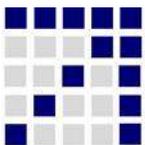


July 2017

Village of Alix, Alberta Municipal Inspection Report



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



July 6, 2017

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

Re: Village of Alix, Municipal Inspection Report

Dear Minister Anderson:

An inspection has been conducted of the management, administration and operations of the Village of Alix, Alberta as directed by Alberta Ministerial Order No. MSL:013/17, approved on March 6, 2017.

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

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

Sincerely,

Strategic Steps Inc.

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President, Strategic Steps Inc.
Municipal Inspector,
Village of Alix, Alberta

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Associate, Strategic Steps Inc.
Municipal Inspector,
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1 EXECUTIVE SUMMARY

A municipal inspection was conducted for the Village of Alix, Alberta as directed by the Minister of Alberta Municipal Affairs. Organizational strengths were found, such as strong commitment from members of council, apparent strategic direction, and healthy financial condition. Areas of concern were also identified, perhaps the most significant of which is the lack of stability in the CAO position.

Some concerns that emerged during the inspection fall outside the formal municipal structure. Examples of this type of issue included a now-closed village venture known as Moonwalkers indoor play area, and issues associated with the interaction of the village administration and council with a group of citizens who sponsored the petitions for this inspection and a viability review.

Although the inspectors found examples of irregular, improvident and improper practices that are identified through this report, these examples were primarily minor and generally related to procedural details rather than the fundamental management of the operations of the municipality. The inspectors therefore concluded that the municipality has not been managed in an irregular, improper or improvident manner.

The contents of this report are intended to provide guidance to the municipality as it comes into compliance with provincial and municipal legislative and regulatory tools.

Local officials, petition representatives, and other stakeholders were largely cooperative throughout the inspection process and provided the inspectors with a significant amount of information. Stakeholders spoke highly of the many strengths of their small community, but noted concerns as well. This was put very eloquently by a resident who provided a written submission to the inspectors that appears here:

In the case of the Village of Alix, I respectfully suggest that our course should be “what now, where do we go from here?” to ensure an accountable, transparent and responsible municipal government and fiscally judicious management of community resources for the benefit of our residents.

Figure 1 - Excerpt from Resident Written Submission

Report recommendations are identified for governance, administration and financial areas of the municipality. Implementation of these recommendations is intended to assist the municipality to strengthen local processes and achieve full legislative compliance. Increased respect between

elected officials and citizens, with a clear understanding of roles and responsibilities is needed to improve the future of the community. Recommendations appear throughout the report with a summarized list in Appendix 3.

2 SCOPE OF MUNICIPAL INSPECTION

2.1 Legislative Basis for a Municipal Inspection

The Minister of Alberta Municipal Affairs ordered a municipal inspection in response to a sufficient petition from the electors being received by the Minister on April 22, 2016 requesting an 'inquiry' into the affairs of the Village of Alix in accordance with section 572 of the *Municipal Government Act* (MGA).

A second petition, calling for a 'viability review' in accordance with Section 130 of the MGA was received by the Minister on the same day. The municipal inspection did not consider the issue of municipal viability except in so far as petitioners' concerns were reflected in the municipal inspection process. The term 'going county' was frequently used to describe the process of dissolving the village into Lacombe County.

Alberta Ministerial Order No. MSL:013/17 was approved on March 6, where the Honourable Shaye Anderson, Minister of Municipal Affairs, appointed inspectors to conduct an inspection of the management, administration and operations of the Village of Alix pursuant to Section 571 of the *Municipal Government Act*¹, quoted below. Upon review of the inspection findings, the Minister may order directives upon a municipality pursuant to the MGA s. 574, also quoted below.

Inspection

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

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

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

(3) An inspector

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

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

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

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

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

Directions and dismissal

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

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

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

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

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

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

2.2 Petition

A petition from the electors with 311 signatures was received by the Minister of Municipal Affairs on April 22, 2016 as provided by petition representative, Malonie Grimard. The petition statement letter submitted to the Minister on behalf of the ratepayers of Village of Alix requested an inquiry into the affairs of the Village of Alix.

2.3 Petition Sufficiency

Petition sufficiency criteria within the MGA requires a petition for an inquiry to be signed “*by electors of the municipality equal in number to at least 20% of the population*” (s. 572) within the 60-day period prior to filing the petition (s. 225). The population used by Municipal Affairs for determining the necessary number of valid signatures was 830. Based on the population figure, 166 eligible signatures were required for sufficiency.

The petition was declared sufficient with 311 signatures on the petition after initial review. If the petition had not been declared sufficient, *the council or the Minister is not required to take any notice of it* (MGA, s. 226.3).

2.4 Provincial Mandate and Inspection Process

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

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

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

1. Conduct stakeholder interviews, including:
 - Elected officials (current and former)
 - Chief Administrative Officer (CAO)
 - Various staff members (current and former)
 - Various members of the public
 - Residents
 - Petition representatives
 - External stakeholders
 - Auditor
 - Provincial officials
 - Engineers
 - Various committee members
 - Officials from neighbouring municipalities
 - An online survey was used to receive comments from community members.
 - Drop-in interviews were held at the old fire hall that is still owned by the village.

2. Research, review, and evaluate municipal records and processes, including:
 - Bylaws and policies
 - Council committees
 - Organizational structure
 - Process and procedures used to prepare for council meetings
 - Council's understanding of their role and responsibilities
 - A review and evaluation of council's leadership and effectiveness in working together
 - The CAO's understanding of their role and responsibilities
 - Attendance at and evaluation of the conduct of a council meeting
 - The process for preparing and approving council meeting agendas and minutes
 - A review of recent minutes
 - A review and evaluation of council's decisions regarding the wastewater project
 - A review of key planning documents
 - The financial status of the municipality
 - The process of financial reporting to council
 - The budget process
 - A review of major proposed or active capital projects
 - A comparative analysis of the property assessment and tax rates
 - Public engagement and communication policies and procedures
3. Prepare a written report to the Minister of Municipal Affairs on the inspection findings.
4. Present the municipal inspection report to the municipal council at a public meeting.

2.5 2007 Municipal Inspection

The Village of Alix underwent a Municipal Inspection in 2007, ordered by the former Minister of Municipal Affairs, the Honourable Ray Danyluk. That inspection, conducted by G. Pitman Consulting Inc. provided the village with a set of 11 recommendations. It does not appear that Minister Danyluk issued any Ministerial Directives as a result of the Inspection.

Mr. Pitman noted, as illustrated below, that the 2007 inspection would be a "tipping point" for the new council. That appears not to have been the case. Of the 11 recommendations provided in 2007, almost all of them appear in this report as well.

It is our belief that the errors of the past council have been a tipping point for the new council. The future Village government should be more transparent and open in its communication and decision making. Indications from residents interviewed during this inspection are that a closer scrutiny of future council decisions will be made than in the past; thus holding the council more accountable.

Figure 2 - Excerpt from 2007 Municipal Inspection Cover Letter

3 MUNICIPAL INSPECTION INTERVIEWS

The inspection process included a series of approximately 70 stakeholder interviews, most with individuals, and some with couples or small groups, conducted to gather data and to develop an understanding of local events and the community dynamic. Interviewees were asked consistent questions and the *quantitative* and *qualitative* data provided was used to assess and summarize information themes gathered from a fairly representative sample of the community population. Various stakeholders were provided with follow-up interviews to give individuals a chance to hear and respond to sensitive matters.

3.1 Internal Stakeholders

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

3.2 External Stakeholders

External stakeholders such as auditors, provincial department and Alberta Emergency Management Agency staff, Lacombe County officials, police and regional committee members were interviewed. These external stakeholders provided professional knowledge and input on key issues affecting the municipality.

3.3 Local Residents

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

Residents had the opportunity to speak to one of three inspection team members during drop-in interviews held at the old fire hall on April 26, 2017. Residents were also invited to provide input

into the inspection process by completing an anonymous online survey. The survey data indicates that almost 130 individual survey responses were completed.

Several individuals expressed concern that the survey could be manipulated by people filling it in more than once. While the survey itself was anonymous, a collation of IP addresses showed that there was only one instance of more than three survey responses being provided from a single IP address. In discussions with the Alix library, inspectors were told that people were able to fill in the survey using public access computers, so it is possible that the single instance of multiple responses (six responses) from the same IP address could have been from the library computers. Two or three responses from a single IP address could be accounted for by multiple family members filling in the survey from the same computer at home.

Approximately 40 residents came forward during the drop-in to share information about their community, and the inspectors considered this as a *convenience sample* of readily-available subjects that may not be representative² of the general population. A *snowball sample* exploratory research method³ was also used where interviewees were asked to provide the names of other individuals that may have knowledge of the management, administration, or operation of the municipality.

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

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

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

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

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

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

4 LOCAL SETTING

4.1 Municipal Profile Information and Statistics

Alix, originally called Toddsville, was named after pioneer settler Joseph Todd. The name was changed to Alix, reportedly by Sir William Cornelius Van Horne, in honour of Alexia Westhead, who was the wife of Charles Westhead, another pioneer rancher⁶.

The Village of Alix was incorporated as a village on June 3, 1907. The village, which is on the shore of Alix Lake, is surrounded by Lacombe County.

The village features a modern Main Street which is anchored at the south end by a municipal waterfront park, boat launch, campground and connections to a significant nature trail. Many lakefront homes have been established on the north shore of the lake, with the owners enjoying boating, swimming and other recreational opportunities made possible by the unique setting.

Alix's nearest urban neighbours include the hamlets of Mirror, Tees and Nevis. The village is roughly bisected by provincial Highway 12.

The current municipal profile⁷ and financial statements show the following statistics based on the most current available data from 2015 unless otherwise noted:

- 5 Member council
- 10 Full-time staff positions
- 830 Population (2016)
- 400 Dwelling units
- 116 Hectare land base
- 17.20 Kilometers of local maintained roads
- \$1,128,947 Financial assets, including cash and temporary investments
- \$7,853,803 Equity in tangible capital assets
- \$64,901,716 Residential assessment (2016)
- \$12,726,456 Non-residential assessment (2016)
- \$1,314,680 Non-residential linear assessment (2016)
- \$2,162,317 Long term debt

⁶ Sanders, Harry, *The Story Behind Alberta Names*, Red Deer Press, 2003, p29

⁷ http://www.municipalaffairs.alberta.ca/mc_municipal_profiles

- \$4,137,569 Debt limit
- 52.3% of debt limit used

4.2 Geography

The Village of Alix is approximately 54 kilometers east of Red Deer and Lacombe, situated at the crossroads of both CN and CP railways, as shown on the following Google maps:



Figure 3- Village of Alix General Area



Figure 4 - Village of Alix

MUNICIPAL INSPECTION FINDINGS

5 GOVERNANCE

Alberta municipalities are established under provincial authority and are required to follow provincial and federal legislation. The *Municipal Government Act, Revised Statutes of Alberta 2000, Chapter M-26 (MGA)* is a primary piece of provincial legislation that provides order, authority and direction to municipalities. The MGA is very specific on many governance aspects, including the basic purposes of a municipality, as follows:

Municipal purposes

3 The purposes of a municipality are

- (a) to provide good government,*
- (b) to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality, and*
- (c) to develop and maintain safe and viable communities.*

Other key aspects of the legislative provisions in the MGA are that it:

- Specifies the powers, duties and functions of a municipality (s. 5);
- Gives a municipality natural person powers (s. 6);
- Gives a council general jurisdiction to pass bylaws affecting public safety, regulating services, setting fees, enforcement and other matters (s. 7); and
- Gives broad bylaw passing authority to councils to govern municipalities in whatever way the councils consider appropriate within the jurisdiction given to them (s. 9).

5.1 Broad Authority to Govern

The MGA gives broad authority to municipalities to govern their respective jurisdictions. The MGA also specifies the roles, responsibilities and limitations of councils in carrying out governance activities, such as:

- Each municipality is governed by a council, as a continuing body (s. 142);
- General duties of the chief elected official (mayor) (s. 154) to preside at council meetings in addition to performing the duties of a councillor;
- General duties of councillors (s. 153) are to:
 - Consider the welfare and interest of the municipality as a whole;
 - Participate generally in developing and evaluating policies and programs;
 - Participate in council and council committee meetings;

- Obtain information about the municipality from the CAO; and
- Keep in confidence matters discussed in private at council or committee meetings;
- A council may act only by resolution or bylaw (s. 180);
- Councils and council committees must conduct their meetings in public, subject to limited exceptions (s. 197);
- Councillors are required to vote on matters at a council meeting at which they are present (s. 183);
- Councillors are required to disclose pecuniary interests, abstain from voting and leave the room until discussion and voting on matters of pecuniary interests are concluded (s. 172);
- A council must adopt operating and capital budgets for each calendar year (s. 242, 245);
- A council must appoint an auditor to provide a report to council on the annual financial statements (s. 280-281);
- A council must pass a land use bylaw that may prohibit or regulate and control the use and development of land and buildings in a municipality (s. 639-640);
- A council must appoint a chief administrative officer (CAO) (s. 205) and provide the CAO with an annual written performance evaluation (s. 205.1); and
- A council must not exercise a power or function or perform a duty that is by this or another enactment or bylaw specifically assigned to the CAO or a designated officer (s. 201).

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

Protection of councillors and municipal officers

535(1) In this section,

(a) “municipal officers” means

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

(ii) employees of the municipality;

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

(2) Councillors, council committee members, municipal officers and volunteer workers are not liable for loss or damage caused by anything said or done or

omitted to be done in good faith in the performance or intended performance of their functions, duties or powers under this Act or any other enactment.

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

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

5.2 Council Structure

The Village of Alix is governed by a five-member council elected at large by a vote of the electors of the whole municipality in accordance with the MGA s. 147. Regular council meetings are held twice per month and special meetings are called as needed. The village Procedural Bylaw 423/16 states:

6.2 *Regular Meetings of Council shall be held on the First and Third Wednesday of every month except for July, August and December when the Meeting shall be held on the first Wednesday of the month only.*

6.4 *Special Meetings may be called, and notice of such Special Meetings shall be given in accordance with the provisions of the Act and this Bylaw.*

The chief elected official (mayor) was appointed by council from among the councillors in accordance with the MGA s. 150. A mayor is often described as the ‘first among equals’ on the municipal council, and has no individual powers beyond those of other members of council. Alberta’s local government system uses a ‘weak mayor’ form where “*a mayor’s powers of policy-making and administration are subordinate to the council.*”⁸ Council also appointed a deputy chief elected official (deputy mayor) by council resolution in accordance with the MGA s. 152.

Regardless of official titles, Alberta’s local government system is egalitarian⁹ in which each council member has an equal vote as shown in the MGA s. 182:

Voting

Restriction to one vote per person

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

The mayor and councillors collectively serve as part of the whole council with a decision-making structure rooted in the basic democratic principle of majority-rule. Elected officials have no

⁸ <http://www.merriam-webster.com/dictionary/weak%20mayor>

⁹ <http://dictionary.reference.com/browse/egalitarian>

individual power and a council can only act collectively by resolution or bylaw, in a public setting, with a quorum of members present in accordance with the MGA, as follows:

***Council Proceedings, Requirements for Valid Action
Methods in which council may act***

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

Requirements for valid bylaw or resolution

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

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

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

5.3 Elections

The *Local Authorities Election Act* (LAEA) specifies the qualifications of candidates seeking elected office. The following individuals served on municipal council for the Village of Alix during the municipal inspection:

- Mayor Arlene Nelson (mayor October 7, 2015 to present, Resolution 226/15)
- Councillor Gordon Christensen
- Councillor Rob Fehr
- Councillor Curtis Peterson (mayor from Oct. 13, 2013 – October 7, 2015)
- Councillor Jody Louise Widmann

5.4 Council Orientation

According to Alix's former Director of Corporate Services, the Village of Alix did not host a formal orientation session for its elected officials following the 2013 municipal election, despite several new members joining the village council. The orientation that council members did receive at the beginning of the 2013-2017 term was provided largely using internal resources. Apparently, a

'Roles and Responsibilities for Municipal Officials' workshop to be hosted by Alberta Municipal Affairs was considered (Resolution #100/16), but a convenient time was not found.

Council orientation is a very valuable education component for council members to learn or reinforce roles and responsibilities at the start of each council term, or following by-elections.

RECOMMENDATION FOR COUNCIL ORIENTATION: That council members participate in governance-focused orientation training at the beginning of each council term, starting in October/November 2017 in alignment with requirements outlined in Bill 21 'Modernized Municipal Government Act'.

RECOMMENDATION FOR COUNCIL PROFESSIONAL DEVELOPMENT: That council members plan for, budget for, and participate in ongoing professional development throughout the term of office.

5.5 Code of Conduct

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

A Code of Ethics and Conduct policy can be quite valuable and important as a guiding document for councillor conduct and it establishes steps for dispute resolution. The policy's purpose is to establish professional, courteous conduct and ethical behaviour.

The village maintains a staff code of conduct within Section 14 of its Personnel Policy. Oddly, that policy is the only one that does not have a number. The construction of the code of conduct within this policy appears to only apply to staff, and not to elected officials.

While there are some sections in the village Procedural Bylaw 423/16 that appear to speak to council member conduct, that document does not provide a very robust overview. In fact, the full title of the bylaw is "*Being a bylaw of the Village of Alix, in the Province of Alberta to regulate the proceedings and **conduct of Council and Council Committee meetings***" (*emphasis added*).

As the amended MGA comes into force, it is anticipated that a formal code of conduct will need to be created and adopted by all municipal councils.

A request was made of the village administration to determine whether a council code of conduct exists as a stand-alone document, and the inspectors were informed that such a document does not exist. Regardless of legislated necessity, it is prudent for council to have a code of conduct.

RECOMMENDATION FOR ELECTED OFFICIALS' CODE OF CONDUCT: That council create and adhere to a Council Code of Conduct.

5.6 Council Performing Administrative Duties

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

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

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

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

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

Although these activities may be noble, the council members stepped over the line into administrative and operational matters, which is an irregular matter and contrary to the MGA. An example of this issue can be found later in the report where it is identified that the current deputy mayor and mayor also act as the village's director and deputy directors of emergency management respectively. This is an administrative role.

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

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

During the inspection, interviewees heard from several current and former members of village staff that they did not feel they were well respected by council. Inspectors noticed an example of this at a council meeting where there were public discussions about reducing staff without regard to the impact that such discussions would have on the four employees to whom council was referring.

This issue appears to have been in existence for some time, as reference was provided early in the inspection to a 2013 *Level of Service Study of Alix Public Works*. In part, the report stated:

Overall, employees in this department must begin to be viewed as assets instead of expenses. The need to train personnel in a professional manner to an exceptional level of performance in all facets of the operation requires support from higher authority through funding and commitment in order to succeed in making in this operation a positive example of the Village of Alix.

RECOMMENDATION FOR STAFF TREATMENT: That council understand that staff are assets rather than expenses, and that council provide strategic direction in terms of levels of service, cost efficiencies and budget amounts, allowing the CAO to manage staffing and operations to meet council's objectives.

5.7 Strategic Planning

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

Two of Alberta's municipal associations, the Alberta Urban Municipalities Association (AUMA) and Alberta Association of Municipal Districts & Counties (AAMDC), recommend that a strategic

plan be constructed in the format of a *Municipal Sustainability Plan* (MSP) or an *Integrated Community Sustainability Plan* (ICSP) respectively to guide the community into the future.

The basic framework of the recommended municipal strategic plan is solidly based on five *Dimensions of Sustainability*, as follows:

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

The Village of Alix council has reviewed several iterations of a strategic plan in recent years (2008, 2014, 2016), with the newest plan coming into existence in 2016. The overall structure of the strategic plan is reasonable though somewhat vague. The format is succinct, and as such, it does not cover all areas of municipal governance for a municipality of less than 1,000 people.

The 2008 strategic plan was much more robust than the 2011 iteration; containing goals, measures, resources, accountability and timelines. It appears to have been created in alignment with the AUMA dimensions of sustainability noted above.

The 2011 strategic plan does not identify or affirm an existing vision or mission, so there may be issues with cascading alignment being used to identify what the village ought to do and what it ought not to do.

The 2016 strategic plan contains a look back at the previous plan (2014) to review progress on the goals identified at that time. It then pivots to look at the future, identifying a set of three items that could be considered priorities. These items are (*verbatim*):

- *We have leased, sold or have developed at least two of the following properties:*
 - *medical building*
 - *fire hall*
 - *Traverstock property*
 - *Lease bay by Moonwalkers*
 - *7 acres by highway*
- *We have increased positive comments about our community in both the print and social media*
- *We will increase the safety and security of the community*

The set of priorities above was drawn from a longer set of priorities or potential goals identified by council. Each potential priority was voted on as identified by the number of votes that appear at the end of each possible goal. As above, this list is presented verbatim.

1. *The village has leased or sold at least 2 of the following properties (7 votes)*
 - *Medical building*
 - *Traverstock lands*
 - *Fire hall*
 - *vacant lease bay*
 - *7 acre parcel north of highway*
2. *Council has increased the positive things said about the community in both traditional and social media. (7 votes)*
3. *The Village is increasing the awareness of the public and having more people participate in recreation and tourist activities (5 votes)*
4. *The council will work toward having a safer and more secure community. (4 votes)*
5. *Council has developed a plan that will lead to the development of: (4 votes)*
 - *an outdoor rink*
 - *an off leash park*
 - *an outdoor gym*
 - *addition to the skate board park*
6. *Council is work together with the community groups and businesses to build a stronger community. (3 votes)*
7. *The Village is promoting the benefits of Moonwalkers to the community. (2 votes)*
8. *The Village is promoting Moonwalkers outside the community more (1 vote)*
9. *The community is attracting new volunteers to meaningful positions in the community. (1 vote)*
10. *Council will renew their campaign to clean up derelict buildings and yards (1 vote)*
11. *Council has developed action steps to continue supporting the building of a Multiplex. (1 vote)*
12. *The present council is mentoring community member to run for positions on council. (0 votes)*
13. *The village will encourage skills awareness workshop or evening so that local trades people can promote their trade to the community. (was not voted on as added later)*

The 2016 strategic plan referenced above identifies apparent goals and some 'action steps', though measures and outcomes are not present. The plan can be improved by adding greater clarity in describing more specific performance targets that link to the annual budget process where specific financial resources are allocated to strategic priority areas. Another improvement can be made to link the CAO performance evaluation to the achievement of council's strategic priorities.

Stronger communication with residents is also needed for council to ensure legitimacy in establishing official priorities for the community. Community plans deserve broadcasting and should be promoted and publicly accessible. As an example of this, the strategic plan did not appear to be available on the municipal website during the municipal inspection, although a 10-year capital plan was available.

Best practices in municipal sustainability planning include consultation with residents in developing a vision and strategic priorities, establishing meaningful performance targets and then closing the loop to communicate performance results back to the public in a manner that is easily understood. On the surface, Village of Alix is commended for regularly preparing a strategic plan, but officials could develop and use the plan in a more meaningful way.

Another issue regarding strategy and priorities in Alix is the disconnect between council's planning process and operational staff. Most staff do not appear to have input into, and in some cases, are not aware of, council's priorities. As such, staff are not able to plan for or act on priorities of which they are not aware. Any strategic-level plan needs to address, or at least feed into, council's service level expectations. The plan and required levels of service then ought to direct the budget process (and the 10-year plan)

RECOMMENDATION FOR STRATEGIC PLANNING: That the council engage in a robust and meaningful strategic planning process which includes participation by staff as well as public consultation, to confirm the village's priorities, its long-term vision, and its expected levels of service.

RECOMMENDATION FOR PERFORMANCE MEASURES: That administration develop and present council with meaningful performance measures that demonstrate how the use of budget resources have advanced strategic priorities.

RECOMMENDATION FOR ACTING ON STRATEGIC PLAN: That all council resolutions (via the RFD document) be tied to goals and/or priorities set out in the strategic plan.

5.8 CAO Performance Evaluation

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

Performance evaluation

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

The Village of Alix has not had CAOs in office long enough in recent years that an assertion that CAO performance reviews are occurring at the schedule prescribed in the MGA can be provided. The most recent CAO, Troy Jenkins, was appointed as noted below through resolution 152/16, and resigned at the June 7, 2017 council meeting. At the time of submission of this report, the village has named an interim CAO. Through the inspection, and though he was there for more than a year, no annual performance review of then CAO Jenkins was found in the CAO's personnel file.

When asked about this, Mayor Nelson replied that the three-month evaluation was "*informal*" and that CAO Jenkins continued in his role after that point. The annual evaluation, "*was in process but not completed*" according to the mayor. "*Council had the in camera meeting booked for the next week after he (Jenkins) resigned. Since we found that he was gone, we did not have that meeting to complete the evaluation, nor the opportunity to meet with him, nor get it on his employment file.*"

This review would need to have been completed in order for there not to have been a contravention of the MGA section noted above.

| | |
|---------------------------------------|---|
| Page 2 May 18, 2016 | |
| Business Arising from the Minutes: | |
| Unfinished Business: | a) <u>Appointment of T. Troy Jenkins as Chief Administrative Officer</u> |
| Resolution #152/16: | Moved by Councillor Fehr that the Village of Alix Council appoint T. Troy Jenkins as Chief Administrative Officer for the Village of Alix. CARRIED |

Figure 5 - Resolution to Appoint CAO Jenkins

Being elected to a municipal council does not require members to become *de facto* experts in municipal management. Rather, council members should do their part through policy and budget allocations to attract and retain well qualified staff. Council members are also expected to have the wisdom to draw on external expertise and guidance when needed, such as when considering sensitive legal or human resource matters.

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

RECOMMENDATION FOR CAO PERFORMANCE EVALUATIONS: That council provide annual written performance evaluations of the CAO in accordance with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established in conjunction with the strategic plan; and that the council obtain qualified expertise to assist with the formal CAO performance evaluation process.

5.9 Council Leadership and Political Capacity

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

The local government system is designed to provide grassroots leadership with local elected representatives serving the community. Local leaders have, or are expected to quickly acquire, great awareness and sensitivity to the physical, environmental, social, cultural and historical

attributes of the community. A council, acting collectively can be seen as an enabler of progress by accomplishing strategic objectives that serve local needs and build a vibrant, sustainable community.

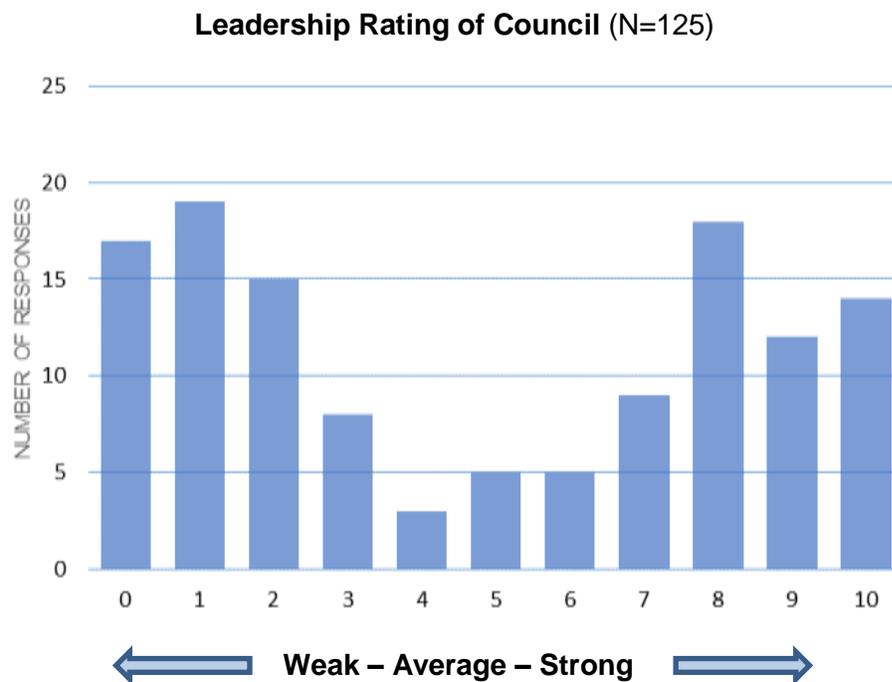
Council members appeared to act as each other's 'first team', knowing that they had been elected to work together for the betterment of the community even if they do not agree on all issues. The ability to work together was seen by some observers to indicate that the group would debate issues outside the formal council meeting time, so there was limited debate during the meetings. The inspection did not find this to be the case. There was limited evidence that 'pre-meetings' before council meetings were a common or prevalent activity.

5.9.1 Decision-Making Processes

Council members were able to develop strong decision-making protocols in their governance capacity. Members of council appeared to understand the role of a governor and to generally avoid straying into administration's role.

5.9.2 Leadership Rating

During the inspection interviews, stakeholders were asked to rate the recent leadership shown by the current Village of Alix council using an anonymous online survey tool. While not statistically valid, the results illustrated in the chart below show that respondents were split on the leadership shown by council, with very few people giving council a rating that could be considered 'average'. The interviews with stakeholders reflect this bi-modal distribution, with individuals indicating that council was either doing a very good job or a very poor job.



5.9.3 Engagement and Communication

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

In Alix, as with many other communities in Alberta, social media such as Facebook are a main component of community engagement, either for independent groups in the community, or for the municipality to communicate with and to citizens. Activity on social media can be problematic for elected officials because of the rapidity of expectations – there is often no time to properly consider responses. Emotion can also be very high in places like Facebook, where an oft repeated topic can become ‘fact’ without the preponderance of evidence being applied to the topic.

Many times, issues that emerge on social media are operational rather than governance in nature. Because of this, elected officials are correct to be cautious in how they engage on social media and how they direct administration based on social media requests.

Alix has a Social Media policy (33/2015) that speaks to the use of social media by village staff and elected officials, the policy does not touch on the use of social media as a tool for the village to engage with its citizens and businesses. Since this sector is evolving rapidly, elevated use of social media is likely to become more common in engaging with online stakeholders. The existing policy should be enhanced to ensure that it is reflective of current social media use, and so that it references use of social media by the village.

A review of the use of social media identified another example of its use within Alix. Inspectors were told of several closed Facebook accounts that were used to repeat some facts, stories and rumours about what the village and its staff were doing. The veracity of the postings could not be universally determined, and some interviewees provided Facebook posts as evidence of their understandings of goings-on in the village.

Social media has become a common and growing 'community' within municipalities, wherein individuals who agree with each other can communicate. Because of this repetition, the risk of innuendo becoming 'fact' is real. It is prudent to be cautious about what stakeholders read and reply to. The village itself does not engage on social media, which is a two-sided coin.

RECOMMENDATION FOR CITIZEN ENGAGEMENT TRAINING: That local officials receive citizen engagement training to learn how to effectively engage citizens and local interest groups.

RECOMMENDATION FOR SOCIAL MEDIA POLICY UPDATE: That council review and revise the village social media policy to reflect current practice and to include the use of Village of Alix social media accounts.

5.10 Organizational Meetings

A council must hold an organizational meeting each year, in accordance with the MGA s. 192(2) which reads as follows:

Organizational meetings

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

(2) The council of a summer village must hold an organizational meeting annually not later than August 31.

Records show that the Village of Alix council held annual organizational meetings within the timeframe legislated by the MGA between at least 2013 and 2016. Organizational meetings are

expected to be limited to the following agenda items according to standard practices and guidelines¹⁰ provided by Alberta Municipal Affairs:

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

(a) The appointments of members to Committees which Council is entitled to make;

(b) Establishing a roster of Deputy Mayors for the following year;

(c) Any other business required by the MGA, or which Council or the CAO may direct.

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

Some improvements could be made to the organizational meetings by reviewing each council committee appointment to ensure appropriateness due to the passage of time.

A review of meeting minutes from recent years' (2012-2016) Organizational Meetings appear to indicate that these meetings have been conducted separate and apart from regular council meetings, as evidenced by the lack of regular meeting agenda items on the same agenda as the organizational meeting.

5.11 Council Conduct and Meeting Decorum

Municipal councils are expected to display formality and respect in interactions during public meetings. Village of Alix council members are guided by the Village of Alix Procedural Bylaw 423/16 "to regulate the proceedings and conduct of Council and Council Committee meetings."

Inspection team members attended the following council and committee meetings to observe the current political dynamics on Village of Alix council:

- March 15, 2017 Regular Council Meeting
- April 12, 2017 Special Council Meeting – Public Budget Meeting
- April 19, 2017 Regular Council Meeting
- April 20, 2017 Special Council Meeting to review Audited Financial Statement
- April 27, 2017 Special Council Meeting
- May 17, 2017 Regular Council Meeting

¹⁰ Alberta Municipal Affairs. (2013) Municipal Procedural Bylaw containing standard organizational meeting content accessed from: http://www.municipalaffairs.alberta.ca/documents/ms/Basic_Principles_of_Bylaws_2013.pdf

The Village of Alix Council appeared to work together respectfully in a professional manner. The inspectors observed that the chair was recognized and respected by council members. There was a certain amount of informality with the use of first names, which could be improved by the use of proper titles such as 'Councillor Peterson', or 'Mayor Nelson'.

Some stakeholders expressed concern that council meetings are a "Closed Shop", that council does not allow public participation, that meetings are irregularly scheduled with little notice, that there is not enough council discussion during council meetings, that council go "In Camera" too frequently, and that council do not share appropriate documentation with the public.

Other stakeholders were happy with their council, and expressed that they were doing an excellent job.

The inspectors found that during the meetings they attended, both the public and council generally conducted themselves in a professional fashion, however the atmosphere in the meeting room was tense. Council meetings are well attended with 10 to 12 citizens as an average. These citizens are of two camps. One group is very openly critical of council, and actively seeking out any fault that they can find with the council or staff. They regularly broadcast their opinions to the community by word of mouth, social media and letters to the editor. The second group of citizens attending the meetings are supportive of council.

While inspectors found no intentional wrong doing by the council or administration, the inspectors did find irregularities in the way council meetings were scheduled and run. An improved process following best practices and adhering to the village's Procedural Bylaw would improve information flow to the public and should alleviate some of the concerns expressed by some citizens.

Village of Alix council meeting decorum could also be improved by applying greater formality during council meetings, and by council and administration speaking more loudly and clearly so that members of the public can hear the discussion. A public-address system may need to be considered if this is not possible.

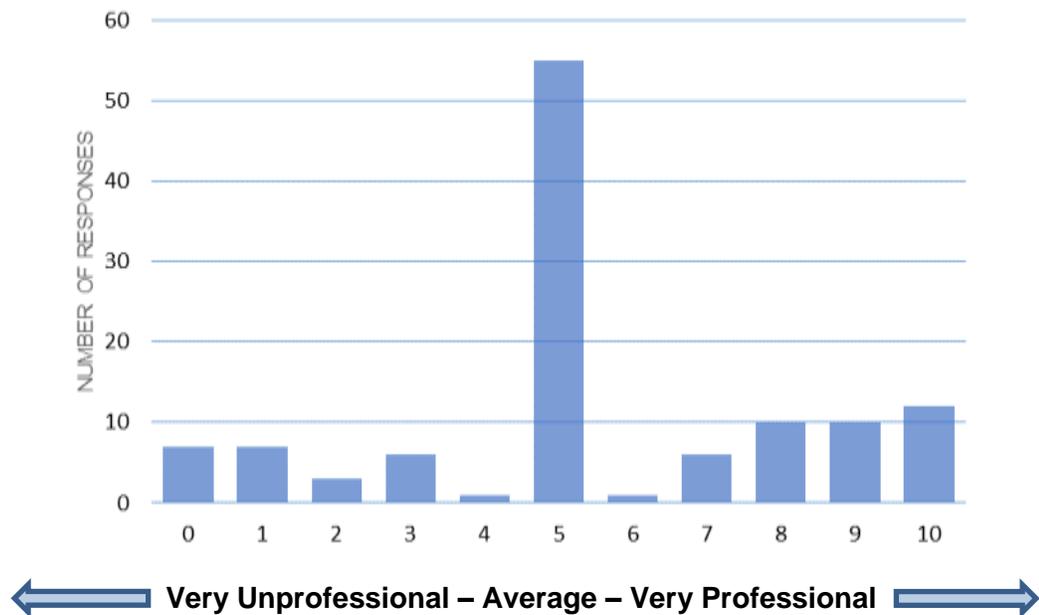
Council struggled at times for direction on how to proceed with an item, and with the wording of motions. This issue could be solved with the use of formal Request for Decision (RFD) documents, prepared by staff for each agenda item. These will be described more fully below.

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

- Notice – while legal, the notice for many of the meetings was very short.
- Decorum/formality – Generally respectful and professional.
- Agendas available/content meaningful – should be improved. A formal RFD document for all agenda items would be very helpful in both giving council direction in how to proceed on each item, and to provide information and transparency to the public.
- Public participation – was managed appropriately.
- No delegations from the public were heard during the council meetings attended by the inspectors.
- Staff reports to council were brief but contained useful information. Sometimes they were read aloud and sometimes not. It is likely not necessary to read these reports aloud, if the members of the public in attendance at the meeting have copies of the reports.
- Chairmanship – Both the mayor and deputy mayor were observed to chair their respective meetings in a respectful and professional manner.
- The CAO/Staff participation – The CAO participated and appeared to have the respect of council. He was very hard to hear from the Gallery. His participation could be improved by the use of comprehensive RFD documents for each agenda item.

Throughout the inspection process, stakeholders who had attended council meetings in the past two years were asked to rate the level of professionalism observed in the council meeting process. Most respondents indicated that the council meeting process was slightly higher than the average that could be expected, and most gave the level of professionalism in the council meeting process a score of 5/10, as shown in the following chart:

Level of Professionalism in the Council Meeting Process (N = 118)



5.11.1 Council Meeting Minutes

The inspection found that approved sets of almost all village council meeting minutes were signed and stored in minute binders in a secure location in the village office. Interestingly, the Village of Alix uses purpose printed 8½ x 14' minute paper that has lines printed in-house. This practice is valid, but using this custom paper size likely takes more time than using standard 8½ x 11' paper.

Before being considered approved, draft minutes were presented to council for approval in accordance with MGA s. 208(1) which reads as follows:

Performance of major administrative duties
208(1) The chief administrative officer must ensure that

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

Figure 6 - MGA s.208(1)

Some stakeholders expressed concern that minutes were not detailed enough, and that they did not contain details of the discussions that had taken place.

The Act requires that the minutes of council meetings are recorded in English, without note or comment. The inspectors review concluded that while the village is compliant for the most part, in some cases the description of agenda items in the minutes was not adequate to allow the reader to understand what was being discussed. The description should be brief, and without comment, but should be descriptive enough to allow the reader to understand what was being discussed. For example, when the RCMP attended the meeting on February 15, 2017 as a delegation, the minutes noted that the RCMP member entered the meeting, but did not state what the presentation was about.

| | |
|--------------------|--|
| Delegation: | a) <u>Sgt. Holliday – R.C.M.P</u> |
| | Sgt. Holliday of the Royal Canadian Mounted Police entered the meeting at 7:02 P.M. |
| | Sgt. Holliday retired from the meeting at 7:13 P.M. |

Figure 7 - Excerpt, February 15, 2017 Council Minutes

The inspectors noted that during council meetings, the Village of Alix Council would at times struggle with process, whether or not a motion was required for a particular topic, and if it were, with what the wording of the motions ought to read. Motions appeared to be developed in an *ad hoc* fashion by the councillor proposing the motion. This, at times would result in poorly worded motions such as the motion that appears immediately below (February 1, 2017 Regular Council Meeting), or motions which did not include all the appropriate information.

| | |
|----------------------|--|
| Unfinished Business: | a) <u>Renaming Moonwalkers Building Contest</u> |
| Resolution #026/17: | Moved by Councillor Widmann that the Village of Alix Council accept Administration's recommendation as follows; interested residents submit a proposed name and a brief paragraph on why the name should be chosen for the former Moonwalkers Building. Entries can be mailed, emailed or dropped off at the Village Office to the attention of the Chief Administrative Officer. The entrant should clearly put their name and a way to contact them on their submission. The winner will receive a plaque for themselves and one will hang in the building. If more than one individual comes up with the same name, the winner will be drawn from a hat, and the others will receive certificates. A judging committee will be made up of a member of Council, two Village staff members (the Chief Administrative Officer and Director of Corporate Services) and the Village will approach the Chamber of Commerce, Library, Museum, and School to see if they would be willing to send a member. |
| | CARRIED |

Figure 8 - Resolution Wording, February 1, 2017 Regular Council Meeting

According to some interviewees, individuals seated in the gallery had a hard time hearing the motion, and as observers, the inspectors at times were not certain of the final wording of some motions, or what specific directions were included in the motion. It seemed that often the wording was left to the recording secretary. This practice leaves the wording and meaning of the motion open for interpretation, and can easily result in the minutes reflecting a motion which is different from the mover's original intent.

Best practices enable council and members of the gallery to view proposed resolutions and amendments in real time, such as projecting the resolution on a screen before the vote is taken. In this way, all members of council can see the same proposed wording. This promotes clarity for council voting and for administration in recording the minutes. To ensure resolution clarity, council resolutions could be displayed during the council meeting discussion. With today's technology, this is a simple matter of connecting a laptop to a monitor which is visible in the council chambers. As a minimum, ALL motions should be made available in hard copy, or if that is not possible, recited to council in full before voting on the resolution.

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

Administration can greatly assist council by drafting proposed resolutions for each council agenda item, within a comprehensive Request for Decision document.

Council's decision-making process is public. With few exceptions, the public should have the ability to see the same information that is provided to council.

Council meeting minutes and agenda packages were not always provided to the public in a timely manner. It is citizens' expectation and best practice that council meeting agendas along with supporting information be provided in advance of meetings, and that draft meeting minutes be provided shortly after council meetings. Some documentation was provided at a few of the meetings that the inspectors attended, while no documentation at all (other than a one-page agenda) was provided at others. At one meeting, with the single agenda item of reviewing the draft financial statement, the draft was not available to the citizens who observed the meeting.

Staff advised that they do attempt to upload the full agenda package to the municipal website prior to the meeting; however, the inspectors found that this was not always done, and when it was, the package was incomplete. No Request for Decision (RFD) documents from administration, were included in any of the council packages for the council meetings that the inspectors attended, though the village CAO did provide seven examples of RFDs that had been used in 2016. The consistent use of the RFD format is encouraged so that council members have background information, options for resolutions and administration's recommendation(s).

RECOMMENDATION FOR USE OF REQUESTS FOR DECISION: That administration produce and provide formal Requests for Decision (RFD) in a common format for the use of council members in making resolutions on issues which require research and have options.

While council minutes are published on the village website after they are approved, draft minutes are not. Providing draft minutes would help to advance transparency and public awareness of council decisions.

RECOMMENDATION FOR ONLINE AGENDAS AND MINUTES: That council meeting agendas along with a complete set of accompanying public documents are made available to the public in a timely fashion through the municipal website, at least two days prior to the meeting, and that draft minutes are also made available on the municipal website within a few days of each meeting.

5.11.2 Council Acting by Bylaw or Resolution

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

Methods in which council may act

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

Requirements for valid bylaw or resolution

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

Inspectors heard from some citizens that they believed that the Village of Alix council occasionally acted in an irregular manner outside of council meetings by engaging in council discussions and debate outside of council meetings. The inspectors found no evidence that this was taking place with the current council.

The primacy of the council needs to be respected where council discussion and debate is reserved for official council meetings, and where the public has a right to be present in accordance with legislative requirements for the decision-making process.

The inspectors observed that at times, councillors, during a council meeting would attempt to give direction to administration directly, rather than by passing a resolution.

An example was witnessed at the May 17, 2017 meeting, when during discussion about correspondence from CN, Deputy Mayor Fehr “strongly suggested that the CAO write a letter to CN requesting training for local firefighters related to the two most hazardous products that CN transports through the community.” While the intent was likely honorable, no motion was recorded, but it was clear to all present that direction had been given.

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

5.11.3 Requirement to Vote and Abstentions

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

Requirement to vote and abstentions

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

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

Council meeting minutes show that council members generally followed proper processes for voting or abstaining on matters, in accordance with the MGA, with the exception that the reason for the abstention was not stated or recorded, as shown in the meeting minutes example below.

In-Camera:

Resolution #036/17: Moved by Councillor Peterson that the Village of Alix Council go "In Camera" at 7:38 P.M.
CARRIED

a) Land Issue – Lot 23, Block 3, Plan XXX
Councillor Peterson left the meeting at 7:39 P.M.
Councillor Peterson rejoined the meeting at 8:11 P.M.

b) Land Sale

c) Legal

d) Personnel – Chief Administrative Officer
Tanya Meston left from the meeting at 8:35 P.M.
Tanya Meston rejoined the meeting at 8:43 P.M.

Resolution #037/17: Moved by Councillor Peterson that the Village of Alix Council come "Out of Camera" at 8:58 P.M.
CARRIED

Councillor Peterson left the meeting at 8:58 P.M.

Resolution #038/17: Moved by Councillor Widmann that the Village of Alix Council direct Administration to advertise Lot 23, Block 3, Plan XXX for lease as stipulated by the Chief Administrative Officer.
CARRIED

Councillor Peterson rejoined the meeting at 8:59 P.M.

Figure 9- Excerpt, February 15, 2017 Council Meeting Minutes

If a council member does have a pecuniary interest requiring an abstention from voting, it is necessary that they state reasons and leave the room prior to discussion and voting.

In the example above, Councillor Peterson left the meeting because he owned property adjacent to Lot 23, and was interested in submitting a bid for the lease noted in the minutes. The actions of Councillor Peterson with respect to leaving the meeting were correct, however, even though it

was common knowledge among both the council members and those present in the gallery that Councillor Peterson was interested in the lease, he should have publicly stated his pecuniary interest, and that reason should have been reflected in the minutes.

Resolution #38/17 likely emerged from the in camera discussion, and again Councillor Peterson left the room for the discussion and vote.

Voting on council decisions is a fundamental duty of council members, and if council members refuse to vote on a matter when they are present at the meeting, and when they have no pecuniary interest, the consequence may be a disqualification from council in accordance with the MGA s. 174(1)(f). The consequence for improperly abstaining from voting on a matter put to a vote is significant because otherwise a council member could strategically abstain from voting as a tactic to control or influence the outcome of a council decision.

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

5.11.4 Pecuniary Interest

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

Pecuniary interest

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

- (a) the matter could monetarily affect the councillor or an employer of the councillor, or*
- (b) the councillor knows or should know that the matter could monetarily affect the councillor's family.*

(2) For the purposes of subsection (1), a person is monetarily affected by a matter if the matter monetarily affects

- (a) the person directly,*
- (b) a corporation, other than a distributing corporation, in which the person is a shareholder, director or officer,*
- (c) a distributing corporation in which the person beneficially owns voting shares carrying at least 10% of the voting rights attached to the voting shares of the corporation or of which the person is a director or officer, or*

(d) a partnership or firm of which the person is a member.

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

Disclosure of pecuniary interest

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

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

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

- (a) *that the councillor, an employer of the councillor or a member of the councillor's family may have as an elector, taxpayer or utility customer of the municipality,*
- (b) *that the councillor or a member of the councillor's family may have by reason of being appointed by the council as a director of a company incorporated for the purpose of carrying on business for and on behalf of the municipality or by reason of being appointed as the representative of the council on another body,*
- (c) *that the councillor or member of the councillor's family may have with respect to any allowance, honorarium, remuneration or benefit to which the councillor or member of the councillor's family may be entitled by being appointed by the council to a position described in clause (b),*
- (d) *that the councillor may have with respect to any allowance, honorarium, remuneration or benefit to which the councillor may be entitled by being a councillor,*
- (h) *that the councillor or member of the councillor's family may have*
 - (i) *by being appointed as the volunteer chief or other volunteer officer of a fire or ambulance service or emergency measures organization or other volunteer organization or service, or*
 - (ii) *by reason of remuneration received as a volunteer member of any of those voluntary organizations or services,*

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

The pecuniary interest provisions in the MGA refer to the monetary effect of a council decision, which could be either positive or negative. Issues which have non-monetary impact on the councillor are NOT considered pecuniary and therefore require the councillors' participation. It is also noted that the MGA does not reference '*conflict of interest*' wording, but rather '*pecuniary interest*'. It is important that municipalities use wording in bylaws and resolutions that is consistent with the MGA wherever possible.

While the inspectors found that councillors were typically appropriately excusing themselves from discussion and voting on items for which they had a pecuniary interest, the reason pecuniary interest was generally not declared or recorded in the minutes.

A potential area of a member of council participating in debate and voting on an issue of pecuniary interest was in relation to leasehold improvements to the new Community Activity Building or 'red building' as it is commonly known.

Prior to being elected, current councillor Jody Widmann opened Potluck Café in one of the bays of the building using space leased from the village.

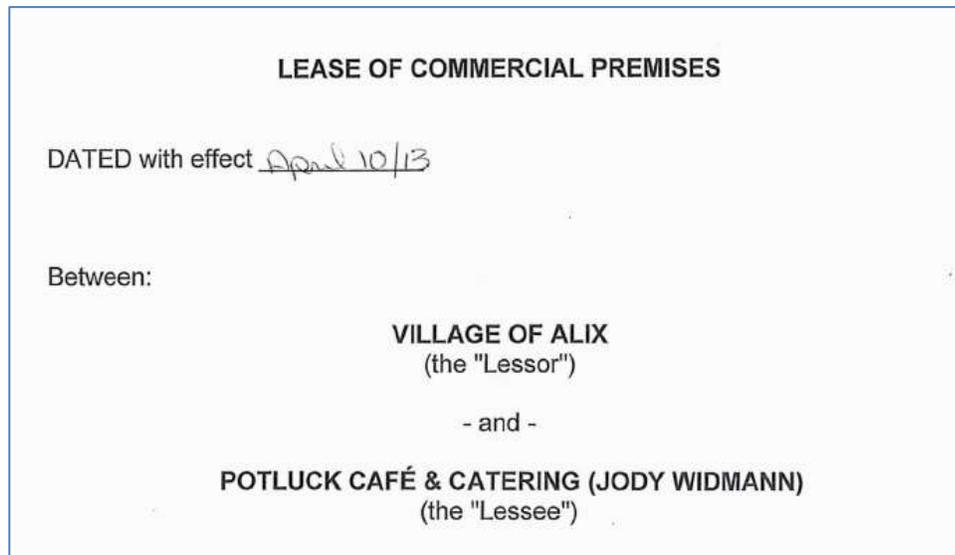


Figure 10 - Page 1, Potluck Cafe Lease Agreement 2013

Costs for additional subsequent leasehold improvements was shared by the village and the lessor. While the minutes of the relevant council meetings are brief, it is possible that an issue of pecuniary interest may be present if councillor Widmann participated in the debate and vote regarding the leasehold improvement funding.

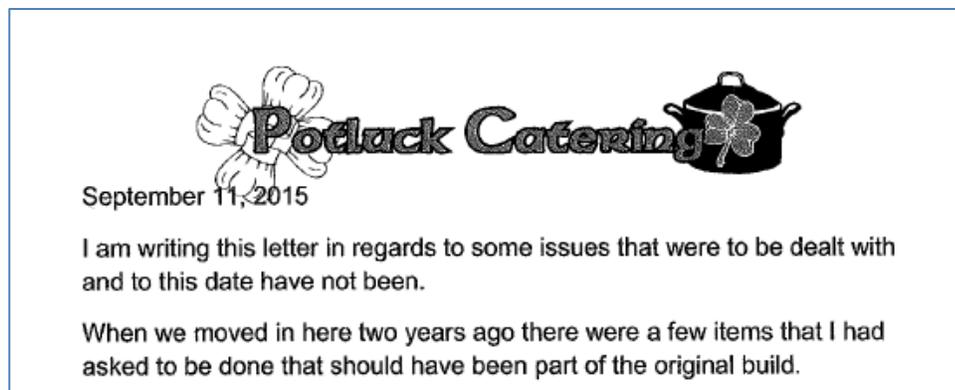


Figure 11 - Excerpt from September 16, 2015 Council Agenda Package

According council meeting minutes from September 16 and October 7, 2015, Councillor Widmann was present at these meetings, and there is no indication she recused herself from the debate and the vote. There is no data in the October 7 agenda package to identify the specific aspects of the 'Tenant Improvements' identified below. The September 16 agenda package contains a letter/memo from "Jody Widmann, Potluck Café and Catering" citing incomplete or

inadequate leasehold improvements. Addressing these deficiencies would likely incur a financial cost to the municipality and a benefit to Potluck Café and Catering.

| | |
|---------------------|--|
| New Business: | a) <u>Pot Luck Cafe – Tenant Improvements</u> |
| Resolution #218/15: | Moved by Councillor Christensen that the Village of Alix Council table this item <u>in order for</u> Administration to get more information from Chris Laing and Byron Reynolds of Creative Infrastructure, 1292800 Alberta Ltd. |
| | CARRIED |

Figure 12 - Excerpt, September 16, 2015 Council Minutes

| | |
|------------------------------------|--|
| Business Arising from the Minutes: | |
| Unfinished Business: | a) <u>Pot Luck Cafe – Tenant Improvements</u> |
| Resolution#236/15: | Moved by Councillor Peterson that the Village of Alix Council accept the report given by the Assistant Chief Administrative Officer regarding tenant improvements. |
| | CARRIED |

Figure 13 - Excerpt, October 7, 2015 Council Minutes

This matter was brought to Councillor Widmann’s attention for comment. In an email to the inspectors, she notes that she “*did not leave the meeting because it was a discussion about the difficulty of getting hold of Chris (re. deficiencies) and the things he still did not do. There was no pecuniary interest identified then, nor later.*”

RECOMMENDATION FOR HANDLING PECUNIARY INTEREST MATTERS: That elected officials learn and abide by the pecuniary interest provisions of the MGA and consult with their own legal counsel as needed to ensure continued compliance with the MGA s. 170, and that they declare their pecuniary interest when one exists.

5.11.5 In Camera Portions of Meetings

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

Public presence at meetings

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

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

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

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

The inspectors found irregular and improper procedures followed by the Village of Alix Council in their application of closing meetings (in camera), often closing portions of council meetings to the public without stating clear reasons to go in camera, without describing the item to be discussed in camera, and at times discussing items in camera which should have been discussed in an open meeting. Two examples witnessed by the inspectors follow:

At the March 15, 2017 regular council meeting, attended by the inspectors, council dealt with bids in response to an RFP related to the potential lease of a property owned by the municipality.

After the CAO had publicly stated that only one bid had been received, the mayor directed that the item be discussed during the in camera portion of the meeting, but no reason was given for why it needed to be discussed in camera.

Page 2
March 15, 2017

New Business: a) Lot 23 Lease

 Councillor Peterson left the meeting at 7:12 P.M.

 One bid was received.

 Mayor Nelson directed this item be discussed "In Camera".

 Councillor Peterson returned to the meeting at 7:17 P.M.

Figure 14 - Excerpt, March 15, 2017 Council Meeting Minutes

Later in the same meeting, a motion was made by Councillor Widmann to go in camera. Again, no reason was stated either as a part of the motion or part of the discussion, nor was there an indication of what was to be discussed. The agenda identified an agenda "item a) Land". What was not clear to the public, was that there were now two in camera items, the Lot 23 Lease, and a land sale update.

The inspectors found little reason for the lot lease bid to have been discussed in camera. The tendering process was a public process. Once the bidding had closed, the content of the bid should have been public. If a Request for Decision document had been prepared by administration, with a recommendation for the CAO to draft a lease agreement with the successful bidder, council may have been comfortable discussing the item in the public portion of the meeting.

After discussion about the lease of Lot 23, Councillor Peterson re-joined the meeting for a very short discussion about a potential land sale. While this was likely appropriate, the gallery, who by their own admission watch closely the movement of councillors in and out of meetings, (to the extent that they have videoed the exterior of the building to record the amount of time spent in the building by council), likely believed that Councillor Peterson participated in some of the discussion about his bid to lease the property.

| | |
|---------------------|--|
| In-Camera: | a) <u>Land</u> |
| Resolution #059/17: | Moved by Councillor Widmann that the Village of Alix Council go "In Camera" at 7:23 P.M. <p style="text-align: right;">CARRIED</p> |
| | Councillor Peterson left the meeting at 7:24 P.M. Councillor Peterson rejoined the meeting at 7:37 P.M. |
| Resolution #060/17: | Moved by Councillor Christensen that the Village of Alix Council come "Out of Camera" at 7:38 P.M. <p style="text-align: right;">CARRIED</p> |
| | Councillor Peterson left the meeting at 7:39 P.M. |
| Resolution #061/17: | Moved by Councillor Fehr that the Village of Alix Council direct the Chief Administrative Officer to have a lease document prepared for Lot 23, Block 3, Plan RN30. <p style="text-align: right;">CARRIED</p> |
| | Councillor Peterson returned to the meeting at 7:40 P.M. |

Figure 15 - Excerpt, March 15, 2017 Council Meeting Minutes

After moving "Out of Camera", Councillor Peterson again left the meeting, as he should, and a motion was passed directing the CAO to prepare a lease document. Council then had some discussion about how to proceed, and how to word the resolution. Resolution #061/17 giving direction was moved by Councillor Fehr, and carried. It is irregular that there was no mention in the resolution of the acceptance of the bid, that the lease would be based on the terms set out in

the bid, who the lease would engage, nor the lease rate (which was submitted as a part of the bid).

While this example does record the individuals who left or joined the meeting both in camera and during the regular meeting, best practice would also note the reason for his or her departure. For example:

Councillor xxx declared a pecuniary interested with respect to the Lot 23 Lease Agreement, and left the meeting. Time: 7:39 p.m.

Best practice would also dictate that the nature of council's in camera items should be stated in the minutes. For example:

Moved by Councillor xxx that the Village of yyy Council go in camera to discuss the status of a land sale by reason of Exceptions to Disclosure Part 1, Division 2 - 25 of the Alberta Freedom of Information and Protection of Privacy Act. Time 7:38 p.m.

A second example of an improperly managed in camera meeting was witnessed by inspectors during a Special Council Meeting, held April 27, 2017. Once again, the item to be discussed was Lot 23. A legal opinion had been obtained by the CAO, and a letter had been submitted to the Village by Alix Home Hardware (owned by Councillor Peterson) with specific requests related to the proposed lease.

The agenda for the April 27, 2017 meeting contained no mention of any in camera portion of the meeting. No backup documentation of any kind was available on the village website or in hard copy at the meeting, although the inspector noticed that council did appear to have copies of the proposed lease, legal opinion and letter. During the meeting, Councillor Widmann moved that the Village of Alix Council go in camera. No reason was given as to the justification for moving in camera. Associated with this activity, Councillor Peterson left the meeting as was appropriate, however no reason was given.

During the in camera discussion, council first reviewed the legal opinion. In the inspector's opinion, this discussion was appropriately held in camera. Council then moved on to discuss the letter submitted by Councillor Peterson requesting certain revisions to the lease. It is the inspector's opinion that it was improper to hold these discussions in camera.

Council then discussed a personnel issue. While it was proper to hold this discussion in a closed session, it was irregular not to call Councillor Peterson back into the room for the discussions,

and improper not to have listed the item on the agenda, or mentioned it in the motion to go in camera. While the public do not have a right to hear the discussions being held in camera they do have a right to know in general terms the topic that is being discussed.

| | |
|--------------------------|--|
| In-Camera: | c) <u>Lot 23 Lease Agreement</u> |
| Resolution #090/17: | Moved by Councillor Christensen that the Village of Alix Council go “In Camera” at 7:24 P.M. <p style="text-align: right;">CARRIED</p> <p>Councillor Peterson left the meeting at 7:25 P.M.</p> |
| Resolution #091/17: | Moved by Councillor Christensen that the Village of Alix Council come “Out of Camera” at 7:53 P.M. <p style="text-align: right;">CARRIED</p> <p>Councillor Peterson returned to the meeting at 7:54 P.M.</p> <p>Councillor Peterson left the meeting at 7:55 P.M.</p> |
| Resolution #092/17: | Moved by Councillor Christensen that the Village of Alix Council approve the Lot 23 Lease Agreement with Alix Home Hardware as presented. <p style="text-align: right;">CARRIED</p> |
| Page 2 April 27, 2017 | |
| Resolution #093/17: | Moved by Councillor Widmann that the Village of Alix Council approve the request for permission from Alix Home Hardware to fill in the swale, store propane bottles, and perform weed and grass control on Lot 23 as per the terms of the Lot 23 Lease Agreement. <p style="text-align: right;">CARRIED</p> <p>Councillor Peterson returned to the meeting at 8:58 P.M.</p> |

Figure 16 – Excerpt, April 27, 2017 Council Meeting Minutes

When motion 093/17 was approved granting permission for Alix Home Hardware (owned by Councillor Peterson) to store propane on the property and remove an existing drainage swale, some members of the public gallery became visibly upset. One of the citizens in the gallery owned the adjacent lot, and to have the motion read out granting these requests, without having had the opportunity to hear the discussions, or to even have had some notice of the request, was apparently upsetting.

While the inspectors did not find any ill-intent by the village council or administration, the practice of the Village of Alix Council to hold frequent in camera meetings, coupled with the failure to provide appropriate descriptions of the items to be discussed has led to significant mistrust and a perception by certain members of the public who believe that the in camera process is being 'abused' by the village.

RECOMMENDATION FOR IN CAMERA TRAINING: That council review and update their procedures with respect to the use of in camera portions of council meetings, and that both council and administration receive appropriate FOIP training to ensure that items which should be dealt with in camera are, and those which should be public remain in the open portion of the meeting.

5.11.6 Public to Vacate Building

Inspectors identified an unusual, although possibly understandable practice, that when council closes meetings, the public are cleared not only from council chambers, but also from the building. Stakeholders complained that in the winter or during inclement weather, this can be extremely inconvenient as they generally wait until the close of the in camera portion of the meeting so they can re-enter the gallery to view the remainder of the meeting.

When asked about this, staff explained that in the past the public has been allowed wait in the entryway, just outside the council chamber, but some members of the gallery had attempted in various ways to listen in on the closed portion of council meetings. As the room in which council meets is not entirely soundproof, council felt they had no option other than to ask the public to leave the building entirely. Even with this step taken, there is concern about certain members of the public attempting to listen through the west window of the council chambers which is adjacent to Main Street and the public sidewalk, and is sometimes open during warm days.

The inspectors were provided with convincing evidence that on at least one occasion, members of the public were attempting to (and may have succeeded in) listening in to in camera discussion.

It is unfortunate that council feels that it has to go to such extraordinary lengths to be able to hold in camera discussions as permitted under section 197 of the MGA. It is also unfortunate that some members of the public appear not to respect council's right to close portions of meetings to the public with the expectation that confidentiality be ensured.

In a related vein, inspectors heard from at least one stakeholder that when Councillor Peterson leaves an in-camera meeting, presumably due to a pecuniary interest, he stands beside the door and listens to the conversation. The stakeholders stated that they know this because they routinely watch through the building windows to monitor the actions of council. When asked about this claim, Councillor Peterson noted that *“If it was an in camera meeting I go to the coffee room in the back. If it is just a discussion to which I can be part of but not in camera I don't always go to the back. The discussion is not private and is on the tape recorder. I just can't be part of the discussion”*.

The inspectors listened to the recording of a sample meeting that contained a closed portion to determine whether the in camera portion was being recorded. The recorder was shut off after the motion to go in camera, and turned back on in time for the motion to return to the open session. None of the in camera discussion was recorded.

While understanding council's concern for privacy, the inspectors found that the requirement for the public and members of the media to leave the building and wait outside, unprotected from the weather, for sometimes extended periods until the in camera portion of the meeting is concluded, contributed to the mistrust by certain members of the gallery, and the perception that they were being mistreated.

Options for the village to consider to address concerns for confidentiality while accommodating members of the gallery could include methods of soundproofing, the introduction of white noise, or possibly relocating the closed portions of the council meeting to another room in the village office.

RECOMMENDATION FOR CONFIDENTIALITY DURING CLOSED PORTIONS OF

MEETINGS: That council review its options for ensuring confidentiality of closed meetings, and identify a means of allowing the public to remain in some portion of the building rather than having to wait outside.

5.11.7 FOIP Exceptions to Disclosure and Confidentiality

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

Division 2

Exceptions to Disclosure

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

Agenda items that do not fall within the above FOIP Exceptions to Disclosure are to be discussed by council during the open portion of public council meetings.

Items which do fall within the above FOIP Exceptions to Disclosure are to be kept in strict confidence. Keeping matters in confidence was identified as a concern by some stakeholders, who claimed that discussions held in camera were relayed to some of the councillors' spouses, who then relayed the information to the community. While the inspectors found no formal evidence of this, council members are reminded of their responsibility to keep matters in confidence, according to the MGA s. 153(e), as follows:

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

Council needs to ensure that confidential matters are discussed in a closed meeting and remain private until a proper time.

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

5.11.8 Public Presence During Meetings

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

Right of public to be present

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

Transparent decision-making is a fundamental tenet of local government. There is an expectation that a municipal council will deliberate matters of local concern in a public setting with respectful, professional meeting procedures.

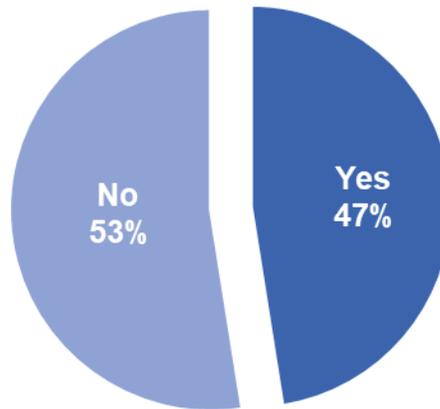
While small, the council chambers provide an adequate meeting space, though some members of the gallery have expressed that they were unable to hear some of the quieter members of council and administration during the course of the meeting.



Figure 17 - Alix Council Chambers

When asked, approximately half of the online survey respondents indicated that they had attended a Village of Alix council meeting in the past three years, as shown in the chart below:

Attended a Council Meeting in the Past Three Years (N=120)



Ongoing reciprocal consultative dialogue between citizens and their elected officials can add legitimacy to decision-making and lead to a greater understanding of the potential impact of local issues. There are appropriate means for citizens to address elected officials informally before or after council meetings; or formally as a delegation to council.

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

During the meetings which were attended by the inspectors they found that:

- From the back of the council chambers it was hard to hear the discussion.
- Adequate documentation was not always provided to the public,
- Appropriate explanations were not always provided as to why the council was going in camera.

In spite of this, the public were generally conducted themselves appropriately during the meetings that the inspectors attended, though the inspectors did hear stories about interactions between council members and members of the gallery during council meetings. The inspectors were made

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

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

aware, and heard from multiple sources, that at other meetings, some members of the gallery were less respectful.

At a meeting May 15, 2017, both the mayor and a member of the gallery independently called the RCMP. The mayor called because a group of citizens had apparently become argumentative and were refusing to leave the council chamber and building so that council could close the meeting to discuss a personnel issue. The citizen indicated in a written submission to the inspectors that he telephoned the police because he and others in his group felt that the public were being forcefully removed from chambers, that they had a right to hear all budget discussions, and that they felt they were being physically removed and the “*door struck (individual) on the arm*” as it was being closed on the way out.

While the complaints are the purview of the police, the inspectors note that it is within council's authority to close a public meeting to discuss a personnel issue, whether or not the meeting is a budget meeting.

This example is another illustration of the suspicion-based nature of the relationship between the public and the village council that arises because of a lack of understanding on both sides.

RECOMMENDATION FOR PUBLIC PRESENCE: That council ensures that the public has an opportunity to be present at all council and committee meetings in accordance with the provisions of the MGA s. 197-198, that they are able to adequately hear the discussion, and that they have access, to a full agenda package which includes all the reports, recommendations, and correspondence that is provided to council, excepting out those items which are considered exceptions to disclosure under the *Alberta Freedom of Information and Protection of Privacy Act*.

RECOMMENDATION FOR PUBLIC TO RESPECT COUNCIL: That individuals present in the gallery of the Alix council chambers conduct themselves as required in the MGA and village Procedural Bylaw 423/16, that they are respectful of council, and respect the right of council to close the meeting to discuss items which are considered exceptions to disclosure under the *Alberta Freedom of Information and Protection of Privacy Act*.

5.11.9 Council Meeting Dates, Times and Locations

Regular council meeting dates, times and locations are set by council in accordance with the Village of Alix Council Procedural Bylaw and as provided in the MGA:

Regular council meetings

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

The Village of Alix Council Procedural Bylaw 423/16 sets out the dates, times and locations of regular meetings as follows:

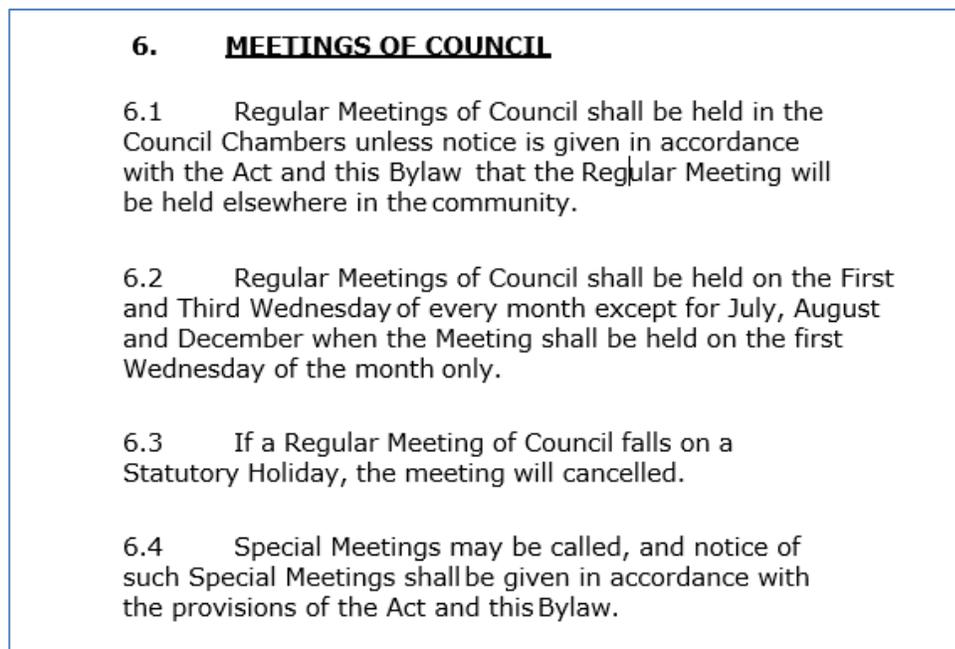


Figure 18 – Excerpt, Procedural Bylaw 423/16

During the period March 15, 2017, to May 24, 2017, Alix Village Council held four regular meetings, four special meetings, cancelled one regular meeting (May 3, 2017), and scheduled and then cancelled a special meeting on May 10, 2017. The May 10, 2017 special meeting was cancelled by the mayor on behalf of council with less than one hour notice to the CAO.

When administration is asked to cancel a meeting, appropriate process is followed and there is a document prepared signed by all of council. As an example of process breakdown, the May 10 special meeting was called by the mayor at the last minute when she got back from holidays. That same meeting was also cancelled at the last minute without going through village

administration. When asked about process surrounding this meeting, the CAO told the inspector that he had not seen the items for the proposed agenda.

While it appears that village officials complied with legislative requirements, best practice is to use special meetings only for urgent or emergent issues; and when one is called, to deal with the specific urgent issue and leave the non-urgent items to the next regular meeting.

As noted previously, it is irregular that in several cases, the CAO was not consulted about the special meetings being called, nor about the agenda, but simply advised that there would be a meeting.

The irregularity of the council schedule makes it difficult for members of the public to find out when meetings are being held, contributes to a lack of trust by stakeholders. The inspectors missed two meetings partly because they were not made aware the meetings in advance and missed the posting of the meeting notice and agenda on the village website.

Several community members mentioned to the inspectors that they would check the village office door on a regular, sometimes daily, basis to determine whether a new special meeting agenda had been posted (or the meeting cancelled). This 'guessing game' helped to foment suspicion that council did not want members of the public to be aware of when meetings were to be held.

The village office door appeared to be the main advertising area for meeting notices, followed by the village sign board and the village website. During the inspection, several individuals noted that the village has a large digital display board at the north end of Main Street, and that this would be an ideal location to display notices of council meetings.



Figure 19 - Alix Digital Sign

Calling special meetings with very little notice limits administration's ability to adequately prepare reports and recommendations for council's review and consideration.

Conducting the regular business of the village during regularly scheduled meetings, and reserving special council meetings only for issues which are truly urgent, builds trust and confidence in stakeholders, and allows them to schedule their time in advance to attend meetings.

RECOMMENDATION FOR NOTICE OF PUBLIC MEETINGS: That council conduct all but the most urgent items during regularly scheduled council meetings, and that when special meetings are called, appropriate process is followed and that as much notice as possible is given to the public.

5.11.10 Council Meeting Agendas and Agenda Packages

Agenda preparation is regulated under the Section 9 of the Village of Alix Procedural Bylaw 426/16 as follows:

| |
|--|
| <p>9. AGENDA</p> <p>9.1 The Agenda shall list the items and order of business for the meeting.</p> <p>9.2 The Executive Assistant shall ensure copies of the Agenda are:</p> <p>(a) available for Councillors no later than 3:00 PM on the fourth day before the day on which the meeting is held.</p> <p>(b) distributed to all Officers who are entitled to receive copies.</p> <p>9.3 The Executive Assistant shall make the Agenda and all reports and supplementary materials (unless they must or may be withheld under the Act or any other statute dealing with access to information) available on the municipal website to the media and public, but only after they have been provided to the Council Members.</p> <p>9.4 All submissions for the Agenda of all Public Hearings and Regular Meetings of Council shall be received by the Executive Assistant no later than 4:00 p.m. on the seventh complete day before the day on which the meeting is held.</p> <p>9.5 Subject to Subsection 9.6 of this Bylaw, only material which has been received in accordance with Subsection 9.4 of this Bylaw shall be considered at the meeting for which the Agenda is prepared.</p> <p>9.6 If an emergent matter needs to be brought before Council at any meeting the item shall:</p> <p>(a) be accompanied by a brief explanation from an Officer indicating the reasons for, and the degree of urgency of the item; and</p> <p>(b) be considered as an addendum to the Agenda.</p> |
|--|

Figure 20– Excerpt, Procedural Bylaw 423/16

Village staff informed the inspectors that every effort is made to ensure that the full agenda package is available to council on the Friday prior to any Wednesday council meeting, but that there are times when the information is not yet available to them. In these cases, where possible, the information is provided to council at the meeting.

The inspectors found that the information provided in the agendas was inconsistent, and not fully compliant with the procedural bylaw. At one meeting, a local news reporter commented that she covered several communities in the region, and Alix was the only community which didn't provide reports, recommendations and other documentation to go along with council's agendas.

Inspectors heard repeatedly from a few of the stakeholders that council 'withheld' information and made decisions outside of the public realm. While the inspectors do not believe that there was intent on the part of council to withhold information from the public, the failure to fully comply with the Procedural Bylaw contributes to a lack of trust by those stakeholders.

A review of council minutes showed that agenda items have been frequently added to the agenda at the start of council meetings. In the first five months of 2017, additions to the agenda were made during the meetings January 18, Feb 1, Feb 15, March 15, April 5 and May 17.

The Village of Alix Procedural Bylaw (s 9.4) requires that all agenda items be submitted to the Executive Assistant seven days prior to the council meeting. It also states in sections 9.5 and 9.6 that other than urgent items, only those items submitted in accordance with 9.4 will be considered at a meeting, and that if an item is considered urgent, that the reasons why the item is urgent must be stated at the meeting.

The Alix Village Council is acting improperly by not complying with the village's Procedural Bylaw. By adding agenda items at the last minute, council is not providing administration the opportunity to research items and provide council (and the public) with appropriate background, budget impacts, options, or recommendations in a templated RFD format.

RECOMMENDATION FOR ADDITIONS TO PUBLIC MEETINGS: That council comply with Procedural Bylaw 423/16 and approve only urgent items as additions to council agendas, and defer non-urgent items to the next regular council meeting, thereby providing village administration appropriate time to prepare background and options for council's consideration.

RECOMMENDATION FOR PUBLIC MEETING AGENDA PACKAGES: That administration ensure that complete agenda packages are available to council and the public in accordance with Procedural Bylaw 423/16.

5.11.11 Council Transparency

Concern was expressed by several stakeholders that council meetings are not ‘transparent’, though the definition of the term transparent appears to mean different things to different individuals and groups.

The transparency of council meetings could be substantially improved by ensuring the appropriate backup documentation is available to the public in accordance with the Village of Alix’s Procedural Bylaw, and by providing comprehensive Request for Decision documents for each item. The RFD should provide background to the item, suggest options for council, include a draft resolution for council’s consideration, how the item links to the strategic plan, if there are any legislative implications, and how it is to be funded (budget impact).

An example of how the perception of transparency could have been improved through the prudent use of appropriate support documentation occurred at a special meeting attended by the inspectors on April 27, 2017. At this meeting, council considered four submitted proposals to manage the village campground for the 2017 season. These bids had been submitted in response to a village tender process.

As part of this meeting package, no documentation was provided to the public about this agenda item. The process that occurred was:

- The CAO explained that four bids had been received, and read out the cost per month for each proposal. He did not identify which bid had which cost.
- The CAO then explained that the bids had been reviewed by administration using a matrix looking at various criteria, and that the top score was ‘260’.
- When asked by Councillor Fehr what criteria was used, the CAO explained the criteria which included experience, price, and history, among other items.

After some discussion, Resolution #88/17 was moved and Carried.

| | |
|---------------------|---|
| New Business: | a) <u>Awarding of Campground Contract</u> |
| Resolution #088/17: | Moved by Councillor Peterson that the Village of Alix Council award the Campground Contract to Brant and Cathy Perry in the bid amount of \$3,000.00 per month. |
| | CARRIED |

Figure 21 – Excerpt, April 27, 2017 Council Meeting Minutes

When the resolution was approved by council, several of the gallery became visibly upset. Favoritism was suspected by a few members of the gallery, individuals who were not shy to express their concern and likely saw this decision as another example of how council was not transparent in its choice of the ‘winning’ tender. A partner in the winning tender, and the successful vendor for the past few years, is a former village councillor.

The transparency of this meeting could have been improved if an RFD which fully disclosed the four bids, along with the matrix and scoring system document, had been available to the public, so that members of the public could see how each item had been scored, and could understand why administration had made the recommendation that it did.

The inspectors are not aware of any reason that the full nature of the bids, nor the matrix evaluation should not have been fully disclosed.

The fact that this item was handled at a special council meeting, which had been called only two days before, hindered administration’s ability to adequately prepare, and added to the concerns by some citizens. As a regular council meeting was scheduled six days later, it is the inspector’s opinion that this item was not urgent, and should have been handled at a regular meeting. As it turned out, the subsequent regular meeting was cancelled, likely because all the agenda items had been handled at the Special Meeting a few days before.

RECOMMENDATION FOR COUNCIL MEETING TRANSPARENCY: That council and administration work to improve the transparency of council meetings by considering all but urgent items during regularly scheduled council meetings, and providing full documentation along with a comprehensive Request for Decision document for each agenda item, to council and the public.

5.12 Bylaws

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

Bylaw readings

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

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

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

Passing of bylaw

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

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

- (3) Bylaws must be signed by*
 - (a) the chief elected official, and*
 - (b) a designated officer.*

The inspection included a review of municipal bylaws and found that hard copies of the Village of Alix's municipal bylaws were found to be organized chronologically in several binders in a locked vault. The sample that was reviewed appeared to be signed appropriately, and stored securely in accordance with legislative requirements in the MGA. Local bylaws had logical titles and followed a sequential, non-repeating, numbering format.

At the time of the inspection, a set of 16 bylaws and a land use map was available electronically in Adobe Acrobat format on the municipality's website. This list appears to reflect commonly requested bylaws; however, this online list does not appear to follow any logical sequence (i.e. by number, alphabetical).

| Document Name |
|--|
| 423 16 Alix Council Procedures Bylaw.pdf PDF |
| 420 16 Property Tax Bylaw.pdf PDF |
| 416 15- Borrowing Bylaw.pdf PDF |
| 413 14- Borrowing Bylaw.pdf PDF |
| 388 10 Borrowing Bylaw-Main Street, Sewer Upgrades.pdf PDF |
| Alix Utility Bylaw 375 08-Schedule A- 2015 Rates.pdf PDF |
| Truck Traffic Bylaw 237 95.pdf PDF |
| Public Disturbances Bylaw 389 10.pdf PDF |

Figure 22 - Sample of Village Bylaws Available on Website

Some of the bylaws appear to be scans of the original, signed, bylaws, while others are not signed, and may be pdf copies of the MS Word files.

Some village bylaws appear to be adapted from bylaws developed by other communities, for example, metadata available for council's Procedure Bylaw indicates that it is a Town of Cochrane bylaw. This can be confusing since the tab header for the online version of the bylaw states 'TOWN OF COCHRANE' rather than 'Village of Alix'.

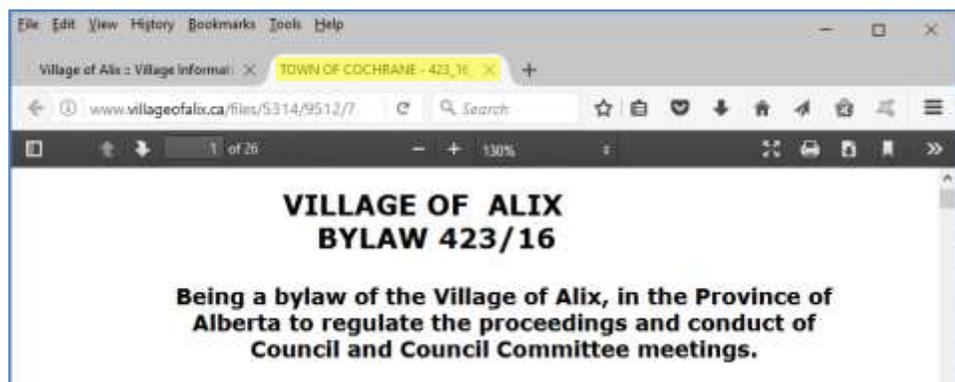


Figure 23 - Note Tab Header 'Town of Cochrane'

The village bylaw register indicates that several bylaws have been on the books for decades and that a review of those bylaws for relevance and currency would be worthwhile. An example of this is the *Freedom of Information and Protection of Privacy Bylaw* that was enacted in 1999 and

does not seem to have been reviewed since. More information on this bylaw appears in the Records Management section below.

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

Amendment and repeal

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

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

A limited review of bylaw amendments indicates that village council is applying appropriate methods to amend bylaws, by using a bylaw, as illustrated in the Utilities Bylaw amendment below.

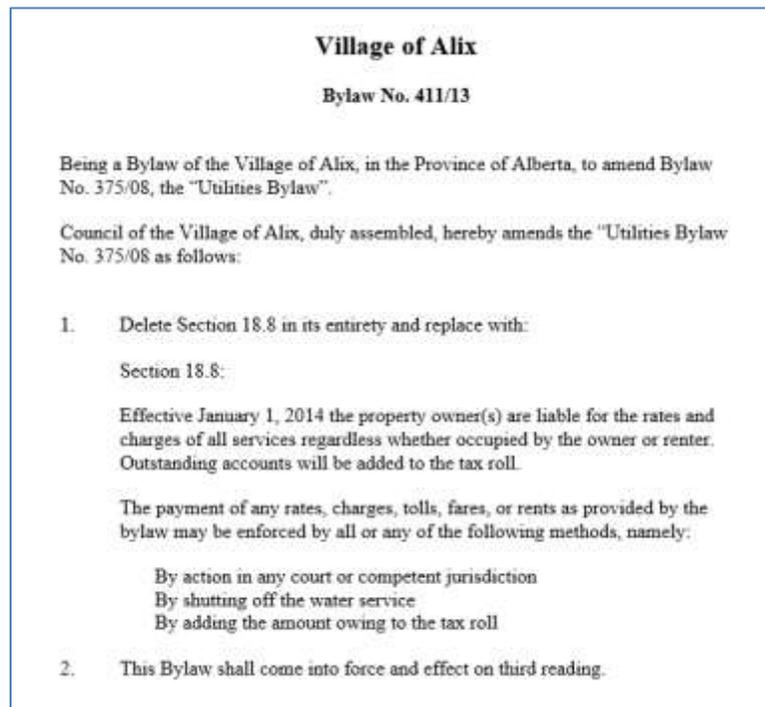


Figure 24 - Amendment to Utilities Bylaw 411/13

RECOMMENDATION FOR BYLAW AVAILABILITY: That administration post scanned Adobe Acrobat copies of signed, commonly requested bylaws in a logical format and sequence on the village website, and that the village indicate that other bylaws are available through the village office.

RECOMMENDATION FOR BYLAW REVIEW: That council conduct a thorough review of existing bylaws to determine which may no longer be required and which may need to be amended to incorporate legislative changes since the respective bylaws were enacted.

5.13 Policies

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

Powers, duties and functions

5 A municipality

(a) has the powers given to it by this and other enactments,

(b) has the duties that are imposed on it by this and other enactments and those that the municipality imposes on itself as a matter of policy, and

(c) has the functions that are described in this and other enactments.

A review of the Village's policy book showed that there are currently 33 governance policies in place, the most recent of which is from 2015. When asked, the former Director of Corporate Services indicated that there had been no policies enacted since that time.

Current policies are diverse, and a sample of them includes policies on:

- Submission Deadlines (Policy 1)
- Credit Card Use (Policy 12)
- Village Vehicle Use (Policy 16)
- Dispute Resolution (Policy 23)
- Uncollectable Accounts (Policy 26)
- Social Media (Policy 33)

In the policy book, which appears to be up to date, all original policies appear to be signed appropriately. The policy template does not contain a field for policy review dates, making it difficult to identify when council needs to review certain policies. This emerges upon review of individual policies, some of which appear to be outdated, others are included in the policy book as 'draft', and others regulate items which are unlikely to occur.

There also appear to be gaps in policy, such as the lack of Violence in the Workplace policy and a Safety policy that are required under occupational health and safety authority. There is no

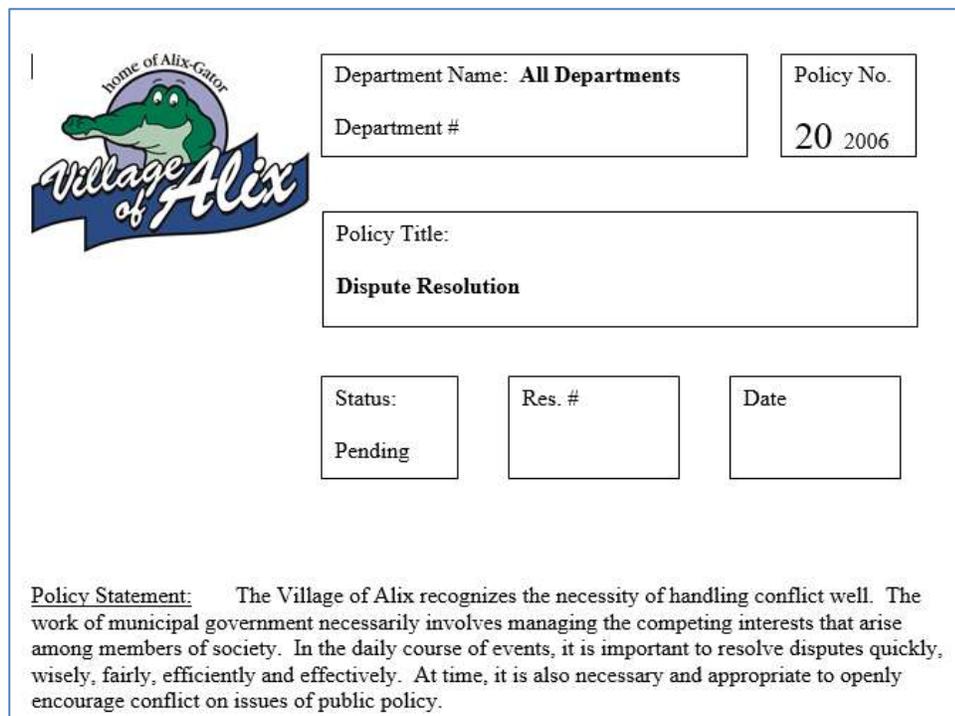
policy on policy making, reviewing or rescinding, which would be helpful in council's stewardship of its own policies.

The Village of Alix has a records retention policy with disposition schedule.

A best practice in policy change process includes rescinding an outdated policy and creating a new policy each time a policy change occurs.

Based on the inspector's review, the Village of Alix appears to have a practice of amending policies rather than creating new, updated ones. This appears to be the case because there are almost no policies in the set of electronic policies provided to the inspectors that have the same name. While this method of updating does show council's intent, it is cumbersome and is not a best practice since it increases the risk of confusion and omissions.

For example, there are currently two policies (#20 and 323) named 'Dispute Resolution'. It is possible that policy 20 (below) was never approved since there is no resolution number attached to the template, however the electronic version of policy 20 does not indicate that it was not approved.



The image shows a screenshot of a policy template for the Village of Alix. On the left is the logo for the Village of Alix, featuring a green gator and the text "home of Alix-Gator" and "Village of Alix". The form fields are as follows:

| | | |
|--|------------------------------|------|
| Department Name: All Departments | Policy No. 20 2006 | |
| Department # | | |
| Policy Title: Dispute Resolution | | |
| Status: Pending | Res. # | Date |

Policy Statement: The Village of Alix recognizes the necessity of handling conflict well. The work of municipal government necessarily involves managing the competing interests that arise among members of society. In the daily course of events, it is important to resolve disputes quickly, wisely, fairly, efficiently and effectively. At time, it is also necessary and appropriate to openly encourage conflict on issues of public policy.

Figure 25- Excerpt, Policy 20 (Dispute Resolution)



| | | |
|-------------------------------------|------------------|----------------------|
| Department Name: All Departments | Policy No. | |
| Department # <u>All</u> Departments | 23 | |
| Policy Title: Dispute Resolution | | |
| Status: Approved | Res. # 357/07 | Date July 3, 2007 |

Policy Statement: The Village of Alix recognizes the necessity of a policy to deal with dispute between individuals within the organization.

Figure 26 - Excerpt, Policy 23 (Dispute Resolution)

A review of other village policies has indicated that there are some issues that the village will need to address to bring its set of policies to a current standard. Some of these issues include:

- Policy 4 *Handling Public Concerns (Complaints)*. Among other items, the policy suggests that all complainants shall be advised in writing, the complaints will be kept on file with notations of actions taken, and complaints reports will be provided to council at least bi-monthly.

A process review found that:

- Many concerns are passed on to public works without being recorded.
 - Some concerns are recorded and filed.
 - No record of bi-monthly reports being made to council was found, though this is a good practice.
 - While not in strict compliance to the policy, most significant concerns appear to be recorded.
 - Complaints that are received are kept in a file folder. A review showed approximately 20 complaints per year, though the number varies by year.
There is no spreadsheet or summary of the complaints.
- Policy 7 *Canvassing within the Village of Alix Limits* should be a bylaw not a policy.
 - Policy 8 *Use of the Village of Alix Council Chambers After Office Hours* has awkward wording that obfuscates the intention and desired practice for the policy.

- Policy 16 *Village Vehicle Use* identifies use of village vehicles by both employees and elected officials. It is unclear why village council members would be required to use village vehicles.
- Policy 19 *Testing of the Disaster Services Siren* refers to monthly testing the siren; however, the inspectors were told that the siren has been out of use for years.
- Policy 27 *Community Group Grants*, and 28 *Cemetery* are both marked as 'draft' without indication of any required next steps.
- Policy 30 *Electronic Recording of Council Meetings* notes that "a tent sign shall also be placed on the Council Chambers table indicating that any meetings may be electronically recorded." While there are signs indicating this around the chambers, there are no signs on the council table.

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

RECOMMENDATION FOR POLICY REVIEW: That council ensure that current policies incorporate best practices when amending and creating new policies; and that the policy template contain information about when the policy is to be reviewed by council.

5.14 Council Committee Structure

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

Bylaws - council and council committees

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

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

Composition of council committees

146 A council committee may consist

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

Village of Alix council participates in various internal, external, and intermunicipal committees. Council committee involvement had a strong regional focus. The following list of committees was identified as approved board and committee meeting appointments during the October 19, 2016 Organizational Meeting:

5. Appointment to Boards, Commissions and Committee
(1 Delegate & 1 Alternate)
- Section 1 – General Government**
- A. - Parkland Community Planning Services
 - B. - Municipal Planning Commission
3 Councillors & Development Officer
 - C. - Development and Subdivision Appeal Board
1 Councillor & Development Officer
 - D. - Economic Development Committee
- Section 2 - Protection and Health**
- A - Disaster Services
Director & Deputy Director
 - B. - Regional Disaster Services
Director & Deputy Director
 - C. - Regional Fire Services Committee
 - D. - Bashaw R.C.M.P. Community Consultative Group
 - E. - Lacombe Foundation
- Section 3 - Transportation, Water and Sanitation**
- A. - Lacombe Regional Solid Waste Authority/
Central Waste Management Commission
 - B. - C.P .Railway Advisory Committee
 - C. - Hwy 12/21 Water Commission
 - D. - Red Deer River Municipal Users Group/Watershed Alliance
- Section 4 - Recreation and Culture**
- A. - Alix Public Library/Parkland Regional Library
 - B. - Recreation Liaison
- Section 5 - Rahr/Village Relations Committee**
- A. - 2 Councillors and CAO

Figure 27 - 2016 Organizational Meeting Appointment List

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

For example, the MGA s 145 states that a council may pass a bylaw to outline the "establishment and function of council committees". A review of village bylaws does not indicate a bylaw being enacted to establish the Economic Development Committee that appears in the list of appointments above.

RECOMMENDATION FOR ECONOMIC DEVELOPMENT COMMITTEE BYLAW: That council pass a bylaw to authorize the establishment and functions of an Economic Development Committee, in accordance with the MGA s. 145.

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

5.15 Council Remuneration

Village of Alix council members were compensated for meeting honorariums and expenses associated with meeting attendance, though the legislative basis for the amount of remuneration was not evident. A review of bylaws and policies for the past 10 years did not indicate a fee schedule for elected officials.

Recent council remuneration is summarized in the following excerpt shown in the 2016 salary and benefits disclosure from the 2016 audited financial statements:

| Village of Alix Notes to Consolidated Financial Statements | | | | |
|---|----------|-----------------------|------------|------------|
| December 31, 2016 | | | | |
| 14. Salary and Benefits Disclosure | | | | |
| Disclosure of salaries and benefits for municipal officials and designated officers as required by Alberta Regulation 313/2000 is as follows: | | | | |
| | Salary | Benefits & Allowances | Total 2016 | Total 2015 |
| Mayor Nelson | \$ 8,354 | \$ - | \$ 8,354 | \$ 7,631 |
| Deputy Mayor Peterson | 4,615 | - | 4,615 | 7,310 |
| Councillor Fehr | 7,350 | - | 7,350 | 7,560 |
| Councillor Christensen | 6,165 | - | 6,165 | 5,565 |
| Councillor Widmann | 6,250 | - | 6,250 | 5,795 |
| Chief Administrative Officer - Troy Jenkins | 61,629 | 10,740 | 72,369 | - |
| Chief Administrative Officer - Tanya Meston | 34,408 | 8,694 | 43,102 | 30,399 |

Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

Benefits and allowances includes the employer's share of all employee benefits and contributions or payments made on behalf of employees including health care, dental coverage, group life insurance, dental coverage, and vision coverage.

Figure 28 - Excerpt from 2016 Year-End Financial Statement

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

Best practices increase accountability by publicly reporting council member meeting and expense claims.

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

RECOMMENDATION FOR COUNCIL REMUNERATION REVIEW: That council complete a review of council remuneration practices to establish a process wherein council members are fairly compensated and accountable for all council and committee meetings and related functions that they attend, and that the review result in appropriate village bylaws and policies being in place.

RECOMMENDATION FOR TRANSPARENCY OF EXPENSE CLAIMS: That council member meeting expense claims be made publicly available.

An irregular matter was identified in that Councillor Fehr, in addition to being a village councillor, is also the village Director of Emergency Management (DEM), a position which would normally be held by a member of the staff or the community. In his position, the councillor is paid an honorarium of \$250/month to act as DEM. Similarly, Mayor Nelson has been designated as the Deputy Director of Emergency Management (DDEM), and paid an honorarium of \$150/month.

While the inspectors found that Councillor Fehr appears qualified for the position, and held the position prior to being elected to council, it raises concerns that he may be undertaking administrative duties and is being paid for those services. This raises the possibility that council members are de facto employees of the village, which is noted as a reason for disqualification in section 174 (1)(j) of the MGA.

Reasons for Disqualification

174(1) A councillor is disqualified from council if

(j) the councillor becomes an employee of the municipality;

RECOMMENDATION FOR REVIEW OF THE POSITIONS OF DIRECTOR AND DEPUTY DIRECTOR OF EMERGENCY MANAGEMENT: That a legal opinion be obtained and a review conducted to determine the appropriateness of council members serving as the Director and Deputy Director of Emergency Management for a community, specifically with respect to Section 174 of the MGA.

5.16 Chief Administrative Officer

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

Chief administrative officer's responsibilities

207 The chief administrative officer

a) is the administrative head of the municipality;

b) ensures that the policies and programs of the municipality are implemented;

- c) *advises and informs the council on the operation and affairs of the municipality;*
- d) *performs the duties and functions and exercises the powers assigned to a chief administrative officer by this and other enactments or assigned by council.*

Village of Alix now former CAO, Troy Jenkins, and all other office staff were obliging and willing to provide information upon request throughout the inspection process.

At the time of the inspection, Mr. Jenkins had been with the village for approximately a year, and was preceded by four CAOs or Acting CAOs in the past five years, indicating a rapid turn-over and a resulting instability in the village's highest administrative office. A review of previous CAOs indicates that each has a different reason for leaving the village. Some were internal people who had moved up through the village ranks, others had been interim CAOs, and others had left for other opportunities.

5.17 Organizational Chart

The organizational structure in effect for Village of Alix was provided to the inspectors and the chart is shown below. There is no date on the chart, however the metadata on the file indicates a creation date of July 2016.

During the inspection, the review showed some information that pertains to the organizational structure of the village:

- Administrative Clerk role is part time at three days per week.
- Recreation Programmer role is part time, with hours increased during summer months.
- The Director of Corporate Services is likely to also be part time (four days per week) with the departure of the incumbent and recruitment for a replacement underway.
- It is not common practice that the Executive Assistant to CAO would work under the Director of Corporate Services. This role is typically a direct report to CAO.
- There is also one seasonal PW employee "Grounds Keeper" (Apr to Sept) that is not indicated on this chart.
- The Director of Recreation and Director of Corporate Services roles are both vacant at the time of submission of this report to the Minister. The Director of Recreation is on maternity leave and the Director of Corporate Services chose to work fewer hours elsewhere and help manage the family business.

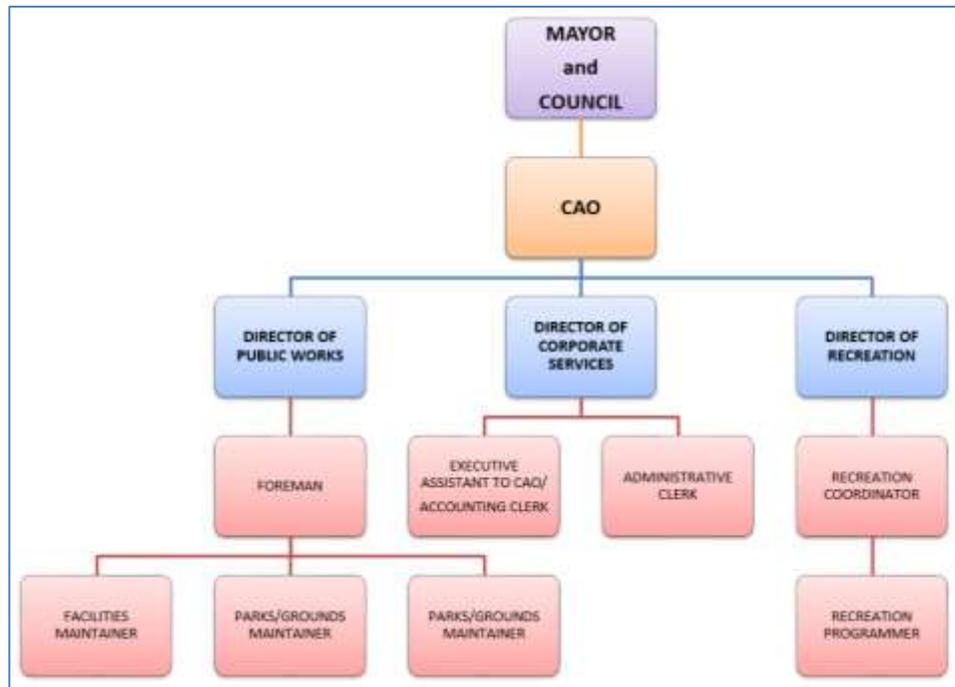


Figure 29 - Village of Alix Organizational Chart

5.18 Human Resource Management

Human resource (HR) management practices and personnel files were reviewed during the on-site document review and through the inspection interview process. A review of a cross-section of personnel files showed that there was consistency in some areas, but a lack of consistency in others. For example, almost all reviewed personnel files included documentation like tax forms and start dates; however, there was very limited information about any annual performance evaluations that had been conducted and recorded.

- Personnel files are kept in two places. Current files are kept in a locked cabinet in the village office vault. That file cabinet can be rolled to where it is required during the day.
- Aged personnel files are kept locked in the vault.
- Files are for village and Moonwalkers indoor play centre staff only. There appear to be no personnel files for volunteers or council members.
- Most personnel files note the start date on the file folder tab. This makes identifying start dates quite simple.
- Though it is now moot because the centre is closed, Moonwalkers staff generally do not have vulnerable sector checks on file.

- Files contained standard TD1 tax forms, and where applicable, benefits information like enrolment and claim forms.
- Very few files included resumes or employment contracts, and none had emergency contact information;
- No files contained job descriptions except the CAO's file, which contained the CAO contract.

The inspectors were provided with several position descriptions as part of the initial document request of the village; however, many of these descriptions appear dated. In other instances, such as the Recreation Coordinator role, the position description is the advertisement used in the recruitment process.

- The inclusion of drivers' abstracts is inconsistent in that not all commercial vehicle operators had abstracts on file. Alberta Transportation notes that "*if you are currently a commercial driver or have been in the past, a CDA (Commercial Driver Abstract) should be requested to give you the most accurate information into your driving history*¹³".

RECOMMENDATION FOR HUMAN RESOURCES FILE AUDIT: That administration conduct an audit of current personnel files to ensure that they contain information required by bylaw, policy and provincial legislation.

RECOMMENDATION FOR COMMERCIAL DRIVER ABSTRACTS: That administration create a spreadsheet illustrating all employees that require driver abstracts, the dates the abstracts were received, and dates of expiry. This spreadsheet should be updated at regular intervals.

Municipal employers and workers are required to comply with legislative requirements of the Occupational Health and Safety Act, Regulation and Code to provide safe and healthy workplaces. The village does not have a safety policy in place.

In response to threats from visitors in the past, the village has installed a door and a physical barrier between the lobby of the office and where the village staff typically work. The office is also equipped with a security camera that operates on a loop, erasing itself after one week intervals. The inspectors asked a security professional for comment on the typical length of time

¹³ Retrieved from <http://www.transportation.alberta.ca/4664.htm>

that camera footage is retained. The response was that the length of time is usually 30 days; however specific retention periods are determined by how long it would normally take to determine that something has gone wrong and then add another few days to look at the video and save the file.

In the case of Alix, if the purpose is to protect staff from aggressive customers, village staff would know immediately if the tape was required for review. For this reason, seven days is appropriate. With the cost of data storage becoming lower, it may be useful for the village to consider extending its retention time.

The images from the security camera in the village office can be downloaded and stored if necessary.

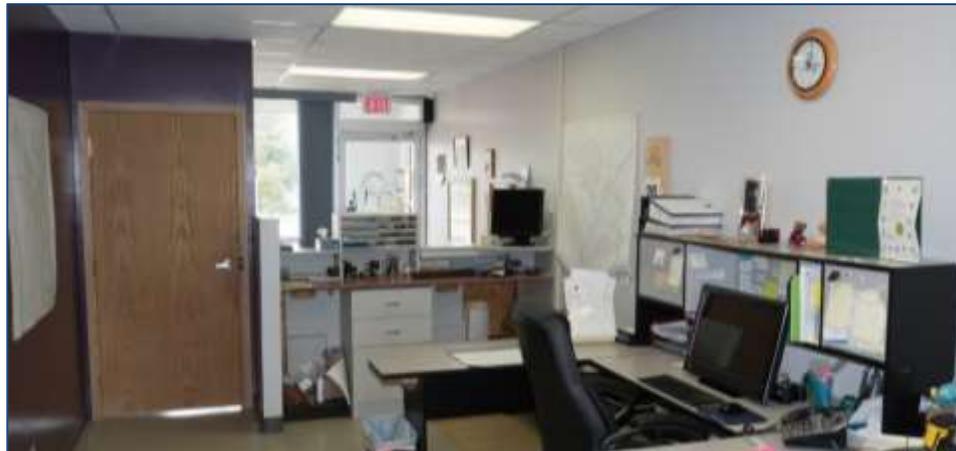


Figure 30 - Village Office Looking Towards Lobby. Note Door and Counter

The village has also posted signs around the office and council chambers stating that “*the Village of Alix supports an environment that is free from abuse to staff and clients*”; however no policy exists which deals with violence or harrassment in the workplace.



Figure 31 - Sign Posted on Interior Town Office Door

RECOMMENDATION FOR SAFETY REVIEW: That administration undertake a human resource review to ensure the physical and emotional safety of all staff in their working environment, and ensure that appropriate policies are in place.

RECOMMENDATION FOR SECURITY CAMERA FOOTAGE RETENTION: That administration consider extending the data retention period for office security camera footage to 30 days.

RECOMMENDATION FOR HEALTH AND SAFETY COMPLIANCE: That administration undertake review to ensure compliance with Alberta Occupational Health and Safety legislation.

5.19 Performance of Major Administrative Duties

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

Performance of major administrative duties

208(1) The chief administrative officer must ensure that

- (a) all minutes of council meetings are recorded in the English language, without note or comment;*
- (b) the names of the councillors present at council meetings are recorded;*
- (c) the minutes of each council meeting are given to council for adoption at a subsequent council meeting;*

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

5.19.1 Council Meeting Agenda Preparation

With exception of 'emergent matters', council's Procedural Bylaw 423/16 requires that meeting agendas be made available to council members at least four days prior to meetings being held as indicated below.

9. AGENDA

9.1 The Agenda shall list the items and order of business for the meeting.

9.2 The Executive Assistant shall ensure copies of the Agenda are:

(a) available for Councillors no later than 3:00 PM on the fourth day before the day on which the meeting is held.

(b) distributed to all Officers who are entitled to receive copies.

Figure 32 - Excerpt, Procedure Bylaw 423/16

Council meeting agendas were generally found to be prepared and provided to council by email in advance of regular council meetings in compliance with the procedural bylaw; however, supporting documentation was often lacking as identified earlier in this report. Because of the large number of special meetings held during the inspection period, agendas were often not available until the day before, or even the day of, special meetings. While the village Procedure Bylaw does not speak specifically to supporting documentation, best practice would advise that it be available to council (and the public) at the same time as the agenda. It is not uncommon for the agenda package available to the public to contain only the meeting agenda and a set of draft minutes from the previous meeting.

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

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

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

Most regular council meetings seem to include an in camera portion that is closed to the public. The description of the in camera items is often quite vague. Recent examples from three regular council meetings include:

- 'Land – Sale' (March 15, 2017)
- 'Legal Issue – Opinion', and 'Land Issue – Sale' (March 2, 2017)
- 'Land Issue – Lot 23', and 'Personnel – CAO' (February 15, 2017)

Issues surrounding the in camera portion of council meetings is discussed in more detail in section 5.10 above.

More diligent prior preparation of agenda items can greatly assist council in their deliberations and improve resolution clarity. Strong agenda preparation can facilitate a smoother overall meeting process with thoughtful and comprehensive administrative advice provided to council in succinct form for advance review and consideration. Agendas and supporting material should be made available to the public as well, with the exception of any confidential material related to in camera agenda items.

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

5.19.2 Council Meeting Minutes

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

Performance of Major Administrative Duties

208 (1) The chief administrative officer must ensure that

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

The inspection found that meeting minutes, by and large, are prepared 'without note or comment' Meeting minutes were found to contain an appropriate record of decisions as illustrated in the three resolutions in the special council meeting below.

| | | |
|--|---|---------|
| Call to Order: | Mayor Nelson called the meeting to order at 7:00 P.M. | |
| Approval of Agenda: | | |
| Resolution #327/16: | Moved by Councillor Peterson that the Village of Alix Council accept the agenda as presented. | CARRIED |
| Moonwalkers Play Centre BDO Presentation and Recommendation: | | |
| Resolution #328/16: | Moved by Councillor Peterson that the Village of Alix Council close Moonwalkers Indoor Play Centre, effective immediately. Administration, with input from Council and the public, will bring forward options for usage of the facility in the New Year, for Council's consideration. | CARRIED |
| 2017 Interim Budget Presentation: | | |
| Resolution #329/16: | Moved by Councillor Fehr that the Village of Alix Council approve the 2017 Interim Operating Budget. | CARRIED |

Figure 33 - Excerpt, December 12, 2016 Special Council Meeting

This application of standards required by the MGA was seen by some observers to be less than informative. Inspectors heard that council was not accurately recording the discussion that was occurring during a council meeting. Informing the public of legislative requirements may help alleviate this suspicion.

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

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

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

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

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

Council meeting minutes were available electronically on the municipal website only after council approval. Draft council meeting minutes were not available to the public except in the agenda package for the meeting at which the draft minutes were to be considered. Best practice promotes timeliness and transparency on council's actions where draft minutes are made available on the municipal website promptly following council meetings.

The municipality follows a best practice in applying a unique, chronological numbering system to council resolutions for ease of reference and clarity. An example of this can be seen in the figure above from the December 12, 2016 Special Meeting.

RECOMMENDATION FOR COUNCIL MEETING MINUTE POSTING: That council approve a policy for draft and approved council meeting minutes to be made available to the public in a timely manner.

5.20 Records Management

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

Village of Alix council passed a Freedom of Information and Protection of Privacy (FOIP) bylaw in 1999 and does not seem to have updated it since. This bylaw specifies fees payable and confirms that the 'Municipal Administrator' (CAO) is the Designated Head of the municipality for the purposes of the *FOIP Act*. This bylaw fulfils the legislative requirements under s. 95(a) of the *FOIP Act*, which reads as follows:

Power to make bylaws

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

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

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

Council passed a related *Records Retention Policy by Resolution 44/99* on February 16, 1999. This policy that provides direction and local authority in the retention and destruction of records, could be improved to specifically reference FOIP requirements in records management needs for the protection, use and disclosure of information. Like the FOIP bylaw, this policy was enacted in 1999 and is therefore almost 20 years old.

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

RECORDS

4. What is a “record”?

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

Security protocols for storage of and access to physical record storage could always be improved, though records kept in the village office were well organized. The potential for unauthorized access of confidential public records remains a low risk because both office vaults are behind the village office counter and a door. Staff advised the inspectors that the vaults are locked when the office is closed.

Some public records such as the policy binder were not securely stored, however access to those documents is available to the public. Unnoticed unauthorized access to confidential records is unlikely.

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

6 FINANCE

Municipal operations and capital projects are primarily funded through property taxes, user fees and grants. The Public Sector Accounting Board (PSAB) specifies the standards, practices and reporting required by municipalities. Revenue received and expenses incurred are recorded using accounting processes and reporting that are relevant to municipal finance. Some key components of municipal finance include:

- Annual operating and capital budgets
- Property assessment and taxation
- Accounting methods and procedures that track financial transactions and projects to ensure that expenditures remain within the budget
- Regular financial reporting to management and council showing actual to budget comparisons.
- Annual audited financial statement preparation with reporting to the public.
- Annual provincially mandated financial information returns (FIR)

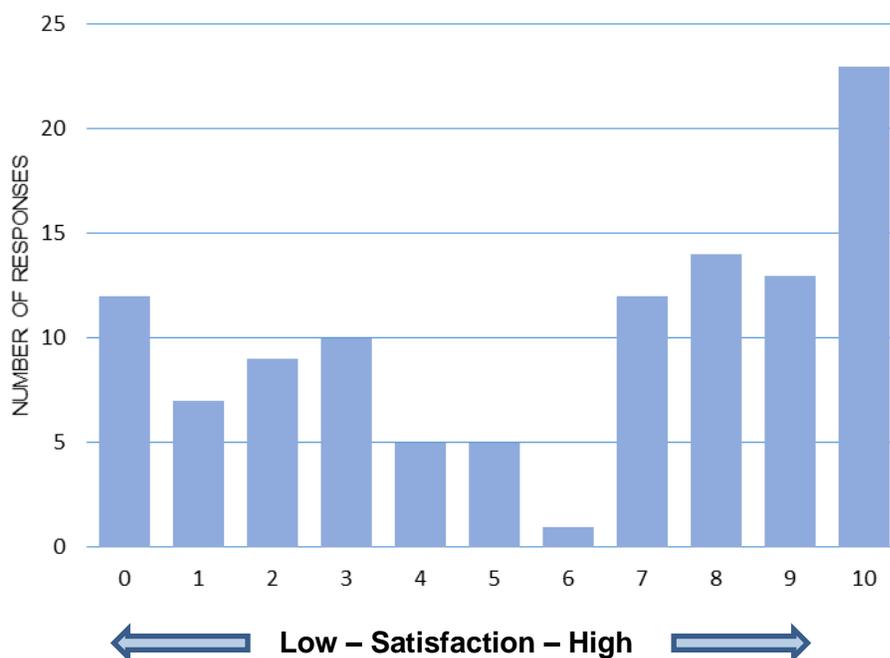
Strong accounting processes provide accurate information and reports to assist council in making well-informed decisions for the municipality. Proper accounting methods allow a municipality to systematically track every financial transaction and provide a foundation for regular management/council reporting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

6.1 Overall Budget Process

Based on a review of village records, the Village of Alix's annual budget process includes the key components listed above, and the development of budgets incorporates input from council and management. A key purpose for establishing and expending a municipal budget is to ensure that necessary and desired services are provided to the community.

Opinion about the level of services presently provided appears to be divided, with both 0/10 and 10/10 being common choices indicated by online survey respondents, though the general trend is towards higher levels of satisfaction. This data mirrors interviewee comments, with some people indicating that they were very happy with service delivery, particularly snow clearing, with others indicating that they received very little by way of service for the taxes they provide to the village. The overall service delivery satisfaction in the community, as shown in the chart below:

Level of Satisfaction with Overall Service Delivery in the Community (N=111)



Some sample comments related to service delivery satisfaction are included here. These illustrate the polarization of opinion that is reflective of what the inspection team also heard:

- *Public works is never anywhere to be found and we contract out all of the work anyway*
- *The service level is very high. We feel sorry for the councillors who are taking all this crap - they are doing the best they can and not making a lot of money.*
- *The roads don't get plowed in a timely manner and very seldom get done when needed. Same goes for sanding the roads*
- *We have services that other hamlets don't have.*
- *The 'service delivery' has been decent. A lot of people who work during the day are unable to participate in many of the events which is understandable to an extent however, I feel as though things could be done with less expense*
- *Large amount of village employees, while things like pot holes are a terrible problem and not effectively fixed, but other employees spend whole days watering and tending to flower gardens instead.*
- *Very happy, parks are always well kept, the campground is well run, the public works keep things going and the Admin have kept things together even though they are constantly being badgered by a small group of people.*

During the course of the inspection, several stakeholders expressed concerns that the village's former finance officer and subsequently CAO was assisting with budget preparation while out of the country. Those who chose to bring up this topic indicated that they thought the process of was improper. One interviewee stated "she was still secretly being paid. The village kept her on to do accounts and the budget from Mexico".

When inspectors asked about this item, officials said that when the individual referenced above left as CAO in mid-November 2015, the 2016 budgets needed to be prepared and the village operational capacity was stretched thin.

The now former CAO was the only person with village experience who had the financial background and familiarity to get the 2016 budgets completed efficiently, and she offered to complete the budgets for the village under contract. The former CAO completed the work after she left - and some of it was apparently done while she was in Mexico.

The fact that the work was done remotely is of no fundamental consequence. This action likely saved the village both time and money. The village's other option may have been to retain a financial consultant who would not be familiar with the village accounts, its strategic plan and its ongoing projects.

The 2016 Capital Budget and 10 Year Capital Budget (Resolution #133/16) and the 2016 Operating Budget (Resolution #134/16) were approved by council at the May 4, 2106 regular meeting.

A review of council meeting minutes between October 21, 2015 when the CAO resigned, and May 2016, when the budgets were approved, does not show a resolution to award a contract for the creation of the 2016 budgets or a resolution to extend the employment of the former CAO to complete the 2016 budgets. If there is no council resolution authorizing this payment, the money may not have been in the budget. Section 249 of the MGA speaks to the composition of budgets.

Expenditure of money

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

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

(b) for an emergency, or

(c) legally required to be paid.

(Note: the rest of section 248 has been omitted for the sake of space)

RECOMMENDATION FOR EXPENDITURE OF MONEY: That council ensure that all expenditures of village money are in accordance with section 248 of the MGA.

6.2 Taxation and Assessment

6.2.1 Tax and Assessment Notices

The *Property Tax Bylaw No. 420/16* generated estimated municipal tax revenue totalling \$1,409,975 plus additional requisition amounts. To be consistent with the MGA, the appropriate bylaw title should be '*Property Tax Bylaw*', as noted below:

Property tax bylaw

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

- (2) *The property tax bylaw authorizes the council to impose a tax in respect of property in the municipality to raise revenue to be used toward the payment of*
- (a) *the expenditures and transfers set out in the budget of the municipality, and*
 - (b) *the requisitions.*

The Village of Alix sends out combined tax and assessment notices in accordance with the provisions of the MGA s. 308(4), quoted below, and the most recent combined assessment and tax notices were mailed to property owners on June 1, 2016:

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

A typical Alix Taxation Notice and Property Assessment appears below. Details that identify the property owner have been redacted.

|  | | | | | | 2016 | |
|---|------|---------|-----|---------------------------|------------|--|-------------|
| | | | | | | TAXATION NOTICE & PROPERTY ASSESSMENT | |
| PORT | QUAD | SEC | TWP | RGE | MER | DATE OF MAILING | 2016-Jun-01 |
| | | | | | | DUE DATE | 2016-Jul-04 |
| [REDACTED] | | | | | | ASSESSMENT COMPLAINT MUST BE RECEIVED | |
| | | | | | | ON OR BEFORE | 2016-Jul-31 |
| PREVIOUS ASSESSMENT | | | | CURRENT ASSESSMENT | | | |
| DESCRIPTION | | AMOUNT | | DESCRIPTION | | AMOUNT | |
| Residential Land & Impr | | 190,900 | | Residential Land & Improv | | 193,120 | |
| TOTAL ASSESSMENT | | 190,900 | | TOTAL ASSESSMENT | | 193,120 | |
| | | | | EXEMPT | | 0 | |
| | | | | TAXABLE | | 193,120 | |
| EDUCATION TAXES | | | | TAX RATE | % OF TOTAL | TAX AMOUNT | |
| ALBERTA SCHOOL FOUNDATION | | | | 0.002443000 | 18.65018 | 471.79 | |
| TOTAL 2016 EDUCATION TAXES | | | | | | 471.79 | |
| SUB TOTAL 2016 TAXES | | | | | | 471.79 | |
| MUNICIPAL AND OTHER TAXES | | | | TAX RATE | % OF TOTAL | TAX AMOUNT | |
| LACOMBE FOUNDATION | | | | 0.000070000 | 0.53445 | 13.52 | |
| VILLAGE OF ALIX | | | | 0.010586000 | 80.81536 | 2,044.37 | |
| TOTAL 2016 MUNICIPAL AND OTHER TAXES | | | | | | 2,057.89 | |
| SUB TOTAL 2016 TAXES | | | | | | 2,529.68 | |
| TOTAL 2016 TAXES | | | | | | 2,529.68 | |
| CURRENT OUTSTANDING | | | | | | (874.83) | |
| TOTAL CURRENT TAXES PAYABLE FOR 2016 | | | | | | 1,654.85 | |
| July 5, 2016 | | | | | | 1,853.43 | |
| August 20, 2016 | | | | | | 1,952.72 | |

Figure 34- Portion of Sample 2016 Tax and Assessment Notice

6.2.2 Tax Rates and Assessment Comparisons

The inspection included a comparison of property tax rates with similar population and some neighbouring communities. The communities chosen for this summary reflects the set of 19 communities used by Alberta Municipal Affairs for comparison purposes in preparing Financial Indicator Graphs. The data was taken from each community's most recent municipal profile available through the Alberta Municipal Affairs website.

Among the 19 communities in the comparison group, the Village of Alix had the seventh highest 2016 residential mill rate (10.5860 mills) which is slightly higher than the average (10.0041 mills)

as shown in the following table that is ranked by equalized assessment per capita (far right column):

Tax and Assessment Comparison

| Name | Pop. | No. of Dwelling Units | Residential Muni Tax Rate (mills) | Non-Res. Muni Tax Rate (mills) | Equalized Assessment (\$) | EA per capita (\$) |
|-----------------|------------|-----------------------|-----------------------------------|--------------------------------|---------------------------|--------------------|
| McLennan | 809 | 310 | 18.0000 | 28.0000 | \$ 39,102,637 | \$ 48,335 |
| Mannville | 803 | 479 | 11.1620 | 20.5880 | \$ 54,846,182 | \$ 68,302 |
| Milk River | 892 | 422 | 9.1200 | 23.2520 | \$ 61,903,235 | \$ 69,398 |
| Warburg | 789 | 320 | 8.8700 | 15.0400 | \$ 56,264,479 | \$ 71,311 |
| Forestburg | 880 | 425 | 9.9071 | 20.7203 | \$ 69,518,291 | \$ 78,998 |
| Consort | 722 | 319 | 13.1485 | 21.1485 | \$ 57,372,668 | \$ 79,464 |
| Hythe | 820 | 332 | 7.0400 | 16.4400 | \$ 65,424,812 | \$ 79,786 |
| Castor | 932 | 458 | 10.6200 | 17.1263 | \$ 75,416,654 | \$ 80,919 |
| Bashaw | 873 | 443 | 8.4264 | 12.1999 | \$ 73,219,022 | \$ 83,871 |
| Coronation | 947 | 468 | 13.6169 | 20.1928 | \$ 80,060,144 | \$ 84,541 |
| Daysland | 807 | 362 | 8.8488 | 19.0923 | \$ 74,789,211 | \$ 92,676 |
| Rainbow Lake | 938 | 487 | 14.7000 | 14.7000 | \$ 90,381,480 | \$ 96,356 |
| Sedgewick | 857 | 398 | 7.6650 | 8.9000 | \$ 84,266,466 | \$ 98,327 |
| Delburne | 830 | 379 | 7.2514 | 18.8441 | \$ 82,028,736 | \$ 98,830 |
| Linden | 725 | 351 | 9.9834 | 26.9980 | \$ 77,110,261 | \$ 106,359 |
| Mundare | 855 | 449 | 7.3000 | 12.8000 | \$ 100,134,333 | \$ 117,116 |
| Beiseker | 785 | 334 | 8.9526 | 9.9460 | \$ 95,967,631 | \$ 122,252 |
| Alix | 830 | 400 | 10.5860 | 17.3860 | \$ 106,185,402 | \$ 127,934 |
| Alberta Beach | 865 | 443 | 4.8800 | 8.8800 | \$ 167,687,951 | \$ 193,859 |
| Averages | 840 | 399 | 10.0041 | 17.4871 | \$ 79,562,084 | \$ 94,665 |

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

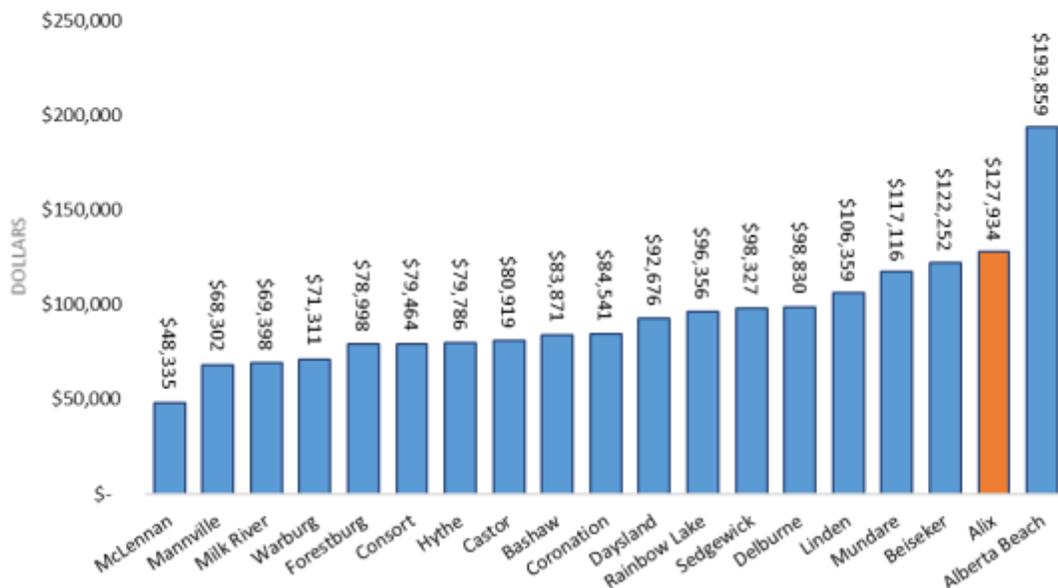
Municipal taxes are the primary means to collectively fund common services. Local service demands are extensive and citizens expect accountability, efficiency and good value for services provided. With some exceptions, citizen feedback gathered during the inspection, both through

the anonymous survey and the interview process, indicated general satisfaction with local service levels provided, as shown earlier in this report (page 84).

Legislation requires local leaders to provide good governance with necessary and desirable services while maintaining safe and viable communities. Local governments have an active and aggressive mandate with broad service responsibilities that affect every citizen, every day. Tax rates need to sufficiently allow a municipality to sustain and deliver comprehensive services.

The Village of Alix had a higher than average (\$94,665) equalized assessment per capita among the comparison group. The assessment base of a municipality indicates its capacity to generate tax revenue to fund local services. Overall, the \$127,934 assessment value per capita value is the second highest of the comparison group. The comparative summary of equalized assessment per capita is shown in the chart below: Of note, within this comparison group, only Alix and Alberta Beach have resort-like lakefront residential properties which tend to have higher assessments.

Comparison Group Equalized Assessment Per Capita



6.3 Financial Reporting

6.3.1 Financial Reporting to Council

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

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

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

Best practices for *financial reporting to council* are for staff to provide reports on a quarterly or monthly basis, as council directs, that include the following components:

- Summarized operating revenue and expenses showing actual to budget comparisons with variance dollar amounts and percentage
- Capital expenses showing actual to budget variance dollar amounts and percentage
- Capital project status updates from managers

Financial reports to council should show sufficient departmental activity to provide enough information to understand the financial results of municipal operations. Council members should receive training on how to read and interpret financial statements at the beginning of each term.

Council received regular cheque listing reports for information, as shown in the following excerpt from the April 6, 2016 regular council meeting minutes

| | |
|---------------------|--|
| Financial: | a) <u>Accounts Payable – Village of Alix – March 17 & 31, April 1 and May 1, 2016</u> |
| Resolution #096/16: | Moved by Councillor Peterson that the Accounts Payable for the Village of Alix dated March 17, 2016, cheques numbered 20160184 to 20160209 in the amount of \$80,439.11, cheques dated March 31, 2016 and numbered 20160222 to 20160242 in the amount of \$103,131.86, cheque dated April 1, 2016 and numbered 20160117 in the amount of \$11,565.75 and cheques dated May 1, 2016 and numbered 20160118 in the amount of \$11,565.75 be accepted as information. <p style="text-align: right;">CARRIED</p> |
| | b) <u>Accounts Payable –Moonwalkers – March 17, 2016</u> |
| Resolution #097/16: | Moved by Councillor Fehr that the Accounts Payable for Moonwalkers dated March 17, 2016, cheques numbered 20160066 to 20160076 in the amount of \$4,634.77 be accepted as information. <p style="text-align: right;">CARRIED</p> |

Figure 35 - Excerpt from April 6, 2016 Council Meeting Minutes

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

RECOMMENDATION FOR FINANCIAL REPORTING POLICY: That the village review financial reporting practices and that council approve a financial reporting policy to specify the detail and frequency of financial reports to council in accordance with the MGA s. 208(k).

During the inspection process, it was noted that the Community Activity Centre (Moonwalkers) was leased by the Village of Alix from 1292800 Alberta Ltd. commencing 2013 for a term of twenty years. Based on interpretation of MGA sections 241 and 271, the lease that has been recorded by the village as an operating expense may qualify as capital borrowing.

Definitions

241 In this Part,

- (a) “borrowing” means the borrowing of money and includes
 - (i) borrowing to refinance, redeem or restructure existing debt,
 - (ii) a lease of capital property with a fixed term beyond 5 years or a fixed term of 5 years or less but with a right of renewal that would, if exercised, extend the original term beyond 5 years, and
 - (iii) an agreement to purchase capital property that creates an interest in the capital property to secure payment of the capital property’s purchase price if payment of the purchase price under the agreement exceeds 5 years;
- (b) “borrowing bylaw” means a bylaw referred to in section 251;
- (c) “capital property” means property that
 - (i) is used in the production or supply of goods and services or is used for a municipal purpose,
 - (ii) has a useful life extending beyond 12 months and is intended to be used on a continuing basis, and
 - (iii) is not intended for sale in the ordinary course of operations;
- (d) “controlled corporation” means a corporation controlled by a municipality;
- (e) “debt limit” means the debt limit for a municipality determined in accordance with the regulations under section 271;

Figure 36 - Excerpt of MGA Section 241

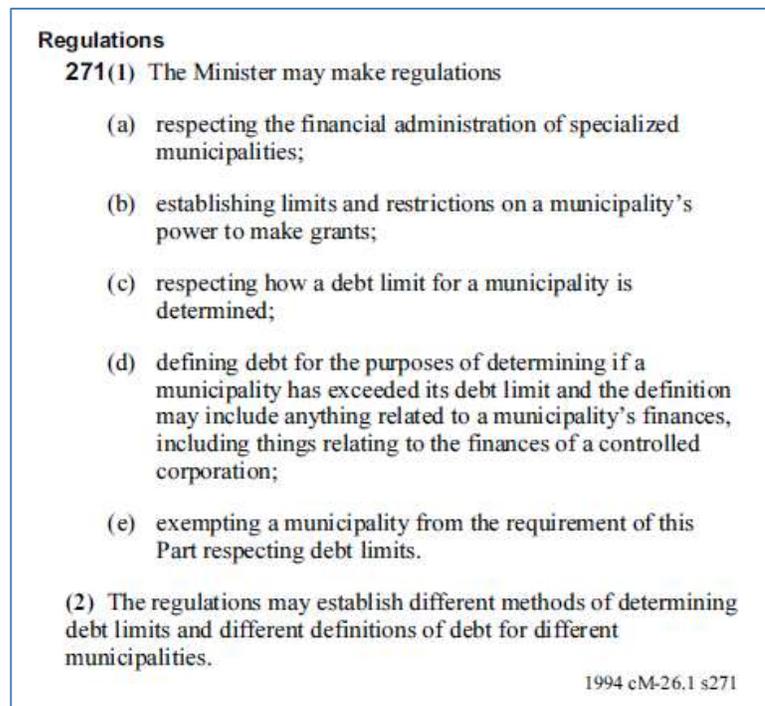


Figure 37 - MGA Section 271

The following statement from Alberta Capital Finance Authority (ACFA) reports to the village of outstanding borrowings for 2017 along with the payments due and number of payments remaining.

14-Dec-2016 Page 1 of 1

ALBERTA CAPITAL FINANCE AUTHORITY
PAYMENT CONFIRMATION REPORT FOR THE PERIOD FROM 01-JAN-2017 TO 31-DEC-2017

Village of Alix

| DUE DATE | ACCOUNT NUMBER | OPENING BALANCE | PAYMENT NUMBER | MATURITY DATE | PRINCIPAL PORTION | INTEREST PORTION | TOTAL PAYMENT |
|--|----------------|-----------------|----------------|---------------|-------------------|------------------|---------------|
| LOAN PAYMENTS DUE FROM: | | Village of Alix | | | | | |
| 15-Mar-2017 | 4001899 | 673,243.17 | 3 of 40 | 15-Sep-2035 | 13,651.75 | 9,149.37 | 22,801.12 |
| TOTAL FOR PAYMENT DUE DATE: March 15, 2017 | | | | | 13,651.75 | 9,149.37 | 22,801.12 |
| 17-Mar-2017 | 4000312 | 227,665.38 | 19 of 50 | 17-Sep-2032 | 4,773.00 | 5,566.42 | 10,339.42 |
| TOTAL FOR PAYMENT DUE DATE: March 17, 2017 | | | | | 4,773.00 | 5,566.42 | 10,339.42 |
| 15-Jun-2017 | 4000937 | 706,053.30 | 14 of 40 | 15-Jun-2030 | 19,628.50 | 15,010.89 | 34,639.39 |
| 15-Jun-2017 | 4001775 | 402,149.79 | 5 of 40 | 15-Dec-2034 | 2,015.16 | 6,032.07 | 16,648.03 |
| TOTAL FOR PAYMENT DUE DATE: June 15, 2017 | | | | | 29,443.66 | 21,843.66 | 51,287.22 |
| 15-Sep-2017 | 4001899 | 669,591.42 | 4 of 40 | 15-Sep-2035 | 13,837.27 | 8,963.85 | 22,801.12 |
| TOTAL FOR PAYMENT DUE DATE: September 15, 2017 | | | | | 13,837.27 | 8,963.85 | 22,801.12 |
| 17-Sep-2017 | 4000312 | 222,892.36 | 20 of 50 | 17-Sep-2032 | 4,889.70 | 5,449.72 | 10,339.42 |
| TOTAL FOR PAYMENT DUE DATE: September 17, 2017 | | | | | 4,889.70 | 5,449.72 | 10,339.42 |
| 15-Dec-2017 | 4000937 | 686,424.80 | 15 of 40 | 15-Jun-2030 | 20,045.80 | 14,593.39 | 34,639.39 |
| 15-Dec-2017 | 4001775 | 452,333.54 | 6 of 40 | 15-Dec-2034 | 9,960.28 | 6,687.75 | 16,648.03 |
| TOTAL FOR PAYMENT DUE DATE: December 15, 2017 | | | | | 30,006.08 | 21,281.14 | 51,287.22 |
| TOTAL FOR YEAR: Year Ending 2017 | | | PAYMENTS: 8 | | 96,601.46 | 72,254.06 | 168,855.52 |
| TOTAL FOR BORROWER: | | | | | 96,601.46 | 72,254.06 | 168,855.52 |

ALBERTA CAPITAL FINANCE AUTHORITY
DEBENTURE REPAYMENT

Please note the following:

- 1) The payment confirmation report only reflects payments for all outstanding loans issued before 2017.
- 2) It is not necessary to produce cheques for these payments as they are charged directly to your bank account on each due date.
- 3) For school districts and divisions, loan account numbers beginning with the digits 15, 35 or 40 will be charged directly to your bank account, loan account numbers beginning with the digits 14 will not be charged.

RECEIVED
DEC 21 2016

Figure 38 - ACFA Payment Confirmation

This ACFA report balance matches notes to the 2016 Village of Alix Financial Statement.

Village of Alix
Notes to Consolidated Financial Statements

December 31, 2016

5. Long-Term Debt

Net long-term debt reported on the statement of financial position is comprised of the following:

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Alberta Capital Finance Authority Debentures, interest at 2.72% to 4.89% per year, due 2030 through 2035. | \$ 2,069,111 | \$ 2,162,317 |

Principal and interest payments are due as follows:

| | Principal Repayments | Interest Payments | Total |
|------------|-------------------------|----------------------|---------------------|
| 2017 | \$ 96,601 | \$ 72,254 | \$ 168,855 |
| 2018 | 100,126 | 68,729 | 168,855 |
| 2019 | 103,785 | 65,070 | 168,855 |
| 2020 | 107,586 | 61,269 | 168,855 |
| 2021 | 111,532 | 57,323 | 168,855 |
| Thereafter | 1,549,481 | 338,133 | 1,887,614 |
| | \$ 2,069,111 | \$ 662,778 | \$ 2,731,889 |

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 2.72% to 4.89% per annum and matures in periods 2030 through 2035. Debenture debt is issued on the credit and security of the Village at large.

Figure 39 - Note 5 to 2016 Alix Financial Statement

| 15. Debt Limits | | |
|--|------------------|------------------|
| Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation for the Village be disclosed as follows: | | |
| | 2016 | 2015 |
| Total debt limit | \$ 4,025,168 | \$ 4,137,569 |
| Total debt | 2,069,111 | 2,162,317 |
| Total debt limit available | <u>1,956,057</u> | <u>1,975,252</u> |
| Debt servicing limit | 670,861 | 689,595 |
| Debt servicing | <u>168,856</u> | <u>168,856</u> |
| Total debt servicing limit available | <u>502,005</u> | <u>520,739</u> |
| <p>The debt limit is calculated at 1.5 times revenue of the Village (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.</p> | | |

Figure 40 - Note 15 to 2016 Alix Financial Statement

RECOMMENDATION ON FINANCIAL REPORTING TO COUNCIL: That administration confirm with appropriate sources whether the financial commitment of the long-term lease on the Alix Community Activity Building is correctly reported in the village financial statements.

6.3.2 Financial Reporting to the Minister

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

Returns and reports to Minister

278 Each municipality must submit

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

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

The Village of Alix was not compliant in meeting the financial reporting deadline for the 2015 fiscal year as the auditor's report presentation was presented at the first meeting in May for council approval. The municipality received a clean audit report and unqualified financial statements in recent years.

6.3.3 Financial Reporting to the Public

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

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

May 1 is the annual deadline for financial reporting to the public. Historical practices show that annual financial statements were made available to the public once they were approved by council, by the first meeting in May each year. Annual financial statements and other financial information was available on the municipal website and staff confirmed that paper copies of annual financial statements were also available to the public.

The municipal website contains financial statements for 2014, 2015, and 2016. The site also contains operating and capital budget, though at the time of submission of this report, the 2017 budgets, approved in mid-May 2017, had not yet been posted to the website.

Besides providing annual financial statements to the public, best practices include providing an annual management report and annual budget as information to the general public. It is increasingly common for municipalities to provide annual reports to the public that demonstrate how the general mission and strategic objectives of the municipality were accomplished and to establish performance measures that link actual performance to the financial results.

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

6.3.4 Grant Applications and Reporting

The Village of Alix accessed significant grant funding over the past few years for several projects through grant programs such as the provincial Municipal Sustainability Initiative (MSI) for capital and operating projects; Federal Gas Tax Fund (GTF) and FCSS.

Financial statements show over \$1,100,000 received in capital transfers for 2014-2016, with operating grants in addition to this. Of that amount, \$497,000 was deferred into 2017. Grant funding records must be current, with some spending plans and project applications to be completed prior to the release of additional funds. The municipality has shown good stewardship by carrying forward funding in anticipation of future project needs.

6.3.5 Internal Controls

Each year, the auditor prepares a detailed letter for management that outlines process improvements that they become aware of during the course of the audit. The 2016 management letter referenced:

The responsibility for producing consolidated financial statements and ensuring adequate internal controls and sound business practices is the responsibility of the Council through management and is a part of management's overall responsibility for the ongoing activities of the Municipality. Policies and procedures developed by the Municipality to safeguard its assets and to provide reasonable assurance that errors and irregularities or illegal acts are promptly identified, must be properly monitored to ensure that all staff are complying with the guideline provided. Where we determined, from our testing, that there exists a need for improvement in existing systems of internal control or if we detected that the Municipality's staff are not complying with the critical accounting policies and procedures provided by management, we increased our period-end testing of account balances to ensure that audit risk was kept to an appropriate low level.

Figure 41 - Excerpt from 2016 Management Letter

The presence (or lack) of controls and the validity of the financial information provided to the village was a point of contention that was brought up by several interviewees during the inspection, with serious words like 'fraud' being applied by at least one interviewee. The merits of this allegation are not clear regarding whether this is accurate or a misunderstanding of municipal authority and role, though the interviewee noted an interest in following up on the claim.

The review of financial records and the 2012-2016 audit reports from the village's auditing firm, BDO Canada, has indicated that the village's financial activity is in alignment with Canadian Generally Accepted Auditing Standards and subsequently Public Sector Accounting Standards. This is illustrated by the clean 2016 audit report as shown below. Village staff were also found to be responsive to auditor recommendations.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Village of Alix as at December 31, 2016 and the results of its operations, change in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Red Deer, Alberta
April 20, 2017

BDO Canada LLP
Chartered Professional Accountants

Figure 42 - Excerpt from April 2017 Independent Auditors' Report

6.4 Procurement Practices

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

Expenditure of money

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

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

- (b) for an emergency, or
 - (c) legally required to be paid.
- (2) Each council must establish procedures to authorize and verify expenditures that are not included in a budget.

Municipalities are subject to tender advertising requirements through the Alberta Purchasing Connection, the Agreement on Internal Trade (AIT) and the New West Partnership Trade Agreement (NWPTA). Municipalities need to abide by government procurement rules related to threshold values of goods, services and construction.

The Village of Alix council approved a Purchasing of Goods and Services policy 13/2006 on October 17, 2006. This Policy Statement below refers to the need for purchases to be made in an efficient, economical, expedient and fair manner.

| | | |
|--|---|----------------------|
|  | Department Name: All Departments | Policy No. |
| | Department # | 13 2006 |
| Policy Title: Purchasing of Goods and Services | | |
| Status: Approved | Res. # 616/06 | Date Oct. 17 2006 |
| <p><u>Policy Statement:</u> The Village of Alix recognizes the need for purchases to be made in an efficient, economical, expedient and fair manner. Further, the Village of Alix recognizes that the need will arise from time to time for purchases that are of an emergent or unforeseen nature. Purchasing shall be done in accordance with the following guidelines and procedures.</p> | | |

Figure 43 - Purchasing Policy Statement

Within the body of the policy, the village indicates that local suppliers are to be given preference with certain limits and with exceptions provided as required by legislation and grant requirements.

| <u>Guidelines/Procedures:</u> |
|--|
| <p>The CAO is the Village of Alix Purchasing Agent.</p> |
| <p>Expenditures must be provided for by the Village Council in the operating or capital budget.</p> |
| <p>Budgeted expenditures up to \$3,000.00 may be approved by the CAO or designate or Public Works Foreman.</p> |
| <p>The major consideration in purchasing goods and services are:</p> <ul style="list-style-type: none">- quality, price and service |
| <p>Local suppliers are to be given preference as follows:</p> <ul style="list-style-type: none">- when readily available goods and purchases in the amount from \$.01 to \$1,500.00 will be purchased locally.- purchases of goods and services between \$1,501.00 to \$15,000.00 a price differential of 15% shall be used to determine the supplier.- purchases of goods and services between \$15,001 and \$99,999.00 and construction contracts valued up to \$249,999.00 a price differential of \$1,500.00 will be used to determine the supplier. <p>Under the National Agreement on Internal Trade purchasing of goods valued at \$100,000.00 or more and construction costs project tenders of \$250,000.00 or more have to be open and treat all suppliers the same.</p> |
| <p>All values shall be the amount of supplies FOB Alix.</p> |
| <p>No local preference is permitted on projects that are partially funded by the Provincial or Federal Government Grants.</p> |
| <p>All tender offers exceeding the sum of \$15,000.00 shall be received by the CAO and submitted to Council for approval.</p> |

Figure 44 - Purchasing Policy Guidelines/Procedures

The Purchasing of Goods and Services policy puts a limit on the spending authority of the CAO at \$3,000. Any purchase above this must go to council. Compared to many other municipalities, this limit is very low, and as a result of more requests going to council, it may add extra work to council meetings, and likely makes the operation of the village less inefficient than it otherwise could be.

Best practice in some municipalities is that only unbudgeted items, or items which exceed existing approved budgets are brought back to council for their consideration and approval. Once an item is approved in the budget, there is limited reason it should have to go back to council unless there is a change in direction, scope, or funding requirements.

RECOMMENDATION FOR PURCHASING POLICY REVIEW: That council review the Purchasing of Goods and Services Policy 13/2006 to ensure it is compliant with legislation; that it is transparent, and that it provides both efficiency and accountability for the village.

6.5 Property Tax Bylaws

The Village of Alix council approved annual operating and capital budgets, showing financial commitments to various department services and programs. On May 24, 2017, Property Tax Bylaw 425/17 was passed by council with a requisition for \$1,656,000, not including Alberta School Foundation Fund and Lacombe Foundation amounts.

In 2016, municipal expenditures totaled \$3,169,238 with \$1,629,881 funded from general taxation and \$1,539,357 funded from other sources as shown in the 2016 Property Tax Bylaw No. 420/16.

The budget process included input from council and management, with the CAO exercising a strong leadership role. Overall, the budget process could be improved by establishing timelines for budget completion by year-end, engaging the public in a meaningful way to confirm local priorities, and linking local strategic priorities to the budget process.

Council input is best utilized in determining local priorities and to ensure that sufficient financial resources are allocated in annual budgets to accomplish strategic objectives.

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

6.6 Overall Financial Position

Financial statements show that the Village of Alix is in fairly good financial condition overall. Records indicate that the organization has relatively strong fiscal health with approximately \$1,347,735 million financial assets, \$2,069,111 long term debt, and a \$8,249,366 million accumulated surplus, based on the 2016 audited financial statements.

The inspection found that Village of Alix officials demonstrated good stewardship by planning ahead for capital works and approving budgets. In the future, during budget deliberations, council should review contribution to reserves to fund anticipated projects.

7 PLANNING AND DEVELOPMENT

The village CAO is the Development Officer for the village. Some development officer assistance is provided from the Assistant Administrator – Director of Corporate Services, though the title for this role differs between various village documents and the village website.

The scope and complexity of development services within the town is limited. In discussions with the CAO there have been only three applications in the past six months.

The Village of Alix contracts additional planning expertise from Parkland Community Planning Services (PCPS) of Red Deer to assist with preparing statutory planning documents, carrying out the professional responsibilities associated with the subdivision approvals, development agreements, and conformance certificates.

7.1.1 Land Use Bylaw

The use of land in a municipality is primarily regulated by the local Land Use Bylaw (LUB) and the MGA requires every municipality to have an LUB:

Land use bylaw

639 Every municipality must pass a land use bylaw.

The MGA s. 640 allows a municipal council to pass a land use bylaw to prohibit or regulate and control the use and development of land and buildings in a municipality. The LUB designates land use districts such as residential, commercial, parks and environmental reserve, and it identifies permitted and discretionary uses within each district and describes when a development permit is required, or not. The LUB regulates general development provisions such as site coverage, off-street parking, signage, grading, accessory buildings, water supply and sewage disposal. The LUB may also establish a process for applicants to appeal subdivision and development decisions in accordance with the MGA s. 678 and 686.

Council passed the current LUB #396/11 on August 19, 2011. Two minor amendments were subsequently passed, Bylaw #403/11 on November 16, 2011, and Bylaw #414/14 on November 19, 2014. The LUB appears to be meeting the needs of the community.

7.1.2 Municipal Development Plans

Municipal Development Plan

The MGA requires municipalities with populations of 3,500 or greater, and provides authority for municipalities of less than 3500 population, to adopt a municipal development plan as follows:

Municipal development plan (MDP)

632 (1) *A council of a municipality with a population of 3500 or more must by bylaw adopt a municipal development plan.*

(2) *A council of a municipality with a population of less than 3500 may adopt a municipal development plan.*

While legislation did not require Village of Alix to adopt a municipal development plan, the village proceeded with the development of a Municipal Development Plan which it adopted by bylaw (380/09) on June 3, 2009. The plan appears to meet all the requirements of the MGA, and sets out in a comprehensive fashion, a vision for the future of the community.

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

While development has been slow during the past decade, the plans position the village in good stead to prepare for future developments. The town is to be commended for their foresight.

The plan should be reviewed periodically, to ensure that the vision and directions set out in the plan are consistent with current conditions, views and legislation. With expressed concerns in the village regarding efficient use of public services, transportation (road condition), utilities and other matters outlined in the MDP, combined with the fact that it was approved by council in 2009, a review of the document should be undertaken.

Intermunicipal Development Plan (IDP)

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

Intermunicipal development plan

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

Again, although voluntary, the Village of Alix and Lacombe County have coordinated their planning efforts with the development and adoption of the Village of *Alix/Lacombe County Intermunicipal Development Plan*, October 2012.

The plan covers a 7 ¼ section by 6 ¼ section area (2720 ha) surrounding and including the Village of Alix in the centre and the Haunted Lakes Golf Course and Campground to the east.

The primary goal of the plan is to guide future development within the Plan Area in a logical manner that transcends municipal boundary. This is achieved through a set of more specific goals and policies related to Managing Growth, Preserving and Enhancing the Environment, Economic and Joint Development, joint Land Use planning (Agricultural, Residential, Industrial and Institutional), Subdivision and Development Opportunities, Transportation and Utilities. The document is based on regional co-operation with cost sharing where appropriate.

The village and county are to be commended for their forward thinking and regional cooperative spirit.

RECOMMENDATION FOR MDP AND IDP REVIEW: That council conduct a review of the village's Municipal Development Plan (MDP) and Intermunicipal Development Plan (IDP), that regular MDP and IDP reviews be scheduled, and that appropriate public consultation is included to ensure that the plans' visions and goals are consistent with current council views and priorities.

7.1.3 Easement and Lease on Village-Owned Land

One of the major points of friction within the Village of Alix at the time of the inspection was contention about 'Lot 23' which is a town-owned property that lies between two private businesses on Main Street - Alix Shoppes, and Home Hardware. The lot had historically been

left vacant as a swale to clear rain and snowmelt off Main Street. Once Main Street was upgraded, the rationale for preserving the swale was no longer present.

The village had also constructed a sidewalk between the two buildings adjacent to the Alix Shoppes building. In the past, this sidewalk serviced a side entrance to the building which was used by a laundromat business.

In the photograph below, Lot 23 occupies the space between the two buildings. At the time the photograph was taken, Home Hardware was leasing part of the lot as an outdoor 'garden centre' addition to the store. The village constructed sidewalk runs down the left side of the lot.



Figure 45 - Lot 23

The occupancy of this lot by Home Hardware has been contentious for some time, and disagreements between the owners of the two adjacent businesses and their supporters have been present since the new owners of Alix Shoppes took over the building.

The inspection found that Home Hardware occupies the lot by way of council resolution 092/17 (below) and that modifications are made under the authority of resolution 093/17 (below).

The procedure for the approval of the lease was outlined in the section of this report that deals with Council Conduct and Meeting Decorum. To reiterate the process briefly, a legal opinion was provided to the village that indicated that the lease of Lot 23 and an easement that applied to a portion of the lot both overlapped. Based on the legal advice, council then cancelled both the lease and the easement.

Councillor Peterson recused himself from debate and voting on each of the resolutions below because he would bid on Lot 23, and the result of the lease would have a financial impact on

both Councillor Peterson and the business that he owns and operates adjacent to the lot being leased.

Resolution #040/17: Moved by Councillor Christensen that the Village of Alix Council direct Administration to advertise Lot 23, Block 3, Plan XXX for lease with terms as stipulated by the Chief Administrative Officer.
CARRIED
Councillor Peterson rejoined the meeting at 9:03 P.M.

Figure 46 - Advertisement of Lot 23

Page 2
March 15, 2017

New Business: a) Lot 23 Lease
Councillor Peterson left the meeting at 7:12 P.M.
One bid was received.
Mayor Nelson directed this item be discussed "In Camera".
Councillor Peterson returned to the meeting at 7:17 P.M.

Figure 47 - One Bid Received for Lot 23

Councillor Peterson left the meeting at 7:39 P.M.
Resolution #061/17: Moved by Councillor Fehr that the Village of Alix Council direct the Chief Administrative Officer to have a lease document prepared for Lot 23, Block 3, Plan RN30.
CARRIED
Councillor Peterson returned to the meeting at 7:40 P.M.

Figure 48 - Lease Document Preparation for Lot 23

Councillor Peterson left the meeting at 7:55 P.M.
Resolution #092/17: Moved by Councillor Christensen that the Village of Alix Council approve the Lot 23 Lease Agreement with Alix Home Hardware as presented.
CARRIED

Figure 49 - Approval of Lease Agreement for Lot 23

| | |
|--------------------------|---|
| Page 2 April 27, 2017 | |
| Resolution #093/17: | Moved by Councillor Widmann that the Village of Alix Council approve the request for permission from Alix Home Hardware to fill in the swale, store propane bottles, and perform weed and grass control on Lot 23 as per the terms of the Lot 23 Lease Agreement. |
| | CARRIED |
| | Councillor Peterson returned to the meeting at 8:58 P.M. |

Figure 50 - Approval to Modify Lot 23

Council acted within its authority and approved a process to accept proposals for a new lease on Lot 23 and only one bid was received. Council approved the lease and modification of the lot by Alix Home Hardware.

The inspectors found that while mistakes had been made in the past, with the overlapping lease and easement, both the village, and Councillor Peterson acted appropriately in their conduct regarding this awkward matter.

8 MAJOR PROPOSED OR ACTIVE CAPITAL PROJECTS

8.1 Community Activity Centre

Several major capital projects have occurred over the past few years, some more contentious than others. The recent project that brought out the most comment, both from council and other stakeholders was a project that saw the village embark on the construction and lease of a multi-bay facility that was intended to be a business incubator for Alix region business. This project went by several names in the community; most frequently the 'P3' project, the 'Red Building' or 'Moonwalkers', though the title on architectural schematics reviewed during the inspection is 'Community Activity Building'.

The first title is founded in the method the village undertook to see the building constructed, the second by the visual nature of the facility, while the last is the name of the now defunct primary tenant of the building.

Since the demise of Moonwalkers, current occupants of the two-floor 8,275 ft² building include the Potluck Café, a youth activity centre and the village's Emergency Operations Centre (EOC).



Figure 51 – Community Activity Centre

Some interviewees expressed concern that the building had been approved without adequate notice or consultation with village residents. The inspection team was provided with evidence that the building was announced and approved by council appropriately.

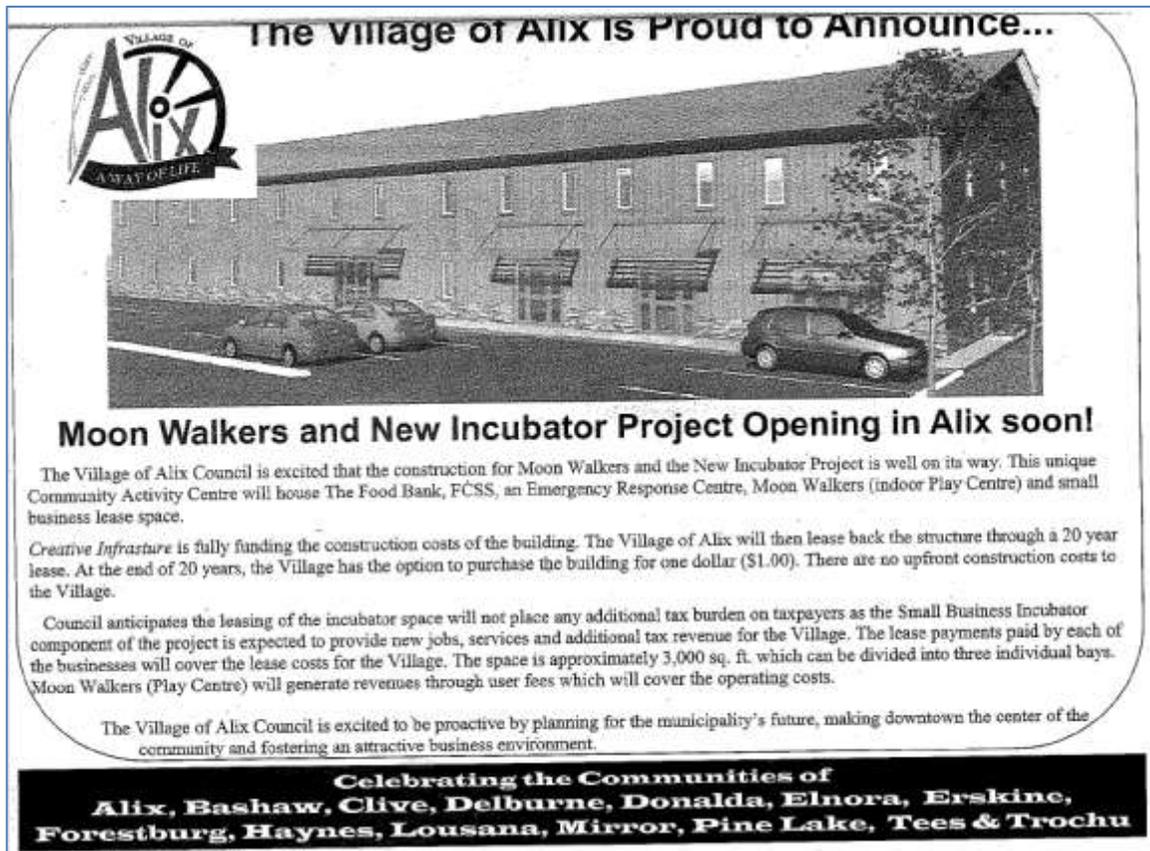


Figure 52 - Ad from East Central Alberta Review, Autumn 2013

The Moonwalker venture did not return the expected revenue to the village, and council made the decision to close the Moonwalkers portion of the building in 2016 as indicated below.

Moonwalkers Play Centre BDO Presentation and Recommendation:

Resolution #328/16: Moved by Councillor Peterson that the Village of Alix Council close Moonwalkers Indoor Play Centre, effective immediately. Administration, with input from Council and the public, will bring forward options for usage of the facility in the New Year, for Council's consideration.

CARRIED

Figure 53 - December 12, 2016 Resolution to Close Moonwalkers

Leases in the Community Activity Building provide revenue to the village; however, several tenants are net costs centres. The opportunity cost of property tax revenue that is not received from space such as the Emergency Operations Centre or the youth activity centre is a factor in determining the true cost to the village of using space within the building.

Another significant cost to the village is the lease cost that is associated with the public-private partnership model of erecting and paying for the building. This issue is spoken to in the Finance section of this report.

After review of documentation and council actions, the inspection found that the terms of payment for leasehold improvements and utility payments are appropriate. These matters were discussed and approved by council in a public forum. The inspection found that, while a village councillor is also a village tenant, the Potluck Café operators are meeting terms of the lease agreement between the café and the village. The inspection found no wrongdoing with the negotiation of the original lease or the subsequent leasehold tenant improvement agreement, and also found that Potluck Café is paying an proportionate share of utility costs given that the building only has a single utility meter.

The longer the other leasable spaces in the building remain vacant, the higher the cost is to the municipality.

RECOMMENDATION FOR COMMUNITY ACTIVITY BUILDING MARKETING: That administration develop a business plan and marketing plan to maximize revenue from the Alix Community Activity Building.

RECOMMENDATION FOR COMMUNITY ACTIVITY BUILDING COST ASSURANCE: That administration identify the true costs of operating the Alix Community Activity Building.

8.2 Railway Avenue

Inspectors heard from many stakeholders that they were concerned with the condition of Railway Avenue, which is one of the main roads in the village and is used by many visitors. The roadway is rough and has many potholes, particularly in the area adjacent to the town shop.

Village staff told inspectors that the road repair had been delayed because the underground infrastructure needs to be replaced first. One staff member suggested that in hindsight, an overlay could have been placed five years ago to act as an interim repair, but now the underground replacement is scheduled within the next year or two, so it does not make any sense to invest in the road structure until after the underground work is complete.

8.3 Municipal Infrastructure Projects

Over the past decade, the Village of Alix has undertaken the following studies of its underground infrastructure to review system capacity, future growth and existing condition:

- Sanitary Collection System Study – MPE Engineering Ltd.
- Storm Sewer Drainage Report – A.D Williams Engineering
- Water Distribution System Study, MPE Engineering Ltd.
- Sanitary Manhole Condition Study, MPE Engineering Ltd.

Each of these studies includes a long-term plan for infrastructure upgrades prioritized by approximate year. The inspectors found that the village sets aside funding in each capital budget for these projects, and is on or ahead of schedule for replacements and upgrades according to the schedule.

9 INTERVIEWS WITH COUNCIL, CAO, STAFF AND RESIDENTS

During the course of the municipal inspection, interviewees consistently spoke to several issues of importance to them and the community. Many of those issues have been addressed elsewhere in this inspection report, however more detail on some of most commonly raised topics appears here.

Some general comments that the inspection team heard included:

- Of the people interviewed an overwhelming majority hoped that the village would be able to maintain it's village status.
- The majority of people who came to the drop-in interviews were supportive of the community, council, and staff, although many were concerned with tax rates.

A smaller group (10 people or less) were extremely critical, accused council of many wrongdoings, including fraud, harassment, faking financial reports, holding back information from the public, and financially supporting businesses owned by councillors. While the inspectors found some procedural issues with council and meetings as reported elsewhere in this report, the inspectors found no structural basis for the core allegations contained in the other complaints.

9.1 Alix Campground

During the course of the inspection, the team heard concerns from some stakeholders about the cost and operation of the village campground. The Village of Alix runs a municipal campground which is located at the south end of Main Street adjacent to the lake. While public works staff do some of the mowing and building maintenance, a contractor is retained while the campground is open during the summer months, to manage the campground, provide a public concession and provide 24-hour a day supervision.

The campground, like many recreation facilities everywhere is not run on a full cost recovery basis. Similar to other recreational facilities such as parks, playgrounds and community gardens, council must weigh the benefits to the community with the cost. Council has the authority to do this. The campground appears to be popular and brings people and business to the community.

During the course of the inspection, the campground contract for the summer of 2017 was let to the service provider who had been the contractor of record in 2016. This contract was publicly tendered, and responses reviewed at a council meeting. Village administration indicated that the vendor was chosen because they were the most appropriate bidder based on an evaluation matrix that was used on the two tenders received. The evaluation committee comprised three members of village administration.

The evaluation matrix was provided to inspectors for their review.

While tweaks could be made, the inspection found the operation of the campground and the process under which the contractor was retained to be within the authority of the municipality.

9.2 Service Levels

During the course of the inspection, stakeholders frequently spoke about the perception of value received from the village. An example of this is in service levels. There is an inherent connection between the municipal budget and the services that are provided to residents.

Though 'high' taxes were noted by several interviewees, many other members of the public and staff commented that they were happy with services such as snow removal. The village has a policy named *Snow Removal and Ice Control* (31/2015). The policy indicates that snow will be

removed from residential areas “when there is severe rutting or drifting or the roadways become impassible due to accumulated snowfall(s)”.

Stakeholders and public works staff appeared to take pride in removing snow in the village within five days of a significant snowfall. This goes beyond the service level expected through the village’s policy.

A review of policy-based expectation versus common practices shows:

| Policy | Practice |
|--|--|
| The village will try to minimize snow left in driveways but it is ultimately the owner's responsibility | Public Works follows the graders with a bobcat to clear the driveways. |
| Snow clearing will commence after accumulations of more than 7cm | Public Works clears after any accumulation. |
| Residential area clearing will commence when there is severe rutting or drifting or if roads become impassable | Public Works clears after every storm. |
| Laneway plowing will be done if the roadways become impassable | Public Works keeps the laneways cleared. |

When asked who directed staff to provide levels of service greater than those anticipated by policy, public works staff indicated it was on their own volition and as a way to mitigate public complaints.

Another example of high service levels is found in the village recreation department, which is tasked with coordinating a significant community event every month, along with many other smaller events such as youth movie nights and the operation of the community youth centre. While none of these activities are required under the MGA, and are not common in communities the size of Alix, they do provide service and enjoyment to citizens.

While council should understand the true cost of providing these services, and the service delivery level should be driven by the community strategic plan and budget, it is well within council's right to provide this type and intensity of service. Inspectors heard from some stakeholders that these recreational activities could be managed by volunteers rather than village staff. Other individuals brought up the same point, but noted that those who espouse this

opinion as a cost-saving measure are often not the ones who volunteer in the community currently.

The level of service benefits residents and businesses, however council has not provided direction to stray from policy.

Inspectors heard complaints that the village has too many staff, yet community members also suggest that many of them are pleased with the snow clearing and other tasks public works provides.

If council wants augmented snow clearing (and/or other services), the services should be driven by the strategic plan, defined by policy, and connected with the village budget.

RECOMMENDATION FOR SERVICE LEVEL REVIEW: that council authorize a service level review of services provided by the village and that service levels be enshrined in policy and aligned with village budgets.

9.3 Utility Rates

Stakeholders noted that water and sewer rates had increased significantly, and that they were now much higher than surrounding communities such as Mirror or Bashaw. The inspectors found that in fact, utility rates in Alix were comparable to Mirror and Bashaw, as well as to many other communities connected to regional systems.

9.4 Petition Signatures

Several times during inspection interviews, village residents said that that they felt they were bullied into signing the inspection and viability petitions, and that they had signed the petition to make the people requesting the signatures go away. One individual claimed to have been harassed in a public place in front of other residents because they had chosen to refrain from signing the petition.

9.5 Harassment and Obstruction

Inspectors heard from many sources that there is a group of approximately 10 individuals within the village who appear to be actively engaged in criticizing most actions of council,

administration and staff. The inspectors heard from these sources that it is commonplace for one or more members of this group to make inappropriate gestures or to shout profanities at staff or council members who are walking down the street.

One former staff member told an inspector that she had to stop walking to work because she would be harassed and called profane names every day on the public street during her short walk to work.

There are counter-claims of harassment as well, with members of the group referred to above invoking law enforcement participation when they felt they had been 'assaulted' by council members. This claim is the subject of RCMP records.

Requests for public information are within the scope of a citizen's rights as residents of the village; however, the inspection heard that the overwhelming volume of requests from a limited number of residents had taxed the village staff's ability to carry out the normal duties expected of them by the rest of the village.

This growing demand for material on a quick turn-around resulted in growing animosity between the requestors and village staff, and saw the institution of a requirement for information to be requested through FOIP rather than courtesy provision. The relationship has soured to the point where some members of village administration refuse to speak with one or more of the people who are making requests that may occur several times per day.

Each document or data request involves staff time to compile and takes that staff member away from performing other duties. Inspectors found the village office staff to be responsive and that good will was shown to visitors to the village office.

9.6 Municipal Viability

A significant strategic issue that was brought up by many residents in the inspection is the viability of the village, with a split between those people who want the village to remain a separate municipal entity, and those who want to 'go county', or dissolve into Lacombe County. Based on this dichotomy, the inspection team heard far more individuals express a desire to remain as a village than to dissolve.

The inspection found that the primary desire for dissolution was related to taxes and utility rates – that they would go down if the village dissolved. The counter-argument pertained to services;

whereby individuals were concerned that services would be dramatically reduced if responsibility of administration for the area passed to the county. The neighbouring hamlet of Mirror was cited as an example by both sides of what could happen if Alix was to dissolve.

Since dissolution was the impetus behind a viability review petition to the Minister in its own right; no further viability-related comment will be provided in this inspection report.

10 CONCLUSION

The Village of Alix is a striking community, the sort of place where if you see a piece of litter on the ground it is so out of place that you tend to pick it up. The majority of staff and residents are very proud of the community and staff work hard to maintain a very high level of service.

The village has a lot of strengths such as a unified council, robust adherence to legislation and high service levels for a community its size. Like many other villages, Alix can operate better and its municipal government can continue to learn.

While the inspection found examples where irregular, improper, and improvident actions were demonstrated within the village, Alix has continued to operate, provide government, and provide services to citizens and businesses. The presence and severity of the examples noted through the report does not support a conclusion of overall mismanagement of the municipality. To assist the village council, administration and citizens, the inspection team has created a list of recommendations that appear throughout the body of this report and as a collated list in Appendix 3 below.

The primary dysfunction in the Alix situation appears to stem from an historic schism between groups of people, both of which want the best for their community, and both of which eye the other with suspicion. The individuals who stand in opposition to the village administration and council cite examples of fiscal mismanagement, high municipal taxes and the 'folly' of the Moonwalkers venture to support their cause.

As citizens, these people have every right to monitor their local government and get involved in the life of their community. In turn, the elected village council and the village staff have the right to be able to discharge their own responsibilities as best they can in support of the community they lead and in accordance with provincial legislation and the village's own bylaws and policies.

The results of this inspection show that for a village with a population of less than 900 people, Alix operates well and provides necessary services to residents and businesses. The biggest issue for the village may be the lack of continuity in the CAO role that does not allow the village to stay on the same strategic track for very long before another course adjustment is added.

The inspection team recommends that healing begin, good will be fostered, that communication channels be built and that they remain open for the betterment of all who live in Alix.

As with any municipal inspection, this review identifies areas for improvement in governance, administration, and finance.

11 APPENDICES

Appendix 1: List of Acronyms

| | |
|--|---|
| AAMDC..... Alberta Association of Municipal Districts and Counties | ICSP Integrated Community Sustainability Plan |
| ACP Alberta Community Partnership | IDP Intermunicipal Development Plan |
| AIM Annual Information Meeting | LAEA..... Local Authorities Election Act |
| AUMA Alberta Urban Municipalities Association | LUB Land Use Bylaw |
| CAO Chief Administrative Officer | MDP Municipal Development Plan |
| CEO Chief Elected Official | MGA..... Municipal Government Act |
| CPO Community Peace Officer | MSI Municipal Sustainability Initiative |
| DDEM Deputy Director of Emergency Management | MSP Municipal Sustainability Plan |
| DEM Director of Emergency Management | PSAB Public Sector Accounting Board |
| EMS Emergency Medical Services | RCMP Royal Canadian Mounted Police |
| EOC Emergency Operations Centre | RCP Regional Collaboration Program |
| FCSS Family and Community Support Services | RFD Request for Decision |
| FIR Financial Information Return | s. Section (of legislation) |
| FOIP Freedom of Information and Protection of Privacy (Act) | SDAB Subdivision and Development Appeal Board |
| GTF Gas Tax Fund | TCA Tangible Capital Assets |
| HR Human Resources | |

Appendix 2: Table of Figures

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Appendix 3: Recommendations Summary

Recommendations are found throughout the municipal inspection report and a complete list of recommendations is summarized below. Recommendations are grouped in sections representing Governance, Administrative and Financial. The context for each recommendation can be found in the associated section of the report that is referenced by the page number.

Governance Recommendations

| # | Governance Recommendation | Page |
|----|---|------|
| G1 | RECOMMENDATION FOR COUNCIL ORIENTATION: That council members participate in governance-focused orientation training at the beginning of each council term, starting in October/November 2017 in alignment with requirements outlined in Bill 21 'Modernized Municipal Government Act'. | 20 |
| G2 | RECOMMENDATION FOR COUNCIL PROFESSIONAL DEVELOPMENT: That council members plan for, budget for, and participate in ongoing professional development throughout the term of office. | 20 |
| G3 | RECOMMENDATION FOR ELECTED OFFICIALS' CODE OF CONDUCT: That council create and adhere to a Council Code of Conduct. | 21 |
| G4 | RECOMMENDATION FOR COUNCIL TO AVOID ADMINISTRATIVE FUNCTIONS: That council members refrain from performing administrative duties, in accordance with the provisions in the MGA s. 201(2). | 22 |
| G5 | RECOMMENDATION FOR STAFF TREATMENT: That council understand that staff are assets rather than expenses, and that council provide strategic direction in terms of levels of service, cost efficiencies and budget amounts, allowing the CAO to manage staffing and operations to meet council's objectives. | 22 |
| G6 | RECOMMENDATION FOR STRATEGIC PLANNING: That the council engage in a robust and meaningful strategic planning process which includes participation by staff as well as public consultation, to confirm the village's priorities, its long-term vision, and its expected levels of service. | 25 |
| G7 | RECOMMENDATION FOR ACTING ON STRATEGIC PLAN: That all council resolutions (via the RFD document) be tied to goals and/or priorities set out in the strategic plan. | 26 |

| # | Governance Recommendation | Page |
|-----|--|------|
| G8 | <p>RECOMMENDATION FOR CAO PERFORMANCE EVALUATIONS: That council provide annual written performance evaluations of the CAO in accordance with the MGA S. 205.1; and that these evaluations be based on the achievement of performance targets established in conjunction with the strategic plan; and that the council obtain qualified expertise to assist with the formal CAO performance evaluation process.</p> | 27 |
| G9 | <p>RECOMMENDATION FOR CITIZEN ENGAGEMENT TRAINING: That local officials receive citizen engagement training to learn how to effectively engage citizens and local interest groups</p> | 30 |
| G10 | <p>RECOMMENDATION FOR SOCIAL MEDIA POLICY UPDATE: That council review and revise the village social media policy to reflect current practice and to include the use of Village of Alix social media accounts.</p> | 30 |
| G11 | <p>RECOMMENDATION FOR RESOLUTION CLARITY: That council resolutions be comprehensive, concise, and appropriately worded so that council actions are clear to the general public and future councils; that exact resolution wording is agreed to by all of council prior to the vote; and that wherever possible, administration prepare draft resolutions in advance for council's consideration.</p> | 36 |
| G12 | <p>RECOMMENDATION FOR USE OF REQUESTS FOR DECISION: That administration produce and provide formal Requests for Decision (RFD) in a common format for the use of council members in making resolutions on issues which require research and have options.</p> | 37 |
| G13 | <p>RECOMMENDATION TO ACT BY BYLAW OR RESOLUTION: That all actions of council are made by bylaw or resolution in a public council meeting in accordance with the MGA s. 180 and 181.</p> | 38 |
| G14 | <p>RECOMMENDATION FOR HANDLING VOTING ABSTENTIONS: That council members provide reasons for each abstention from voting, and that the reasons for abstaining are recorded in the meeting minutes (MGA s. 183); and when abstaining from voting, that council members leave the room until discussion and voting on matters of a pecuniary interest are concluded in accordance with the provisions of the MGA s. 172.</p> | 40 |
| G15 | <p>RECOMMENDATION FOR HANDLING PECUNIARY INTEREST MATTERS: That elected officials learn and abide by the pecuniary interest provisions of the MGA and consult with their own legal counsel as needed to ensure continued compliance with the MGA s. 170, and that they declare their pecuniary interest when one exists.</p> | 44 |

| # | Governance Recommendation | Page |
|-----|--|------|
| G16 | <p>RECOMMENDATION FOR IN CAMERA TRAINING: That council review and update their procedures with respect to the use of in camera portions of council meetings, and that both council and administration receive appropriate FOIP training to ensure that items which should be dealt with in camera are, and those which should be public remain in the open portion of the meeting</p> | 49 |
| G17 | <p>RECOMMENDATION FOR CONFIDENTIALITY DURING CLOSED PORTIONS OF MEETINGS: That council review its options for ensuring confidentiality of closed meetings, and identify a means of allowing the public to remain in some portion of the building rather than having to wait outside.</p> | 50 |
| G18 | <p>RECOMMENDATION FOR IN CAMERA AGENDA ITEMS: That council members comply with the MGA s. 197 when closing any part of a meeting to the public, and state related FOIP exceptions to disclosure in the meeting minutes; disclose in general terms what it is that is going to be discussed, and that council members keep matters in confidence as required by the MGA s. 153.</p> | 51 |
| G19 | <p>RECOMMENDATION FOR PUBLIC PRESENCE: That council ensures that the public has an opportunity to be present at all council and committee meetings in accordance with the provisions of the MGA s. 197-198, that they are able to adequately hear the discussion, and that they have access, to a full agenda package which includes all the reports, recommendations, and correspondence that is provided to council, excepting out those items which are considered exceptions to disclosure under the <i>Alberta Freedom of Information and Protection of Privacy Act</i>.</p> | 54 |
| G20 | <p>RECOMMENDATION FOR PUBLIC TO RESPECT COUNCIL: That individuals present in the gallery of the Alix council chambers conduct themselves as required in the MGA and village Procedural Bylaw 423/16, that they are respectful of council, and respect the right of council to close the meeting to discuss items which are considered exceptions to disclosure under the <i>Alberta Freedom of Information and Protection of Privacy Act</i>.</p> | 54 |
| G21 | <p>RECOMMENDATION FOR NOTICE OF PUBLIC MEETINGS: That council conduct all but the most urgent items during regularly scheduled council meetings, and that when special meetings are called, appropriate process is followed and that as much notice as possible is given to the public.</p> | 57 |
| G22 | <p>RECOMMENDATION FOR ADDITIONS TO PUBLIC MEETINGS: That council comply with Procedural Bylaw 423/16 and approve only urgent items as additions to council agendas, and defer non-urgent items to the next regular council meeting, thereby providing village administration appropriate time to prepare background and options for council's consideration.</p> | 58 |

| # | Governance Recommendation | Page |
|-----|--|------|
| G23 | RECOMMENDATION FOR BYLAW REVIEW: That council conduct a thorough review of existing bylaws to determine which may no longer be required and which may need to be amended to incorporate legislative changes since the respective bylaws were enacted. | 64 |
| G24 | RECOMMENDATION FOR POLICY REVIEW: That council ensure that current policies incorporate best practices when amending and creating new policies; and that the policy template contain information about when the policy is to be reviewed by council. | 67 |
| G25 | RECOMMENDATION FOR ECONOMIC DEVELOPMENT COMMITTEE BYLAW: That council pass a bylaw to authorize the establishment and functions of an Economic Development Committee, in accordance with the MGA s. 145. | 69 |
| G26 | RECOMMENDATION FOR COUNCIL COMMITTEES: That council complete a review of council committees and council appointments to ensure that all council committees and/or other bodies are established by bylaw in accordance with the MGA, s. 145-146; and that related terms of reference for committee conduct and composition be developed where applicable. | 69 |
| G27 | RECOMMENDATION FOR COUNCIL REMUNERATION REVIEW: That council complete a review of council remuneration practices to establish a process wherein council members are fairly compensated and accountable for all council and committee meetings and related functions that they attend, and that the review result in appropriate village bylaws and policies being in place. | 70 |
| G28 | RECOMMENDATION FOR TRANSPARENCY OF EXPENSE CLAIMS: That council member meeting expense claims be made publicly available. | 71 |
| G29 | RECOMMENDATION FOR MDP AND IDP REVIEW: That council conduct a review of the village's Municipal Development Plan (MDP) and Intermunicipal Development Plan (IDP), that regular MDP and IDP reviews be scheduled, and that appropriate public consultation is included to ensure that the plans' visions and goals are consistent with current council views and priorities. | 104 |
| G30 | RECOMMENDATION FOR SERVICE LEVEL REVIEW: that council authorize a service level review of services provided by the village and that service levels be enshrined in policy and aligned with village budgets. | 115 |

Administrative Recommendations

| # | Administrative Recommendation | Page |
|----|--|------|
| A1 | RECOMMENDATION FOR PERFORMANCE MEASURES: That administration develop and present council with meaningful performance measures that demonstrate how the use of budget resources have advanced strategic priorities. | 25 |
| A2 | RECOMMENDATION FOR ONLINE AGENDAS AND MINUTES: That council meeting agendas along with a complete set of accompanying public documents are made available to the public in a timely fashion through the municipal website, at least two days prior to the meeting, and that draft minutes are also made available on the municipal website within a few days of each meeting. | 37 |
| A3 | RECOMMENDATION FOR PUBLIC MEETING AGENDA PACKAGES: That administration ensure that complete agenda packages are available to council and the public in accordance with Procedural Bylaw 423/16. | 59 |
| A4 | RECOMMENDATION FOR COUNCIL MEETING TRANSPARENCY: That council and administration work to improve the transparency of council meetings by considering all but urgent items during regularly scheduled council meetings, and providing full documentation along with a comprehensive Request for Decision document for each agenda item, to council and the public. | 60 |
| A5 | RECOMMENDATION FOR BYLAW AVAILABILITY: That administration post scanned Adobe Acrobat copies of signed, commonly requested bylaws in a logical format and sequence on the village website, and that the village indicate that other bylaws are available through the village office. | 63 |
| A6 | RECOMMENDATION FOR REVIEW OF THE POSITIONS OF DIRECTOR AND DEPUTY DIRECTOR OF EMERGENCY MANAGEMENT: That a legal opinion be obtained and a review conducted to determine the appropriateness of council members serving as the Director and Deputy Director of Emergency Management for a community, specifically with respect to Section 174 of the MGA. | 71 |
| A7 | RECOMMENDATION FOR HUMAN RESOURCES FILE AUDIT: That administration conduct an audit of current personnel files to ensure that they contain information required by bylaw, policy and provincial legislation. | 74 |
| A8 | RECOMMENDATION FOR COMMERCIAL DRIVER ABSTRACTS: That administration create a spreadsheet illustrating all employees that require driver abstracts, the dates the abstracts were received, and dates of expiry. This spreadsheet should be updated at regular intervals. | 74 |

| # | Administrative Recommendation | Page |
|-----|---|------|
| A9 | RECOMMENDATION FOR SAFETY REVIEW: That administration undertake a human resource review to ensure the physical and emotional safety of all staff in their working environment, and ensure that appropriate policies are in place. | 76 |
| A10 | RECOMMENDATION FOR SECURITY CAMERA FOOTAGE RETENTION: That administration consider extending the data retention period for office security camera footage to 30 days. | 76 |
| A11 | RECOMMENDATION FOR HEALTH AND SAFETY COMPLIANCE: That administration undertake review to ensure compliance with Alberta Occupational Health and Safety legislation. | 76 |
| A12 | RECOMMENDATION FOR AGENDA PREPARATION: That administration establish stronger agenda preparation procedures by providing formal recommendations to council using a comprehensive request for decision format and proposed resolution wording. | 79 |
| A13 | RECOMMENDATION FOR COUNCIL MEETING MINUTE POSTING: That council approve a policy for draft and approved council meeting minutes to be made available to the public in a timely manner. | 81 |
| A14 | RECOMMENDATION FOR RECORDS MANAGEMENT: That council review and update the records management policy and practices to ensure the safety, privacy or accessibility of all electronic and physical municipal records in accordance with FOIP legislation. | 82 |
| A15 | RECOMMENDATION FOR COMMUNITY ACTIVITY BUILDING MARKETING: That administration develop a business plan and marketing plan to maximize revenue from the Alix Community Activity Building. | 110 |

Financial Recommendations

| # | Financial Recommendation | Page |
|----|---|------|
| F1 | RECOMMENDATION FOR EXPENDITURE OF MONEY: That council ensure that all expenditures of village money are in accordance with section 248 of the MGA. | 86 |
| F2 | RECOMMENDATION FOR FINANCIAL REPORTING POLICY: That the village review financial reporting practices and that council approve a financial reporting policy to specify the detail and frequency of financial reports to council in accordance with the MGA s. 208(k). | 91 |
| F3 | RECOMMENDATION ON FINANCIAL REPORTING TO COUNCIL: That administration confirm with appropriate sources whether the financial commitment of the long-term lease on the Alix Community Activity Building is correctly reported in the village financial statements. | 95 |
| F4 | RECOMMENDATION ON FINANCIAL REPORTING TO THE PUBLIC: That council provide sufficient staff and budget resources to ensure that the municipality meets the legislative deadline for providing council approved financial reporting to the public in accordance with the MGA s. 276; and that additional public reporting be considered to communicate municipal performance and the accomplishment of strategic objectives. | 97 |
| F5 | RECOMMENDATION FOR PURCHASING POLICY REVIEW: That council review the Purchasing of Goods and Services Policy 13/2006 to ensure it is compliant with legislation; that it is transparent, and that it provides both efficiency and accountability for the village | 100 |
| F6 | RECOMMENDATION FOR BUDGET TIMELINES: That council establish timelines for budget approval by year-end, and establish a meaningful process for public input on local priorities | 101 |
| F7 | RECOMMENDATION FOR COMMUNITY ACTIVITY BUILDING COST ASSURANCE: That administration identify the true costs of operating the Alix Community Activity Building | 110 |