

## Village of Warner Municipal Inspection

September 26, 2018

Attached is a copy of the report made to the Minister by the Inspector, as required by section 571(4) of the *Municipal Government Act*. In response to a request from the Minister, the Village of Warner Council reviewed the report and a letter outlining items of greatest concern. Overall, council accepted the inspection report and agreed with the Minister's direction. Council requested the opportunity to work collaboratively with the ministry to move forward and address the concerns and work on ways to bring the community back together.

As a result of council's cooperation, by January 7, 2019 council will be submitting additional information, including an approved timeline and strategies to address the issues. The Minister will take this submission into consideration before a final decision is made on whether or not directives will be required.

In the meantime, ministry staff will be available to provide advisory support to facilitate council's success in correcting the concerns identified through the inspection.

Once council's information is reviewed, a summary outlining the Minister's decision and reasons will be published along with the inspector's findings.

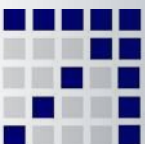
**Questions can be directed to:**

Municipal Accountability  
Municipal Capacity Building Unit  
AB Municipal Affairs  
17<sup>th</sup> Floor, Commerce Place  
10155 – 102 Street  
Edmonton, AB T5J 4L4  
Call toll free at 310-0000 then dial 780-427-2225



**April  
2018**

# **Village of Warner, Alberta Municipal Inspection Report**



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



April 12, 2018

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

**Re: Village of Warner Municipal Inspection Report**

Dear Minister Anderson:

An inspection has been conducted of the management, administration and operations of the Village of Warner, Alberta as directed by Alberta Ministerial Order No. MSL:125/17 approved on December 19, 2017.

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

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

Sincerely,

***Strategic Steps Inc.***

Shari-Anne Doolaege, MPA, Q.Arb, CLGM  
President, Sage Analytics Inc.  
Associate, Strategic Steps Inc.  
Municipal Inspector, Village of Warner, Alberta

***Disclaimer:*** The content of the following report is prepared for the Ministry of Alberta Municipal Affairs. Strategic Steps Inc. does not authorize or take any responsibility for third-party use of the contents contained herein. Ownership and control of the report contents rests with Alberta Municipal Affairs.

## Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>3</b>
<b>1 SCOPE OF MUNICIPAL INSPECTION .....</b>	<b>4</b>
1.1 LEGISLATIVE BASIS AND PROVINCIAL MANDATE FOR THE MUNICIPAL INSPECTION .....	4
1.2 MUNICIPAL INSPECTION PROJECT COMPONENTS .....	5
1.3 PROJECT TIMEFRAME .....	6
1.4 RESEARCH AND INTERVIEWS.....	6
<b>2 MUNICIPAL DESCRIPTION.....</b>	<b>7</b>
2.1 MUNICIPAL PROFILE .....	7
2.2 GEOGRAPHY .....	9
<b>3 GOVERNANCE.....</b>	<b>11</b>
3.1 MUNICIPAL PURPOSE.....	11
3.2 COUNCIL STRUCTURE.....	11
3.3 COUNCIL ROLE CLARITY .....	12
3.4 COUNCIL LEADERSHIP .....	13
3.5 COUNCIL COMMITTEE STRUCTURE .....	16
3.6 COUNCIL MEETING PROCEDURES.....	18
3.7 MEETING MINUTES .....	23
3.8 PECUNIARY INTEREST.....	25
3.9 BYLAWS.....	26
3.10 POLICIES.....	30
<b>4 ADMINISTRATION .....</b>	<b>31</b>
4.1 CHIEF ADMINISTRATIVE OFFICER.....	31
4.2 PERFORMANCE OF MAJOR ADMINISTRATIVE DUTIES .....	32
4.3 CAO PERFORMANCE EVALUATION .....	34
4.4 RELATIONSHIP WITH THE PUBLIC .....	35
4.5 PETITION.....	35
<b>5 OPERATIONS.....</b>	<b>38</b>
5.1 PUBLIC WORKS .....	38
5.2 RECREATION.....	40
5.3 PROTECTIVE SERVICES.....	41
5.4 PLANNING AND DEVELOPMENT .....	43
<b>6 FINANCE .....</b>	<b>51</b>
6.1 FINANCIAL SERVICES CONTRACT.....	51
6.2 BUDGET PROCESS .....	51
6.3 PROPERTY ASSESSMENT AND TAX RATE COMPARISON.....	56
6.4 TAX RECOVERY PROCESS .....	58
6.5 FINANCIAL REPORTING TO COUNCIL .....	63
6.6 PROCUREMENT PRACTICES .....	64
6.7 OVERALL FINANCIAL POSITION .....	64
<b>7 CONCLUSION .....</b>	<b>68</b>

## EXECUTIVE SUMMARY

A municipal inspection was conducted for the Village of Warner, Alberta as directed by the Minister of Alberta Municipal Affairs. The independent inspection process involved great detail and rigor to review and evaluate the village's management, administration and operations. Several areas of concern were identified, such as bylaw management, the tax recovery process, the budget approval process, and land sales initiatives.

Stakeholder input was very strong throughout the inspection process. Survey charts within this report reflect a polarized community. Comments also show a clear divide in the community with many residents either firmly in support or against the current leadership. Many residents expressed a need for change and greater harmony.

A previous municipal inspection was conducted for the Village of Warner in 2009 which was very detailed. Many recommendations from the 2009 inspection report have not been followed by Warner officials. In many respects, the 2009 inspection report provided local officials with a solid path forward, but they did not always follow it. This passive approach and inaction allowed several irregular practices to persist and have surfaced again in the 2018 municipal inspection report. Current officials could benefit by reviewing and considering previous recommendations from 2009.

Overall, the inspector is of the opinion that the municipality has been managed in an irregular, improper and improvident manner. The following recommendations are provided for the Minister's consideration:

**RECOMMENDATION FOR BYLAWS:** That the Minister provide guidance to the municipality to ensure that bylaws are passed in accordance with the MGA.

**RECOMMENDATION FOR BUDGET PROCESSES:** That the Minister provide guidance to the municipality to ensure that annual operating and capital budgets are approved in accordance with the MGA.

**RECOMMENDATION FOR TAX RECOVERY:** That the Minister provide guidance to the municipality to seek financial and legal advice to review and manage ongoing tax recovery processes, including tax agreements, tax cancelations and title transfers.

## 1 SCOPE OF MUNICIPAL INSPECTION

### 1.1 Legislative Basis and Provincial Mandate for the Municipal Inspection

The Minister of Alberta Municipal Affairs ordered a municipal inspection in response to a sufficient petition received from the electorate of the Village of Warner in September 2016. Mr. Lyle Taylor was the petitioners' representative. A preliminary review was completed by Alberta Municipal Affairs in December 2016 which identified concerns that justified an in-depth review. The Minister of Alberta Municipal Affairs responded by ordering a municipal inspection in accordance with the MGA s. 571.

Alberta Municipal Affairs called for proposals from qualified, independent consulting companies to conduct a municipal inspection through a competitive bid process. Strategic Steps Inc. and Sage Analytics Inc. submitted a team proposal and were awarded the contract with Strategic Steps Inc. acting as the primary proponent.

The municipal inspection team held diverse subject matter expertise and knowledge of municipal matters across areas of governance, administration, operations, finance, planning, and protective services. This independent, third party consulting team conducted a municipal inspection into the management, administration and operations of the Village of Warner and this report is provided to the Minister with details of the inspection findings.

Alberta Ministerial Order No. MSL:125/17 was approved on December 19, 2017 where the Honourable Shaye Anderson, Minister of Municipal Affairs, appointed an inspector to conduct an inspection of the management, administration and operations of the Village of Warner pursuant to Section 571 of the *Municipal Government Act* (MGA). Upon review of the inspection findings, the Minister may order directives upon a municipality pursuant to the MGA s. 574.

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

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

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

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

## 1.2 Municipal Inspection Project Components

The municipal inspection process included the following tasks and services:

1. Review and evaluation of:
  - bylaws and key policies for adequacy, relevancy, consistency, and conformity with legislation;
  - the structure of council committees in relation to legislative requirements;
  - the process and procedures used to prepare for council meetings;
  - council's understanding of their role and responsibilities;
  - council's leadership and effectiveness in working together;
  - the CAO's understanding of their role and responsibilities;
  - the process for preparing and approving council meeting minutes and a review of recent minutes;
  - the tax recovery process;
  - the financial status of the municipality;
  - the financial reporting to council;
  - the budget process;
  - key planning documents;
  - a comparative analysis of the property assessment and tax rates with similar municipalities;
  - attendance at, and evaluation of, the conduct of a council meeting;
  - conduct interviews with members of council and the CAO, staff, and a sample of residents;
  - toured significant municipal buildings and facilities.
2. Prepare a written report to the Minister of Municipal Affairs for review and consideration, including:
  - A description of the legislative basis for inspections and the specific authorization for the inspection;
  - A description of the municipality;
  - A description of the legislative authority, roles and responsibilities of council and administration;
  - A description of the inspection findings, analysis, conclusions, including a statement of whether or not overall, the municipality is managed in an improvident, improper or irregular manner and identify those improvident, improper, or irregular matters;
  - Any recommendations to the Minister to address results of the inspection process.
3. Present a summary of the report to the municipal council in camera and to the public.

This inspection report is written using a condensed format. In accordance with contract requirements, this report reflects a refined municipal inspection process with a strong focus on the Minister as the audience. The report excludes local recommendations that may resemble a corporate review, which is a different and separate process from a municipal inspection.



### 1.3 Project Timeframe

The appointed municipal inspector and inspection team conducted research, interviews and data collection primarily during December 2017 and January 2018. The inspection team followed local issues and remained available to receive further information and seek clarification from stakeholders until the final report was submitted to Alberta Municipal Affairs in April 2018.

### 1.4 Research and Interviews

Project research began with an extensive review of key documents and stakeholder interviews conducted by the inspection team. Council, staff and other stakeholders were obliging and cooperative in accommodating interviews and providing information upon request. Residents and other stakeholders were also invited to provide input into the inspection process by participating in an anonymous online survey which received a very strong response. Over 70 respondents completed the survey in either online or hardcopy format.

A designated email address was established specifically for this municipal inspection to allow residents and other stakeholders to easily contact the inspector during the inspection. The inspector's contact information was widely available to the community on the municipality's website and a notice was mailed out to residents at the beginning of the inspection.

The inspection process included several stakeholder interviews conducted to gather data and to develop an understanding of the community dynamic and local events. Local interviews were conducted with council, staff, the petitioners' representative, various stakeholders and a random sampling of residents. 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. Many stakeholders were provided with follow-up interviews where further clarification was required, and to give individuals a chance to hear and respond to sensitive matters affecting them.

## 2 MUNICIPAL DESCRIPTION

### 2.1 Municipal Profile

The Village of Warner was incorporated on November 12, 1908. This small community boasts several amenities including a school, bank, grocery store, hotel, senior's centre, community hall, recreation centre, arena, parks, playgrounds, bowling alley, and several businesses. The County of Warner No. 5 administration building is also located within the village. Officials described a positive and supportive intermunicipal relationship within the region.

The community is home to the Warner Hockey School which was a thriving past initiative focused on girl's hockey training. Cultural highlights include the Devil's Coulee Dinosaur & Heritage Museum showcasing geological sites, dinosaur models and the First Special Service Force, an elite fighting brigade during World War II.

Demographic statistics from the Statistics Canada 2016 Census Profile show that Warner has a higher than average senior population. Demographic statistics for the Village of Warner report 31.1% of residents are aged 65 years and over, which is significantly higher than the 12.3% provincial comparison. The average age in Warner is 47.7 which is also higher than the 37.8 average age in Alberta. These age demographics seem consistent with many other small rural communities.



Figure 1 - Warner Elevators

Residents and business owners were very engaged and involved in the community. Besides sharing stories of concerns during the inspection process, locals shared numerous stories of neighbours helping neighbours, caring for others and generally watching out for each other. A strong sense of community was clear, and the inspection team felt the warmth of this caring community. One councillor commented that *“there are no bad people here, just circumstances.”*

The village is a member in the following regional commissions:

- Oldman River Regional Services Commission
- Ridge Water Services Commission

The village's urban and rural municipal neighbours include:

- County of Warner No 5
- Town of Milk River, Town of Raymond,
- Village of Coutts, Village of Stirling

The municipal profile<sup>1</sup> for the Village of Warner shows the following statistics:

- 5 Member council
- 3 Full-time staff positions
- 392 Population
- 217 Dwelling units
- 12.84 Kilometers of open maintained roads
- 6.0 Kilometers of water mains
- 3.0 Kilometers of wastewater mains
- 700 Hectare land base
- \$594,748 long term debt
- 49% of debt limit used



*Figure 2 - Main Street , Warner, Alberta*



*Figure 3 - Aviation Display at the Devil's Coulee Dinosaur & Heritage Museum*

---

<sup>1</sup> [http://www.municipalaffairs.alberta.ca/mc\\_municipal\\_profiles](http://www.municipalaffairs.alberta.ca/mc_municipal_profiles). Data is provided from most recent available statistics from 2016.

## 2.2 Geography

The Village of Warner is located approximately 70 kilometers southeast of Lethbridge, Alberta; and 40 kilometers north of the USA Border, as shown in the following Google maps:

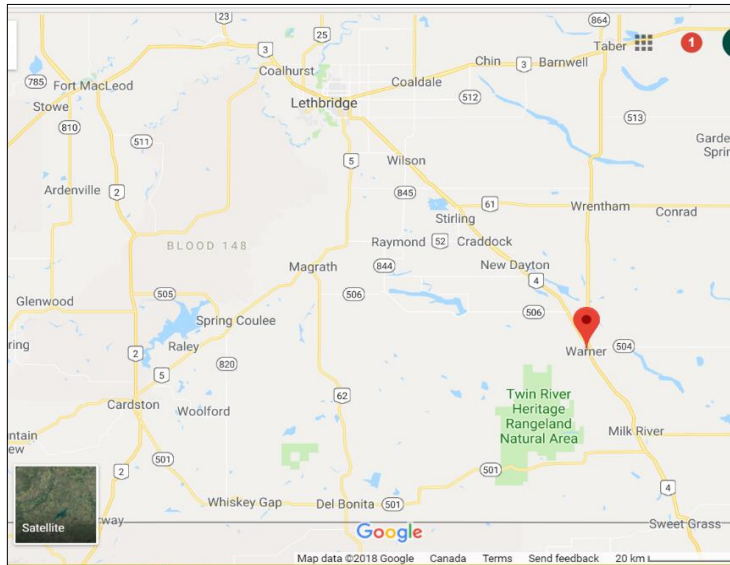


Figure 4 – Map showing proximity from Lethbridge, Alberta

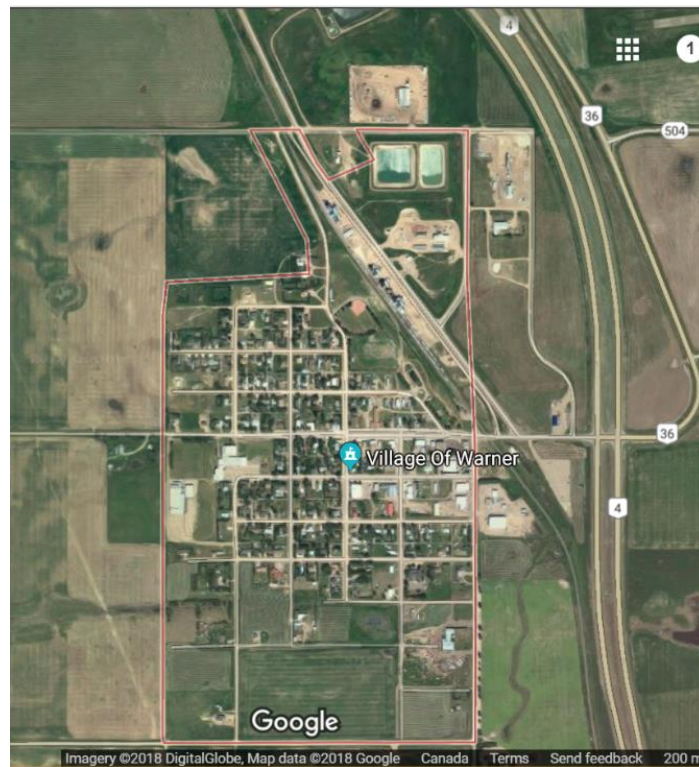


Figure 5 - Map of the Village of Warner, Alberta

## **MUNICIPAL INSPECTION FINDINGS**

### 3 GOVERNANCE

#### 3.1 Municipal Purpose

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 gives broad authority to municipalities to govern their respective jurisdictions and specifies the roles, responsibilities and limitations of councils in carrying out governance activities. The MGA is specific about many governance aspects, and effective April 1, 2018 the basic purposes of a municipality are as follows:

##### ***Municipal purposes***

*3 The purposes of a municipality are*

- (a) to provide good government,*
- (a.1) to foster the well-being of the environment,*
- (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,*
- (c) to develop and maintain safe and viable communities, and*
- (d) to work collaboratively with neighbouring municipalities to plan, deliver and fund intermunicipal services.*

#### 3.2 Council Structure

The Village of Warner is governed by a five-member council elected at large. The following individuals were elected for the 2017-2021 council term and served on the municipal council for the Village of Warner during the municipal inspection:

- Mayor Tyler Lindsay
- Councillor Colette Glynn (Deputy Mayor)
- Councillor Eric Burns
- Councillor Colleen Jennings
- Councillor Sharla Nelson

The following individuals served on the municipal council during all or part of the 2013-2017 council term:

- Councillor Tyler Lindsay (Mayor from 2014-2017)
- Councillor Jon Hood (Mayor from 2013-2014; resigned when hired as Warner CAO)
- Councillor Dannie LeCain (Deputy Mayor; moved out of town and resigned in May 2017)
- Councillor Colette Glynn (since September 2014; acclaimed in by-election)
- Councillor Ian Glendinning
- Councillor Sandi Hedin

There was competition for council positions in recent years. Election records show a fairly strong interest from residents to serve on village council with seven to nine candidates vying for five positions in elections held since 2007. The October 16, 2017 election had a 63% voter turnout.

### **3.3 Council Role Clarity**

The breadth and importance of councillor responsibilities requires a solid orientation. Ongoing teambuilding efforts and refresher training on council roles and responsibilities can strengthen professional meeting conduct, decorum and chairmanship. Council orientation is a very valuable educational component for council members to learn or reinforce roles and responsibilities at the start of each council term or following by-elections. The broad governance responsibilities of elected officials should not be taken lightly. MGA amendments effective July 1, 2017 require orientation training to be offered to councillors following an election or by-election (s. 201.1(1)).

All Warner council members participated in council orientation training at the start of the 2017-2021 council term. This included a two-day course in Munis 101, as well as a candidate's information package prepared by village staff.

Council members appeared to have a good understanding of role clarity and the need to remain focused on a policy level. This was reflected in council meeting minutes and agenda items. The council did not always fulfill their governance role perfectly, but there was a strong indication that the elected officials intended to remain at a governance level, rather than becoming involved in operational matters. All council members appeared to be focused on the good of the community.

### 3.4 Council Leadership

Municipal council leadership serves as a central force to accomplish municipal purposes and provide good government (MGA s. 3). Strategic planning is one of the key ways in which a municipal council identifies and communicates priorities for the future with goals to achieve the municipality's vision. A council participates in aligning resources with strategic priorities through the budgeting process and establishing local service levels by policy or bylaw.

Formal strategic planning lacked attention in the Village of Warner and formal strategic priorities were not determined. Council's leadership and decision-making was not linked to solid strategic planning efforts. The CAO indicated that the village has tried to advance strategic planning, but "gets bogged down with what is happening currently." Despite a lack of formal strategic planning, the inspector observed council vision and discussions on potential strategic community initiatives related to solar power and Wi-Fi access.

Despite lacking official, focused efforts for long-term viability, various initiatives were advanced in recent years such as infrastructure improvements and the establishment of the Warner Hockey School. The Warner Hockey School reached success in past years and has had the misfortune of currently being "mothballed" according to a village official.



Figure 6 – Warner Hockey School Promotional Item



Figure 7 - Warner Hockey School Logo



Figure 8 - Warner Hockey School Facility



### 3.4.1 Capital Improvements

The village accessed professional engineering assistance for overall capital planning and infrastructure replacement. A copy of the infrastructure master plan was available at the village office and it appeared that officials took the professional recommendations to heart and used this evidence-based plan to guide decision-making and prioritize infrastructure spending.

The Village of Warner has made reasonable efforts to improve infrastructure based on the 2014 Infrastructure Master Plan. According to the village engineer *“three out of the top five projects have been completed that were identified as immediate recommended projects and any new projects have kept the original Infrastructure Master Plan in mind.”* The village engineer provided the inspection team with a status update on priority infrastructure projects:

- Project #1 - 4th Avenue Rehabilitation (Was complete in Summer 2013 and Summer 2014)
- Project #2 - Additional Third Pump Upgrade (Was complete in Spring 2015)
- Project #3 - Drainage Improvements (Was complete at various times in the last 4 years)
- Project #4 - 5th Street Improvements (Not Complete but have looped sewer and water to New Village Residential Development along 7th Avenue between 5th and 6th Street - which is recommended based on the development)
- Project #5 - Watermain Looping / Bulk Water Station (Not Complete)

Warner officials accessed professional engineering expertise for various projects in recent years, including:

1. Infrastructure Master Plan (2014)
2. 4th Avenue Rehabilitation (2013/2014)
3. Water Distribution Plant - New Pump Upgrade
4. Main Sewer Truck Replacement (~120m of old failing Sewer Replaced with PVC) - After Camera Inspection found collapsed sewer line 2016)
5. Valve and Hydrant Replacements (2012-2015)
6. 6th Avenue Water Looping (2017)
7. 5th Street Water and Sewer Extension (2017)

The village also connected to a regional waterline to bring treated water to Warner from the Town of Raymond, approximately 44 km away. Officials opted to connect to the regional line rather than upgrade the village water plant. The regional connection was complete in 2016.

### 3.4.2 Council Leadership Rating

Local stakeholders were given the opportunity to rate the leadership shown by the current council through the municipal inspection survey and interviews. Respondents were very divided when rating the village council leadership. Opposite to a standard bell curve, the survey results resemble a coulee, as shown in the following chart:

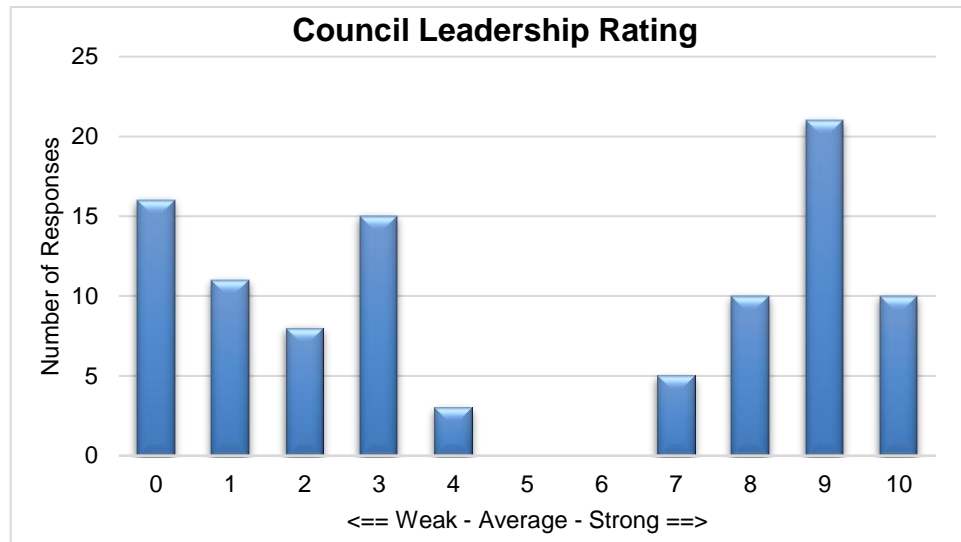


Figure 9 - Council Leadership Rating

Survey respondents both commended and criticized council's leadership, as shown below:

- *Best council since I can remember.*
- *I am completely satisfied with the leadership of the council and CAO.*
- *They are friendly and helpful to newcomers.*
- *Hired CAO who spends more time walking around town and causing conflict. So much so that the job he should be doing is contracted out.*
- *Everyone has taken their job seriously that I have seen whenever I have been at the council meetings.*
- *Council meets at a time when majority of residents can't attend, also posted minutes uninformative. As in "items A thru F are approved" but who knows what those items are.*
- *I see very little leadership by the Mayor. He lets the CAO answer and doesn't seem to have much of a voice to control. The councillors have committees to take care of and most are taken care of by them. People are to go to the councillors with a problem, but when the councillor puts something on an agenda, if it isn't to the CAO's liking, it is ignored or passed over for more review.*
- *They pretty much do as they are told. It is almost like they are afraid to go against anything that the CAO says or does.*

- *Council clearly is biased when dealing with issues dependent on certain individuals. If you are not a "desirable" in their eyes, you don't get the same level of service/response as those who are on their "buddy" list.*
- *Hiring Jon Hood as CAO was the best thing we did; he was the first qualified CAO the Village had ever had; he started 'house cleaning' and brought about much needed determination regarding outstanding back taxes; hiring changes. He has always been fair, but lives within the rules and expects everyone else to do so.*
- *I have the utmost respect for the past council members they have handled belligerent members of this community with respect. Some of the community members are ridiculous.*
- *My observation of previous Council - up to October 2017 is that the Administrator had too much influence over their decisions. I believe that the Administrator was telling Council what to do, they appeared to rely on just what he said for all decisions. I do not know how much, if any, research they did on their own to inform themselves before making decisions. It seemed like the village didn't really need Council, the Administrator was making all the decisions anyway.*
- *Things are actually getting done now and we are getting more revenue, following the MGA and looking to the future.*
- *There are lots of things getting done in the village that have been needed for a long time. Jon Hood is very good at finding available grants, and the council members are working for the good of the community, and continue to do so in spite of all the people trying to destroy the community.*
- *Councillors don't think or act for themselves. It seems like they report to the CAO. They certainly don't seem to represent ALL residents equally. In fact they are VERY biased.*
- *The Village is striving to improve its attractiveness to attract new people and businesses. We are hampered by location and somewhat by size.*

### 3.5 Council Committee Structure

Organizational meetings were held annually in accordance with the timeframes required in the MGA s. 192(1). Organizational meeting minutes and agendas show that organizational meetings properly included council and committee appointments. Some items were not suitable for discussion at an organizational meeting, such as a budget discussion item. A budget discussion is a proper agenda item for a regular or special meeting.

Organizational meeting minutes show council's intent to maintain involvement in various service commissions, societies and volunteer organizations. The October 25, 2017 Organizational Meeting Minutes refer to a "list of council committees" as shown in the following excerpt:

**Council Committee List**                      **The list of Council Committees was reviewed and council members decided on which committee each would sit on. The list is attached**

The committee list was not attached to the minutes but was provided to the inspector upon request, as shown below:

1.	Budget Committee	All Council	When required
2.	Disaster Services	All Council	When required
3.	Ridge Country Housing	Colette Glynn/Sharla Nelson	3 <sup>rd</sup> Thursday-4pm Milk River/Raymond
4.	Warner Fire	T. Lindsay/Eric Burns	AGM (January)
5.	Warner Ambulance	E. Burns/ C. Jennings	AGM (January)
6.	ORRSC	E. Burns/C. Glynn	1 <sup>st</sup> Thursday-6 or 7 pm Quarterly
7.	Library Board	S. Nelson/C. Glynn	4 <sup>th</sup> Monday-4 pm (Quarterly)
8.	Chinook Arch Board	C. Glynn /S. Nelson	
9.	Development Officer	CAO	When required
10.	HandiBus Rep.	S. Nelson/T. Lindsay	4 <sup>th</sup> Wednesday-7 pm
11.	FCSS	Colleen Jennings	1 <sup>st</sup> Wednesday-6 pm
12.	Chief Mountain Waste Auth.	S. Nelson/T. Lindsay	2 <sup>nd</sup> Wednesday-5 pm
13.	Canadian Badlands	Eric Burns	When required
14.	Municipal Planning Comm. (S. Nelson, Craig Nelson, Linda Sutton & Verne Strain-current)	C. Glynn/T. Lindsay (A)	When required
15.	South Grow	C. Jennings/E. Burns	T.B.A.
16.	Mayors & Reeves	T. Lindsay/C. Glynn	1 <sup>st</sup> Friday-1 pm
17.	PAC	S.Nelson/T. Lindsay	Fluctuates Bi-Monthly-5 pm
18.	Dr. Recruitment/Retention	C. Jennings/S.Nelson	4 <sup>th</sup> Thursday-7 pm, Monthly
19.	Policy/Bylaw	All Council	As required
20.	Civic Centre Committee	T. Lindsay	As required
21.	Ridge Water Commission	T. Lindsay/C. Jennings	As required
22.	WCHS	T. Lindsay/S. Nelson	First Monday @ 5 pm
23.	Devil's Coulee	E. Burns/S. Nelson	

The MGA s. 145-146 provides specific direction that a council may pass bylaws to establish council committees and the conduct of members of council committees. Recent MGA amendments now include s. 146.1 which requires a municipal council to pass a Code of Conduct Bylaw.

Bylaws could not be located to establish local committees. Council made committee appointments, but council acted improperly and did not comply with legislative requirements to establish committees by bylaw in accordance with the MGA s. 145-146.

The above list of council committee appointments references the CAO development officer (DO) appointment in item #9. This DO item is improperly placed on the council committee list since it is not a council committee. The development officer appointment is specified in the Land Use Bylaw and was handled by a separate council resolution. The staff position of development officer is an ongoing appointment and does not require an annual appointment.

Village staff provided the following bylaws related to committees:

- Bylaw 593-16, Regional Solid Waste Services Commission Authorization Bylaw
  - To authorize the village to enter into an agreement and become a member of the regional services commission.
- Bylaw 531-11, Regional Water Services Commission Authorization Bylaw
  - To authorize the village to enter into an agreement and become a member of the regional services commission.
- Bylaw 569-16, Subdivision and Development Authority / Municipal Planning Commission Bylaw

The list of council committees does not include appointments to the Subdivision and Development Appeal Board (SDAB), although an SDAB bylaw exists. SDAB member appointments are referenced in Bylaw 569-16, along with a proper separation of appointments between the Municipal Planning Commission as the development approval authority and the SDAB, as follows:

**17. Members of the Municipal Planning Commission shall not be members of the Subdivision and Development Appeal Board.**

Council acted in an irregular manner by failing to establish council committees by bylaw in accordance with the MGA s. 145-146, and by failing to appoint council members to the SDAB according to Bylaw 569-16.

CAO Hood informed the inspector of a proposed initiative to form a Regional Subdivision and Development Appeal Board and provided related correspondence from March 2018.

### **3.6 Council Meeting Procedures**

Regular council meetings were held once per month. Occasional special meetings were also held. Council members were guided by a Procedural Bylaw 561-14 which establishes “*rules and regulations for the order and conduct in which the business of all Council meetings shall be transacted.*” Bylaw 561-14 appears to be adapted from another municipality since the bylaw has a reference to the “Town” rather than the village.

The MGA s. 197 allows a council to close all or part of a meeting to the public in accordance with the exceptions to disclosure found in Division 2 of Part 1 of the *Freedom of Information and*

*Protection of Privacy Act*. The Procedural Bylaw 561-14 references the *Freedom of Information and Protection of Privacy Act* (FOIP) to be followed when closing portions of meetings to the public. The Procedural Bylaw 561-14 also references additional specific matters to be discussed in camera, shown below. Some of these matters appear redundant to FOIP provisions.

- (a) Wages, salary and other personnel matters;**
- (b) Any information regarding contract negotiations;**
- (c) The acquisition, sale, lease or exchange of land;**
- (d) Matters involving litigation, or the discussion of legal advice provided to the Municipality;**
- (e) Matters concerning RCMP investigations or confidential reporting; and,**
- (f) Information pertaining to the Town's accounting practices.**

Some closed meeting matters listed in council's Procedural Bylaw 561-14 were inconsistent with the *FOIP Act* and would cause a lack of transparency in council deliberations. For example, the bylaw lists a broad and all-inclusive reference to closed meetings for land transactions: "*The acquisition, sale, lease or exchange of land.*"

The traditional municipal adage referencing general "Land, Legal and Labour" matters is not sufficient to close a meeting to the public. Greater clarity and FOIP considerations are needed before closing a portion of a meeting.

An improper matter was noted where past meeting minutes do not show the FOIP provision identifying the reason to close the meeting to the public. MGA amendments to s. 197 now provide very clear requirements to regulate closed portions of council and committee meetings. The MGA specifies what is recorded in the meeting minutes, such as identifying the person/s who were allowed to attend the closed portion of the meeting, and the reasons for allowing them to attend.

Some council resolutions to go in or come out of camera were not clearly recorded as "Carried" in the meeting minutes, such as the following example from October 25, 2017 regular council meeting:

**IN CAMERA SESSION:**

**Moved by Deputy Mayor Glynn at 7:08 pm to go in camera  
Moved by Deputy Mayor Glynn at 7:39pm to resume the  
Council meeting  
Council was updated on employee issues/stop order**

Council acted in an irregular manner in handling special meetings. Proper notice of special meetings was not always provided to the public. For example, the inspector was informed that council met on Saturday, February 10, 2018 to discuss the 2018 budget. No notice was given to the public and no meeting minutes were recorded. The CAO indicated that it was “sort of a committee meeting” since no motions were made and that for first look at the 2018 budget, they didn’t want people there.

Recent minutes show one special meeting recorded on June 8, 2016 where council met to give first reading to the property tax bylaw. These special meeting minutes were not listed on the village website, although many other records of meeting minutes were provided.

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

The right of the public to be present during council meetings is not intended to mean that the public can actively engage in council meeting discussions. Local governments follow a system of representative democracy where candidates are elected to represent the citizenry. This is different from participative democracy, or direct democracy, where all citizens are actively involved in all important decisions.<sup>2</sup> To be clear, local governments in Alberta follow a system of representative democracy where citizens elect council members to represent them in making decisions.<sup>3</sup>

The village Procedural Bylaw 561-14 describes the order of business in the agenda. The order of business did not list the “approval of the agenda” is the first order of business for meetings.

The Procedural Bylaw 561-14 allows both registered and unregistered delegations to speak to council. Permitting unregistered delegations to speak during a council meeting detracts from the important formality of council meetings. Municipal resources are available that could help the village to improve meeting procedures.<sup>4</sup>

---

<sup>2</sup> [http://www.encyclopedia.com/topic/participatory\\_democracy.aspx](http://www.encyclopedia.com/topic/participatory_democracy.aspx)

<sup>3</sup> [http://www.lopparl.gc.ca/About/Parliament/Education/ourcountryourparliament/html\\_booklet/democracy-defined-e.html](http://www.lopparl.gc.ca/About/Parliament/Education/ourcountryourparliament/html_booklet/democracy-defined-e.html)

<sup>4</sup> Municipal resources for Procedure Bylaw and Agenda available at:

<http://www.municipalaffairs.alberta.ca/documents/Procedure%20Bylaw%20and%20the%20Agenda.pdf>

The municipal inspector attended the following council meetings to observe and evaluate the meeting conduct:

- January 17, 2018 regular council meeting
- March 21, 2018 regular council meeting

The following observations were noted by the inspector during the council meetings:

- Staff recommendations were provided for agenda items.
- Council members seemed well prepared to discuss the agenda items.
- Council members asked thoughtful and relevant questions during deliberations.
- Council worked collegially together and got along well.
- Council members almost always voted unanimously, without dissenting votes.
- The council meetings were very well attended by interested community members.
- Hardcopy agendas were made available to the public at the council meeting.
- Council allowed or invited comments from members of the gallery.
- Council allowed an unregistered delegation to speak to council
- Some council members inadvertently had their backs to the gallery due to the boardroom table style council seating arrangement on January 17, 2018. The council seating was subsequently changed, and all council members were facing towards each other and the gallery at the March 21, 2018 meeting.

Officials indicated that council meetings were regularly attended by a handful of members of the public. In contrast, the January 17, 2018 regular council meeting had more than 20 members in the gallery.

After the January 17, 2018 council meeting adjourned, the inspector observed CAO Hood addressing a council member about some of the councillor's comments made during the meeting. It appeared that the CAO was reprimanding the council member. When asked about his reasons for appearing to scold an elected official, CAO Hood informed the inspector that he did reprimand the councillor and *"was telling him what his role is, to work with his fellow councillors."*

There may be times where a CAO offers advice or guidance to a council member. It is expected that this would be done cautiously, in private, and always with tact and humility and diplomacy.



Council meeting preparation included meeting agendas that were provided to council electronically prior to council meetings. The Procedural Bylaw specifies that the agenda and supporting documentation be provided to council at least four calendar days prior to regular council meetings, as shown below.

#### **IX. AGENDAS FOR COUNCIL MEETINGS**

**1. The agenda for each regular Council meeting shall be prepared by the Municipal Clerk or CAO and provided together with copies of all pertinent correspondence, statements and reports to each member of Council at least four calendar days prior to the meeting.**

Officials indicated that agendas were received prior to meetings as specified in the Procedural Bylaw. The CAO described the process where a draft agenda is emailed to council as an outline one week before the meeting and then incorporates council requests before sending out the formal detailed agenda by email on the Friday before the following Wednesday evening meeting.

Hardcopy agendas were made available to the public at the council meeting. This included detailed reports and excluded any details on sensitive in camera matters. Agendas were not available electronically on the village website prior to or after council meetings.

### 3.6.1 Council Meeting Professionalism Rating

The municipal inspection survey invited stakeholders to rate the level of professionalism they observed in the council meeting process. Responses were largely polarized at the extremes of the chart with the largest single group provided a nearly “average” rating of 4/10, as shown in the chart below:

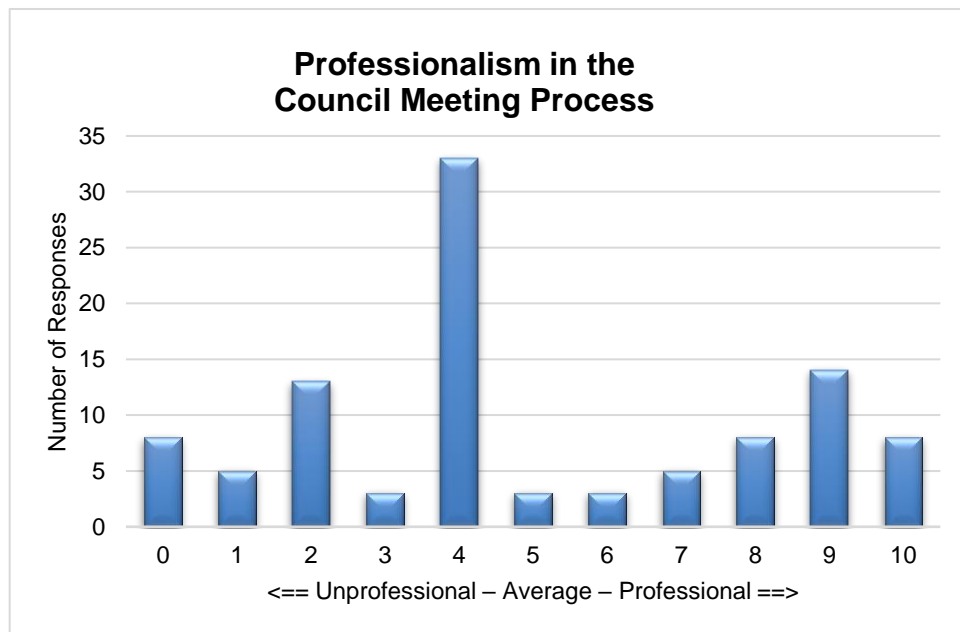


Figure 10 - Public Rating of Professionalism in Council Meetings

### 3.7 Meeting Minutes

The MGA requires council meeting minutes to be properly stored and presented to council for approval in accordance with the MGA s. 208(1). Minutes and Bylaws were stored at the village office, in the care of the CAO. Some original minutes and bylaws were kept in the main office area and some were stored in the vault storage area.

Council meeting minutes were properly presented to council for approval. Draft meeting minutes were not available to the public on the municipal website prior to approval.

Excessive detail and comments were recorded in past meeting minutes which is an irregular matter. The following excerpt from the June 18, 2014 regular council meeting shows an example of the level of detail included in past meeting minutes:

**Bouncy Castle**

Council discussed signing the agreement for the bouncy castle with the Village of Coutts, Town of Milk River and County of Warner. Council does not think it is a good idea to partake in this agreement. The liability is an issue if the bouncy castle is not set up correctly and not secured correctly. Council does not want kids flying around in the bouncy castle as the wind takes it away. Plus this might be the last year for Warner Days to happen so that would be expensive to pay \$1500 to not use it as the Warner Days Committee has already rented a couple bouncy castles and bouncy balls from the Jump4Fun company in Raymond.

The format of recording minutes appeared to improve over recent years. Recent meeting minutes contained generally appropriate content to record resolutions which are the “actions” of the council.

Council occasionally acted in the absence of a council resolution, which is an irregular matter. In the following example from the June 18, 2014 regular council meeting minutes, the mayor appeared to act unilaterally to donate space in the village office without having a council resolution to approve the donation:

**Mayor Lindsay advised council that he has donated two rooms in the Village office for the school to use as classrooms while the school is going through the modernization process. They will use the council chambers and the old dance room.**

Mayor Lindsay informed the inspector that his intention was to respond to the needs of the community and that the village office space was a logical temporary option for the pre-K school room. Village officials didn’t realize that a council resolution was needed in this instance.

### 3.8 Pecuniary Interest

Alberta's local government system emphasizes transparency and the MGA s. 172 gives clear direction to council members to conduct themselves properly when they encounter pecuniary interest situations. In brief, officials are required to disclose the nature of a pecuniary interest, abstain from voting and discussion, and leave the room until discussion and voting on the matter are concluded. According to the MGA s. 170, council members have a pecuniary interest if a decision of council could monetarily affect a councillor, a councillor's employer, or councillor's family. A monetary impact could be positive or negative.

The need for a stronger understanding of pecuniary interest matters was identified in recommendation #3 of the 2009 municipal inspection report, as follows:

*The Council should become familiar with pecuniary interest legislation in the Municipal Government Act and the application therewith.*

The current Warner council did not appear to have a solid understanding of pecuniary interest matters and officials were overly cautious in abstaining from voting at times. As an example, at the January 17, 2018 regular council meeting, the inspector observed that Councillor Glynn abstained from voting on an agenda item related to the Warner Memorial Library. The related council resolution 08-18 reads as follows:

**08-18  
Library Board**

**Motion by Councillor Burns to support the Library Boards  
position with regards to insurance coverage**

**Carried**

The meeting minutes do not reflect that Councillor Glynn abstained from voting, even though at the meeting she distinctly asked the CAO for advice on whether she should abstain, and he advised her that she should abstain. Councillor Glynn did not vote on Resolution #08-18 and did not leave the room during discussion and voting. Councillor Glynn's abstention and disclosure of pecuniary interest were not recorded in the council meeting minutes, which is an irregular matter.

Councillor Glynn informed the inspector that she felt that she should abstain from voting on the library agenda item because she was a member of the library board executive. She expressed concern with a lack of clarity in the MGA and wondered "*which hat she should wear*" when holding dual roles as a council member and a committee member. She informed the inspector that "*We are trying to do everything right.*"

The October 25, 2017 regular council meeting minutes show that Councillor Burns abstained from voting on a matter related to the Warner Elks donation:

**121-17  
In kind donation**

**Motion by Councillor Jennings to approve the in-kind donation to the Warner Elks as part of the CFEP grant  
Councillor Burns abstained**

**Carried**

Councillor Burns informed the inspector that:

*“Yes, I abstained from voting because I am a member of the Elks and I felt it wasn’t right for me to vote on a donation to an organization I am involved in. First meeting for me so I hope legally it was the right thing to do, morally it seemed right... After I checked the MGA and if I am reading it right, 170.3(g) says I didn’t need to have abstained.”*

Councillors acted in an irregular manner by abstaining from voting when a pecuniary interest was not apparent. Although their actions seem sincere and well-intentioned, failing to vote when a pecuniary interest is not present has serious consequences including disqualification in accordance with the MGA s. 174(1)(f). It is important for councillors to do their own research in advance when considering pecuniary interest matters. It is also important for council members to protect their interests and ensure that any abstentions from voting and disclosure of pecuniary interest are properly recorded in the council meeting minutes.

### 3.9 Bylaws

Several Village of Warner bylaws were managed in an irregular manner. Some original bylaws could not be located for the inspector to review upon request. Some signed and approved bylaws were available on the village website, but the original hardcopy bylaw could not be located. Some original bylaws were unsigned, including a \$750,000 Borrowing Bylaw No. 541-13. An unsigned borrowing bylaw is a highly irregular matter since it questions the integrity of the bylaw. The MGA s. 189 states that a bylaw is passed when it receives third reading and is signed in accordance with s. 213.

Some bylaws were well prepared and related minutes showed that the council acted in a proper manner to give certain bylaws *three distinct readings* in accordance with the provisions of the MGA s. 187. This proper practice of having a separate council resolution for each of the three bylaw readings was not consistently followed. The following examples show that the council acted in an irregular manner by attempting to pass various bylaws without three distinct readings.



At the May 18, 2014 council meeting, a council resolution refers to changing the dates on the 2013 tax bylaw. Council's intentions are unclear as to whether they intended to correct a grammatical error, or create a new bylaw, as follows:

**ACTION ITEMS**

**542-13**

**Tax Bylaw**

**Mayor Hood moves to change the dates (year) on the tax bylaw from May 21<sup>st</sup>, 2013 to May 21<sup>st</sup>, 2014.**

**1<sup>st</sup> reading May 21<sup>st</sup>, 2014**

**2<sup>nd</sup> reading May 21<sup>st</sup>, 2014**

**3<sup>rd</sup> reading to set a date**

**Carried**

At the March 16, 2016 regular council meeting council acted in an irregular manner by giving all three readings to Bylaw 569-16 at the same meeting without a unanimous resolution to proceed to third reading at that meeting, as shown below. This is contrary to the MGA s. 187(4). The title for Bylaw 569-16 is the "Subdivision and Development Authority Bylaw." The bylaw title could also be listed in the minutes to avoid ambiguity and to provide greater clarity as a helpful reference for officials and the general public.

**35-16**

**Bylaw 569-16**

**Motion by Councillor Glynn to move first reading of Bylaw 569-16 to amend bylaw 528-11**

**Carried**

**36-16**

**Bylaw 569-16**

**Motion by Councillor Hedin to move second reading of Bylaw 569-16 to amend Bylaw 528-11**

**Carried**

**37-16**

**Bylaw 569-16**

**Motion by Mayor Lindsay to move third and final reading of Bylaw 569-16 to amend Bylaw 528-11**

**Carried**

Some effort was noted to organize Village of Warner bylaws, but the project to organize these important documents was not completed. Overall, the village bylaws were in a state of flux with some missing in action and several irregular attempts to pass bylaws.

Some minor calculation errors were noted in the 2016 property tax bylaw where machinery and equipment assessment did not receive a levy for the senior's foundation requisition. This process was corrected and accurately recorded in the 2017 property tax bylaw No. 566-16.

Meeting minutes referred to a Tax Bylaw as a title used for annual property tax bylaws, however no specific title was used on the bylaw itself. For clarification, the bylaw should have a title with wording that is consistent with the MGA requiring a "Property Tax Bylaw."

A local concern was shared about a bylaw requiring residents to maintain the boulevards adjacent to their property. In one example, a resident apparently paid \$1,500 to trim trees on the boulevard adjacent to their property after the village apparently refused to trim them. The following excerpt from the Village of Warner Bylaw 493-04 states that adjacent landowners are responsible for boulevard maintenance:

**VILLAGE OF WARNER  
IN THE PROVINCE OF ALBERTA  
BYLAW NO. 493-04**

**Under the authority and subject to the provision of Section 533 of the Municipal Government Act, the Council of the Village of Warner duly assembled hereby enact the following:**

**That the Village of Warner hereby is absolved of any liability for the care, maintenance or removal of any trees shrubs or structures on boulevards adjacent to any properties in the Village of Warner.**

**The care and maintenance is the sole responsibility of the adjacent landowner.**

Council acted within their authority to enact a boulevard maintenance bylaw. It is a common practice for municipalities to require property owners to maintain their adjacent boulevard. In many instances the yard of a property appears to seamlessly extend to the street, right through the “boulevard” area. Property owners do share a responsibility for community beautification, however, council did not establish common community standards for beautification. It could not be determined if the enforcement of this bylaw was consistent throughout the village.

It also appears that council did not correctly reference the MGA s. 533 which addresses municipal liability for damages for things on or adjacent to roads. A municipality cannot completely absolve itself from liability by passing a bylaw as Bylaw 493-04 attempts to do.

**RECOMMENDATION FOR BYLAWS:** That the Minister provide guidance to the municipality to ensure that bylaws are passed in accordance with the MGA.



### 3.10 Policies

Policies are passed by a resolution of council to impose a duty or standard practice in accordance with the MGA s. 5. Overall, the Village of Warner policies lacked attention and order. Some efforts were made to update policies in recent years, but initiatives were not completed. Council meeting minutes show items coming to council's attention during meetings that could be handled by policy to ensure consistency, such as the following facility-use items:

On May 18, 2016 council approval was needed for a local organization to use the local rodeo grounds:

**70-16  
Fund Raiser**

**Motion by Councillor Hedin to approve the use of the Village Rodeo Grounds by the Fall Harvest Committee for a fund raising activity on June 11<sup>th</sup>, 2016  
Carried**

On March 16, 2016 council approval was needed for the grad class to use the civic centre:

**ACTION ITEMS  
32-16**

**2016 Grad Class Request Motion by Councillor Hedin to approved the Grad Class request for use of the Civic Center  
Carried**

On January 18, 2017 council approved an ice rental fee reduction:

**07-17  
Ice Rental Fees**

**Motion by Mayor Lindsay to approve the Rockets request to reduce the ice rental fees to \$80.00 during There tournament Jan 27<sup>th</sup> & 28<sup>th</sup>**

Village staff provided the inspector with the current policy manual for the village which appeared to be a work in progress and included sample policies from other communities. Residents shared several concerns about snow clearing and road grading practices and alleged inconsistent service delivery.

Village council acted in an improper manner by failing to develop and evaluate sound policies for the community, according to the MGA s. 153, 201. Stronger policy guidance would be helpful to provide clear direction to staff who deliver services, and to communicate service level expectations to the public. For example, a snow removal policy would enable council to establish and communicate a satisfactory level of service. Recent amendments to the MGA s. 216.1(1) now require the council to establish a public participation policy for the municipality. This will need to be completed by July 23, 2018.

## 4 ADMINISTRATION

### 4.1 Chief Administrative Officer

A Chief Administrative Officer (CAO) is responsible for the overall operations of the municipality. The person holding the CAO position is the administrative head of the municipality and works closely with the council to ensure that local objectives are accomplished and that elected officials are advised in writing of their legislative responsibilities. Specific responsibilities for the CAO are outlined in the MGA s. 207-208.

Mr. Jon Hood served as the CAO during the municipal inspection. Mr. Hood has taken formal municipal management training. All staff and stakeholders were obliging and willing to provide information upon request throughout the inspection process and their cooperation and participation was greatly appreciated by the inspection team.

Mr. Hood previously served on council for the Village of Warner, most recently as mayor, until he resigned to accept the CAO/Public Works Manager position in June 2014. Mr. Hood had previous municipal experience, including 20 years working as an Agriculture Fieldman for a rural municipality. Mr. Hood indicated that he has taken incident command 400 training for emergency response, and various fire training certifications.

Most village staff felt supported by CAO Hood while performing their duties. One staff member felt *“broken and beaten down in dealing with the CAO and council.”* Some residents expressed concerns that part-time and seasonal staff positions were not well advertised, that relatives of officials were hired, and that there was not always a fair competition in the hiring process.

Some resident concerns were shared over the CAO holding concurrent roles in administration and public works. As the administrative head of a municipality, a CAO is expected to provide oversight across all municipal departments. In a sense, officially naming the public works manager component in the village CAO position title is redundant. CAOs frequently wear more than one ‘hat’ for responsibilities. In Warner, for example, the CAO also served in other capacities, such as development officer and director of emergency management in addition to the CAO and public works manager roles.

## 4.2 Performance of Major Administrative Duties

The MGA s. 208(1) provides specific direction on the performance of major administrative duties that a CAO must do. Mr. Hood had a reasonable understanding of administrative roles and responsibilities. As the administrative head of the organization Mr. Jon Hood had a substantial understanding of the local community services, as observed by the inspector during a January 16, 2018 facilities tour and various conversations during the municipal inspection.

The CAO seemed to focus primarily on completing emergent public works duties, rather than managing administrative items. The lack of bylaw organization and policies presented for council's consideration demonstrate that the CAO's time was not focused on legislative matters. There were several areas where village administration could have been stronger, including bylaw preparation and financial reporting to council. The CAO's time available for administrative tasks was often stretched thin. CAO Hood stated that he often felt "*up to my eyeballs in alligators*" when trying to deal with a backlog of administrative tasks. Trying to fill two nearly full-time roles with one staff member caused the CAO's legislative duties to suffer.

CAO Hood was also noted to voluntarily take pay cuts to his salary in order to reduce village expenses. Despite reduced pay, it appears that the service expectations were not reduced.

Past agenda packages show that agenda items were regularly presented to council using a formal Request for Decision (RFD) format. There seemed to be fairly limited time and effort put into preparing RFDs for council's consideration. Budget impact, a specific MGA section reference and a staff recommendation were not always present, as shown in the following January 20, 2016 RFD example:

**VILLAGE OF WARNER**  
**Council Request for Decision**

<b>Subject:</b> Tax Recovery 2016		<b>Date of</b> Jan. 20 <sup>th</sup> , 2016
		<b>Agenda:</b>
<b>Prepared By:</b> Jon Hood, CAO		
<b>Attachments:</b> yes		
<b>Budget:</b> yes		
<b>Expense</b>		
<b>Topic:</b> Final Notice letter		
<b>Background:</b>	<p>The Final Notification letter is attached for council's review, it is the same format as last years and once approved they will be mailed out to those residents 2 or more years behind in their property taxes.</p> <p>We will once again need to set a date for the tax sale but that can be done at our next meeting. The deadline for submitting the list of properties that will be sold for tax recovery purposes is March 31<sup>st</sup>, 2016. Same process as last year.</p>	
<b>Options</b>	1. Approve of the motion	
	2. Do not approve the motion	
	3. Recommend changes	
<b>Recommendation:</b>		
<b>Approval</b>	<b>January 20th, 2016</b>	<b>CAO:</b>
<b>Date:</b>		

### 4.3 CAO Performance Evaluation

The MGA s. 205.1 requires a council to provide the chief administrative officer with an annual written performance evaluation. CAO performance evaluations were completed in recent years showing that the CAO clearly met the expectations of the council.

Some anomalies were noted in recent CAO performance evaluations. In 2017, the CAO did not sign to acknowledge that he received the evaluation. In 2016, the evaluation was not signed by any council member or the CAO. It is important to sign these documents to confirm the process and ensure authenticity.

The most recent contract renewal for CAO/Public Works Manager services was signed on September 20, 2017, just prior to the October 2017 general election, for a three-year period.

Holding concurrent roles as CAO and Public Works Manager is unusual but is not an irregular matter. The MGA s. 205(4) permits the council to give the chief administrative officer any title the council considers appropriate.

Some residents expressed concern on the June 2014 CAO recruitment process that began Mr. Hood's tenure as a village staff member when he previously served as the Mayor for the Village of Warner. Again, this is unusual, but not an irregular matter. A municipal council has full discretion on how the CAO recruitment process is conducted, whether to advertise, hire directly or conduct interviews with applicants. A past council member spoke of a competitive process for the 2014 CAO recruitment where council interviewed several candidates, and ultimately hired Mr. Jon Hood who *"stood out in the crowd as the best candidate and most qualified."*

#### 4.4 Relationship with the Public

CAO Hood was reported to be a point of contention in the community. Some residents praised his efforts while others found his manner to be offensive. Various interactions devolved into damaged relationships and community members began “picking sides” in support of or against the current leadership. The inspection team heard various reports of hostility towards the CAO and his family from various community members. In some instances, the CAO reacted which resulted in charges pursued and Peace Bond settlements between the parties.

One past official expressed concern with Mr. Hood’s confrontational nature, particularly when Mr. Hood served as the village mayor. One stakeholder described the situation as *“Our CAO has done a lot of good in the community but has caused a lot of harm too.”* One resident commented that the *“CAO is a little rough around the edges, but would hate to see him go because he is doing such a good job.”*

Mr. Hood informed the inspector that he has become a target because he stands up to people, including bullies. He stated that *“If people come in with a legitimate concern, I will hear it and take it to council. Whether I like you or not, I don’t make the rules.”* He stated that when people don’t follow the rules such as for development or animal control, they *“get called out on that”* and try to target him. CAO Hood stated that he has made mistakes but is not fraudulent or a bully to people.

Comments from another past council member expressed a long list of project achievements within the village and attributed much of the progress to CAO Hood, as follows:

**This is only a partial list of what has been achieved over the past few months. Most of these tasks have been initiated by the current CAO. Quite frankly, this Village is moving forward and is doing so because of the work of Mr. Hood and the current Council. While there are some glitches, they are small and I tend to think a normal part of SOP. I think we are going in the correct direction.**

#### 4.5 Petition

Several officials and residents felt that the September 2016 petition was spearheaded by an employee who had ongoing concerns and was involved in legal actions against the village. Documentation circulating in the village following the September 2016 petition stated 17 reasons for the petition, of which, many appeared malicious, subjective, and often targeted the CAO, such as shown in the following excerpt:

## **REASONS FOR PETITION**

- 1. Disclosing confidential information  
Re: resident tax arrears**
- 2. Unprofessional in both written and verbal communications. Poor grammatical skills and spelling.**
- 3. Regularly leaving work early and extended coffee breaks in coffee shop for gossip sessions**
- 4. Initiating conflict in the office with rate payers and then demands they leave when they retaliate**

Following the September 2016 petition, a former council member addressed the petition issue in the “Councillor’s Corner” section of the village newsletter, as shown below. Village officials have full discretion on what items get published in the village newsletter. As a communication tool, the periodic village newsletter seemed appreciated by the community, containing content that was meaningful to residents.

## **COUNCILLORS CORNER**

There is a small number of residents who, apparently, would like to run the Village of Warner without ever leaving their homes. This small, small group has been viciously trying to get rid of our CAO, and Council. It started with letters to the Mayor and escalated to a lot of outright lies being spread far and wide. Slander and harassment have been other “tricks” employed, along with stalking. Since, by now, everyone knows who’s behind the assault and it’s been discussed widely, I can safely say that these same people have never done anything ‘for’ Warner or have ever been seen, coming out to participate in any events going on in the Village – and most certainly have never come to a Council meeting to express dissatisfaction...and yet.... feel a need to speak on behalf of the entire Village.  
So, let’s take a look at just one of the most recent lies – that Jon bullies Seniors. What the? We have a large

Senior population. I have been approached by two Seniors who were most certainly ‘bullied’ into signing the, now infamous, petition. One of them had no idea what they had signed until well after they had signed it just to get rid of the person at their door, shouting and harassing them to sign it; then other was recovering from serious illness and signed it to get the ‘ranting’ to quit so they could go lie down again. If there were two, then I have to think there were probably a lot more. Additionally, these and others have written Municipal Affairs to get their names off the petition...and have personally apologized to Jon. Talk about bullying ...  
So, it would appear, that working for their own personal self-serving, self-interests (that only they hold the key to) is what the “fuss” is all about. Personally, I am very glad that we have a CAO that lives by the rules of the Municipal Government Act, the Village

Bylaws, and all other provincial codes, rules and restrictions and expects everyone else to do so. I can also proud to say that, due to extreme efforts by the present administration, we are now back to a position of financial stability and even have a small surplus, with Financial Statements being produced yearly. In the not-so-distant past, I remember a 3 year period of time when no Financial Statements were produced – THAT should have been unacceptable but not one resident ever questioned why. Now, one last bit of unwelcome news. Taxes are about to go up ever so slightly. The Provincial Government has decreed that Residential taxes must be within 5 mils of Business taxes. If you like, please feel free to stop in and talk to our CAO about this.  
Sandi Hedin, Councillor

A counter-petition circulated in the village and was submitted to the Minister of Alberta Municipal Affairs in June 2017 showing firm community support for the CAO, mayor and council. An excerpt from the petition letter is provided below:

**Re: LETTER OF SUPPORT  
In regards to Petition Submitted  
Village of Warner**

**Attached is just a “sampling” of the people I have talked to in the Village of Warner as to the petition that was submitted to your office by Lyle Taylor. It is just a “Letter of Support” showing how many of us residents feel that the CAO, mayor and council are doing their job.**

**I have been a resident in the Village of Warner since 1977. I am familiar with the going on in this Village and it is unforgiveable that four residents’ can cause such a disruption based on their attitude and misinformation toward the present CAO, Mayor and council members.**

**I have no objection as to Municipal Affairs conducting a review of the Village of Warner. I do object to the reason why you are going to be conducting this review.**

The inspection team heard comments and reviewed correspondence from individuals who wanted their names removed from the original petition submitted by Mr. Lyle Taylor. In some instances, residents felt that they didn’t fully understand what they were signing or signed the petition in order to get the people off their doorstep. Other residents held firmly to supporting the initial petition leading to the inspection and wanted to see local officials held to account.



## 5 OPERATIONS

### 5.1 Public Works

Warner outsourced several contracts for local service delivery, such as garbage collection, the regional water service and road clearing. The village had one full-time public works staff member who maintained day-to-day operations and was assisted by part-time and seasonal staff, as well as the CAO. The village owns and operates a fairly limited amount of equipment.

Council direction in previous years led to contracting and sharing various local services. Sharing services with neighbouring municipalities appears to be a logical option for the village in providing stewardship of resources. For example, rather than repairing or replacing the village garbage truck, a previous Warner council opted to partner with neighbouring municipalities as part of a regional waste management service. In another example, the village joined the Ridgewater Commission and committed \$750,000 to tap into treated water rather than upgrade Warner's water treatment plant at an estimated \$8 Million cost, according to CAO Hood.

The employment contract for CAO Hood specifically referenced a dual employment position as CAO and Public Works Manager. In the public works manager capacity, Mr. Hood spent a considerable amount of time in a hands-on role in all village operations. The office clerk was also noted to occasionally assist with public works snow clearing efforts in the village. One past official acknowledged the CAO's dedication to take on public works duties as well as administrative duties saying: *"Why would anybody criticize him for wanting to do more."* Some residents stated that the CAO *"was never in the office"* because of his public works duties.

Operating in the proverbial municipal "fishbowl" environment CAO Hood was highly visible throughout the village and often interacted with residents. In one example observed by the inspector in January 2018, a resident commended Mr. Hood for his dedication and service efforts throughout town. Several similar resident comments were provided to the inspector.

Conversely, many comments from upset residents were shared with the inspector referencing inconsistent service levels provided throughout the village. Some residents expressed concern that snow was cleared from the driveways of certain properties, but not others. One resident commented that they needed to upgrade their vehicle after damaging it after pulling out neighbour's vehicles that were stuck in the snow on village streets.

Resident concerns were shared that the CAO was intimidating and would get into yelling matches with residents. CAO Hood informed the inspector that he has not yelled at any residents. He indicated that he “*may have a louder voice*” and that “*some residents don’t like the answers*” he gives on occasion. CAO Hood stated that “*members of the public yell at us [staff]. I have been yelled at many times in the last two months. I have been threatened.*”

Some residents felt that the CAO was somehow monitoring or watching them or their property when he drove by while operating village equipment. CAO Hood stated that staff were doing their best to deal with near-record snowfall amounts using limited equipment and budget resources.

Some residents expressed concerns that some village property needed environmental remediation, including an abandoned underground tank at the village public works shop. The August 16, 2017 council meeting minutes contain a council resolution (R# 92-17) about an abandoned tank, as shown in the excerpt below. It did not appear that the village officials had taken action to address the potential environmental concern.

**ACTION ITEMS**  
**92-17**  
**Abandoned Tank**

**Motion by Mayor Lindsay to defer the decision on the alleged at the PW shop till administration gets firm costs Carried**



Figure 11 - Warner Public Works Shop



Figure 12 - Warner Sanding and Snow Clearing Truck

## 5.2 Recreation

The Village of Warner has significant recreational amenities. The Warner and District Civic Centre included a fitness centre, bowling alley, curling rink, and arena which carried a lot of history and pride from the Warner Hockey School.

The village playground is managed by the local Lions Club. Village staff did not have certified training to conduct playground inspections as offered through the Canadian Playground Safety Institute.



Figure 13 - Warner Fitness Centre



Figure 14 - Warner & District Civic Centre

## 5.3 Protective Services

### 5.3.1 Bylaw Enforcement

The village maintains a contract for bylaw enforcement services from a trained and experienced individual who was appointed as a designated officer. Bylaw enforcement services were provided in the village once per week to take care of municipal bylaw enforcement and animal control.

The village managed complaints by receiving formal complaints at the village office. Administration directed the bylaw officer to follow-up as needed. A bylaw enforcement complaint form was available on the village website which also described detailed bylaw enforcement procedures. Officials spoke of communication efforts, education and the overall good relationship with village residents.

### 5.3.2 Fire Department

The Village of Warner and area is served by a fire department of approximately 20 volunteer members, operating from a fire hall located within the Village of Warner. The part-time fire chief is also a volunteer and is employed in the County of Warner public works department.



*Figure 15 – Warner Fire Hall and Various Apparatus*

Regional cooperation between the village and county appeared to support a strong and positive relationship. Volunteer members were very generous with their time and apparently took no financial compensation for the calls they attended.

Training within the fire department could be stronger. The fire chief informed the inspection team that department officers have some training, but no officers have formal officer training, including the fire chief. Regular training nights were held, but the fire chief was not aware of any training records maintained by the department. Council meeting minutes show that the fire chief made periodic presentations to village council.

Village council acted in an improper manner by failing to set an appropriate level of service for the fire department. Maintaining a safe and viable community is a fundamental municipal purpose. Council members hold the responsibility to determine service levels and allocate budget resources to accomplish objectives. Increasing the capacity of the local fire department through formal training would improve personal and public safety during emergency responses. For example, if officers completed “officer training” they have greater knowledge and skills to lead, mentor, command an incident and maintain proper record keeping.

The Warner Fire Department managed its own bank account listed as the *Warner Volunteer Fire and Ambulance*. The fire department finances were operated separately from the Village of Warner. These department funds totalled approximately \$50,000 and were not recorded within the village financial records. This improper handling of public funds was also previously flagged as an area of concern in the 2009 municipal inspection for the village (p. 6):

- All financial records of the Warner Fire Department must be included with the Village financial records. (#41)

## 5.4 Planning and Development

The use of land in a municipality is primarily regulated by the local Land Use Bylaw (LUB) and the MGA s. 639 requires every municipality to pass a LUB. 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.

Warner had slow growth in recent years. There were 16 development applications considered in 2017 for various construction projects, such as adding or demolishing accessory buildings, one ready-to-move home, outdoor storage of vehicles, warehouse storage, driveways, fences and decks.

The Village of Warner has adopted a 160-page Land Use Bylaw (LUB) No. 538-12, dated September 2013. The LUB was subsequently amended by Bylaw 555-14 and Bylaw 570-16. Overall, the LUB seems to meet the needs of the community. Some residents expressed concerns that components in the LUB were more in line with city standards, rather than being suitable for the small village.

The Land Use Bylaw 538-12 could be more clear on establishing the approving authority for development. For example, section 12.1 of the LUB names both the Development Officer (DO) and the Municipal Planning Commission (MPC) as the development authority for the village, as shown in the excerpt below. The bylaw then states that that MPC can act in the absence of the Development Officer.

### **SECTION 12 DEVELOPMENT AUTHORITY**

- 12.1 The Development Authority is established in accordance with the Village of Warner Subdivision and Development Authority/Municipal Planning Commission Bylaw. For the purposes of the Land Use Bylaw, the Development Authority is the Development Officer (a Designated Officer) and the Municipal Planning Commission.
- 12.2 The Development Officer is an authorized person in accordance with section 624 of the *Municipal Government Act*.
- 12.3 In the absence of the Development Officer, the following are authorized to act in the capacity of Development Officer:
  - (a) Municipal Planning Commission;
  - (b) Chief Administrative Officer; or
  - (c) a designate(s) in accordance with the *Municipal Government Act*.

In practice, all development applications are received and reviewed by the Development Officer (DO), in consultation with a contracted planning advisor. Officials described the development review process as follows:

The DO issues development permits for permitted uses. Applications for discretionary uses are considered by the MPC. The MPC meets on an as-needed basis following notice provided to affected land owners. Although MPC meetings were not advertised, they were open to the public. MPC meetings were not regularly attended unless there was a contentious issue. The official notice of the meeting was provided to MPC members and affected property owners. The CAO/DO recorded the MPC meeting minutes. According to CAO Hood, MPC meeting minutes are available to the public, although no one has ever requested to see them.

Warner's Land Use Bylaw 538-12 s. 26.1(vi) provides a detailed list of the types of studies or technical information that may be required to be submitted with a development permit application, as shown below:

- (vi) any such other information as may be required by the Development Officer or Municipal Planning Commission to evaluate an application including but not limited to: conceptual design schemes, landscaping plans, building plans, drainage plans, servicing and infrastructure plans, soils analysis, geotechnical reports and other reports regarding site suitability, Real Property Report, or a surveyors sketch.

The Village of Warner accessed professional planning services from the Oldman River Regional Service Commission (ORRSC)<sup>5</sup> to assist with managing municipal plans and bylaws.

Records show that the Village of Warner has an Intermunicipal Development Plan (IDP) with the County of Warner, as adopted by Bylaw No. 487-03. This collaborative effort can serve as a good starting point as municipalities work towards compliance with recent MGA amendments that require that an Intermunicipal Development Plan (IDP) and Intermunicipal Collaboration Framework (ICF) be developed by April 1, 2020 between all municipalities with shared boundaries.

Recent MGA amendments require each municipality to adopt an (MDP) by April 1, 2021. In March 2018 the Village of Warner received notification of a successful grant application to assist

---

<sup>5</sup> ORRSC: <http://www.orrsc.com/members/villages-e-z/village-of-warner/>

with costs in preparing a municipal development plan (MDP) for the village. This grant was approved through the Local Land Use Planning (LLUP) component of the Alberta Community Partnership (ACP) grant program.

Also in March 2018, the Village of Warner and other urban municipalities in the region were notified that the County of Warner was successful in obtaining grant funding for an intermunicipal planning project through the intermunicipal collaboration component of the Alberta Community Partnership (ACP) grant program.

Municipalities are required to comply with the Alberta Land Stewardship Act (ALSA) that “sets out the legal basis for regional land use planning in Alberta.” The MGA s. 570.01(1) specifically addresses measures to ensure compliance with ALSA regional plans. Local government bodies have until September 1, 2019 to submit a statutory declaration of compliance to the Land Use Secretariat to confirm that local regulatory instruments comply with the regional plan.

The Village of Warner is located within the South Saskatchewan Region and is required to comply with provincial regional planning initiatives within the South Saskatchewan Regional Plan (SSRP) which became effective on September 1, 2014. ALSA compliance will need to be accomplished during the current council term. Officials indicated awareness of the SSRP and spoke of regional efforts to advance compliance with broader provincial planning requirements.

#### **5.4.1 Lot Sales Incentive**

Local development was slow but consistent in recent years. Officials indicated that all village-owned residential lots had been sold. The village initiated a lot sale promotion around 2016, offering “*Lots Available For \$100!!!*” as advertised on the village website<sup>6</sup>. Staff indicated that:

*“The assessed value of each lot (3) is \$15,500 and each lot is approx. 12,000 sq ft [0.276 acres]. They were developed in 2009 as part of the new subdivision and lot sales were slow. The remaining 3 lots needed to be sold and of course council read the stories of other communities selling lots cheap to attract development. It took 2 years, but all the lots are now sold, and the final development will take place this spring.”*

---

<sup>6</sup> Lots available for \$100. Accessed on January 30, 2018 from: <http://www.warner.ca/lots-available-100>



Warner's lot sales initiative did not appear to meet advertising requirements for selling land below market value, according to the MGA s. 70. Although it appeared that village council had good intentions to encourage local development, they acted in an irregular and improvident manner by failing to comply with proper advertising requirements and did not follow a prudent process to ensure good stewardship of resources in the sale of village-owned land. The \$100/lot initiative did not come close to allowing the village to recover the servicing costs for the properties, which were ultimately absorbed by the existing municipal tax base.

#### 5.4.2 Fencing Materials

Several residents expressed concern over the type of fencing material used in a residential area. The concrete "Lego block" fence structure in the front and side yard of a residential property was constructed in 2016, as shown below, and was described as an "eyesore" by several residents.



*Figure 16 - Concrete fence in residential area*

The village LUB was amended in 2014 by Bylaw 555-14 on July 16, 2014 to specifically change a section of the LUB related to fencing (s. 1.2(f)) in what is described as correcting a technical error, as shown below:

1. Section 1.2(f), Part 5 of the Village of Warner Land Use Bylaw No. 538-12 is hereby amended to correct a technical error, as follows (text to be added is shown in *italics*; text to be deleted is shown in ~~strikethrough~~):

1.2(f) in all districts the erection, maintenance or alteration of a fence, gate, wall, hedge or other means of enclosure that does not exceed 0.9 m (3 ft) in height in any front yard *and secondary front yard* and 1.8 m (6 ft) in height in any ~~secondary front~~, rear or side yard;

The Village of Warner Land Use Bylaw 538-12, consolidated to Bylaw 570-16 (LUB) specifies that a fence does not require a development permit unless it exceeds height restrictions, as follows:

*1.2 The following developments shall not require a development permit, but must otherwise comply with all other provisions of this bylaw:*

*(f) in all districts the erection, maintenance or alteration of a fence, gate, wall, hedge or other means of enclosure that does not exceed 0.9 m (3 ft) in height in any front yard and secondary front yard and 1.8 m (6 ft) in height in any rear or side yard;*

Section 6 of the LUB further describes the regulation of fences within the village:

### **SECTION 6 FENCES**

*6.1 No fence, wall, vegetation or any combination thereof shall extend more than 0.9 m (3 ft) above the ground in any front yard or secondary front yard (as illustrated in Figure 6.4, area labeled as B) without a development permit approved by the Municipal Planning Commission.*

*6.2 Fences in the rear and side yards in all districts except Industrial shall be 1.8 m (6 ft) in height or less as illustrated in Figure 6.4 in the area labeled as A. Fences in the rear and side yards in the Industrial district shall be 2.4 m (8 ft) in height or less as illustrated in Figure 6.4 in the area labeled as A.6.3 Barbed wire fencing shall not be permitted in any Residential land use district.*

*6.4 Where a permit is required, the Municipal Planning Commission may regulate the types of materials and colours used for a fence.*

The original development application for a 6-8' fence on the west side yard was submitted on March 14, 2016 by a family member of a past councillor. The initial application was denied, stating the following reasons:

**VILLAGE OF WARNER  
NOTICE OF DECISION**

**LAND USE BYLAW NO. 538-12**

**DEVELOPMENT APPLICATION NO. 03-16**

In the matter of property located at:

304 6<sup>th</sup> Avenue, Warner; Lots 27-29, Block 17, Plan 4068N

The development as specified in Application No. 03-16 to construct a fence ranging in height from 6-8 feet along the west property, extending to the northern property line has been reviewed by the Municipal Planning Commission and was:

DENIED for the following reason:

1. The fence height has the potential to impact visibility (vehicular and pedestrian), safety and aesthetics.

On the same notice of decision, additional information was provided to the applicant describing fencing construction that does not require a development permit:

**Informative:**

A fence not to exceed 1.8 m (6 ft) in height may be constructed along the western property line terminating 7.6 m (25 ft) from the northern property line in accordance with the Land Use Bylaw without a development permit. A fence not to exceed 0.9 m (3 ft) in height may be constructed along the western property line commencing at the 7.6 m (25 ft) setback and terminating at the northern property line in accordance with the Land Use Bylaw without a development permit.

**DATE OF DECISION:** April 22, 2016

**DATE OF NOTIFICATION:** April 25, 2016

**SIGNED:**

  
Development Officer

CAO Hood, informed the inspector that a concrete fence was an acceptable material according to the LUB. The definition of a “fence” within the LUB refers to a structure made of wood, rails or bricks, as shown below; however, there is no reference to concrete fencing material:

***FENCE** means an accessory structure usually made of wood, rails or bricks intended to mark parcel boundaries and provide yard privacy.*

The concrete block fence structure does not appear to be contemplated in the definition of a fence as set out in the village LUB definitions. Therefore, in the capacity of development officer (DO), CAO Hood used his discretion to allow a concrete Lego-block fencing structure to be placed in a residential area.

The concrete block fence was located on property belonging to a family member of a former council member. This further added to community concern and perception that the council member received an unusual exception by the DO to allow the concrete fence structure.<sup>7</sup>

The past council member informed the inspector that his intention was *“to build a big fence”* on the property and that he understood that concrete was a permitted material. He said that *“its in the bylaws. I know the neighbours don’t like it, if it was not legal, it wouldn’t be there.”*

Additional enforcement authority is available to a municipality in order to remedy a structure if it is considered detrimental to the surrounding area. The MGA s. 546 provides a municipality with the authority to enforce an *“Order to remedy dangers and unsightly property”* if in the opinion of a designated officer, a structure is *“detrimental to the surrounding area”* including causing the decline of the market value of property in the surrounding area.

---

<sup>7</sup> Photos used in this report were taken by Strategic Steps Inc. unless otherwise stated.

### 5.4.3 Development Conditions

Comments were shared with the inspector that unreasonable and inconsistent conditions were placed on development. In an example from an approved development permit in November 2014, a development application for the outdoor storage of vehicles was approved, but the development conditions were apparently so restrictive that the business owner was not able to carry out the business operations. In this instance, the business ended up relocating to Lethbridge, AB. The development conditions are listed in the following excerpt:

**VILLAGE OF WARNER  
NOTICE OF DECISION**

**LAND USE BYLAW NO. 538-12**

**DEVELOPMENT APPLICATION NO. 14-17**

In the matter of property located at:

111 4<sup>th</sup> Avenue, Warner, Lots 9, 10 and 11-13, Block 15, Plan 4068N

The development as specified in Application No. 14-17 (outdoor storage of vehicles) has been reviewed by the Municipal Planning Commission and was approved as follows:

**APPROVED** subject to the following conditions:

1. The perimeter of the site shall be fenced with a 1.83 m (6 foot) six foot high opaque fence; the opaque fence shall be setback a minimum of 9.14 m (30 ft) from the front property line. The use of commercial/industrial retaining block as a fence material shall is not permitted.
2. Storage of no more than twelve (12) vehicles is permitted.
3. Storage of vehicles is not permitted within the 9.14 m (30 ft) front setback, the municipal lane or 4<sup>th</sup> Avenue road right-of-way.
4. Vehicle salvage is prohibited.
5. Storage of vehicle frames or parts and portions of vehicles is prohibited.
6. Storage of tractor trailers, livestock trailers, farm machinery, and vehicles containing dangerous cargo or flammable material is prohibited.
7. Appropriate measures shall be undertaken by the applicant/operator to ensure ground contamination from vehicle fuels and fluids does not occur.

### 5.4.4 Parking Restrictions

The lack of space for large truck parking was identified as a concern by some village residents. Village officials informed the inspector that there are no designated parking areas for large truck traffic within the village and that the village has never entertained a project to develop a large truck parking area.

## 6 FINANCE

### 6.1 Financial Services Contract

The Village of Warner contracted financial services from the neighbouring Village of Raymond since mid-2014, when Mr. Jon Hood began his CAO tenure. Financial services are contracted primarily to prepare monthly bank reconciliations, payroll services, and to prepare yearend working papers.

The June 18, 2014 regular council meeting minutes show an unclear council resolution in this matter that does not clearly communicate the intended actions of the council. The resolution refers to a letter of intent, rather than authorizing the village to enter into an agreement for financial services:

**Letter Of Intent For  
Administrative & Financial  
Support Services from  
The Town of Raymond  
065 – 14**

**Letter of intent for administrative and financial support  
services from the Town of Raymond.**

**Deputy Mayor LeCain moved  
Councillor Glendinning second**

**Carried**

### 6.2 Budget Process

Council carries the responsibility to determine local service priorities; to ensure that sufficient financial resources are allocated in annual budgets to accomplish strategic objectives; and to “maintain a safe and viable community” (MGA s 3). Annual budgets communicate the financial terms of a council’s service level commitments to municipal activities.

Staff prepared an operating budget for council’s consideration. According to the village council meeting minutes, council seemed to have limited involvement in the budget process and allocating resources to priorities. Officials made some effort to consult or inform the public about infrastructure projects and financial reporting, such as hosting a “Special Open House” on May 11, 2017 where these and other matters were discussed.

In several recent years, meeting minutes show that council discussed the budget at the annual organizational meeting.

Excerpt from the October 19, 2016 organizational meeting minutes:

<b>INFORMATION ITEMS/ ITEMS FOR DISCUSSION</b>	<b>Discussion on the 2016 Budget Council reviewed bylaw 561-14 Procedural Bylaw</b>
--	---

Excerpt from the October 21, 2015 organizational meeting minutes:

<b>INFORMATION ITEMS/ ITEMS FOR DISCUSSION</b>	<b>Discussion on the 2016 Budget</b>
--	--------------------------------------

Budget discussions were seldom referenced in other council meeting minutes and supporting documents were limited. Examples of budget discussions by council include the following:

At the January 18, 2017 regular council meeting:

<b>BYLAW/AGREEMENTS</b>	<b>A) 2017 utility rates/rental fees review B) 2017 operating budget review</b>
-------------------------	---

At the December 16, 2015 regular council meeting:

<b>BYLAW/AGREEMENTS</b>	<b>Strategic Planning, council wishes to bring this topic back in February 2016. 2016 Operating Budget was discussed, meeting on Jan. 7<sup>th</sup>, @ 5:30 pm</b>
-------------------------	---

At the December 21, 2016 regular council meeting:

<b>BYLAW/AGREEMENTS</b>	<b>A) 2017 utility rates/rental fees review B) 2017 operating budget review</b>
-------------------------	---

Village minutes contain unclear budget approvals. This is an irregular matter and contravenes the MGA which requires budget approval prior to passing a property tax bylaw. The MGA (s. 242 and s. 245) also requires a separate and specific budget for “operating” as well as “capital” purposes. This contravention was also identified in the 2009 inspection report, with corresponding recommendations #38-39 provided to correct and improve the overall budgeting process.

Council resolutions showing budget approval could not be located for 2015 or 2016. Budget approval resolutions were passed in 2014 and 2017, as shown below although these resolutions do not distinctly reference approval of an operating and a capital budget.

From the May 17, 2017 regular council meeting minutes:

**59-17**  
**Municipal Budget**                      **Motion by Councillor Hedin to approve the 2017 Village of Warner's municipal budget**

**Carried**

From the May 21, 2014 regular council meeting minutes:

**043-14**  
**2014 Budget**                                      **Councillor Hedin moves to accept the 2014 budget as is.**

**Carried**

Details from the May 17, 2017 regular council meeting agenda include a one-page operating budget overview, as shown below:

**VILLAGE OF WARNER 2017 BUDGET OVERVIEW**

<b>OPERATIONAL</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>BY FUNCTION</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>PROPOSED</b>
Administration	151,019	113,708	156,571
Airport	2,997	2,000	1,700
Ambulance	695	-5,055	4,575
Bylaw Enforcement	10,390	11,300	11,300
Civic Centre	93,400	79,900	70,400
Council	40,098	40,098	27,850
Election and Census	0	0	4,000
Fire Department	11,726	11,730	11,730
General	-333,900	-285,025	-285,025
Parks & Recreation	8,935	7,935	950
Planning & Development	8,520	8,520	5,500
Public Works - Garbage	1,955	4,025	875
Public Works - Roads & Streets	55,966	130,716	131,885
Public Works - Sewer	-19,682	-19,682	-20,507
Public Works - Water	-65,878	-68,178	-63,603
Subdivision Land & Development	3,325	6,325	2,025
<b>Operational Net Cost (Profit)</b>	<b>-30,434</b>	<b>38,317</b>	<b>60,226</b>
<b>Additional Tax Levy Required Based on Above Budget</b>	<b>-30,434</b>	<b>38,317</b>	<b>60,226</b>

Amortization Expense  228,469      228,469      228,469

**2017 Infrastructure Projects**

- Paving along 3rd Street in front of the church
- Sewer Lagoon Valve Replacement
- Waterline Looping 5th ave-7th ave
- Curb Stop Valve identification and replacement
- Ice Plant Re-Build and Gym Equipment upgrades



Staff indicated that they prepared the detailed line-by-line budget for council’s consideration, and that special council meetings to discuss the budget were not always recorded. Failing to advertise and record minutes for a council meeting is an irregular matter.

Staff also indicated that only one budget was prepared, rather than a separate budget for operating and capital purposes. According to the CAO, the “operating and capital budgets are not separate. They are one entire budget, built together.”

New legislation for financial planning in the MGA s 283.1(1) requires municipalities to prepare operating and capital plans for the next three and five years, respectively in addition to the current fiscal year. Significant efforts are needed for Warner officials to conduct multi-year financial plans and to ensure that a proper process is followed to develop and formally approve operating and capital budgets.

**RECOMMENDATION FOR BUDGET PROCESSES:** That the Minister provide guidance to the municipality to ensure that annual operating and capital budgets are approved in accordance with the MGA.

### 6.2.1 Service Delivery Satisfaction Ratings

Residents were prominently divided on satisfaction over the level of services provided in the community as shown in the following inspection survey responses:

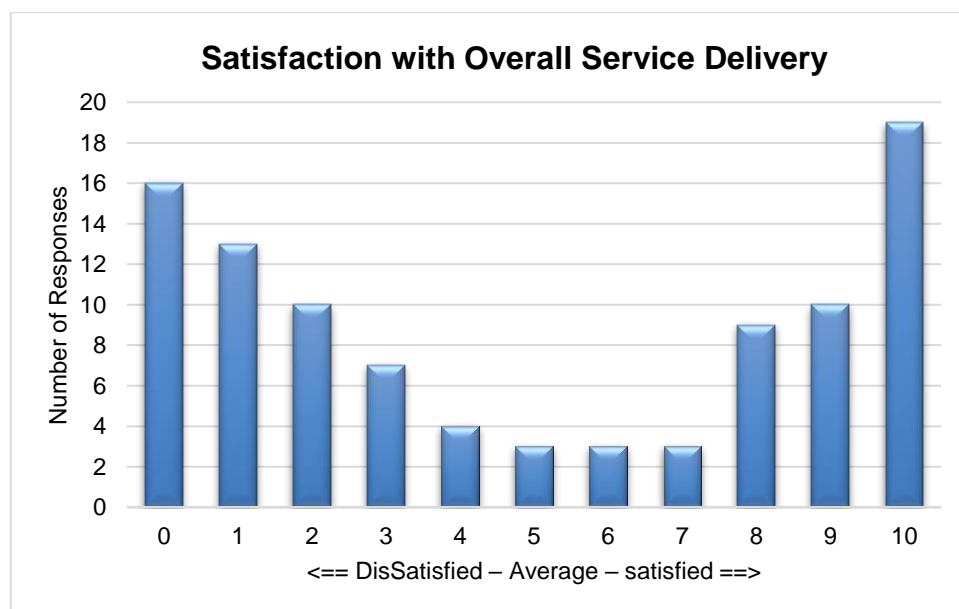


Figure 17 - Service Delivery Satisfaction

A sample of stakeholder comments related to service delivery satisfaction also reflect polarized views in the community:

- *Administration is where I have had many problems extreme rudeness lost payments etc.*
- *Administration runs fine, and Public Works is exceptional.*
- *I feel that they contracted too many things out that could have been done by the village.*
- *Snow is always plowed, and grass is always mowed. Service is great.*
- *They are helpful and generous.*
- *We feel they do the best job they can and appreciate their dedication.*
- *Bylaws seldom enforced.*
- *Over 50 years in this town and its losing more than gaining, especially the last few years.*
- *They grade the roads in the summer, causes dust; then when you tell them, they don't care.*
- *When people move to a small town like Warner they think they are going to pay small town prices but expect city services!*
- *Most services are generally good, but there have been water shortage problems on my street at peak times during the summer.*
- *The road, when the snow melts is just a mud bath with pot holes. It needs to be graveled and I was told by the CAO that the road does not belong to the town that it is the counties responsibility to take care of it. And yet they plow the snow off of it.*
- *All primary services have been sourced out. Ie. garbage, recycling, road grading, book keeping, etc. Very disappointed these can't be done like they always used to. Basically leaves next to no work for any staff to do. We don't need all these staff with CRAZY HIGH wages.*
- *Under Jon's tutelage Warner moved rapidly from the 1950/60's to the 2000's - the complaints were from a few who still didn't want to get building permits or to pay taxes on time, etc.*
- *A lot of things are getting done that needed to be done years ago. I have seen improvements. One problem is that jobs go to friends and the job isn't always done as neat as it could be and a lot of times it sits unfinished while they go to the next job. We have a mess of pipes at the end of 5th Ave. that needs to be finished, but they left it for another job in town. They put cones up, but it is still just sitting there for someone to run into and damage.*
- *This question of satisfaction of overall level of services provided by the Village of Warner is simple(there are no services provided.) Most all services are sourced out, ie: grading streets, garbage removal, cardboard disposal & most all the administration paper work. As present staff are not qualified.*

- *We see other extremely expensive infrastructure being planned to induce people to move to Warner, however, the residents who have been paying taxes here for 30+ years still have gravel roads, which are not maintained well, and we have to beg for proper snow removal. A frontend loader goes up and down the street and 'packs' the snow. As soon as it warms up, that snow can be a foot or more deep and we try to drive through that slush. Requests for actual bladed snow removal falls on deaf ears (the administrator). It seems that if the Administrator does not feel it needs to be removed, it isn't.*
- *We feel that the leadership in the village office is somewhat poor. We don't see value for money for the amount of money that we pay on an annual basis.*
- *Services are increased every year if funding available. For such a small community we have a curling facility, arena and bowling alleys, baseball park and an RV area with playground and kitchen.*
- *There have been some clerical errors made by admin staff in the office, but any other services i.e. public works has been good.*
- *Shouldn't bylaw complaints go to our bylaw? The way it is now all complaints must pass by the CAO and if he doesn't like it, nothing happens, re: the cat bylaw. One woman should not have 14 cats running around town [messing] in people's yards.*
- *Warner is a great place to live. I realize that villages have different needs and problems that cities don't have, and I accept that. I am always amazed at what the small staff can accomplish.*
- *For a village mainly consisting of seniors they are doing the best that they can with people who for the first time are having to obey the bylaws and are no longer doing what they want, when they want - eg. letting their dogs run lose at night. The current staff are helpful, willing to listen and if they are able willing to help by plowing the snow, keeping the town parks looking presentable, the dump open two days a week, fixing up the area.*
- *Not enough employees. The roads in the winter take forever to get cleared; they could sub-contract out to a local business that has equipment that could help.*

### **6.3 Property Assessment and Tax Rate Comparison**

The inspection included a comparative analysis of 2016 property assessment and tax rates with other communities. This analysis of tax comparisons is restricted to municipal tax rates and does not include the education tax rates or seniors lodge tax rates. The term 'mills' is used in the comparison table. A 'mill rate' is another way of expressing a tax rate per \$1,000 of assessment and is often used for ease of presentation. These two components, tax rate and assessment, are multiplied together to calculate property taxes.

Warner had higher than the average residential and non-residential tax rates among the communities in the comparison group as shown in the table below. Warner's tax rates were compliant and well under the maximum 5:1 ratio for non-residential:residential tax rates required by the MGA s. 358.1.

### Tax and Assessment Comparison

(sorted by residential tax rate, lowest to highest)

Name of Municipality, Village of:	Pop.	No. of Dwelling Units	Residential Muni Tax Rate (mills)	Non-Res. Muni Tax Rate (mills)	Equalized Assessment	EA per capita
Carbon	592	237	10.2834	12.5347	\$ 40,521,422	\$ 68,448
Rosemary	421	183	10.5335	14.0333	\$ 24,274,763	\$ 57,660
Foremost	526	257	10.6415	10.6415	\$ 44,188,350	\$ 84,008
Carmangay	262	140	11.5830	11.5830	\$ 18,703,416	\$ 71,387
Warner	392	217	11.8350	18.7260	\$ 24,406,124	\$ 62,261
Averages	439	207	10.9753	13.5037	\$ 30,418,815	\$ 68,753

Figure 18 - Tax and Assessment Comparison Table

Warner had the second lowest equalized assessment per capita in the comparison group, as shown in the chart below:

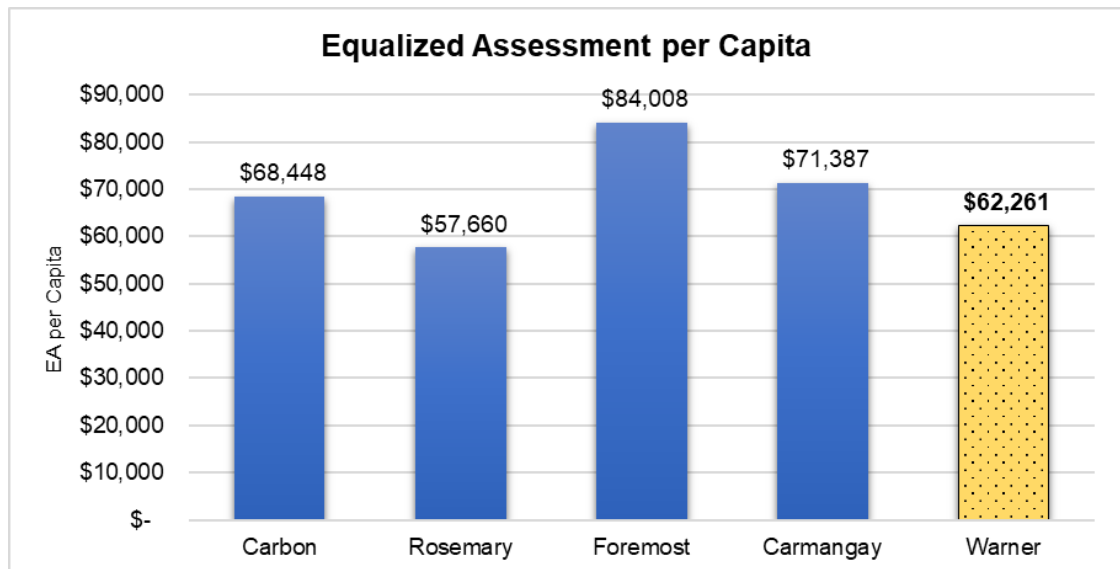


Figure 19 - Equalized Assessment Per Capita

Within the comparison group, Warner's tax rate was higher than the average and the assessment was lower than the average. A low assessment would require a higher tax rate to generate a proportionate amount of tax revenue to fund local services.

## 6.4 Tax Recovery Process

The MGA, Division 8 of Part 10, specifies the process for recovery of taxes related to land. The process involves placing a property on the tax arrears list when it was more than one year in arrears, advertising, giving notices and eventually offering a property for tax sale after three years.

Certainly, property owners have a responsibility to pay their respective property taxes which are used to collectively fund municipal services. Several residents expressed concern that some property owners were not paying their taxes and utility bills and wholeheartedly supported village official for recent efforts to clamp down on property tax collection efforts.

Tax recovery efforts were managed in an irregular and improper manner over the last several years in the Village of Warner. Most notably, village officials failed to follow through on the tax recovery process for properties in tax arrears.

For example, one residential property known as “Lot 7” carried a tax arrears balance and incurred tax penalties for the last 10 years and the property owner received a March 30, 2017 tax arrears notice from the village office informing them of their nearly \$65,000 tax bill and the advertisement for public auction of the property, as shown below:

Dear [REDACTED]

Enclosed is a copy of the advertisement relating to the public auction of your property.

This letter is to advise you that your property (Lot [REDACTED] – Block [REDACTED] – Plan [REDACTED]) is now more than 2 years in Tax Arrears. This will be your final warning before the Village of Warner proceeds with Tax Recovery action.

Please be aware that unless payment in the amount of \$64,944.89 is received prior to the public auction, the auction will proceed and the parcel may be sold. If your parcel does not sell, the municipality will have the option of taking title.

If you have any questions regarding the public auction or with respect to payment options please feel free to contact myself at the Village office.

Sincerely,

Jon Hood, CAO

Village officials failed to uphold the MGA requirements for a timely tax recovery process. The inaction by village officials caused an incredible tax burden for long-term delinquent property owners who incurred compounding 12% penalties upon penalties biannually for tax arrears.

The financial burden from 10-years of compounding tax arrears would be insurmountable for the average person and even more so within the Village of Warner where there seemed to be a high senior's population on fixed incomes. Municipalities do have the authority to impose penalties on tax arrears. They also have the ability to enter into agreements for payment of tax arrears accordance with the MGA s. 418(4).

The November 18, 2015 regular council meeting minutes show a vague resolution 119-15 to approve a tax penalty request, but there is no reference to the amount or property affected:

**119-15  
Property Tax Penalties**

**Motion by Councillor Hedin to approve the  
request from local residence with regards to the  
Property Tax Penalties**

**Carried**

Village records show correspondence dated November 21, 2015 referencing a council resolution to conditionally reduce taxes and penalties owing to \$31,500 on the above referenced Lot 7 property. Apparently, the conditions were not met, and the taxes and arrears were not reduced. Council acted in an irregular manner by failing to provide a clear resolution to transparently communicate that they intended to cancel over \$23,000 in property tax penalties.

#### **6.4.1 2016 Tax Sale**

A tax sale was held in 2016 where one property was sold at a tax sale after incurring 10 years of tax arrears. As for the formal tax sale process, it appears that proper notice and advertising was completed in the three years prior to the tax sale. This property, known as "Lot 6" received a great deal of local attention after it was purchased by one of CAO Hood's family members at the 2016 tax sale. The MGA s. 429(1) prohibits the CAO, municipal employees and councillors from bidding on or buying property at a tax sale. The MGA does not prohibit family members of officials from purchasing a property at a tax sale.

Despite proper notice and advertising, some anomalies exist regarding this particular property and the overall tax recovery process:

- The assessed value of the property was \$540 for the 2.53-acre parcel on the edge of the village. The assessed value seems quite low for that size of property in comparison with the assessment value of other village lot sales referenced in this report (\$15,500 for 0.27 acres).

- The property was assessed as Farmland prior to 2017 when it was changed to a Vacant Residential assessment class. Officials commented that the land is in a low area and would not be easy to develop.
- No formal property appraisal was completed by a qualified property appraiser prior to the tax sale to assist the council in setting a fair reserve bid for the property that reflected the most current market value.
- The low assessment value also meant that taxes were low. For example, the total 2010 tax levy was \$6.99.
- Less than \$900 was owing in tax arrears on the property at the time of tax sale.
- The property owner claimed that they were not aware of the tax sale and did not recall receiving related notices and correspondence from the village. Village staff informed the inspector that proper letters and notifications were communicated to the property owner. Tax sale notices were not sent from the village by registered mail so there is no confirmation of delivery efforts.
- The CAO informed the inspector that he and his family had tried to purchase the property directly from the property owner on more than one occasion over the years prior to the tax sale. Lot 6 is adjacent to the CAO's property. The original property owner did not recall receiving prior offers.
- The property was sold for \$1,950 at the June 15, 2016 Village of Warner tax sale by receiving a sealed bid, rather than holding a formal public auction in accordance with the MGA s. 418(1).

CAO Hood informed the inspector that he followed proper procedures for the village to sell the property and that in 2015 he specifically informed the property owner that the property was in tax arrears. He also indicated that the tax sale bid from his family member was the only bid received for the property at the tax sale. Mr. Hood also gave examples of neighbourly assistance he personally provided for the previous property owner by cutting grass and clearing the driveway.

Village council had a responsibility to set a reserve bid and conditions of sale for the property as specified in the MGA s. 419:

*419 The council must set*

- (a) for each parcel of land to be offered for sale at a public auction, a reserve bid that is as close as reasonably possible to the market value of the parcel; and*
- (b) any conditions that apply to the sale.*

Village council established reserve bids on May 18, 2016 for four village properties pending tax sale. Council resolution 63-16 lacks transparency and is silent on the amount of the reserve bids, as follows:

<b>63-16 Reserve Bid</b>	<b>Motion by Councillor Glendinning to accept the Reserve Bids for the 2016 Tax Arrears sale as Presented</b>	<b>Carried</b>
------------------------------	---	----------------

The related request for decision in the meeting agenda package prepared by the CAO incorrectly states that tax sale reserve bids are confidential, as shown below. The advice to council is also somewhat incorrect in stating that the reserve bid must reflect the council's opinion of market value. A sound tax recovery process would include market value appraisals from a qualified expert, rather than the council's potentially random opinion of a property's market value.

## **VILLAGE OF WARNER**

### **Council Request for Decision**

<b>Subject:</b> Tax Sale	<b>Date of</b> May 18th, 2016
<b>Agenda:</b>	
<b>Prepared By:</b> Jon Hood, CAO	
<b>Attachments:</b> yes	
<b>Budget:</b> yes	
<b>Expense</b>	
<b>Topic:</b> Set the Reserve Bid for each parcel	
<b>B</b>	Please review the attachments and consider the reserve bid. Please remember the reserve bid is confidential and must reflect market value in your opinion.

The inspector reviewed the reserve bids accepted by village council for the 2016 tax sale properties. The process used to establish reserve bids appeared haphazard since no reserve bid amounts were close to the assessed value of the four properties. Three reserve bids were much lower than the property's assessed value, for one property, for example, the reserve bid was set at more that \$100,000 less than the assessed value. According to CAO Hood, the council set reserve bids lower than the assessed value since officials felt that the property was not worth that amount due to the condition of the property.

Village officials acted in an irregular manner in failing to ensure that the reserve bids reflected the market value of the property, in accordance with the MGA s. 419.



Property assessments are based on market value and would have been the closest record to market value available to the council at that time. The village began to include formal appraisals into the tax sale process in 2017 and the reserve bids set by council closely reflected these formal appraisal values.

The village did not hold a standard public auction for the tax sale properties. The CAO explained the village's tax sale process as follows:

- The tax sale was generally held during a council meeting, following timelines for Alberta Gazette advertisements
- If a bid is received that matches or exceeds the reserve bid, council considers it. If the bid doesn't meet the reserve bid, it isn't even discussed. If no bids are received, that is what is recorded.
- Only one property has sold through the tax sale in recent years.
- Council has decided not to sell some properties.
- The public can be there in attendance.
- Properties are listed, advertised on the village bulletin board as Lot, Block, Plan.
- There is no auction held. The advertisement specifies that sealed tenders need to be submitted.
- Bids remain sealed and are opened during the council meeting. Cheques are returned to bidders the next day if their bid is unsuccessful.
- The same instructions are given to everyone.
- The tax sale is advertised in the Alberta Gazette, Prairie Post, and at the village office.

Village council acted in an improper manner by failing to disclose the amount of the reserve bids to ensure transparency during the tax recovery process in past years.

Stronger efforts could have been pursued to uphold the best interests of property owners by considering alternate tax recovery options such as tax deferral, tax agreements or a request to council for tax cancellation.

**RECOMMENDATION FOR TAX RECOVERY:** That the Minister provide guidance to the municipality to seek financial and legal advice to review and manage ongoing tax recovery processes, including tax agreements, tax cancellations and title transfers.

## 6.5 Financial Reporting to Council

The MGA s. 268.1 requires the municipality to collect and deposit revenues, keep accurate financial records and that actual revenues and expenditures are compared to budget and reported to council as often as council directs. 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.

Warner council acted in an irregular manner where they did not provide formal direction by policy or resolution to specify the frequency of financial reporting to council in accordance with the MGA s. 268.1(b). Council meeting agendas show that council did not receive regular revenue and expense reports with a comparison to budget in accordance with the MGA requirements. The CAO confirmed that monthly financial reporting to council did not include a revenue and expense report with a budget comparison.

Past agendas show that council typically received only a monthly bank reconciliation and cheque listing as financial reports. This low level of financial reporting lacks revenue and expense reports with a comparison to budget and is not sufficient for a municipal council to provide overall financial oversight or decision-making purposes. This low level of financial reporting to council focused on cheque details and did not align council's financial focus at a higher level, with big picture budget comparisons.

CAO Hood informed the inspector that although council did not provide direction on the type and frequency of financial reporting, he did provide financial reports to council *“several times a year through the budget process and as projects are completed and paid for.”* He stated that a lot of the reporting was verbal, as questions came up during meetings, often about grant funding and the financial status of contracted projects compared to budget. CAO Hood stated that *“I think they [council] are all aware of the financial status of the village. They can follow the bank statements.”* He also confirmed that the auditor comes in to present the annual financial statement to council, and that this financial information is shared with the broader community.

## 6.6 Procurement Practices

The MGA s. 248 provides direction for the municipality to make expenditures that are either in the budget, for emergencies, or legally required to be paid. Municipalities are subject to tender advertising requirements through the Alberta Purchasing Connection (APC), the Agreement on Internal Trade (AIT) and the New West Partnership Trade Agreement (NWPTA). Municipalities need to abide by government procurement rules related to threshold values of goods, services and construction.

The village used the expertise of an engineering company to assist with managing bids on large projects. The village engineer confirmed that a strong process was used to handle procurement which included a competitive tender process, and that the lowest bidder was typically selected. The village engineer also stated that most village construction projects were under the \$200,000 threshold and did not require broader advertising through the in Alberta Purchasing Connection in order to comply with the AIT. Village staff indicated that *“local companies can bid if they have the proper qualifications such as WCB, bid security etc.”*

Overall, the village appeared to have strong procurement practices and several examples were given where the village benefitted from strong contractor competition in the region.

When procuring goods and services for small projects, staff indicated that the projects were typically *“bid out locally; we try to get at least 2 bids for each project.”* The village rarely contracted services to supplement village resources for snow clearing and the untimely snow clearing was a point of concern throughout the municipal inspection. Some residents expressed concern that village snow clearing practices sometimes blocked driveways with a ridge of snow.

## 6.7 Overall Financial Position

Financial records show that the Village of Warner is in reasonably good financial shape. Tax revenues have covered expenses in recent years. The most significant financial event in recent years was the \$750,000 debenture in 2013 to finance the regional waterline connection. This long-term debt brought the village to nearly 50% of its debt limit and 25% of its debt servicing limit.

Utility charges provided sufficient revenue for the village to achieve nearly full-cost recovery for the operating costs of providing the utility services.

The village accessed capital and operating grants that were available to Alberta municipalities on a per capita basis, such as the Municipal Sustainability Initiative. Related provincial grant reporting was up to date.

### 6.7.1 Local Opinions on Financial Condition

Local stakeholders were invited to rate and comment on the municipality's overall financial condition and fairly polarized statistics emerged. Approximately one third of respondents felt that the Village of Warner was in a strong financial position, while two thirds felt that the village had a weak financial condition, as shown below:

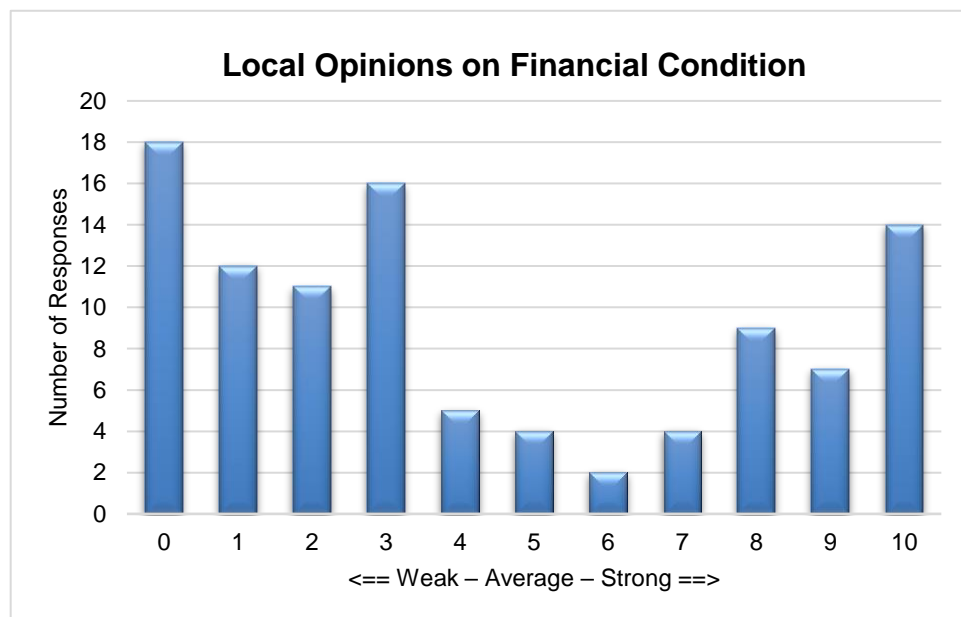


Figure 20 - Local Opinions on Financial Condition

Stakeholders provided various comments on the village's financial position, showing concerns over taxes and the need for greater transparency, as well as some positive comments:

- *Council has accomplished much in the past few years and still maintain a good financial standing.*
- *I am satisfied that they use the money in a fair way for services for all the community.*
- *Again I feel kept in the dark if true facts. also question pay raises etc.*
- *I'm concerned our mill rate is among the highest in the province. Yet services are minimal.*

- *For a small town, the taxes seem a bit high.*
- *The town is slowly dying and the council refuses to see the reality.*
- *If the Village has financial issues, could they not charge for ice usage to help pay for employees instead of giving out a lot of free ice times.*
- *The Village somehow found money to purchase another late model Ford pickup? Why????*
- *As far as I'm concerned, this Village should be turned over to the County.*
- *Much stronger than it was, but having a population of less than 400 is a handicap; a lot of lots have been sold and some new residences have been built, but the Village is approaching a lack of land which doesn't bode well for the future.*
- *I don't have an opinion, because it is private, for councillor's eyes only. They borrow money and when they need to pay it off they raise our taxes. And if you ask me about taxes, someone needs to look into them. One pays a lot and others get off.*
- *We also have discrepancies and missing payments on our taxes account which I have brought to their attention and 12 months later I am still waiting for them to get back to me.*
- *Yes, for years it has been a disaster. A series of untrained, irresponsible Administrators, over the past several years has caused this disaster. An accountant was hired a few years ago to try and fix this. The things 'wrong' in the accounting area would take up several pages. The last municipal inspection found so many things wrong.*
- *Judging by the increase in property taxes in the last two years (37.3%) to over \$4000.00, this would indicate that overspending has necessitated these excessive increases, I have heard similar responses from other residents. no small town advantage here!*
- *They say they are short on money but we see wasted money on unnecessary things. dinners for council almost every meeting new things for council, flower boxes to try to impress people.*
- *Hood getting paid for 2 positions, could hire someone cheaper, better qualified.*
- *Tax payers should not have to pay for the village to mow or shovel areas where it is up to the tax payer to do the job. the CAO goes around town spraying round up on other peoples lots, when he has no legal right to be there.*
- *John seems to be very "in control" of the situation and the town seems to be recovering from mis-management from past management!*

- *I realize that we must be careful with our finances, and spend them prudently. In my opinion, the village council is doing just that.*
- *Property taxes are skyrocketing and have forced people to move away. Administration charge on top of all other charges on utility bill is one example.*
- *It is hard to run a village where people actually think it is their god given right NOT to pay their taxes or water bills. We do not have a snow removal budget yet there are people who demand snow be removed the day it lands. We have one man, Jason, who has to do this. Last year, Christmas day, Jason left his family and was running the plow all day because of a heavy snow fall. The employee(s) do not get credit from the public when they go above and beyond.*
- *The tax base is not strong and people building new houses are over taxed. One particular tax payer pays \$4400 per year with a gravel street.*
- *Concerned about how some people were able to get away with not paying taxes/utilities. Am happy that current CAO has been trying and succeeded in rectifying some of these situations. He has been helpful for finding a solution for a few friends when necessary.*
- *I believe the financial condition to be in a great crisis due to astronomical wages paid out to administration and staff for doing absolutely nothing. Plus all the mistakes and errors on critical matters such as underground and paving issues.*
- *The current CAO has now taken 3 wage deductions so that the other Village employees could get raises as the Village cannot afford the wages that some other municipalities can. Some people in the community still think that the current CAO makes \$80,000. With the Village administration now collecting taxes and utilities it is helping our financial situation. Some people don't like that but if you want the services you have to pay for them.*
- *Would be much stronger if we could attract more commercial properties. Also the amount that is paid out in salaries is ridiculous when all the services are contracted out... water, sewer, garbage, financial etc.*
- *The Village management use sound business principles in the operation of Village finances, expecting residents to pay their bills and keeping borrowing to manageable levels.*
- *We are seeing an expenditure of dollars on upgrading road, sidewalks, water systems etc. Our financial condition is good and sound noting the trials of funding for small communities.*

## 7 CONCLUSION

The Village of Warner has many unique strengths and amenities for a small rural Alberta community. There is tremendous potential for the community to work together and build on local strengths. There is a lot of goodness to be found in the Village of Warner and many residents should be able to hear their own voice within this report.

The municipal inspection required a far-reaching, critical evaluation of governance, administration and operations within the community. Irregularities and particular areas of concern were found in bylaws, budget approvals, financial reporting to council, and tax recovery. Related recommendations for improvement are provided for the Minister's consideration.

Following a rigorous review by the inspection team, the inspector determined that overall, the Village of Warner has been managed in an irregular, improper and improvident manner. Ministry assistance and oversight will be needed to help local officials to succeed and to ensure that the citizens of Warner have the local leadership that they need and deserve.

Besides trying to exercise good stewardship, correct irregularities and accomplish municipal purposes, Warner's local leaders are faced with the challenge of promoting greater unity in order to re-establish the peaceful and caring community that Warner is known for. The current council seems mindful of this local dynamic.

Many stakeholders expressed a strong desire for greater harmony with each other and village officials, and overall healing of the community. One concerned resident commented that *"People used to wave when you drove by, now everybody has their heads down."*

Unifying a community is a shared responsibility for all residents and officials who have daily opportunities to reach across perceived divides and consider the best interests of each other and the community as a whole.