

**March
2017**

Summer Village of Crystal Springs, Alberta Municipal Inspection Report



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March 7, 2017

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

Re: Summer Village of Crystal Springs, Municipal Inspection Report

Dear Minister Anderson:

An inspection has been conducted of the management, administration and operations of the Summer Village of Crystal Springs, Alberta as directed by Alberta Ministerial Order No. MSL:068/16, approved on September 8, 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 Summer Village of Crystal Springs, Alberta as directed by the Minister of Alberta Municipal Affairs. Organizational strengths were found, such as the overall financial position of the community and strong regional participation. Areas of concern were also identified, such as council decision-making practices, spendthrift actions on wastewater report analysis, and inconsistent council compensation practices.

The inability for all council members to work together in a professional manner led to a frustrated and somewhat hostile council meeting environment. The working environment for management staff was compromised. This led to the resignation of the CAO and removal of Crystal Springs from the shared administration of the regional Joint Services Committee.

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.

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 this beautiful lakefront recreational community, but gave harsh ratings for council leadership and overall service delivery.

Lake health was identified as an ongoing challenge with many contributing factors, including wastewater management. The proposed local wastewater system was a point of consternation and community division where the council exercised their decision-making authority amid significant support for and opposition to the project.

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 full legislative compliance. Increased respect among elected officials with a clear understanding of roles and responsibilities is needed to improve the governance of the community. 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 of the electors being received by the Minister on January 22, 2016, and a resolution passed by the municipal council of the Summer Village of Crystal Springs, Alberta on March 9, 2016 requesting an inquiry into the affairs of the Summer Village in accordance with section 572 of the *Municipal Government Act*.

Alberta Ministerial Order No. MSL:068/16 was approved on September 8, 2016 where the Honourable Danielle Larivee, then-Minister of Municipal Affairs, appointed inspectors to conduct an inspection of the management, administration and operations of the Summer Village of Crystal Springs 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.*

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

Directions and dismissal

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

(2) *If an order of the Minister under this section is not carried out to the satisfaction of the Minister, the Minister may dismiss the council or any member of it or the chief administrative officer.*

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

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

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

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

2.2 Petition

A petition from the electors was received by the Minister of Municipal Affairs on January 22, 2016, as provided by petition representative, Ms. Darlene Bouclin. Records show that Ms. Linda Kerr was also a petition representative. The petition statement letter submitted to the Minister on behalf of the ratepayers of Crystal Springs requested an inquiry into the affairs of the Summer Village of Crystal Springs as well as other specific requests for actions: to appoint a new CAO and remove our municipality from the Summer Village administration office; to direct decision-making regarding wastewater project participation and funding; and to order the dismissal of council members Kevin Pratt and Grant Churchill.

The petition statement letter submitted to the Minister by Ms. Bouclin with requests for additional actions, deviates from the succinct petition statement that was circulated to residents in December 2015 and January 2016 which reads as follows:

The undersigned persons, being electors of the Summer Village of Crystal Springs, in the Province of Alberta, hereby petition the Minister for an inquiry into the Affairs of the Summer Village of Crystal Springs as per Section 572 of the Municipal Government Act.

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 170 in the Summer Village of Crystal Springs at the time the petition was received, therefore 34 eligible signatures were required for sufficiency. The petition was declared sufficient with 65 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).

2.2.2 Previous Petitions

The 2016 petition was the second time in recent history that the electorate exercised their right to petition for an inquiry. An October 2008 petition from the electors was received by the Ministry calling for an inquiry into the affairs of the Summer Village of Crystal Springs as per Section 572 of the *Municipal Government Act*. This petition was prepared by the “Concerned Citizens of Crystal Springs” (CCCS) with Mr. Barry Pratt as the petition representative and Ms. Doris Bell acting as the Secretary of CCCS. The petition process led to the Ministry ordering a municipal inspection, which was completed by Russell Farmer & Associates Consulting Ltd. in June 2009.

Another petition circulated in Crystal Springs in the fall of 2014 prior to a change in council member appointments. This petition to the Minister emphasized the desire of certain community members to have council member Doris Bell continue to serve as the mayor of the Summer Village. Despite the petition effort, the Minister noted that council member appointments are made at the pleasure of the council and the Minister of Municipal Affairs did not intervene in this local governance process. In December 2014, a rotation occurred at an organizational meeting where council member Kevin Pratt succeeded council member Doris Bell as mayor.

2.3 Provincial Mandate and Inspection Process

Once the January 2016 petition from the electors was declared sufficient, the Ministry conducted a preliminary review of the municipality in April 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 of the Summer Village of Crystal Springs 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 Summer Village of Crystal Springs 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 September and October 2016. 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 March 2017. The municipal inspection process included the following tasks:

1. Conduct stakeholder interviews, including:
 - Elected officials (current and former)
 - Chief Administrative Officer (CAO)
 - Various staff members (current and former)
 - Various members of the public
 - Residents
 - Petition representatives
 - 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 at the local library.
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
 - A review and evaluation of 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

- A review and evaluation of council's decisions regarding the wastewater project
 - A review of key planning documents
 - The financial status of the municipality
 - The process of financial reporting to council
 - The budget process
 - A review of major proposed or active capital projects
 - A comparative analysis of the property assessment and tax rates
 - 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 50 stakeholder interviews conducted to gather data and to develop an understanding of local events and the community dynamic. Interviewees were asked consistent questions and the *quantitative* and *qualitative* data provided was used to assess and summarize information themes gathered from a fairly representative sample of the community population. Various stakeholders were provided with follow-up interviews to give individuals a chance to hear and respond to sensitive matters.

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. The inspectors' contact information (email address and phone number) was widely available to the community on the municipality's website during the duration of the research phase of the inspection.

The inspectors' contact information was also mailed out to ratepayers near the beginning of the inspection process, in order to notify residents that the inspection process was underway, since the majority of ratepayers are non-permanent residents.

Residents had the opportunity to speak to an inspector during drop-in interviews held at the Pigeon Lake Regional Library on October 11, 2016. Residents were also invited to provide input into the inspection process by completing an anonymous online survey. The survey response rate was strong with 48 responses completed, which is 53% of the estimated local population.

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 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 Summer Village of Crystal Springs was incorporated as a Summer Village on January 1, 1957. Since 2012, Crystal Springs shared administration services with six other summer villages (pop. 503). Three additional summer village communities are also lakeside neighbours, for a total of 10 summer villages surrounding the lake. Crystal Springs' immediate rural neighbours include the County of Wetaskiwin No 10. (pop. 10,866), Leduc County (pop. 13,524) as well as the Pigeon Lake Indian Reserve 138A (pop. 700). The Village at Pigeon Lake is a popular resort hub and the area is served by various community leagues, golf courses, parks, including the Pigeon Lake Provincial Park.

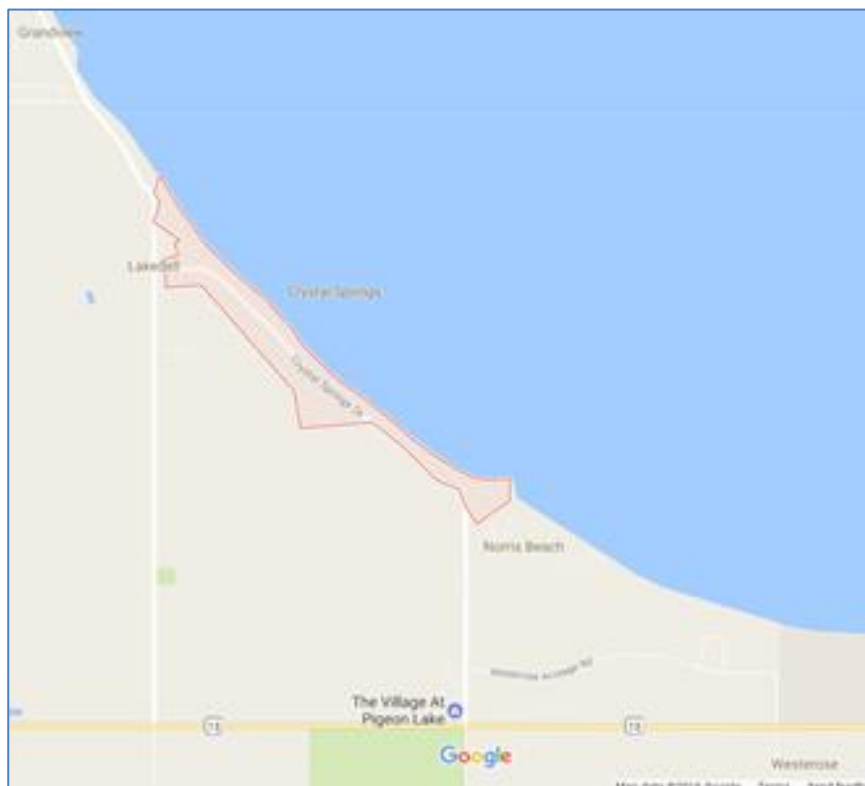
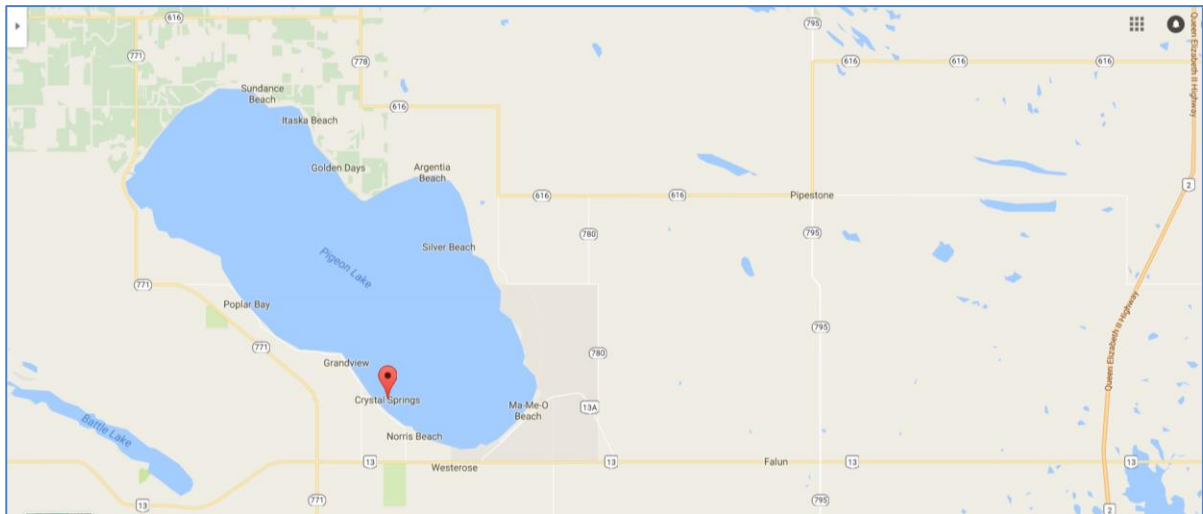
The current municipal profile⁶ and financial statements show the following statistics based on the most current available data from 2015 and 2014:

- 3 Member Council
- 1 Full-time staff position
- 90 Population (2015)
- 170 Residences
- 28 Hectare land base
- 2.6 Kilometers of local maintained roads
- \$1.4 Million in financial assets, including cash and temporary investments
- \$3.9 Million equity in tangible capital assets
- \$74 Million in residential assessment
- \$170,600 in non-residential assessment
- \$256,440 in non-residential linear assessment
- \$0 long term debt
- 0% of debt limit used

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

4.2 Geography

The Summer Village of Crystal Springs is approximately 90 kilometers southwest of Edmonton, situated on the south shore of Pigeon Lake, Alberta and north of Highway 13, 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 Summer Village of Crystal Springs is governed by a three-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 approximately once per month and special meetings as needed.

The chief elected official (mayor) was appointed by council from among the councillors 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 also appointed a deputy chief elected official (deputy mayor) by council resolution in accordance with the MGA s. 152.

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

Voting

Restriction to one vote per person

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

The mayor and 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. Council members in Alberta's Summer Villages must be eligible to vote in the municipality, but are *not required to reside in the municipality*, according to the *Local Authorities Election Act* (LAEA) s. 12(h) which reads as follows:

12(h) in order to qualify for nomination as a councillor, a person is not required to be a resident of the summer village but must be entitled to vote in the election and have been a resident of Alberta for the 12 consecutive months immediately preceding election day.

The 2013 general municipal election resulted in three candidates being declared elected by acclamation in accordance with the LAEA s. 34. The following individuals continued to serve on municipal council for the Summer Village of Crystal Springs during the municipal inspection:

- Councillor Doris Bell (Deputy Mayor)
- Councillor Grant Churchill (Mayor)
- Councillor Kevin Pratt

5.4 Council Orientation

Newly elected Summer Village of Crystal Springs council members received council orientation at the beginning of the 2013-2017 term, largely using internal resources to produce a "Council Orientation" binder containing the following documents:

- Administration: organizational chart, summer village appointments
- Finance: budgets
- Municipal Affairs: Running for Municipal Office in Alberta; Now that you've been elected; Municipal Councillors Guidelines for Conflict of Interest
- Council Minutes, Bylaws

- Maps
- Strategic Plan
- Committee Appointments
- Intermunicipal Development Plan
- Joint Services Committee Agreement

Council orientation is a very valuable education component for council members to learn or reinforce roles and responsibilities at the start of a council term. Providing the orientation binder resources in a searchable electronic format could serve local officials as an improved practice.

External orientation was also made available in 2013 where representatives from Alberta Municipal Affairs provided a joint council orientation session in the region for summer village elected officials. The October 8, 2013 regular council meeting minutes show that Mayor Doris Bell attended this orientation session:

Council Orientation Workshop

Mayor Bell attended the orientation workshop held on September 20, 2013. The session was well-attended.

A local Code of Ethics and Conduct policy was approved by council in September 2011, and this important policy should be included in the council orientation binder and be reviewed regularly.

RECOMMENDATION FOR COUNCIL ORIENTATION: That the Summer Village of Crystal Springs council have greater accessibility to orientation and educational documents for ease of use and reference; and that the Code of Ethics and Conduct policy be included as a council orientation resource; and that all council members participate in orientation training each term.

5.4.1 Code of Conduct

Diversity of opinion among and between individual council members is a fundamental tenet of good local government. Municipal council members are elected individually, required to vote individually and to participate individually, as part of a collective whole rooted in democratic principles of majority-rule. Debate and disagreements are expected at a local council table since diversity is built into the local governance process. There is a stark difference, however, between respectfully “debating an issue” and disrespectfully “forcing a position” or failing to consider another point of view.

Council approved a Code of Ethics and Conduct policy #13-2011 on September 8, 2011. A brief excerpt of the policy is shown below:

<p style="text-align: center;">SUMMER VILLAGE OF CRYSTAL SPRINGS <u>POLICY #13-2011</u></p> <p>SUBJECT: Code of Ethics and Conduct</p> <p>DEPARTMENT: Council</p> <p>ADOPTED AND APPROVED BY COUNCIL: September 8, 2011</p> <hr/> <p>A. POLICY STATEMENT The <i>Municipal Government Act</i> (the “MGA”), Revised Statutes of Alberta 2000, Part 5 regarding Council and Councilors, requires and expects certain behavior for members of Council.</p> <p>B. PURPOSE OF THIS POLICY This policy is intended to establish standards for professional, courteous conduct for Members of Council and Committees of the Summer Village recognizing the importance of maintaining the highest levels of integrity and ethical behavior, both in and out of Council Chambers.</p>
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The Code of Ethics and Conduct policy is quite extensive as a guiding document for councillor conduct and it establishes mediation and arbitration steps for dispute resolution. The policy purpose is to establish professional, courteous conduct and ethical behaviour, as follows:

PURPOSE OF THIS POLICY

This policy is intended to establish standards for professional, courteous conduct for Members of Council and Committees of the Summer Village recognizing the importance of maintaining the highest levels of integrity and ethical behavior, both in and out of Council Chambers.

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

5.4.2 Mediation Efforts

Council engaged mediation services in 2015 in an effort to work respectfully together and address their fractured governance relationship. The municipality received a related \$25,000 provincial grant for this initiative. One ratepayer informed the inspectors that they were embarrassed that their council needed mediation and felt that the council members “*should be ashamed of themselves, that they need the Alberta government to come and assist so that they can talk to each other.*” The council is commended for taking steps in an attempt to resolve differences and rebuild their damaged professional relationship.

Regrettably, dysfunction on council continued after dispute resolution efforts. Confrontation and acrimony on council prevailed and this divisive force spilled out of council chambers. Officials and residents expressed concern that this division had spread to the broader community. Several residents expressed that they wanted to come out to the lake for enjoyment, to have fun, and not to worry about politics of the local council. Other comments were shared that:

- *“Local individuals feel highly entitled to do what they want, when they want.”*
- *“There is a whole group of people here that don’t want people to make decisions for them.”*
- *“A ‘Shadow Cabinet’ attempts to micromanage the council.”*
- *“It is a thankless job to be a municipal politician in a summer village.”*

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. Ongoing council teambuilding efforts are needed as well as refresher training on council roles and responsibilities to strengthen professional meeting conduct, decorum and chairmanship.

RECOMMENDATION FOR COUNCILLOR TRAINING: That the Summer Village of Crystal Springs 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 Council Performing Administrative Duties

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

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

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

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

The MGA provides clear direction for Council to remain focused at a strategic leadership level and consider broad policies rather than the minutiae of municipal operations. Despite past training and orientation on council roles and responsibilities, Crystal Springs council members have participated in, or permitted council members to engage in administrative matters.

Records show that Mayor Churchill initiated a address signage project which was approved by council, and that he participated in the signage installation “to save money” for the municipality. Councillor Bell was involved in preparing grant applications based on a verbal approval of council. Although these projects may be noble, the council members stepped over the line into administrative and operational matters, which is an irregular matter and contrary to the MGA.

Proper participation at the governance leadership level includes council approval for projects or grant applications, rather than having council members personally involved to complete the work. It is unclear if the CAO provided regular guidance to council to remind them of their governance role and the MGA requirements to avoid administrative functions. Council members need to make a conscious effort to remain focused on governance (policy, strategy and vision).

RECOMMENDATION FOR COUNCIL TO AVOID ADMINISTRATIVE FUNCTIONS: That the Summer Village of Crystal Springs council refrain from performing administrative duties, in accordance with the provisions in the MGA s. 201(2).

5.6 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.

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*, as follows:

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

The Summer Village of Crystal Springs council has reviewed and approved an annual Strategic Plan in recent years. The overall structure of the Strategic Plan is reasonable and the format is both succinct yet comprehensive. The Strategic Plan identifies a Vision as: “*The Summer Village of Crystal Springs will be a viable and sustainable lake community.*” The Strategic Plan contains the following vision statement areas which align closely with recognized pillars of sustainability listed above:

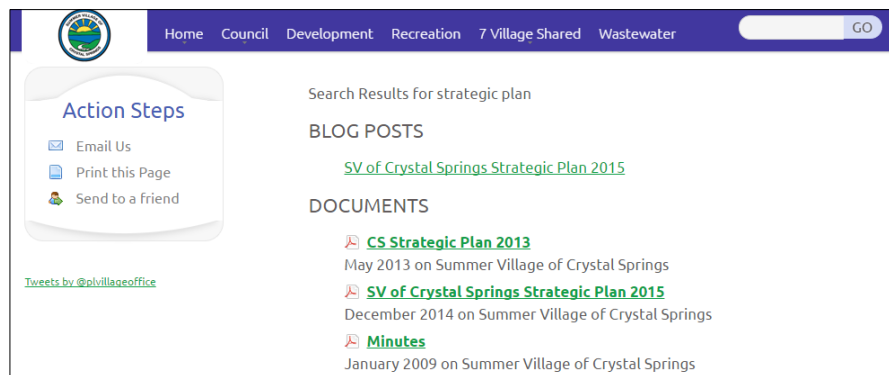
1. Financial
2. Governance
3. Community Well-Being
4. Environment
5. Infrastructure
6. Enhance Intermunicipal Cooperation

The strategic plan identifies goals, measures and outcomes; however, it can be improved by adding greater clarity in describing more specific performance targets that link to the annual budget process where specific financial resources are allocated to strategic priority areas. Another improvement can be made to link the CAO performance evaluation to the achievement of council’s strategic priorities.

The 2016 Strategic Plan contains reasonable priorities; however, it appeared to be prepared in haste without a thoughtful review. For example, it refers to 2015 dates for desired accomplishments and contains a somewhat random council resolution from 2014 within the document, as follows:

Res. # 14-95 *Moved by Mayor Bell that the Summer Village of Crystal Springs adopt the following goals for the local wastewater collection system and transmission line: that no one will be left behind, this sewer is to serve our residents; that we will build the best local wastewater system possible, for the best price; and that the Summer Village will explore the ownership and financing of the lines and pumps on private property as well as the municipal portion of the sewer line.* **CARRIED**

Stronger communication with residents is also needed for council to ensure legitimacy in establishing official priorities for the community. Some stakeholders felt that council had limited discussion on strategic planning and that it was rushed. Community plans deserve broadcasting and should be promoted and publicly accessible. Strategic plans from 2013 and 2015 were available on the municipal website as shown below (screenshot from December 23, 2016), but the 2016 Strategic Plan did not appear to be available on the municipal website during the municipal inspection.



Best practices in municipal 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. On the surface, Crystal Springs is commended for preparing an annual strategic plan, but officials could develop and use the plan in a more meaningful way.

RECOMMENDATION FOR STRATEGIC PLANNING: That the Summer Village of Crystal Springs council include a public consultation component in future strategic planning efforts.

RECOMMENDATION FOR PERFORMANCE MEASURES: That the Summer Village of Crystal Springs develop meaningful performance measures that demonstrate how the use of budget resources have advanced strategic priorities.

5.7 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.

Crystal Springs council followed historical practices in completing CAO evaluations where they participated in a regional evaluation in the form of an “amalgamated appraisal of the CAO” together with neighbouring summer village partners in the Joint Services Committee, as referenced below in an excerpt from the committee agreement:

12. Review and make recommendations to the Summer Villages for revisions to the CAO's employment agreement.
13. Assist with the annual appraisal process for the CAO of each of the Summer Villages by providing processes and then taking input from Summer Villages for inclusion in an amalgamated appraisal of the CAO.

Past amalgamated appraisals of the CAO show that CAO Sylvia Roy was meeting the expectations of the Joint Services Committee. The amalgamated appraisal approach may not be as meaningful or salient as the evaluation would be if the CAO received feedback directly from each individual council but it appeared to be meeting the needs of this group as well as MGA requirements.

Crystal Springs council did not participate in the annual performance evaluation of the CAO at the end of the 2014 year, as they collectively missed the deadline for the amalgamated appraisal. At that time, Councillor Bell provided her individual CAO appraisal to the Joint Services Committee but the other two Crystal Springs council members did not provide CAO evaluation comments in 2014. Crystal Springs input was not included in the 2014 CAO performance evaluation since a collective evaluation was not provided from the council.

The CAO performance evaluation appeared to be mishandled and confused by Crystal Springs council at the end of the 2016 year as well. Greater diligence is needed for Crystal Springs council to work together and provide a meaningful performance evaluation of their CAO that is linked to the accomplishment of council's strategic goals and objectives for the community as outlined in the strategic plan.

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 well qualified staff. Council members are also expected to have the wisdom to draw on external expertise and guidance when needed, such as when considering sensitive legal or human resource matters. Crystal Springs council apparently relied on the human resources expertise of a neighbouring council member to assist in compiling the amalgamated CAO appraisal for the Joint Services Committee.

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 Summer Village of Crystal Springs council provide annual written performance evaluations of the CAO in accordance with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established in conjunction with the strategic plan; and that the council obtain qualified expertise to assist with the formal CAO performance evaluation process.

5.8 Joint Services Committee (JSC)

Crystal Springs participated in a joint administration and facilities agreement where the municipality shared administrative services and office space with six other neighbouring summer villages in the Pigeon Lake region. History shows that these lakeside neighbours have a long history of working together, with some award-winning efforts and recognition for regional cooperation.

Sharing administrative staff and office space enabled these neighbouring lakeside municipalities to benefit from economies of scale and realize efficiencies. Some repetition in legislative and administrative aspects did exist among this group of communities, such as seven separate [monthly] regular meetings, seven sets of [monthly] minutes, seven annual property tax bylaws, seven separate agreements for various service contracts, and seven separate websites to maintain. Leadership was top-heavy with 21 elected officials serving a combined estimated population of 593 and each official receiving compensation for council meeting fees and expenses. The high representation per population is a systemic reality of the current operating environment for summer villages and small communities.

Officials from the area generally spoke of strong regional relationships among the summer villages, *“having successfully developed and applied a model for sharing services and obtaining efficiencies by working together.”* All JSC councillors, except for one Crystal Springs councillor expressed *“total satisfaction with the competency and level of service provided by the CAO*

[Sylvia Roy] and her staff.” Most felt that CAO Roy did a remarkable job respecting the diversity of seven individual councils and keeping all seven municipalities running effectively.

Crystal Springs’ meeting minutes from April 27, 2016 show defeated motions to object to financial management and reprimand administration, followed by a discussion on respect and the Code of Ethics and Conduct Policy:

<p>F. FINANCIALS 1. <u>2016 Budget</u></p> <p><u>Res. #16-93</u> Moved by Deputy Mayor Bell that the proceeding motion have a recorded vote.</p> <p style="text-align: right;">CARRIED</p> <p><u>Res. #16-94</u> Moved by Deputy Mayor Bell to raise a formal objection to Administration's lack of appropriate financial management.</p> <p style="text-align: right;">In Favor: Deputy Mayor Bell Opposed: Mayor Churchill, Councillor Pratt DEFEATED</p>

<p><u>Res. #16-99</u> Moved by Deputy Mayor Bell that the proceeding motion have a recorded vote.</p> <p style="text-align: right;">CARRIED</p> <p><u>Res. #16-100</u> Moved by Deputy Mayor Bell that Council has not received the financial analysis that was promised on April 27, 2016 by Administration and would reprimand Administration with letters on their files.</p> <p style="text-align: right;">In Favor: Deputy Mayor Bell Opposed: Mayor Churchill, Councillor Pratt DEFEATED</p> <p>Debate occurred regarding disrespect toward Administration and Mayor Churchill reminded Council of the Code of Ethics and Conduct Policy.</p>

On June 23, 2016, the mayor adjourned the regular council meeting after an escalation:

<p>2. <u>Financial Report</u> Deputy Mayor Bell indicated that she had many questions with respect to the audited financial statements but did not meet with Administration as she wants the questions resolved in public.</p> <p>Administration advised that they are working on a bank error with respect to interest earned in 2015. Deputy Mayor Bell demanded copies of bank statements and bank reconciliations for the last month.</p> <p>Mayor Churchill asked Deputy Mayor Bell to leave the Council Meeting due to escalation in agitation. She refused to leave.</p> <p><u>Res. #16-176</u> Moved by Mayor Churchill that the meeting be adjourned at 1:57 pm.</p> <p style="text-align: right;">CARRIED</p>

Observers to the June 23, 2016 meeting stated that Councillor Bell was very aggressive towards the CFO in both voice and demeanor, with a confrontational manner, demanding to see bank statements and bank reconciliations; that Mayor Churchill asked Councillor Bell to assume a pleasant voice; that Councillor Bell stated that *“You do not have the authority to deny me what I want;”* and that after the meeting adjourned Councillor Bell approached the CFO, again demanding bank statements and reconciliations.

Councillor Bell explained to the inspectors that she was firm, insistent, and maybe demanding with the CFO; that she suggested that council look at the financial statements and the bank reconciliation since they have signing authority on the account; and that she wanted a letter on her [the CFO’s] file because she wasn’t listening to what council said. The CFO confirmed that she took direction from the CAO, acting on resolutions of council, not demands of one councillor.

Councillor Bell provided further comments on this instance that the reference to aggressive was *“an exaggeration to discredit my character...my behaviour cannot be characterized as ‘aggressive’ nor were my remarks derogatory: they were standard questions for the circumstances, questioning the 2015 Financial Statements. The level of intensity was appropriate to addressing the problem, the level of interest revenue for a large sum.”*

The financial section of this inspection report shows that Crystal Springs is in a good financial position with responsive and capable staff who receive praise from the auditors. Allegations of financial management concerns are unfounded.

In July 2016, JSC officials expressed concern about the actions of one Crystal Springs council member *“placing an inordinate amount of stress on the CAO and CFO through unreasonable demands and criticism”* affecting staff wellbeing. At a July 14, 2016 meeting, JSC officials passed a motion for the JSC to write a letter to the Crystal Springs council regarding their negative impact on administration:

11. In Camera	
Moved by Kevin Pratt to go In Camera at 3:34 pm.	CARRIED
Moved by Kevin to come out of In Camera at 4:17 pm.	CARRIED
A provision will be added to the JSC agreement regarding Council Members treating staff with respect and proper decorum. Membership must follow their Council Code of Conduct policies. Deb McDaniel will look into this.	
Moved by Lisa Turchansky that the Joint Services Committee write a letter to Crystal Springs Council with respect to their negative impact on Administration.	CARRIED

The JSC Chairperson attended the August 11, 2016 Crystal Springs council meeting and presented the JSC letter to the Summer Village of Crystal Springs council. This letter expressed a “troubling matter” where council and resident actions in Crystal Springs directly impacted all parties to the Joint Services Agreement:

July 18, 2016

Mayor Grant Churchill
Summer Village of Crystal Springs

Dear Mayor Churchill,

Re: The Joint Services Agreement

At the July 14, 2016 meeting, the Joint Services Committee was faced with dealing with the troubling matter regarding the impact that actions of the Summer Village of Crystal Springs, including both the Council and residents, is having on the Summer Village administration staff and on the efficient functioning of our municipalities. This issue was discussed in camera.

While we would prefer not to become involved in the affairs of your Summer Village, since these actions are having a direct impact on all parties to the Joint Services Agreement, we are exploring every possible remedy to this situation.

It is our sincere hope that your Council will be able to resolve this issue internally before the situation requires other actions to be taken.

Yours truly,



Pete Langelle
Chair, Joint Services Committee

cc. JSC Committee Members

The August 11, 2016 Crystal Springs council meeting minutes show an acknowledgement of receiving the JSC letter, but no resolution for any action or to accept the letter as information:

7. Joint Services Committee

a) Minutes of July 14, 2016
Council reviewed the minutes of the Joint Services Committee meeting of July 14, 2016.

b) Letter to Crystal Springs
At the July 14, 2016 Joint Services Committee meeting, the Joint Services Committee was faced with the troubling matter regarding the impact that actions of the Summer Village of Crystal Springs, including both the Council and the residents, is having on the Summer Village Administration staff and on the efficient functioning of our municipalities.

It is believed that this will be addressed during the municipal inspection.

JSC officials expressed that Crystal Springs council appeared to take no action to address the troubling matter impacting shared administration staff. Senior administration staff indicated that “nothing changed” even after the JSC expressed concern for staff well-being.

Councillor Bell informed the inspectors that she was surprised to be cast as the reason for [staff] stress; that she *“did not really get the sense that CAO Roy is actually affected by the stressfulness of her job,”* and that the CFO was *“not showing symptoms of stress or incapacity.”*

On February 1, 2017 Ms. Sylvia Roy submitted her resignation as CAO for the Summer Village of Crystal Springs, effective May 1, 2017, although she would remain as CAO for the other six summer villages in the JSC. Also on February 1, 2017 the JSC provided notice and terms of withdrawal to remove the Summer Village of Crystal Springs from the JSC effective May 1, 2017. This turn of events sparked considerable concern among local residents and officials.

During follow-up interviews in February 2017, the inspectors asked each councillor about the “troubling matters” identified by the JSC. Mayor Churchill and Councillor Pratt stated that the concern was about Councillor Bell’s treatment of the CAO and CFO and that shared JSC staff were spending 50% of their time answering requests from Councillor Bell; and that these concerns were discussed among council.

Councillor Bell stated that she made an effort to reduce staff stress by proposing changes to the agenda format, which were not accepted, and limiting contact with staff by rarely calling the office. Councillor Bell also stated that the CAO is her point of contact as council’s only employee; that she doesn’t really understand what the troubling matters are; that she has not contributed to troubling matters; that she comes to meetings asking for work to be done and that her fellow council members obstruct her requests for work to be done.

On February 15, 2017 Crystal Springs council amended and accepted the terms of withdrawal from the JSC at their regular council meeting and discussed future administration options. During this time of flux, council would be well-advised to contract external resources to assist them in the CAO recruitment process.

During the municipal inspection interviews, some stakeholders referred to amalgamation or dissolution of the summer village as an opportunity to further increase efficiencies and capitalize on economies of scale. Amalgamation efforts were explored in the region several years ago between three summer villages (Crystal Springs, Grandview, and Norris Beach) proposing to form a new “Summer Village of South Pigeon Lake.” A plebiscite vote was held on July 3, 2010 where 47% of total eligible voters voted in favour of amalgamation and 53% voted against amalgamation. Plebiscite voting statistics in Crystal Springs recorded 75 votes in favour (61%) of amalgamation and 47 votes against (39%).

5.9 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 leaders have, or are expected to quickly acquire, great awareness and sensitivity to the physical, environmental, social, cultural and historical attributes of the community. A council, acting collectively can be seen as an enabler of progress by accomplishing strategic objectives that serve local needs and build a vibrant, sustainable community.

The minimum number of council members in Alberta municipalities is three, such as in place in the Summer Village of Crystal Springs. Smaller groups are commonly known for faster decision-making, but in Crystal Springs, the three-member council seemed to lack a critical mass of balancing personalities that improves group dynamics.

Each council member was observed to experience significant frustration at council meetings as deliberations on agenda items regularly degraded to include an abrasive or insincere tone of discussion. Voting on rather routine matters, such as approving meeting minutes, appeared to devolve into a two-against-one mentality, such as the following example from the August 11, 2016 regular council minutes:

<p>D. ADOPTION OF MINUTES OF PREVIOUS COUNCIL MEETINGS</p> <p>1. <u>Regular Council Meeting Minutes of June 23, 2016</u> Res. # 16-183 Moved by Deputy Mayor Bell that the proceeding motion have a recorded vote.</p> <p style="text-align: right;">CARRIED</p> <p>Res. # 16-184 Moved by Councillor Pratt to adopt the Regular Council Meeting Minutes of June 23, 2016 as presented in the agenda package by Administration.</p> <p style="text-align: right;">In Favor: Mayor Churchill, Councillor Pratt Opposed: Deputy Mayor Bell CARRIED</p> <p>Deputy Mayor Bell objected that the minutes did not reflect what she had said, even motions she had made, at the meeting. .</p>
--

5.9.1 Council Relationships

A division on council was evident with Councillor Bell regularly casting a lone dissenting vote on agenda items and frequently requesting recorded votes. Trust among council members was lacking, and the public began to lose confidence in their council's collective ability to govern. One stakeholder commented that they were *"shocked and appalled at the level of disharmony, recriminations, unprofessional conduct, politics and personalities that have invaded the dealings of the council."*

Residents held a particular concern in the council's ability to exercise wise decision-making on major projects related to wastewater and lake health. Public attendance at council meetings increased as residents both in favour and against the local wastewater project wanted to be present to hear the council deliberations. One resident stated that they *"had no idea that the council was having such a tough time working together"* until they attended a council meeting.

Some stakeholders reported that they felt Councillor Bell was being bullied by her fellow council members during meetings. By February 2017, all three council members expressed concern for their wellbeing if they were alone together, such as during an in-camera portion of a meeting.

5.9.2 Decision-Making Processes

Dysfunction disrupted the Crystal Springs council actions to a very unfortunate degree in this beautiful lakeside community. Council members were unable to develop strong decision-making protocols in their governance capacity. Small decisions caused upset and confusion on council, such as declining to offer token support for a local history book initiative.

Other seemingly minor decisions such as council committee appointments and compensation became occasions for heated exchanges that carried on at length at all hours by email outside of council meetings. For example, from Friday, February 10, 2017 after 4:00 p.m. until Sunday evening, February 12, 2017 the inspectors were copied on 15 emails among officials regarding agenda items, expense claims and personal concerns.

Of these emails, Councillor Bell sent eight emails, such as the following:

Sent: February 10, 2017 4:24 PM

Subject: Council meeting Agenda

Good afternoon,

*The Chair of the Recreation Board is out of the Country. Please confirm with me that the Recreation Committee item has been removed from the agenda. With kind regards,
Doris Bell, BComm, MBA, Deputy Mayor, Summer Village of Crystal Springs*

Mayor Churchill sent five emails, such as the following:

Sent: February 12, 2017 2:06 PM

Subject: YOUR E-MAILS DATED FEBRUARY 11, 2017

Good afternoon Doris,

I am answering 4 of your E-mails in one reply to you. ,,,

CAO Sylvia Roy sent two emails, such as the following:

Sent: February 11, 2017 9:40 AM

Subject: Re: Council meeting agenda

As the agenda has been formalized and distributed, there will be opportunity for changes/additions/deletions to the agenda at the council meeting when the agenda is adopted. Thanks all.

When faced with large decisions such as participation in wastewater initiatives, the council second-guessed the advice of engineering and financial experts and paid for duplicate reports. Some residents wanted increased input to limit council decision-making on wastewater projects, such as the August 11, 2016 regular council meeting delegation described below:

B. DELEGATIONS / PRESENTATIONS

1. Mrs. Darlene Bouclin, Crystal Springs Resident

At 10:01 am, Council welcomed Mrs. Darlene Bouclin, Crystal Springs resident. Mrs. Bouclin read a letter that asked that final engineering reports be reviewed by residents before approval by Council, and that Council not make any financial decisions or sign any contracts with respect to the wastewater project.

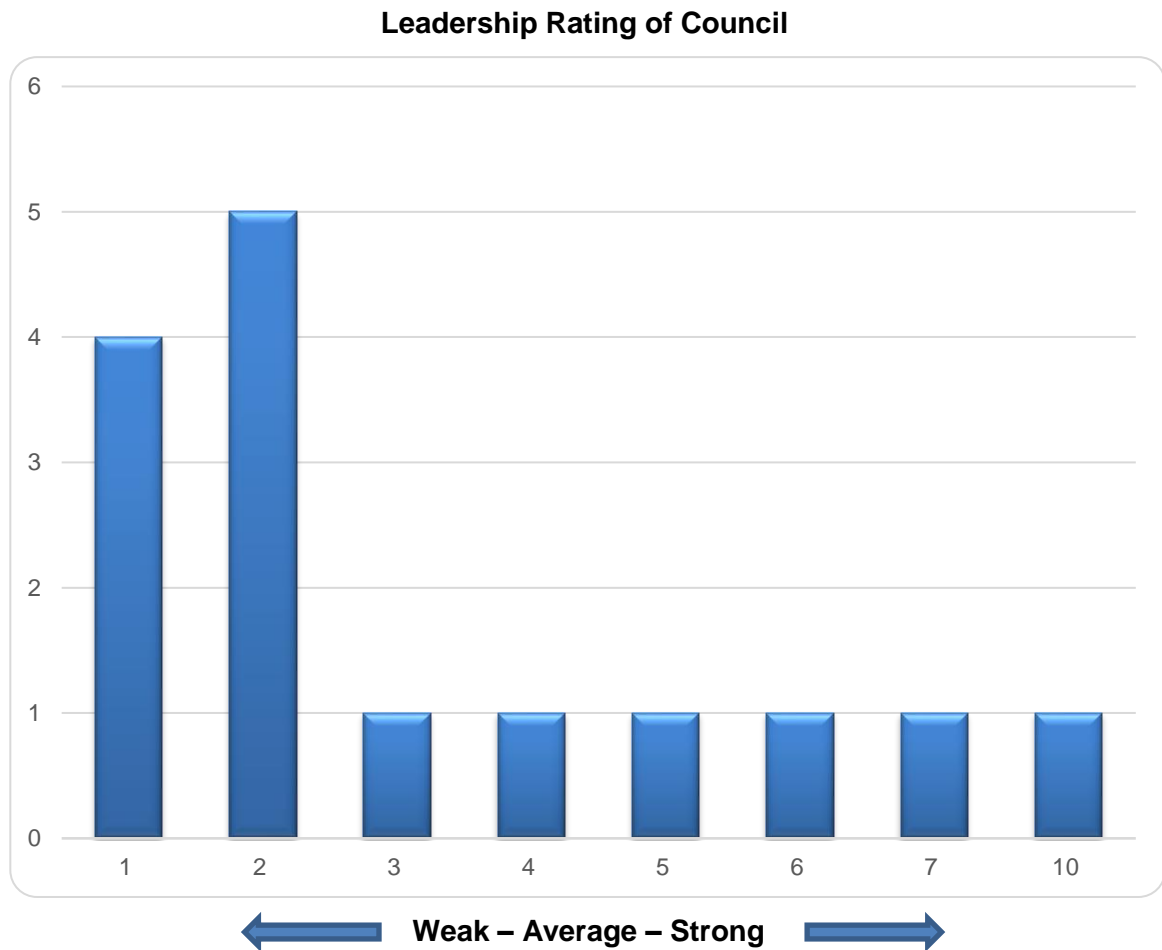
Res. # 16-181

Moved by Councillor Pratt that the delegation letter received from Mrs. Bouclin and Mrs. Kerr be received as information.

CARRIED

5.9.3 Leadership Rating

During the inspection interviews, stakeholders were asked to rate the recent leadership shown by the current Summer Village of Crystal Springs council. The results illustrated in the chart below show that the majority of respondents gave the current council a weak leadership rating:



5.9.4 Community Engagement

Weak leadership and an indecisive, dysfunctional council may have prompted informal leadership groups to surface in the community with the apparent intent of addressing or promoting awareness in local matters. When these local groups spoke out and engaged with the community, it sometimes caused concern among members of council. For example, by email to her fellow council members on December 23, 2016, Councillor Bell suggested that the council take action to request a rebuttal to information provided throughout the community by the Pigeon Lake Renewal Group: “...the renewal group should be asked to immediately publicly

retract this flyer on their website and remove it...” Mayor Churchill responded to Councillor Bell by stating that local groups exercise their freedom of speech: *“Lake Wise Group has written letters with their views several times, we did not ask the Lake Wise Group for retractions in the past. Both groups have the right to say what they want. It’s called “Freedom of Speech.”*

There is a very likely correlation between the generally weak council leadership rating and the formation of local groups attempting to fill an apparent leadership gap. The Pigeon Lake Renewal Group, for example has a ‘Crystal Springs Steering Group’ and promotes local leadership in their 2015 mission statement:

To provide information and leadership in order to develop and promote a lake renewal plan, endorsed and acted upon by governments at the municipal, provincial and national levels, by key stakeholders, by corporations and by communities, then publicized and promoted through mass and social media.

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.

RECOMMENDATION FOR CITIZEN ENGAGEMENT TRAINING: That the Summer Village of Crystal Springs officials receive citizen engagement training to learn how to effectively engage citizens and local interest groups.

5.10 Organizational Meetings

The MGA requires that a summer village council hold an organizational meeting each year not later than August 31, in accordance with s. 192(2) 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.*
- (2) *The council of a summer village must hold an organizational meeting annually not later than August 31.*

The Summer Village of Crystal Springs council held annual organizational meetings prior to August 31, within the timeframe legislated by the MGA. Organizational meetings are expected to

be limited to the following agenda items according to standard practices and guidelines⁹ provided by Alberta Municipal Affairs:

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

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

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

Some improvements could be made to the organizational meetings by reviewing each council committee appointment to ensure appropriateness due to the passage of time. For example, recent organizational meeting minutes refer to a council member appointment as an Environment Chairman, as shown in the following excerpt from the August 20, 2015 organizational meeting minutes:

Summer Village of Crystal Springs Organizational Meeting Minutes – August 20, 2015	
13. Environment: Res. 15-116 Moved by Mayor Pratt that Deputy Mayor Churchill be appointed as Environment Chairman to oversee the portfolios of solid waste and sour gas for the Summer Village of Crystal Springs.	CARRIED
14. Yellowhead Regional Library Res. 15-117 Moved by Deputy Mayor Churchill that Mayor Pratt be appointed as representative for the Summer Village of Crystal Springs for the Yellowhead Regional Library.	CARRIED

Council appointments also include a Public Works Chairman. This type of appointment as well as the Environment Chairman appear unwarranted and may inadvertently lead a council member to perform administrative or operational duties, which is contrary to the MGA.

Council chose to hold a second organizational meeting on December 10, 2014, which was within the council's authority to govern as they see fit. At a special council meeting on December 10, 2014, the council amended the procedural bylaw and passed Res. #14-146 to hold a special organizational meeting, as follows:

⁹ Alberta Municipal Affairs. (2013) Municipal Procedural Bylaw containing standard organizational meeting content accessed from: http://www.municipalaffairs.alberta.ca/documents/ms/Basic_Principles_of_Bylaws_2013.pdf

Res. # 14-146

Moved by Councillor Pratt that the Summer Village of Crystal Springs hold a Special Organizational Meeting at 10:30 am on December 10th, 2014.

**In Favor: Deputy Mayor Churchill, Councillor Pratt
Opposed: Mayor Bell**

CARRIED

The December 10, 2014 organizational meeting dealt with the appointment of mayor and deputy mayor. Councillor Doris Bell was the outgoing mayor and she expressed concern on the change in leadership, as noted in Res. #14-150 from the December 10, 2014 organizational meeting:

Res. # 14-150

Moved by Councillor Churchil that Councillor Pratt be appointed as Mayor.

Councillor Bell stated that she objects to this motion. She stated that it is her conviction that it is not in the community's best interests to change Chief Elected Official at this time. Section 192(2) of the MGA states that "the Council of a Summer Village must hold Organizational Meeting annually not later than August 31st." Holding an Organizational Meeting at that time has served this Summer Village well for 53 years.

Our community is facing significant challenges at this time and a change in leadership at this time of year sends the wrong message to the various bodies we are negotiating with, particularly with regard to the sewer project. The November 10th Special Meeting of this Council demonstrated the complexity of the issues we are facing. This is not the time to bring someone new on board. Councillor Bell urged the other Council Members to reconsider and defeat this motion.

**In Favor: Deputy Mayor Churchill, Councillor Pratt
Opposed: Mayor Bell**

CARRIED

Councillor Bell was apparently distressed about the conclusion of her mayoral appointment as she seemed to feel that she provided the best leadership to serve the community as mayor at that time and to negotiate complex issues such as the sewer project. Prior to the December 10, 2014 organizational meeting, a resident submitted a petition request to the Minister of Municipal Affairs requesting ministerial intervention to prevent the imminent "unseating" of Councillor Bell as mayor.

As referenced previously, the mayor is the first among equals on a municipal council and serves at the pleasure of the majority of the summer village council. When Crystal Springs council initiated a change in its mayoral appointment the outgoing mayor demonstrated great resistance rather than accepting the change with grace. The December 2014 change in mayoral appointment seemed to trigger further council dysfunction by creating an apparent enmity between Councillor Bell and her fellow council members.

5.11 Council Conduct and Meeting Decorum

Municipal councils are expected to display formality and respect in interactions during public meetings. Crystal Springs council members are guided by a meeting procedural bylaw *“governing its proceedings and the conduct of its members.”*

Inspection team members attended the following regular council meetings and observed the current political dynamic on Crystal Springs council:

- September 28, 2016
- November 24, 2016
- February 1, 2017
- February 15, 2017

Dysfunction was evident at meetings as the council lacked the political capacity to work together respectfully. It was apparent that each council member held strong positions and good intent, however, collectively they were unable to demonstrate professional conduct throughout the meeting process.

Many stakeholders expressed concern over council’s dysfunctional relationship and one ratepayer described the meeting process as: *“Councillor Bell throws down grenades and Councillor Pratt bites into them, while Mayor Churchill tries to keep the peace.”* When questioned during interviews, Councillor Pratt stated that sometimes Councillor Bell ‘pushes his buttons’. Councillor Bell stated that she has noticed that there is something provoking Councillor Pratt, and that she has never made a deliberate attempt to provoke him. Mayor Churchill stated that he is conciliatory; allows broad discussion; tries to keep the peace when chairing meetings; and that Councillor Pratt is quick to defend staff from Councillor Bell’s (alleged) attacks.

Another stakeholder commented that *“Councillors were rude and confrontational to one another, and at times to the public in attendance as well.”* Examples were noted in past meeting recordings of Councillor Bell criticizing Councillor Pratt by saying that if he had trouble constructing a motion, *“how do you expect to be mayor!?”* and Councillor Pratt’s reply that he *“didn’t sign up for this s--t!”*

Crystal Springs council meeting decorum could be improved by applying greater formality during council meetings. Council members were observed to regularly address each other by first names during meetings, and to address each other and the gallery directly without always

channelling discussions through the meeting chair. Some efforts were made for formality during the meeting process, but it could be improved to become a normalized process.

The following general comments were noted by the inspection team while observing council meetings:

- Meetings were well attended by the public; council chambers contained limited seating.
- Agendas were not available to the public at the meeting, although they could be acquired upon request.
- Some confusion occurred after the start of a meeting when it was discovered that the mayor had an “old” agenda, rather than the revised version that other council members had. At the February 15, 2017 regular council meeting, some confusion occurred during financial reports discussion since Councillor Bell had a different report than the other two councillors. She clarified that she had transposed the numbers to a new document.

It is important that all council members review the same information during council deliberations.

- Agenda approval occurred after delegations were heard and was not the first item of business. This occurred at other meetings, such as the April 27, 2016 regular council meeting where the approval of the agenda was on page four of the minutes.

Approval of the agenda should be the first point of business at a meeting.

- Council heard delegations respectfully.
- Staff reports to council were not provided on all agenda items. Where they were provided, the report was in the form of a “Memorandum” rather than a formal request for decision (RFD) format.
- Council members were seated at an oval boardroom table, with Mayor Churchill and Councillor Pratt on one side and Councillor Bell separated across the table with her back to the majority of the gallery. Mayor Churchill informed the inspectors of past efforts requesting that Councillor Bell face the gallery, along with her council colleagues during meetings. Councillor Bell indicated that she prefers to face her council colleagues.

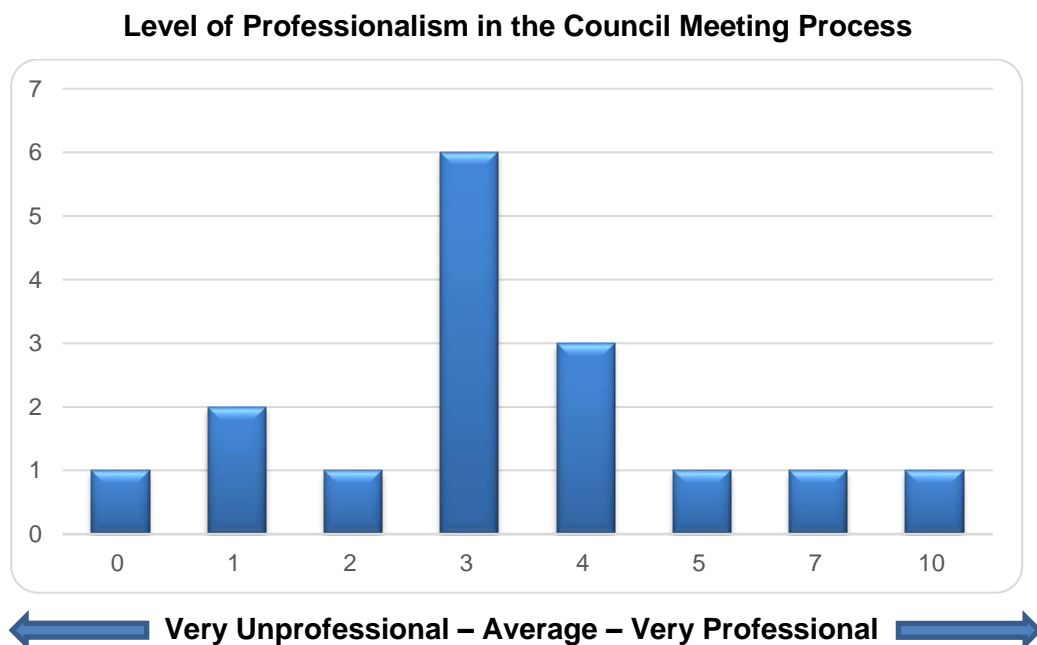
A more appropriate seating arrangement should be in place to ensure that no member of council inadvertently shows disrespect during meetings by facing away from members of the public in the gallery.

- During discussion on approving meeting minutes, the Mayor requested clarification from a member in the gallery, leading to a brief debate between the public member in the gallery, Mayor Churchill and Councillor Bell. Improper gallery participation in council debate seemed to be an established practice.
- Meetings lacked formality. Mayor Churchill and Councillor Pratt often used first names in addressing fellow council members and staff. Councillor Bell regularly referred to fellow councillors as “Sir” rather than “Your Worship” or “Mr. Mayor” and “Councillor Pratt” and

mostly referred to staff members as “Ms. Roy” and “Mrs. Coleman.” Councillors directed comments directly to subordinate staff without channelling discussions through the meeting chair, such as Councillor Bell addressing the CFO: *“When do we get more information, Gail?”*

- As meeting chair, Mayor Churchill conducted himself with respect to fellow council members, staff, delegations, and the public. The mayor struggled with meeting chairmanship at times by allowing excessive debate on minor issues. At times Councillor Bell did not defer to Mayor Churchill during his attempts to maintain order during deliberations.
- Council seemed to be bogged down on minor details such as debating the wording of council meeting minutes at length, rather than remaining focused on providing strategic direction.
- The CAO acted as recording secretary during the meeting; provided guidance to council when asked; and interjected to seek clarification when needed.
- The Chief Financial Officer (CFO) spoke with confidence and displayed subject matter knowledge when updating council on capital projects and a proposed utility rate model.
- Both the CAO and CFO were subjected to disrespectful treatment by Councillor Bell who publicly made unfounded public statements implying that these staff had poor performance.

Throughout the inspection process, stakeholders who had attended council meetings in the past two years were asked to rate the level of professionalism observed in the council meeting process. Most respondents indicated that the council meeting process was not professional and gave the level of professionalism in the council meeting process a score of four out of ten or lower, as shown in the following chart:



5.11.1 Council Meeting Minutes

The inspection found that council meeting minutes were properly stored and were presented to council for approval in accordance with MGA s. 208(1)(c) 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;

Crystal Springs council demonstrated an irregular matter in the way that they constructed resolutions during council meetings. Council resolutions need to be comprehensive and should start with “Moved by.... and end with “Carried” or “Defeated”. Many Crystal Springs council resolutions were found to contain verbose content and were not presented as a direct succinct statement of council action. As an example, Res. #16-171 from the June 23, 2016 council meeting contains excessive content and comments before reaching the apparent intent of the resolution: “to discuss contributions for the Norris Beach road with the Norris Beach council” as shown below:

Summer Village of Crystal Springs
June 23, 2016 Council Meeting Minutes

11. Intermunicipal Development Plan – Range Road 11 / Traffic Counters
Mayor Churchill indicated that the Crystal Springs Council is not pleased with the current funding formula for Range Road 11 (Norris Beach Road). Mayor Churchill suggested traffic counters for determining an accurate level of traffic.

Res. # 16-171
Moved by Deputy Mayor Bell that as in the course of discussions with AUMA, it was revealed there were other villages or SV's did not pay the larger Municipal Districts or Counties that surrounded them, but rather the Counties paid them:

Because they are smaller,
Because the Municipal Districts and Counties have the benefit of a larger share of linear assessment (in particular villages and summer villages are provided capital funding to keep up their roads, recreational facilities, etc,
As surrounding county residents are able to benefit from Summer Village residents who frequent business establishments located in the County, which impose taxes upon such businesses, which are then built into prices paid by Summer Village residents, effectively a tax upon them,
Some county residents benefit from direct lake access via boat launches, day parks, and reserves of Crystal Springs, and
As financial and statistical information available for 2014 on the ma website shows that the County of Wetaskiwin's financial indicators demonstrate they rant at the “average” in the province (not at all a poor county near the bottom) and therefore have more than sufficient financial resources to meet obligations and responsibilities to smaller neighboring municipalities,

And as this amount to the County is taxing Crystal Springs residents and all Summer Village residents, when in fact they should be providing subsidation for our roads and other services in our smaller communities,

I move that further discussions regarding contributions of Crystal Springs ratepayers' dollars to the Norris Beach road will be discussed with Norris Beach Council.

CARRIED

The irregular manner of drafting council resolutions led to frustration and lengthy discussions about meeting minute amendments. Councillor Bell often expressed concern that resolutions she made were misstated in the approved minutes. Numerous amendments to the minutes were discussed and often approved at each meeting, usually requested by Councillor Bell. An example is shown below from the September 28, 2016 regular council meeting minutes:

Summer Village of Crystal Springs September 28, 2016 Council Meeting Minutes	
D. ADOPTION OF MINUTES OF PREVIOUS COUNCIL MEETINGS	
1. <u>Regular Council Meeting Minutes of August 11, 2016</u> Council reviewed revisions to the Regular Council Meeting Minutes of August 11, 2016 as suggested by Deputy Mayor Bell.	
Res. # 16-207 Moved by Deputy Mayor Bell that the proceeding motion have a recorded vote.	CARRIED
Res. # 16-208 Moved by Councillor Pratt to adopt the Regular Council Meeting Minutes of August 11, 2016 as amended.	
	In Favor: Mayor Churchill, Councillor Pratt Opposed: Deputy Mayor Bell CARRIED
Deputy Mayor Bell stated that she disagrees with the approval of the Regular Council Meeting Minutes of August 11, 2016 as she does not believe that they reflect what was said.	

An irregular matter was observed where council members requested that notes and comments be added to the minutes, which is contrary to the MGA. For example, at the February 1, 2017 regular council meeting, Councillor Bell requested a December 31, 2016 financial report and wanted a note to be included in the minutes that the financial report was not provided.

It is improper for a council member to request that administration comply with the request of a councillor when it causes the CAO to detract from performing their duties in compliance with legislation, such as the CAO duty to ensure that *“all minutes of council meetings are recorded in the English language, without note or comment”* according to the MGA, s. 208(1)(a).

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 promotes clarity for council voting and for administration in recording the minutes. At a minimum, to ensure resolution clarity, council resolutions could be displayed during the council meeting discussion in either electronic or hard copy, or recited to council in full before voting on the resolution.

Administration can greatly assist council by drafting proposed resolutions for each council agenda item, within a request for decision format. A lack of resolution clarity in Crystal Springs led to council repeatedly voting on somewhat hap-hazard resolutions 'on the fly' during council meetings. Greater diligence and prior preparation is needed by administration and council to facilitate the drafting of council resolutions.

RECOMMENDATION FOR RESOLUTION CLARITY: That Crystal Springs council ensure that council resolutions are comprehensive, concise, and appropriately worded so that council actions are clear to the general public and future councils; that exact resolution wording is agreed to by all of council prior to the vote; and that wherever possible, administration prepare draft resolutions in advance for council's consideration.

Council meeting minutes and agendas were not always provided to the public in a timely manner. It is a citizen expectation and best practice that council meeting agendas will be provided in advance of meetings, and 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. Since most ratepayers are non-permanent residents, it is important that council meeting agenda packages with supporting documents and minutes be available in electronic format through the municipal website.

RECOMMENDATION FOR ONLINE AGENDAS AND MINUTES: That Crystal Springs council amend the procedural bylaw to ensure that council meeting agendas and minutes are made available to the public in a timely fashion through the municipal website.

5.11.2 Council Acting by Bylaw or Resolution

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

Methods in which council may act

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

Requirements for valid bylaw or resolution

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

Crystal Springs council occasionally acted in an irregular manner outside of council meetings by engaging in council discussions and debate prior to council meetings. Stakeholders shared stories of past practices where all members of the current council met prior to the council meeting to discuss matters informally, sometimes with a sense of collegiality and a bottle of wine. The inspectors were advised that these 'pre-meeting' meetings no longer occur.

Discussing council agenda items informally, prior to council meetings, in the absence of the public is an irregular matter. The primacy of the council needs to be respected where council discussion and debate is reserved for official council meetings where the public has a right to be present in accordance with legislative requirements for the decision-making process.

The inspectors observed council members interacting by email in an effort to take action and/or direct administration outside of council meetings. For example, in a lengthy email from Councillor Bell to her fellow council members on December 23, 2016, she states:

"...I recommend that that Administration put the following note on the website immediately..."

Email is an improper forum for council debate. Some interaction by email is expected, for example, to request that a special council meeting be held to discuss a matter. Council discussion and debate needs to take place within a formal council meeting setting where the public may be present.

On another occasion, council approved the preparation of a Canada 150 grant application outside of a council meeting. The November 24, 2016 regular council meeting minutes contain a comment that administration will be provided with the application if successful:

16. Canada Celebration Grant

Deputy Mayor Bell advised that with the approval of the other two Council Members a grant application has been prepared by the Recreation Board for the Summer Village to celebrate Canada's 150th Birthday has been submitted which will be provided to Administration if successful.

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

5.11.3 Recording of Votes During Meetings

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.

Crystal Springs council used recorded votes quite frequently, typically at every council meeting and most often requested by Councillor Bell. Excessive requests for recorded votes are unusual for a typical council. 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. In Crystal Springs, recorded votes were used frequently and often in routine matters, such as approving meeting minutes.

Crystal Springs council followed an improper process in recording of votes where a council resolution was recorded for the purpose of requesting a recorded vote. An example is shown below in Res. #16-222 from the September 28, 2016 regular council meeting:

<p>3. Resident Email – Tax Penalty Res. # 16-222 Moved by Deputy Mayor Bell that the proceeding motion have a recorded vote.</p>	<p>CARRIED</p>
<p>Res. # 16-223 Moved by Deputy Mayor Bell that the Summer Village of Crystal Springs waive the tax penalty for Crystal Springs Roll #212.</p>	<p>In Favour: Mayor Churchill, Deputy Mayor Bell Opposed: Councillor Pratt CARRIED</p>

A request for a recorded vote does not require a vote of the council members, but rather, the minutes should simply state that a request was made prior to voting. For example, a hypothetical resolution may look like this:

*Moved by Councillor X that the municipality approve the ABC agreement as presented.
Councillor Y requested a recorded vote.*

CARRIED
For: Councillor X, Councillor Z
Against: Councillor Y

It appears that council did not always vote on the request for recorded votes, as reflected in meeting minutes. For example, at the September 28, 2016 regular council meeting, council members were observed to request recorded votes, but voting did not actually occur on the request for a recorded vote. It is unclear why votes were recorded in the minutes, such as Res. #16-222 above, when no vote occurred.

RECOMMENDATION FOR RECORDING OF VOTES: That Crystal Springs council refrain from passing resolutions to request recorded votes; and that votes are recorded “for” and “against” in accordance with the MGA s. 185.

5.11.4 Requirement to Vote and Abstentions

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

Requirement to vote and abstentions

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

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

Council meeting minutes show that council members generally followed proper processes for voting or abstaining on matters, in accordance with the MGA. Abstentions were rare, and Mayor Churchill appeared to be overly cautious in abstaining from voting on occasion. For example, at the February 1, 2017 regular council meeting, Mayor Churchill abstained from voting on the purchase of FireSmart books, as follows:

Mayor Churchill indicated that a Firesmart seminar is being held in Whitecourt, Alberta. While Mayor Churchill has chosen not to attend the seminar, he is interested in submitting a grant application for \$500 for Firesmart books for residential properties.

Res. # 17-03

Moved by Councillor Pratt that the Summer Village of Crystal Springs submit a grant application for \$500 for the purchase of Firesmart books for residential properties.

CARRIED

Mayor Churchill abstained from voting in order to avoid any potential conflict of interest with his role as Deputy Chief of the South Pigeon Lake Fire Department.

If a council member does have a pecuniary interest (see section 5.11.5 below) requiring an abstention from voting, it is necessary that they state reasons and leave the room prior to discussion and voting. In the FireSmart book purchase, it does not appear that the mayor had a pecuniary interest that would require him to abstain from voting on Res. # 17-03. A pecuniary interest would be present if the mayor, or his employer owned the material being purchased; or if the item would offer a greater benefit to the mayor's property than the rest of the community. These specific circumstances were unlikely as the mayor did not own the FireSmart books and there would likely be a broad community benefit intended, not specific to the mayor's property.

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

5.11.5 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.

Council members are also citizens, with respective rights to conduct business with the municipality. Alberta's local government system emphasizes transparency and the MGA gives clear directions to council members so they can conduct themselves properly when they encounter pecuniary interest situations, as follows:

Disclosure of pecuniary interest

- 172(1) When a councillor has a pecuniary interest in a matter before the council, a council committee or any other body to which the councillor is appointed as a representative of the council, the councillor must, if present,
- (a) **disclose the general nature** of the pecuniary interest prior to any discussion of the matter,
 - (b) **abstain from voting** on any question relating to the matter,
 - (c) subject to subsection (3), **abstain from any discussion** of the matter, and
 - (d) subject to subsections (2) and (3), **leave the room** in which the meeting is being held until discussion and voting on the matter are concluded.
- (2) If the matter with respect to which the councillor has a pecuniary interest is the payment of an account for which funds have previously been committed, it is not necessary for the councillor to leave the room.
- (3) If the matter with respect to which the councillor has a pecuniary interest is a question on which, under this Act or another enactment, the councillor as a taxpayer, an elector or an owner has a right to be heard by the council,
- (a) it is not necessary for the councillor to leave the room, and
 - (b) the councillor may exercise a right to be heard in the same manner as a person who is not a councillor.
- (4) If a councillor is temporarily absent from a meeting when a matter in which the councillor has a pecuniary interest arises, the councillor must immediately on returning to the meeting, or as soon as the councillor becomes aware that the matter has been considered, disclose the general nature of the councillor's interest in the matter.
- (5) The abstention of a councillor under subsection (1) and the disclosure of a councillor's interest under subsection (1) or (4) must be recorded in the minutes of the meeting.
- (6) If a councillor has disclosed a pecuniary interest at a council committee meeting and council considers a report of the committee in respect of which the councillor disclosed a pecuniary interest, the councillor must disclose the pecuniary interest at the council meeting and subsection (1) applies to the councillor.

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

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

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

It is appropriate for council members to seek legal counsel prior to voting or abstaining from voting on matters if they are unclear on a potential pecuniary interest matter. Legal counsel can consider the situation and advise a council member whether or not they have a pecuniary interest, or if they are required to vote on an agenda item.

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

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

5.11.6 In Camera Portions of Meetings

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

Public presence at meetings

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

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

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

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

The inspection found that Crystal Springs council closed portions of council meetings to the public without always stating clear reasons to go in camera. For example, at the January 21, 2014 regular council meeting council passed resolutions to go in camera and come out of in camera, but gives the reader no reason to exclude public presence, as shown in the excerpt below:

J. IN CAMERA	
Res. #14-08 Moved by Mayor Bell to go In Camera at 10:54 am.	CARRIED
The CAO departed from Council Chambers at 11:12 am.	
The CAO returned to Council Chambers at 11:53 am.	
Res. #14-09 Moved by Deputy Mayor Churchill to come out of In Camera at 11:53 am.	CARRIED
K. ADJOURNMENT	

The above example does properly record individuals that left or joined the in camera discussion. As a best practice, the nature of council's in camera items should be stated in the minutes.

5.11.7 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.

Keeping matters in confidence was identified as a concern among stakeholders where certain members of the public seemed to have access to privileged information. The inspectors did not substantiate this assertion. Regardless, 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;

Additionally, at the February 15, 2017 regular council meeting, council members were observed to speak openly, in public about various CAO recruitment possibilities giving names and detailed content of conversations. This public discussion contained confidential information which should have been discussed in camera. Council needs to ensure that confidential matters are discussed in a closed meeting and remain private until a proper time.

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

5.11.8 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:

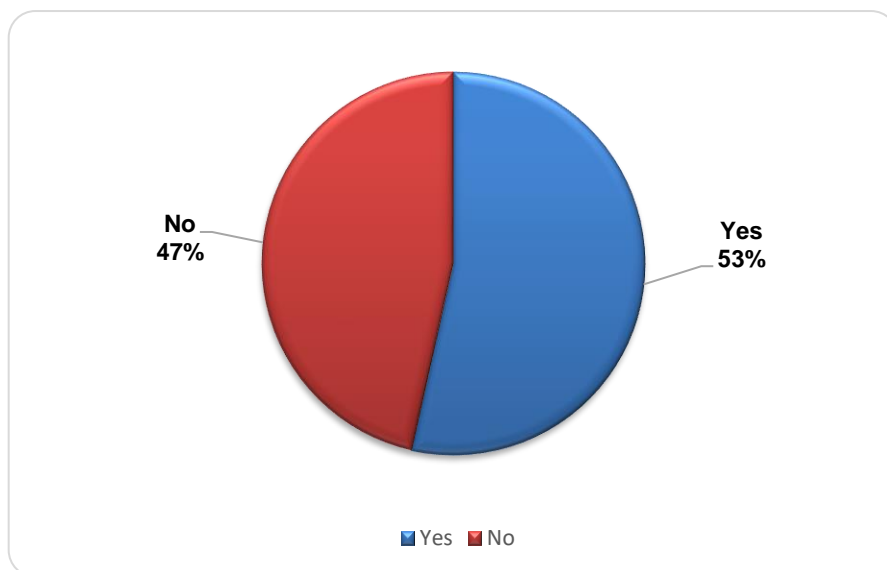
Right of public to be present

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 limited gallery seating, mostly along one wall. Crystal Springs residents had a heightened level of interest in council meetings recently, with a particular interest in the local wastewater initiative. Members of the public provided the inspectors with audio recordings and transcripts that they had made of various council meetings.

Just over half of survey respondents indicated that they had attended Crystal Springs council meetings in the past three years, as shown in the chart below:

Attended a Council Meeting in the Past Three Years



Inspectors observed and were made aware of inconsistent public participation processes which led to confusion and frustration at times where members of the public attempted to actively participate during council meetings. Sometimes council disregarded their own procedures and

invited or allowed participation from the gallery. For example, on January 13, 2016, comments from a member in the gallery were recorded in the minutes:

Mr. Bouclin, a visitor in the public gallery, asked what the difference in assessment would be if the Summer Village had a sewer. Mr. Clark indicated that it would depend on how the market would view those characteristics. Several things such as land, location, size, year, dwelling, etc are major elements when purchasing a property. The market measures what people perceive the value to be. To isolate a single variable would be difficult.

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.

Citizens need to follow proper processes of speaking to council as a formal delegation if they have something official to communicate during a council meeting. The meeting chair needs to ensure that proper meeting decorum is followed for citizen participation as delegations to council during meetings, and not as random gallery participation.

The right of the public to be present during council meetings is not intended to mean that the public can actively engage in council meeting discussions. Local government follows a system of *representative democracy* where candidates are elected to represent the citizenry. This is different from *participative democracy*, or direct democracy, where all citizens are actively involved in all important decisions.¹⁰ To be clear, local government in Alberta follows a system of representative democracy where citizens elect council members to represent them in making decisions.¹¹

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

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.

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

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

5.11.9 Council Meeting Dates, Times and Locations

The inspection found that council meetings were held in council chambers on 'irregularly' scheduled dates and times. Regular council meeting dates, times and locations are set by council as provided in the MGA:

Regular council meetings

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

Rather than having meeting dates in place for an upcoming year, council meeting dates for the subsequent council meeting were confirmed at the end of each council meeting. The current practice in place in Crystal Springs did not contemplate a regular meeting schedule which may cause difficulty for members of the public to plan to attend council meetings when there is uncertainty in the meeting schedule. Based on the consistent turnout at council meetings, the current scheduling system and meeting advertising seems to be working for the community.

Crystal Springs officials properly complied with legislative requirements to provide notice of changes in meeting dates by posting changes on the website and placing notices on the municipal office door. For example, the November 23, 2016 regular council meeting was rescheduled on short notice and this change of meeting date was provided to the public on the municipal website.

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

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

Crystal Springs council generally complied with legislation to provide notice of special meetings, or to agree in writing to waive notice. For example, the November 10, 2014 special council meeting notice and agenda was advertised in advance with the agenda available on the town website a few days prior to the special meeting. During the 10:00 a.m. December 10, 2014 meeting council passed Res. #14-146 to hold a special organizational meeting on the same day at 10:30 a.m. on December 10, 2014 as shown in the following meeting minutes excerpt:

Summer Village of Crystal Springs
December 10, 2014 Council Meeting Minutes

Mayor Bell stated that according to the MGA, the first duty of Council member is "to consider the welfare and interests of the municipality as a whole and bring to Council's attention anything that would promote the welfare and interests of the municipality as a whole. So it is my duty to bring Council's attention my conviction that this amendment does not provide for good governance. It allows for the disruption of leadership of our community because that leadership can be changed at random. It is important that you understand there are long term implications to the decision we are making today. For the sake of our community, I urge you to reconsider and defeat this motion.

In Favor: Deputy Mayor Churchill, Councillor Pratt
Opposed: Mayor Bell
CARRIED

F. COUNCIL & CAO REPORTS
None.

G. DISCUSSION ITEMS

1. Special Organizational Council Meeting

Res. # 14-145

Moved by Mayor Bell that the proceeding motion be given a recorded vote.

CARRIED

Res. # 14-146

Moved by Councillor Pratt that the Summer Village of Crystal Springs hold a Special Organizational Meeting at 10:30 am on December 10th 2014.

In Favor: Deputy Mayor Churchill, Councillor Pratt
Opposed: Mayor Bell

CARRIED

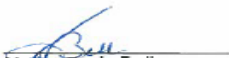




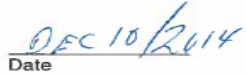
The council waived the minimum 24-hour notice of a special meeting for the special organizational meeting to be held at 10:30 a.m., as follows:

Notice of Special Council Meeting of the Summer Village of Crystal Springs

December 10, 2014 at 10:30 am in the Summer Villages Office at 605 – 2nd Avenue, Ma-Me-O Beach, Alberta



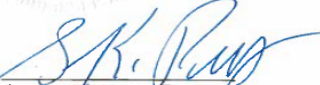
As per Section 194(4) of the *Municipal Government Act*, we, the undersigned, agree to hold a Special Council Meeting for the Summer Village of Crystal Springs on December 10, 2014 at 10:30 am at the Summer Villages Office in Ma-Me-O Beach, Alberta for the purpose of addressing the following:

1. SPECIAL ORGANIZATIONAL MEETING

 Mayor Doris Bell	 Date
 Deputy Mayor Grant Churchill	 Date
 Councillor Kevin Pratt	 Date

Compliance with meeting notice provisions was not always clear, such as the notice given for council to hold a special council meeting on November 10, 2014. The notice of the meeting was signed by all council members on November 26, 2014, several days after the meeting. Two

residents provided affidavits to the inspectors alleging that they witnessed council members speaking together during meeting breaks or after these meetings, and they felt concerned that “back room” meetings excluded Councillor Bell. The MGA s. 194(4) requires agreement of at least 2/3 of the whole council...in writing before the beginning of the meeting, not after the fact. The intent of signing to waive the public notice provisions implies that a council would agree to waiving the notice to the public *prior to* holding the meeting.

Notice of Special Council Meeting of the Summer Village of Crystal Springs	
November 10, 2014 at 10:00 am in the Summer Villages Office at 605 – 2 nd Avenue, Ma-Me-O Beach, Alberta	
As per Section 194(4) of the <i>Municipal Government Act</i> , we, the undersigned, agree to hold a Special Council Meeting for the Summer Village of Crystal Springs on November 10, 2014 at 10:00 am at the Summer Villages Office in Ma-Me-O Beach, Alberta for the purpose of addressing the following:	
1. Pigeon Lake Regional Wastewater Committee/ NEPL	
 _____ Mayor Doris Bell	<u>November 26, 2014</u> Date
 _____ Deputy Mayor Grant Churchill	<u>November 26, 2014</u> Date
 _____ Councillor Kevin Pratt	<u>Nov 26/2014</u> Date

RECOMMENDATION FOR NOTICE OF PUBLIC MEETINGS: That council provide notice of meetings or waive the requirement to provide notice *prior to* holding council or committee meetings, in accordance with the MGA s. 194.

RECOMMENDATION FOR REGULAR MEETING DATES: That council establish regular council meeting dates to improve communication for public meeting schedules.

5.12 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 MGA provides a council with the authority to consolidate bylaws, *by bylaw*, using the following process:

Consolidation of bylaws

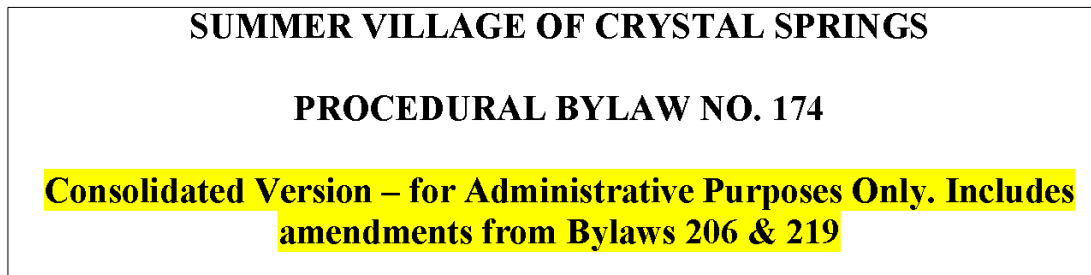
69(1) *A council may by bylaw authorize a designated officer to consolidate one or more of the bylaws of the municipality.*

(2) *In consolidating a bylaw, the designated officer must (a) incorporate all amendments to it into one bylaw, and (b) omit any provision that has been repealed or that has expired*

(3) *A printed document purporting (a) to be a copy of a bylaw consolidated under this section, and (b) to be printed under the authority of a designated officer, is proof, in the absence of evidence to the contrary, of the original bylaw, of all bylaws amending it, and of the fact of the passage of the original and all amending bylaws.*

The inspection included a review of municipal bylaws and found that not all bylaws were properly consolidated to incorporate amendments. Some bylaws were consolidated for administrative purposes in the absence of delegated authority referenced in the MGA s. 69, above.

As an example, several versions and amendments of the procedural bylaw were found. Records show that a consolidated version of the procedural bylaw was used for 'administrative purposes' as follows:



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

Bylaw numbering could be improved to recognize the year that the bylaw was passed as well as the sequential bylaw number, such as 2017-250, followed by 2017-251, etc.

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 municipality was in the process of completing a bylaw review project while the municipal inspection was underway. Local leaders deserve to be commended for this initiative. These services were being provided by an external contractor who was able to provide expertise and dedicated resources to complete the project. Council made progress on the bylaw review project at the September 28, 2016 regular council meeting by giving first and second reading to Bylaw #225 to repeal obsolete bylaws as shown below. Bylaw #225 received third reading and was passed on November 24, 2016:

E. READING OF BYLAWS & POLICIES	
1. <u>Bylaw #225, Repeal Certain Obsolete and Superceded Bylaws</u>	
Deputy Mayor Bell requested that Bylaw #59 – Recreation Board be removed from the list of bylaws to be repealed.	
<u>Res. # 16-209</u>	
Moved by Councillor Pratt to give First Reading to Bylaw #225, Repeal Certain Obsolete and Superceded Bylaws, as amended.	
	CARRIED
<u>Res. # 16-210</u>	
Moved by Deputy Mayor Bell that the proceeding motion have a recorded vote.	
	CARRIED
<u>Res. # 16-211</u>	
Moved by Councillor Pratt to give Second Reading to Bylaw #225, Repeal Certain Obsolete and Superceded Bylaws, as amended.	
	In Favor: Mayor Churchill, Councillor Pratt
	Opposed: Deputy Mayor Bell
	CARRIED

The annual property tax bylaw wording could be improved. The municipality referred to this bylaw as a “rates of taxation bylaw” which is close, but not exactly consistent with the *property tax bylaw* wording in the MGA s. 353(1), as follows:

Property tax bylaw

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

The intention of the council is understood; however, local actions and bylaw wording need to remain consistent with the MGA. To avoid any confusion, the annual property tax bylaw should be titled more appropriately as: Property Tax Bylaw No. 2017-2XX, for example.

Recent property tax bylaws also contain a clause to *repeal* the previous year’s rates of taxation bylaw. This clause should be removed in preparing future property tax bylaws. Tax rates are levied and apply for each year with an annual property tax bylaw. Suddenly repealing the previous year’s bylaw may have implications to prior year tax notices that were sent under the authority of prior year property tax bylaws.

RECOMMENDATION FOR BYLAWS: That the Summer Village of Crystal Springs council pass and repeal bylaws using wording that is consistent with the MGA; and that the municipality ensure that prior year property tax bylaws are not inadvertently repealed.

5.13 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, such as the following:

- 01-2002 Council Honorariums & Meeting Fees Revised
- 09-2007 Tangible Capital Assets
- 13-2011 Code of Ethics and Conduct

Crystal Springs recently contracted services to complete a policy review which was underway at the time of the inspection. A review of policies is important and needed for this community. A best practice in policy change process includes rescinding an outdated policy and creating a new policy each time a policy change occurs.

Crystal Springs had a practice of amending policies rather than creating new, updated ones. While this method does show council's intent, it is cumbersome and is not a best practice since it increases the risk of confusion and omissions. For example, Council Member Honorariums & Meeting Fees Policy #01-2002, was originally approved in 2002 and has been amended six times using the same policy number and reference to the 2002 year, as shown below:

SUMMER VILLAGE OF CRYSTAL SPRINGS <u>POLICY # 01-2002</u>
SUBJECT: COUNCIL MEMBER HONORARIUMS & MEETING FEES
DEPARTMENT: COUNCIL
ADOPTED & APPROVED BY COUNCIL: August 23, 2002
AMMENDMENT DATE: September 26, 2008, January 22, 2009, December 8, 2010; October 27, 2012, March 9, 2016, Sept 28, 2016
AMMENDMENT RESOLUTION #: 08-131, 09-05, 10-130, 12-128, 16-56, 16-212

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.

Crystal Springs also has an unclear Minimum Tax Payable Policy #14-2012 which reads more like an administrative procedure in how to calculate the minimum tax. The policy contains the following purpose that indicates “to set a minimum tax payable...”

PURPOSE:

To set a minimum tax payable on taxable properties (excluding linear properties) that provides an equitable distribution of the cost of municipal services to residential and commercial properties within the municipality.

Tax rates must be set by bylaw and not by a policy. The minimum tax payable is also referenced on the municipality’s annual property tax bylaw, which makes the policy reference appear redundant. It is appropriate for administration to develop a related administrative procedure to ensure consistency in processing the minimum tax, and that bylaws are used to set tax rates.

RECOMMENDATION FOR POLICY REVIEW: That the Summer Village of Crystal Springs council ensure that current policies incorporate best practices when amending and creating new policies; and that the minimum tax payable policy be reviewed to ensure consistency with the MGA.

5.14 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.*

Crystal Springs council participates in various internal, external, and intermunicipal committees. Council committee involvement had a strong regional and environmental focus. The following list of committees was identified as approved board and committee meeting appointments as per policy #01-2002:

SUMMER VILLAGE OF CRYSTAL SPRINGS POLICY # 01-2002	
SCHEDULE A – Board and Committee Meetings with Prior Approval	
Board or Committee	Maximum # Approved Meetings
Alliance of Pigeon Lake Municipalities APLM In Lake Technical Committee PLWMP	6
Capital Region Assessment Services CRASC	1
Emergency Services (Fire Fighting, Policing, Regional Emergency Management)	4
Family and Community Support Services FCSS	1
Inter Municipal Development Plan IDP	2
Joint Services Committee JSC	6
Pigeon Lake Regional Wastewater Committee PLRWWC	12
Pigeon Lake Summer Village Strategic Alliance PLSVSA	1
Pigeon Lake Watershed Association PLWA	1
Public Works Committee	1
Recreation Society	1
South Side Pigeon Lake Wastewater Committee SSWWC	12
Yellowhead Regional Library	1

As noted previously, council members had been appointed to serve as Public Works Chairman and Environment Chairman, where no corresponding committee was present. The reasons for these appointments are unclear and no formal terms of reference were provided for the roles. 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.

An irregular matter was identified where not all council committees were established by bylaw. For example, the Joint Services Committee did not have a related bylaw authorizing the establishment of the committee and participation of council as required by the MGA, s. 145-146. A related 2012 'Joint Administration and Facilities Agreement' was in place, but no related bylaw for the Joint Services Committee was provided. Formal agreements are important to specify terms, service levels and shared contributions, however, a bylaw is also needed to formally establish council committees in accordance with the MGA, s. 145. Similarly, it appeared that council had not passed a bylaw for participation on the FCSS Board.

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

Council deliberations in February 2017 showed initiative to increase accountability of publicly sponsored events, such as the local 'Boat Rally' which was reported to have grown to become a notable local success. Boat Rally event organizers apparently managed a related bank account, where the event was connected to the local recreation board. Council has a fiduciary duty to ensure accountability of public funds managed by or acquired through committee functions.

RECOMMENDATION FOR COUNCIL COMMITTEES: That the Summer Village of Crystal Springs 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; and that council ensures accountability of public funds entrusted to local boards and committees.

5.15 Council Remuneration

Crystal Springs council members were compensated for meeting honorariums and expenses associated with meeting attendance according to the Council Member Honorariums and Meeting Fees Policy #01-2002 and the Travel and Subsistence Allowance Policy #02-2002.

Recent council remuneration is summarized in the following excerpt shown in the 2014 and 2015 salary and benefits disclosure from the 2015 audited financial statements:

10. 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:				
	Salary (1)	Benefits & allowances (2)	2015 Total	2014 Total
D. Bell - Councilor	\$ 8,850	\$ -	\$ 8,850	\$ 11,125
K. Pratt - Councilor	3,150	-	3,150	4,550
G. Churchill - Councilor	3,450	-	3,450	4,650
Chief Administrative Officer	13,189	2,729	15,918	15,281
Assistant Administrative Officers	14,546	924	15,470	25,951
	\$ 43,185	\$ 3,653	\$ 46,838	\$ 61,557

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration. The Chief and Assistant Chief Administrative Officers are paid by contracted services via the Joint Services Agreement.

2. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

There is an expectation that council members will be fairly compensated for their time while fulfilling their council and committee duties. Council members allocate their time to fulfill the duties of public office and are compensated with public funds. A high degree of integrity and accountability is expected when council members submit expense claims for reimbursement within the policy controls in place requiring approval by fellow councillors prior to payment.

Best practices increase accountability by publicly reporting council member meeting and expense claims. Public officials should also be able to explain the purpose for their meeting attendance to anyone, and justify their expense claims to anyone, in accordance with policy and committee appointments. In March 2015, Mayor Churchill asked Councillor Bell for clarification on a January 2016 meeting expense by email, as follows:

Good morning Doris, after our Council meeting yesterday, I was asked to sign cheques. Your expense summary was there and I was signing off on it. I want to get it to you asap but have one question regarding the 29 January entry for ABH-Cyanobacteria Mon. & Adv. Administration did not know what this was. Could you give me an idea what this was so that the cheque can be processed. Thanks, Grant

As of December 2016, Councillor Bell had not clarified the expense item to Mayor Churchill, although the unclear expense had been paid to Councillor Bell.

Crystal Springs council submitted expense claims infrequently, “at least twice per year” according to the policy. Council members interpreted remuneration policies differently which led to emotionally-charged interactions during council meetings, after council meetings, and through several email exchanges. For example, at the end of 2016, Mayor Churchill and Councillor Pratt were compensated for their expense claims submitted on December 9, 2016. Councillor Bell submitted her expense claim on December 22, 2016 and her compensation was delayed into 2017.

On February 1, 2017, Councillor Bell pressured Mayor Churchill to sign her expense form at the regular council meeting, stating that she had waited for six weeks and “you will do it now...in front of all these witnesses.” The Mayor did not complete a review of Councillor Bell’s expense claim during that meeting and Councillor Bell requested that the minutes contain a comment that this council is biased and discriminating against her. Following the meeting, Mayor Churchill reviewed Councillor Bell’s expense claim and approved payment for regular meetings. Councillor Bell’s travel and expense claims remained unpaid as the mayor felt that the expenses claimed were unclear.

Mayor Churchill stated that he felt bullied by Councillor Bell on several occasions to approve her travel and expense claims. Councillor Bell requested attention to her expense claims, such as the February 10, 2017 email she sent to the Mayor and CAO requesting payment:

I and my family are out the gas money I must pay to attend meetings as the Deputy Mayor representing the Summer Village of Crystal Springs and the Summer Village makes provision to repay that in Policy #01-2002, which states I am to be reimbursed for mileage, meals, and workshops.

The issue at hand seemed related to differing policy interpretation over payment of travel expenses to meetings where attendance was not approved by council in advance. Prior-approved meetings include “all Council meetings and the Annual Information Meeting. In addition, Regular Board and Committee meetings as set out in Schedule A...” The remuneration policy states that prior approval of council is needed for council members to receive compensation for extra meetings:

Approval for honorarium and /or expense payments for meetings other than those noted above will be at the discretion of Council and must be approved by all of Council prior to attendance at the meeting.

Confusion with duplicate policies, delays and inconsistency in council expense claims indicate the need to develop a stronger, more defined council remuneration policy tool and financial management practices. At the February 15, 2017 regular council meeting, council passed a resolution to have an independent review of council expense claims. In addition, Councillor Bell informed the inspectors that she intended to engage an auditor to review her expense claims, as stated by email to the inspectors on February 24, 2017:

“A package will be provided to an independent auditor today at my expense. I ... simply want to be repaid the amount I am requesting which is fully justified and eligible for repayment, notwithstanding the policies of the summer village, which I have been advised are prejudicial.”

Clarity on council expense claims is important to demonstrate confidence that public tax dollars are being used judiciously and fairly by elected officials in fulfilling their governance duties.

RECOMMENDATION FOR COUNCIL REMUNERATION REVIEW: That the Summer Village of Crystal Springs council complete a review of council remuneration practices to establish a process wherein council members are fairly compensated and accountable for all council and committee meetings and related functions that they attend; and that council member meeting expense claims be made publicly available; and that a special review engagement be completed for Crystal Springs council meeting fees and expense claims during the 2013-2017 term.

6 ADMINISTRATION

6.1 Chief Administrative Officer

A Chief Administrative Officer (CAO) is responsible for the overall operations of the municipality, works closely with the council to provide advice, and ensures that local objectives are accomplished and legislation is followed. As the administrative head of the municipality, the CAO is also known as a council's one and only employee. The MGA clearly outlines the CAO's responsibilities in s. 207 as follows:

Chief administrative officer's responsibilities

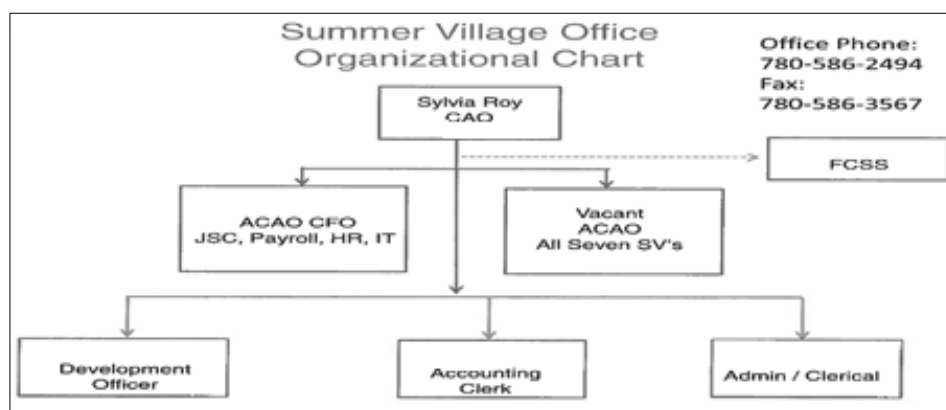
207 The chief administrative officer

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

Crystal Springs' CAO, Ms. Sylvia Roy is an experienced CAO who has held the CAO position since 2009 and has completed formal local government training. Ms. Roy submitted her resignation as CAO for the Summer Village of Crystal Springs effective May 1, 2017, as referenced previously in this report. Ms. Roy and all other office staff were obliging and willing to provide information upon request throughout the inspection process.

6.2 Organizational Chart

The organizational structure in effect for Crystal Springs was established in the Joint Administration and Facilities Agreement.



6.3 Human Resource Management

Human resource (HR) management practices and personnel files were reviewed. Personnel files lacked some basic information, such as resumes. Staff received annual performance evaluations, that they apparently completed their own, followed by the CAO adding further notes and comments.

Internal communications could be improved through regular staff meetings to ensure that staff are kept informed on local matters and able to respond to public inquiries in a more timely and meaningful way. Records show that regular staff meetings were not held over the last couple of years. Recent staff turnover and vacancies in administration caused some staff to carry a heavier workload without a proportionate compensation increase. The frontline staff complement appeared remarkably diligent in public service efforts. Besides an educated and experienced CAO, the community was served by a very well-qualified Assistant Chief Administrative Officer/Chief Financial Officer with a strong accounting background.

The efficiency of the office is negatively impacted by management staff regularly working away from the office. The lack of management overlap in work schedules caused some frustration and delay in public service delivery. Ideally, the CAO and Assistant CAOs could schedule their work days so that there is at least one senior staff member in the office every day.

Staff concerns were noted for both physical and emotional safety. The physical office environment was crowded but organized. Periodic reports of unknown office odours caused staff to be concerned for the safety of their working environment. Concern for the wellbeing of the CFO was identified by council meeting observers who felt that Councillor Bell delivered verbal attacks on the CFO. It is expected that a council member would exercise probity on local issues and to seek information with a tone of professional respect and tact. It is never acceptable for any member of council to denigrate staff or fellow council members.

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.

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

6.4 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.*

6.4.1 Council Meeting Agenda Preparation

Council's Procedural Bylaw #174 requires that meeting agendas be "mailed or delivered to council so as to be received by them at least three days prior to the council meeting" (s. 6.1.a). Council meeting agendas and supporting material were found to be prepared and provided to council by email in advance of council meetings in compliance with the procedural bylaw.

Agenda preparation could be improved by providing council with more formal staff recommendations. Agenda items were sometimes supplemented with a Memorandum to council, such as the following reference for a History Book information item presented to council at the November 24, 2016 regular council meeting:

Memorandum

To: Crystal Springs Council
From: Sylvia Roy, CAO
Date: November 15, 2016

Re: Crystal Springs History Book

As stated in his email of September 29, 2016, Mr. Ron Lajeunesse has withdrawn from the history book project since the last Council Meeting of September 28, 2016.

Mention should be made at the Council Meeting and in the Council Meeting Minutes that Mr. Lajeunesse has withdrawn, in order for residents reading the minutes to know that the project is no longer proceeding.

In another example from the November 24, 2016 regular council meeting agenda, a memo from a staff member asks council if they would like to extend the bylaw contract, as follows:

Memo

To: Crystal Springs
From: Paula Lamoureux
Date: November 7, 2016
Re: Bylaw Enforcement

In the August 11, 2016 Council meeting, Council made a resolution 16-195 to hire Doris Mc Allister as the Bylaw Enforcement Officer until the end of October 2016.

I have attached a summary letter from her indicating her observations in the Summer Village from August-October.

Would Council like to extend the contract that is currently 2 hours a week?

A more formal and robust agenda preparation process is needed where each agenda item is accompanied by a request for decision (RFD) with a staff recommendation and proposed resolution wording, even if the proposed resolution is simply to accept an item for information. Best practices for staff recommendations include a description of the following areas in a formal RFD format:

- Background information
- Budget impact
- Legal considerations
- Strategic plan alignment
- Options
- Staff recommendation with proposed resolution wording

Staff recommendations from subordinate staff, such as development or finance need to follow the same format and be reviewed and approved (signed off) by the CAO before being presented to council.

More diligent prior preparation of agenda items can greatly assist council in their deliberations and improve resolution clarity. Strong agenda preparation can facilitate a smoother overall meeting process with thoughtful and comprehensive administrative advice provided to council in succinct form for advance review and consideration.

Agendas and supporting material should be made available to the public as well, with the exception of any confidential material related to in camera agenda items. At a minimum, best practices provide for agenda packages to be made available through the municipal website prior to council meetings so residents can review and decide whether they are interested in observing the meeting in person.

RECOMMENDATION FOR AGENDA PREPARATION: That Crystal Springs administration establish stronger agenda preparation procedures by providing formal recommendations to council using a comprehensive request for decision format and proposed resolution wording.

6.4.2 Council Meeting Minutes

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

Performance of Major Administrative Duties

208 (1) *The chief administrative officer must ensure that*

(a) all minutes of council meetings are recorded in the English language, without note or comment;

The inspection found an irregular matter where notes and comments were included in the approved council meeting minutes, rather than simply recording an objective and unbiased record of council actions. Meeting minutes were found to contain more than just a record of decisions, such as the following comments in the September 28, 2016 regular council meeting minutes:

<p>7. <u>History Book Proposal</u></p> <p><u>Res. # 16-214</u> Moved by Deputy Mayor Bell that the proceeding motion have a recorded vote.</p> <p style="text-align: right;">CARRIED</p> <p><u>Res. # 16-215</u> Moved by Deputy Mayor Bell that while Council appreciates the exercise of the proposal, Council cannot supercede the privacy of our residents and we should not provide funds for this proposal.</p> <p style="text-align: right;">In Favor: Deputy Mayor Bell Opposed: Mayor Churchill, Councillor Pratt DEFEATED</p> <p>Councillor Pratt indicated that the proposal is a bargain for obtaining a history book; Deputy Mayor Bell stated that the money can be raised without going to Council. Administration advised that the Summer Village of Argentia Beach has a history book project underway; Administration performs the mailouts so there is no breach of privacy.</p> <p><u>Res. # 16-216</u> Moved by Deputy Mayor Bell that the proceeding motion have a recorded vote.</p> <p style="text-align: right;">CARRIED</p> <p><u>Res. # 16-217</u> Moved by Mayor Churchill that the Summer Village of Crystal Springs assist Mr. Lajeunesse in making residents aware of the history book project via mailout and invite residents to contact Mr. Lajeunesse, and that we post the request on the website. Further, that if Mr. Lajeunesse have specific costs, he can approach Council at that time.</p> <p>Deputy Mayor Bell advised that Council should consider the precedent set by this motion; there is no tendering and no exploration and a resident is getting paid for their private idea and possibly make money off it. Deputy Mayor Bell stated that they shouldn't be supporting private enterprise and setting a precedent. Councillor Pratt stated that he doesn't believe there is a precedent and that Council should handle each individual request separately.</p> <p style="text-align: right;">In Favour: Mayor Churchill, Councillor Pratt Opposed: Deputy Mayor Bell CARRIED</p>
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Meeting minutes from the May 12, 2016 regular council meeting provide another example of the irregular practice of recording notes and comments in the meeting minutes, such as comments made by Deputy Mayor Bell objecting to the tax rate bylaw and procedural bylaw, shown below:

<p><u>Res. #16-121</u> Moved by Deputy Mayor Bell to have a recorded vote for the proceeding motion.</p>	<p>CARRIED</p>
<p><u>Res. #16-122</u> Moved by Deputy Mayor Bell that the Summer Village of Crystal Springs not have a wastewater reserve at all, and that reduces the amount total expenditures because in the past, there have been surpluses greater than budgeted by almost double.</p>	<p>In Favour: Deputy Mayor Bell Opposed: Mayor Churchill, Councillor Pratt DEFEATED</p>
<p>Deputy Mayor Bell objected to the Tax Rate Bylaw, stating that it overtaxes residents by a significant amount and the wastewater project is almost fully funded in the capital plan.</p>	
<p><u>Res. #16-123</u> Moved by Deputy Mayor Bell to have a recorded vote for the proceeding motion.</p>	<p>CARRIED</p>
<p><u>Res. #16-124</u> Moved by Kevin to give Third Reading to Bylaw #223, Rates of Taxation for 2016, as presented.</p>	<p>In Favour: Mayor Churchill, Councillor Pratt Opposed: Deputy Mayor Bell CARRIED</p>
<p>2. <u>Bylaw #224, Procedural Bylaw</u> Deputy Mayor Bell was opposed to deleting Clause 5.2 from the procedural bylaw, which sets the time limit to Council Meetings to three hours' duration.</p>	

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

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

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

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

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

Council meeting minutes were available electronically on the municipal website only after council approval. Draft council meeting minutes were not available. Best practices promote timeliness and transparency on council's actions where draft minutes are made available on the municipal website promptly following council meetings. Providing draft minutes to the public is particularly important for communities like Crystal Springs where council meetings are held infrequently and the approval of minutes may occur up to two months after a meeting.

The municipality followed a best practice in applying a chronological numbering system to council resolutions for ease of reference and clarity.

The CAO served as a recording secretary at council meetings, which seemed to interfere with her duty to present information to council and act in an advisory role during meetings. An alternate staff member should be trained as recording secretary so that the CAO is not preoccupied during council meetings.

RECOMMENDATION FOR COUNCIL MEETING MINUTES: That the CAO ensure that council meeting minutes are recorded without note or comment in accordance with the MGA, s. 208; and that Crystal Springs council approve a policy for council meeting minutes to be made available to the public in a timely manner; and that a dedicated recording secretary be trained to record council meeting minutes.

6.5 Records Management

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

Crystal Springs council passed a Freedom of Information and Protection of Privacy (FOIP) bylaw in 1999. This bylaw specifies fees payable and confirms that the municipal manager (CAO) is the "Designated Head" of the municipality for the purposes of the *FOIP Act*. This bylaw fulfils the legislative requirements under s. 95(a) of the *FOIP Act*, which reads as follows:

Power to make bylaws

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

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

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

Council passed a related *Records Retention and Disposal Bylaw #153* in February 2000. This bylaw provides direction and local authority in the retention and destruction of records, could be improved to specifically reference FOIP requirements in records management needs for the protection, use and disclosure of information.

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

RECORDS

4. What is a “record”?

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

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

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

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

Security protocols for physical record storage could be improved in Crystal Springs. Many, but not all records were stored in locked file cabinets throughout the office. Inspectors observed that several hard copy records were stored in a public washroom within the administration office.

The limited storage areas and open office concept led to weakened records management controls. For example, the main computer server did not appear secured in the coffee/lunch room of the office. During in camera portions of council meetings, public members from the gallery left council chambers and gathered in the office lunch room while they waited for the open meeting to resume. The office lunch room consisted of a central table surrounded by filing cabinets, files, and office records, as shown in the photo below:



Office staff are commended for maintaining a significant level of organization within a very limited space. Unfortunately, the existing security protocols were insufficient to reasonably restrict accidental or willful unauthorized access to public records. Additional record storage was located offsite in a room at the local community hall. Again, the records were very well organized, but the potential for unauthorized access of public records remained a risk.



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

7 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

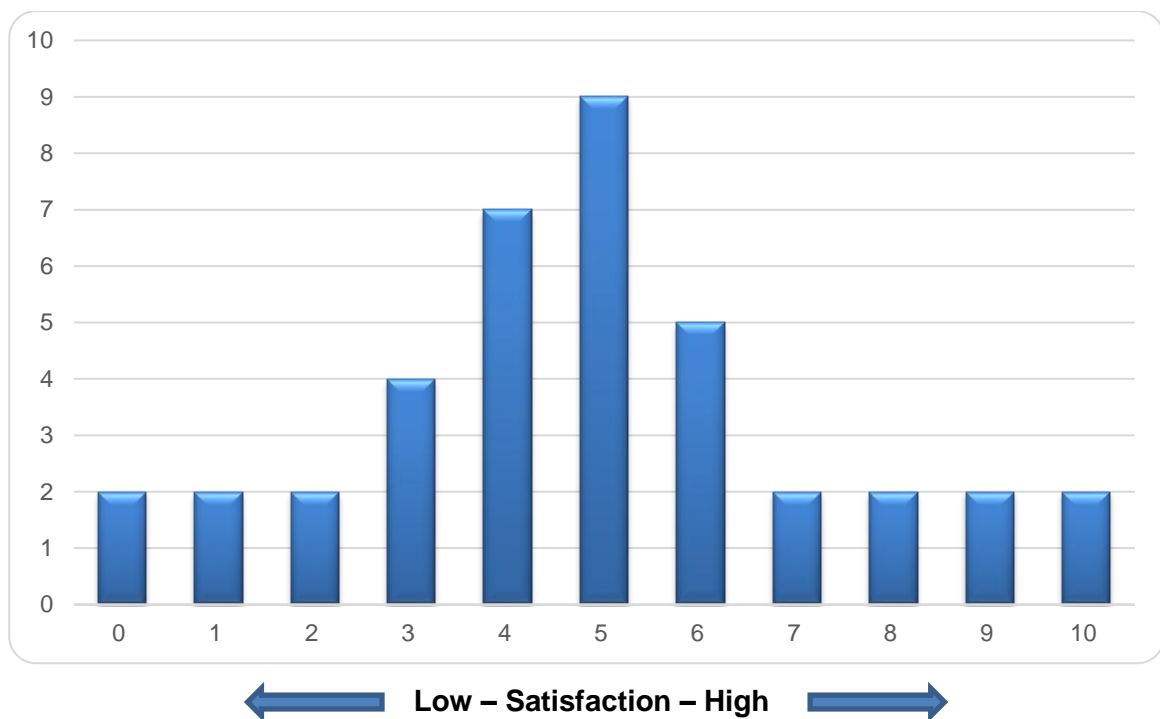
Crystal Springs council approved annual operating and capital budgets, showing financial commitments to various department services and programs. In 2016, municipal expenditures totaled \$329,410 with \$286,613 funded from general taxation and \$42,797 funded from other sources as shown in the 2016 Rates of Taxation Bylaw No. 223.

The budget process included input from council and management, with the CFO exercising a strong leadership role. 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.

RECOMMENDATION FOR BUDGET PROCESS: That Crystal Springs 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 barely meet the satisfaction of local residents. Most residents gave an average satisfaction rating with few very satisfied or very dissatisfied with the overall service delivery in the community, as shown in the chart below:

Level of Satisfaction with Overall Service Delivery in the Community



Some sample comments related to service delivery satisfaction include:

- *“Road maintenance may be “average”, protective services only now seen when requested, garbage pick-up good but volume restricted, no real information on anything else. Notices are late, meetings cancelled on short notice.”*
- *“Roads are in terrible shape. No local protective services - Wetaskiwin detachment of RCMP is a long way away.”*
- *“Roads are never in great condition.”*

This consistent type of feedback indicates that stronger input and meaningful consultation is needed from residents in setting local service delivery priorities, and understanding community project limitations.

7.2 Taxation and Assessment

7.2.1 Tax and Assessment Notices

The Rates of Taxation for 2016 Bylaw No. 223 generated estimated municipal tax revenue totalling \$286,613 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.*

Crystal Springs sent out combined tax and assessment notices in accordance with the provisions of the MGA s. 308(4), quoted below, and the most recent combined assessment and tax notices were mailed to property owners on May 20, 2016:

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

An irregularity on the tax notices was present where the 2016 combined tax and assessment notices contained a reference to a “NEPL Sewage Fee” in the Local Improvement section of the tax notice. This NEPL Sewage Fee listed was not a Local Improvement.

The MGA defines a local improvement as follows:

Division 7

Local Improvement Tax

Definition

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

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

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

Local improvement tax bylaw

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

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

Staff confirmed that the space was used on the form with the intention to highlight the wastewater fees so they are visible to ratepayers. Despite transparent intentions, the reference to a local improvement in the absence of a local improvement is confusing since Crystal Springs council has not passed a related local improvement tax bylaw. The process should be corrected to ensure more accurate tax notice preparation. An excerpt from a sample combined tax and assessment notice in Crystal Springs is provided below:

EDUCATION TAXES	TAX RATE	% OF TOTAL	TAX AMOUNT
PROVINCIAL EDUCATION LEVY	0.002700800	40.49891	752.98
TOTAL 2016 EDUCATION TAXES			752.98
SUB TOTAL 2016 TAXES			752.98
MUNICIPAL AND OTHER TAXES	TAX RATE	% OF TOTAL	TAX AMOUNT
MUNICIPAL TAXES	0.003968000	59.50109	1,106.28
TOTAL 2016 MUNICIPAL AND OTHER TAXES			1,106.28
SUB TOTAL 2016 TAXES			1,859.26
LOCAL IMPROVEMENTS	YEARS	EXP	TAX AMOUNT
NEPL Sewage Fee	17	2025	122.12
TOTAL 2016 LOCAL IMPROVEMENTS			122.12
TOTAL 2016 TAXES			1,981.38
CURRENT OUTSTANDING			(833.65)
TOTAL CURRENT TAXES PAYABLE FOR 2016			1,147.73
Amount due July 1, 2016		1,285.46	
Amount due January 1, 2017		1,516.84	

RECOMMENDATION FOR LOCAL IMPROVEMENTS: That Crystal Springs only use a Local Improvement reference on property tax notices if it relates to a local improvement tax bylaw.

7.2.2 Tax Rates and Assessment Comparisons

The inspection included a comparison of property tax rates with neighbouring communities. The communities chosen for this summary reflects the membership of the Alliance of Pigeon Lake Municipalities¹² and it also closely reflects the set of communities used by Alberta Municipal Affairs for comparison purposes in preparing Financial Indicator Graphs. The data was taken from each community's most recent municipal profile available through the Alberta Municipal Affairs website.

Among the 10 communities in the comparison group, the Summer Village of Crystal Springs had the fourth highest 2015 residential mill rate (3.6656 mills) which is slightly higher, but very close to the average (3.5488 mills) as shown in the following table:

Crystal Springs Tax and Assessment Comparison

Name	Pop.	No. of Residences	Residential Muni Tax Rate (mills)	Non-Res. Muni Tax Rate (mills)	Equalized Assessment (\$)	EA per capita (\$)
Argentia Beach	15	109	3.0710	3.0710	\$ 88,594,521	\$ 5,906,301
Itaska Beach	20	70	4.7210	4.7210	\$ 40,786,827	\$ 2,039,341
Silver Beach	52	102	3.0650	3.2540	\$ 76,384,552	\$ 1,468,934
Poplar Bay	80	210	2.7858	2.7858	\$ 98,058,192	\$ 1,225,727
Grandview	108	225	3.1530	3.1530	\$ 97,790,309	\$ 905,466
Golden Days	141	313	3.5040	3.5040	\$ 125,192,461	\$ 887,890
Ma-Me-O Beach	113	279	4.4770	4.4770	\$ 97,115,355	\$ 859,428
Norris Beach	46	98	3.9240	3.9240	\$ 38,991,229	\$ 847,635
Crystal Springs	90	170	3.6656	3.6656	\$ 74,601,534	\$ 828,906
Sundance Beach	82	126	3.1217	3.8423	\$ 60,666,390	\$ 739,834
Averages	75	170	3.5488	3.6398	\$ 79,818,137	\$ 1,570,946

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.

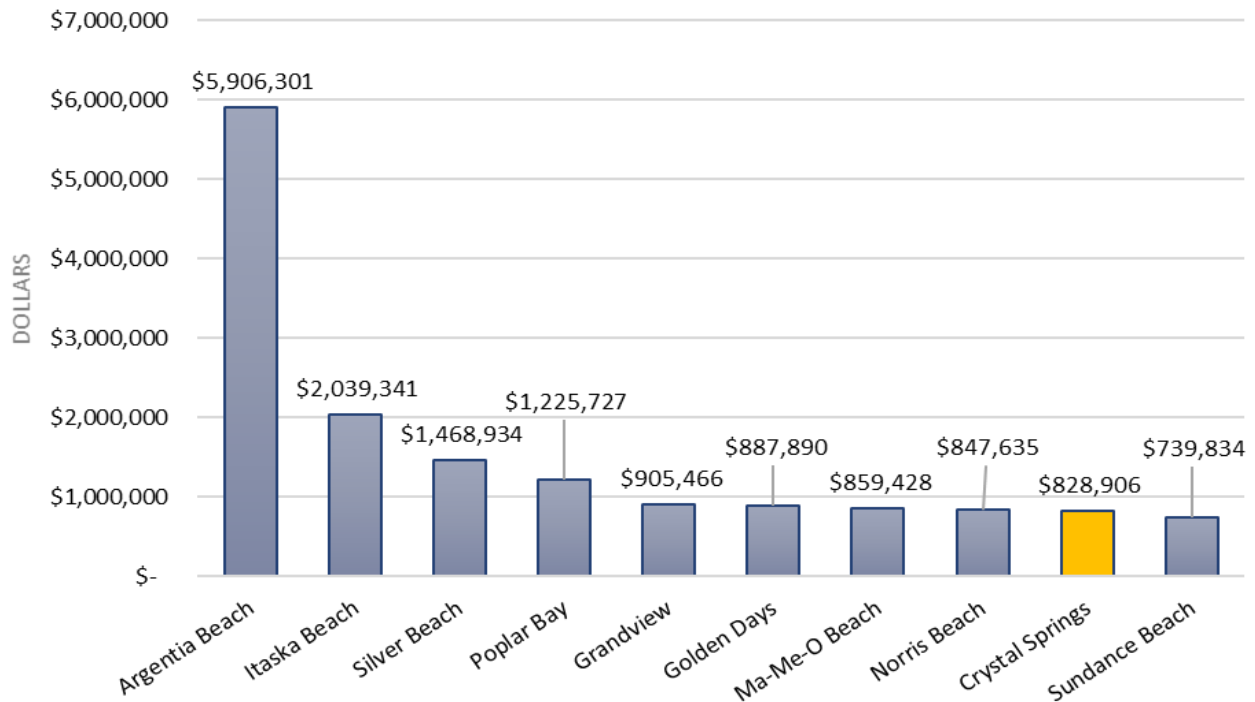
¹² Retrieved from <http://www.aplm.org/Our-Members>

Municipal taxes are the primary means to collectively fund common services. Local service demands are extensive and citizens expect accountability, efficiency and good value for services provided. Citizen feedback gathered during the inspection indicated low satisfaction with local service levels provided, as shown earlier in this report (page 76).

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.

Crystal Springs had a lower than average equalized assessment per capita among the comparison group, although it was reasonably close to several other summer villages in the comparison group. The assessment base of a municipality indicates its capacity to generate tax revenue to fund local services. Overall, the \$829,000 assessment value per capita value is the second lowest of the comparison set of Summer Villages that surround Pigeon Lake. The comparative summary of equalized assessment per capita is shown in the chart below:

Comparison Group Equalized Assessment Per Capita



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.

At the Regular Council Meeting of July 3, 2015 council passed resolution #15-83 to request a current financial policy that would meet the needs of council for financial information from administration as shown below:

<p>2. <u>Financial Report</u> Res. #15-82 Moved by Deputy Mayor Churchill that the financial report be accepted as information. CARRIED</p> <p>3. <u>Audit Findings</u> Councillor Bell noted that Council is to take an active role in financial supervision, and that accuracy rests with members of Council.</p> <p>Res. #15-83 Moved by Councillor Bell that:</p> <ul style="list-style-type: none">1/ Administration revise the current financial management policy, or create a financial policy if one doesn't exist.2/ Council will review financial statements at each council meeting for the end of the previous month (most recent month end)3/ Administration will inform council of forecasted surpluses and deficiencies at each council meeting4/ Expenditures will be made in accordance with Municipal Government Act Section 2485/ Budgets for the upcoming year will be considered in October/November and approved by December 31 each year. <p style="text-align: right;">CARRIED</p>

Council requested a vague investment report at the September 28, 2016 regular council meeting, without providing clarity to administration on council direction, as follows:

<p>2. <u>Financial Report</u> Res. #16-219 Moved by Councillor Pratt to approve the financial report as information. CARRIED</p> <p>Deputy Mayor Bell requested an investment report. Administration asked Deputy Mayor Bell what information she wanted in the report; Deputy Mayor Bell referred Administration to go to the Alberta Municipal Affairs website.</p> <p>Res. # 16-220 Moved by Deputy Mayor Bell that the proceeding motion have a recorded vote. CARRIED</p> <p>Res. # 16-221 Moved by Deputy Mayor Bell that Administration provide an investment report for the next Council Meeting.</p> <p style="text-align: right;">In Favour: Mayor Churchill, Deputy Mayor Bell Opposed: Councillor Pratt CARRIED</p>

RECOMMENDATION FOR FINANCIAL REPORTING POLICY: That Crystal Springs 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).

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.

Crystal Springs was compliant in meeting the financial reporting deadline for the 2015 fiscal year and has a strong history of meeting legislative reporting deadlines. The municipality received a clean audit report and unqualified financial statements in recent years. Staff have won the confidence of the auditor and received praise in local management of financial records.

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. Historical practices show that annual financial statements were made available to the public once they were approved by council, however, this was not always by May 1st each year. Annual financial statements and other financial information was available on the municipal website and staff confirmed that paper copies of annual financial statements were also available to the public or available by email upon request.

The municipal website was difficult to navigate when searching for financial statements. The information was available, but not easy to find. A specific tab on the municipal website for 'Finance' would allow users to more easily access financial information.

Some public confusion was noted when a 'summary' annual financial statement was provided in addition to the complete annual financial statement. Officials noted that the summary financial statement was provided as a courtesy, in a shortened format intended to be easier for the general public to read and understand. Data shown in the summary was drawn from the full financial statement.

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.

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

7.3.4 Procurement Practices

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

Expenditure of money

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

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

(b) for an emergency, or

(c) legally required to be paid.

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

Crystal Springs council approved a Purchasing Policy #10-2009 on June 19, 2009. This policy objective refers to a transparent and competitive process, as follows:

The Chief Administrative Officer is given authority to expend funds and arrange the purchase of goods and services within the appropriations and approvals of Council as may be required for operating and capital purposes. The purpose of this policy is to set out the manner in which vendors are chosen and prescribe the authority of the Chief Administrative Officer with respect to purchasing decisions.

Council received regular cheque listing reports that they approved for information, as shown in the following excerpt from the August 11, 2016 regular council meeting:

H. FINANCIAL REPORTS	
1. <u>Cheque Listing</u>	
Res. #16-197	
Moved by Councillor Pratt to approve the cheque listing as information.	CARRIED
2. <u>Financial Report</u>	
Res. #16-198	
Moved by Councillor Pratt to approve the financial report as information.	CARRIED

The cheque listing does not need to be reviewed and 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 therefore, providing the cheque listing to council is redundant. Council does not need to spend time reviewing this duplicate level of financial detail. Purchasing policy #10-2009 should be amended because it currently requires the CAO to provide this report listing the vendors paid, as follows:

4. Reporting:

- a) The CAO shall provide to Council as part of information on regular meeting agenda, a report listing the name of vendors paid for the preceding period, the general nature of the expenditure and the amount.

RECOMMENDATION FOR PURCHASING POLICY REVIEW: That Crystal Springs council review purchasing policy #10-2009 and remove the requirement for regular vendor [cheque] listing reports to be provided council where budgeted expenses are previously approved.

7.3.5 Grant Applications and Reporting

Crystal Springs 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 (ACP) Mediation and Cooperative Processes; and the Regional Collaboration Program (RCP)/Regional Collaboration Component. Financial statements show over \$515,000 received in capital transfers for 2014-2016, with operating grants in addition to this. Grant funding records were largely up to date, with some spending plans and project applications to be completed prior to the release of additional funds. The municipality has shown good stewardship by carrying forward funding in anticipation of future project needs.

7.3.6 Internal Controls

Each year the auditor prepares a detailed letter for management that outlines process improvements that they become aware of during the course of the audit. Records show that staff were responsive to auditor recommendations, such as the segregation of duties chart developed by the Chief Financial Officer in September 2016 to strengthen internal controls.

The inspection found that internal controls for the accounts payable process could be improved. Basic financial management practices ensure that all revenues received and all expenses incurred are recorded in the municipal accounting system, and that the transactions rely on source documents to verify and substantiate transaction details. The current process allows cheques to be printed without prior approval on the majority of the invoices by management staff. Supporting documentation was lacking in some cases due to outdated contracts. Approving all accounts payable *before* cheques are printed would strengthen internal controls.

RECOMMENDATION FOR INTERNAL CONTROLS: That Crystal Springs improve internal controls by establishing procedures for management to review and approve invoices prior to printing cheques.

7.3.7 Overall Financial Position

Financial statements show that the Summer Village of Crystal Springs is in fairly good financial condition overall. Records indicate that the organization has relatively strong fiscal health with approximately \$1.4 million in cash, \$0 long term debt, and a \$4.5 million accumulated surplus, based on the 2015 audited financial statements.

The inspection found that Crystal Springs officials demonstrated good stewardship by planning ahead for capital works and approving budgets that contained transfers to reserves in order to fund anticipated projects such as sewer line installation and road work. For example, the 2015 budget contained a \$90,000 transfer to capital reserves.

A historical accounting process was noted where transfers to reserves made during the year were 'backed out' at year end and moved to the accumulated surplus, which is another equity account. This is an unusual practice and appeared to be unnecessary. Reserve accounts are a formal or informal allocation of funds to designate the use of surplus funds – often for a specific purpose such as future capital works. This historical year end transaction process needs to be

reviewed to ensure that annual surpluses are not overstated. Staff informed the inspectors that they were well aware of the historical practice and were working with officials to improve year end procedures.

RECOMMENDATION FOR YEAREND TRANSACTIONS: That Crystal Springs administration review year end transactions affecting reserve accounts and work with the auditor to ensure that reserves and surpluses are more accurately recorded.

8 OPERATIONS

8.1 Public Works

Municipal operations such as grass cutting, snow clearing, garbage collection, and general public works maintenance in the summer village were provided under contract to the municipality. Contracting services appeared to be a sensible option for this small community, and likely more cost effective than directly owning equipment and hiring operations staff. The *Hiring of Contract Services Policy #06-2003* was used as a guiding policy document stating “*the minimum requirements that a contractor must meet and states the manner that contracts are initiated, reviewed and accepted.*”

This Hiring of Contract Services Policy #06-2003 [procurement policy] should be updated to ensure compliance with trade agreements. 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.

Crystal Springs has a long-standing contract for general maintenance and public works contract oversight, and has established a strong relationship with the contractor. The current contract was signed in 2011 and has been renewed annually. The contractor is responsible for the following areas, and any extra work must be coordinated under the direction of the CAO:

- Maintenance and grass cutting on all summer village property
- Maintenance and care of all village flower beds
- General caretaking such as sign replacement, painting picnic tables, and gazebo maintenance
- General playground maintenance (Day Park)
- Notifying the contracted snow plow operator when snow removal is required
- Supervision of work hired by the summer village. This includes items such as road repairs, removal and replacement of special dumpsters in the spring and fall, and approval of new culverts and road approaches

The contract provides for payment of a summer and winter base rate, with an additional hourly rate for general maintenance work as included above or extra work requested by the CAO.

The contract terms appear deficient in some areas, the most significant being a requirement for a specific amount of general contractor's liability insurance, with the village being co-insured. There are also typographical errors which could impact the meaning of the agreement.



Crystal Springs Drive and Shell Avenue

8.1.1 Road Maintenance

Snow removal services were provided as a contracted service to the Summer Village of Crystal Springs. A recent contractor provided snow removal services using a single bobcat. Several comments received were that he provided excellent service, taking special care to go “above and beyond” what was required in the contract.

The contracted work included plowing snow and sanding of all local roads within the summer village for the full width of the roadway, placing snow on the non-residential side of the roadway where possible. Under the contract, the contractor was to “give consideration” to the location of driveways of permanent residents, school bus routes, community mailboxes and walkways when storing or piling snow, but is not responsible for plowing approaches or driveways. The contractor was to provide this work on an “as required” basis as determined by the summer village.

Supervisory responsibility of the snow removal contract was delegated to the public works contractor under the terms of his maintenance contract, which created a situation with limited management oversight since one contractor supervised and directed a fellow service contractor. This service delivery arrangement appears to be working, but can be improved with a stronger element of management oversight on contract supervision.

The snow removal contract dated November 2013 contained some deficiencies. For example, there was no provision for a contract extension (although the contract was extended after expiry for the 2015/16 season). While the contract did express that the contractor “*shall be wholly responsible for any damages incurred in the course of fulfilling the contract, and shall save harmless the summer village from any legal actions, claims for damage or other liability*”, it did not specify the requirement for insurance coverage, nor that the summer village should be identified as a co-insured. This contract had expired at the time of the inspection and Crystal Springs advertised a “*request for persons interested in providing the service to contact the office.*” Council approved a renewed snow removal contract on November 24, 2016:

Res. # 16-251

Moved by Councillor Pratt that the Summer Village of Crystal Springs enter into an agreement with Best Bet Contracting for snow removal for the 2016/2017 season.

CARRIED

The dollar value of this particular contract was likely below trade agreement thresholds, however, where applicable, it is important that municipal procurement processes and local policies comply with broader trade agreements, including advertising requirements.

8.2 Contract Review

Greater administrative diligence is needed in drafting and monitoring contracts to ensure that the responsibilities and intentions of the parties are clear; that the cost of contracted services is competitive; and that the contract is legally binding. As an example, a 2011 maintenance contract between the Summer Village of Crystal Springs and a contractor, Gordon Lesoway, contains unclear terms. The contract is unclear on which party is responsible for WCB coverage; it specifies that notice is to be given to the Summer Village of Grandview, rather than the Summer Village of Crystal Springs; and it states that “*the Wright Way shall be wholly responsible for any damages incurred in the course of fulfilling the contract.*”

RECOMMENDATION FOR CONTRACT REVIEW: That the Summer Village of Crystal Springs council undertake a review of all service contracts to ensure clarity of contract terms and engage legal counsel to review contracts as needed.

8.3 Protective Services

8.3.1 RCMP

The Royal Canadian Mounted Police (RCMP) serve the Summer Village of Crystal Springs under an “Enhanced Policing Contract” shared among seven neighbouring summer villages. Crystal Springs received 7.5% of the total 512 hours allocated, totalling \$2,540 in 2015. The January 2016 contract contains an anomaly since it is an agreement between the Province and the Summer Village of Ma-Me-O Beach and does not specifically reference Crystal Springs.

The agreement requires that the municipality and RCMP enter into an “Enhanced Policing Performance Plan” to set priorities and to determine how the 512 officer hours will be used. It appears that priorities have not been determined by local officials. Operationally, the shared services structure appears to be working. The RCMP primarily respond to criminal activity and will also enforce federal or provincial regulations, but generally not local bylaws.

Local officials are commended for making an effort to increase community safety through the Enhanced Contract with greater RCMP presence and community patrols. Without the Enhanced Contract, RCMP presence would be limited primarily to responding to 911 calls.

8.3.2 Bylaw Enforcement

In August 2016 the Summer Village of Crystal Springs entered into a three-month trial agreement with an individual who had bylaw enforcement experience in other adjacent communities. Under the agreement, the bylaw officer spends two hours per week in Crystal Springs. A monthly report was to be provided to the Council summarizing the activities carried out under the agreement. Local officials confirmed that local bylaw enforcement focused on the following priority areas:

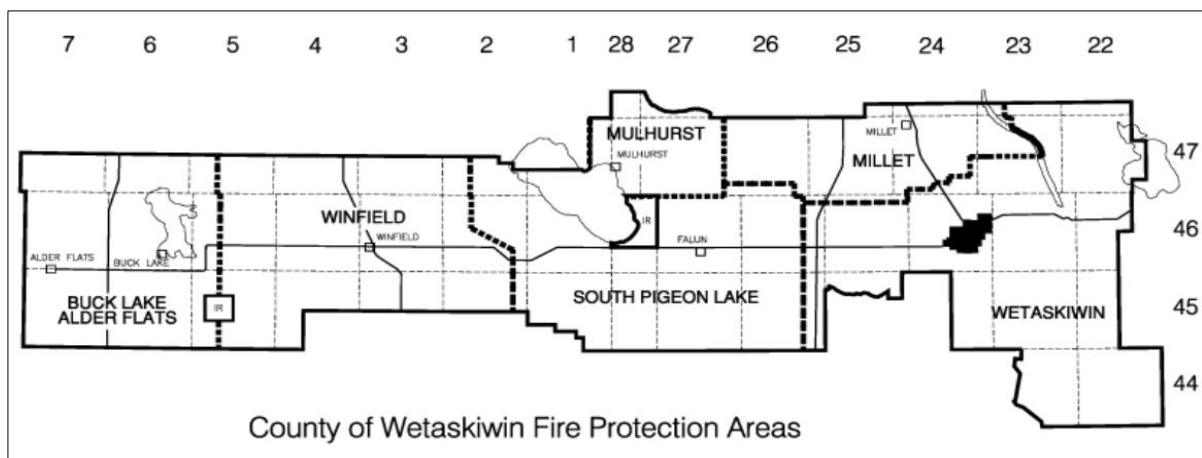
- Animal control
- Fireworks
- Fire bans
- Road bans
- Noise complaints
- Restrictions on municipal property
- Off-highway vehicles

8.3.3 Fire and Emergency Services

Fire services are provided to the Summer Village of Crystal Springs by the County of Wetaskiwin under a fire services agreement. Under the agreement, Crystal Springs pays a base rate for the service based on the number of lots in the municipality and the number of acres of municipal green space. If there are any calls to the community, the county invoices the summer village for the full cost based on a rate schedule set up in the agreement. The summer village then passes those costs on to the appropriate property owners. The summer village encourages all property owners to obtain enhanced fire insurance, so that they are protected from these additional costs. Examples of calls can range from false alarms to fire suppression.

Fire calls are dispatched by a 911 service. The summer village is responsible to ensure that appropriate information about the properties and residents within the municipality are entered into the system and maintained such that the information is current.

Fire services to the Summer Village of Crystal Springs are provided primarily by the South Pigeon Lake Fire Department, which is one of several departments operated by the County of Wetaskiwin under the direction of their Director of Emergency Services. The department serves an area on the South side of Pigeon Lake, from just West of Highway 2, to just West of Pigeon Lake, from the South boundary of the county, north to the East/West mid-point of Pigeon Lake.



The South Pigeon Lake Fire Department, operates out of the South Pigeon Lake Emergency Services Complex, which is shared by Emergency Medical Services (EMS) and RCMP. It is a relatively new facility, constructed in 2006.

The fire department was staffed with 22 part-time firefighters and appeared to be well-equipped with a pumper truck, a quick-response bush truck, a rescue unit and a tanker truck.

Crystal Springs Mayor, Grant Churchill also served as an Assistant Fire Chief, reporting to the County of Wetaskiwin Deputy Chief and Chief. As Assistant Fire Chief, he was responsible for the administration of the station, fundraising for the department, and had also been appointed as the Safety Codes inspector. As safety inspector, he was responsible for fire inspections within the South Side Fire Department area, including the Summer Village of Crystal Springs.

Some stakeholders expressed concern for the mayor of a summer village to also act as an officer in the local fire department. As referenced in the pecuniary interest section above, the MGA s. 170(3)(h) states that a pecuniary interest is not present by reason:

(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,

The MGA confirms that no pecuniary interest is present for volunteer fire and emergency officer appointments. It is not clear if Mayor Churchill formally serves as a volunteer officer or a part-time officer for fire and emergency measures. Although the definition of a volunteer firefighter is not clear, there are many examples around the province where council members concurrently serve in local part-time fire departments in various positions, including fire chief. It appears that Mayor Churchill is adequately removed from pecuniary interest matters while serving in dual roles as a fire officer and mayor since his employer is not specifically the summer village, however, a formal legal opinion would be needed if Crystal Springs wanted to clarify this matter.



8.3.4 Ambulance Service

Ambulance Service is provided to the region by Alberta Health Services. There was no specific agreement with Crystal Springs for the service.

Ambulance service is dispatched by 911 service. Two EMS crews were stationed at the South Pigeon Lake Emergency Services Complex on a 24-hour basis. According to officials, ambulance service and response time to the Crystal Springs region has improved significantly since the crews and ambulance began operating out of the Emergency Services Complex.

8.4 Solid Waste Collection

Waste removal services are contracted to the Summer Village of Crystal Springs by MCL Waste Systems and Environment Inc. (MCL). This company provides similar services to eight other neighbouring summer villages. The resulting nine contracts are nearly identical and share the same appendices. The concurrent tendering of waste management services to nine municipalities at once is an example of intermunicipal cooperation in the region. The contractor provides one roll-out waste collection bin at each residence along with weekly pickup in the summer and bi-weekly pickup in the winter. Waste is hauled to the Leduc Regional Landfill, which is also managed by MCL Waste Systems and Environment Inc.

The current contract with MCL was signed July 27, 2012 for an initial period of five years, with an option to extend the contract in one-year increments if there is mutual agreement between both parties. Collection rates are based on the number of residences in the summer village, which are reported to MCL annually. Rates are adjusted annually on April 1st based on changes to the Alberta Consumer Price Index and a formula to compensate the contractor for variations in fuel prices. The contract also allows for larger bins to be installed at the discretion of the summer village at an additional cost. These bins are generally provided twice a year during spring and fall pickup.

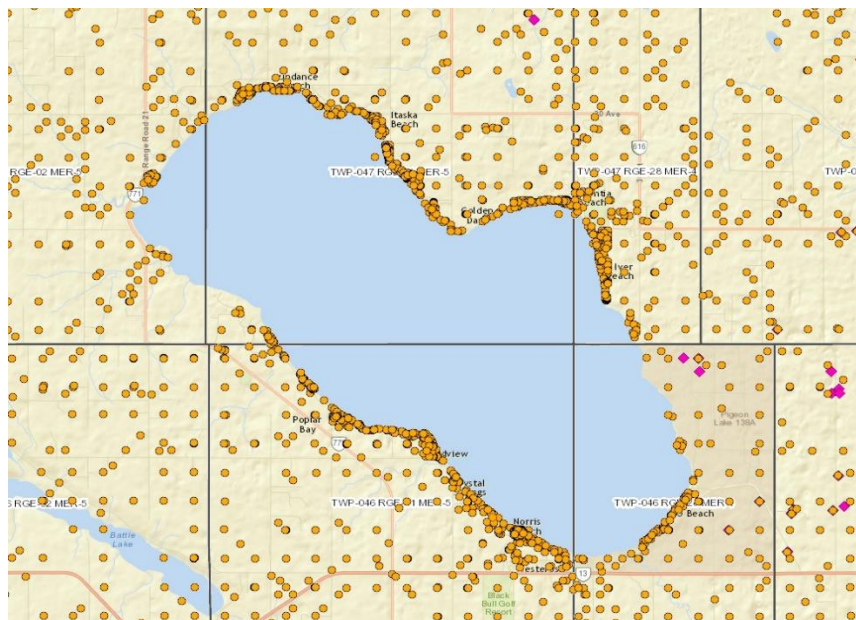
Solid waste management costs are included in the general tax rate rather than being passed on to residents in a form of a utility bill. Considering the small size of the community and the fact that the service is provided uniformly to all residents, this appears to be a reasonable practice. Although it could be argued that the summer residents are subsidizing permanent residents under this system, the assessment value of permanent residences and corresponding taxes paid are often higher than non-permanent residences.

8.4.1 Waste Transfer and Recycling Station

Recycling services were not offered in the Summer Village of Crystal Springs. Items had to be taken to facilities outside the region if residents wished to recycle them. The County of Wetaskiwin operates the Lakedell Transfer and Recycling station within a few kilometers of the Summer Village of Crystal Springs. When the station was built, the County offered to make it available to the neighbouring summer villages if they would contribute proportionately to the capital and operational costs of the facility. Only the Summer Village of Ma-Me-O Beach agreed to participate so these services are not available to Crystal Springs. The County of Wetaskiwin hosts an E-Waste and Toxic Roundup annually at Lakedell School which is in close proximity to the Summer Village of Crystal Springs and local residents are encouraged to utilize this free service.

8.5 Water

Water is provided to Crystal Springs residents by private wells located on private property. The municipality is not involved in the installation, maintenance or operation of these private wells. The high use of private water wells creates an increased risk of ground water contamination from surface activity. Provincial records are maintained of water well installations after the mid 1970s with limited records prior to that date. The following illustration shows a significant number of water wells recorded in the Pigeon Lake region:



Water Wells – Alberta Water Wells Information Database

Accessed from: <http://groundwater.alberta.ca/WaterWells/d/>

Several residents commented that the summer village “lives up to its Crystal Springs name” with natural artesian springs and a high water table in the area. Residents commented that these “crystal springs” also contribute to local road deterioration.

The protection of private well water was identified as a prime concern to Alberta Health and also Alberta Municipal Affairs. Alberta Safety Code Regulations require a minimum 10 metre separation distance between a water well and a septic tank (including water-tight septic tanks, holding tanks, effluent tanks, and settling tanks). The separation distance between water wells and septic tanks was rarely achieved in the Summer Village of Crystal Springs because of the relatively small lot sizes. Several conditional waivers were granted from Alberta Health and the Safety Codes office for new installations which could not meet the required separation distance.

8.6 Wastewater

8.6.1 Individual Wastewater Systems

Local sanitary wastewater systems were privately owned and operated by individual property owners within the Summer Village of Crystal Springs. Most properties contained an onsite septic holding tank where residential wastewater was collected, pumped out periodically, and hauled to an approved sanitary dump station facility. Wastewater hauling costs were paid directly to local trucking companies by individual property owners.

The Summer Village of Crystal Springs was not responsible for the maintenance or operation of the many private waste systems located in the community. The municipality did contribute to wastewater treatment costs through a usage disposal charge applied at the sanitary dump station.

Crystal Springs council has a history of exercising leadership to improve local wastewater management. For example, in 2008 Crystal Springs initiated a program that required all existing septic fields and other on-site treatment systems to be taken out of service and replaced with zero-discharge septic holding tanks. In 2016, County of Wetaskiwin officials advised the inspectors that County records showed a significant increase of hauled sewage from Crystal Springs to the county lagoon after the summer village initiated the septic tank inspection program in 2008.

In 2016, the inspectors heard many local concerns and stories of improper discharge from private septic tanks and fields, such as:

- Holding tanks that leak due to the age and condition of the tank.
- Tanks which have been purposefully made to leak wastewater into the soil to reduce the number of pump-outs required.
- Property owners who pump out and secretly discharge greywater to the surface, rather than capturing it in their septic tank and paying to have it hauled out.

The municipal inspection did not confirm if local concerns of improper wastewater handling were substantiated. The inspectors reviewed Crystal Springs' haul records at the local lagoon from January 1, 2014 to March 14, 2016 and noted some anomalies such as some very infrequent hauling at certain residences. There are many variables impacting haul rates with the most obvious being the intensity of property use.

The number of loads hauled from individual properties over this 27-month timeframe varied from 1 to 25 loads, with an average of approximately eight loads per residence. There were a total of 520 and 547 recorded loads



hauled in 2014 and 2015 respectively.

Local wastewater haulers unload at the Westeros facility.

Provincial Safety Codes officials indicated that the majority of residents were cooperative and appeared to comply with current regulations. There were a number of instances where non-compliant private wastewater systems had received a temporary waiver until a regional wastewater collection system was in place.

Under the Safety Codes Council, *Alberta Private Sewage Systems Standard of Practice (2015)*, the only systems that could be approved today would be a zero-discharge septic tank designed for regular pump out or for future connection to a municipal system. These types of systems are not considered “on-site treatment” and they fall under the *Plumbing Code Regulation* for the most part.

Even with a zero-discharge septic system, a variance or waiver would still be required for almost all new installations since the relatively small lot sizes in Crystal Springs make it very difficult to achieve the minimum 10-meter separation between a septic tank and water well as required by Safety Codes regulations.

In considering past waiver requests, Alberta Health Services noted that the potential connection to a municipal wastewater collection system would add an additional barrier between wastewater and well water, and increase the protection of public health in both private well water quality and the quality of the lake water.

8.6.2 Pigeon Lake Regional Wastewater Planning Committee

The Summer Village of Crystal Springs participated in the formation of the Pigeon Lake Regional Wastewater Planning Committee (PLRWPC) in the mid 2000s to support, in principle, the concept of a local wastewater collection system. This committee originally consisted of the County of Wetaskiwin, Leduc County, First Nations Bands of Ermineskin, Samson, Louis Bull, and Montana, and the Summer Villages of Ma-Me-O Beach, Sundance Beach, Grandview, Norris Beach, Poplar Bay, Crystal Springs, and the North East Pigeon Lake Regional Services Commission. The County of Wetaskiwin acted as lead.

The committee commissioned a 2007 engineering study, Pigeon Lake Wastewater Strategy and Master Plan Study, which included public consultation around the lake, and was to recommend options for “proper wastewater disposal around Pigeon Lake.” Along with recommendations for the regional collection and treatment systems, the study identified five options for local wastewater collection systems within the summer villages:

1. Status Quo
2. Trucked Wastewater Collection System (with Septic Storage on each lot)
3. Gravity Collection System (wastewater flow from each lot would flow by gravity to a collection main and from there to a centrally located lift station)
 - a. Small Diameter Gravity Sewer System (Similar to option 3, except that each lot would have a settling tank so that only liquids would be transported. Solids would have to be removed from the private tanks periodically.
4. Low Pressure Sewer System (Each home is equipped with a grinder or septic tank effluent pump which pumps into a low pressure main)
5. Combination of Low Pressure and Gravity Systems (Some areas, where topography allows, would be serviced by gravity, while other areas, possibly due to their lower elevations, would be serviced by low pressure systems)

The consultant, Associated Engineering, provided a “pre-screening” of the advantages and disadvantages of each system, recognizing that the Master Plan is a very high-level document and that much further analysis would have to be conducted before confirming the type of collection system that would be appropriate for each geographical area.

It was recognized in the 2007 Master Plan (and in all subsequent reports pertaining to local collection system alternatives for the Summer Village of Crystal Springs) that the ‘preferred’ option for a wastewater collection system from the homeowner standpoint was a gravity sewer system. The gravity system proposed minimal infrastructure on private property, required minimal maintenance on the part of the home owner, if used and installed properly, as well as lower operational costs for the municipality.

The experience with gravity systems around the lake, however, was problematic when gravity systems were installed on the north shore of the lake. The sewers had to be relatively deep, which meant that in many areas they were below the water table. Installation was difficult and expensive, and may have contributed to the contractor going bankrupt. Even once installation was complete, problems persisted with leakage from groundwater entering the sewer system. These problems were only resolved after many years of work and much expense.

Based on a preliminary analysis, Associated Engineering recommended that low-pressure sewer systems be installed to service the remaining developments around the lake, including Crystal Springs. The recommendation for low-pressure sewer systems rather than gravity sewer systems was based primarily on the difficulty and cost of construction of the gravity systems, the comparatively low capital cost, and easy constructability of low-flow systems.

8.6.2.1 Pigeon Lake Regional Wastewater System Preliminary Design Report

In 2009, Associated Engineering completed a Preliminary Design Report for the Pigeon Lake Regional Wastewater Planning Committee which looked in more detail at wastewater flow generation from the various areas around the lake, and made recommendations with respect to regional system design, such as transmission pipe size, material and alignment, lift station pumping capacities, lift station locations, and lagoon upgrade requirements.

The report did not address local collection systems other than to estimate the wastewater that would be generated from them, and to propose connection point locations.

8.6.3 North East Pigeon Lake Regional Wastewater Commission (NEPL)

Originally, the south side summer villages and the County of Wetaskiwin considered joining the NEPL with the intention that NEPL would manage the south side regional system. Crystal Springs council passed a resolution to investigate forming a single Pigeon Lake Regional Wastewater Commission on July 11, 2014, as follows:

<p>C. DISCUSSION ITEMS</p> <p>1. <u>Joint Pigeon Lake Wastewater Planning Committee/ NEPL Meeting</u></p> <p>Res. # 14-69</p> <p>Moved by Mayor Bell that the Summer Village of Crystal Springs support, in principle, the investigation of the formation of a single Pigeon Lake regional wastewater commission.</p> <p style="text-align: right;">CARRIED</p>

At a special council meeting on November 10, 2014, Crystal Springs council passed a conditional and complicated resolution to become a member in the Northeast Pigeon Lake Regional Services Commission (NEPL), as follows:

Res. # 14-119

Moved by Mayor Bell that the Summer Village of Crystal Springs wishes to become a member of the Northeast Pigeon Lake Regional Services Commission (NEPL) subject to and conditional upon:

- A. The Summer Village and NEPL entering into an agreement acceptable to the Summer Village of Crystal Springs;
- B. The Summer Village of Crystal Springs being satisfied, after receiving all required information from NEPL that would typically be provided for the purposes of carrying out a due diligence process, that it is prudent for the Summer Village to become a member of NEPL;

A request to the Minister of Municipal Affairs for the Summer Village to become a member of NEPL shall only be made upon Council confirming its intent to proceed following the due diligence process. The following due diligence items include but is not limited to the following 14 items within the timeline of February 1, 2015:

1. Most recent functional assessment of assets (lagoon, collection system, machinery and equipment)
2. List of all assets and liabilities
3. List of any contingent liabilities
4. 5 year capital plan
5. 5 year current budget and forecast
6. Financial statements from 2014-2014 (annual)
7. Most recent interim financial statements, showing detail (2014)
8. Fees and charges – formulas for rate setting from 2004-2014
9. Organizational documents – Order in Council, Regulations and Bylaws
10. Copies of the facility's approval and registration documents granted for ownership and operation of the facilities
11. Copies of code of practice
12. Documentation of safety practices and compliance certificates
13. Copies of insurance documents
14. Current agreements – administrative agreement with the County of Wetaskiwin, employee agreements, insurance agreements, bylaws, etc.

In favor: Mayor Bell, Deputy Mayor Churchill, Councillor Pratt
Against: None
CARRIED

Crystal Springs never did join the Northeast Pigeon Lake Regional Services Commission (NEPL) and regional stakeholders informed the inspectors of the following:

- A 3-3 tie vote defeated the decision for the south side summer villages and the County of Wetaskiwin to collectively join the existing commission;
- That unanimous consent to join was required from the prospective municipal partners;
- That Councillor Bell voted against joining the NEPL at the committee level, contrary to the Crystal Springs council resolution in support of joining NEPL;
- That joining an existing commission with aged infrastructure was not recommended;
- That related committee meeting minutes were not available for the inspectors to review.

Eventually the South Side *regional* committee was formed (SSRWWC) to pursue regional asset ownership and commission status. In addition, a *local* South Side committee of summer villages was formed (SSWWC) to consider local wastewater collection options. The authority delegated to these committees was unclear, although money was being spent.

8.6.4 South Side Pigeon Lake Regional Wastewater Committee

The South Side Pigeon Lake Regional Wastewater Committee (SSPLRWWC) was established to manage the construction and operation of the regional collection systems – essentially collecting wastewater at the south side lift station, and pumping it to the Mulhurst lagoon which is owned and operated by the Northeast Pigeon Lake Regional Services Commission (NEPLRSC). The SSPLRWWC had representation from six summer villages, including the Summer Village of Crystal Springs as well as the County of Wetaskiwin, acting as the lead municipality. Participating municipalities contributed to the costs of ownership and operation of shared wastewater facilities on a proportionate use basis. This committee recently applied for status as a commission and this approval was pending at the time of this report. The inspectors noted inconsistencies in local and regional committee names on various correspondence and records.

8.6.5 Crystal Springs Wastewater Collection System Concept Design Study

In 2014, the local South Side Wastewater Committee retained a project manager for the wastewater projects. A competitive process was used to call for proposals and MPE Engineering Ltd. was eventually selected and retained to coordinate the design, tender and construction supervision of the projects.

Back in 2010, the Summer Village of Crystal Springs had retained Associated Engineering to complete a Wastewater Collection System Concept Design Study. The August 2010 study analyzed both a low-pressure system as recommended in the 2007 master plan, and also a combination gravity and pressure system. A complete gravity system was not analyzed since *“A complete gravity system was not considered feasible due to the topography of the Summer Village”* according to the report.

The 2010 report identified reasons for upgrading to a municipal collection system:

“Private sewage systems can be difficult and expensive to properly maintain, which can lead to tank overflows, failure or leakage, creating potential health and environmental concerns.”

And,

“The residents in the Summer Village are concerned about rising haul costs and environmental implications of current on-site disposal practices.”

Prior to the analysis, the consultant completed a field review and survey of all septic and holding tanks *“as visually evident or as identified by property owners.”* Out of 200 lots in Crystal Springs, the report identified 143 holding tanks and two septic fields. There were 10 developed lots in which the holding tanks could not be identified. The remaining lots were either undeveloped or were ‘double lots’ with one development on a two-lot parcel.

The 2010 Wastewater Collection System Concept Design Study, described the advantages and disadvantages of the two systems and concluded that both options would be feasible; that the estimated construction cost of the gravity sewer option was more than double that of the low-pressure system; and long life cycle costs to residents and the municipality were estimated to be lower for the low-pressure line *“even after accounting for regular pump maintenance and replacement.”*

The gravity sewer system was expected to create considerably more disturbance during construction (4-6 metre depth) and would require the complete reconstruction of the roadway structure and surface. The 2010 report recommended a low-pressure sewer collection system for Crystal Springs with an estimated capital cost of \$2 million, as follows:

Summer Village of Crystal Springs	Executive Summary
<p>We recommend the Summer Village adopt a low pressure sewer local collection system for the purpose of planning and future detail design and construction. The estimated capital cost to develop the Municipal system and tie into the regional system is \$2,000,000. System design should include the preparation of a municipal standard for private connections (i.e. type of pump. We assume the lot owners would be individually responsible for installation of the pump and pipe on private lots after the municipal system is available.</p>	

Crystal Springs council adopted goals for the local wastewater collection system and transmission line at the July 25, 2014 regular council meeting and passed a related resolution #14-95:

Res. # 14-95

Moved by Mayor Bell that the Summer Village of Crystal Springs adopt the following goals for the local wastewater collection system and transmission line: that no one will be left behind, this sewer is to serve our residents; that we will build the best local wastewater system possible, for the best price; and that the Summer Village will explore the ownership and financing of the lines and pumps on private property as well as the municipal portion of the sewer line.

CARRIED

Records also show that council had a discussion about how to inform residents about the project and project funding that had been obtained. Some consultation and informative efforts were evident, yet the public clearly wanted more input.

At a March 13, 2015 special council meeting, Crystal Springs council authorized the SSPLRWWC to apply for grant funding under the Building Canada Small Communities Fund program for the local wastewater collection systems:

Res. # 15-20

Moved by Councillor Bell that the Summer Village of Crystal Springs participate in the funding application by the Summer Village of Ma-Me-O Beach as lead municipality through the 2015 Building Canada Small Communities Fund Program for the south side Pigeon Lake local Wastewater system Phase 1 based on costs estimates provided by MPE.

In Favor: Mayor Pratt, Deputy Mayor Churchill, Councillor Bell

Opposed: None

CARRIED

This grant application was approved, with a two thirds cost reimbursement up to a maximum of \$1.17 million for Crystal Springs.

Despite grant applications, approvals, and regional participation to bring the regional line to the doorstep of the summer village, Crystal Springs council struggled to reach a decision about whether to install a low-pressure collection system, as recommended in the previous studies, or to install a gravity sewer system for local wastewater collection.

Council leadership was convoluted and inconsistent on this issue. Repeated council resolutions for additional reports appear to be an answer-shopping effort and an excessive attempt to appease one councillor in hopes of achieving consensus on the council decision. Some councillor discussions with citizens appeared to zig-zag and backtrack between wastewater

system options and this inconsistent leadership led to public confusion. Crystal Springs council engaged engineering experts to assist them in making reasoned, evidence-based decisions, and then the council second-guessed the expert advice they received. At a May 20, 2015 meeting, council approved obtaining an “engineer’s rough cost estimate” for a gravity sewer system, as shown below:

Res. # 15-54
Moved by Councillor Bell that the Council of Crystal Springs supports pursuing an engineers rough cost estimate for a gravity system for Crystal Springs, to a maximum of \$6,000.
CARRIED

At the August 20, 2015 regular council meeting, council authorized obtaining a final engineering design for the local wastewater system. Resolution #15-98 is unclear with no costs associated with the design or funding sources identified in the resolution:

Summer Village of Crystal Springs
August 20, 2015 Council Meeting Minutes

2. Financial Report
A grant funding update was presented to Council. Some AMIP funding needs to be spent by the end of 2015. Councillor Bell suggested spending the funding on a detailed final design for the local wastewater line.

Res. #15-98
Moved by Councillor Bell that the Summer Village of Crystal Springs proceed with obtaining a final engineering design for the local wastewater system.
CARRIED

After authorizing a final detailed design for the local wastewater line in August 2015, council approved a resolution on October 14, 2015 for a second quote to determine the cost of a gravity line for Crystal Springs, at a cost of up to \$20,000:

2. South Side Wastewater Committee
Councillor Bell stated that the community has expressed an interest in exploring the potential for a gravity line for Crystal Springs. Associated Engineering explored the option in 2009. Pursuing this option with Associated Engineering would be prudent as they already have information on Crystal Springs.

Res. # 15-137
Moved by Councillor Bell that the proceeding Motion have a recorded vote.
CARRIED

Res. # 15-138
Moved by Councillor Bell that Administration contact Associated Engineering to determine the cost of a gravity line for Crystal Springs, at a cost of up to \$20,000.
In Favour: Deputy Mayor Churchill, Councillor Bell
Opposed: Mayor Pratt
CARRIED

At the November 10, 2015 council meeting, administration provided information about the procurement policy #10-2009 which states that purchases of goods and services for an estimated value of between \$2,500 and \$10,000 may be purchased from the lowest cost vendor based on written quotations from two qualified vendors. Council then passed a resolution to obtain two quotes for cost comparison of gravity vs low pressure wastewater systems:

<p>G. DISCUSSION ITEMS 2. Local Wastewater Proposals The procurement policy #10-2009 was reviewed which states: "2. Vendor Selection: ... (c) Purchases of goods and services for an estimated value of between \$2,500 and \$10,000 may be purchased from the</p> <hr/> <p style="text-align: center;">Page 2 of 4</p>
<p style="text-align: right;">Summer Village of Crystal Springs November 10, 2015 Council Meeting Minutes</p> <hr/> <p>lowest cost vendor based on written quotations from 2 qualified vendors." Administration recommended that two engineering companies provide reports on gravity vs low pressure systems.</p> <p>Res. # 15-150 Moved by Councillor Bell that the proceeding motion have a recorded vote.</p> <p style="text-align: right;">CARRIED</p> <p>Res. # 15-151 Moved by Deputy Mayor Churchill that the Summer Village of Crystal Springs obtain two quotes for the cost comparison of gravity vs low pressure wastewater systems.</p> <p style="text-align: right;">In Favor: Mayor Pratt, Deputy Mayor Churchill Opposed: Councillor Bell CARRIED</p>

No record of a motion by council was located to show that council approved either of the competitive quotes received to compare gravity and low pressure wastewater systems. Rather, two separate engineering reports were prepared for Crystal Springs, one completed by Associated Engineering and one by MPE Engineering Ltd. Each of the 2015 reports compared gravity versus low pressure sewer options and came to the same conclusion as the 2010 report.

Basic procurement practices include calling for competitive quotes and then selecting a qualified contractor from among the quotes received. Crystal Springs council acted in an improvident manner by engaging duplicate contractors to complete the same task. Some stakeholders felt that these quotes were redundant and that it was unnecessary to complete further reports after the regional committee had already authorized and completed this comparison. The local wastewater collection project was a big decision for the Crystal Springs council and the decision was delayed during council's pursuit of duplicate reports. Records show that grant funding was used to pay for the duplicate report costs totalling \$18,500.

Council discussed and accepted the reports at the December 9, 2015 regular council meeting. Both reports concluded that some form of mixed gravity and low-pressure system could be achieved, but that the short and long-term costs (including both municipal and private costs), would be higher than a low-pressure system. Both reports noted that disruption during construction would be substantially higher with a gravity system, and that not all of the community could be serviced with a gravity system.

Council passed resolution #15-169 on December 9, 2015 to design and construct a low-pressure system for their local wastewater collection system, as follows:

<u>Res. # 15-167</u> Moved by Deputy Mayor Churchill that the Summer Village of Crystal Springs hold a public meeting for residents once more information is known regarding the local wastewater system.	
<u>Res. # 15-168</u> Moved by Councillor Bell that to proceeding motion have a recorded vote.	CARRIED
<u>Res. # 15-169</u> Moved by Mayor Pratt that based on the recommendations set out in the reports provided by Associated Engineering and MPE Engineering Ltd. and the memo from the South Side Wastewater Local Collection Systems Project Manager Graeme Langford, that Crystal Springs design and construct a Low Pressure system for their local wastewater collection system.	CARRIED
	In Favor: Mayor Pratt, Deputy Mayor Churchill Opposed: Councillor Bell CARRIED

Based on council direction, the South Side Wastewater Committee authorized MPE Engineering Ltd. to complete the design of a low-pressure collection system for the Crystal Springs wastewater collection system. As the project progressed, it became apparent that the committee needed more structure and authority. Crystal Springs council continued to participate and exercise leadership in regional wastewater initiatives. Council passed the following resolution at the January 13, 2016 meeting:

Res. # 16-05

Moved by Councillor Bell:

Be it resolved that the Summer Village of Crystal Springs join the proposed South Pigeon Lake Regional Wastewater Committee as a member thereof.

CARRIED

Although local design, construction and installation of communal wastewater systems is the responsibility of each individual municipality, Crystal Springs continued to maintain a strong regional focus to share expertise and access multi-million dollar grants. The summer villages of

Ma-Me-O Beach, Norris Beach, Crystal Springs, Grandview, and Poplar Bay formed the South Side Wastewater Committee (SSWWC) in 2016 *“to cooperate and coordinate their efforts in the construction of wastewater collections systems to service the existing and future developments in their respective municipalities.”*

Crystal Springs council passed a related resolution on January 13, 2016 to cooperate in managing significant grant funding received under the Building Canada, Small Community Fund for wastewater collection systems:

Res. # 16-11

Moved by Deputy Mayor Churchill:

WHEREAS:

The Municipalities on the South Side of Pigeon Lake being the Summer Villages of Ma-Me-O Beach, Norris Beach, Crystal Springs, Grandview and Poplar Bay, and the County of Wetaskiwin No. 10 (the Participating Municipalities), have agreed to cooperate and coordinate their efforts in the construction of wastewater collection systems to service the existing and future developments in their respective municipalities (The Projects).

AND:

The municipalities have received two grants from the Building Canada, Small Community Fund to support the construction of the collection systems. The grants are referenced as follows:

A. *South Side Pigeon Lake Regional Wastewater System – Local Collection Systems Phase 1 (Project ID: SV_MAME-01)*

- *This grant is for identified areas of Ma-Me-O Beach, Norris Beach, Crystal Springs and the County of Wetaskiwin and provides a maximum Federal/Provincial contribution of \$6,000,000 for a project estimated to cost \$9,000,000.*

B. *South Side Pigeon Lake Regional Wastewater System – Local Collection Systems Phase 2 (Project ID: SV_POPL-01)*

- *This grant is for identified areas of Poplar Bay, Grandview and the County of Wetaskiwin and provides a maximum Federal/Provincial contribution of \$5,180,258 for a project estimated to cost \$7,770,387.*

AND:

The Participating Municipalities have each appointed representatives to the existing South Side Wastewater Committee (the Committee), for the purposes of making the necessary decisions to move the Projects forward in a timely manner;

THEREFORE:

The Summer Village of Crystal Springs does hereby approve:

1. *The Terms of Reference as set out in Schedule A (Attached);*

2. *The Guiding Principles as set out in Schedule B (attached) as well as decisions made at the Committee meeting of November 19, 2015; and*
3. *The Appointment and Authority of Committee members as set out in Schedule C (attached);*
While noting that a formal Inter-Municipal agreement for the on-going operations, maintenance, cost sharing, and responsibilities for the Wastewater Collection Systems will be prepared and that where that agreement conflicts with the principles set out in this resolution, that agreement shall take precedence.

APPROVAL

The Council of the Summer Village of Crystal Springs, has by Motion #16-11, dated January 13, 2016, confirmed the authority, responsibility and principles outlined in this document including the attached schedules.

In Favor: Mayor Pratt, Deputy Mayor Churchill

Opposed: Councillor Bell

CARRIED

As of November 2016, MPE anticipated the Crystal Springs project to go to tender in February 2017 with construction anticipated to begin in the spring of 2017 and completion and commissioning of a low-pressure wastewater system by the end of 2017.

The project proposed the construction of a forcemain located on municipal right of way, as well as installation of service lines from the forcemain to private holding tanks, including the portion on private property. The tender was to also include the supply of pumps and control systems, the retrofit or replacement of existing tanks, as well as the installation and electrical connection of the pumps and control systems.

At the time of this inspection, Crystal Springs officials continued to explore options to reduce up-front cost to property owners with plans for the municipality to pay for as much of the project as possible, including costs on private property. Certain costs were proposed to be funded through grants, reserves or the local tax base.

Members of the public spoke out both in strong support and opposition to the local wastewater project, which was their democratic right as citizens. Grassroots input is valuable, as referenced in the "Community Engagement" section of this report. Some residents were very anxious for the project stating they were *"Absolutely still in favour of the sewer, despite having to dig up the yard to put connector line in place from tank to main line. We don't live in the 1800s anymore, the lake needs a sewer!"* The inspectors were informed that local resident groups prepared and broadcasted unofficial, incomplete and sometimes provocative information, such as the excerpt from an anonymous document distributed locally, dated August 25, 2016:

This is not a 'flush and forget' sewer system. It requires maintenance by both the municipality and the lot owner. WE ASK: Why do cities and towns not employ a low pressure sewage collection system. IS THE ANSWER: The collection system is not maintenance friendly.

Why has or Council NOT given us the option to tie in or not to tie in to the proposed sewer project while others have that option???

Why not pay \$4433.50 plus \$420 per year and have the option to avoid the other hassles and expenses? For a phone call and \$120 per pump out twice a year why not have that option?

**Council has threatened you if you do not accept their demands.
(Section 6.2 of the Wastewater Bylaw)
\$2000 for the first time they speak to you.
\$5000 for each successive time they speak to you.**

August 25, 2016

Councillor Bell was observed to have a strong rapport with the petition representatives, the extended petition 'group' as well as the informal 'Pigeon LakeWISE' team, which appeared to be against the connection to a regional wastewater system. Councillor Bell indicated that she was not a member of the LakeWISE group, although she provided a significant volume of researched information to the inspectors titled "Evaluating Wastewater Systems" dated October 31, 2016, with contributions from the Pigeon LakeWISE Team,. This web-based research appeared as an attempt to contradict advice and statements that Crystal Springs had received from health and engineering professionals in order to challenge the purported benefits of connecting to a local wastewater collection system and support the status quo (individual systems).

The inspectors were informed that the Pigeon LakeWISE Team distributed information throughout several south side summer villages, such as a July 2016 "Did you know?" document containing the following excerpt:

DID YOU KNOW????????????????

...Your council wants to build a sewer to pipe wastewater instead of having pump-out trucks. You still have to pump solids out of your holding tank. This not a "flush-and-forget" system like in Edmonton. How much are you willing to spend to move **only liquid waste** to the regional line?

...Did you know the new sewer needs annual for maintenance of your pump and line, and the homeowner average cost is \$1,400 (from engineer's reports)? You have to clean screens in the holding tank every year. You have to pay about \$600 in electricity costs every year. What do you pay to haul by truck now?

... Did you know to hook up to the sewer line homeowner costs average \$15,000? Engineers will not give you an actual on-site estimate for your place. Councillors opt to let you figure it out. They don't think you need professionals to tell you about the work facing you and actual costs. They think you can do-it-yourself, including all the landscaping that will be torn up. How much will you spend installing pumps on your land? (Get an idea of hook-up costs, see over).

Some stakeholders expressed their observations and concern that Mayor Churchill and Councillor Pratt appeared closely aligned with the Pigeon Lake Renewal League, a local group advocating in favour of the proposed local wastewater system.

8.6.6 Summary of Council Decision-Making Process

The inspectors found that in general, the Crystal Springs council acted within their authority and performed their leadership function throughout the process of participating in the regional wastewater system construction and operation, the process of selecting a local wastewater collection system, and their participation in the South Side Wastewater Committee.

The process was complex with various leadership branches and many committees/commissions and municipalities involved in the process, including the North East Pigeon Lake Regional Services Commission, the Pigeon Lake Wastewater Planning Committee, the South Side Regional Wastewater Committee (commission status pending) and the South Side Wastewater Committee.

In spite of contrary opinions and a lack of wastewater system consensus in the community and on the Crystal Springs council, leadership did occur and decisions were made in an appropriate public forum, following limited public consultation and after considering expert advice.

The council was found to act in an improvident manner by being spendthrift in requiring duplicate reports to compare sewer system options. Some officials and local stakeholders informed the inspectors that the local conflict on council was *“not about the sewer!”* and that the sewer project was used by local officials to posture, grandstand and fight.

8.6.7 Pigeon Lake Water Quality

With higher-end homes being developed, property values increasing, and many people spending more time at the lake, lake water quality became more and more of a concern to residences and legislators alike. Summer villages play an important role as lakeside partners in environmental stewardship.

There is a perception by cabin owners and recreational users that water quality in Pigeon Lake has gotten worse over time, with 2015 identified as one of the worst years for Pigeon Lake water

quality in recent memory of several stakeholders. There were large algae formations which took on a three-dimensional shape, exuded a sewage like odour, and which were reported in the media.

Alberta Health Services monitors lake quality and has taken the steps to issue Blue-Green Algae Health Advisory Alerts for Pigeon Lake every year since at least 2009. With some exceptions, however, the lake generally meets Canadian Recreational Water Quality Guidelines for bacteria.

Alberta Health Services issued two Water Contamination Health Advisories for Pigeon Lake in August 2015 based on monitoring results finding elevated levels of fecal bacteria. The first advisory was issued for Mission Beach, and the second, a week later, was issued for Grandview beach.¹³

Provincial officials from Alberta Environment and Parks, and Alberta Health Services confirmed that there are many factors which contribute to water quality issues. They do not believe it is possible to draw a direct link between the summer villages and any specific water quality incident but rather that the cumulative impact of all of the development around that lake, the on-site sewage systems that still exist, and the failed or improperly maintained holding tanks does have some impact [on lake water quality].



Various related lake health news articles are listed below:

¹³ Global News 2015 Blue Green: <http://globalnews.ca/news/2200432/i-cant-stand-it-pigeon-lake-residents-concerned-about-stench-coming-from-water/>

Fecal Advisory – Second Time in two weeks. 2015: <http://globalnews.ca/news/2172030/fecal-bacteria-levels-prompt-water-advisory-for-pigeon-lake-beach/>

Alberta Health changes how Blue Green Advisories are managed, July 2015: <http://globalnews.ca/news/2110864/the-change-is-just-incredible-ahs-changes-the-way-it-issues-blue-green-algae-advisories/>

2014 Blue Green Advisory: <http://globalnews.ca/news/1441785/beware-of-toxic-blue-green-algae-in-pigeon-lake/>

8.7 Planning and Development

Crystal Springs has one development officer position, shared between the participating Joint Services Committee members. There were seven development permits issued in 2015 and six issued to the end of September 2016. The types of developments requiring permits vary from the construction of new homes, to smaller renovations or additions.

8.7.1 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. A 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.

Council passed the current LUB #208 on July 27, 2012 and it appears to be meeting the needs of the community.

8.7.2 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.

Legislation did not require Crystal Springs to have a municipal development plan. Long range planning is particularly important to communicate intended land uses to local stakeholders, future investors and neighbouring municipalities to promote well-ordered growth.

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.

Crystal Springs participates in the South Pigeon Lake Intermunicipal Development Plan along with other neighbouring municipalities. Crystal Springs signed the related agreement in July 2013. Participating municipalities include:

- The County of Wetaskiwin
- The Summer Village of Crystal Springs
- The Summer Village of Grandview
- The Summer Village of Poplar Bay
- The Summer Village of Norris Beach

The IDP was approved in 2002 and last amended in 2013. An original bylaw from 2002 was passed to adopt an intermunicipal development plan, and a 2006 bylaw was passed to amend the IDP. A 2013 bylaw authorizing the corresponding IDP amendment was not available and appears to be an omission.

RECOMMENDATION FOR IDP REVIEW: That Crystal Springs council review and adopt an Intermunicipal Development Plan bylaw authorizing recent amendments; and ensure that all planning documents are adopted by bylaw, with proper advertising and public hearing requirements in accordance with the MGA.

8.7.3 Encroachment Issues

Crystal Springs Council passed bylaw #184 in October 2007 to control the use of municipal property by addressing private developments encroaching on municipal property.

On October 13, 2010 council passed the following resolution to address encroachment issues on a case-by-case basis. It appears that the council appeared to amend Bylaw #184 with a single resolution, rather than giving three distinct readings:

#90 Crystal Springs

*Deputy Mayor Bell departed from Council Chambers and the Council Meeting at 3:05 pm.
Res. # 10-124 Moved by Mayor Pratt to go In Camera at 3:05 pm. CARRIED*

Res. # 10-125 Moved by Mayor Pratt to come out of In Camera at 3:31 pm. CARRIED

Res. # 10-126 Moved by Councillor Schlese that Crystal Springs Bylaw #184, Use of Municipal Property, be amended so that the Summer Village can address encroachment issues on a case-by-case basis. CARRIED

In February 2011 council passed Bylaw #204, amending Bylaw #184, requiring the removal of encroachments on municipal property, as follows:

1. *That Bylaw 184, To Control the Use of Municipal Property, shall be amended to read:*

5.6 Any encroachments on municipal property must be removed and the site restored to its original/natural state, to the satisfaction of the Summer Village unless an encroachment agreement is approved by Council.

In the Spring 2011 Newsletter, the council highlights included the following statement:

“We have received legal recommendations as to how to address encroachments and adopted them with amendments to the related bylaw and policy.”

On June 15, 2011, Council agreed to enter into an encroachment agreement with the owners of #90 Crystal Springs Drive, as follows:

<p>J. IN CAMERA (if required) 1. #90 Crystal Springs</p> <p>Deputy Mayor Bell departed from Council Chambers at 12:04 pm.</p> <p><u>Res. # 11-57</u> Moved by Mayor Pratt to go In Camera at 12:05 pm. CARRIED</p> <p><u>Res. # 11-58</u> Moved by Councillor Schlese to come out of In Camera at 12:22 pm. CARRIED</p> <p><u>Res. # 11-59</u> Moved by Mayor Pratt that the Summer Village of Crystal Springs approach the owners of #90 Crystal Springs with the final version of the encroachment agreement as drafted by legal counsel, with the position that no further revisions to the encroachment agreement be considered. CARRIED</p> <p>Deputy Mayor Bell returned at 12:50 pm</p>

According to officials, the encroachment agreement was never entered into since the property owners eventually removed the encroaching fence. Crystal Springs' legal defense costs on this matter totaled approximately \$13,000 and there was only one property that resisted compliance.

8.7.4 Safety Codes

The Summer Village of Crystal Springs is an accredited municipality under the *Safety Codes Act* and it holds a valid Quality Management Plan, which has been approved by Municipal Affairs.

The Summer Village of Crystal Springs contracts safety codes officer services from Superior Safety Codes Inc. to issue building permits and conduct inspections for various disciplines administered by the Alberta *Safety Codes Act*. The Safety Codes Council website¹⁴ describes the involvement of trained safety codes officers to ensure compliance with established safety codes:

“Safety codes officers, or SCOs, inspect the construction, installation, operation, and maintenance of structures and systems to ensure compliance with relevant codes, standards and regulations. SCOs are involved with the elements of public safety covered by the Safety Codes Act in the following disciplines: Building, Electrical, Plumbing, Gas, Fire, Barrier Free Design and Access, Amusement Rides, Pressure Equipment, Elevators, and Passenger Ropeways.”

¹⁴ <http://www.safetycodes.ab.ca/SCO/Pages/default.aspx>

During the municipal inspection, inspectors spoke with Alberta government Safety Codes Inspectors, as well as representatives from Superior Safety Codes Inc. No significant issues were identified related to the management or enforcement of the summer village Quality Management Plan.

It was noted, however, that the agreement between the Summer Village of Crystal Springs, and Superior Safety Codes Inc. has expired. The original agreement was for the period January 1, 2010 to December 31, 2010. The agreement was subsequently extended by agreement to December 31, 2013. A second extension was apparently prepared, but was not executed. The original contract continues on the basis of clause 4.1 in the contract which states that *“During the period that such renewal is being negotiated, the existing agreement shall remain in full force and effect.”*

RECOMMENDATION FOR SAFETY CODES: That the Summer Village of Crystal Springs review the agreement for accredited safety codes services and take steps to ensure that a current agreement is in place with an accredited agency.

8.8 Recreation and Cultural Services

8.8.1 Playgrounds

Playground inspections were reported to be conducted by a staff member certified by the Canadian Playground Safety Institute. Records were maintained documenting each inspection, and any follow-up needed to ensure that deficiencies were repaired in a timely fashion. Records show that no playground inspections occurred in 2016 due to an employee’s absence from work, however inspections were planned to resume in 2017.

RECOMMENDATION FOR PLAYGROUND INSPECTIONS: That Crystal Springs administration ensures that appropriate playground inspections take place in compliance with CAN/CSA-Z614-14 Children’s Playspaces and Equipment.

8.8.2 Local Parks

The Summer Village of Crystal Springs has several parks and recreation areas as well as beach access with a boat launch. The numerous parks create a very picturesque setting in this lakefront community. The major facilities operated by the Summer Village include the roadway, a day use park, (with playground apparatus, picnic tables, benches and a gazebo), two other green space park areas, a boat launch, and several lake access right of ways.



Crystal Springs Day Use Park



Red Robin Park



Crystal Springs Day Use Park Swing Set



Public Lake Access Right of Way

8.8.3 Beach Services

In 2016, the summer village was approached by a local organization about the possibility of an annual beach cleanup. The summer village provided funding to the group, which then commenced a spring and fall cleanup. At the time of the inspection, no decision had been made whether or not this service would continue in future years. A private boat launch was maintained by the summer village for residents to use. Keys for the gate could be signed out by residents at the administration office.



Crystal Springs boat launch



Boat hoists stored on the beach for the winter

8.8.4 Family and Community Support Services

Family and Community Support Services (FCSS) in Alberta are regulated provincially through the *Family and Community Support Services Act*. Six of the jointly administered summer villages participated in a joint grant application for FCSS services, including:

- Crystal Springs
- Golden Days
- Grandview
- Ma-Me-O Beach
- Norris Beach
- Poplar Bay

This report previously recommends that council establish an FCSS board bylaw. Local FCSS services are managed by a staff member with office space in the community hall. Services appear to be meeting local needs.

8.8.5 Library

Crystal Springs is part of the Yellowhead Regional Library System which provides service to the region. The library is governed under the Alberta *Libraries Act* and the *Libraries Regulation*. The Act defines library service as a municipal service and provides for the library to be managed by a library board on behalf of council, with up to two councillors being appointed to the board. The Pigeon Lake Public Library appears to be meeting the needs of the region, and is a modern space with a multipurpose board room.



Photo of Summer Villages Office and Pigeon Lake Public Library.

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

9 CONCLUSION

This beautiful lakeside community had every reason to thrive and progress with so many critical components in place; including council members who are deeply rooted and committed to the community, a strong financial position, committed staff, a robust regional network, and an engaged public.

Unfortunately, council dysfunction and weak decision-making processes will have a lasting impact on the community, particularly by either advancing or hindering significant capital projects. Council member actions have contributed to instability for the Summer Village of Crystal Springs with the 2017 resignation of a longstanding CAO and pending exit from the robust network of the regional Joint Services Committee.

The municipal inspection for the Summer Village of Crystal Springs identified areas for improvement in governance, administration, and operations and several recommendations are provided. The inspectors are of the opinion that the Summer Village of Crystal Springs has been managed in an irregular, improper, and improvident manner for the following summary reasons: A lack of legislative compliance in several areas; improper standards of council conduct; inconsistent council remuneration practices; irregular contract management; and spendthrift action in acquiring duplicate wastewater reports.

The divisive governance environment that existed during the 2013-2017 council term has spread beyond the council table, causing some polarization in the broader community. The 2017-2021 council will face leadership challenges to unite the community and strengthen social, physical and environmental components.

Trust and respect demand space at the council table. From there, a ripple effect of goodness, progress, and community wellbeing can start bubbling up, similar to the natural artesian “Crystal Springs” that the physical community foundation is built on.

10 APPENDICES

10.1 Appendix 1: List of Acronyms

AAMDC..... Alberta Association of Municipal Districts and Counties	MGA..... Municipal Government Act
ACP Alberta Community Partnership	MSI Municipal Sustainability Initiative
AIM Annual Information Meeting	MSP..... Municipal Sustainability Plan
AUMA Alberta Urban Municipalities Association	NEPLRSC. Northeast Pigeon Lake Regional Services Commission (also referenced as NEPL)
CAO..... Chief Administrative Officer	PLRWWPC Pigeon Lake Regional Wastewater Planning Committee
CEO..... Chief Elected Official	PSAB Public Sector Accounting Board
CPO..... Community Peace Officer	RCMP Royal Canadian Mounted Police
EMS..... Emergency Medical Services	RCP Regional Collaboration Program
FCSS Family and Community Support Services	RFD Request for Decision
FIR..... Financial Information Return	s..... Section (of legislation)
FOIP Freedom of Information and Protection of Privacy (Act)	SDAB..... Subdivision and Development Appeal Board
GTF Gas Tax Fund	SSRWWC. South Side Regional Wastewater Committee (pending commission status)
HR Human Resources	SSWWC ... South Side Wastewater Committee (local collection systems)
ICSP Integrated Community Sustainability Plan	TCA Tangible Capital Assets
IDP..... Intermunicipal Development Plan	
JSC..... Joint Services Committee	
LAEA Local Authorities Election Act	
LUB..... Land Use Bylaw	
MDP..... Municipal Development 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 the Summer Village of Crystal Springs council members attend meeting decorum training, roles and responsibilities training, and teambuilding events to strengthen their political capacity to work together as a council.	20
G2	RECOMMENDATION FOR COUNCIL ORIENTATION: That the Summer Village of Crystal Springs council have greater accessibility to orientation and educational documents for ease of use and reference; and that the Code of Ethics and Conduct policy be included as a council orientation resource; and that all council members participate in orientation training each term.	18
G3	RECOMMENDATION FOR CODE OF CONDUCT REVIEW: That the Summer Village of Crystal Springs council review, update and adhere to the Council Code of Conduct.	19
G4	RECOMMENDATION FOR COUNCIL COMMITTEES: That the Summer Village of Crystal Springs 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; and that council ensures accountability of public funds entrusted to local boards and committees.	62
G5	RECOMMENDATION FOR COUNCIL REMUNERATION REVIEW: That the Summer Village of Crystal Springs council complete a review of council remuneration practices to establish a process wherein council members are fairly compensated and accountable for all council and committee meetings and related functions that they attend; and that council member meeting expense claims be made publicly available; and that a special review engagement be completed for Crystal Springs council meeting fees and expense claims during the 2013-2017 term.	64
G6	RECOMMENDATION FOR STRATEGIC PLANNING: That the Summer Village of Crystal Springs council include a public consultation component in future strategic planning efforts.	23

#	Governance Recommendation	Page
G7	RECOMMENDATION FOR PERFORMANCE MEASURES: That the Summer Village of Crystal Springs develop meaningful performance measures that demonstrate how the use of budget resources have advanced strategic priorities.	23
G8	RECOMMENDATION FOR BYLAWS: That the Summer Village of Crystal Springs council pass and repeal bylaws using wording that is consistent with the MGA; and that the municipality ensure that prior year property tax bylaws are not inadvertently repealed.	58
G9	RECOMMENDATION FOR POLICY REVIEW: That the Summer Village of Crystal Springs council ensure that current policies incorporate best practices when amending and creating new policies; and that the minimum tax payable policy be reviewed to ensure consistency with the MGA.	60
G10	RECOMMENDATION FOR COUNCIL TO AVOID ADMINISTRATIVE FUNCTIONS: That the Summer Village of Crystal Springs council refrain from performing administrative duties, in accordance with the provisions in the MGA s. 201(2).	21
G11	RECOMMENDATION FOR CAO PERFORMANCE EVALUATIONS: That the Summer Village of Crystal Springs council provide annual written performance evaluations of the CAO in accordance with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established in conjunction with the strategic plan; and that the council obtain qualified expertise to assist with the formal CAO performance evaluation process.	25
G12	RECOMMENDATION FOR RESOLUTION CLARITY: That Crystal Springs council ensure that council resolutions are comprehensive, concise, and appropriately worded so that council actions are clear to the general public and future councils; that exact resolution wording is agreed to by all of council prior to the vote; and that wherever possible, administration prepare draft resolutions in advance for council's consideration.	42
G13	RECOMMENDATION FOR ONLINE AGENDAS AND MINUTES: That Crystal Springs council amend the procedural bylaw to ensure that council meeting agendas and minutes are made available to the public in a timely fashion through the municipal website.	42
G14	RECOMMENDATION TO ACT BY BYLAW OR RESOLUTION: That Crystal Springs council ensure that all actions of council are made by bylaw or resolution in a public council meeting in accordance with the MGA s. 180 and 181.	43
G15	RECOMMENDATION FOR RECORDING OF VOTES: That Crystal Springs council refrain from passing resolutions to request recorded votes; and that votes are recorded "for" and "against" in accordance with the MGA s. 185.	45

#	Governance Recommendation	Page
G16	RECOMMENDATION FOR HANDLING VOTING ABSTENTIONS: That council members provide reasons for each abstention from voting, and that the reasons for abstaining are recorded in the meeting minutes (MGA s. 183); and when abstaining from voting, that council members leave the room until discussion and voting on matters of a pecuniary interest are concluded in accordance with the provisions of the MGA s. 172.	46
G17	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 continued compliance with the MGA s. 170.	48
G18	RECOMMENDATION FOR IN CAMERA AGENDA ITEMS: That Crystal Springs council comply with the MGA s. 197 when closing any part of a meeting to the public, and state related FOIP exceptions to disclosure in the meeting minutes; and that council members keep matters in confidence as required by the MGA s. 153.	50
G19	RECOMMENDATION FOR PUBLIC PRESENCE: That council ensures that the public has an opportunity to be present at all council and committee meetings in accordance with the provisions of the MGA s. 197-198; and that members of the public in the gallery conduct themselves as required in the MGA and local procedural bylaw.	52
G20	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.	52
G21	RECOMMENDATION FOR NOTICE OF PUBLIC MEETINGS: That council provide notice of meetings or waive the requirement to provide notice <i>prior to</i> holding council or committee meetings, in accordance with the MGA s. 194.	55
G22	RECOMMENDATION FOR REGULAR MEETING DATES: That council establish regular council meeting dates to improve communication for public meeting schedules.	55
G23	RECOMMENDATION FOR CITIZEN ENGAGEMENT TRAINING: That the Summer Village of Crystal Springs officials receive citizen engagement training to learn how to effectively engage citizens and local interest groups.	34
G24	RECOMMENDATION FOR FCSS BYLAW: That Crystal Springs council pass a bylaw to authorize the establishment of and participation in a joint Family and Community Support Services Board, in accordance with the MGA s. 145.	62
G25	RECOMMENDATION FOR IDP REVIEW: That Crystal Springs council review and adopt an Intermunicipal Development Plan bylaw authorizing recent amendments; and ensure that all planning documents are adopted by bylaw, with proper advertising and public hearing requirements in accordance with the MGA.	113

10.2.2 Administrative and Operational Recommendations

#	Administration and Operations Recommendation	Page
A1	RECOMMENDATION FOR AGENDA PREPARATION: That Crystal Springs administration establish stronger agenda preparation procedures by providing formal recommendations to council using a comprehensive request for decision format and proposed resolution wording.	69
A2	RECOMMENDATION FOR COUNCIL MEETING MINUTES: That the CAO ensure that council meeting minutes are recorded without note or comment in accordance with the MGA, s. 208; and that Crystal Springs council approve a policy for council meeting minutes to be made available to the public in a timely manner; and that a dedicated recording secretary be trained to record council meeting minutes.	72
A3	RECOMMENDATION FOR RECORDS MANAGEMENT: That council review and update the records management bylaw and practices to ensure the safety, privacy or accessibility of all electronic and physical municipal records in accordance with FOIP legislation.	74
A4	RECOMMENDATION FOR HUMAN RESOURCES REVIEW: That the Summer Village of Crystal Springs undertake a human resources review to ensure the physical and emotional safety of all staff in their working environment.	66
A5	RECOMMENDATION FOR CONTRACT REVIEW: That the Summer Village of Crystal Springs council undertake a review of all service contracts to ensure clarity of contract terms and engage legal counsel to review contracts as needed.	90
A6	RECOMMENDATION FOR SAFETY CODES: That the Summer Village of Crystal Springs review the agreement for accredited safety codes services and take steps to ensure that a current agreement is in place with an accredited agency.	116
A7	RECOMMENDATION FOR PLAYGROUND INSPECTIONS: That Crystal Springs administration ensures that appropriate playground inspections take place in compliance with CAN/CSA-Z614-14 Children's Playspaces and Equipment.	116

10.2.3 Financial Recommendations

#	Financial Recommendation	Page
F1	RECOMMENDATION FOR BUDGET PROCESS: That Crystal Springs establish timelines for budget approval by year-end, and establish a meaningful process for public input on local priorities.	76
F2	RECOMMENDATION FOR LOCAL IMPROVEMENTS: That Crystal Springs only use a Local Improvement reference on property tax notices if it relates to a local improvement tax bylaw.	78
F3	RECOMMENDATION FOR FINANCIAL REPORTING POLICY: That Crystal Springs 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).	82
F4	RECOMMENDATION ON FINANCIAL REPORTING TO THE PUBLIC: That Crystal Springs council provide sufficient staff and budget resources to ensure that the municipality meets the legislative deadline for providing council approved financial reporting to the public in accordance with the MGA s. 276; and that additional public reporting be considered to communicate municipal performance and the accomplishment of strategic objectives.	84
F5	RECOMMENDATION FOR INTERNAL CONTROLS: That Crystal Springs improve internal controls by establishing procedures for management to review and approve invoices prior to printing cheques.	86
F6	RECOMMENDATION FOR YEAREND TRANSACTIONS: That Crystal Springs administration review year end transactions affecting reserve accounts and work with the auditor to ensure that reserves and surpluses are more accurately recorded.	87
F7	RECOMMENDATION FOR PURCHASING POLICY REVIEW: That Crystal Springs council review purchasing policy #10-2009 and remove the requirement for regular vendor [cheque] listing reports to be provided council where budgeted expenses are previously approved.	85