

Town of Coronation

Municipal Inspection Report

April, 2013



Harold Johnsrude Consulting Inc.

Town of Coronation
Municipal Inspection Report

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1 Executive Summary

The Council of the Town of Coronation (Town) requested the Minister of Alberta Municipal Affairs (Minister) to review how they are doing their job. Council recognized that they may have problems and they wanted to improve. What a pleasant atmosphere in which to conduct an inspection! Yes, there was some difficult history and territory to cover and this report will be providing recommendations and presumably specific directives from the Minister for Council to implement but that should fit with Council's mindset – let's move forward, let's improve. Because the Town requested this report card, time was included to meet with the Town Council and the Chief Administrative Officer (CAO) to discuss some of the significant findings before finalizing the report. The Town fully cooperated in all aspects of the inspection.

The Town, located in east central Alberta, provides the basic services necessary for its residents. Some are provided solely by the Town while others are through partnerships with neighbouring municipalities. The CAO came to the Town at the same time as the 2010 municipal election and entered an environment in which there was significant room for administrative and financial management improvements. And there was a much needed improvement required in working conditions because the Town was operating out of a small temporary workspace in the Coronation mall due to the Town office being declared not suitable for occupational health reasons and Council was conducting their meetings in the mall lobby. During the last two years, Council and administration purchased and renovated space in the mall that provides very adequate office and meeting space for a reasonable cost. Commendations for the Town staff were noted throughout the inspection with strides of progress in how the Town is administered and financially managed.

In 2011, the Town's operating expenses per capita were slightly below the average when compared with similar sized municipalities. The level of long term debt is average as are the user fee revenues per capita. Property taxes per capita were 12% higher than the average but not the highest. Yet the Town tax rate was the highest. Why? Because the Town's property assessment per capita is the lowest when compared to similar municipalities. To achieve similar tax revenues, the tax rate needs to be higher. Non-residential property assessment represents 28% of the total tax base; this ratio is fairly good. The Town is currently developing a new industrial subdivision which will improve the tax base. But the Town is not in a growth area; the population decreased in the recent census from 1,015 to 947; a 6.7% decrease. But one thing the Town has going for it is the strong volunteer base. One of the reasons that the Town has below average expenses is that these volunteers are able to generate revenues to assist with operating Town recreation facilities.

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“What did I sign up for?” It would not be surprising if some of the Town Councillors occasionally asked themselves that question.

“Did I sign up to assist Town administration in carrying out their responsibilities?” This question may have come to mind when Council was informed that the Council Administration Committee along with another Councillor would be meeting with the CAO to discuss changes to be made to the Town website. If an accountant was elected to Council, does it mean that person would start doing the financial records? No; the financial expertise would be provided at the Council table and, if the CAO requested an opinion outside of a Council meeting, that information would be provided directly to the CAO.

“Did I sign up to approve decisions that administration should be making?” When faced with the decision as to whether the Float Committee (which included four Councillors) should research the possibility of throwing candy favours from the float and another decision as to who will ride on the float, one may have been tempted to call out ‘Help! Get me out of this administrative quagmire!’ This example may be the extreme but the report provides detail of decisions that should be administrative and not involve Council.

“Did I sign up to provide extensive reports on all of my activities as a Councillor?” Councillors are appointed to Committees and Boards to represent the Town and should be reporting to Council the major decisions made on Council’s behalf as well as significant issues being addressed. But to what level of detail? Currently there is an expectation of the ‘more detail the better’ and Council was recently debating whether Councillor monthly compensation should be linked to Councillor written reports by withholding payment when reports are not provided.

“Did I sign up to foster good relationships and strengthen partnerships?” This is an admirable goal but is it being achieved? Working relationships at the Council table were strained when Council requested this independent review. Inappropriate behaviour, requesting recorded votes, taking sides on decisions, personal vendettas does not bode well for good governance and looking after the interests of the Town. Most recognize the importance of working together and the healing has begun. But there are other important partnerships. Partnerships with community volunteers. Partnerships with other municipalities. These partnerships take work – being sensitive while being candid; being accommodating while addressing Town needs; being tactful while being forthright. Council has at times encountered difficulties in these partnerships and may not fully recognize the important linkage of healthy relationships to successful partnerships.

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It is time for Council to formally address what ‘they signed up for’.

- 1) *A council is responsible for:*
 - (a) *Developing and evaluating the policies and programs of the municipality;*
 - (b) *Making sure that the powers, duties and functions of the municipality are appropriately carried out;*
 - (c) *Carrying out the powers, duties and functions expressly given to it under this or any other enactment;*
- 2) *A council must not exercise a power or function or perform a duty that is by this or another enactment or bylaw specifically assigned to the chief administrative officer or a designated officer.*

Section 201, MGA

What some Councillors think they ‘signed up for’ are contraventions of the Municipal Government Act (MGA) and in performing these tasks they are neglecting other important responsibilities such as good long term strategic planning. This report recommends that formal instruction be provided exclusively to the Town Council and administration on the roles and responsibilities of Council and the CAO. This is necessary so that terms of reference for Town committees, which currently do not exist, will be prepared in compliance with the MGA.

The inspection has determined that the Town has been governed in an improper and irregular manner. ‘Improper’ because of Councillor conduct. ‘Irregular’ because there are contraventions of the MGA. These MGA contraventions must be addressed.

This report has 37 recommendations which are grouped in the categories of ‘Governance’, ‘Meeting Procedures, Agendas and Minutes’, ‘Financial’ and ‘Administration’. These recommendations are not considered to be all inclusive but are considered to be of sufficient significance and importance that all should be implemented. All of the recommendations in Section 7 of this report are condensed into the following summary:

Governance

- Council must act by bylaw or resolution. (#1)
- Council must consider the welfare and interests of the Town as a whole in their conduct and must strengthen the Town Ethics Bylaw. (#2)
- The duties of Council must be in accordance with the MGA. (#3)
- The Town must schedule a workshop on roles and responsibilities. (#4)
- The focus of all Town Committees must be in accordance with the MGA. (#5)
- The Corporate Services Committee, Public Works Committee and Recreation Committee must be discontinued immediately until terms of reference have been approved by Council. (#6)
- Terms of reference must be approved by Council immediately for the Disaster Services Committee and Fire Department Committee. (#7)
- Council must follow Town bylaws and policies. (#8)

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- Council must adopt a three-year business plan and update it annually. (#9)
- Councillor should remove themselves from situations where there may be perceived pecuniary or conflict of interest. (#10)
- Each committee, board and agency with Town representation should be reviewed with the intent of reducing the total number. Terms of reference should be developed or obtained for those remaining. (#11)
- Council resolution 2011-388 to approve the Governance and Operational Policies and the Personnel Policies should be rescinded. Existing policies should be reviewed and new policies should be approved separately. (#12)
- Policies recommended in this report should be developed and approved. (#13)
- Active Town bylaws should be identified and reviewed for relevance and necessary amendments. (#14)
- Council should consider using 'open houses' as another method to communicate with Town residents. (#15)
- An agreement with the County should be developed regarding maintenance of the airport. (#16)
- Council should approve a long range equipment replacement plan. (#17)
- The Designated Officer Bylaw should be repealed. (#18)

Meeting Procedures, Agendas and Minutes

- Council must abide by the MGA requirements of conducting Council and Committee meetings in public. (#19, #20)
- All Councillors in attendance at Council meetings must vote on all Council resolutions unless exemption is allowed under the MGA. (#21)
- Procedures to pass bylaws must be done in compliance with the MGA. (#22)
- Council and the CAO must amend their approach to reporting to Council if these written reports are included 'verbatim' in the Council meeting minutes. (#23)
- Procedure Bylaw 2012-599 should be repealed and replaced with a new Procedure Bylaw. (#24)
- The CAO should prepare recommendations to Council for each item placed on the agenda. (#25)
- Council should focus on policies and long range planning at one of the two regular Council meetings held in each month. (#26)
- The Council table in the Council Chambers should be redesigned so that all of Council is visible to the public at all times. (#27)

Financial

- The CAO must discontinue presenting bank reconciliations to Council for approval. (#28)
- The CAO should revise the budget document to reduce the detail, provide descriptions of services and programs and identify initiatives for the future budget year. (#29)

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- The financial reports presented to Council should have less detail and be presented once per month. (#30)
- The motions approving the annual operating and capital budgets should include the budget amounts approved. (#31)
- The CAO should ensure that policies are developed for each of the restricted surplus accounts. (#32)
- A bylaw should be approved to address the residential property tax incentive. (#33)
- The practice of presenting a list of accounts payable cheques to Council for approval should be discontinued. (#34)

Administration

- The CAO must ensure that safety is given a high priority by all Town employees and require all Town employees to follow the Health & Safety Policy and Safety Manual. (#35)
- The CAO must ensure that all records and documents of the Town are kept safe. (#36)
- The CAO should review and update all of the Town employee position descriptions. (#37)

Municipal elections will be held this year in October. Town Councillors are presumably already considering whether they will serve on Council for the next four years. Some Town residents will also be checking out this opportunity. Being a Town Councillor is not an easy job. No matter how good the governance model and the governing bylaws and policies are, there will always be the challenges and the difficult decisions that will seldom have unanimous agreement from the Town residents.

This brings us back to the question ‘What did I sign up for?’ To represent the Town residents to the best of my ability. To work with my other elected colleagues to prepare a plan that will hopefully map out a future for the Town that is sustainable and that adequately services the needs of residents of all ages. The Wellness Society was recently created to *‘to create a Healthy Community Environment for the people of Coronation and surrounding area for all ages, for years to come’*. The focus of this group is community driven and includes two (2) Town Councillors and the Town CAO. Its vision statement embodies ‘what you signed up for’ – a tremendous opportunity for the Town Council to work with the community to design the future. This report includes some direct statements and important recommendations on how to improve; that should be expected since this report resulted from a review request from Council. The report also commends Council and administration for initiatives they have undertaken; this report can be used to build on the positive things already done. It is anticipated that the Town will accept and implement these recommendations in the spirit that they have been provided – to move the Town forward.

2 Description of Municipality

‘Royalty’ is the theme in the Town of Coronation with their website headline ‘Welcome to a “Royal” Town’. Coronation was named in honour of the coronation of King George V and in 2011 celebrated the centennial of being first registered as a Village; it was declared a Town in 1912. The Town of Coronation (hereinafter referred to as the ‘Town’) is located 170 km east of Red Deer in the heart of east central Alberta. The population is 947; a reduction of 6.7% from the previous census of 1,015. The Town is primarily an agricultural community with the oil & gas industry providing a second industry.

The Town Council consists of the Mayor and six Councillors; the Mayor is appointed by the Council. Municipal services are provided by a Town staff of nine as well as through partnerships with the County of Paintearth, area urban municipalities and other boards and agencies.

Following the 2011 Centennial celebration, Town Council and staff had another major celebration in 2012. Town Council had been conducting Council meetings in the lobby of the Coronation mall since November, 2010 and Town administration was working in a small rented space in the mall. Why? Because in 2009, the Health Inspector gave the Town several weeks to move out of the old Town office for occupational health reasons. The last Council meeting in that building was September, 2009. Initially, plans were to build a new facility but the high cost became a deterrent. The Town Council celebrated the grand opening in 2012 of a renovated space purchased in the Coronation mall which is providing a suitable and comfortable meeting and work environment at a significant reduction in the initially anticipated cost. A success story!!!

3 Purpose of Inspection

The Minister of Alberta Municipal Affairs (hereinafter referred to as the ‘Minister’) may inspect the management, administration and operation of any municipality:

- On the Minister’s initiative or
- On the request of the Council of the municipality

Section 571, MGA

Town Council approved resolution 2012-188 at their April 11, 2012 regular Council meeting to request ‘the Minister of Municipal Affairs to conduct a municipal inspection/inquiry in accordance with Sections 571 and 572 of the Municipal Government Act to review the overall roles and responsibilities of Council and to conduct an objective inspection as to fact’. The Minister advised Council in a letter dated May 7, 2012 that a municipal inspection would be conducted under Section 571 and further advised Council on November 15, 2012 as to who the municipal inspector would be and the scope of the inspection.

4 Findings of Fact

4.1 Governance

4.1.1 Council

Town Council is comprised of the Mayor and six Councillors; the Mayor is appointed by Council. There have been three Councillor resignations during the 2010-2013 term; two of the vacancies have been filled with by-elections. A recent resignation in February, 2013 will not be filled by Council because the next general election is less than eighteen months away and Council consists of six Councillors (Section 162, MGA).

The elected officials for the 2010 – 2013 term at the time of this report are:

Mayor	dawna elliott	2 nd full term; not consecutive Previously a partial term
Councillors	Brett Alderdice	2 nd consecutive term
	Jackie Brigley	1 st term
	Dylan Bullick	October, 2012 by-election
	Bonnie Danylyshen	2 nd consecutive term
	Eugene Rovensky	July, 2012 by-election

The Mayor is appointed by Council at the Organizational meeting. Procedure Bylaw 2009-569, Clause 19, stated that this appointment would be until the next general election. Council passed Procedure Bylaw 2012-599 which amended Clause 19 so that the Mayor appointment would ‘come under review yearly at the Organizational meeting’. The Deputy Mayor is appointed by Council and this appointment is also reviewed annually at the Organizational meeting. The process for these annual reviews is not addressed in the Procedure bylaw. Note: Procedure Bylaw 2012-599 does not repeal the previous Procedure Bylaw 2009-569; therefore, it remains to be determined if Bylaw 2012-599 is valid and Council should be operating under Bylaw 2009-569. Bylaw 2012-599 was advertised as required by the MGA (Section 151(3) MGA).

The Town does not have a formal process to appoint Councillors to committees and boards requiring Town elected official representatives. At the October 21, 2010 Organizational meeting, the following approach was considered a fair approach and has been used in subsequent organizational meetings:

- Each Councillor selects one position at a time in the alphabetical order by Councillor last names until all positions are filled.
- When each Councillor has chosen in order alphabetically from a to z, the order then reverses and Council chooses in order alphabetically from z to a.
- This process continues until all positions are filled; the representative positions are filled first followed by filling the alternate positions.

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- Prior to the Organizational meeting, Council is provided with a list of all the Committee positions and the current appointments.
- Councillors may choose a committee participated in previously or change to a different committee at their own discretion.
- When all of the positions have been filled, a Council resolution is made approving the appointments.

4.1.2 Committees, Boards, Authorities, Commissions and Associations

There are many committees and organizations which are either committees of Council or have Town representation. The following list identifies the committees and organizations and the required Councillor representation:

Committee of the Whole		
	Seniors Manors/Social Housing	Council
Town of Coronation Committees		
*	Corporate Services Committee	Three Councillors
*	Disaster Services Committee	Three Councillors
*	Public Works Committee	Three Councillors
*	Fire Department	Two Councillors
*	Recreation Committee (See Note)	Three Councillors
Community Boards		
*	Battle River Alliance for Economic Development	Two Councillors
*	Central Alberta Economic Partnership	Two Councillors
*	Canadian Badlands	One Councillor
*	Communities in Bloom	One Councillor
*	Coronation Assisted Living	One Councillor
*	Coronation & District Seniors Housing	One Councillor
	Coronation & District Wellness Society	Two Councillors
*	Coronation & District Support Services	Two Councillors
	Coronation Cemetery Association	Two Councillors
*	Coronation Memorial Library Board	Two Councillors
*	East Central Ambulance	One Councillor
*	East Central 911	One Councillor
*	Handi Bus Committee	One Councillor
	Paintearth Economic Partnership Society	Two Councillors
*	Paintearth Lodge	One Councillor
*	Paintearth Regional Waste Management	One Councillor
*	Palliser Regional Municipal Services	One Councillor
*	Parkland Regional Library Board	One Councillor
	Physician Recruitment & Retention Committee	Two Councillors
*	3-C's Physician Recruitment Committee	One Councillor
*	Regional Disaster Services Committee	Two Councillors

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	Shirley McClellan Regional Water Services Commission	One Councillor
	Trail of the Buffalo – Tourism Association	
*	Tourism Association	One Councillor
*	Destination Marketing Group	One Councillor
Land Use Planning Committees		
	Subdivision & Development Appeal Board	One Councillor
	Inter-municipal Development Plan	Two Councillors
Other Quasi-Judicial Boards		
	Regional Assessment Review Board	One Councillor

Note: The following committees report to the Recreation Committee and prior to February, 2013 all three councillors were expected to attend these committee meetings as a requirement of their appointment to the Recreation Committee:

- Minor Sports
- Arena
- Curling Rink
- Golf Course
- Rodeo & Campgrounds

Bylaws and/or agreements are available for the following committees:

Seniors Manors/Social Housing	Ministerial Order H:090/95
Coronation & District Wellness Society	Incorporation Bylaw, December, 2011
Coronation Cemetery Association	Bylaw 2008-556
Inter-municipal Development Plan	September, 2011
Paintearth Economic Partnership Society	Incorporation Bylaw, April, 2000
Physician Recruitment & Retention Committee	March, 2011
Regional Assessment Review Board	Bylaw 2011-594
Subdivision & Development Appeal Board	Bylaw 445-95
Shirley McClellan Regional Water Services Commission	Alberta Regulation 212-2007

The Town did not have on file the related bylaws and agreements for many of the external organizations. Terms of reference have not been established for the committees noted with an asterisk (*).

Note: There was promotional/descriptive literature regarding some of the organizations with Town representation with no formal agreements; these organizations are not included in the above list.

The Councillor appointment list states the areas of responsibilities for the following Standing Committees:

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1. Corporate Services Committee

- Administration
- Budget
- Governance
- Policy matters

2. Public Works Committee

- Streets
- Sidewalks
- Airport
- Water
- Sewer

3. Recreation Committee

- Arena
- Curling rink
- Pool
- Ball diamonds
- Golf course
- Rodeo
- Campground

The number of committees was reduced to the above noted list at the 2012 Organizational meeting. This reduction was not formally approved by Council. The following committees no longer have Council representatives:

- Administration Committee, Budget/Audit Committee and Governance Committee were combined to form the Corporate Services Committee.
- Chamber of Commerce
- Community Choosewell Committee
- Coronation Community Centre
- Coronation/Consort Victim Services
- Coronation Health Centre Foundation
- Coronation Health Initiatives Partners
- Golden Age Community Centre
- Paintearth Adult Learning
- Red Deer River Municipal Users Group

Council made a motion on November 14, 2011 (Resolution 2011-551) that RCMP detachment discussions be included as a responsibility of the Town's Governance Committee. There are no Terms of Reference for the Governance Committee and this Council decision is not recorded in a manner available for future reference.

The Town participates on several committees and boards lead by representatives of other municipalities. The Town indicated that meeting agendas of these meetings were not always provided prior to the meeting. The Town would benefit

if agendas were made available at least two days prior to the meeting with the minutes circulated to the members as soon as possible after these meetings. It is hoped that this process can be followed at the least for those organizations which have paid administration.

4.1.3 Orientation of Council

The CAO reviewed the roles of Councillors with the newly elected Council in 2010. No formal training was provided. An orientation binder was provided to each Councillor which contained the following information:

- Municipal Government Act
- 'Now That You've Been Elected' Alberta Municipal Affairs publication
- Most recent audited financial statements
- Infrastructure Master Plan
- List of all Council committees

Councillors elected in the by-elections received this binder of information but did not meet with the CAO or Mayor to discuss their roles and responsibilities.

The CAO has prepared binders of minutes for each of the committees/boards that have Town representation. This information is available for Councillors to access which is a significant benefit to Councillors when they are appointed to committees.

The Mayor presented information at the April 11, 2012 Council meeting regarding the Elected Officials Education Program and courses on Municipal Governance and Municipal Leadership. A motion was made to include \$4,000 in the 2012 budget for Council education; this motion was defeated.

Council approved new policies in August, 2011 which included Policy 4.3 Council Orientation and Training. Council and administration may be following some aspects of this policy but the fact that Council defeated a motion to include funds in the 2012 budget for councillor training and development does not appear to be in line with this policy which references the need for training and development.

4.1.4 Councillors Code of Ethics and Conduct

Most of the Councillors, apart from the Councillors elected in 2012, cited personality conflicts and issues regarding roles and responsibilities as factors contributing to the decision for a municipal inspection. Council decisions became hampered by personal vendettas. Recorded votes were regularly requested and sides were taken. One comment was that 'it became a game' to request a recorded vote if certain Councillors made a motion. A regrettable situation occurred during a Council in camera session when several members of Council engaged in inappropriate conduct with inappropriate language. This placed the rest of Council in an uncomfortable situation; one Councillor queried as to 'What

do you do?’ when this happens. The make-up of Council has since changed resulting in an improved situation and lessons have been learned.

The Town has an Ethics Bylaw (Bylaw 2009-570) and it indirectly references appropriate conduct of Council and Council appointed Committee members with the statement ‘shall maintain the highest standards of conduct in public office’ but it does not specifically address the requirement to respect the personal view of other Councillors and the decisions of Council.

Respect for each other is essential but so is ethical conduct. Councillors are ‘to consider the welfare and interests of the municipality as a whole’ (Section 153 (a) MGA). The Bylaws section of this report identifies some bylaws that were deemed to be invalid for procedural reasons. One of the factors contributing to this problem was that bylaw amendments were being requested by a Councillor who discovered well into the process that he would be negatively impacted and, therefore, requested amendments to suit his personal situation. It raises the question as to whether the result was not in the best interests of the municipality as a whole. This is not ethical conduct. Ethical conduct also includes:

- Supporting Council decisions. When a decision is made, all of Council is to support the decision. Councillors may publicly express their own opinions on Council matters but not in a manner that would undermine Council.
- Avoiding situations where pecuniary interest or conflict of interest would apply.

4.1.5 Bylaws and Policies

1. Bylaws

Major bylaws, recent bylaws and bylaws pertaining to issues being researched were reviewed. Bylaws are filed electronically by year and located on the Town website. The original signed bylaws are kept in binders in a storage room that is not fire proof. There is a bylaw index on the website that provides the following information for each bylaw:

- Bylaw date
- Bylaw number
- Reference bylaw if it is an amending or replacing bylaw
- Department to which bylaw applies
- Bylaw description
- Reference of bylaw amending or replacing it if the bylaw has been subsequently amended or repealed.

The bylaw index has not been updated on the website since November, 2007 but all of the approved bylaws to date have been posted.

The following deficiencies were found which may be addressed in greater detail in the report:

- Animal Control Bylaw 2012-597 was deemed invalid.

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- Traffic Control Bylaw 2011-593 was deemed invalid.
- Procedure Bylaw 2012-599 did not repeal Procedure Bylaw 2009-569 resulting in two valid bylaws on the same topic with apparent contradictions.
- Three bylaws had not been signed by the Mayor and CAO.

Note: A bylaw is not valid until it is signed. (Section 189, MGA)

Bylaws are not regularly reviewed and, therefore, the active bylaws are not specifically identified.

When the Council minutes were reviewed, the inspector determined that the procedures used by Council to pass bylaws were deficient and that Council and administration needed to be briefed on proper bylaw approval procedures. Some of the invalid bylaws may have resulted from these inadequate procedures.

2. Policies

The Town does not have a good policy manual – yet. ‘Yet’ because the Town is aware that good, solid policies are lacking, and they are taking steps to rectify this situation and are to be commended for this initiative.

The current situation is two-fold:

a. Existing policies

There are 20 policies that have been approved from 1992 to 2011 plus a swimming pool policy manual that does not have an approval date. Some have approval signatures while others do not. Some do not indicate who the approving authority is. There is no policy index. These policies have not been recently reviewed.

b. Policy pilot project

The Town has joined three other municipalities in a pilot project for a contractor to develop policies. The Town has received some of the policies but the contractor is behind schedule in providing the rest of the policies. The Town has received:

- Governance and Operational Policies
- Personnel Policies

The remaining policies to be received will address topics such as public works, fire, recreation, planning & development and social services.

Council approved the policies to date with the following resolution on August 15, 2011:

Moved that the Governance and Operational Policies for the Town of Coronation be approved as presented, and that the Personnel Policies for the Town of Coronation be approved as presented. Carried

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The Governance Committee apparently reviewed these policies prior to Council approval. Council approved the Governance & Operational Policies (57 categories including business plans, governance, administration, financial management, human resource management, health & safety) and Personnel Policies (62 categories) which were Tabs 7 and 8 of the Organizational Enhancement Toolkit provided by the consulting firm; all of these policies were approved with the above motion. The inspector scanned some of these approved policies and found that some policy clauses:

- Are not being followed by Council.
- Give Council responsibilities that are administrative.
- Contradict existing Town bylaws.
- Replace existing policies that still remain in place.

This report will be recommending that policies for which Council approval is required should be approved individually and not as one package.

Throughout the inspection, the inspector noted:

- Situations when Council made a decision that would normally be placed into policy but a related policy was not developed.
- Some agenda items were repetitive in nature due to lack of policy.
- Areas that should have a policy to retain consistency, provide awareness and provide good governance.

Policies should be developed in the following areas:

- a. Current practice or Council decision
 - i. Appointments to committees at organizational meeting
The process normally followed is noted in Section 4.1.1 but it has not been formalized. One point to consider is to ensure that committee appointments are a good fit and that there is sufficient rotation of Councillors on committees.
 - ii. Process to evaluate the CAO
Council formally approved the CAO evaluation process on November 8, 2010, Resolution 2010-387.
 - iii. Use of Town equipment
 - iv. Sale of surplus equipment and procedures to follow
 - v. Pricing cost of goods sold
An established mark-up can be developed in policy which should eliminate the approval of the actual prices to sell goods.
 - vi. Vacation paid instead of employee taking the time
- b. Repetitive decisions
 - i. Contract approvals
A policy is required to determine what type of contracts with a threshold for the contract amount can be approved by the CAO.

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For example, ongoing contracts for services for which budgets are in place should not have to come to Council.

- ii. Expense threshold policy
A policy should be developed that will identify the threshold amount with which the CAO has authority to proceed without Council approval. For example, replacing a stove in the Recreation Center for \$495 because it is not working should not require Council approval.
 - iii. Progress payments on approved contracts
The CAO should have authority to pay progress payments on approved contracts without Council approval if the contract requirements are satisfactorily met.
 - iv. Fees for renting the community garden plot should be part of the Town fee schedule.
 - v. Sale of Town lots
A policy to authorize the CAO to sell Town lots if Council has previously approved the price.
 - vi. Conferences and professional development policy
A policy that will identify the annual conferences and workshops that Council will attend without special approval. This policy will address what is required of the participants before and after these standard attendances. It will also encourage additional professional development and state the procedures for Councillors to enroll in other training and development opportunities. Clauses 4.3.3, 4.3.4 and 4.3.5 of the Governance Policy manual can be used for reference.
 - vii. Normal expectations of the Mayor
There are Council resolutions to approve the Mayor's attendance at events on behalf of the Town. For example, approval was given for the Mayor to attend a service club to receive a donation. This should be a normal expectation of the Mayor without approval being required. A policy may be required to identify the normal expectations of the Mayor position.
- c. Consistency, awareness and good governance
- i. Orientation of Council
This policy would establish the process for the orientation of Council:
 - Following a municipal election
 - At the annual organizational meeting
 - For Councillors elected in by-electionsThe topics covered, materials provided, when held and by whom would be addressed in this policy. Specific information provided should include:
 - Roles and responsibilities
 - Information regarding the MGA

- Information regarding the Town and Town services
 - Information regarding the various committees/boards, agencies, partnerships and existing agreements.
 - CAO bylaw and Sections 207, 208 and 209 of the MGA
 - CAO evaluation policy (to be developed)
 - ii. Street traffic visibility with regards to obstruction by foliage
 - iii. Process to address bylaw contraventions
- The CAO is the Bylaw Officer; therefore, reports of actual or perceived bylaw contraventions should be brought to the CAO and not raised at Council meetings. These issues would only come to Council if the CAO cannot resolve the situation with the present Town bylaws or policies.

Note: Some of the above noted policies to be considered may be in the Governance/Operational/Personnel policies approved by Council in August, 2011 but one of the recommendations in the report will be to rescind the August Council decision and start again with a different approach.

The Town has a Safety Policy and a Health & Safety Manual but their adequacy and use are in question. A new safety policy is currently being developed with the other policies being prepared for the Town. A Swimming Pool Policy manual also exists which includes safety and emergency procedures. Comments from management revealed a range of knowledge from reviewing safety requirements with seasonal workers to minimal understanding of the safety documents.

The Municipal Emergency Plan was last updated in November, 2011. The Municipal Council contacts need to be updated and the plan has not been discussed with community residents mentioned in the Plan.

4.2 Town Overview

4.2.1 Services

Municipal services are provided to the Town and rural residents in the area by a combination of personnel and equipment from the Town, other municipalities and the private sector. The following services are provided by the Town:

- Fire protection
- Street maintenance
- Water distribution
- Sewer collection and treatment
- Disaster
- Parks and cemetery maintenance
- Seniors assisted living
- Fire safety codes
- Bylaw enforcement

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Services provided with or by other parties are:

- Water treatment
- Land use planning and development
- Building code inspections
- Solid waste pick-up and disposal
- Landfill
- Recreation
- Library
- Town beautification
- Family and Community Support Services
- Economic development
- Police protection
- Property assessment
- Infrastructure planning, construction or rehabilitation
- Seniors lodge
- Physician recruitment and retention
- Tourism

1. Public Works

The Public Works department received high marks from those with whom the inspector discussed Town services. Concerns were expressed about the age and condition of the road infrastructure but the dedication and commitment to providing good service was regularly noted. This department has three full time employees including the Public Works Manager and a licensed Water/Sewer Operator. Seasonal employees are hired for the summer months.

The Town has a policy on snow removal priorities with emergency services as first priority, followed by major commercial routes and residential areas being the last priority. Clearing snow in all of the Town can take as long as three weeks due to the small number of staff and minimal equipment. The public sector is contracted if required during frequent snow falls.

Water is provided to the Town by the Shirley McLellan Regional Water Services Commission. The Town water tower was replaced with a new treated water reservoir and pump station. The Town water operator regularly monitors the water reservoir and the wastewater lagoon according to provincial regulations. Alberta Environment inspected the waterworks system in 2011 and declared it to be acceptable with some follow-up items. The wastewater lagoon was inspected in October, 2012; the Town has responded to the follow-up items as requested and is waiting for the results.

An Infrastructure Master Plan was prepared by consulting engineers in 2010. The status of the Town infrastructure was determined as follows:

- The water distribution system was assumed to be satisfactory with peak hourly demand supply pressure deemed to be adequate.
 - The sanitary system has sufficient capacity for the current population but much of the linear infrastructure is reaching the end of its operation life.
 - The capacity of the lagoon will need to be examined in more detail within five years due to projected capacity limitations. Note: The report was based on an annual 2% population increase from 2008 whereas the 2013 actual population decreased 6% to 947; the report projected the 2013 population to be 1,166.
 - Most of the storm water is surface drainage. The two short underground storm mains were not inspected.
 - The road network has some problem areas which need to be addressed.
- This Master Plan provided a twenty year project priority plan ranked as high, medium and low priority with projected costs in 2009 dollars.

2. Fire

The fire department operates on a volunteer basis with a volunteer fire chief and approximately fifteen volunteer fire fighters from the Town and the County. There are about eight volunteers that can be considered to be available most of the time. The fire department participates in a regional fire training group because regular training is an important aspect of fire fighting for the safety of the volunteers. Comments from various interviews indicate that the fire department has a good working relationship with the County and the Town of Castor fire department. There is good regional cooperation between the two fire departments.

The County provides equipment and cost shares the operating costs under a fire services agreement; the same agreement applies to the Town of Castor and Village of Halkirk. This agreement is currently being reviewed by all parties. Under the current agreement the County:

- Provides a fire truck and water truck.
- Pays 75% of the actual costs to repair and maintain the equipment provided by the County.
- Contributes \$5,000 to general operating costs and \$1,000 to fire fighting training.
- Pays an hourly rate per fire fighter for County calls.
- Pays a hourly rate for County and Town equipment used for emergency responses.

The major equipment available for fire fighting are:

Fire truck (1998 - County owned)
Water truck (2007 - County owned)
Fire truck (1990)

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Rescue unit (2007)

Operating Cost Summary

	2011	2012
	\$	\$
Operating Expenses		
Wages & Honorariums	13,440	13,730
Contracted Services	10,409	11,361
Supplies & Materials	8,736	11,711
Equipment Repairs	891	10,356
	<u>33,476</u>	<u>47,158</u>
Total Operating Expenses excluding amortization		
	<u>33,476</u>	<u>47,158</u>
Revenue		
County	29,650	41,589
Other Sources	1,500	3,958
	<u>31,150</u>	<u>45,547</u>
Total Revenue		
	<u>31,150</u>	<u>45,547</u>
Town Net Cost excluding amortization	2,326	1,611
Amortization	15,852	15,852
	<u>18,178</u>	<u>17,463</u>
Town Net Cost		
	<u>18,178</u>	<u>17,463</u>

3. Recreation

Recreation services are provided by the Town in a unique arrangement with the community. There are three full time Recreation employees including a Recreation Director. Seasonal employees are hired for summer programs and maintenance. The unique feature is that the Town enters into agreements with community groups to provide and administer the various recreation programs with the exception of the swimming pool and bowling alley. The Recreation Director provides oversight to these organizations. There is a Recreation Committee comprised of three Town Councillors and the Recreation Director. Until recently, Councillors were also expected to attend meetings of each organization; this was changed in February, 2013 to the Recreation Director being the sole Town representative.

The individual sub-committees and organizations are:

- Minor Sports Committee
 - Coronation Minor Sports Association (Hockey)
 - Coronation Minor Baseball Association
 - Coronation Soccer Association

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- Coronation Elks & Community Golf Club
- Coronation Memorial Arena Board
- Coronation Curling Association

The one obvious benefit to the Town is direct community involvement and program administration which the Town does not have to look after. Another benefit that is not as obvious is financial; each of the above organizations participates in volunteering at a casino for two days; each organization is allowed to participate every 2.75 years and will raise \$25,000 to \$30,000 for their organization. This brings funds into the community which may not be available under a different structure.

One of the negatives regarding this structure is potential ‘volunteer burn out’. Several comments were made to the inspector that it is often the same volunteers for each community committee/organization resulting in a huge commitment by certain Town residents. Another observation is that each organization is generally financially independent. They do not receive grants from the Town and generate revenues through user fees, fund raising, donations and grants. The Town administers the payroll and other expense costs and bills the respective organizations. The Town receives unaudited financial statements from each organization but the financial positions and activity is not reflected in the Town’s audited financial statements. The following table summarizes this external financial activity from each organization’s 2011 financial statements:

	Revenue	Expenses	Operating Surplus (Deficit)	Net Current Asset Position	Total Equity
	\$	\$	\$	\$	\$
Hockey	92,088	65,047	27,041	82,462	82,582
Baseball	88,244	22,552	65,692	83,419	84,289
Soccer	2,375	2,567	(192)	1,552	2,484
Golf	175,959	165,085	10,874	8,164	247,008
Curling	40,701	61,702	(21,001)	16,761	299,608
Arena	18,689	33,109	(14,420)	27,044	27,044
Total	<u>418,056</u>	<u>350,062</u>	<u>67,994</u>	<u>219,402</u>	<u>743,015</u>

4.2.2 Town Financial Position

Section 4.4 addresses the annual budget and the circumstances regarding the 2011 audit of the financial statements. This section addresses the financial position of the Town and how it compares with other similar municipalities.

1. 2011 Audit Report and Financial Statements

The Town received an unqualified audit report in 2011 stating that the financial statements presented fairly the financial position of the Town and were prepared in accordance with Canadian generally accepted accounting principles. A management letter was provided to Council and is referenced later in this report.

The following summarizes the 2011 financial statements:

- Net financial assets decreased \$654,000 from \$1,354,000 to \$700,000.
- Unpaid property taxes increased \$49,000 to \$167,000.
- The unrestricted surplus decreased from \$1,257,000 to \$500,000; a decrease of \$757,000.
- The restricted surplus increased \$34,000 from \$897,000 to \$931,000. There is sufficient cash to fully fund the restricted surplus accounts.
- The net book value of the tangible capital assets is \$7.9 million. 67% of the useful life of these assets has been used.

2011 may be an extraordinary year because capital acquisitions were \$2.3 million compared to \$1.4 million in 2010. \$800,000 of the property tax levy was required for capital acquisitions. The end result was an operating shortfall of \$750,000. The Town will need to review this to make sure that this is not a trend because unrestricted surpluses would be depleted in a short period of time if this trend continues.

2. Comparative Analysis

The following is a snapshot of the financial position of the Town. This analysis has been conducted using data from the Financial Indicator graphs prepared by AMA for the year ended December 31, 2011. The Town's financial information is compared with 18 other similar municipalities with populations ranging from 892 to 1,157; the Town is the median population of 1,015. Note: The Town's population has since decreased to 947. Appendix 8.3 summarizes the information for each indicator.

a. Property taxes

Property taxes in 2011 were \$989 per capita. This was 12% higher than the median for the group which was \$879. The taxes per capita for the entire group ranged from \$721 to \$1,046 per capita. Property taxes per capita is an important financial indicator and needs to be taken into consideration with the tax rates and assessment per capita financial indicators. The Town tax rates are high and, initially, one may conclude that the Town has the highest taxes. However, the Town also has the lowest property assessment per capita; therefore, a higher tax rate is required to generate an average level of property taxes. The Town has a reasonably good tax base ratio; 28% of the tax base is non-residential assessment. Without doing a detailed analysis, it appears that the residential assessment per property is below the average for the group.

When compared to a municipality in the area and in the group, the Town's average assessment per residential property was 20% less than that of the other municipality.

b. Grants and user fees

The amount of grants received can vary from year to year depending on what projects the Town and the comparative municipalities are conducting. Town grants per capita were considerably higher than the median in 2011 and 2010. User fees per capita are about average. When comparing the three major sources of revenues (property taxes, grants and user fees), property taxes were 29% of total revenues which was close to the median whereas user fees were 20% of the total compared to the median of 29%.

c. Operating expenses

The Town's total operating expenses in 2011 were \$2,259 per capita. The median was \$2,375 per capita; \$116 per capita more than the Town or \$118,000 more in total dollars. When analyzing these costs by the type of service provided, the Town's cost per capita were greater for general government, fire protection and roads but below the median for water, sewer, waste management, recreation and culture. This calculation is based on total costs, not net costs. If it was based on net costs, fire would be an example when net cost would be considerably less than the total cost due to the County financial contribution. One of the reasons the costs per capita for utilities may be less than average is that the Town does not incur costs for waste management services.

d. Debt, working capital and restricted surplus

The Town did not have any debt until 2010; debt per capita is about average. In 2011, the unrestricted surplus and restricted surplus per capita were above the median but decreased significantly from the 2010 level. The ratio of current assets to current liabilities is 2.0. This is the measure of the Town's ability to meet its short term obligations; it has twice as many short term assets such as cash and accounts receivable than short term liabilities such as accounts payable.

4.2.3 Business Plans

1. Strategic Plan

The Town does not have a strategic plan. Some councillors stated that there was a strategic plan and they were correct because they were referring to the Municipal Sustainability Plan (MSP) titled 'A Town on the Move' dated November 24, 2009 prepared with the assistance of the Paintearth Economic Partnership Society. But the Town does not have a strategic plan in the practical sense. Why? Because:

- The MSP does not identify specific strategies.
The MSP provides the methodology and exercises used in its development. It provides a vision statement, mission statement and community values. It even provides ‘actions required’; unfortunately these are buried in Appendix A which was a February, 2009 SWOT exercise.
- Council has not regularly reviewed and updated this plan.
The MSP includes the following statement:
‘Regular planning sessions will become a part of Council activities to ensure thoughtful decision-making to enhance current operations and the well-being of future generations.’
This does not appear to have ever been reviewed since its inception in 2009.

2. Development and Land Use

Council adopted a Municipal Development Plan (MDP) on May 5, 2009 with Bylaw 2009-558. The purpose of the MDP is ‘to establish a statutory statement of goals and objectives for land use and development in the Town, and to outline strategies for achieving them’. Volume 1 of the MDP provides background information on the community, land use, community facilities and infrastructure. Volume 2 provides objectives and policies for the various types of land use and land use related infrastructure.

Council has not used the MDP much since it was passed in 2009 but the Town is presently preparing to develop a new industrial subdivision which was identified as a potential development site in the MDP. The Town normally develops land and has fourteen residential lots and eighteen commercial/light industrial lots available for sale.

Council also adopted an Inter-Municipal Development Plan (IDP) with the County of Paintearth on August 15, 2011 with Bylaw 2011-592. The IDP addresses land use in lands surrounding the Town for approximately ½ mile. It also addresses the Coronation airport, confined feed operations and oil & gas operations.

3. Infrastructure

The Town has a long range infrastructure replacement/rehabilitation plan which has been noted in Section 4.2.1 Public Works. This plan identifies projects from 2011 – 2030. Projects scheduled for 2011 have been completed; none were scheduled for 2012 and plans are in place for 2013 to address one of the two high priority projects projected for 2013.

4. Wellness Society

The Town Council and community recognize that Town recreational facilities are aging and that this issue needs to be addressed. The Coronation and

District Wellness Society was created in December, 2011. This organization is community driven with two Town Councillors and the Town CAO on the Board of Directors. The vision of the Wellness Society is *'to create a Healthy Community Environment for the people of Coronation and surrounding area for all ages, for years to come'*. Their two purposes are:

- Assess current recreational/physical activity and wellness needs in the community.
- Plan for sustainability of current facilities: renovations/rebuild or addition of programs not currently available in the community.

A plan for future development of a centrally located, family centered multi-purpose recreation facility has been identified to be a long term goal.

The community was surveyed to determine facility priorities. An ice skating rink was considered the highest priority but a fitness center was also in the top five. The Society was able to address this priority through community fund raising and participation.

4.2.4 Communications

The Town receives a high rating for communication to Town residents. The Town publishes a monthly newsletter (approximately ten pages) which provides information ranging from making residents aware of Town regulations, community events, committee updates and resident profiles. For those who are interested in the details of Council meetings and decisions, the following is easy to access on the Town website:

- Council meeting agendas with supporting documents
- Council minutes
- Bylaws
- Operating and capital budget

One addition to the website to consider is to provide the Town audited financial statements.

The use of social media is also encouraged by the Town and a Social Media policy was approved by Council in 2012.

Town Councillors are regularly engaging with the community as they participate in community activities and attend numerous committee meetings which include Town residents. One method of communication that the Town does not provide is an 'open house'. This provides opportunity for Council as a group, and not individually, to discuss Town matters with the public in an informal setting. Council had scheduled an open house in 2011 and then cancelled it to have a Council budget meeting. This was somewhat ironic because the Council resolution cancelled an 'open house' to hold a 'closed budget meeting' which contravenes the MGA.

4.2.5 Inter-municipal Relations

The Town partners with other municipalities to provide services to its residents. The Town meets occasionally with their neighbour municipalities to discuss items of mutual interest as well as partnership specifics. One joint Municipal meeting was held in 2012 and two in 2011. Some of the discussion points were:

- Fire agreement and fire fighter training & retention
- RCMP housing and detachments
- Ambulance and 911 services
- Regional sewer line
- Water reservoirs
- Recreation funding
- Economic development
- Seniors housing and assisted living

The County contributes financially to each municipality within the County boundaries for various services used by County residents. It is not unusual for rural and urban municipalities to have differing opinions as to what the 'fair cost share' should be and some services can be more difficult to determine the 'fair' approach than others. The Town and the County have had similar discussions. The following table summarizes the 2011 financial contributions made by the County to the Town:

**Financial Contributions by County of Paintearth
to Town of Coronation**

	2011
	\$
Operations	
Fire	29,650
Airport	877
Recreation	90,000
Minor sports – special project	4,500
Library	5,527
Physician Retention & Recruitment	
Operating costs	39,530
Medical equipment	35,000
Centennial celebration	10,000
Victim Services	4,250
Family & Community Support Services	37,795
Coronation Fair	150
Music festival	50
Hall	5,000
Transportation – Handi-Bus	3,500
Cemetery	600

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Seniors Housing Assisted Living	<u>101,967</u>
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Total Funding for Operations	<u>368,396</u>
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Capital Projects

Water Line & Reservoir

40% share of total cost per agreement	1,240,222
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Portion of Town's 60% share (see note)	<u>552,706</u>
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Total Funding for Capital Projects	<u>1,792,928</u>
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Note: The Town did not have sufficient funding to cover their 60% share and the County paid the shortfall so that the project could proceed.

Several partnerships include all of the area municipalities. Some of these partnerships are working well but some have had their difficulties.

1. Seniors Housing

The Town strongly feels that seniors housing needs to be improved in Coronation. Housing for seniors presently is provided by two municipal organizations; Castor and District Housing Authority (Paintearth Lodge) and Coronation Regional Health Services (Prairie Rose Supportive Living).

a. Castor and District Housing Authority (CDHA)

- The Town, County, Town of Castor and Village of Halkirk signed a Ministerial Order in 1960 to manage and financially support a seniors lodge facility in Castor; Paintearth Lodge.
- The CDHA was established in 1995 as the management body by Ministerial Order 038/95.
- The Town requested the Minister at that time for permission to discontinue this partnership so that the Town's funding could be used for a seniors' housing project in Coronation.
- The Minister encouraged the Town to remain a member and suggested that the members of the CDHA discuss the Town's request.
- No solutions were provided at that time and the Town has continued as a 'reluctant' member resulting in strained relationships in this partnership.

b. Coronation Regional Health Services

- The Town entered into an arrangement with Alberta Health Services (AHS) in the mid 80's to open a nineteen bed assisted living facility in the nursing home wing of the Coronation Hospital.
- The Coronation Assisted Living committee was formed to operate the facility.
- Members of this organization are the Town, County, Town of Castor, and Special Areas #4 with AHS representatives in an advisory capacity.

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- AHS funds patient care and management, resident rents are to cover the remaining operating costs and the member municipalities pay for any budget shortfall, maintenance and facility upgrade costs.
- The facility is aging and the Committee is researching options to address the need for seniors housing.
- The Coronation Regional Health Services Board entered into an agreement with the Coronation and District Seniors Housing Society in January, 2012 to provide a broader opportunity to access grants for seniors housing.

Net costs of the above facilities are shared between the member municipalities. The 2011 net cost sharing is in the following table:

	Seniors Lodge	Assisted Living
	\$	\$
Town of Coronation	23,944	31,482
Town of Castor	24,420	24,375
County of Paintearth	346,964	101,967
Village of Halkirk	1,747	
Special Areas #4		8,219
	<hr/>	<hr/>
Total Requisition	397,075	166,043

The Coronation Seniors' Housing Needs Assessment report was prepared in 2007; recommendations #1 and #2 were:

- Pursue immediate opportunities to develop 20 – 25 lodge units in Coronation.
- Pursue immediate opportunities to encourage the private sector to develop seniors' independent housing.

It should be noted that the Town also manages two seniors' manors under the Seniors Manor/Social Housing Committee under Ministerial Order 090/95. These manors, Kings Court and Windsor Manor, provide independent living for sixteen seniors. There were twelve seniors on the waiting list for these facilities at the writing of this report.

There has been correspondence and meetings between the province and local elected representatives during the last couple of years regarding the seniors housing issue in the Town. There are obviously opposing views on the solution and various interpretations of comments and statements, written or otherwise. Good dialogue should include the free expression of these different viewpoints but it is unfortunate that this situation got 'cluttered/muddled' further when e-mails, Council resolutions and letters were circulated regarding attendance/non-attendance at a planning meeting due to

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family health issues. Municipal relationships become further strained when differences of opinion are addressed publicly and not addressed in an informal conversation which may have precluded formal demands for apologies resulting in legal consultations.

2. Economic Development

The Town, County, Town of Castor and Village of Halkirk formed the Paintearth Economic Partnership Society (PEPS) in 2000. The purpose of PEPS is to promote and enhance economic growth among its member municipalities and to promote the region as a whole, rather than individual communities. The Economic Development Officer is located in the County office and the costs for this position and operating PEPS are shared on a ratio approved in the March, 2000 Agreement for Membership.

2011 cost sharing was:

	\$	%
Village of Halkirk	3,450	3.0
Town of Castor	26,450	23.0
Town of Coronation	27,025	23.5
County of Paintearth	<u>58,075</u>	50.5
 Total Requisition	 <u>115,000</u>	

The Town gave PEPS six months written notice on June 30, 2011 to terminate their membership effective December 31, 2011; no reasons for the decision were mentioned in the letter. The Chair of PEPS responded with a letter dated July 5, 2011 expressing regret regarding the Town's decision, stating the need for the communities to partner and requesting the Town's PEPS board members attend a special meeting scheduled for July 12, 2011 to address the Town's termination decision. The Town responded that their PEPS Board representatives would attend but 'will not be in a position to speak to the Town's notice of termination of membership at that meeting'. The PEPS Board was invited to attend a July 11, 2011 Town Council meeting but this meeting did not take place. Later in the year, the Town of Castor indicated at a joint meeting of municipalities that the Town of Castor may not be able to participate in Coronation's Assisted Living in 2012 for financial reasons if the Town was going to remove their financial support to PEPS. The Town reconsidered their termination decision, provided a letter to PEPS regarding reconsideration with nine priorities for the PEPS board to consider. These were discussed and the Town subsequently decided to continue being an active member of PEPS.

This inspection was conducted a year later and some members of Council continued to express concerns as to whether the Town was receiving the intended benefit from PEPS for their community. The inspector noticed in

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Town minutes that Council was required to appoint a Town representative to the PEPS Board for meetings when the regular Town representative could not attend because the PEPS Board does not allow alternates voting privileges. The Town should request the PEPS Board to consider allowing voting privileges to alternates which are normally appointed at the organizational meeting.

3. Physician Retention and Recruitment

The Town and County formed the Physician Recruitment and Retention Committee in 2011. The purpose was to:

- Operate and manage the Medical Clinic in Coronation.
- Operate and manage rental housing provided for medical personnel.
- Represent the parties on the Committee responsible for recruitment and retention of doctors.

Local physicians and the Coronation Hospital site manager participate in an advisory capacity. Approved expenses are shared on a 50/50 basis. The Medical Clinic is located in the hospital with the space rented from Alberta Health Services. Medical equipment and one house have been purchased jointly with plans to purchase a second house.

The County recently sent a letter dated January 16, 2013 to the Town Council expressing concerns with the Town membership of this Committee; specifically, the Mayor being a member of the Committee. The letter cites Section 170 of the MGA which addresses pecuniary interest. The letter concludes with the statement that the County 'may no longer be able to participate on the Committee due to the perception of bias and conflict if the Mayor of Coronation remains on the Committee and would like this issue addressed at your upcoming Council meeting.' The Mayor is the Information Technology Technician of the Medical Clinic and has been one of the Town's representatives on the Committee since October, 2012. The Committee regularly talks about clinic matters and the County is concerned that the Mayor remains in the meeting during these discussions.

Understandably, the County's letter has received significant 'air time'. The Town Council addressed this letter at their January 28, 2013 meeting resulting in a Council decision to appoint a different Councillor to replace the Mayor on this Committee. It was dealt with in an open session of Council as it should have been. The resulting newspaper article included statements from Town councillors as being 'disgusted' by the letter, the letter being 'inappropriate' and the County being 'heavy handed'. A local resident also felt this item was worthy of comment in his blog.

The inspector reviewed Committee minutes and does not feel that the pecuniary interest line has been crossed but concurs with the County regarding perception and potential possibilities. Was it handled

appropriately? Some more of the aforementioned informal conversations may have prevented this situation. But Town councillors also should be better versed as to 'pecuniary interest' and what was being discussed at these Committee meetings before careless comments were made publicly.

4.3 Council meetings

4.3.1 Procedure Bylaw

The Town has a 'Procedure and Committees Bylaw' (Bylaw 2012-599). A procedure bylaw is important because it provides a standard format for council meetings and makes it easier for members of council, staff and the public to understand the process by which decisions are made.

Bylaw 2012-599 was intended to amend Bylaw 2009-569 which was the previous Procedure bylaw but Bylaw 2009-569 was not repealed resulting in two valid bylaws that contradicted each other. The inspection also determined that another related bylaw (Bylaw 1995-428) had not been repealed. The CAO was made aware of these deficiencies and has proceeded to have Council repeal Bylaws 1995-428 and 2009-569. Therefore, this report does not include a recommendation to address this matter.

The following are some amendments to the Procedure Bylaw to consider:

1. Definitions

The intended purpose of 'definitions' is to provide clarity when defined terms are used throughout the bylaw. There are several definitions that do not appear elsewhere in the bylaw such as:

- Emergent items
- Lay on the table, postpone, table
- Recorded vote
- Rescind, reconsider a motion

Defining these terms is not sufficient; their intended use and application should be addressed in the bylaw.

2. Clause 5 – 'The regular meetings of Council shall be established by a resolution of Council at a Council meeting at which all the Councillors are present.'

Council made the decision at the organizational meeting to hold meetings on the 2nd and 4th Monday of each month. All of Council should be present to establish the normal meeting dates but what if one of these dates needs to be changed and all of Council is not present to make the decision? Also, the Council meeting minutes recorded situations where Council was advised of the future Council meeting dates; these dates were not always on the 2nd and 4th Monday and some months did not have two meetings scheduled yet there was no Council resolution approving these changes.

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3. Clause 7 – ‘meetings of Council committees...and the public must be given notice as required by the provisions of the Municipal Government Act’.
The Town does not notify the public unless the date is mentioned in the minutes of Council. The public is to be notified at least 24 hours in advance of Council committee meetings and notice to the public is sufficient if the notice is given in a manner specified by Council. (Sections 195, 196 (2) MGA) The Bylaw should indicate how notice will be provided.
4. Clause 15 – resolutions not debatable include a resolution to ‘postpone’.
There is a difference between ‘postponing or deferring a decision’ and ‘tabling a decision’. If used at the appropriate time, a ‘tabling’ resolution is not debatable but a resolution as to whether a decision should be deferred or postponed should be debatable. The inappropriate use of the term ‘table’ is addressed further in Section 4.3.3 Minutes.
5. Clause 19 – ‘The Mayor shall be appointed by Council at the organizational meeting’.
Procedure Bylaws do not have to be advertised to the public but bylaws addressing the election or appointment of the Mayor must be advertised (Section 151(3) MGA). Because Clause 19 is in the Procedure Bylaw, each time the bylaw is amended, the resulting bylaw will need to be advertised. A separate bylaw should be created for Clause 19 resulting in its removal from the Procedure Bylaw so that future Procedure Bylaws do not have to be advertised.
6. Delegations – Clauses 21 and 22
The intent of this section is to provide opportunity for the public to speak to Council in an organized manner. The Public Works Manager and Recreation Director regularly report to Council and are scheduled in the ‘Delegations’ section of the agenda. There are requirements for public delegations which may not be appropriate to be required of Town managers. Therefore, it may be appropriate to develop procedures that are specific to staff appointments and reporting.
7. Order of Business
This section does not have a reference number. It is intended to address situations when similar items on the agenda can be combined and addressed at the same time. It also intends to address situations when Council chooses not to address an item on the agenda. The procedure needs to be clarified and should take into account that the agenda items were initially approved by Council which included the item that Council now wishes not to address.
8. Clause 24 – deadline for the CAO to provide the Council meeting agenda.
Agendas are provided electronically to each Councillor with very few hard copies prepared. This clause possibly should address the different agenda

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formats and to whom they are provided. The following resolution by Council provides information for this clause: ‘The Town discontinue the production of paper copies of the supporting documents for the Council Agenda, and the only paper copies shall be made available to Council and the general public will be the two-page Meeting Agenda. Further, that a full paper copy of the agenda and supporting documents continue to be provided to the local newspaper for reporting processes.’ (Resolution 2012-386; August 27, 2012)

9. Clause 25 – ability to add items to the agenda at the meeting
This clause should state that only emergent items are to be added to the agenda after the agenda package has been finalized and distributed.
10. Clause 28 – ‘Standing Committees of Council shall be established and governed by policy or bylaw approved by Council. Where appropriate authority is delegated to a Standing Committee, such committee and its mandate shall be established by bylaw.’
‘Standing Committees’ are not defined in the Definitions section or in this clause. Section 4.1.2 of this report addresses committees and it is noted that there are no terms of reference for several committees of Council.

This report will include a recommendation that the Procedure and Committees Bylaw 2012-599 should be reviewed and amended. During this review, the following topics should be considered to be included:

- Organizational meetings
- In Camera sessions
- Public hearings
- Rules of debate
- Point of order
- Voting on a question
- Duties of the chair
- Pecuniary interest (see note)
- Bylaw procedures
- Notice of motion
- Future consideration of defeated motions
- Councillor reports
- Addressing items resulting from delegation presentation

Note: It was determined that a Councillor had declared a pecuniary interest but remained at the table and did not leave the Council chambers as required under Section 172(1)(d) MGA.

4.3.2 Agendas

Clauses 23 – 26 of the Procedure Bylaw establish the procedures for preparing and distributing the agenda for each Council meeting:

- The CAO is to prepare the agenda.
- Documents and delegation appointments are to be received by 1:00 p.m. on a business day five days before the meeting.
- The agenda with supporting materials are to be provided to each Councillor not later than 4:30 p.m. three days before the meeting.
- When deadlines are not met to include information or make appointments for delegations, an amended agenda with the agenda items added shall be deemed acceptable. (Clause 25)
- The agenda format with the order of business is:
 - Call to order
 - Adoption of agenda
 - Adoption of the previous minutes
 - Public hearings
 - Delegations
 - Old business
 - Bylaws
 - New business
 - Councillor reports
 - Chief Administrative Officer report
 - Financial
 - Correspondence
 - Confidential items
 - Adjournment

The CAO prepares a Request for Decision for each item on the agenda. Each Request for Decision references the agenda item and provides information, as appropriate, as follows:

- Background/proposal
- Discussion/options/benefits/disadvantages
- Costs/source of funding
- Recommended action (by originator)

This is an important and necessary part of the agenda package to meet the CAO responsibilities as stated in the MGA; specifically, to advise and inform the Council on the operation and affairs of the municipality. (Section 207 (c) MGA)

Council meets twice per month and the same agenda format and order of business is used for all regular meetings. One exception is that current practice is to have Councillor reports only at the 2nd meeting but opportunity is still provided at the 1st meeting for Councillor reports as required.

The agenda package is prepared by the CAO who sends an e-mail to each Councillor advising that the agenda has been published on the Town website and

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is available for their review. A hard copy is provided for the press and CAO. The agenda package on the Town website is available in the following manner:

- The agenda without attachments is in the 'Agenda' section.
- The agenda with attachments is in the 'Council Package - Public' section; and
- Confidential information is available to Councillors requiring a password.

Councillors commented that each does not have any problems in placing items on the agenda, that most generally have sufficient time to review the agenda and prepare for meetings and that the CAO provides sufficient information to them to make decisions.

The inspector noticed, when reviewing past Council meeting minutes, that the opportunity to add items to the agenda is being abused by Councillors. There are three opportunities for Councillors to get items on the Council meeting agenda:

- Five days prior to the meeting.
- After the agenda has been completed but in sufficient time for the CAO to prepare an amended agenda.
- Before the agenda is approved by Council.

In 2012, 43 items were added before the agenda was approved in 18 of 20 regular meetings; up to five items in one meeting. (2011 – 41 items, 15 of 21 meetings, up to 6 items)

The Procedure Bylaw defines 'emergent items' as 'items of an emergency nature that cannot be left until the next meeting or requires immediate attention'.

Council meets twice per month and there are too many items being added at the last minute which do not meet the definition of 'emergent'. The significant number of last minute items possibly indicates that:

- Council is involved in too much administration (which will be addressed in this report),
- Poor planning and poor communication with administration on the part of the Councillors because it is individual Councillors adding these items to the agenda.

The minutes also identify at least twelve times when items were raised by Councillors that were not on the agenda. There is no formal process followed determining if Council wishes to add these items but rather they are discussed and followed with decisions. These instances are not included in the 'items added statistics'.

The October 29, 2012 Council meeting provides an example of how Council and Councillors have disregarded proper procedures and the MGA. A Councillor made a request to go in camera to discuss a labour issue: this item

- was not on the agenda and Council did not pass a motion to add it to the agenda,

- was not eligible to be discussed in camera, and
- was administrative in nature.

Three contraventions!

4.3.3 Minutes

The Procedure Bylaw does not include a specific section to the recording and distribution of minutes and there is no policy regarding minutes. The Council meeting minutes are prepared by the CAO and included in the agenda for the next Council meeting. Minutes are posted on the Town website prior to Council approval.

The Council meeting and Public Hearing minutes were reviewed for 2011 and 2012. The minutes are prepared in a consistent format and provide a good record of the meeting proceedings. A brief description is provided for each item (except confidential items) followed with the Council decision. Council decisions are referenced with the year and consecutive number. The minutes are well done in spite of some discrepancies found during the review.

Reviewing the minutes for this municipal inspection took longer than normal because there were:

- Significant frequency of administrative agenda items. (Section 4.3.5)
- Items added during the meeting that were not on the agenda.
- Items discussed during the 'in camera' portion of the meeting that were not eligible for 'in camera' discussion. (Section 4.3.6)
- Lengthy councillor reports (Section 4.3.8)
- Rescinding motions and defeated bylaws

Therefore, the minutes review required not only notes from reviewing the minutes but time to review the background and reasons. Appendix 8.2 provides some of the specifics; administrative items, in camera and councillor reports are addressed in separate sections of this report.

The Town uses the minutes to report on Council activities and this has been taken to the extreme. (See Section 4.3.8 Council Reports)

The following summarizes some of the findings:

- Reasons for going in camera are not stated. Note: The agenda provides the generic reasons of either 'land', 'labour' or 'legal' but the minutes do not even indicate this.
- The number of votes for and against were recorded in 2011 but this was discontinued in 2012 unless it was requested.
- Sometimes when the votes were recorded, the numbers did not add up to the total Councillors in attendance. This was verified with the CAO's meeting notes and, in most cases, the numbers were correct. Councillors are required to vote (Section 174(1)(f) MGA).

- The time a Councillor left the meeting for pecuniary interests and returned was not recorded.
- ‘Tabling’ motions are not used correctly.
- The number of votes for and against for position elections at an organizational meeting were recorded. This has potential to create negativity and has since been discontinued.
- Some resolutions needed to have more information and be more definitive.
- Some agenda items added were not specifically identified.
- Information was provided on future meeting dates with some dates not according to a previous Council resolution; the new dates were not approved by resolution.
- Issues from delegations were addressed but not added to the agenda.
- There was difficulty in determining what items in the minutes were discussed in camera because some resolutions following the ‘Confidential Items’ on the agenda, which is to be the last agenda section, were determined to have not been discussed during the in camera session.
- A Council resolution was approved that included a personal commitment from a Councillor that was not related to Town business.

4.3.4 Public Hearings

The Town conducts public hearings in accordance with Section 230 (2) of the MGA. The Town Procedure Bylaw does not address public hearings other than it is noted as part of the regular Council meeting agenda. The Town normally holds public hearings on the same evening but prior to a scheduled Council meeting. 1st reading is given to the bylaw at a Council meeting prior to the public hearing and the 2nd and 3rd readings are normally given in the Council meeting of the same evening following the public hearing.

There were four public hearings held in 2011 and 2012. Nobody from the public attended and there were no written submissions. The minutes indicate that these public hearings were conducted properly.

4.3.5 Roles and Responsibilities

The distinction between governance roles and responsibilities and administrative responsibilities would normally be addressed in Section 4.1 Governance. It is being addressed in this section, Section 4.3 Council Meetings, because the content of the Council meeting minutes provides the strong evidence that Council does not know their role. Management indicated that, in most cases, they do not experience much Councillor interference but, from reading the Council minutes, management is obviously not empowered to carry out their assigned responsibilities.

Council meeting time has become consumed with ‘administrivia’ with emphasis on ‘trivia’. As noted earlier, the inspector spent additional time reviewing the minutes to make sure that what was considered to be administrative was indeed

administrative. The following summary met the test as did the supporting detail in Appendix 8.2:

- Approved purchases less than \$100.
- Informed of Council Administration Committee to work with CAO on Town website design.
- Addressed personnel items
- Approved manager to attend a conference.
- Approved replacement of damaged equipment and purchases of new equipment when funds already in budget.
- Appointed contractors for normal annual services (cleaning, campground)
- Allocated \$300 to paint fire hydrants and funds to purchase and water flowers.
- Released funds approved in the budget to a committee.
- Approved payments on contracts previously approved by Council.
- Approved Town float items (3 separate motions)
- Approved traffic related items
- Reviewed a development permit
- Appointed acting CAO
- Addressed bylaw prepared by Councillor with no Council authorization.
Note: Councillor also prepared a draft budget but it only got as far as the Budget Committee.

Council has continually ‘crossed the line’ into administration. This is not only a contravention of the MGA but has resulted in inefficiencies at the Council table and the office of the CAO.

4.3.6 In camera meetings

Councillors indicated that ‘in camera’ sessions are frequently held during the regular Council meetings but they felt that the items addressed met the eligibility criteria for discussion in private. There was only one regular Council meeting in 2011 and 2012 in which Council did not have an ‘in camera’ session. These ‘in camera’ sessions averaged 1 hour in 2011 and ½ hour in 2012. These statistics do not include committee meetings some of which were closed to the public; for example, budget meetings. Council meeting without the public present to discuss Town business is appropriate as long as the discussion items meet the legislated criteria to be declared confidential. The problem with these ‘in camera’ sessions is that items were discussed that did not meet the eligibility criteria to be discussed in private and it appears that conducting these private conversations became habitual.

The agenda identified each item to be discussed in private in the ‘Confidential items’ section of the agenda but in very general terms – Land, Legal, or Labour were the three terms used. Items would also be added by Councillors ‘on the fly’ before going into the private discussion; items such as ‘a personnel matter’.

During the December 10, 2012 Council ‘in camera’ session which the inspector attended, the Mayor asked Council if there were any other items to be discussed. The Mayor had already discussed and presented information on an item that did not meet the eligibility criteria and it had not been identified on the agenda prior to going into the ‘in camera’ session.

Council discussed 43 items in 2011 and 2012 that did not meet the MGA eligibility criteria to be discussed in private; examples of these items are:

- Inter-municipal committees, memorandums of agreement and relationships
- Bylaws
- Financial contributions and capital project tenders
- Inter-municipal Development Plan
- AUMA conference resolutions
- Council Committee and Board appointments
- Development permits, road closure, site servicing
- Public works staffing
- Town services
- Town land development, reserve lands, site assessment
- Revenue and cost sharing with municipalities

4.3.7 December 10, 2012 Council Meeting

The inspector attended the Council meeting of December 10, 2012; observations are noted as follows:

- The meeting started fifteen minutes late because Council had a Senior’s Manor meeting prior which was ‘in camera’ to address a contract for maintenance work. This meeting eventually had to recess and it continued following the Council meeting.
- The Mayor and four Councillors were in attendance; two Councillors were absent.
- There were six people in the gallery including Town employees in attendance to report to Council, several interested in a library Council decision and the press.
- An amended agenda was distributed with the following additions:
 - Recreation report by Recreation Director
 - Public Works report by Public Works Manager
 - Five Councillor reports

Note: There was some uncertainty as to how often the Recreation and Public Works managers are to report – monthly, quarterly? It has not been consistent and their appointments were not on the initial agenda.

- Prior to approving the amended agenda, three more items were added:
 - Grader bid
 - Council binders
 - Fire agreement meeting

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- Council immediately went into an in camera session and requested the public in the gallery to leave. The reason for meeting in camera was not stated and not on the agenda. The intended purpose was to address a leave of absence from Council by the Deputy Mayor. This item would be eligible for discussion in camera.
- A temporary leave of absence was granted by Council to the Deputy Mayor with no time period mentioned in the Council resolution.
- Council then conducted a vote to replace the Deputy Mayor in his absence; nominations were made with one nomination put forward and, therefore, the Mayor declared the appointment with no Council resolution.
Note: Procedure Bylaws 2012-599 and 2009-569 (which are both active – see Section 4.3.1, Procedure Bylaw) state that Council appoints the Deputy Mayor. Clause 4.5.1 of the Governance Policies approved by Council states that the Mayor appoints the Deputy Mayor. There is a contradiction between the bylaws and policy but the bylaw would take precedence over the policy.
- The Recreation Director provided a written report and the Public Works Manager an oral report. There is not a standard reporting format for managers.
- The Recreation Director asked Council about replacing the Zamboni. This was not in his report and the CAO did not know that this item would be discussed. Quite a bit of time was used to discuss this item; an item for which Council did not have any information to reference.
- Agenda item – Council remuneration
A sample policy from another municipality was discussed by Council. The CAO did not have a recommendation for this item. Council had conversation regarding this agenda item and it appeared to be more for their benefit and was excluding those in the gallery. This was an example of the Councillors not addressing the chair to speak and instead hunkering down behind their ‘2nd tier’ to discuss the agenda item.
- Councillor Reports
Councillors are expected to provide written reports on their activities. The Mayor’s report was included with the agenda; four reports were handed out including two from the absent Councillors. The reports were reviewed but not read, which was a good thing, because some of the reports had an overabundance of detail. There was good discussion and the reports were handled well. Following the report presentation and discussion, there was a motion to accept all Council reports as information. The written reports are provided electronically and ‘cut and pasted’ into the minutes; eight pages for this meeting.
- The CAO written report was distributed at the meeting. The report consisted of a daily/hourly time record indicating the tasks that were conducted; details such as ‘issued cheques for Wellness Society Accounts’ and ‘set up interviews for Administrative Assistant position’. The CAO report was accepted as information by a Council motion.

- The financial report consisted of the financial system general ledger trial balance showing year to date budget, actual, dollar and percentage variance for every revenue and expense account in the general ledger; in other words, very detailed. This report was seventeen pages and is provided at each Council meeting which can be twice per month. Council questioned various budget lines after which the financial report was ‘approved as presented’.
- The accounts payable cheque list for November 27 to December 10 listing vendor, cheque number, date of cheque and amount was presented and ‘approved for payment’ by Council.
- Correspondence that did not require Council action was reviewed and accepted as information.
- The Mayor declared a brief recess before going into an ‘in camera’ session to address a ‘labour’ item which was appropriate to be discussed without the public present. The item was the 2013 salary and wage grid. The salary and wage grid information for each employee position and each of the increment levels 1 – 10 was provided to Council with a recommendation from the CAO. Note: Possibly more detail than was necessary. Following the discussion, the CAO collected the information that had been distributed.
- The Mayor presented another item that was not on the ‘Confidential items’ agenda regarding revenue and cost sharing. After these materials were presented and discussed, the Mayor asked if there was anything else to be discussed before returning to the public portion of the meeting.
- Council approved the salary and wage grid as presented.
- The meeting was then adjourned by a Council resolution.
- The Mayor made motions; 10 of the 25 motions. There were eight business decision motions of which the Mayor made three.
- Council then re-convened the Seniors Manor Board and went in camera to discuss a contract.

Council Chambers

The Council chambers are new with sufficient room to adequately accommodate the public. The Council table is elevated and the Council table is two-tiered; the second tier (panel) is fairly high which hides Councillors if they are reviewing their computer tablets. Note: Agendas are provided electronically; therefore, they are continually looking at their tablets throughout the meeting. The present layout of the Council table gives the public the perception that Council is not accessible. Often, just the top of Councillors heads can be seen which, besides poor visibility, creates difficulties in hearing the Council discussions and decisions. These observations were confirmed by another person who has attended Town Council meetings; as well casual observations of the few in the gallery indicated that they appeared to be ‘disconnected’ from the Council proceedings.

Concluding Comments

The meeting was run fairly well and was conducted according to proper procedures. It could possibly have been more formal as there were times when internal discussions were being held between individual Councillors. Opportunity was provided by the Mayor for all Councillors to comment. Some items got 'bogged down' due to the detailed discussion and material presented. There was sufficient information provided by the CAO to Council; the CAO did not provide recommendations on all of the business items.

4.3.8 Other Council Meeting Observations

1. Reports to Council

a. Councillor Reports

The Council meeting agenda provides a specific time in the meeting for each Councillor to report on their activities as Councillor since the last Council meeting. Councillors are appointed to several internal and external committees and boards to represent Town Council. Minutes of these meetings are normally available for Town Council but it is also important for Councillors to report on significant items of which all of Council should be aware. Some municipalities encounter difficulties in obtaining good reporting from individual Councillors so the Town Council should be commended for their reporting.

The Town's approach to Councillor reporting is that:

- Each report should be a written report.
- Each written report is included in the Council meeting minutes without editing.
- Oral reports can be made but the content of oral reports will not be in the Council meeting minutes.
- Council decided to have Councillor reporting at the 2nd meeting of the month. The agenda for the 1st meeting of the month continues to provide for Councillor reports and the Mayor has indicated that she will continue to prepare a written report for each meeting because too much can happen between reporting periods if they are just monthly

There is no Town policy regarding Councillor reporting.

What should a report by a Councillor include to address the reason for reporting? The report should summarize key decisions and issues that may impact the Town presently or in the future. The report should not be a newsletter that is tracking every Councillor activity. The report should be concise. It also should not be repetitive; for example, if two Councillors represent the Town on the same Board there should be one report for that Board.

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While it is commendable to have consistent reporting from Councillors, these reports should be streamlined for at least two reasons; they are public and they become part of the public record. Observations of current practices are noted as follows:

- These reports are 55% of the total 2011 and 2012 Council meeting minutes. One meeting had 24 pages of minutes of which 17 pages were Councillor reports. 13 sets of meeting minutes had 10 or more pages for Councillor reports.
- Committees and Boards with more than one representative would have two or more separate reports.
- Some of the reports were ‘opinion blogs’ and ‘editorials’. More than facts were presented; personal opinions were provided.
- Reports were repetitive; sections would be identical to a previous report.
- All Committees and Boards were reported on even if there had been no meeting since the last report.
- Reports included Councillor activities in addition to Committee and Board representation. Note: These reports provided information that indicated that some individual Councillors were involved in administrative matters.
- Reports were ‘newsy’ and provided information that was not appropriate in public record or appropriate coming from an elected official. For example, detail on the CAO evaluation, employee resignation and willingness to provide a letter of reference.

Council has discussed the reporting by Councillors several times as indicated in the Council meeting minutes:

- Councillors should e-mail their reports to other Councillors. (May 9, 2011 – statement in minutes but no Council resolution)
- Suggest creating an organization spreadsheet to capture the times and lengths of committee meetings. (October 24, 2011 – no Council resolution)
- Requested that if a Councillor does not attend a meeting, to state in their report that they did not attend. (June 11, 2012 – no Council resolution)
- Requirement to submit monthly reports and whether failure to submit reports should result in withholding of monthly pay. (Discussed at November 26, 2012 and future meetings)

A policy to standardize Councillor reporting will assist individual Councillors in determining the expectations for reporting.

b. **CAO Report**

The CAO is required to ‘advise and inform the Council on the operation and affairs of the municipality’ (Section 207 (c), MGA). The Town has a policy regarding the CAO report; Section 5.8.1 of the Governance Policies approved by Council;

‘Operational status reports including information in regards to, but not limited to, taxes collected, development permit applications and permits, financial statements, maintenance projects, and any other issues, are to be presented to the Council by the Chief Administrative Officer or finance personnel at each regular Council meeting’.

The CAO report should also include updates on the status of carrying out Council decisions.

The CAO reports have:

- Updated Council regarding their decisions.
- Provided awareness of municipal operations but at times are too detailed; for example, one report mentioned an employee coming back to work part time. This is not appropriate for public record.
- Provided the CAO hourly activities.
- Commented on future activities providing details on how they will be administered.

Most of the information provided to Council is appropriate for Council to know. But should the CAO public report be the only communication tool to Council? The CAO may want to consider providing information to Council in two ways:

- Formal report to Council as part of the agenda which provides the status of carrying out Council decisions, future issues, and information as noted in the policy.
- Informal reporting by way of written communique that is not part of the agenda and provides updates on Town personnel, functions and other information that may be of interest to Council but is not related to Council decision making.

2. Council Resolutions

a. **Motions made by the Mayor**

The Mayor makes a significant number of motions. The Mayor made 133 motions in 2012; 25% of the total motions. (2011 – 182; 29%) It is unusual for a chair to make motions other than motions of thanks, congratulations and condolences or declaring the meeting to be adjourned if all of the agenda items have been addressed. Whereas the MGA is silent on this matter, it is important for the chair to allow Councillors to make the motions. The chair may suggest that it would be appropriate for a particular motion to be moved with suggested wording.

b. Insufficient information

It is important that Council resolutions have sufficient information to indicate what was approved. Several Council resolutions did not indicate specific direction that the CAO was required to follow. Also, motions to approve the budgets do not include the total amount of the budget that is being approved.

c. Rescinding motions

Council occasionally revisits a previously adopted motion and decides to alter the previous decision. Rescinding a previous motion may be the appropriate approach in some cases but not appropriate in others. For example, if action has been taken that is impossible to undo, then rescinding that motion is not appropriate. Appendix 8.2 provides situations where a new motion may have been more appropriate than rescinding the previous motion. Examples are:

- Council made a request of a third party for something. The request was denied but since the request had already been made, any subsequent action should be addressed with a new motion.
- Council replaced a Town appointment with a new appointee. Since the first appointee had already attended a meeting, it is not appropriate to rescind; a new motion is required.

d. Tabling motions

Procedure Bylaw 2012-599 includes the following definitions:

‘Lay on the table’ means a pending question is set aside temporarily when something more urgent has arisen.

‘Postpone’ means to delay the consideration of any matter either to a definite time when further information is to be obtained or indefinitely.

‘Table’ means a motion to delay consideration of any matter in order to deal with more pressing matters, which do not set a specific time to resume consideration of the matter (or may mean to table to a time certain).

Council regularly uses the term ‘table’ to defer or postpone a decision to another time, normally a future meeting. A ‘tabling’ motion is often considered to be a motion that cannot be debated before a vote is taken on the motion. Clause 15 of the Procedure Bylaw states that motions to postpone or table are not debatable. This report already indicates in Section 4.3.1 that it is not appropriate to not allow debate on motions to postpone. A motion to defer or postpone a decision to obtain more information or provide time for further analysis should be debated; if not, it provides opportunity for abuse of this procedure. Clause 15 should be revised and Council should start using the terms ‘postpone’ or ‘defer’ instead of ‘table’ unless the reason is emergent and the item will be ‘brought back from the table’ and addressed later in the meeting.

4.3.9 Conferences, seminars and workshops

Professional development is important for Councillors to carry out their responsibilities in the best possible manner and Councillors need to be aware and knowledgeable of the issues that Council is addressing. Clauses 4.3.3 and 4.3.4 of the Governance Policies approved by Council emphasize the importance of training and development; the following summarizes these clauses:

- Training and development opportunities require Council approval.
- ‘Learnings’ are to be reported back by written report and/or presentation.
- All Councillors may attend the annual Alberta Urban Municipalities Association convention.
- Councillors may attend the Annual Federation of Canadian Municipalities Conference when held in Alberta and the Mayor, one Councillor (determined by rotation) and the CAO may attend when out of province.

Council has the necessary policy in place but it is unfortunate that Council chose not to include funds in the 2012 budget for training (Resolution 2012-189, April 11, 2012). Also, approval was given for three Councillors and the CAO to attend the 2013 Spring AUMA convention with funds to be included in the budget (2012-458, October 29, 2012). The spring convention may not be considered to be the annual convention; therefore, the policy should be clarified.

4.4 Annual Budget, Financial Records, Financial Reporting and Annual Audit

This section will identify the findings regarding the annual audit, annual budget and financial reporting. The scope of the annual audit by an independent auditor includes reviewing the financial records and obtaining reasonable assurance that the financial statements are free of material misstatement. The scope of this inspection did not duplicate the work of the auditor but reviewed the results of the audit including the management letter. Pertinent information included in the management letter and obtained in discussion with the auditor will be included in this report.

4.4.1 2011 Audit, Financial Statements and Management Letter

Endeavour Chartered Accountants was appointed to be the Town auditor for a three year term for the 2011-2013 fiscal years following a ‘request for proposal’ process. The audit report for the 2011 financial statements is dated March 1, 2012. The auditor presented the financial statements on April 10, 2012 to the Audit Committee and which were subsequently approved by the Audit Committee. They were accepted as information by Council on April 11, 2012. The financial statements were received by AMA on April 16, 2012. This was the first time that AMA had received financial statements from the Town by the legislated date of May 1 since the 2006 financial statements. The 2009 and 2010 financial statements were not received until December of the following year.

Section 4.2.2 summarizes the 2011 financial statements. Summary comments from the auditor's letter to management are:

- Recommend that bank reconciliations be reviewed for completeness and accuracy and signed off by the CAO and provided to Council for their review and approval on a monthly basis.

This is an administrative process and approval should not be required by Council. The inspector discussed this recommendation with the auditor and indicated that this report would include a recommendation to discontinue presenting bank reconciliations to Council for approval. The auditor understood the premise of the recommendation and concurred.

- Recommend that all changes to restricted surplus be approved through Council motion.

The auditor confirmed that this recommendation would not include transfers to and from restricted surplus accounts included in the budget approved by Council.

- Recommend that supporting documentation be provided for journal entries, interest accruals be recorded and several receivable/liability/control accounts be kept in balance.

These matters are fairly straight forward and the CAO confirmed that they had been addressed. The auditor had conducted the 'field work' in November for the 2012 audit and found things to be in 'ship shape'.

4.4.2 2012 Annual Budget and Tax Rate Bylaws

Council approved a 2012 interim budget based on the 2011 budget on November 28, 2011. The final 2012 operating and capital budget was approved at a regular Council meeting on May 14, 2012. It was presented with three options; retain 2011 combined tax rates with assessment growth only; increase combined tax rates 1.5%; increase combined tax rates 3.0%. After defeating the 3% option, Council approved the 1.5% option. This option resulted in a deficit of \$27,355 to be funded from a restricted surplus account. The CAO presented a 'budget notes' document addressing the following items:

- Tangible capital assets and depreciation expense
- Proposed capital projects and funding sources
- Transfers to restricted surplus accounts
- Utility rate increases

The 2012 Tax Rate Bylaw 2012-601 is sufficient and was passed with all three readings at a Special Council meeting on May 16, 2012.

The Budget Committee, consisting of three Councillors, met three times to discuss the budget before the budget was presented to Council. All of the Budget Committee meetings did not include the public. The budget presentation to Council was during a regular Council meeting which did not provide very much time for the Councillors not on the Budget Committee to address the budget. The budget document presented to Council was a 'line item' budget with no other

narrative than the ‘budget notes’. Projected cash positions were not addressed in the budget.

4.4.3 Financial Reporting

Council regularly receives the following financial reports:

1. **Trial Balance and Variance Report to a Specified Date**
This report is exactly as the title states; it is a general ledger trial balance for every account in the General Ledger providing the year to date budget, year to date actual and the dollar and percentage variance. There is no written narrative included with this report. This report is provided at every meeting; therefore, normally twice per month. The Council decision is to ‘approve this report as presented’.
2. **Issued Cheque List to a Specified Date**
The cheques to be issued for a specified time period are presented in a list stating the vendor, cheque number, date of cheque and amount. Council makes the decision to approve this list for payment.
3. **Specified Month Bank Reconciliation**
This report provides the bank reconciliation for each Town chequing and investment account. It provides all of the detail including outstanding cheques and to whom each was issued. This report results from a recommendation from the auditor for Council to approve the monthly bank reconciliations.

4.4.4 Other Financial Matters

1. Restricted Surplus Accounts

A restricted surplus account is an account that has been established to hold funds for a future purpose. This restriction may result from agreements with third parties, Council resolutions or bylaws that designate these funds. Each account should have a policy that states the purpose, conditions to transfer to and from these accounts, minimum and maximum levels, term, whether interest revenues will be added to the account and the approval process. Each account should be regularly reviewed to determine if it is meeting the intended purpose, is following policy and is still required.

Council closed eleven restricted surplus accounts in 2012 by transferring excess funds in these accounts to other restricted surplus accounts. There are still fourteen active restricted surplus accounts but there are no policies for these accounts. Policies should be developed for each of these restricted surplus accounts. Consideration should also be given to developing a ‘working capital’ restricted surplus account.

2. Tangible Capital Assets and Funding Amortization

The CAO indicated that the Tangible Capital Asset Register developed in 2009 to meet standardized accounting requirements met the minimum

requirements but it needs to be improved. The Town is also trying to provide sufficient funds in the annual budget to fund the annual amortization expense. This is not a legislated requirement but it is a very good initiative and the Town is to be commended for trying to achieve this target. The CAO indicated that this plan will take several years to achieve. There will be no recommendations in the report regarding tangible capital asset records but consideration should be given to developing a long range capital replacement plan that will include the funds from the property taxes levied to cover the annual amortization expense.

3. Municipal Tax Levy – Operating and Capital

The format of municipal financial statements changed in 2009. The new format does not identify all of the operating and capital transactions in the Statement of Operations. The CAO should become familiar with this new format and develop supplementary statements for internal use that will identify the portion of the annual property tax levy that is used for operating, current year capital acquisitions; debt payments and future projects. This statement should be developed using actual information from the audited financial statement and projected budget information for the next year.

4. Residential Property Tax Incentive

Council passed a resolution on June 12, 2007 (#2007-618) to ‘freeze the assessment for a period of three years for properties where dilapidated homes are replaced with new homes’. Council has subsequently used this resolution to provide tax relief for these situations upon application. A bylaw compliant with Section 347 MGA should be developed to formalize this property tax incentive.

5. Town Recreation Societies and Regional Water Line

Section 4.2.1 provides information regarding the recreation services in the Town. Individual sub-committees and organizations are listed. Each has separate legal status and generates revenues that benefit the overall Town recreation operations. The financial information for each of these organizations is not included in the Town financial statements. The Curling Club has been addressing a Canada Revenue Agency filing penalty issue for several years that is still not resolved. The Town is aware of it but is not taking an active role in addressing it. The Town is also a member of the regional water line commission; this Commission has debt. The auditor has expressed concerns about new non-profit organization accounting regulations that may require reflection of potential financial obligations of these organizations in the Town financial statements. This is for information only and the report will not address this matter any further.

4.5 Village Administration and Personnel

4.5.1 Chief Administrative Officer

Council is required to establish the position of the Chief Administrative Officer and appoint a person to this position (Sections 205 & 206, MGA). Sections 207 and 208 of the MGA state the responsibilities and duties of the CAO. Town Bylaw 516-2003 establishes the position of Chief Administrative Officer referred to as the 'Town Manager'. This Bylaw confirms the responsibilities stated in the MGA and provides additional specifics and clarifications of the CAO responsibilities and duties specific to the Town.

The following inconsistencies regarding the CAO Bylaw and its application were determined during the inspection:

- The CAO Bylaw authorizes the CAO to 'establish the structure of the administration of the municipality, including the establishing, merging, dividing and eliminating of departments and establishing a managerial hierarchy and an administrative and reporting policies and procedures'. Council recently passed a series of Personnel policies. Clause 1.3.1 states that Council has the 'authority and responsibility to establish and amend the organizational structure'. This clause contradicts the CAO Bylaw.
- The CAO Bylaw authorizes the CAO to 'appoint an Acting CAO to act during the absences of the CAO which has all the powers, duties and functions of a Designated Officer as required under the MGA or any other act'. The clause in the CAO Bylaw is supported by Section 209 of the MGA which authorizes the CAO to delegate CAO powers, duties and functions. Council contravened the MGA and the CAO Bylaw by appointing a Town employee to be the acting CAO in the absence of the CAO (Resolution 2012-147)
- The CAO Bylaw provides for the CAO to 'authorize the placement from time to time of traffic control devices, including traffic control devices restricting the speed of vehicles, at any locations considered necessary for controlling highways subject to the direction, management and control of the municipality'. Council approved the removal of a temporary stop sign (Resolution 2011-237); Council approval was not necessary.

Council was not aware of the CAO Bylaw 516-2003 when interviewed and the CAO also commented that she had not reviewed this Bylaw. The CAO subsequently confirmed that all parts of Bylaw 516-2003 were still current.

Council is commended for having a formal CAO evaluation process which is conducted annually. Council was in the middle of this process during this municipal inspection. Council uses a '360 degree feedback' approach which includes evaluations from Town employees. Council formally approved the CAO evaluation process (Resolution #2010-387, November 8, 2010); this process has not been put into policy. Section 4.1.5 states that a CAO Evaluation Process

policy should be developed. The following points should be considered when developing this policy:

- Some of the evaluation questions seem to indicate that the CAO is not fully responsible for tasks and that they require Council involvement. Examples include the CAO ‘assists setting the agenda for meetings’ and the CAO ‘provides hiring procedures and selection of new employees’ – provides to whom?
- Some of the questions of staff would be considered a staff evaluation which is not Council’s role. For example, ‘Are you happy working for the Town of Coronation?’
- Each Councillor is asked ‘What should be the organization goals for the CAO for the coming year?’ Talking about organizational goals is valuable but the Town needs to focus on long range planning to address this question properly and then dialogue with the CAO on future goals and achieving past goals.
- Provide opportunity for Council and the CAO to informally dialogue about the evaluation and the future expectations Council has for the CAO. The performance review is a confidential matter and any related discussion should be conducted in an ‘in-camera’ session. The written evaluation should be prepared for all of Council to review ‘in-camera’ and discussed with the CAO ‘in-camera’. Note: There may not be sufficient time during a regular Council meeting to conduct a meaningful evaluation. The summary evaluation will not be part of the minutes but there should be a resolution indicating that the evaluation was conducted, for what time period and that a written performance evaluation approved by Council was provided to the CAO.

The current CAO was appointed in October, 2010 immediately prior to the municipal election. The appointment was made by an outgoing Council but the contract was not finalized until after the election which placed the new Council at a disadvantage because there were four new Councillors. But, overall, the appointment was a good decision. The 2011 CAO evaluation was positive and Councillors continue to have positive comments regarding the Town CAO regarding improved Town administration and financial management. A question was raised during the inspection by an elected official regarding appropriate CAO compensation. This report will not address what the CAO should be paid but the inspector has observed situations where a good CAO has left a municipality for higher compensation elsewhere and the compensation package for the replacement CAO ends up being greater than that of the previous CAO. The Town CAO has not given any indication of leaving but Council needs to make sure that their CAO is fairly compensated.

4.5.2 Organization Chart and Employee Position Descriptions

The Town organization chart (Appendix 8.4) shows the CAO reporting to Council and four employees reporting directly to the CAO – Finance Clerk,

Administrative Assistant, Recreation Director and Public Works Manager. There are nine full time employees and seasonal employees are hired in the summer. The inspector reviewed the position descriptions with each individual manager; each commented that the responsibilities identified were close to actual and it was evident that they knew their work but were not very familiar with their respective position descriptions. The CAO also commented that updating position descriptions required more attention.

Annual staff performance evaluations were implemented in 2011 by the current CAO. Each permanent employee is reviewed at the end of each year and records substantiated that these evaluations had been properly completed and were timely for 2011 and 2012. Note: This process is inconsistent with the Personnel policies approved; Clause 2.11 states that staff performance evaluations will be conducted on the employee's employment anniversary date. Clause 3.3 states that increases in compensation would be made on the anniversary date and linked to the annual performance evaluation. The inspector agrees with this approach and the CAO should consider following the approved Personnel policy or change the Personnel policy.

Council and Councillors understand that Town employees report to the CAO. While they like to encourage and recognize employees, they have been able to keep healthy boundaries and not be involved in administrative matters regarding employee direction. Public Works experienced some of this prior to the current CAO but has had no problems since.

Town staff morale appeared to be quite good. Good morale was very evident in the Town office. Council approved a 5% salary and wage rollback to help balance the 2011 budget. Staff morale understandably took a setback with this decision and some of the Councillors who were part of that decision indicated that it was not a good decision and Council should have found other ways to balance the budget.

4.5.3 General Administration – Office and Data Security

The Town does not have a policy on the necessary security for the office and data within the office. There is a fire proof safe but no formal off-site storage of computer data. The computer system backup is taken home by a staff member after hours and all of the system backups are stored in a fire proof cabinet during office hours. Administration should consider off-site storage during office hours as well. Copies of minutes, agendas and bylaws can be retrieved from the Town website. The building does not have an alarm system. The Town office was broken into on February 14, 2013 as this report was being drafted. The CAO is currently proceeding to have a security system installed but this report will also include a recommendation supporting the need for good security.

5 Observations

Town Council allows themselves to get ‘bogged down in detail’ and, as a result, it negatively impacts relationships and prevents them from seeing the big picture. Some Councillors may be asking the question ‘What did I sign up for?’ ‘Did I become a Councillor to scrutinize every detail of the Town’s operations? Did Town administration need assistance and I thought I could help? Did I recognize that the Town’s future is at stake and I need to help the Town develop a plan for the future? Most, if not all, of the Councillors would identify the last statement as their reason to be on Council. Unfortunately, detail has gotten in the way and has derailed that commendable goal.

It is interesting how detail can damage relationships. Council made an infamous decision to decline a request from the Communities in Bloom committee of volunteers to approve \$300 for the 2012 annual registration fee (a similar request was approved in 2011). What was the fallout from this decision?

- The split vote created animosity on Council.
- The volunteers felt their contribution to the community was being disregarded.
- A Councillor resigned due to verbal abuse from a Town resident.
- Council called a Special Council meeting to reverse the decision.

It is interesting how detail can reduce vision of the big picture. Council and individual Councillors spend significant time reviewing (and developing) the annual budget by scrutinizing each type of expense. This continues to each Council meeting at which Council receives a fifteen plus page report of details (normally twice per month). Council has been conveying the message to the County that the County is not paying their fair share for using Town services. The fire agreement is currently under review. Yet, as noted earlier in the report, the County contributed 88% of the total Town operating costs excluding amortization. Analyzing all of the detail does not necessarily provide the answers to the important questions.

It is interesting how detail takes over our time. Council meets twice per month, yet Council has needed to pass the required resolution to allow the meeting to go later than 10:00 p.m. (this happened more often in 2011 than 2012). The reason is often that Council is addressing detail that should not be on the Council meeting agenda. And what about the time it takes the CAO to prepare this information for Council? Just think of the time saved by the CAO if the CAO could make the decision without getting Council approval first; decisions would also be more timely.

It is interesting how detail can send unintended messages. The CAO receives positive feedback for her work from Council and consultants. If the CAO is

competent, which presumably all CAO's should be, then why not empower the CAO to do the job and remove Council from the decisions on detail? There can be the unintended message that Council does not trust the abilities of the CAO and, further, the integrity of the CAO when the CAO report includes a detailed time sheet.

It is interesting how detail can alter our priorities. So now back to the commendable goal of looking to the future. Council has not adequately addressed long term planning for the Town. It isn't because Council is not putting in the time. In fact, Council appears to be putting in more time than normal. Council compensation is not based on the number of meetings. Council was recently discussing the merits of reducing or withholding pay of Councillors who do not regularly provide written Councillor reports. Is that what Councillors signed up for? Reporting is important and noted in this report but to what level of detail? There is Council time spent on detail on several aspects of Council that has eroded the time and possibly the desire to achieve the goal of looking to the future.

6 Conclusions

The inspection has determined that the Town has been governed in an improper and irregular manner. 'Improper' because of Councillor conduct. Inappropriate Councillor conduct and poor Council relations were what triggered Council's request for a municipal inspection. Council relations have improved but some incidents left scars but also, to Councillors' credit, regrets.' Irregular' because there are contraventions of the MGA. These MGA contraventions must be addressed; they are specified in Section 7 and include roles and responsibilities, acting by bylaw or resolution, bylaw adherence, and in camera sessions. The recommendations do not include dismissal of Council or a member of Council. There were several occasions when some Councillors did not vote on a Council decision which is grounds for disqualification but there is no specific evidence as to which Councillor (s) did not vote. Also, the recent issue of perceived pecuniary interest contravenes Town policy but it does not contravene the MGA which does not address 'perceived'. There are also other issues resulting in recommendations that Council should address.

Council's desire is to make decisions that are in the best interests of the Town. Town residents feel that property taxes are high; therefore, Councillors feel it is their duty to get involved in detailed analysis of Town costs. Appropriate housing for seniors is a concern of the community; therefore, Council wants to make sure that the Town has fair representation at the inter-municipal Boards. Future growth is important; therefore, Council wants Town priorities to be recognized by the regional economic partnership with realistic strategies to address them. The difficulty Council has encountered is understanding their role as elected officials

and recognizing the important linkage of healthy relationships to successful partnerships.

The Town provides adequate services to its residents. There is a good volunteer component that enhances these services; in fact, without the volunteers some of these services would not or could not be available. The CAO has municipal experience and is well organized and in her first two years with the Town has improved the Town administrative processes and office environment. Council needs to be more aware of their legislated roles and be able to differentiate between a legislated responsibility and an administrative responsibility. The elected officials will require formal training in roles and responsibilities with assistance in making the real life applications.

The Town is not in poor financial condition but it does not have a very good property assessment base from which to generate the necessary property taxes to operate the Town. The Town has aging infrastructure; some is visible such as recreation facilities, seniors housing and roads while the water and sewer infrastructure under the roads is not visible. These needs will not go away and will be a challenge for future Councils to address. Some of these needs cannot be addressed by Council alone. Current partnerships and some new partnerships are key to the future sustainability of the Town. Solid long range planning is lacking presently and needs to be improved. But planning is only part of the solution. Another significant component is partnerships and partnerships are built on relationships. Council relationships, community relationships, inter-municipal relationships. All three of these relationships have had some rocky times recently and some are still not very solid. The responsibility to improve these relationships begins with Council corporately and Councillors individually.

7 Recommendations

7.1 Governance

1. Council must act by bylaw or resolution.

Rationale:

A council may only act by resolution or bylaw (Section 180 (1) MGA). Councillors exercise their authority as a Council; the Mayor and Councillors do not have any authority individually. Individually, the Mayor and Councillors run the risk of generating personal and corporate liability if they act on their own (Section 249, MGA). Section 4 of the report provides examples where actions have been taken without a Council resolution; these are contraventions of the MGA. The Council meeting minutes note Councillors stating that they will be carrying out actions on behalf of the Town some of which are not related to their mandate but are administrative in nature. It is not sufficient for a Councillor to advise Council that he or she is

going to do something that would be on behalf of the Town. Town Committees currently do not have terms of reference and Councillors may be making decisions at these Committees which have not been delegated by Council. Council at the Organizational meeting has by resolution decided to hold regular Council meetings on the 2nd and 4th Monday of every month. These meeting dates change and some months do not have two meetings but Council does not amend these dates by resolution.

2. Councillors and Council must consider the welfare and interests of the Town as a whole in their conduct and, further, must review and strengthen the Town Ethics Bylaw 2009-570.

Rationale:

Ethics Bylaw 2009-570 should be amended to specifically address respecting the personal view of other Councillors and the decisions of Council. This bylaw should be included in the information provided for the Councillor orientation.

3. The duties of Council must be in accordance with Section 153 of the MGA.

Rationale:

Councillors have the following duties:

- (a) to consider the welfare and interests of the municipality as a whole and to bring to council's attention anything that would promote the welfare or interests of the municipality;*
- (b) to participate generally in developing and evaluating the policies and programs of the municipality;*
- (d) to obtain information about the operations or administration of the municipality from the chief administrative officer or a person designated by the chief administrative officer.*

Section 153, (a)(b)(d), MGA

Section 153 of the MGA speaks directly to policies and programs and dealing directly with the CAO or a person designated by the CAO. The Council meeting minutes indicate that Council is involved in matters that are administrative. This issue is significant as noted in Section 4.3.5 Roles and Responsibilities.

4. The Town must schedule a workshop on roles and responsibilities exclusively for Town Council and administration to be held prior to the 2013 municipal election and to be conducted either by Alberta Municipal Affairs or a consultant approved by Alberta Municipal Affairs and all must attend. Prospective candidates for the 2013 municipal election could be invited.

Rationale:

The current Council has not had any orientation on the roles and responsibilities as a Council or as an individual Councillor. Council defeated a motion in April, 2012 to budget for municipal governance training for elected officials. All of Council needs to know what is defined as good governance so that their work can be streamlined with a greater focus on the long term needs of the Town. The CAO should also attend this workshop.

5. *The focus of all Committees of the Town must be in accordance with Section 153 of the MGA.*

Rationale:

The 'terms of reference' for Town committees must be focused on the theme of Section 153 and remove the administrative tendencies some of the Committees have followed. For example, the name of the current 'Corporate Services Committee' was just changed from the name 'Administration Committee'; there are no 'terms of reference' for this committee. Has it changed in name only?

6. *The Corporate Services Committee, Public Works Committee and Recreation Committee must be discontinued immediately until terms of reference have been approved by Council.*

Rationale:

There are no terms of reference approved for the Corporate Services Committee, Public Works Committee and Recreation Committee. Councillors are representing Town Council on these Committees but the areas of responsibility have not been formally defined.

7. *Terms of reference must be developed and approved by Council immediately for the Disaster Services Committee and Fire Department Committee.*

Rationale:

There are no terms of reference approved for the Disaster Services Committee and Fire Department Committee. Councillors are representing Town Council on these Committees but the areas of responsibility have not been formally defined. These Committees need to continue to operate while terms of reference are being developed so as not to jeopardize essential services to the Town residents.

8. *Council must follow Town bylaws and policies.*

Rationale:

The Town has bylaws and policies which are specific to Council. Section 4.1.5 Bylaws & Policies, Section 4.3.2 Agenda and Section 4.5.1 Chief Administrative Officer of this report provide examples of situations when Council is not following approved bylaws and policies. In most cases, this may not be intentional but rather due to not being informed. Whatever the reason, Council is to follow their bylaws and policies.

9. *Council must develop and adopt a three-year business plan and update it annually.*

Rationale:

The Town has had several long term plans developed in recent years such as the Municipal Sustainability Plan and Municipal Development Plan. A long range infrastructure plan is being used but it is not part of an overall Town strategic plan. The Wellness Society has been formed to address Town recreational facilities. But all of Council's time is generally being used to look after 'day to day' detail. Council must begin spending their time in strategic planning and addressing the recommendations provided in these plans. The Municipal Sustainability Plan needs to be improved and then regularly reviewed, updated and complemented with a business plan and strategies to accomplish those goals. This recommendation will assist Council in meeting the requirements of the MGA to 'consider the welfare and interests of the municipality as a whole' (Section 153 (a), MGA).

10. *Councillors should remove themselves from situations where there may be perceived pecuniary or conflict of interest.*

Rationale:

Clause 4.9.1 of the Town Governance Policy states that 'Councillors of the Town are responsible for identifying, and refraining from participation in, any decision whereby a real or perceived conflict of interest exists'. This clause is in Section 4.9 Councillor Pecuniary Interest; therefore, it is assumed that when the phrase 'conflict of interest' is used, 'pecuniary interest' is also implied. Clause 4.9.2 references the MGA regarding the rules to determine pecuniary interest and adherence accordingly and the Town Ethics Bylaw also states that 'Councillors shall govern their conduct in accordance with the requirements and obligations set out in the municipal legislation of the Province of Alberta'. The MGA does not address 'perceived' pecuniary interest but Town policy does. 'Perceived' is subjective and could create some difficulty in interpretation and application; therefore, Council may want to consider removing the term 'perceived' from Town policy. The inspector concluded earlier in the report that the MGA had not been contravened

regarding pecuniary interest in a specific situation resulting in a 'pecuniary interest' reminder letter from the County. But there was obviously 'perceived' pecuniary interest. Also, Councillors are to leave the Council chambers or committee meeting room after declaring the pecuniary interest and return only after discussion and voting on the matter is concluded (Section 172 (1)(d) MGA).

11. Each committee, board and agency with Town representation should be reviewed with the intent of reducing the number of committees, boards and agencies requiring Town representation. Terms of reference should be developed or obtained for those still requiring Town representation.

Rationale:

Council recently reduced the number of committees in October, 2012 (reflected in Section 4.1.2) but this decision was not supported with a Council resolution. Council then decided in 2013 that Council representation was not required on several Recreation sub-committees because Town management also attended these sub-committee meetings. That decision did not reduce the number of committees/boards/agencies listed in Section 4.1.2. The number of committees requiring Councillor representation appears to be higher than normal when compared to other municipalities.

12. The Council resolution 2011-388 to approve the Governance & Operational Policies and the Personnel Policies should be rescinded and, further, policies should be developed by specific subject with each approved separately. The existing policies should be reviewed and, if still applicable, either rewritten or incorporated into new or other policies.

Rationale:

The Governance & Operational Policies and the Personnel Policies were approved with very little Council consideration. There are inconsistencies with these policies and Town bylaws and it appears that Council and the CAO do not fully know what was being approved. Policy development and approval is a major but important task and it should not be done for the sake of doing it. Further, policies prepared by a third party cannot be 'owned' by the Town unless all stakeholders in the Town participate in their development and approval. The policies approved by Council in August, 2011 will be a good resource for the gradual policy development. It is suggested that policies be addressed one at a time and the 'carte blanche' approach not be used. Consideration should also be given to which policies are considered to be administrative and do not require Council approval but would still be part of the policy manual. Each policy should state who the approving authority is, when it was first approved with each amending date and the nature of the amendment.

13. The policies recommended in Section 4.1.5 of this report to be developed should be developed and approved.

Rationale:

Section 4.1.5 provides a list of policies in three categories:

- Situations when Council made a decision that would normally be placed into policy but a related policy was not developed.
- Agenda item subjects that were repetitive in nature due to lack of policy.
- Areas that should have a policy to retain consistency, provide awareness and provide good governance.

Council should prioritize these policies as to which ones should be developed first and direct the CAO to develop such policies to bring to Council in a systematic fashion.

14. The CAO should identify the active Town bylaws and subsequently review each active bylaw for relevance and necessary amendments.

Rationale:

Bylaws are the official regulations used to govern the Town and the MGA grants the Town Council the power to pass bylaws with broad authority and respect to their right to govern in whatever way considered appropriate and to enhance their ability to respond to present and future issues in the Town (Section 9, MGA). It is important that the CAO is knowledgeable of each bylaw, that each bylaw is accurate and will stand up to any challenges and that sufficient information is available to Council so that they are aware of the nature of the Town bylaws. All of the active bylaws should be identified in a separate index and separate electronic and hardcopy files.

15. Council should consider using an ‘open house’ as another method to communicate with Town residents.

Rationale:

The Town uses various communication methods which are working well. Council should consider hosting an event which will provide opportunity for dialogue with residents in a ‘formal/informal’ setting. This approach can be very beneficial to Council and the residents when Council places more emphasis on strategic planning; a process that requires two-way communication.

16. A formal agreement with the County should be developed regarding maintenance of the Coronation airport.

Rationale:

The Town and County jointly maintain the Coronation airport. There is a common understanding of the responsibilities for each municipality but there is no formal agreement in place.

17. A long range equipment replacement plan should be prepared and approved by Council.

Rationale:

The Town may not have a lot of major equipment but replacements can create financial difficulties when there may be financial pressures on a low tax base. A ten year equipment replacement plan that annually allocates funds for future replacements provides for a more stable approach to the annual allocation of property tax revenues.

18. The Designated Officer Bylaw 517-2003 should be repealed.

Rationale:

Designated Officer Bylaw 517-2003 delegates responsibilities of the CAO to a Designated Officer Finance Officer position. This bylaw provides for the appointment of this position by Council. This position is accountable to the CAO but can delegate responsibilities to other Town staff. The Town is not sufficient in size to warrant this designated officer position and is currently not following this bylaw.

7.2 Meeting Procedures, Agendas and Minutes

19. Council must abide by the requirements of conducting Council and Committee meetings in public in accordance with Section 197(2) MGA and the CAO must be familiar with the application of Division 2 of Part 1 of the Freedom of Information and Protection of Privacy Act and advise Council accordingly.

Rationale:

Council may only close Council meetings and Committee meetings to the public if a matter to be discussed is within one of the exceptions to disclosure in Division 1 of Part 1 of the Freedom of Information and Protection of Privacy Act (Section 197(2) MGA). In addition to budget discussions, Council has conducted business in private that contravenes the MGA (see 4.3.5 In-camera Meetings). The CAO must be familiar with the respective legislation and must advise Council as to what is allowed and what is not allowed to be 'in-camera'.

20. Council must conduct all budget meetings in a meeting that is open to the public.

Rationale:

Council may only close Council meetings and Committee meetings to the public if a matter to be discussed is within one of the exceptions to disclosure in Division 1 of Part 1 of the Freedom of Information and Protection of Privacy Act (Section 197(2) MGA). Budget discussions are not one of the exceptions. There may be an occasional situation when a department needs to reduce employees that the 'personal privacy' exception may be used but very rarely because Council needs to remember that the CAO makes employee decisions.

21. All Councillors in attendance at Council meetings must vote on all Council resolutions unless a Councillor has declared reason for not voting that meets the requirements of the MGA .

Rationale:

Council minutes have identified Council resolutions for which there was a recorded vote (without names) and the total votes for and against were less than the number of Councillors in attendance. 'A councillor is disqualified from council if the councillor does not vote on a matter at a council meeting at which the councillor is present, unless the councillor is required or is permitted to abstain from voting under this or any other enactment.' Section 174 (1)(f), MGA

22. The procedures to pass bylaws must be done in compliance with Section 187 of the MGA.

Rationale:

Section 4.1.5 states that there were deficiencies in passing some bylaws which resulted in some bylaws being declared to be invalid. The CAO appears to be aware of the legislated requirements for passing bylaws as identified in Section 187 of the MGA. The difficulty seems to develop when there are amendments throughout this process. Council needs to recognize that giving 1st and 2nd reading still allows for amendments prior to 3rd reading. Amendments should be handled separately from the 'readings' steps. Also, the Council meeting minutes indicate that Council would have significant discussion regarding a bylaw prior to 1st reading and may send it back to administration for a new draft before it is introduced for 1st reading. The approach to consider that may reduce some of the difficulties is as follows:

- The CAO introduces the bylaw and Council gives 1st reading so that discussion can proceed on the bylaw.
- Each amendment desired by Council is made by a separate motion with a separate vote on each amendment.

- The amendments that are approved by Council are included in the bylaw for 2nd reading.
- Council gives 2nd reading to the bylaw.
- Further opportunity is given to Council to make further amendments which would be done by separate resolution.
- If Council wishes to give 3rd reading in the same meeting as 1st and 2nd readings, a separate resolution is required 'to proceed to 3rd reading' which requires unanimous approval of those present.
- Council finalizes the bylaw when 3rd reading is given.

This process is fairly systematic; it provides a good record for the minutes and it allows Councillors to vote against an amendment without the fear of the bylaw being lost.

23. The Council and the CAO must amend their approach to reporting to Council if these written reports are included 'verbatim' in the Council meeting minutes.

Rationale:

Councillor monthly reports to Council included 'opinions' and 'editorials' (See Section 4.3.8) and these reports are 'cut and pasted' into the Council meeting minutes. The MGA states that Council meeting minutes are to be recorded 'without note or comment' (Section 208(1)(a) MGA). Some of the content of Councillor reports contravenes the MGA. Councillor reports should be concise, should address key issues only and should not be repetitive. A policy should be developed that provides for Councillor reports to be accepted as information in the minutes and attached to the respective minutes. Items arising from these reports will be addressed by separate Council resolutions.

24. Procedure Bylaw 2012-599 should be repealed and replaced with a new Procedure Bylaw.

Rationale:

Section 4.3.1 identifies clauses in the Procedure Bylaw 2012-599 that should be reviewed as well as additional topics that should be included. Therefore, the best approach will be to prepare a new Procedure Bylaw.

25. The CAO should prepare recommendations to Council for each item placed on the agenda.

Rationale:

The CAO prepares a Request for Decision for each item on the agenda but does not always make recommendations; especially on sensitive items. Examples taken from the December 10, 2012 Council Meeting agenda addressed the topics of the Council remuneration policy and Councillor

reports. The CAO is the administrative head of the municipality and is to advise and inform Council on the operation and affairs of the municipality (Section 207 (a)(c) MGA). The CAO should make recommendations in the best interests of the Town and Council should recognize that they have the final decision but expect their CAO to bring unbiased information and recommendations that will assist Council with their final decision. This may be difficult to do for sensitive Council items but will benefit all if the recommendations are taken in the correct spirit.

26. Council should focus on policies and long range planning at one of the two regular Council meetings held in each month.

Rationale:

The report emphasizes the need for good strategic planning and addressing policies in a more detailed manner than just ‘rubber stamping’ what someone else has prepared. Some municipalities establish separate times for when Council can discuss business plans, policies, budget initiatives, etc. with less formality resulting in recommendations to a regular Council meeting; meetings such as ‘committee as a whole’ or ‘policies & priorities committee’. Council should develop what works best for them but not with the intention of adding another meeting but rather fitting this recommendation in with the goal to ‘streamline’ Council meetings.

27. The Council table in the Council Chambers should be redesigned so that all of Council is visible to the public at all times.

Rationale:

The present layout of the Council table reduces the visibility of Council to the public. It also results in Council debates not being heard by the public in the gallery since there is no sound system. Modifications should be made to remedy these physical difficulties and show that Council is open to the public.

7.3 Financial

28. The CAO must discontinue presenting bank reconciliations to Council for approval.

Rationale:

The CAO is responsible to ‘ensure that accurate records and accounts are kept of the financial affairs of the municipality’ (Section 208 (1) (j) MGA). This is not a Council responsibility. The Council responsibility is to ensure that the CAO is following through with this responsibility.

29. The CAO should revise the budget document for presentation to Council and the public to reduce the detail line items, provide descriptions of services and programs and identify initiatives for the future budget year.

Rationale:

A budget document should spend less effort focusing on the line items and focus on what services and programs will be provided and the cost of such services including statistical information of staffing and activity. This approach to presenting the budget should encourage the decision makers to see the bigger picture allowing administration to address the detail. The budget should also include a statement of cash flow that will identify all of the operating expenses and capital expenditures for which cash will be required as well as debt that may be issued.

30. The financial reports presented to Council should have less detail and be presented once per month.

Rationale:

The current financial reporting is 'line item' detail which is administrative not proper governance. The report should be condensed to several pages at the most with some narrative explaining any significant variances. This report is only required monthly and the minutes should reflect that it was presented to Council. If a Council resolution is required, it should be to 'accept as information'. The current approach which is to 'approve as presented' raises the question as to what 'disapproval' would indicate?

31. The motions approving the annual operating and capital budgets should include the budget amounts approved.

Rationale:

Council resolutions approving interim and final budgets do not include the amount of the budget approved. These resolutions should indicate the total expenses being approved, whether the budget is a balanced budget and, if it is not a balanced budget, the amount of the surplus or deficit should also be included in the resolution.

32. The CAO should ensure that policies are developed for each of the restricted surplus accounts.

Rationale:

Council closed eleven restricted surplus accounts by transferring excess funds in these accounts to other restricted surplus accounts. There are still fourteen active restricted surplus accounts but there are no policies for these accounts. Each account should have a policy that states the purpose, conditions to transfer to and from these accounts, minimum and maximum levels, term, whether interest revenues will be added to the account and the approval process. Each account should be regularly reviewed to determine if it is meeting the intended purpose, is following policy and is still required.

33. A bylaw should be approved to address the residential property tax incentive.

Rationale:

Council passed a resolution on June 12, 2007 (#2007-618) to 'freeze the assessment for a period of three years for properties where dilapidated homes are replaced with new homes'. Council has subsequently used this resolution to provide tax relief for these situations upon application. A bylaw compliant with Section 347, MGA should be developed to formalize this property tax incentive.

34. The practice of presenting a list of accounts payable cheques to Council for approval should be discontinued.

Rationale:

It is not unusual for municipal Councils to approve the accounts payable cheques but it is not required. Council may wish to know who the Town does business with and that is appropriate but the real issue is whether the expenditure is within the approved budget. That is why it so important for Council to receive monthly financial reports with sufficient analysis of budget to actual variances to identify any matters of concern. Information on cheques issued as to amount and supplier can and should be provided to Council as information but it does not need to be part of the Council meeting agenda. Discontinuing Council approval removes potential pecuniary interest issues. Further, approval of payment is a moot point as the services and supplies have already been received and/or used and the legal liability to pay exists irrespective of Council approval.

7.4 Administration

35. The CAO must ensure that safety is given a high priority by all Town employees and require all Town employees to follow the Health & Safety Policy and Safety Manual.

Rationale:

A municipality is 'to maintain safe and viable communities' (Section 3(c), MGA). The Town has a Health and Safety Policy and a Safety Manual but management is not fully conversant with it. The CAO needs to make sure that the new safety policy fully addresses the safety needs of the Town personnel and community and that there is ongoing adherence to it with proper safety training.

36. The CAO must ensure that all records and documents of the Town are kept safe.

Rationale:

A CAO administrative responsibility is to 'ensure that the bylaws and minutes of council meetings and all other records and documents of the municipality

are kept safe'. (Section 208(1)(d) MGA) Records will be both hard copy and electronic and it is the responsibility of the CAO to keep them safe from fire, flood, theft and corruption.

37. The CAO should review and update all of the Town employee position descriptions and this should be done annually as part of the employee performance evaluation process.

Rationale:

The employee position description is an essential part of the employee evaluation process. If they are not current or if they need to be 'dusted off', it may be difficult to address whether responsibilities have been satisfactorily carried out if there is not a good understanding of what is expected by both the employee and the supervisor.

8 Appendices

8.1 Scope of Inspection and Inspection Process

8.1.1 Scope of Inspection

The consultant will provide an inspection in accordance with Section 571 of the *Municipal Government Act* including but not limited to:

- A review and evaluation of bylaws and key policies for adequacy, relevancy, consistency and conformity with legislation.
- A review and evaluation of the structure of Council committees.
- A review and evaluation of the organizational structure of the municipal administration.
- A review and evaluation of process and procedures used to prepare for Council meetings.
- Attendance at and evaluation of the conduct of a Council meeting.
- A review and evaluation of the process for preparation and approval of Council meeting minutes, and a review of recent minutes.
- Interview with all the members of Council and the CAO.
- Interview with staff.

After the inspection is completed, the inspector will prepare a report for the Minister. Following approval of the report by the Minister, the report will be provided to Council at a public meeting.

8.1.2 Inspection Process

The site inspection and interviews were conducted in the months of December, 2012 and February, 2013. The inspection process is summarized as follows:

Interviews:

Mayor
Councillors (individually)
Chief Administrative Officer
Staff (2)
Reeve and CAO of the County of Paintearth
Town auditor, contract assessor
Local newspaper reporter
Residents (3)

Council Meeting and Meetings with Council

The inspector attended the December 10, 2012 Council meeting and met informally with Council at the beginning of the inspection process (December 10, 2012) and after the majority of the site work was completed (February 12, 2013)

Site visits included a tour of the Town with the Public Works Manager.

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Information reviewed:

- 2011 – 2012 Council meeting minutes and Public Hearing minutes
- Bylaws index and selected bylaws
- Policy manual and selected policies
- 2011 and 2012 operating and capital budgets
- 2010 & 2011 audited financial statements for the Town
- 2011 management letter for the Town
- 2011 financial statements for the Town recreation associations
- 2011 Municipal financial indicators
- Position descriptions and personnel files for management and staff
- Various strategic and business plans
- Various files and documentation pertaining to specific issues

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8.2 Minutes Summary

Council Meeting Date	Council Resolution	Description
Agenda items considered to be administration		
2011		
January 10	2011-008	\$50 gift certificate approved
January 24	2011-033	\$50 New Year's baby gift
February 7	2011-057	\$50 bouquet approved for Town employee
February 28	None	Council Administration Committee to meet with a Town Councillor and CAO to discuss changes to the Town website.
	None	'Personnel' item added to agenda by Councillor
March 14	2011-104	Campground attendant approved
	2011-107	Approving which recreation personnel would attend conference
	2011-108	Replace stove in recreation center – funds available in budget
	2011-115	Approval to apply for 2011 County recreation operating grant which is an ongoing normal application
	2011-129	Lease of ball diamonds
	2011-130	Sign contract with specified person at a specified hourly rate to clean the condo
March 28	2011-158	Approve Telus internet service to condo
April 11	2011-190	Approve Telus internet service to condo
	2011-194	Allocate \$300 to an individual to paint fire hydrants
	2011-195	Turn off Crown sign until lights are repaired.
April 26	2011-215	Release \$4,000 to Centennial Celebration Committee as budgeted.
May 9	2011-231	1 st payment of \$25,000 for bylaw enforcement study
	2011-237	Remove temporary stop sign
May 30	2011-262	Approve payment for option 'B' re website development (funds in budget_
	2011-264	Hire individual for maximum of 15 hours per week to water flower pots and planters (funds in budget)
	2011-267	Pay municipal funding invoice to Coronation Assisted Living (funds in budget)
June 13	2011-289	Approve purchase of multi gas detection alarm (funds in budget)
	2011-295	Approve 'birthday cake' theme for the float.
July 11	None	Mayor to discuss pruning and removal of trees to improve visibility with resident.
	2011-360	As many Town employees and Town councillor ride on the float.
	2011-361	Float Committee to research possibly candy favors to throw from the float.

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Council Meeting Date	Council Resolution	Description
August 15	2011-389	Development permit issued by CAO; Council wanted to review it.
	2011-393	Purchase 100 laser engraved 2012 pocket calendars/planners
	2011-398	Authorize release of Progress Payment #2 to contractor for paving project.
September 12	2011-414	Approve payment of furnace repair invoices (funds in budget)
	2011-429	Authorize release of Progress Payment #3 to contractor for paving project.
October 11	2011-504	Purchase 1/8 page advertisement in School yearbook for \$35
November 14	None	Public works personnel contract
December 12	2011-610	Invitation to all tenants of Coronation Mall to attend a meeting to discuss required repairs to the Mall.
2012		
January 9	2012-005	Coverall and rug cleaning contract
January 23	None	Councillor to take photos of the dressing rooms
February 28	None	Land regarding the condo
	2012-118	Purchase a \$75 engraved pen for Councillor who resigned
March 5	2012-147	Appoint acting CAO
May 14	2012-233	Sample Animal Control Bylaw prepared by Councillor without Council's authorization to do.
June 11	2012-307	Flower purchases and watering flowers
	2012-312	Analyze oil samples of used grader to be purchased
July 16	None	Councillor advises that she will get insurance information from library.
	2012-536	Draft sign for oversize truck parking
October 15	2012-428	Purchase 1/8 page advertisement in School yearbook for \$40
November 26	None	Handicapped parking stall
Item not on agenda added by Councillors with no approval to add the item		
2011		
January 10	2011-015	Purchase furnishings – no budget
	2011-016	Purchase bed linens – no budget, no amount stated
January 24	2011-044	Encourage land owner to purchase a parcel of land
February 28	None	In camera item regarding 'Personnel'
March 14	2011-129	Lease with Coronation Minor Sports to use ball diamonds
May 9	2011-252	Overflow parking on Town property and temporary shelter
June 27	2011-333	Investigate option of establishing waste transfer site at old Landfill site and place on agenda of next Waste Management Board agenda
September 26	2011-488	Invite tenders for renovation of new Town Office space

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Council Meeting Date	Council Resolution	Description
2012		
February 28	None	Land regarding the condo
October 29	None	In camera item regarding personnel
December 10	2012-510	In camera item regarding request for leave of absence
	None	In camera item regarding revenue and cost sharing
Items not eligible for in camera session		
2011		
February 7	2011-066	Physician Recruitment and Retention Committee terms of reference
	2011-066	Physician Recruitment and Retention Committee memorandum of agreement
	2011-070 2011-071	Councillor and Committee Member salaries; Bylaw 2011-585
March 14	2011-127	Approve Physician Recruitment and Retention Committee terms of reference
	2011-127	Approve Physician Recruitment and Retention Committee memorandum of agreement
	2011-128	Approve \$200 for Bantam C provincials
	2011-129	Sign lease with Coronation Minor Sports to use ball diamonds
March 16	2011-135	Approve interim signing authorities
March 28	2011-166	Approve Inter-municipal Development Plan
April 6	2011-171	Review 2011 Capital Project tenders
June 27	2011-331	Issue regarding regional economic development employee not following instructions
July 7	2011-338	Future membership in Paintearth Economic Partnership Society
September 12	2011-449	AUMA resolution regarding Emergency 911 dispatch
	2011-450	AUMA resolution regarding Wireless Call Answer Fees
	2011-451	Town providing bookkeeping services to the library.
	2011-452	Appoint Council committee to negotiate land acquisitions
November 14	2011-565	Appoint Councillor to Boards
December 12	2011-623	Town's priorities for the Paintearth Economic Partnership Society
2012		
January 23	None	Conditions of development permit not met
	None	Road closure
February 9	2012-066	Public works staffing
February 21	None	Member appointment to BRAED Board
	None	Animal Control Bylaw – stray cats
	2012-099	Parking lot at 4830 Norfolk Avenue
	2012-100	Correspondence received
	2012-101	Hire a Public Work person for an existing position
	2012-102	Proposal for land development

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Council Meeting Date	Council Resolution	Description
February 21	2012-104	Items regarding the Coronation Condo Association
	2012-105	Issue regarding the Castor & District Housing Authority
	2012-106	Campground operating contract
	2012-107	Campground user fees
February 28	None	Land regarding the condo
	None	Personnel item
April 11	None	Castor & District Housing Authority
May 14	None	Enforcement of Animal Control Bylaw
June 11	2012-322	Request to service newly subdivided land
	2012-323	Development permit application
	2012-324	Development permit application
September 17	2012-396	Place specific Town lots in reserve and not sell
October 15	2012-445	Contract company to Phase I and II environmental site assessment
October 29	None	Personnel
November 26	2012-505	Proceed with Phase II environment site assessment per proposal
December 19	None	Revenue and cost sharing with municipalities
Resolutions for which all Councillors did not vote		
2011		
April 26	2011-210	Approval of 2011 operating & capital budget
	2011-212	2 nd reading of 2011 tax rate bylaw 2011-590
	2011-213	Motion to move to 3 rd reading of 2011 tax rate bylaw 2011-590
September 12	2011-422	3 rd reading of Bylaw 2011-593; defeated
September 26	2011-475	Approve 2012 budget of \$5,000 for Communities in Bloom Committee
Rescinding resolutions		
2011		
February 28	2011-077	Rescind resolution 2011-034 which was a request of a third party which the third party denied.
June 13	2011-296	Rescind appointment of a Councillor to two committees and appoint another Councillor
	2011-297	Rescind appointment of a Councillor to two committees and appoint another Councillor
September 12	2011-419	Rescind resolution 2009-297 regarding parking in a specified area; 3 years old and allowed actions from 2009 motion have proceeded; therefore, should be a replacement motion. Motion was defeated.
2012		
May 28	2012-273	Rescind the sample Animal Control Bylaw agenda item.

8.3 Financial Indicators Summary

Note: The financial indicators are for a six-year period; the 2011 statistic is stated first with the 2006 – 2011 range in brackets.

1. Net municipal equalized tax rate

Town 14.9 (14.9 – 21.0)

Median 10.3 (9.9 – 15.9)

Group - 2011 6.6 – 14.9

The Town municipal tax rate is the highest for all six years; in 2011 45% higher than the median.

2. Residential equalized tax rate

Town 16.0 (15.4 – 23.4)

Median 11.1 (10.7 – 18.2)

Group - 2011 6.7 – 17.1

The Town appears to be taxing its residents considerably more than the average of the comparators but the comments in #10 need to also be taken into consideration. The Town's 2010 equalized residential rate was the highest rate in the group and in 2011 44% higher than the median.

3. Non-residential equalized tax rate

Town 23.3 (23.3 – 34.6)

Median 19.3 (19.3 – 22.5)

Group - 2011 10.9 – 26.9

The Town's non-residential tax base is about 28% of the total tax base. The Town's non-residential tax rate is above the median in all six years and was the highest in 2006, 2007 and 2008. The 2011 non-residential equalized rate is 21% higher than the median. The Town appears to be consistently taxing the residential and non-residential properties higher than most of the other comparators but the comments in #10 need to also be taken into consideration.

4. Equalized assessment per capita (in thousands)

Town 64 (35 – 64)

Median 79 (41 – 81)

Group - 2011 64 – 1,038

The tax base available per capita is the lowest in the group in 2011; 19% below the median. The Town's assessment per capita was the lowest for 2010 as well and was close to being the lowest in the years prior.

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5. Non-residential equalized assessment as % of total

Town 28 (28 – 41)

Median 19 (19 – 26)

Group - 2011 2 – 31

The Town's non-residential assessment as a % of the total tax base is significantly higher than the median; 47% higher than the median. This is a good tax base ratio; the highest in the group for 2011 is 31%.

6. Tax collection rate

Town 89.6 (86.0 – 96.0)

Median 94.2 (93.5 – 95.9)

Group - 2011 86.0 – 98.3

The tax collection rate was below the median for all six years. In 2011, the Town collected 90% of the taxes levied whereas the median collection rate was 94%.

7. Percent of debt limit used

Town 22 (0 – 24)

Median 27 (16 – 27)

Group - 2011 0 – 80

The Town did not have any debt until 2010. Since 2010, the Town is using a similar amount of the debt limit as the other towns. The debt limit is based on 1.5 times revenue; therefore, this indicator can skew somewhat in years of extraordinary revenue. Also, if the Town has higher than average taxes and user fees the debt limit will also increase. Therefore, indicator #9 is a debt indicator that needs to be considered along with this indicator.

8. Percent of debt service limit used

Town 17 (0 – 17)

Median 19 (13 – 22)

Group - 2011 0 – 88

The debt servicing limit for the Town is average.

9. Long term debt per capita

Town 719 (0 – 788)

Median 800 (497 – 800)

Group - 2011 0 – 2,582

The Town's debt per capita is 10% below the median.

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10. Net municipal property taxes per capita

Town 989 (721 – 1,046)
Median 879 (696 – 879)
Group - 2011 469 – 1,208

In 2010, the Town net municipal property taxes per capita were \$182 (21%) more than the median. This difference decreased in 2011 to \$108 (12%) more than the median.

Note: This is an important financial indicator and needs to be taken into consideration with the tax rates (#1, #2, #3) and assessment per capita (#4) financial indicators. The Town tax rates are high and, initially, one may conclude that the Town has the highest taxes. However, the Town also has the lowest assessment per capita; therefore, a higher tax rate is required to generate an average level of property taxes. A full analysis would be required to provide more accurate data but these financial indicators can identify the broad picture.

11. Total grants per capita

Town 1,271 (189 – 1,271)
Median 672 (359 – 787)
Group - 2011 239 – 3,026

This indicator can fluctuate from year to year depending on what projects the Town and the comparative towns are conducting. The Town grants per capita was \$599 (89%) above the median in 2011; \$349 (44%) above in 2010.

12. Sales and user charges per capita

Town 698 (390 – 709)
Median 725 (592 – 775)
Group - 2011 373 – 2,087

Sales and user charges per capita are average compared to the other towns.

13. Major revenue source as a % of total revenue – 2011

	Town	Median	Group Maximum
Net property tax	29	30	36
Grants	37	26	52
Sale & user charges	20	29	54

Property taxes are 29% of total revenue in 2011 which is close to the median whereas user charges are 20% of total revenue compared to the median of 29%. This may indicate that the Town is obtaining less revenue from Town residents and properties as a percentage of total revenues than the average of their counterparts. But caution should be used when analyzing this graph because the Town also had higher than average grant revenues which would result in a lower tax revenue percentage. In years of less grant revenue, the tax revenue percentage would increase.

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14. Broad function expenses per capita – 2011

	General Gov't	Protective Services	Transport	Environment	Recreation & Culture	Total
Town	447	171	562	504	414	2,259
Median	419	99	519	578	436	2,375
Group maximum	640	313	1,001	1,237	852	4,632

General government – Council and administration

Protective services – fire

Transport – roads and airport

Environment – water, wastewater, waste management

Recreation & culture – recreation boards, parks, libraries

This table provides the gross costs per capita for the main service areas. The Town cost per capita is above average for general government, protective services and transport. These are total costs and do not reflect contributions towards these services such as fire services to which the County provides funding. Environment costs per capita are below the median which is understandable because waste management services are provided to the Town residents at no cost to the Town. The cost per capita for recreation & culture is close to the median but still less; the reason may be that some costs are funded by the different recreation organizations in the Town whereas the comparative municipalities may not have this arrangement. The total expenses per capita are \$116 below the median.

15. Per capita operating expenditures – salaries, wages & benefits

Town 649 (479 – 771)

Median 582 (411 – 586)

Group - 2011 315 – 1,053

The Town is above the median in all six years. In 2011, the spread decreased to \$67 (12%) above the median.

16. Per capita operating expenditures – contracted and general services

Town 576 (411 – 898)

Median 576 (411 – 558)

Group - 2011 123 – 1,418

The Town was close to average in 2010 and 2011.

17. Per capita operating expenditures – materials, good, supplies & utilities

Town 475 (193 – 475)

Median 475 (250 – 606)

Group - 2011 284 – 1,176

The Town is generally close to average except in 2010 when it was \$146 (24%) below the median.

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18. Per capita operating expenditures – bank charges and interest

Town	23 (1 – 23)
Median	49 (23 – 49)
Group - 2011	1 – 163

The Town is below the median all six years.

19. Per capita amortization expense

	2009	2010	2011
Town	391	371	441
Median	350	366	367
Group maximum	817	955	966

The Town has an amortization expense per capita that is above the median. It was close to the median in 2010 but increased in 2011 due to the additional infrastructure construction and rehabilitation.

20. Net book value as % of total capital property cost

	2009	2010	2011
Town	36	37	43
Median	51	52	52
Group maximum	78	76	73

The Town has less useful life in its assets than the median; the median is 52% and the Town is at 43% in 2011 which means that Town buildings and infrastructure are of greater age than the comparators.

21. Accumulated surplus as % of total end of year – 2011

	Unrestricted Surplus	Restricted Surplus	Equity in TCA
Town	6	11	83
Median	5	9	87
Group maximum	11	24	97

The Town's unrestricted surplus is just above the median at 6% whereas the restricted surplus is 11% and the median is 9%.

22. Accumulated surplus categories per capita end of year – 2011

	Unrestricted Surplus	Restricted Surplus	Equity in TCA	Total
Town	492	918	7,093	8,503
Median	365	741	7,093	8,503
Group maximum	1,103	3,093	24,303	27,469

The accumulated surplus accounts that represent financial assets is \$1,410 per capita; the median is \$1,106 per capita. The equity in TCA is at the median.

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23. Ratio of current assets to current liabilities

Town 2.0 (1.7 – 4.3)

The current ratio calculation measures the ability to meet short-term obligations with existing liquid assets.

24. Comparison group – total population

Town 1,015

Median 1,015

Group (19) 892 – 1,157

8.4 Organization Chart

Town of Coronation Organizational Chart

