislation requires local leaders to provide good governance with 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. Tax rates need to sufficiently allow a municipality to sustain and deliver comprehensive services.

The Town of Athabasca had a slightly higher than average equalized assessment per capita among the comparison group. The assessment base of a municipality is an indicator of the municipality’s capacity to generate tax revenue to fund local services. Overall, the \$123,883

assessment value per capita value in Athabasca is very close to the median as the fourth highest in the comparison group of nine municipalities. The comparative summary of equalized assessment per capita is shown in the chart below:

Comparison Group Equalized Assessment Per Capita
(by population, largest to smallest)



7.2.3 Local Improvement Tax

The MGA defines a local improvement as follows:

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.

The town completed a local improvement project in 2012 in the Muskeg Creek subdivision. Upon review of the process and related local improvement borrowing bylaw 08-12, it appears that a proper process was followed. The inspectors heard some stakeholder concerns about the project and allegations that the town used grant funding to pay for the project and then also charged local residents local improvement taxes over 10 years.

Records show that the total project cost was \$650,000, as shown in the excerpt from bylaw 08-12 below. The town allocated grant funding to finance the \$325,260 portion for the municipality at large, and debenture proceeds to finance the \$324,740 for the benefitting owners in the subdivision.

Municipality at Large	\$325,260.00
Benefiting Owners	\$324,740.00
Total Cost	\$650,000.00

7.3 Financial Reporting

7.3.1 Financial Reporting to Council

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

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

Council meeting agendas show that council received regular operating revenue and expense reports with a comparison to budget. The structure of the financial reports to council were generated directly from the municipal financial software program.

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.

Council received regular cheque listing reports for information, as shown in the following excerpt from the December 20, 2016 regular council meeting minutes:

**MINUTES FOR THE REGULAR MEETING OF THE COUNCIL OF
THE TOWN OF ATHABASCA HELD TUESDAY, DECEMBER 20, 2016**

REPORTS:

November Financial Reports: 16:594	Motion by Councillor Verhaeghe, "THAT COUNCIL ACCEPT THE NOVEMBER FINANCIAL REPORTS AS INFORMATION." MOTION CARRIED
October Cheque Distribution: 16:595	Motion by Councillor Verhaeghe, "THAT COUNCIL ACCEPT THE OCTOBER CHEQUE DISTRIBUTION AS INFORMATION." MOTION CARRIED
November Cheque Distribution: 16:596	Motion by Councillor Peckham, "THAT COUNCIL ACCEPT THE NOVEMBER CHEQUE DISTRIBUTION AS INFORMATION." MOTION CARRIED

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

RECOMMENDATION FOR FINANCIAL REPORTING POLICY: That the municipality review financial reporting practices; and that council approve a financial reporting policy to specify the detail and frequency of financial reports to council in accordance with the MGA s. 208(k); and that monthly cheque distribution reports be discontinued to be provided to council where budgeted expenses are previously approved.

7.3.2 Financial Reporting to the Minister

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

Returns and reports to Minister

278 Each municipality must submit

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

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

The Town of Athabasca was compliant in meeting the financial reporting deadline for the 2015 and 2016 fiscal years and has a strong history of meeting legislative reporting deadlines. The municipality received a clean audit report and unqualified financial statements in recent years. At the April 18, 2017 regular council meeting, the auditor publicly commended the efforts of current finance staff.

7.3.3 Financial Reporting to the Public

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

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

May 1 is the annual deadline for financial reporting to the public. Financial statements were available on the municipal website but they were difficult to find. 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. Athabasca prepared a 2016 annual report that could be used as a good base starting point to build upon in order to communicate performance results to the public.

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

7.4 Grant Funding

The Town of Athabasca accessed significant grant funding over the past few years for several projects through grant programs such as the provincial Municipal Sustainability Initiative (MSI) for capital and operating projects, Federal Gas Tax Fund (GTF), Alberta Community Partnership Program, Alberta Municipal Infrastructure Program, and Streets Improvement Program.

Significant efforts were underway at the time of the inspection to bring grant funding records up to date. As of December 31, 2016, the town was in compliance with all reporting for grant funding, which required prior year adjustments.

7.4.1 Community Grants

Athabasca council was fairly generous in contributing public funds to support community events and organizations. A related Community Grant Policy 200-011 was available to provide guidance to council in an effort to establish consistency and limitations in distributing tax dollars through community grants, however, the policy was not always followed. Community Grant Policy 200-011 specifies that grant funding will be “non-partisan,” yet council allocated grant funds towards a provincial MLA sponsored event in August 2014:

Road to Hope Golf Classic
Sponsorship:
14:368

Motion by Councillor Schafer “**THAT COUNCIL APPROVE SPONSORSHIP TO THE HON. JEFF JOHNSON’S FIFTH ANNUAL ROAD TO HOPE GOLF CLASSIC IN THE AMOUNT OF EIGHT HUNDRED DOLLARS, WITH THE FUNDS BE TAKEN FROM THE COMMUNITY GRANT BUDGET LINE, AND BECOME A GOLD SPONSOR; AND AUTHORIZE FOUR REPRESENTATIVES OF THE TOWN STAFF TO ATTEND THE EVENT, THAT WILL TAKE PLACE ON AUGUST 28, 2014.**”

MOTION CARRIED

On September 4, 2012 council agreed to provide interim funding to the Lions Club for a riverfront playground in the amount of \$180,000; and council also approved forgiving \$25,000 of the interim financing amount.

It seemed that there was a lack of “reporting back” to council on how these funds were spent to benefit the community. Council has a fiduciary duty to ensure strong processes are implemented to increase transparency and accountability of public funds.

RECOMMENDATION FOR COMMUNITY GRANTS: That the council establish a process to review and increase the accountability of community grant funds provided to individuals and local organizations.

7.5 Overall Financial Position

Financial statements show that the Town of Athabasca is in fairly good financial condition overall. The town’s financial liabilities include over \$2 million in deferred revenue from grant funding received, but not spent yet. Records from the 2016 audited financial statements indicate that the organization has relatively strong fiscal health, as follows:

\$7,968,948	Financial Assets
-\$4,589,099	Financial Liabilities
<u>\$25,921,826</u>	<u>Tangible Capital Assets and Inventory</u>
\$29,301,675	Accumulated Surplus

7.6 Capital Planning

Some capital planning efforts were observed. A 2008 Master Services Plan was completed by Associated Engineering, however, the town did not appear to fully use this plan as a guiding document. In 2016, Tagish Engineering Ltd. completed a Town of Athabasca 2016 Infrastructure Study which focused on existing infrastructure and short-term growth.

The 2016 Infrastructure Study provides recommendations in many service areas. The study also proposes a 10-year capital plan requiring annual expenditures of approximately \$1,500,000 to address existing infrastructure problems and to prepare for new growth.

The plan was reviewed and accepted by council, but as of the time of the inspection there had been no solid attempt to implement the 10-year capital plan. The Outside Services Supervisor did not have a copy of the plan, but referred to a copy in the CAO’s office. Some senior operations staff were aware of the 2016 Infrastructure Study, and the utility operator had access

to it on his computer. The Parks Foreman indicated that he had input to the plan and although there are no recommendations in the report related to parks there is a reference to parks in an appendix section. Some community facilities were not included in the project scope of the infrastructure study, such as the fire hall and public works facility, which both appear to be nearing capacity and will likely have to be addressed at some point in the near future.

The capacity, age and configuration of the public works facility impacts the ability of staff to run their operations efficiently. For example, the new Vactor truck is a vehicle which must be kept in a heated environment. Due to the truck's size, the only door large enough for it is in the shop's wash bay. With the Vactor truck in the wash bay, the wash bay is not easily accessible to be used when needed. Vehicle storage throughout the facility appeared crowded with some units, like the second grader, being kept in cold storage and plugged in during winter months.

Major capital planning components have been identified through staff knowledge and past capital planning efforts. These can serve as a solid foundation for local leaders to exercise providence and plan for future infrastructure needs through evidence-based capital project commitments.

RECOMMENDATION FOR CAPITAL PLANNING: That council, in consultation with staff and the town engineers approve a comprehensive five and ten-year capital works plan to address existing infrastructure issues and new or upgraded infrastructure required for community growth.

7.7 Facility Management

Major recreational and cultural facilities in Athabasca are managed through a formal society. This Athabasca Regional Multiplex Society is governed by an intermunicipal board made up of town and county councillors. The purpose of the society is *"to promote cultural growth, health, wellness, and fitness for all residents of the Athabasca region."* The society is responsible for the management and operation of facilities jointly owned and funded by the Town of Athabasca and the Athabasca County, including:

- Athabasca Regional Multiplex
- Athabasca Landing Pool
- Alice B. Donohue Library and Archives facility
- Athabasca Performing Arts Centre
- Old Brick School building

Despite delegating local facility responsibilities to a formal society, some funding shortfalls and emergency expenses are still covered, or requested to be funded by the town. For example, on May 17, 2016 town council approved funding for arena netting and a hot water tank purchase for the multiplex society. Some stakeholders expressed concerns over the lack of reserve funding within the society's financial picture. The current funding arrangement may not be sustainable and should be reviewed to ensure long-term viability and equity among all contributing partners of the Athabasca Regional Multiplex Society.

Most recently, the society has managed the process of design and construction for a proposed new regional pool which was still in the preliminary stages during the time of this report. Through the society, the Town of Athabasca and Athabasca County entered into a cost-sharing agreement for the construction of a new aquatic center at the site of the existing Multiplex and new High School. Each municipality committed \$5,000,000 to the project, totalling \$10,000,000.

Group2 Architecture Interior Design was retained and are currently finalizing the design of the pool, under the direction of a pool design committee. A concept plan was available on the town and county websites, as shown below. The final cost of the pool was estimated between \$10 to \$15 million, and officials were considering options such as grant funding and sponsorship in an effort to fund the gap.



Pool design concept by Group2

The pool project created some divisiveness within the community and among council. Some questioned whether the town could afford the capital and long-term operating costs of the facility while financing other necessary infrastructure improvements in the community. Some felt that further study should be done on the old pool building. Other stakeholders supported the facility as a needed amenity.

In 2014 Councillor Adams and Councillor Evans were apparently involved in initiating a petition “as concerned ratepayers” to require a vote on the town’s proposed \$5 million pool borrowing bylaw. A sufficient number of petition signatures were received. The results were that the majority of voters supported the pool project, and the related borrowing bylaw 09-14 was passed in October 2014.

Additional community support and concerns over proposed capital projects were shared, such as a concern over the possibility of relocating the library and archives to the new school site on the west side of town. Some stakeholders felt that it was a logical fit and welcome upgrade while others felt that the location would not be convenient. Capital projects were rapidly evolving within Athabasca which required significant public consultation, communication efforts, and overall capital planning to ensure well-ordered development and sustainable growth.

8 PLANNING AND DEVELOPMENT

8.1 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.

Athabasca council passed the current LUB 13-10 in 2010 which appears to be meeting the needs of the community. Council has approved several LUB amendments over the years and consolidation of all bylaw amendments into a new and comprehensive LUB, including zoning maps is recommended.

8.2 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.

The Town of Athabasca (pop. 2,990) requires a MDP since council has approved a designated direct control district within the LUB (MGA s. 641(1)):

Designation of direct control districts

641(1) The council of a municipality that has adopted a municipal development plan, if it wishes to exercise particular control over the use and development of land or buildings within an area of the municipality, may in its land use bylaw designate that area as a direct control district.

Athabasca council passed MDP bylaw 14-10 in 2010 and it appears to be meeting the needs of the community. The MDP enables the town to benefit from long range planning. This level of planning is particularly important to communicate intended land uses to local stakeholders, future investors and neighbouring municipalities to promote well-ordered growth. The MDP provides a broad land use, infrastructure and transportation framework for the future development of the town. The broad provisions of the MDP are often implemented through Area Structure Plans (ASPs), Area Redevelopment Plans (ARPs) and the LUB. All of these statutory planning documents must be consistent with the MDP.

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

Intermunicipal development plan

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

The town has advanced intermunicipal planning efforts with the surrounding County of Athabasca. Intermunicipal planning and development coordination is guided by a 2011 Intermunicipal Development Plan (IDP) bylaw 13-11 and an intermunicipal development agreement which is administered by an intermunicipal development planning committee.

The process of intermunicipal planning and establishing servicing cost sharing for new developments could be improved to confirm consistency with the statutory plans, and to establish an effective process for intermunicipal dispute resolution. Pending legislative changes that expand intermunicipal collaboration and growth management will also need to be considered in the near future.

RECOMMENDATION FOR IDP REVIEW: That council review and update the Intermunicipal Development Plan bylaw.

8.3 Area Structure Plans

Area Structure Plans (ASP) provide a framework for the zoning, subdivision, and development of an area of undeveloped land. ASPs are statutory plans, approved by bylaw and requiring a public hearing process. ASPs and redevelopment plans must be consistent with all other local statutory plans such as the LUB and MDP.

The public hearing process affecting the Riverview Estates subdivision on the south side of town needed to be rescheduled after some council members allegedly spoke with members of the public prior to the hearing. This could have compromised the objectivity of council members during the public hearing process. Continued objections were heard by the inspectors from neighbourhood residents opposed to the 2015 ASP and rezoning of adjacent lands from R2 Large Dwelling Residential to R6 Medium Density Residential and R7 High Density Residential. According to some stakeholders, council appeared to have *“reached a decision on the subdivision approval prior to the start of the public hearing.”*

Despite neighbourhood concerns and questionable conduct of some council members prior to the public hearing process, it appears that the related ASP bylaw 12-15 and LUB amendment bylaw 13-15 for the Riverview Estates subdivision were eventually passed in accordance with the legislative requirements of the MGA. Council acted within their authority to grant these approvals. There is an indication that local officials have learned from mistakes made during

past public hearing processes and a lack of role clarity, and have strengthened internal procedures to be used in the future.

8.4 Off-Site Levy

The MGA s. 648 allows a municipality to pass an off-site levy bylaw that authorizes the municipality to enter into agreements with developers for payment of capital costs impacted by a development, as referenced below. This allows a municipality to charge for service upgrades such as roads, sanitary sewer systems, and water systems that are not necessarily located on the development site.

Off-site levy

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

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

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

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

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

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

(c) new or expanded storm sewer drainage facilities;

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

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

Athabasca council passed Off-Site Levy Bylaw 11-15 in August 2015, which replaced a 1982 bylaw version. This bylaw appears well constructed and the town engaged qualified engineering expertise during the process. Months after passing this bylaw, council engaged in discussions to waive off-site levies for a local school project development, estimated at \$379,000. Without this project revenue, the related off-site servicing costs would be borne by the town at large.

On May 3, 2016 council approved a \$1.00 off-site levy charge for the new school project as shown in R#16:190 below:

Offsite Levy
16:190

Motion by Councillor Gurba **"THAT COUNCIL CHARGE AN OFFSITE LEVY OF \$1 FOR THE SCHOOL PROJECT"**

[RECORDED VOTE]

Councillor Evans requested a recorded vote
For: Councillor Schafer, Gurba, Peckham
Against: Adams & Evans

MOTION CARRIED

On May 17, 2016 council directed administration to bring back an amended off-site levy bylaw as shown in R#16:206 below. Subsequently, an amended bylaw was brought to council and was struck after being defeated on second reading on December 20, 2016.

Offsite Levy Bylaw
amendments
16:209

Motion by Councillor Gurba **"THAT COUNCIL DIRECT ADMINISTRATION TO TAKE STEPS TO AMEND THE OFFSITE LEVY BYLAW TO ALLOW FOR THE DEFERRAL OR WAIVING OF OFFSITE LEVIES BY INCLUDING A CLAUSE THAT STATES NOTWITHSTANDING ANYTHING ELSE IN THE BYLAW, COUNCIL HAS THE ULTIMATE AUTHORITY TO DEFER OR WAIVE THE COLLECTION OF OFFSITE LEVIES"**

[RECORDED VOTE]

Councillor Evans requested a recorded vote
For: Councillors Adams, Schafer, Gurba, Peckham, Evans
Against: Councillor Verhaeghe

MOTION CARRIED

Although council was divided on the issue of charging an off-site levy for the new school, council did have the authority to make the decision to charge or waive off-site levies and this decision is binding, based on the majority vote of the council. Approving the location of the new school was also Athabasca council's decision to make, and it appears that they exercised this authority after considering options and through significant consultation with local school board officials.

Community members were divided in their support for the location of the new school on the west side of town near the Multiplex and Athabasca University. Some members were concerned over access, some were puzzled that a west side location would be chosen when land was apparently offered to be donated on the east side of town in a residential area. Some stakeholders felt that the west side offered an ideal and logical location since it was adjacent to the Multiplex sports facility and could benefit from shared use and potential cost savings on the gymnasium size.

8.5 Development Standards

The inspectors heard concerns about new developments which were allowed to take place without including amenities such as playgrounds, skating rinks, or trail connections. For example, the Wood Heights development on the northeast part of town has an access road that is more than a kilometer long, no pedestrian access, no playgrounds and no trail connection. Without prior consultation or requiring amenities to be provided during the development approval stage the community at large and/or service groups are left to subsidize amenity costs in certain development areas after-the-fact.

An improper operational practice was identified from poor communication of town development standards. Fire hydrant installations included steamer ports installed by several recent developers which were not compatible with town fire department equipment. Municipal developers diligently installed pumper nozzles in accordance with the stated town development standards, however, these standards were not suitable. This situation seemed to have been ongoing since the standards were developed in 2001. The Inspectors were advised that the development staff and town engineers planned to review and update the development standards.

RECOMMENDATION FOR INTERDEPARTMENTAL CONSULTATION: That servicing policies and procedures include inter-departmental consultation to ensure consistency in development standards.

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

9 CONCLUSION

The Town of Athabasca had every reason to thrive and progress during the recent council term with so many critical components in place, such as council members who were deeply rooted and committed to the community, a strong financial position, committed staff, a robust regional network, and an engaged public. Unfortunately, council dysfunction consumed a large amount of time, energy and public resources during the 2013-2017 council term. The municipal inspection identified areas for improvement in governance, administration, and operations and several recommendations are provided.

The inspectors are of the opinion that the Town of Athabasca has been managed in an irregular, improper, and improvident manner for the following summary reasons: A lack of legislative compliance in several areas, improper council conduct, irregular drafting and implementation of policies, irregular handling of pecuniary interest matters, and weak strategic planning efforts.

Trust and respect demand space at the council table and this was lacking among certain council members for the majority of the recent term. Improved council conduct was observed during the inspection *“as if someone turned the switch”* according to one observer. This is very positive, but exceedingly late to have a significant impact on the remaining months of the council term.

This municipal inspection report can serve as an accountability tool to serve current and future officials with insights and recommendations on recent local issues and concerns. An opportunity exists for elected officials, staff and community members to learn from past events and work together to strengthen the governance, administration and operations of this beautiful community. The council in the upcoming term will have a great responsibility to work as a unified force, like a river, to maintain the steadfast governance that the Town of Athabasca needs and deserves.

10 APPENDICES

10.1 Appendix 1: List of Acronyms

AAMDC..... Alberta Association of Municipal Districts and Counties	PSABPublic Sector Accounting Board
ACP Alberta Community Partnership	RCMPRoyal Canadian Mounted Police
AIM Annual Information Meeting	RCPRegional Collaboration Program
AUMA Alberta Urban Municipalities Association	RFDRequest for Decision
CAO..... Chief Administrative Officer	s.....Section (of legislation)
CEO..... Chief Elected Official	SDABSubdivision and Development Appeal Board
CPO..... Community Peace Officer	TCATangible Capital Assets
EMS..... Emergency Medical Services	
FCSS Family and Community Support Services	
FIR..... Financial Information Return	
FOIP Freedom of Information and Protection of Privacy (Act)	
GTF Gas Tax Fund	
HR Human Resources	
ICSP Integrated Community Sustainability Plan	
IDP Intermunicipal Development Plan	
LAEA Local Authorities Election Act	
LUB Land Use Bylaw	
MDP Municipal Development Plan	
MGA Municipal Government Act	
MSI Municipal Sustainability Initiative	
MSP..... Municipal Sustainability Plan	

10.2 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/Operations and Finance. The context for each recommendation can be found in the associated section of the report that is referenced by the page number.

10.2.1 Governance Recommendations

#	Governance Recommendation	Page
G1	RECOMMENDATION FOR COUNCILLOR TRAINING: That council members attend meeting decorum training, roles and responsibilities training, and teambuilding events to strengthen their political capacity to work together as a council.	17
G2	RECOMMENDATION FOR COUNCIL SEATING ROTATION: That council member seating be periodically rotated around the council table throughout each council term.	20
G3	RECOMMENDATION FOR CODE OF CONDUCT REVIEW: That the council review, update and adhere to a Council Code of Conduct.	18
G4	RECOMMENDATION FOR COUNCIL COMMUNICATION: That respectful, professional communication between officials be specified as a standard in an updated Council Code of Conduct.	22
G5	RECOMMENDATION FOR STRATEGIC PLANNING: That strategic plans be updated annually, including input from senior staff and public consultation.	25
G6	RECOMMENDATION FOR PERFORMANCE MEASURES: That administration develop meaningful performance measures to demonstrate how the use of budget resources have advanced strategic priorities.	25
G7	RECOMMENDATION FOR CAO PERFORMANCE EVALUATIONS: That the council review and update the template to provide a more meaningful annual written performance evaluation of the CAO when complying with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established through the annual strategic plan; and that the council obtain qualified expertise to assist with the formal CAO performance evaluation process.	26
G8	RECOMMENDATION TO UPDATE PROCEDURAL BYLAW: That council update the procedural bylaw to ensure that council conduct and meeting decorum follows a consistent, orderly, respectful process; and that public participation during meetings be permitted as delegations to council only.	29

#	Governance Recommendation	Page
G9	RECOMMENDATION FOR HANDLING PECUNIARY INTEREST MATTERS: That elected officials learn and abide by the pecuniary interest provisions of the MGA and consult with legal counsel as needed to ensure compliance with the MGA s. 170.	35
G10	RECOMMENDATION FOR HANDLING VOTING ABSTENTIONS: That council members review the MGA s. 183 to fully understand the requirement to vote or abstain; and that council members provide reasons for each abstention from voting; and that the reasons for abstaining are recorded in the meeting minutes; and when abstaining from voting, that council members leave the room until discussion and voting on matters of a pecuniary interest are concluded in accordance with the provisions of the MGA s. 172.	37
G11	RECOMMENDATION FOR COUNCIL COMMITTEES: That the council complete a review of council committees and council appointments to ensure that all council committees and/or other bodies are established by bylaw in accordance with the MGA, s. 145-146; and that related terms of reference for committee conduct and composition be developed where applicable.	40
G12	RECOMMENDATION FOR IN CAMERA AGENDA ITEMS: That council members comply with the MGA s. 197 when closing any part of a meeting to the public; and state the related FOIP exceptions to disclosure in the meeting minutes; and that council members keep private matters in confidence as required by the MGA s. 153.	45
G13	RECOMMENDATION FOR COMMUNITY ENGAGEMENT: That council establish a community engagement strategy to effectively engage and inform citizens, business owners and local interest groups about local activities, issues and priorities.	48
G14	RECOMMENDATION FOR RESOLUTION CLARITY: That council resolutions are comprehensive, concise, and appropriately worded so that council actions are clear to the general public and future councils; and that exact resolution wording is understood by all of council prior to the vote.	50
G15	RECOMMENDATION FOR ONLINE MINUTES: That draft council meeting minutes be made available to the public through the municipal website.	50
G16	RECOMMENDATION FOR POLICY REVIEW: That the council authorize a policy review to correct irregular matters and ensure that approved town policies are consistent with the MGA, applicable trade agreements and other legislation.	59
G17	RECOMMENDATION FOR ORGANIZATIONAL MEETING MINUTES: That organizational meeting minutes include a list of council committee appointments.	38
G18	RECOMMENDATION FOR IDP REVIEW: That council review and update the Intermunicipal Development Plan bylaw.	86

10.2.2 Administrative and Operational Recommendations

#	Administration and Operations Recommendation	Page
A1	RECOMMENDATION FOR HUMAN RESOURCE MANAGEMENT: That the municipality engage qualified HR expertise to undertake an HR policy review, create an updated personnel policy and employee handbook to ensure consistency and appropriateness in managing staff.	67
A2	RECOMMENDATION FOR HUMAN RESOURCES REVIEW: That the municipality undertake a human resources review to ensure the physical and emotional safety of all staff in their working environment.	69
A3	RECOMMENDATION FOR UTILITY STAFFING: that the town review the staffing levels of the utility operations to ensure adequately trained backup resources.	69
A4	RECOMMENDATION FOR PEACE OFFICER SERVICES: That council establish peace officer program priorities and service levels; and that the CAO provide guidance and oversight to ensure that a robust peace officer program exists in the community.	69
A5	RECOMMENDATION FOR FIRE SERVICES REVIEW: That the council authorize a review of the fire services bylaw and fire department operational policies to ensure alignment and appropriateness.	54
A6	RECOMMENDATION FOR INTERDEPARTMENTAL CONSULTATION: That servicing policies and procedures include inter-departmental consultation to ensure consistency in development standards.	89

10.2.3 Financial Recommendations

#	Financial Recommendation	Page
F1	RECOMMENDATION FOR BUDGET PROCESS: That the municipality establish timelines for budget approval by year-end, and establish a meaningful process for public input on local priorities.	71
F2	RECOMMENDATION FOR FINANCIAL REPORTING POLICY: That the municipality review financial reporting practices; and that council approve a financial reporting policy to specify the detail and frequency of financial reports to council in accordance with the MGA s. 208(k); and that monthly cheque distribution reports be discontinued to be provided to council where budgeted expenses are previously approved.	78
F3	RECOMMENDATION ON FINANCIAL REPORTING TO THE PUBLIC: That additional public reporting be considered to communicate municipal performance and the accomplishment of strategic objectives.	80
F4	RECOMMENDATION FOR COMMUNITY GRANTS: That the council establish a process to review and increase the accountability of community grant funds provided to individuals and local organizations.	81
F5	RECOMMENDATION FOR CAPITAL PLANNING: That council, in consultation with staff and the town engineers approve a comprehensive five and ten-year capital works plan to address existing infrastructure issues and new or upgraded infrastructure required for community growth.	82