

# Village of Acme

## Municipal Inspection Report

November 1, 2015



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## Executive Summary

Residents of the Village of Acme are justifiably proud of their community and the success of their schools, both academically and in competitive sports. The wider community has come together to create a variety of sports facilities and an impressive community hall. Events and facilities are supported by countless hours of volunteer labour and leadership. Many residents chose to live in Acme for the quality of life they have enjoyed.

Since 2009 the Village administration has been led by several Chief Administrative Officers (CAOs). This high administrative leadership turnover, together with intermittent periods when the Assistant CAO served as Interim CAO, has had a cumulative and debilitating effect on the entire organization and community.

The October 2013 municipal election brought a new series of issues and a new level of conflict to the community. There were irregularities in the Village election process and operation. Though legally challenged by some residents, the election was upheld by the court. There are a few families who continue to refuse to acknowledge the legitimacy of Council and insist that nothing but Council's complete removal is acceptable. Conversely, the prompt immersion of the new council into a difficult situation served to create a high level of teamwork and trust among its members.

Improper and faulty advice and lack of due diligence on the part of administration, as well as lack of knowledge and due diligence on the part of Council led to a non-compliant tax recovery sale in June 2014. Residents rightly challenged the sale.

In June 2014 a public meeting was held regarding the rezoning or redistricting of a piece of land called the "Tire Park" by those who live near it. A petition opposing the proposed Residential R-1 zoning was received, but was deemed by Council to be insufficient. Second reading of the bylaw (2014-04) passed on June 23, 2014. The opposing petitioners then sent the petition to Alberta Municipal Affairs along with many of the letters that were also received at the public hearing.

A second petition addressed to Alberta Municipal Affairs was circulated among residents in September 2014. It petitioned the Minister to "order an inquiry into the affairs of the municipality and the conduct of the CAO, administration and Mayor and Council in relation to the refusal of Council to listen to electors, pecuniary interest of councillors, treatment of residents by staff, confidentiality, minutes of meetings, and other deficiencies in the management of the municipality."

Since the September 2014 petition was close to meeting the requirements of a sufficient petition, the Minister requested ministry staff to conduct a preliminary review into the issues and concerns that led to the petitioners' request. That review was completed in January 2015, and based on the results, council was advised that an inspection was warranted. The Minister ordered an inspection of the management, administration and operations of the Village of Acme, and appointed Dorothy Moore of Civic Solutions Inc. as inspector on June 22, 2015.

The CAO turnover has been an impediment to certainty and continuity, but important progress has been made. The 2015 Strategic Plan sets five overarching goals for Council that are widely confirmed by staff and by residents from all sides of the issues. The goal of improving communications with the public has been followed up with the appointment of councillors to a communications committee and the approval of its Terms of Reference. There has been some regression in the finer points of procedure in council, but the Strategic Plan and the bylaws and policies that were put in place during 2014-2015 provide the framework for compliance and improvement.

Unfortunately, the relationships between some members of the public and the Village may be difficult to mend, and it is clear that some people have no intention of reconciliation. Innuendo, hearsay and negative assumptions continue to abound and grow like a cancer despite a number of proactive steps and actions by council. The fact that council must make decisions on behalf of the community whether or not there is disagreement by some or all is not understood. The following recommendations seek to address issues or assist the municipality in its renaissance.

#### **Recommendations:**

1. Council appoints an external experienced, qualified individual or contractor as Returning Officer for the 2017 municipal election.
2. Council provides adequate financial resources for property tax recovery process training for all administrative/finance personnel immediately.
3. Council directs administration to undertake a comparative cost/benefit analysis on developing four lots on the Tire Park property versus the next phase of Heritage Estates.
4. Council conducts a formal review of the Municipal Development Plan at least every five to ten years.

5. Council commit the resources necessary to conduct a formal review of the Land Use Bylaw at least every five to ten years, concurrent with or following review of the Municipal Development Plan.
6. Council repeals Subdivision and Development Appeal Board Bylaw No. 95-7.
7. Council amends Land Use Bylaw No. 2004-04 to reflect:
  - a. the repeal of Subdivision Development Appeal Board Bylaw No. 95-7; and
  - b. adoption of Inter Municipal Subdivision and Development Appeal Board Bylaw No. 2015-15.
8. Council adopt a policy to provide for elected official professional development and provide annual budgetary funding for that development.
9. The CAO makes changes to improve the quality of financial reporting by:
  - a. Revising the format of the quarterly financial report to that of:
    - i. a summary of revenues and expenditures subtotaled by function (department), totaled by the net costs of each and totaled to indicate the surplus or deficit;
    - ii. a summary of revenues and expenditures subtotaled by object code and totaled to indicate the surplus or deficit; and
    - iii. a summary analysis of budget variances over 5%.
  - b. Administration provides the detailed Accounts Payable (AP) listing for Council approval as part of the agenda package which is sent to Council prior to the regular meeting.
10. Administration and Council ensure consistency regarding registration as a delegate and time limit for speakers at council meetings pursuant to Council Procedural Bylaw No. 2014-05.
11. Council approves funding for mandatory accounting skills development for Village personnel involved with finance functions.
12. Council addresses security risks through the 2016 budget to:
  - a. Provide health and safety and awareness training for employees regarding their right to work in a safe environment, zero tolerance policies and procedures, and dealing with difficult people; and
  - b. Construct building modifications which support security of personnel.

- 13.** Council review and adopt bylaws and policies concerning:
  - a. Waste management, specifically limiting the number and weight of garbage bags for curb side pick up; and
  - b. Snow Removal Policy.
  
- 14.** Council amend the following minutes to record the outcome of the votes that were conducted:
  - a. October 14, 2014 Motion No. 172/14 Wild Rose Assessment Services 5 year contract
  - b. October 27, 2014 Motion No. 191/14 Red Deer Watershed.
  
- 15.** Council directs Administration to ensure there is consistent application of bylaw enforcement.
  
- 16.** Council establish the Communications Committee pursuant to Section 145 of the Municipal Government Act by bylaw.
  
- 17.** Council adopts a public engagement policy to address public participation.

## Municipality Description

The Village of Acme (hereinafter referred to as ‘the Village’), located 75 km northeast of Calgary, officially became a Village in July, 1910. Over the century it has grown from an initial population of 190 to its 2012 census of 653. However, this number is down from 730 in the 2006 census. The village offers a wide variety of amenities including educational, postal, and government services. Today, the Acme district is a rich agricultural area. Oil and natural gas is also produced in and around the Acme region.<sup>1</sup>

In addition to the normal range of services provided by the Village, recreation and cultural facilities include a community hall, library, swimming pool, curling rink, skating rink, nine hole golf course, baseball and soccer fields, campground, arena and two racquetball courts.

The Village participates in local, joint and regional services, providing representation on the following Boards: Drumheller Sanitary Landfill, Kneehill Housing Corp., Palliser Regional Municipal Services, Family and Community Services, Aqua 7 Water Commission, Community Futures Wild Rose, Acme Parent/School Council, Acme Municipal Library Board, Fire Management Committee (Regional Fire Chiefs), Public Works/Engineering, and Regional Recreation Committee.

Village Council consists of four councillors and a mayor. The Mayor and Deputy Mayor are elected each year from among the five Council members elected at large. Six full-time municipal positions were reported each year since 2010.<sup>2</sup> The Village of Acme has recently had several changes in administrative leadership since 2009.

**Table 1 CAO Changes**

August 24, 2015	CAO appointed
July 14, 2015	Assistant CAO (A/CAO) appointed Acting CAO
November 2014	CAO appointed
May 14, 2014	A/CAO appointed Acting CAO
February 2009	CAO appointed

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<sup>1</sup> Village of Acme website, August 18, 2015.

<sup>2</sup> Village of Acme Alberta Municipal Profile website, August 18, 2015.

## Purpose of the Inspection

An Inspection requires that the Inspector report on the specified objectives of the Inspection pursuant to the provision of the *MGA* and determine what, if any, matters fall within the guidelines of “Irregular, Improper or Improvident” conduct by Council, individual councilors or municipal staff.

- *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.

A petition of electors was received by the Minister on November 27, 2014 requesting the Minister to undertake an inquiry into the affairs of Village of Acme under section 572 of the *Municipal Government Act (MGA)*. The petition, though deemed insufficient, was close to satisfying the required number of signatures. The Ministry conducted a preliminary review into the issues and concerns that led to the petitioner’s request for an inquiry. At the conclusion of the review the Minister determined that a municipal inspection would be ordered.

## Inspection Scope and Approach

The scope of the inspection of Village of Acme began on a broad basis with an environmental and historical scan. The process evolved from the broad and general scope to a focus on any aberrations and issues that are brought forward or revealed throughout the fact finding and analysis process.

Interviews were conducted with:

- Mayor and Council
- Acting CAO and two former CAOs, management and all staff
- The petition representative and a sample of residents
- One unsolicited interview with a local business
- Bylaw Enforcement service provider
- Kneehill County CAO.

The inspection included reviewing the following:

- Business decisions, land sales and documents
- Municipal records, including minutes, HR files, grant files and others
- Bylaws and policies, ensuring proper processes and core requirements exist
- Financial plans, records, historical, comparative and current, Auditor notes and management letters
- Documents provided by Council, administration and residents
- Additional documentation and correspondence relating to matters of interest identified during the interviews and initial scan.

The inspection team performed the following major and specific tasks in accordance with Section 571 of *the Municipal Government Act (MGA)* including:

- Review and evaluation of:
  - bylaws and key policies for adequacy, relevancy, consistency, and conformity with legislation, with a specific focus on property taxation, planning and development;
  - councils' understanding of their role and responsibilities;
  - three former CAOs' (one acting) understanding of their role and responsibilities;
  - recent council minutes;
  - tax recovery process;
  - public engagement and communication policies and procedures;
- Attendance at, and evaluation of the conduct of a council meeting;
- Review of key planning documents, authorities and procedures.

After the completion of the inspection, a draft report was submitted to the Minister for review and consideration. After the report is approved by the Minister, the inspector will present the report to the council at a public meeting.

## **Findings of Fact**

### ***Specific Issues, Legal Matters and MGA Contraventions***

A number of issues were raised over the past two years concerning the 2013 election, the tax recovery sale of Lot 25 – 26, Block 6, Plan 2315AB and the redistricting of property known as the Tire Park.

### ***The 2013 Election***

One of the issues brought by petitioners was the October 2013 municipal election which brought a new series of issues and a new level of conflict to the community as some electors thought the election results should be overturned due to irregularities in the Village election



process and operation. The legislative framework for municipal elections is through the *Local Authorities Elections Act (LAEA)*. The *LAEA* prescribes the requirements of and processes for municipalities are responsible for when a municipal election is held as well as challenging the results of an election through the courts.

Though legally challenged by some residents, the election was upheld by the court and the election results stand. There are a few electors who continue to refuse to acknowledge the legitimacy of Council and insist that nothing but Council's complete removal is acceptable. Conversely, the prompt immersion of the new council into a difficult situation served to create a high level of teamwork and trust among its members.

Persistent denial by a vocal minority of Council's validity and belief that local people are not to be trusted is likely to persist through the 2017 election unless the process is arm's length from village staff and council and open to thorough scrutiny. Council should consider appointing a Returning Officer who is external to the Village.

#### **Recommendation:**

- 1. Council appoints an external experienced, qualified individual or contractor as Returning Officer for the 2017 municipal election.**

#### ***Tax Sale***

This section provides findings and recommendations resulting from a review of the Village of Acme tax recovery process. Legislation concerning the recovery of taxes related to land is found in Division 8, sections 410 - 436 of the *MGA*. The legislation for the tax recovery process has several specific processes and timelines which must be followed by a municipality.

Files for the tax arrears lists for 2010 and 2013 – 2015 were reviewed to determine the process used by administration. A similar process appears to have been used from year to year by administration and is consistent with the provisions of the *MGA* and best practices as follows:

- letter mailed to the registered owner of any property where the balance was in arrears for at least two years stating the balance due, amount due to avoid being placed on the list (often the same amount as the balance due) and the date by which arrears had to be paid to avoid being on the list;
- lists consistently sent to Land Titles by March 31 of the year as required by *MGA* Section 412(1)(a) and (b);

- follow up letter mailed in April to the registered owner of any property listed on the Tax Arrears List submitted to Land Titles as required by MGA Section 412(3);
- Tax Recovery Auction ads placed in Alberta Gazette and local paper as required by MGA Section 421(1);
- letter and copy of ad sent to registered owner notifying them of the auction date as required by MGA Section 421(4);
- letter sent upon discharge of tax recovery.

*MGA Section 412 Tax arrears list*

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

*(c) post a copy of the tax arrears list in a place that is accessible to the public during regular business hours.*

*1994 cM-26.1 s411*

Administration was not aware that the tax recovery list was to be posted and said any list with parcels that still had tax recovery notification would be posted pursuant to Section 412(c) of the MGA.

*MGA Section 418 Offer of parcel for sale*

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

*(2) Unless subsection (4) applies, the public auction must be held in the period beginning on the date referred to in section 417(2)(a) and ending on March 31 of the year immediately following that date.*

*MGA Section 419 Reserve bid and conditions of sale*

*The council must set*

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

Lot 25-26, Block 6, Plan 2315AB was first scheduled for public auction during a tax sale on June 20, 2014. The tax sale was found to include both proper and irregular processes and procedures. Council later revoked the actions of the first sale and conducting another one which was found to be consistent with the provisions of the MGA.

Council passed the following motions on April 14, 2014 for the tax recovery auction of Lot 25 - 26, Block 6, Plan 2315AB:

No. 058/14: *that the Council for the Village of Acme agree to go ahead with having a Public Auction to sell the property on Main Street with tax arrears.*

No. 059/14: *Council for the Village of Acme agree to go ahead with setting a Date for the Public Auction to sell on June 20, 2014 at 3 pm at the Village Office.*

No. 060/14: *the Council for the Village of Acme agree to go ahead with setting the Terms for the Public Auction 1) Cash, 2) certified cheque, 3) and 50% down at Auction time.*

No. 061/14: *that the house sold through tax recovery on Main Street in Acme June 20, 2014 be demolished within six months of the tax sale date. Also the demolition of the house must conform with all environmental regulations. The Administration Staff will prepare a contract with these conditions for the Auction Date of June 20, 2014 to accompany the awarding bid.*

The May 12, 2014 minutes record Mayor McLeod reporting the tax sale was moved to July 11, 2014 at 3 pm to accommodate the advertising requirements. This was irregular as no motion was made to set the new date nor was there any indication a notice adjourning the sale to July 11, 2014 was posted as is required by MGA Section 422(1).

Between May 12 – July 11, 2014 a reserve bid was set through emails between council members and administration which is irregular as Section 419(a) of the MGA requires the council to set a reserve bid for each parcel of land offered for sale that is as close as reasonably possible to the market value of the parcel.

Advertisements for the tax recovery sale appeared in the June 25, 2014 and July 2, 2014 editions of The Capital and the Alberta Gazette on May 31, 2014. The terms were incorrectly advertised as: Cash, certified cheque *or deposit of one half of the auction price* with balance paid in 30 days rather than what had been approved by council in motion no. 060/14 which did not provide for the balance being paid in 30 days.

The public auction was held July 11, 2014 with Mayor McLeod serving as auctioneer; minutes were taken by administration. The property was sold by sealed tender; the Mayor announced the amount but not the bidder's name. An interviewee reported: *Other parties attended, asked if verbal bids were allowed and where told "what do you want me to do?" to which they replied "an auction"*. No verbal bids were allowed. The successful bidder was a company owned by the Deputy Mayor which is irregular. MGA Section 429(1) states: *When a*

*municipality holds a public auction or another sale under section 425, the auctioneer, the councillors, the chief administrative officer and the designated officers and employees of the municipality must not bid for or buy as an agent in buying, any parcel of land offered for sale, unless subsection (2) applies.* 1994 cM-26 s429

The Mayor reported the sale results at the August 25, 2014 meeting of Council by reading the “minutes to everyone and moved the minutes of Tax Sale of 216 Main St, Acme of July 11, 2014 be approved.”<sup>3</sup>

Council passed Motion No. 156/14 on September 8, 2014: *\$1,000 excess proceeds from the sale of tax recovery property at 216 Main Street be transferred to a GIC at the Bank of Montreal and that these funds be held for a period of 10 years and if at that time remain unclaimed that the funds be transferred back to the Village of Acme General Account for use by the Village of Acme.* Confirmation was received from Administration that this action was completed thus meeting the requirements of Section 427(1)(a) of the Act. There was no evidence in the land file provided for examination to outline how the surplus was determined. There was no evidence the previous owner was notified of surplus sale proceeds as required by section 427(3) of the MGA.

Council approved a request for extension of the timeline to demolish all buildings and clean the lot of debris for the subject property on December 8, 2014 [Motion No. 235/14]. Minutes indicate Councillor Kuiken declared a pecuniary interest at the time the matter was raised on the agenda and left the meeting prior to the motion to move in-camera was made. The minutes do not record Councillor Kuiken returning to the meeting after the motion to reconvene was made.

On January 25, 2015 a fire partially destroyed the property which the Beiseker RCMP investigated as suspicious fire.<sup>4</sup> The Village of Acme has not received verification from the RCMP concerning the outcome, if any, of the investigation.

During the January 26, 2015 Regular Meeting Council moved in-camera to discuss matters from Municipal Affairs. Minutes note Councillor Kuiken disclosed a pecuniary interest and left the Council Chambers at 7:21 pm, returning at 7:36 pm. The motion to reconvene to the

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<sup>3</sup> Motion No. 140/14, August 25, 2014 Regular Council minutes

<sup>4</sup> Three Hills Capital, [www.threehillscapital.com](http://www.threehillscapital.com), January 26, 2015

Regular Meeting was made at 8:03 pm. Councillor Kuiken announced a pecuniary interest and left the chambers at 8:04 pm. The following motions were made and passed:

*Motion No. 027/15 Council terminates the Property Tax Arrears Auction Agreement dated July 11, 2014 regarding the sale of Lot 25-26, Block 6, Plan 2315AB and refunds the Buyer the purchase price and subsequent expenses in full.*

Motion No. 028/15 Public Auction set for Lots 25 – 26, Block 6, Plan 2315AB – date: March 30, 2015, 2:00 pm at Council Chambers of the Acme Village Office, CAO appointed auctioneer. Terms: offered for sale on an “as is, where is” basis, with no representations or warranty on certain things as listed, terms cash or certified cheque, 50% of payment due upon sale date and 50% due within 15 days of sale date.

*Motion No. 029/15 Council directs administration to obtain an independent professional appraiser to provide a written report that establishes market value on Lots 25-26, Block 6, Plan 2315AB for the purposes of establishing a reserve bid for the sale by public auction. Councillor Kuiken returned to the meeting after this motion.*

The copy of the ad submitted to Alberta Gazette indicates terms are cash, certified cheque, fifty percent (50%) of payment due upon sale date and 50% due within 15 days of sale date. GST may apply on properties sold at public auction. The copy of ad submitted to Capital Printers for the March 11 and March 25, 2015 editions of The Capital show same terms of sale as the Alberta Gazette ad.

There is no record of the advertisement copy being sent to the registered owner or any parties with an interest registered against the title and any encumbrancee not less than 4 weeks prior to the sale as required by Section 421(1)(4) of the *MGA*.

On March 9, 2015 Council establishes a reserve bid for the property as \$20,000 [Motion No. 099/15]. The appraisal was completed on February 18, 2015 and the certification from Black and Associates Appraisal Inc. established the as is value and the pre-fire value at \$20,000. Council amended Motion No. 028/15 [the tax sale conditions] by Motion No. 100/15 on March 9, 2015 to commit the Village to demolish the buildings on the property and backfill with suitable clean fill.

The public auction was held on March 30, 2015. A delegation presented a written statement requesting the postponement of the auction because the conditions of the sale were changed after the advertising. CAO Mason proceeded with the sale despite the change in sale conditions. The property was successfully auctioned and the required paperwork was filed

with Land Titles for the transfer. Authority was provided to the Village by the purchaser to enter the property for demolition and fill work commencing April 15, 2015. The CAO reported the outcome of auction at the April 13, 2015 Regular Meeting of council.

Administration confirmed there was a surplus realized from the second auction of Lot 25 – 26, Block 6, Plan 2315AB, but the funds had yet to be deposited to a separate account as required by Section 427 of the MGA.<sup>5</sup>

The issues which arose regarding an irregular tax sale process by the Village of Acme since April 2014 provide examples of lack of knowledge, lack of due diligence, proceeding without proper advice or consideration, and compounding all of the above resulting in contraventions of the MGA. Property assessment and taxation are two of the most detailed components of the MGA and staff need to be conversant in the meaning and application of the legislation. The CAO should ensure knowledge and skills building for administrative staff is supported through tax recovery education and training. A detailed tax recovery guide is available from Municipal Affairs' web site and should be sourced by administration for use when dealing with tax recovery matters in addition to formal training. There are many tax recovery training opportunities available through the province, provincial organizations and private companies.

#### **Recommendation:**

- 2. Council provides adequate financial resources for property tax recovery process training for all administrative/finance personnel immediately.**

#### ***Redistricting of Municipal Land***

This section provides findings and recommendations resulting from a review of the Village of Acme Planning and Development matters. A community land use planning program can generally be divided into three parts, as follows:

- ***Policy***, which includes Provincial Legislation and Regulations, Provincial Land Use Policies, Municipal Development Plans and Area Structure Plans. These documents form the basis for policy for both current and future planning and development within a community.
- ***Development Control Tools*** used to implement policy, which include Land Use Bylaws, Off Site Levy Bylaw, Building Bylaws, Safety Codes, Subdivision Control, Engineering Standards and Specifications and Development Agreements.

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<sup>5</sup> Acme administration email response to [acmeinspection@civicsolutionsinc.com](mailto:acmeinspection@civicsolutionsinc.com), September 30, 2015

- **Processes** for the implementation commonly include Subdivision Approval, Development Permits, Building Permits and Occupancy Permits.

Generally speaking, the demand for new growth and development in the Village of Acme has been low over the past ten years. The review found that the current Municipal Development Plan and Land Use Bylaw have been in place for thirteen and eleven years respectively. Ideally, these documents should be reviewed every five years, and are currently under review in 2015 by Palliser Regional Municipal Services (Palliser). The Village of Acme is a member of Palliser, which enables the Village to access professional planning services from Palliser.

As a result of the review, this report contains five recommendations related to planning. If implemented, these recommendations will assist the Village of Acme with effective decision making in planning and development.

The hierarchy of planning generally consists of Provincial Legislation and Regulations, Provincial Land Use Policies, Municipal Development Plans and Area Structure Plans. These documents form the basis for policy for both current and future planning and development within a community. Various tools commonly used to implement that policy include Land Use Bylaws, Building Bylaws, Safety Codes, Subdivision Control, Engineering Standards and Specifications and Development Agreements. Processes for this implementation commonly include Subdivision Approval, Development Permits, Safety Codes Permits/Inspections and Occupancy Permits. While it is imperative that local government be in control of current and future development through policy, implementation tools and their related processes, it is also important that a balance be struck between the needs of both local government and the community.

Under mandate of the municipal inspection, review of planning and development matters in the Village of Acme included:

- What the current processes look like versus what they could look like?
- What controls are in place to ensure processes are in compliance with legislation?
- What controls are in place to ensure compliance with internal documents such as the Municipal Development Plan, Area Structure Plans, Land Use Bylaw, Building Bylaw, Safety Codes, Development Agreements, Engineering Standards, etc.?
- What communication tools exist to inform the public of requirements?

## ***Background Information***

The Village of Acme is a member of the Palliser Regional Municipal Services. This membership provides the Village with access to professional planning services such as planning advice, subdivision application processing and building permit (safety codes) processing.

The Alberta economy is currently experiencing some challenge with low world oil prices; and it is estimated that this economic challenge will likely continue for the next 12 months or longer. Historically, demand has been low for new development in the Village and it is likely that this trend will continue.

Three primary issues/concerns arose related to planning and development, which are categorized as follows:

- Closure and proposed redistricting of Tire Park
- Lack of communication between Council and Ratepayers
- Ratepayers understanding of Council authority.

### ***Tire Park***

An area of land known as “Tire Park” fronts on Prospect Avenue and is legally described as Lot 4, Block 12, Plan No. 0010346 in the Village of Acme. This parcel of land was transferred from the local School Division to the Village a number of years ago with the intent of being developed into residential lots. The Council previously attempted to re-district the land from “P” – Community Services District to “R-1” – Residential District, however the decision was reversed in early 2015 due to technical processing errors. More recently, on July 13, 2015, Council proceeded with second and third reading of Bylaw 2015-10 to re-district the land from “P” – Community Services District to “R-1” – Residential District. While this completes the re-districting process, the next step will be to apply for subdivision to subdivide the parcel into four residential lots for the purpose of constructing four single family dwellings.

A report dated June 3, 2010 from Palliser Regional Municipal Services outlines the process requirements and provides advice to council on this matter. In particular, Palliser noted *“Upon review of the MDP it does not appear that the proposal is in conflict with existing policies.”* The report goes on to identify statutory requirements and recommendations.

Clearly, the intent of Council is to create four new residential lots intended for single family dwellings, which is consistent with the neighboring land uses – single family dwellings. When interviewing members of Council, it is apparent that they have been comparing the potential cost of servicing these lots, as compared to servicing and completing the next phase of

Heritage Estates, located in the northeast sector of the Village. While we do not have evidence of the proposed servicing costs for either location, it appears that the high end of “order of magnitude” costs for servicing the Tire Park lots is in the \$200,000 range, which at a break-even point would mean that each lot would need to sell for \$50,000. Members of Council acknowledged that this would likely be the limit of value for potential sale price. General statements were made that the cost of servicing the next phase of Heritage Estates would be much greater and unaffordable at this point in time for the Village. While members of Council appear conscious of comparative costs and benefits, they have not completed a cost/benefit analysis, which should include analysis of market conditions, forecasted market absorption rates, servicing options and related costs, break even analysis and the pros/cons (cost/benefit) of developing either Tire Park or the next phase of Heritage Estates. This need not be a costly or burdensome process to complete and would be beneficial in helping Council feel confident that they are making the right decision; and would benefit in rationalizing their decision – to themselves and to the ratepayers of the Village.

Overall, there are a number of people that are passionate about retaining Tire Park as a park. The primary argument presented through the interviews of those opposed to closure of the park and development of single family dwellings is that the park is convenient for residents and children in the immediate area. The park as open space is also attractive to residents that are immediately adjacent. In other words, they would rather have a park/open space adjacent to their property, than four new single family dwellings. There was also much emotion around the process, rumours and conjecture about what was going to be constructed and by whom, including allegations that a member of Council would benefit from construction of multiple family residential dwellings on the site. These allegations have been denied and appear to be unfounded.

Ratepayers expressed concern and frustration that they are not being listened to. *“Council is not hearing or listening to us.”* was one of many comments made. *“Democracy means that the people are in power.”* was another comment. Clear communication and rationalized (informed) decision making by Council is imperative in any community, especially in smaller communities. The “rumour mill” can run rampant in a heartbeat when people are frustrated and it is incumbent on the municipality, Council in particular to manage the message to residents. This by itself will not completely alleviate the conflict between aggrieved ratepayers and a Council decision that they do not agree with, but it will assist with developing an understanding between the conflicting parties. In the end, the two parties may agree to disagree, but the approach by both parties needs to be respectful.

## **Recommendation:**

- 3. Council directs administration to undertake a comparative cost/benefit analysis on developing four lots on the Tire Park property versus the next phase of Heritage Estates.**

### ***Council Authority***

Pursuant to the *MGA*, the Council has sole authority in re-districting land within its Land Use Bylaw (LUB) subject, of course, to following proper procedures including conduct of a public hearing to receive representation for and against a proposal. The proposal must also comply with the municipality's Municipal Development Plan (MDP). In other words, provided the proposal complies with the MDP and proper procedure is followed, there is no opportunity to appeal the decision of a Council to amend its LUB. The re-districting process enables ratepayers to have an opportunity to make representation for or against a proposal during the public hearing process. In theory, Council will then make an informed decision following receipt representation and staff reports. Nothing binds Council to make a decision in favour or against based on the amount (or numbers) of representation for or against a proposal. These comments are not intended to frustrate opponents of the Tire Park re-districting proposal; however it is important to note that the democratic process of local government means that people have an opportunity to elect their Council representatives at a municipal election.

### ***Municipal Development Plan (MDP)***

Although the *MGA* does not require a municipality with a population of less than 3,500 people to adopt an MDP, the Village of Acme has an existing MDP, adopted through Bylaw No. 2002-4. The Village of Acme is a member of Palliser Regional Municipal Services; and Palliser Regional Municipal Services has included a review of the Village's MDP in their 2015 work plan. It should be noted that there is no Inter Municipal Development Plan (IDP) with the neighbouring Kneehill County. An IDP typically manages existing and future land use on the periphery of a community; provides for an interface of land uses along the boundary of a community and provides for future boundary expansion. Given the current and historic low demand for growth, it is unlikely that the development and adoption of an IDP is warranted under the circumstances.

The MDP appears to be in good form; however the scope of this inspection did not include a detailed review of the MDP. The existing MDP is over 13 years old and a formal review is timely. Ideally, a formal review of the MDP should be conducted at least every five years. However, in a low demand scenario, a range of five to ten years is reasonable.

## **Recommendation:**

- 4. Council conducts a formal review of the Municipal Development Plan at least every five to ten years.**

### ***Land Use Bylaw (LUB)***

The existing LUB was adopted by Bylaw No. 2004-04 in July 2004. While the LUB is approximately 11 years old, Palliser Regional Municipal Services has included a review of the Village's LUB in its 2015 work plan. As mentioned in the previous section (MDP), a LUB should also be reviewed every five to ten years, in tandem with review of the MDP. While the current LUB appears to be in good form, a formal review is timely. The scope of this inspection did not include a detailed review of the LUB.

An LUB establishes authority for the Development Officer; and the Village of Acme LUB, references Bylaw No. 95-6, which establishes the appointment of a Development Officer and Municipal Planning Commission. The Development Officer is the Chief Administrative Officer. The existing Village of Acme LUB allows for various matters to be referred to the Municipal Planning Commission (MPC), either specifically or at the discretion of the Development Officer. The Development Officer does have the explicit authority to approve all development permit applications that conform to the LUB. The MPC, as a development authority, must consider applications for Discretionary Use and/or development permit applications that require some form of variation. The respective development authorities are clear and appear to be in order.

The LUB references Bylaw No. 95-7 which is a bylaw that establishes a Subdivision and Development Appeal Board to deal with those matters that may be appealed, pursuant to the *MGA*. Bylaw No. 2015-15, a bylaw to establish an Inter Municipal Subdivision and Development and Appeal Board for the Village of Carbon, Village of Linden and Village of Acme was adopted by the Acme Council on March 9, 2015. The Inter Municipal Subdivision and Development Appeal Board is the body now established to deal with the appeal of subdivision and development matters on behalf of the Village of Acme. It appears that Bylaw No. 95-7 was not repealed as part of the process of adopting Bylaw No. 2015-15, which creates a potential conflict in who the appeal body should be. Land Use Bylaw No. 2004-04 should be amended to reflect the repeal of Subdivision and Development Appeal Board Bylaw No. 95-7 and the adoption of Inter Municipal Subdivision and Development Appeal Board Bylaw No. 2015-15.

Land Use amendments (Re-districting) are processed by Village staff, with professional planning advice provided by Palliser Regional Municipal Services. It is important for Village staff to be familiar with *MGA* requirements for processing and advertising re-districting applications to ensure proper procedures are followed. Palliser Regional Municipal Services is a valuable professional resource for the Village of Acme and the continued participation as a member of Palliser is encouraged.

**Recommendations:**

- 5. Council commit the resources necessary to conduct a formal review of the Land Use Bylaw at least every five to ten years, concurrent with or following review of the Municipal Development Plan.**
- 6. Council repeals Subdivision and Development Appeal Board Bylaw No. 95-7.**
- 7. Council amends Land Use Bylaw No. 2004-04 to reflect:**
  - a. the repeal of Subdivision Development Appeal Board Bylaw No. 95-7; and**
  - b. adoption of Inter Municipal Subdivision and Development Appeal Board Bylaw No. 2015-15.**

***Subdivision Applications***

Subdivision applications in the Village of Acme are processed by Palliser Regional Municipal Services. Given the size of the Village, staff complement and available financial resources, this is an efficient and effective way of processing subdivision applications. The scope of the inspection did not include a detailed review of subdivision application processing.

***Development and Building Permit Processing***

Development permits are processed by the Development Officer (Chief Administrative Officer) and/or the Municipal Planning Commission, depending on the circumstances and Building Permits (Safety Codes) are processed by Palliser Regional Municipal Services. Given the low demand/volume for Development Permits and Building Permits, this is a reasonable and efficient process for the Village of Acme. The scope of the inspection did not include a detailed review of development and building permits.

## **Governance**

Councillors elected for the 2013-2017 term are:

Bruce McLeod	Mayor since 2010. Previously on Council from 2001-2007.
Dennis Kuiken	Deputy Mayor since elected in 2013. Previously elected 2007-2010.
Jason Bates	First elected in 2013.
Lucy Ann Daubert	First elected in 2013.
Ross Gilmore	First elected in 2013.

After a municipal election the five village councillors appoint the Mayor and Deputy Mayor from among themselves at the Organizational Meeting, and again at each annual Organizational Meeting thereafter.

Council meetings are held in the Village Office Council Chambers on the second and fourth Mondays of each month at 6:30 pm. If Monday is a holiday the Council meeting is held on Tuesday of that week. Prior to the months of December 2014 and July and August 2015 Council had cancelled one of the meetings by resolution, so there was just one meeting in each of these months.

Public Hearings are listed as Item 3.0 on the regular Council Agenda following Delegations, and have been held in Council Chambers as part of the agenda at the usual 6:30 pm commencement.

The Acme Community Hall has been used for public meetings with the community occasionally, since Council Chambers has limited seating capacity.<sup>6</sup>

### ***Committees, Boards, Corporations, Commissions and Associations***

MGA Section 192(1) Organizational Meetings states:

*Except in a summer village, a council must hold an organizational meeting annually not later than 2 weeks after the 3<sup>rd</sup> Monday in October.* 1994 cM-26.1 s192

MGA Section 145(a) Bylaws - council and council committees states:

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

*(a) the establishment and functions of council committees and other bodies;*

1994 cM-26.1 s145

Council holds an organizational meeting each year in October at which the Mayor and Deputy Mayor are appointed by Council. Council held an Organizational Meeting on October 27, 2014

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<sup>6</sup> February 23, 2015 Council Meeting including two Public Hearings was held at the Acme Community Centre at 6:30 pm.

in accordance with the provisions of the *MGA*. As part of that meeting, Council also approved the appointments of council members and public-at-large to the various committees and boards established by bylaw as follows:

- Municipal Planning Commission
- Subdivision and Development Appeal Board
- Personnel Committee
- Municipal Sustainability Plan
- Drumheller Sanitary Landfill
- Kneehill Housing Corporation
- Palliser Regional Municipal Services
- Family and Community Services
- Aqua 7 Water Commission
- Community Futures Wild Rose
- Acme Parent/School Council
- Acme Municipal Library Board
- Public Works/Engineering
- Agricultural Society
- Acme Hall Board
- Canadian Badlands
- Kneehill Regional Initiatives
- Red Deer River Municipal Users Group
- Emergency Management Agency
- Doctor Retention.

### ***Orientation and Education for Council***

Councillors received a council orientation package when they were elected, but no personal or verbal instruction. Council has since mandated attendance at a *Roles and Responsibilities* workshop for all councillors after each municipal election.

There were two local workshops that all councillors could attend since the 2013 election, one in Linden and one in Three Hills. One was a *Roles and Responsibilities* workshop provided by Alberta Municipal Affairs. Not all council members have attended all offerings.

The budget allows two members of Council to attend the Alberta Urban Municipalities Association (AUMA) conventions where educational courses are offered. Some councillors said it is difficult to be able to take the time to attend the AUMA convention due to the time of year it is held.

Some councillors indicated that they were not aware of the Elected Officials Educational Program (EOEP) offered by the AUMA, and none of them stated that they had taken these courses. EOEP has a curriculum of 21 courses which are available in face-to-face and online formats. Materials are focused on building awareness and capacity of elected officials in their roles and responsibilities and development of leadership skills. Money invested in professional development of elected officials and a commitment by those elected officials to taking advantage of that training will help build future leaders who are more confident and knowledgeable in their roles as decision makers.

The Roles and Responsibilities workshop for councillors is now mandatory, according to Mayor McLeod. The minutes of the January 26, 2015 Council Meeting include Motion No. 042/15: *Following each civic election, the Village Acme will hold a Council Orientation Session that all of Council are required to attend. This session will include a Council Orientation conducted by a third party, and the provision of pertinent information on municipal operations, legislation, roles and responsibilities and process. Administration shall budget for this program in each year a civic election is held.*<sup>7</sup>

Several comments made during the interviews indicate Council members may not be fully aware of their role, responsibility or the legislation involved leading to confusion. Leadership development has taken a back seat to other matters facing the community. Council should make investments in elected official professional development to increase knowledge and develop leadership skills.

#### **Recommendation:**

- 8. Council adopt a policy to provide for elected official professional development and provide annual budgetary funding for that development.**

#### ***Council Meetings***

MGA Section 145(b) Bylaws - council and council committees states:

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

- (b) the procedure and conduct of council, council committees and other bodies established by the council, the conduct of councillors and the conduct of members of council committees and other bodies established by the council.* 1994 cM-26.1 s145

The *Regulate Proceedings of Council Meetings Bylaw 2014-05*, adopted December 8, 2014, establishes the rules of order and conduct for all council meetings. This bylaw is quite

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<sup>7</sup> Village of Acme website, Council Meeting Minutes, January 26, 2015, Motion No. 042/15.

thorough and the rules are clear. The question which arises from the interviews is whether or not rules are always applied consistently.

Bylaw 2014-05 addresses the following areas:

- Relevant MGA references and requirements
- Interpretations (definitions)
- Agendas for council meetings
- Meeting proceedings (includes standards of conduct, timing, delegation process)
- Committees of Council
- Title of chief elected official
- Repeal (of previous bylaw 95-11)
- Enactment (upon passing third reading).

Alberta Municipal Affairs describes why a procedure bylaw such as Acme has enacted is important to provide structure to the governance process. *Councils may adopt a procedure bylaw to provide a standard, familiar format for council meetings and make it easier for members of council, staff, the media, and the public to understand the process by which decisions are made. In general, a procedure bylaw will name and describe the responsibilities of council committees, provide for the order of business and method of distributing the agenda of the council meetings, set rules regarding the proceedings at regular meetings at council, and describe the manner in which items may be put on the council agenda.*<sup>8</sup>

According to Agendas and Minutes Bylaw 2014-05, the order of business on the Council agenda has since been as follows:

1. Adoption of the agenda
2. Delegations
3. Public Hearings
4. Adoption of previous minutes
5. Business
6. Information items
7. Reports
8. In-camera
9. Adjourn.

There is provision in the Bylaw for the order in a council meeting to be changed by council resolution. Agendas and minutes for Council meetings are posted on the village website.

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<sup>8</sup> Website: Alberta.ca > Municipal Affairs > Municipal Government Act – Facts September 5, 2015.

## ***Financial Reporting***

MGA Section 208(1)(k) Performance of major administrative duties [finance/budget reporting] states:

*The chief administrative officer must ensure that the actual revenues and expenditures of the municipality compared with the estimates in the operating or capital budget approved by council are reported to council as often as council directs. 1994 cM-26.1 s208; 1998 c24 s10*

Monthly financial reports are provided to Council as part of the council agenda package. The order of presentation is:

- Accounts Payable – from date of last listing to current meeting date
- Bank Reconciliation Report - Monthly basis
- Financial Reporting - Quarterly basis.

A detailed accounts payable listing is circulated the evening of the meeting. This report consists of details of payments made to vendors. It includes rows entitled vendor number and name, vendor total and grand total. Columns consist of invoice number, invoice date, hold date, hold amount, payment date, amount to pay, invoice description, general ledger, expense amount, vendor total and grand totals. The listing is prepared the day of the meeting in order to finish entering account payables. Providing the detailed AP report to Council at the meeting does not allow sufficient time for adequate review and posing of questions by Council members. The AP posting deadline should coincide with the agenda deadline so that all AP reports are provided to Council as part of the agenda package. Continuing with the practice of Council approving the AP helps ensure adequate financial oversight is maintained due to the small number of administrative staff involved in finance functions.

Two versions of the bank reconciliation are presented to Council. One is a manual bank reconciliation and presents the statement as a comparison of the net balance for the bank from the general ledger to the bank statement balance. The other bank reconciliation is produced from the municipal accounting system and shows the opening and closing balance and lists the outstanding deposits and cheques.

The format of the quarterly budget report to council includes columns entitled general ledger (number), description (account name), prior year actual, current budget, current YTD, current % variance. The report is in a line by line format and includes subtotals for revenues and expenditures. There is no net total to indicate an overall surplus or deficit. The revenue

budget numbers are positive while the system records revenues as negative which results in erroneous variance percentages.

The total of each general ledger account along with its budget is provided as well as a variance column. The variance is calculated on percentage of budget used not what is available. Clarification of that aspect should be made in the title to avoid confusion of what the information means. There are subtotals for the revenue and expenditures but there is no net surplus or deficit. This information is unclear and insufficient for Council to quickly grasp and assess the overall financial picture they require as the governing body. Preparing a summary analysis of the actual to budget variances prepares administration to answer questions from council and manage unexpected overruns. Both council and the CAO become more accountable for the fiscal health of the organization through timely analysis and reporting.

The general ledger accounts are not in numerical order and no surplus or deficit is provided. It lacks the net costs for departments and there is no evidence of any type of analysis provided to Council to explain budget variances. Sorting the general ledger accounts into a numerical order by function (i.e. department), adding departmental subtotals and a net total line would assist Council to easily and logically understand the bottom-line results. The budget for revenues should be entered into the accounting systems as negative numbers so variance percentages become correctly calculated.

Reports provided to Councils vary depending on the size of the municipality: i.e. summarized monthly departmental reports broken up into sections similar to that of the audited financial statement; Financial Budget report with comparatives from previous year; Balance Sheet, Operating Statement, Bank Reconciliation and Accounts Payable listing – all on varying reporting timelines (i.e. monthly or quarterly depending upon the report). Reporting should, as a minimum, consist of a Summary Income Statement by function (department) and by object code, a Balance Sheet and Bank Reconciliation.

**Recommendation:**

- 9. The CAO makes changes to improve the quality of financial reporting by:**
  - a. Revising the format of the quarterly financial report to that of:**
    - i. a summary of revenues and expenditures subtotaled by function (department), totaled by the net costs of each and totaled to indicate the surplus or deficit;**
    - ii. a summary of revenues and expenditures subtotaled by object code and totaled to indicate the surplus or deficit; and**
    - iii. a summary analysis of budget variances over 5%.**



- b. Administration provides the detailed Accounts Payable (AP) listing for Council approval as part of the agenda package which is sent to Council prior to the regular meeting.**

### ***Communication and Community Engagement***

MGA Section 198 The right of public to be present states:

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

1994 cM-26.1 s198

Meeting times are set by Council at the annual Organizational Meeting. Council established 6:30 pm as the start time in Motion No. 160/13 at its Organizational Meeting held October 28, 2013 and again by Motion No. 184/14 at the October 27, 2014 Organizational Meeting.

Although three of the interviewees expressed and/or wrote that Council's Public Hearing start time at 6:30 pm was set too early for commuters, and one said that it used to be at 7:00 pm, in fact the October 15, 2013 Council Meeting Minutes states the start time as 6:00 pm, and shows future Council Meeting dates at 6:00 pm as well. The Organizational Meeting of Council on October 28, 2013 changed the start time of Council Meetings to 6:30 pm, 30 minutes later than the previous Council's meetings. Public Hearings are held at the beginning of Council Meetings, so they begin at 6:30 pm.<sup>9</sup>

On January 26, 2015, Council passed Motion No. 043/15: *To increase the availability of open data regarding Council Meetings and to increase transparency, Council directs that Council Meeting Agenda packages be available to the public at 4:00 pm on the day of a Council Meeting.*<sup>10</sup>

Administration posts the Council agenda on the Village's website. All agenda items are listed. However, detailed documents informing or supporting the agenda or containing personal or legal information are appropriately distributed to the council alone.

The *Regulate Proceedings of Council Meetings Bylaw 2014-05* addresses public participation and information as follows:

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<sup>9</sup> Village of Acme website , Organizational Meeting Minutes, October 28, 2013, Resolution No. 160/13

<sup>10</sup> Village of Acme website, January 26, 2015 Council Meeting Minutes, Resolution 043/15.

*Delegations: By written request not later than 4:00 pm four business days prior to the meeting. Request shall contain adequate contact information, the topic, the request and background information if applicable. The presentation request must be reviewed by the CAO and Mayor or their designates.*

Some interviewees expressed concern about delegations not being treated the same when it came to being placed on the agenda and the amount of time allotted to them to speak. Following the Acme Procedural Bylaw process and guidelines consistently will mitigate the perception of inconsistent treatment of speakers at Council meetings. It was said that there was no requirement for registration as a delegate and time limit for former councillors.

**Recommendation:**

**10. Administration and Council ensure consistency regarding registration as a delegate and time limit for speakers at council meetings pursuant to Council Procedural Bylaw No. 2014-05.**

Under the MGA (Section 3), municipalities are charged with the responsibility to provide good government; to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality; and to develop and maintain safe and viable communities. "In the opinion of council" confirms the rights and responsibilities of council as a whole to make decisions on behalf of all the residents of the municipality for the duration of their term of office. Council meetings are held in public and opportunities for input are provided from time to time.

Council has acted in a proactive and proper manner by including appropriate input, improving communication and clarifying the process for council and the public through the adoption of the Council Procedural Bylaw No. 2015-04 and the Public Hearing Procedures Bylaw No. 2015-04.

***In-camera Sessions***

MGA Section 197 Public presence at meetings states:

- (1) Councils and council committees must conduct their meetings in public unless subsection (2) or (2.1) applies.*
- (2) Councils and council committees may close all or part of their meetings to the public if a matter to be discussed is within one of the exceptions to disclosure in Division 2 of Part 1 of the Freedom of Information and Protection of Privacy Act.*

1994 cM-26.1 ss197, 738; 1995 c24 s23



The appropriate use and number of in-camera sessions in Council meetings has been questioned. Although the exceptions to disclosure for municipal councils are generally thought to be listed in three categories: land, labour and legal items, it is interesting to note the entire list of exceptions to disclosure referenced in *MGA* Section 197(2) above within the *Freedom of Information and Protection of Privacy Act (FOIP)*.

*FOIP* Part 1, Division 2 lists the exceptions to disclosure:

*Division 2 Exceptions to Disclosure*

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

*FOIP* Part 1, Division 2, Section 17(1), 23(1) and 24(1) regarding Personal information, Local public body confidences and Advice from officials respectively being withheld from the public or applicants have also been referenced when personal, personnel or legal issues are being discussed by a municipal council in-camera.

An examination of thirty-two sets of minutes from January 27, 2014 through July 13, 2015 show 25 in-camera sessions with resolutions following the session in 7 instances. Where resolutions follow the in-camera sessions, they do show a reference to a specific exemption or disclosure in Division 2 of Part 1 of *FOIP*.

A councillor left three of the in-camera sessions declaring pecuniary interest.

The length of the in-camera sessions varied from 5 minutes to 76 minutes. In-camera sessions in the 32 meetings totalled 621 minutes (10.35 hours), and averaged 24.84 minutes. Former

CAO Mason states that restricting in-camera discussion to the matter for which it was called was not always successful.

### ***August 24, 2015 Regular Council Meeting***

The inspection team attended the August 24, 2015 Council meeting, and made the following general observations, in no particular order:

The agenda was provided to the inspector ahead of the meeting, and a gallery agenda was posted online. Several members of the public had printed one for themselves.

The Council room is small, but chairs lined the walls on one side and at the back, providing seating for about ten people apart from those seated at the council table. There appeared to be a few people standing just outside the council chambers at the beginning of the meeting, but the inspection team could not see them from inside the council chambers.

All councillors were present and arrived before the 6:30 pm start time. Staff present consisted of the acting and incoming CAOs. No other staff attended. The Mayor called the meeting to order promptly at 6:30 pm. The Acting CAO since July 15, 2015, the Assistant CAO, sat as CAO. The incoming CAO, Mark Brennan, took minutes for this meeting.

The agendas are mostly paper documents, including background information for Council. Two councillors had electronic devices which apparently held their council agendas. The financial and administrative reports were on the table.

Agenda Item 2: Three delegations had been “invited” to appear before Council. Background letters or information regarding each delegation was provided to the inspector.

The first delegation had been contacted by bylaw enforcement regarding weeds growing on his property, but the village CAO who left on May 14, 2014 had told him he could not operate his equipment on the property to do the weed control.

The members of the second delegation were recent arrivals to the community who acquired an assortment of animals and fowl on their property without approvals or redistricting. The third delegation concerned a rack for the sale of propane in tanks which had been ordered removed by bylaw enforcement.

All three delegations met and spoke with Council in turn. The mayor referred each delegate to meet with the incoming CAO, Mark Brennan regarding their issues.

Agenda Item 4.1: Council, by resolution, appointed Mark Brennan as Chief Administrative Officer (CAO).

Agenda Item 4.2: Two members of Council had been appointed to a Communications Advisory Committee. Terms of Reference for that committee were brought to Council for approval. In cooperation with the CAO they would recruit community members and then develop a communications strategy. This was one of the items Council was to complete according to their 2015 Strategic Plan.<sup>11</sup>

Agenda Item 4.3: Tax Arrears List. Administration presented a Request for Decision (RFD) to set the public auction date for the Tax Recovery sale. Administration did not have answers when asked about the terms and conditions of the sale. Motion No. 241/15 was passed as follows: "Council sets the date of October 29, 2015 for the Public Auction of tax arrears property at Lot 9, Block 23, Plan 7711559." An appraisal will be done. The terms of the auction will be in the ad.

Agenda Item 4.4 Two bids for a Monitor and Logger System for Public Works were discussed. Council approved the purchase of the less expensive one (motion number 242/15).

Agenda Item 5.1.1. Copies of The Village of Acme 2015 Strategic Plan were distributed.

Agenda Item 6.1 The monthly financial reports were available to Council at the meeting. Staff indicated there were copies of the reports available on the table. The order of presentation at this meeting was: Accounts Payable, Bank Reconciliation Report and Budget Report. The reports were distributed to Council at the meeting.

Agenda Item 7.2 Monthly Administration reports from the CAO and Foreman were included as part of the agenda package.

The meeting ran smoothly. The Mayor asked for a motion when decisions were required. When none was forthcoming, he would ask a councillor if they would make the motion and they agreed. All councillors were attentive and voted promptly, and unanimously in each case in this meeting. Very little discussion took place at the table.

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<sup>11</sup> Village of Acme 2015 Strategic Plan. June 22, 2015. Strategic Goal No. 5.

Council went into an in-camera session, stating that Council needed to speak with their new employee and ask him questions under the FOIP exclusion of labour. The minutes indicate the in-camera session was 17 minutes in duration.

Members of the community took a few minutes to leave the building. A group of people who had expressed their disapproval of Council during the interviews gathered outside and stayed for some time during the in-camera session inside. One member of the group expressed his disagreement with the fact that he was not allowed to speak to Council as a delegate on behalf of the invited delegation with the animals.

### ***Services***

Villages as a whole struggle to meet the expectations of residents and the requirements of other levels of government with limited resources. Small or shrinking populations and increasing regulation and municipal responsibilities have contributed to the dissolution of several villages and some towns in recent years. Villages' average Equalized Assessment per capita (2014) is just \$ 82,436 compared to towns' average of \$138,608, and cities' at \$181,537 per capita.<sup>12</sup> Acme is near average at \$82,930 per capita.<sup>13</sup> The modest Village Office and multiple roles that staff plays, along with high levels of volunteerism among residents, including members of Council, allow not only basic municipal services, but also a remarkable range of additional services and amenities.

Regional agreements, initiatives, user groups and cooperative associations expand promotional coverage, opportunities, mutual assistance, buying power and influence for many smaller communities within the region. The Village participates in regional services for waste management, housing, land use planning, FCSS, the Aqua 7 water line, Community Futures, Acme/Linden/Carbon schools<sup>14</sup>, library services, regional fire management, regional recreation committee, agricultural society, Canadian Badlands, Kneehill Regional Initiatives, Red Deer River Municipal Users Group, Emergency Management Agency, and Doctor Retention.

### ***Finance Functions***

Endeavor, an accounting firm based in Hanna, Alberta, provides the audit services for the Village of Acme. Four matters of concern were addressed with staff during the course of the

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<sup>12</sup> Alberta Municipal Affairs Municipal Financial Information System. Equalized Assessment 2014. Population 2013.

<sup>13</sup> Acme Financial Indicator Graphs, Municipal Affairs, Created on May 15, 2015, Page 24.

<sup>14</sup> Mayor McLeod interview: The Village of "Carbon is now included as well as Linden" August 15, 2015.

audit and presented to Council as part of the management letter. These concerns ranged from segregation of duties, year end accruals and corrections and a suggested change to improve journal entry documentation.

Finance functions form a major portion of the day-to-day duties of two of three administrative staff members which creates challenges in providing adequate segregation of duties. Small municipalities often struggle to achieve an optimal level of segregation of duties due to limited budgets and access to a pool of experienced accounting personnel. For this reason Endeavor recommended that council needs to have a greater degree of financial oversight in some finance functions. Two examples are to have Council review and approve the detailed accounts payable listing and to rely on the Council to diligently exercise financial oversight by scrutinizing vital monthly and quarterly financial reports. These are both effective and affordable options for the Village to use to provide that additional layer of oversight.

Additional training should be given a higher priority by the CAO for administrative staff involved in finance functions to enhance skills, knowledge and capabilities of employees. Providing additional support for accounting training and professional development for all staff involved in finance functions should reduce errors, minimize audit and accounting costs and increase productivity and address concerns expressed by the auditor.

A combination of formal training either from the audit firm or a post-secondary institution on accounting processes supplemented with onsite training from the firm that supplies the municipal accounting software support would be sufficient to start building the required skills.

**Recommendation:**

**11. Council approves funding for mandatory accounting skills development for Village personnel involved with finance functions.**

***2015 Budget***

MGA Section 242 Adoption of operating budget states:

- (1) Each council must adopt an operating budget for each calendar year.*
- (2) A council may adopt an interim operating budget for part of a calendar year.*
- (3) An interim operating budget for a part of a calendar year ceases to have any effect when the operating budget for that calendar year is adopted.* 1994 cM-26.1 s242

MGA Section 245 Adoption of capital budget states:

*Each council must adopt a capital budget for each calendar year.* 1994 cM-26.1 s245



The 2015 Operating Budget, in the amount of \$1,582,244, was adopted by Motion No. 227/14 on December 8, 2014. Motion No. 228/14 was passed adopting the 2015 Capital Budget in the amount of \$389,406 at the same meeting. The 2015 Operating Budget was amended by Council on May 11, 2015 prior to the passing of the 2015 tax rate bylaw. Details concerning the changes were presented in a summary budget document.

Administration used an appropriate presentation format to lead Council through the discussion and decision making processes involved in the 2015 budget deliberations. Council and Mr. Mason deserve special recognition for working diligently in having the budget adopted prior to January 1, 2015.

### ***Comparative Analysis***

Municipal Affairs compiles and distributes an annual financial analysis report to municipalities entitled Financial Indicator Graphs. The report compares a municipality's financial information to a number of similar sized municipalities (or peers) in a graphical representation over a given time; most are presented over a five year period but some show only the most recent year.

The graphs include:

- Equalized Tax Rates - Municipal/Residential/Non-Residential
- Equalized Assessment Per Capita
- Non-Residential Equalized Assessment as % of Total
- Tax Collection Rate
- Debt/Debt Service as % of the Limits
- Long Term Debt Per Capita
- Major Revenue Sources Per Capita
- Major Revenue Sources As % of Total Revenue
- Broad Function Expenses Per Capita
- Per Capita Expenses by Major Type:
  - Salaries, Wages Benefits
  - Contracted General Services
  - Materials, Goods, Supplies Utilities
  - Bank Charges Interest
  - Amortization
- Net Book Value As % of Capital Costs
- Accumulated Surplus Categories, As %
- Accumulated Surplus Categories, Per Capita
- Ratio of Current Assets to Current Liabilities.

The Acme Financial Indicator Graphs compares Acme to 18 of its peers. This information may be used by municipal councils and management to assist in making operations decisions.

Since the 19 municipalities vary in size and have large variances in budget size, comparing the percentage of their total expenditures that they spend on categories like wages, salaries and benefits for staff and contracted and general services for those they hire outside of the organization is how their respective efficiency and cost levels can be best determined.

**Table 2 2013 Municipal Peer Comparisons**

<b>MUNICIPALITY</b>	<b>Population</b>	<b>Total Full-Time Municipal Positions</b>	<b>Number of Dwelling Units</b>
<b>ACME</b>	<b>653</b>	<b>6</b>	<b>285</b>
DAYSLAND	807	8	354
HARDISTY	639	6	377
STAVELY	505	4	280
BEISEKER	785	6	327
BERWYN	526	5	260
BRETON	581	5	273
CARBON	592	4	233
CLIVE	675	5	308
CLYDE	503	1	224
CONSORT	722	6	319
FOREMOST	526	3	246
LINDEN	725	5	339
MANNVILLE	803	7	479
MARWAYNE	667	5	248
RYCROFT	628	5	291
SPRING LAKE	614	3	301
WABAMUN	661	7	290
WARBURG	789	5	308

The peer group as a whole spends an average of 27.49% of their total expenditures on salaries, wages and benefits while Acme spends 23.83%. The difference is even more profound in the related category of the cost of contracted and general services where Acme spent just 13.71% of their total expenditures while the peer group as a whole spent 24.70%. The total cost for both personnel categories, inside and outside of the organization in 2013 was 41.20% of total expenditures for Acme, but 52.19% of total expenditures for the peer group of 19 municipalities as a whole. Although more recent statistics for the rest of the



municipalities are not available, and the cost of contracted services was significantly higher in 2014 due to the cost of the election challenge, Acme was still below the 2013 peer average of 52.19% in 2014, when they posted a total of 51.38% for two personnel categories.

Acme and its chosen peers show populations from 505 to 807, full-time staff positions range from 1 to 8 and the number of dwelling units range from 224 to 479. Comments concerning the level of staffing were raised during the interview process; the perception is that the Village is over staffed. While methods of counting full-time-equivalent staff vary, and part time and seasonal staff may or may not be counted at all, the empirical evidence provided by peer comparison does not support this perception.

Acme is within normal ranges in all aspects measured by financial and viability indicators.

The latest tax rate data available for all municipalities is 2014, see Table 3, 2014 Municipal Peer Tax Rate Data. The tax rates are expressed as a mill rate, which means the amount of tax dollars to be paid for each one thousand dollars of assessed property value. Acme's peer group tax rate averages are 9.3225 for Residential/Farmland, and 16.2576 for Non-residential municipal mill rate. Acme's tax rates at 12.7640 and 21.9880 are not the highest, but are in the top quartile of the peer group.

**Table 3 2014 Municipal Peer Tax Rate Data**

<b>MUNICIPALITY</b>	<b>Residential/ Farmland Municipal Tax Rate</b>	<b>Non- Residential Tax Rate</b>
<b>ACME</b>	<b>12.7640</b>	<b>21.9880</b>
DAYSLAND	9.3120	18.6645
HARDISTY	8.7010	13.5293
STAVELY	6.4820	8.2590
BEISEKER	9.3826	9.6898
BERWYN	11.3910	27.5260
BRETON	8.7300	11.6632
CARBON	9.9200	13.0300
CLIVE	8.2500	8.2500
CLYDE	9.0000	18.0000
CONSORT	13.7500	24.3750
FOREMOST	10.6821	10.6821
LINDEN	9.5857	25.9411
MANNVILLE	11.4199	20.4000



MUNICIPALITY	Residential/ Farmland Municipal Tax Rate	Non- Residential Tax Rate
MARWAYNE	7.4000	14.0000
RYCROFT	12.2000	25.5000
SPRING LAKE	4.8368	4.8368
WABAMUN	4.5000	17.1500
WARBURG	8.8200	15.4100
<b>Averages</b>	<b>9.3225</b>	<b>16.2576</b>

The Village has been fiscally responsible, and has exercised sensible and reasonable foresight; planning and providing for the future, and keeping expenses in check, showing themselves to be as wise as their peers are, according to the comparisons. Despite having to pay for additional legal fees in 2014, the Village still performed competitively with their peers.

### ***Administration***

The CAO turnover and surrounding issues since 2008 has been difficult for staff, Council, residents and the community (including the surrounding district), taking a toll on everyone and everything. Council has relied on appointing existing staff to cover CAO transition periods which adds additional burdens on all staff. During the transition between CAOs in 2014, we understand that the Mayor may have sent out a letter that would normally have been issued by the office staff. The Mayor agrees that he expanded his role somewhat during this time to help the Acting CAO.

David Alderdice was CAO of the Village from February 2009 until May 2014. He admits he was part of the issue. He states that he did not have enough experience.

Councillors and former councillors agreed that CAO Alderdice may not have had enough qualifications or expertise for the job. He did not seem to provide knowledgeable advice when Council needed direction. Complex issues required more attention. Some councillors requested updated policy and procedures, but were not satisfied with the response. Overlap of Council/CAO roles was a problem at times during this period as he sometimes involved Council inappropriately in administration. Roles and responsibilities were not clearly understood. He could be verbally abusive to residents, unprofessional, abrupt, and aggressive with a lack of tact. His advice regarding the first tax sale was improper and it was a mistake that the Village had to correct.

Several interviewees felt that many of the recent problems or issues had their original roots in unresolved problems, conflicts or deteriorating relationships that began to arise in Acme during CAO Alderdice's employment.

Brad Mason served as CAO of the Village from November 2014 until mid-July 2015. Council and staff had high praise for his level of expertise and competence. He earned compliments from most of the other interviewees as well, whatever their perspectives on other issues. The Village Council understood that he was overqualified for the job and not likely to stay for a long time when they hired him, but had hoped they would be able to keep him longer.

CAO Mason often educated Council regarding information they needed, pointing out legislative requirements, providing quality advice and offered options with background information for Council's decision on Requests For Decision (RFDs). The agenda package became consistent in format and order of items with background material for each heading.

The MGA Section 205.1 requires Council to provide a performance review. Council Motion No. 130/15 shows that Council completed a performance review after CAO Mason had been employed for six months. A councillor stated that they complete a performance review at six months for a new CAO, and annually thereafter.

Mark Brennan became the Chief Administrative Officer for the Village of Acme on August 24, 2015. He had no part in the issues that resulted in the Ministerial Order for the Inspection, and arrived after the interviews were completed. Therefore, there was no interview with him.

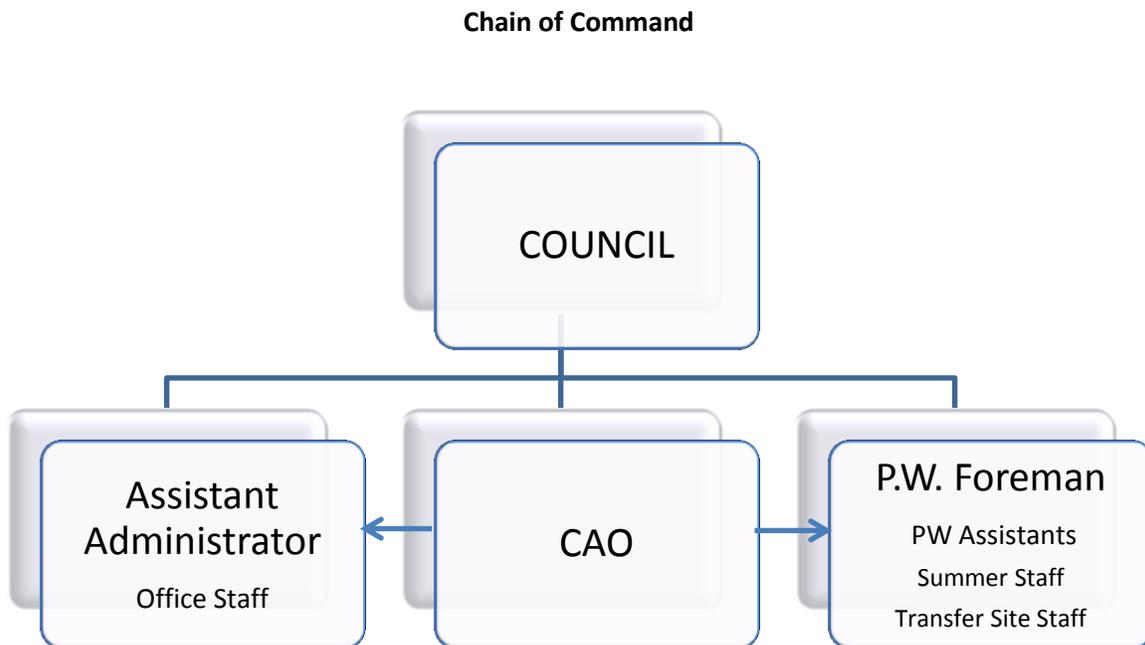
Staff and Council alike felt that currently their elected official/staff roles are respected. Council is courteous to staff.

Public works staff has been challenged by residents while going about their work, their intentions and actions questioned. The RCMP was called with a complaint during a severe snowstorm when keeping the road into town open was all they could do for 10 hours, because a resident thought that their residential street should be plowed in case they have some medical issues. The snow removal policy is old and could be clearer. The priority list could show a map of priorities; which streets get done first, second and third. It may be helpful to post additional information on the Village's website that residential streets are not on the priority list for snow removal and whether it will be done if time and resources are sufficient (according to policy).

Residents have put garbage between vehicles which makes it much harder to access for pickup. Public Works staff did suggest that consideration should be given to reduce the number of garbage bags which are allowed as well as to establish a weight restriction for bags. Currently residents are allowed six bags a week with a maximum of 50 pounds each. The garbage policy should address the weight and number of bags as well as a requirement to place garbage at least three feet or a meter from vehicles or other barriers which impede the efficient collection of garbage. Reducing the amount of waste should result in an increase in community recycling and will complement occupational health and safety aspects for personnel by reducing the amount and number of times bags must be lifted. Introduction of a bag limit along with a tag fee for additional bags should also encourage residents to divert more recycling and compostable waste from the landfill and realize additional revenues and cost savings.

### **Organization**

The Village *Chain of Command* document shown below shows an Organizational Chart with an appropriate configuration from the Council to the CAO, but confuses the relationship of Council with staff in both in the chart itself and in the text below.



Previous CAOs notes that the transition toward acceptance by council, staff and the community as the sole head of administration and conduit for advice to council could be challenging. The serial turnover of CAO with the assistant filling in during the CAO vacancy tends to blur the lines of authority. Until the new CAO learns the position, the issues and the

unique dynamics of the Village he will have to rely on the office staff for information and insight. Councillors or staff may shortcut the process, bypassing the CAO. While disengaging the earlier necessary consultation with staff may be a jagged process. It is imperative that the CAO's authority be strengthened and that staff take direction according to the Chain of Command and Council takes advice directly and only from the CAO.

Other than any part time or occasional staff, the Village administrative and operational structure consists of the CAO with an assistant CAO and a clerk in the Village office, and a Public Works Foreman and assistant. Transfer site staff and temporary summer staff report to the Public Works Foreman. Bylaw enforcement is contracted by the Village from Kneehill County. Bylaw enforcement personnel do not appear on the Chain of Command document.

The Chain of Command chart was said to have been taken from the Village Personnel Policy 09-0001P. However, the 37 page Personnel Policy that the inspection team was provided with does not include this Chain of Command chart. Policy No. 09-0001P is not on the policy index list or in the office policy binder.

The Personnel Policy No. 09-0001P indicates that it was approved early in 2009. The job descriptions included as part of this policy were approved in February, 2007. The job descriptions follow the 26 page personnel policy document and it is mentioned in the Personnel Policy that job descriptions were to become part of the policy. However, the signatures on the policy precede the separate job descriptions. Each has its own job description page header and page numbering that restarts at the beginning of each job description.

The descriptions are detailed in nature and it is not clear when the last review and update occurred. The CAO should undertake a review to ensure the job descriptions still meet organizational requirements, major tasks required are outlined and marginal job tasks are removed.

Council has a legislated duty pursuant to Section 391 of the *Occupational Health and Safety Code* which requires employers:

- i. To instruct workers how to recognize workplace violence
- ii. To communicate the organization's policy and procedures related to workplace violence
- iii. To develop appropriate responses to workplace violence
- iv. To develop procedures for reporting, investigating and documenting incidents of workplace violence.

Occupational health and safety matters are addressed in the Working Conditions section of the personnel policy. The policy is concise and focuses on the responsibility of supervisors and employees in relation to a safe and healthy work environment. The Village has had a zero tolerance notice about abuse or violence not being tolerated posted at the front counter since prior to 2011. This was not specifically mentioned within the personnel policy.

Concerns were raised during interviews about people coming into the office and going straight to the CAO's office without an invitation or permission. Such instances leave staff questioning what options are open to them. The administration office is an open layout with offices in the rear of the space just off the council chamber entrance; no walls or barriers exist to slow down individuals which can constitute a security risk. Escalation of conflict can sometimes become violent and legal action should be taken when necessary. Every instance of harassment, threats, bullying, intimidation or deliberate infractions of bylaws need to be documented.

The inspection team observed anyone could gain access to the Village Office and desks with no supervision or line of sight during Council Meetings which gives rise to concerns about security and protecting the confidentiality of records which may be left in the open. Some general preventative measure should be taken to address these issues such as installing a half wall in the front of the administration office to cordon off the entrance from the staff work area and to install an outside access for public access from the street to the council chamber to prevent the office space being accessed during council meetings.

#### **Recommendation:**

#### **12. Council addresses security risks through the 2016 budget to:**

- a. Provide health and safety and awareness training for employees regarding their right to work in a safe environment, zero tolerance policies and procedures, and dealing with difficult people; and**
- b. Construct building modifications which support security of personnel.**

#### ***Bylaws and Policies***

MGA Section 180 Methods in which council may act states:

- (1) A council may act only by resolution or bylaw.*
- (2) Where a council or municipality is required or authorized under this or any other enactment or bylaw to do something by bylaw, it may only be done by bylaw.*

*(3) Where a council is required or authorized under this or any other enactment or bylaw to do something by resolution or to do something without specifying that it be done by bylaw or resolution, it may be done by bylaw or resolution.* 1994 cM-26.1 s180

A review of the bylaws and policies was conducted as part of the inspection. The Village maintains bylaws within a binder and has posted ten bylaws on its website.

Within the bylaw binder in the Village office, the bylaws are indexed by year of passage with that year's numbered bylaws and titles on each index page. The bylaws are coded by colour, indicating whether they are a current bylaw (red dot), have been rescinded (blue dot) or have been amended (green dot). The inspection team found that this is a quick and efficient coding system for the binder format. It provides users with a clear and immediate visual representation of what is current and is an excellent practice which Administration should continue.

There is a bylaw index page for each of 2011, 2012 and 2013 in the bylaw binder, however the index for 2014 is on a post-it note stuck to the 2013 index page. The CAO should institute a process to ensure the index is kept current through regular updating.

The format of the bylaws reviewed showed consistency in the following areas:

All bylaws indicated that they had been read three times by Council as required by Section 187(1) of the *MGA*. Two instances were found in the 2015 minutes where motions were made for the presentation of third reading of a bylaw at the same meeting where "CARRIED" was the result of the vote rather than "CARRIED UNANIMOUSLY" pursuant to Section 187(4) of the *MGA*. Any motion which legislation requires the unanimous approval of the Councillors present and is passed unanimously should be recorded as "CARRIED UNANIMOUSLY" in the minutes<sup>15</sup>. This removes ambiguity concerning the result of the vote.

All bylaws, except one inter-municipal one (2013-02), follow a standard format where introductory clauses precede the bylaw title. All bylaws referenced relevant sections of the *MGA*.

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<sup>15</sup> A Guide to the Preparation of Council Meeting Minutes, Alberta Municipal Affairs, page 3

The numbering is consistent, the year followed by a two digit number as in 2015-06, except for one which has since been rescinded which shows both 2013 in one place and 2014 in another in its numbering.

After November, 2014 all bylaws have been signed by the CAO and the Mayor or designate three times (for each of the readings). Bylaws passed before November, 2014 are signed by the CAO and Mayor or designate just once upon having passed third reading. It was noted that the order of motions for instances where a bylaw was presented for all three readings at one meeting was changed to be consistent with the provisions of Section 187(3) of the *MGA* in 2014 where a motion is made to present the bylaw for third reading and Council votes. If that vote is carried unanimously a motion for the bylaw to receive third reading is made and voted upon.

The bylaws were inconsistent or irregular in the following areas:

Of the seventeen bylaws reviewed, only two had the Village seal applied over the signatures. While the seal is not a requirement under the legislation, it is Municipal Affairs' advice that a seal be used to prevent tampering.<sup>16</sup>

Bylaw No. 2015-07, the Animal Bylaw, notes that it replaces Bylaw No. 2005-03. However, it also replaces Bylaw No. 2000-02, the Cat Bylaw, which is not referenced. While not required by legislation, the Council and the CAO undertook a community engagement process prior to its consideration by Council which is an effective way to gain input and build public awareness.

The date of Bylaw 2014-05 is not recorded on the original copy in the bylaw binder nor on the website PDF file. It is signed by the CAO and an elected official for each of the three readings. The village seal has not been applied to the document.

Policies are kept in a binder in the Village office. There is a four page index of policies, but the most recent approval date in the index is January 17, 2013. Four policies that have been approved since January 17, 2013 are in the binder, but not in the index.

The four more recent policies noted above have approval dates on the policies, but the earlier ones do not. There is an approval date for the earlier policies in the index, however.

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<sup>16</sup> Basic Principles of Bylaws, 2013, Page 4, Alberta Municipal Affairs, [www.municipalaffairs.alberta.ca](http://www.municipalaffairs.alberta.ca): accessed September 7, 2015.

Many of the policies from years prior to 2014 do not have clear policy statements. Several of the pre-2014 policies state that they provide procedures, whereas policy statements should not include procedures as part of the policy, but rather provide procedures related to the policy as a section subsequent to the signatures on the policy. Procedures are not separated or distinguished from policies prior to 2014.

It should be noted that policy numbers 13-01A, 14-01C, 15-02C and 15-01C have all of the pertinent information, clear policy statements, and distinct procedures separated from the body of the policy.

All interviewees who commented on the policy review process stated that policies are updated or replaced as required by legislation or compliance, the community, administrative need or for political reasons. There is not a formal or scheduled review process; former CAO Brad Mason began a policy review process. Some were completed and some had been noted for updating before his departure. The last extensive review and update of policies occurred in 2008.

Several bylaws and policies have been updated and several more have been partially completed. There is a draft garbage bylaw and draft water, wastewater bylaw. The latter has been reviewed by the Foreman and the village engineer. Completing the process to review and pass these two bylaws would not be onerous and may encourage further progress.

The LUB is scheduled for review with Palliser Regional Planning Commission, but the contact person has resigned and it has been delayed. Comments were provided to PRPC for their use once the process is reactivated.

Council could build upon the considerable progress that they have already made. The efforts and achievements of Council to mandate orientation and training for Council, to address and rectify mistakes and to put bylaws and policies in place that legislate higher standards in future is recognized.

Many of the older policies confuse procedures with policy. Several bylaws do not have the required signatures or dates. Job descriptions date back to 2007. Model policies and bylaws are available from Municipal Excellence resources or peer municipalities which could be used as the template for missing or outdated ones. Alternatively Council could consider external assistance with the process.

## **Recommendation:**

### **13. Council review and adopt bylaws and policies concerning:**

- a. Waste management, specifically limiting the number and weight of garbage bags for curbside pick up; and**
- b. Snow Removal Policy.**

#### ***Minutes review***

Pursuant to Section 180 of the *MGA*, a council may act only by resolution or bylaw. In reviewing the minutes, eleven instances were found in the 2014 minutes where direction was made to staff during a meeting without a motion of Council. This practice was not evident from late fall 2014 to July 2015, but it was noted there are four instances in the minutes posted to the village's website since August 24, 2015 and the date of this report. Two were in the October 13, 2015 adopted minutes found in the October 26, 2015 agenda package; one was to proceed with an appraisal of Lot 9, Block 23, Plan 7711559 and the other to proceed with the awarding of the 2016 Camp Sited Attendant agreement.

Council and Administration should remain cognizant that motions be used to provide direction to the CAO. This practice limits confusion in the event the majority of council is not in favour of a particular request by a council member or members of the CAO. The Mayor (or other person designated to act in the Mayor's place) as presiding official at meetings should be the individual responsible to ensure duly passed motions direct the CAO.

The April 28, 2014 minutes record that the Mayor reported a letter of support was written for the Acme Daycare for funding from another source. No record of a motion to support the action was found in the previous two months of minutes.

Three instances of negative motions being presented, voted on and carried:

Motion No. 161/14 September 22, 2014 ATCO Franchise Fee - not to increase in 2015

Motion No. 162/14 September 22, 2014 Fortis Alberta Franchise Agreement – not to increase in 2015.

Motion No. 177/15 Heritage Estates cost estimate – “Council directs administration not to proceed.....”

The use of negative motions should be avoided. Problems could occur if a negative motion is defeated as ambiguity would arise. Proponents could argue the matter was approved even though there was no motion passed to support. An example could be where Council is

considering an application for a permit which doesn't comply with the regulating bylaw. If Council was to consider a negative motion such as:

That Application for Permit No. 25/15 be refused. Defeated.

The motion is improper and the meaning and next steps are confusing. Is it approved automatically or does Council need to re-address the matter?

The decision and action would be clear if Council was to consider a positive motion such as:

That Application for Permit No. 25/15 be approved. Defeated

Another alternative might be to consider a motion such as this:

That application for Permit No. 25/15 be denied for the following reasons ..... Carried

Two motions were found to have no record of the vote, i.e. carried, defeated or lost:

October 14, 2014 Motion No. 172/14 Wild Rose Assessment Services 5 year contract

October 27, 2014 Motion No. 191/14 Red Deer Watershed.

Council should revisit those minutes and authorize amendments so that the outcome of the vote is recorded, especially the Wild Rose Assessment Services contact motion.

**Recommendation:**

**14. Council amend the following minutes to record the outcome of the votes that were conducted:**

- c. October 14, 2014 Motion No. 172/14 Wild Rose Assessment Services 5 year contract**
- d. October 27, 2014 Motion No. 191/14 Red Deer Watershed.**

***Bylaw Enforcement***

Concerns about targeted enforcement were expressed by many of the interviewees. Kneehill County enforcement and administrative personnel were interviewed as a result of these concerns.

There were 109 incidents recorded for the period January 1, 2014 to September 15, 2015 with total time of 427.22 hours spent by Kneehill County on Acme enforcement matters. The statistics also indicated fine revenues generated totaled \$4,389 of which \$2,439 had been



collected. The county confirmed the following with respect to outstanding fines: *“Outstanding Provincial Offence fines are placed against Personal Registration privileges with Alberta Registries and must be paid before Driver’s Licenses or Vehicle Registration can be renewed. Depending on the charge, outstanding citations may proceed to warrant as well or be completed as time served in custody. Outstanding Municipal Bylaw fines are handled via warrants and will be paid and/or completed as time served once the warrant is executed. Extreme historical fines may be classified as uncollectable and are purged from the system once that declaration has been made.”*

Table 4 provides a breakdown of the incidents over the period January 1, 2014 to September 15, 2015.

**Table 4 Incident Breakdown January 1, 2014 to September 15, 2015**

<b>Description</b>	<b>Number</b>	<b>% of Total</b>
Assist other enforcement agency	1	1
Bylaw	4	4
Bylaw Acme	44	40
Bylaw Unsightly	45	41
Fire Dept Response	1	1
Other Offence Detected	1	1
Provincial Statute	1	1
Traffic	9	8
Trespass of real Property	1	1
Warrant Executed	2	2
<b>Total</b>	<b>109</b>	<b>100</b>

Table 5 on page 46 outlines details of citations versus warnings for the same period.

**Table 5 Enforcement Statistics January 1, 2014 to September 15, 2015**

<b>Description</b>	<b>Citations</b>	<b>Warnings</b>
Traffic Safety Act – Various Sections	9	5
Use of Highways Section 24 and 37(a)	2	3
Vehicle Equipment Regulation – Section 43	0	1
Traffic Safety Act – Sections 52(1)(a) and 53(1)(c)	4	2
Vehicle Equipment Regulation – Section 72(3)	1	0
Acme – Various municipal Bylaw Section Contraventions	5	9
Animal Control – Acme Animal Bylaw Contraventions	4	5
Dangerous Goods – Section 4.5(c)	4	2
<b>Total</b>	<b>29</b>	<b>26</b>

Additional statistical breakdown for citations and warnings over that time period concerning specific parties in relation to the interviewees comments about about targeted enforcement was requested from Kneehill County. The County confirmed there were no citations or warnings issued to anyone on the list of names provided. The statistics do not appear to support complaints of targeted enforcement.

Additional correspondence and information regarding bylaw enforcement was received: an excerpt from the email follows:

*“Residents have been bringing their bylaw tickets to court, only to have bylaw reissue new tickets for the same issues while the original is before the courts.”*

Follow up was requested from the County. An excerpt from that response follows:

*“This is in response to your email inquiry on October 14, 2015 regarding issuing multiple enforcement tickets for the same issues. Certain violations, including dog running at large, may result in multiple tickets due to the offence occurring on subsequent days. Where a bylaw may have subsequent offence fines listed, the initial offence amount still applies until the first fine is processed through the courts. Other violations, such as unsightly premises, may become a continuous file as offenders will work through their order over a specified time. Once that time period has expired, and little or no action has been taken to remedy the specified issues, a subsequent fine may be issued.*

*Under the current contract with the Village of Acme, our Peace Officers work on an on-call basis as well as routine patrols. Our Peace Officers regularly receive subsequent complaints from the Village of Acme office on open and on-going investigations. We continue to enforce bylaws within the Village of Acme with professionalism as trained Peace Officers who evaluate*



*and investigate complaints. Not all complaints are enforceable due to lack of information or evidence.*

*Should you require further information on a specific file, we would require further details, however, this is a summary of our processes.”*

Some concerns were expressed about Animal Control Bylaw No. 2015-07 in instances where more than the designated number of animals per household are desired. The bylaw has a pet fancier’s license provision. Clarification was received from former CAO Mason concerning rabbits - the previous animal bylaw allowed one per household and so does the new animal bylaw. The pet fancier license addresses possible implications of more animals while allowing responsible pet owners and accommodating neighbours to agree to specific pet types and populations. While the bylaw is quite clear, questions have come up regarding and from those who seek to go beyond the usual boundaries of animal ownership as defined by the bylaw, and whether bylaw enforcement will be consistent regarding infractions.

Inconsistent application of enforcement, real or imagined, is an issue which requires attention. One interviewee suggested council adopt a practice where a warning would be given before enforcement. The Village of Acme is fortunate to have the professional services of a well-established enforcement department from Kneehill County available to them through contact. They may be able to assist the Village with standard protocols and guidelines which would mitigate complaints about inconsistent application of enforcement.

**Recommendation:**

- 15. Council directs Administration to ensure there is consistent application of bylaw enforcement.**

***Communications***

Communications between Council and the public have been an issue. Council approved a press release on January 26, 2015, admitting their errors and omissions in the tax recovery sale and two rezoning applications. They also informed the public of the insufficient petition, the preliminary review of Acme by Municipal Affairs, and the rescinding of the noted actions. They apologized, and stated their intention to conduct each of the processes again in their entirety following all of the requirements of the MGA and any other relevant legislation or

policy. They made a commitment to providing the best service possible, with integrity and transparency.<sup>17</sup>

In June 2015 Council formally recognized the issue by making improving its communications with the public one of its five overarching goals in the Village of Acme 2015 Strategic Plan. Council has moved forward by creating a Communications Committee, appointing two members of Council, and then approving Terms of Reference for that committee at the August 24, 2015 Council meeting.

The Communications Committee Terms of Reference include its purpose and mandate, the source of its authority and the nature of its responsibilities, its membership to include at least one member of Council, and the members' terms of office. A copy of the Terms of Reference are included in Appendix A.

In cooperation with the CAO and the community, the Communications Committee will seek to recruit two capable members of the public to the committee, which will then create a strategy and a plan for increased communication at all levels of the organization. The intent appears to be to add committee members from the community at large, which is a great start to developing and improving communication with ratepayers.

The Communications Committee is tasked to research and develop a recommended Communications Policy for presentation to Council; and also to research and develop a recommended Communications Strategy for consideration at the 2016 strategic planning session.

While Council has taken a positive step in moving forward by creating a Communications Committee, appointing two members of Council<sup>18</sup>, and approving Terms of Reference, it has been done so by resolution and is irregular. Instead Council should have established the committee by bylaw as provided by Section 145 of the *MGA*:

145 *A council may pass bylaws in relation to the following:*  
*(a) the establishment and functions of council committees and other bodies;*  
*(b) the procedure and conduct of council, council committees and other bodies established by the council, the conduct of councillors and the conduct of members of council committees and other bodies established by the council. 1994 cM-26.1 s145*

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<sup>17</sup> Village of Acme website, Council Meeting Minutes, January 26, 2015.

<sup>18</sup> Motion no. 228/15, July 13, 2015, Village of Acme Regular Meeting Minutes

**Recommendation:**

**16. Council establish the Communications Committee pursuant to Section 145 of the Municipal Government Act by bylaw.**

Although some or even all residents may not always agree with the decision, unless the Council does something that is clearly inappropriate, non-compliant, improvident, improper, is irregular or misconduct according to the *MGA*, Council has the right and the responsibility to make that decision. Escalation of rhetoric, demands, negative publicity seeking and diversion of attention and resources is harming the well-being and future success of the Village and must stop.

People from all parts of the community, including interviewees and outsiders see communication as the key. Council can consider making the communications improvement process wider and more inclusive. Some additional avenues could be:

- a. Interview and possibly recruit a communications committee member from those who have been in opposition. If there is a willingness to forge solutions and restore relationships, there will be additional trust and perceived validity of the research and development of the strategies and plan.
- b. Facilitate an open public input session at the Community Hall, perhaps with table leaders collecting specific ideas, strategies and input for the communications plan from small groups to solicit the most complete range and quantity of responses possible toward the process. This ensures that people know they have been heard. Find ways to recognize and include the input, and make an enthusiastic press release thanking residents for their engagement and effort.
- c. Post and advertise a survey with input questions for residents on the website. (There are free survey tools that collate responses are available online.) This will allow commuters and tech savvy residents to participate when their schedule allows time. A hard copy of the survey questions could be handed out at the village office to any interested residents who could not participate otherwise and input into the survey tool by village staff.
- d. Consider having committee meetings at a location other than the village office if possible to position the process on neutral ground.
- e. Consider using an advisory or focus group including people who have been critical at times to get feedback during the process.

Overcoming suspicion and lack of trust will require effort and initiatives beyond those that a municipal council normally make. Patience and consistent good will despite any lack of reciprocation should eventually de-escalate the tension and combative perspectives.

**Recommendation:**

**17. Council adopts a public engagement policy to address public participation.**

***Inter-Municipal Relations***

Kneehill County CAO, Al Hoggan, was interviewed as part of the inspection. The municipalities are involved in many regional initiatives and have regular whole Council meetings to review and explore initiatives. There are several opportunities for interaction at various committees as well.

He described the working relationship between the reeve/deputy reeve and the Acme mayor as good. Mr. Hoggan had a good relationship with Acme's previous CAO and has had the opportunity to meet, Acme's current CAO.

Acme is a partner in the Kneehill Regional Partnership (KRP) which is an agreement between the county and the urban municipalities within its boundaries that provides for funding transfers from the county to its partners for operating and capital purposes. One mill of industrial tax rate is dedicated to the urban municipalities based on a formula. Under former funding agreements Acme received approximately \$37,000 in conditional funding annually mainly for recreation. Acme now receives approximately \$200,000 in funding; half of which is for operations and no justification is required. The other half is for capital purposes and has an infrastructure and heavy equipment focus.

***Village Planning Documents***

A Municipal Sustainability Plan was facilitated by Palliser Planning Services for the Village and adopted by Council in 2009.

Council used a best practice of a facilitated session to develop an annual strategic plan in 2015. The new Strategic Plan reviewed the Vision and Mission of the Village, and sets out five overarching goals<sup>19</sup> and an overarching vision statement:

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<sup>19</sup> Village of Acme 2015 Strategic Plan, June 22, 2015, page 7-10

*The Village of Acme will maintain a residential and industrial lot base keeping pace with the demand for development.*

*The Village of Acme will maintain existing infrastructure and increase infrastructure as required to meet demand.*

*The Village of Acme will maintain the viability and level of recreational opportunities available through partnerships with the community.*

*The Village of Acme will maintain knowledgeable and professional staff.*

*The Village of Acme will improve its communications with the public.*

Strategies and timelines for each of the goals are included in the Strategic Plan.

The Vision was developed:

*“WELCOME HOME” We value family, safety and recreation. Our neighbor is our friend; we promote a sense of pride and responsibility in our community.<sup>20</sup>*

## **General**

The range of issues, perspectives, attitudes and positions observed, characterized, quoted and/or documented throughout the Village by the inspection team are summarized as follows:

**Lack of Trust:** *Underlying tension, misunderstanding, appalled, miscarriage of entitlement and fringe benefits, ignoring, shenanigans, annoyed about the grief they have caused, disrespect, rigging the vote, when it suits them, collusion, corrupt, rogue council, illegally purchasing, questionable activities, has never voted- doesn't trust politicians, morass or den of inequity, mislead to get signatures, questionably acquired gains, balderdash, allegation by opponents that a councillor wants to buy the lots and make money, belief that council has already decided before the public meeting, what they say and what they put in the minutes does not match, believes that bylaw enforcement is targeted, and suspicion regarding intentions on both sides.*

**Feeling of being under attack:** *Inaccurate or untrue statements, defamatory, slander, costly distraction, hurting the Village, small minority tries to overrun Council, always hear from complainers, intimidate, accusations, unhappy, very disruptive, too costly, the citizens are serfs, scared, uproar, slapped down, feels unwelcome, nuisance legal*

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<sup>20</sup> Vision statement was reviewed and confirmed in the 2015 Strategic Planning Session. Statement is taken from the 2009 Municipal Sustainability Plan.

*challenge, complaints are a negative aspect for staff, sick of opposition complaints, bullying, animosity, dismissive, targeted, afraid of repercussions, fear of retribution, disregard, not knowing what to expect, looking to find fault, keep asking Council to resign, hurt feelings, the last to know about new things, frontier mentality, tired of being beat up, sometimes cringes to come to Council, feels bullied, hears whispers, feels judgement, afraid to speak, both sides have escalated the issues, not beneficial to anyone, harassed and opposed, adversarial, snarky, pick on them, delegates have five minutes- no one else is told that, those who used to be on council do not have to register as a delegate or have a time limit, feels suspicious-there is always something wrong, All the negative publicity has serious potential to reduce property values and stifle economic growth, will discourage good candidates from running for Council. Some name calling has been reported.*

**Ideal Resolution and long term solution:** Focus on the benefits of living in this quiet tree lined village...close enough to larger centers for daily work but far enough to enjoy (great amenities and events) and great neighbours”. *Be the bigger person. Village should do what is right and tell people why it is in the best interests of Acme- explain and demonstrate that you listened. Communication is the key, more communication regarding economic development and growth. Hope that the conflict will lessen over time-Council made mistakes but should not be punished forever-council needs to improve communication. Tough to sit down and shake hands after all that has gone on but would like to see the Village continue to be viable. May need a strong CAO to put the law down and make changes. Accountability-transparency. Wishes people would get over it. Impacts all negatively. When done- clear the air- show that Council is operating legally and truthfully. The silent majority needs to stand up to the vocal, loud minority. Needs a willingness to hear the other side- to listen and understand. Hopes Council will do things properly and have better communication.*

Everyone on both sides would have to stop, be quiet and try to get along. Solidify Code of Conduct. Listen when people speak and genuinely consider input. Correct process is important.

Several interviewees believe that no resolution is possible, or they do not want a resolution other than their preferred outcome: Some say that too much has happened to go back: *Hurt feelings, they would all have to move away to make it better, some may never change or back off. Can't see a solution unless they (Council) are not there anymore. The personalities and characters are too strong for them to be able to reach resolution- they may not be able to admit or cooperate or say they made a mistake.*

*Almost a stalemate- have exhausted all avenues to get Council to listen. Hard to imagine being in partnership with the devil. May not appease people – no matter what.*

**Personal hope or expectation to get out of this process:** *A community without conflict. A feeling of having contributed. The hope is for success-higher standards- everyone needs to grow up and get over fault finding. Hope to rectify issues. Hope to get village back together again. Hope is that Council will listen to them. Hopes that the report is strong enough. Would gladly serve on a committee to broker solutions-there is always some common ground- but those who are willing to listen to both sides are often thought of as on the other side.*

**What would it take for them to see themselves in partnership for Acme's success with those who have been on the other side of the issues?** *Would have to swallow all hurtful actions and statements and for the sake of Acme try to go forward. Permission from Council to build relationships with those on the other side of council decisions. Communication and process. Will try to get along as much as possible. Hopes to work together to make things better with those who have disagreed. Would willingly sit down with opponents and work it out and both be willing to compromise. Community engagement. Would like to see settlement and when it's over and done- move on. Transparency- go by the book.*

It is obvious that there is no consensus of opinion regarding the issues among the interviewees. There is a desire, however, among almost all that peace and tranquility be restored in Acme.

Council, staff and almost all of the interviewees believe that better communication, transparency and accountability is the key to bringing most people to the table.

Some members of the community do not accept Council's authority or validity, and do not recognize value in any of the above initiatives. The most extreme position is that all of Council should be removed from office and all staff fired. Some will not consider any form of reconciliation or compromise. One suggests that pitchforks and torches is all they have left. The level of the rhetoric from some interviewees was highly emotional and the escalation of the conflict over time and unyielding positions is of concern.

## Appendix A Communications Committee Terms Of Reference

### Composition

The Communications Committee shall consist of at least two (2) and up to four (4) Governing representatives, of which one shall be Chair of the Communications Committee, one shall be a Village Councillor, and two will be recruited from the Village Citizenry, at large.

### Purpose and Authority

The Communications Committee is responsible for the following:

1. Providing direction on the communications strategic planning process of the Village of Acme;
2. Identifying the Village of Acme Councils' communications needs and priorities through appropriate consultation with both the Council Membership, the village residents, and the CAO of the Village;
3. Assessing and evaluating the delivery of communications periodically against the needs and/or expectations of the Village of Acme Council membership;
4. Developing and periodically updating a Village of Acme Council communications strategic plan for the Village of Acme Council Membership, overall, and through them, for the Village of Acme
5. Recommending communications initiatives to the Village of Acme Council for approval, as appropriate;
6. Supporting the efforts of the Village of Acme staff and Council and other Village of Acme working groups by such actions as:
  - a. Developing and implementing an effective protocol for dealing with media enquiries;
  - b. Developing and implementing an effective protocol relating to the approval of website content and messages to the membership, media and public generally;
  - c. Developing and implementing an effective protocol for tracking media worthy content;
  - d. Developing and implementing an effective protocol for dissemination of received correspondence relevant to Village residents.
7. Providing oversight on the implementation of the internal and external communications programs of the Village of Acme Council, which may include but not be limited to the further development and maintenance of the Village of Acme website, Twitter feeds, the Village of Acme Facebook Page, and any other social media tools that

may be advantageously employed for dissemination of information to village residents and the public, at large.

8. Ensuring that each Council member is well-informed on matters affecting the Village of Acme Council membership and the Village of Acme, in general;
9. Promoting recognition and awareness of the Village of Acme Council as an organization defending the interests of Village residents;
10. Providing advice to the Overall Village Council and, via the Village Council, to the Village CAO as appropriate, on communications matters as they arise;
11. Identifying the annual budgetary requirements related to the delivery of communications, at all levels;
12. Liaising with the other Governing Council committees, as needed and as they arise, to ensure that appropriate and effective protocols are in place for the proper coordination of Village of Acme Council communications;
13. Developing and proposing policies and changes thereto in relation to communications for overall Village Council approval;
14. Providing periodic reports and updates to the overall Council on communications;
15. Approving expenditures relating to the delivery of communications, within the prescribed budget, as appropriate.

#### **Chair of the Communications Committee**

The Chair shall be responsible for chairing the meetings, reporting activities of the Committee to the Village Council, ensuring that the meetings move forward in an efficient manner and that updates on communication-related matters are provided to the Governing Council as appropriate.

The Chair shall liaise directly with any temporary or permanent sub-committees or delegates, as appropriate within the context of the role of this committee.

#### **Meetings**

Meetings shall be convened on an as-needed basis but no less than quarterly. Meetings may be held in person, by telephone or on-line forum.

#### **Quorum**

Quorum shall be a majority of the membership of the Committee. (3 out of 4)

#### **Governance**

Recommendations and decisions of the Communications Committee, to the extent decisions may be rendered, shall be made by consensus.



The Communications Committee shall report to the Village Council.

### **Record-Keeping of Decisions**

The Chair shall ensure that a record of all decisions and recommendations of the Communications Committee is maintained. A recording secretary will be appointed or will volunteer from the communications committee members on a term basis not to exceed one year.

### **Related Resolutions Consulted in Preparation of this Document**

- Communications Committee Proposed by the Village Council, as a whole, at the Strategic Planning Session, held in June 2015. All council members in attendance and unanimously voted.
- Communications Committee Struck and formalized, July 14, 2015 and directed to produce a terms of reference for review for August 17, 2015

Resolved Membership:

Ross Gilmore, appointed as Chair by the Village Council

Lucy Ann Daubert, appointed as committee member from Council and by Village Council

- Resolved that, two members of village be recruited from the village citizenry once terms of reference are finalized and approved by Council.

