Municipality of Crowsnest Pass

Report on the Corporate Review

George B. Cuff & Associates Ltd.

October 2009
October 29th 2009  
Mayor Dr. John Irwin and Members of Council  
Municipality of Crowsnest Pass  
P.O. Box 600  
Municipality of Crowsnest Pass,  
AB T0K 0E0  
Dear Mayor Irwin & Councillors:  
We are pleased to provide our Report on the Corporate Review of the Municipality of Crowsnest Pass which we have conducted over the past several months. Our Review has focused on the terms of reference provided to us by Council at the outset of this study. It is our belief that we have complied with your request and that this Report speaks to all of the issues which were either in the terms of reference or which came to our attention during the course of this engagement.

We have appreciated the cooperation and assistance of both the Council and administration throughout our Review. It is our understanding that we were provided with all of the information that we requested. As well, our extensive round of interviews provided us with an appreciation of the views of Council members and staff members alike with regard to their individual assessment of how the organization currently functions and those areas which most believe need to be addressed in order to improve the health of the corporate body.

This Report accurately reflects our view of the Municipality during the time of our assessment. We appreciate this opportunity to be of service and would welcome any questions by Council and/or the administration.

Yours very truly,

George B. Cuff, CMC  
President  
Ron Born, Associate  
Ken Hoffman, Associate  
Roy Kemp, Associate  
Joel DeBlock, Associate
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58 Winchester Avenue, Spruce Grove, Alberta T7X 1L8
1.0 THE ISSUES

The Municipality of Crowsnest Pass is a specialized municipality with significant challenges. While these challenges pertain to access to financial resources to meet the impending and current demands of the community, they also relate to the impasse experienced within Council relative to relationship issues and varying perspectives on how best to tackle certain key matters. As well, the Province was petitioned to conduct an investigation into the affairs of the Municipality but that petition was deemed to be insufficient. It did, however, point to concerns that have been identified in the community as being significant to the residents.

It is hoped that this independent Review which was voluntarily called by the Council will address those concerns and provide guidance in terms of how these issues and others ought to be resolved.

In summary the challenges which we have identified are as follows:

1.1 Leadership

- Council

This Council has become divided and views itself as a 4-3 Council (which we believe does not apply “across the board” but to those issues which Council members may view as very significant). While the Council members are outwardly cordial they admit to being poles apart on such issues. This perception has spread to how they interrelate with each other and with the community. The divisiveness has resulted in a general sense of being unable to address major issues and in particular the Crowsnest Pass Centre. Council members have, unfortunately, chosen to align themselves with one of the two factions and have met separately to discuss and review their approaches to certain issues. This is not healthy to understanding the will of the community or to determining a way forward.

- Mayor

The Mayor as leader of Council is not among the majority bloc and as a result has had many frustrating moments. He is also a very busy physician in the community with limited time available to nurture relationships on Council and to re-build the trust which is apparently absent. He is perceived by the majority as being unwilling to
change or adjust to the new circumstances resulting in a Council and a community at loggerheads with no particular course of action planned to move forward. The Mayor has struggled with placing his trust in the senior administration’s ability to get the job done. While he indicates support for the incumbent Chief Administrative Officer, his attendance at management meetings and his “hands on” style do not support his positive comments relative to the performance and competence of the CAO. He has not reached out to the majority bloc on Council in any meaningful way and appears willing to ride out this term in the anticipation that the next election (not due until October 2010) will bring about changes to the make-up of Council. Such changes may occur but may not be those expected by the Mayor or any other member of Council.

- Chief Administrative Officer

The role of Chief Administrative Officer is central to the functioning of any municipality. This is the link-pin between the Council and the administration. The CAO sets the tone for the rest of the staff and is expected to serve as their mentor and champion. In this instance, as in the case of all others, the CAO’s personal style impacts how the organization functions. The incumbent is generally viewed as quiet, reserved and reactive (rather than proactive). He has a respectful relationship with the Mayor although the two are not necessarily viewed as being on the same page. He approaches change very cautiously and his willingness to make change is inhibited by his recognition that the balance of power on Council could change quickly. Thus he appears reluctant to move expeditiously on issues which may seem to him as divisive. The CAO needs to be more proactive and supportive in terms of how he deals with his senior staff (department heads) and more clear in his expectations of them and of their behaviour. He also needs to communicate more fully and more regularly in terms of his support for each of them and his expectations of their work performance. It is their view that while the CAO is available for discussion when they drop into his office, he is not likely to approach them on his own volition unless a significant issue arises.

1.2 Core Management Practices

The Municipality suffers from a lack of thoughtful, proactive management development as well as strategic fiscal and infrastructure planning. There seems to be
very little follow-up on individual performance. Performance reviews are not viewed as essential or as opportunities for improvement. Reporting to Council does not ensure CAO independence and often is viewed as inadequate with Council discussions taking place without strong, comprehensive administrative reports which should guide the decision-making processes. There is a lack of understanding regarding the importance of a policy framework with the result that most decisions are made as “one offs” rather than driven by policy and a Strategic Long Range Plan.

1.3 Physical Assets
We are advised that the Municipality’s equipment is old and expensive to maintain. This is critical to the ability of the community to survive and to retain the support of its residents. Regardless of any other services provided by Crowsnest Pass, its residents will expect the Council and administration to maintain the parks, clean the streets, pick up the garbage, ensure a safe community based on adequate fire protection, rescue and bylaw services, plough the snow and dispose of it during the winter, and perform minor repairs on equipment and assets throughout the year. These services depend on access to first rate equipment which tends to be very expensive and costly to maintain. The ability of the Municipality to do this is compromised by its inability to systematically collect information on equipment maintenance costs, etc to assist in replacement decisions.
The residents should also be able to rely on their administration to properly maintain facilities and ensure efficient use of services. This requires advice from the CAO and a decision by Council to better utilize facilities in the Municipality which currently serve a duplicate function. The amalgamation which occurred in 1979 will never “take hold” as long as the elected officials continue to view Crowsnest Pass as a series of separate communities. While Councillors may not feel that this is the case, continuing to maintain separate and duplicate facilities without much attention to their rationalization undercuts any effort to bring the community together.

1.4 Communication
We have frequently expressed the view through other reports for local governments and other public sector organizations that communication is the essential lifeline of any organization. The need for ongoing communication should be apparent:

- issues need to be highlighted
policies need to be set or adjusted or rescinded
- decisions need to be made and employees need to be advised
- morale needs to be monitored and corrected whenever issues seem to arise
- employees require encouragement
- matters need to be dealt with---

and all of this occurs in a consistent and compatible fashion only if the organization’s communication system is functioning effectively.

One of the principal roles of a CAO and his department heads is to ensure that the staff members have access on a prompt basis to the decisions of their Council. This does not happen if regular staff meetings are not being held. Not only should such meetings be held between the CAO and department heads but also between department heads and their employees.

Similarly, the Council relies on the fact that it has unfettered access to the CAO in terms of receiving prompt responses to their inquiries and quality policy recommendations on any outstanding matters at the Council table. In this instance we find that not all Council members are confident that they have access to all of the pertinent information. Indeed, some feel that reports on key issues are not comprehensive or that they may be intentionally biased in favour of one position versus that of another.

### 1.5 Summary

Our Report points to the changes that we feel this Council needs to undertake in order to ensure that it has the appropriate governance model, the necessary administrative resources at the senior management table and the decision-making mechanisms that allow Council to make decisions based on current and comprehensive information. The Report also identifies the important roles to be played by the Mayor, members of Council, the CAO and senior management and the significance of cohesiveness and collegiality in dealing with issues.

As a final note in this Summary, we believe that this Report should not take its place on the shelf along with previous studies where it will serve as an example of Council’s lack of commitment to action. Council needs to agree to a follow-up visit by this consultant in 3-6 months to assess what actions have taken place and which are “in the works”.
Further, this Report should be on the agenda at the outset of the next term of Council. We also want to place before Council our recommendation that a similar review to this ought to be conducted every 3-5 years so as to ensure that the Municipality is able to assess on a formalized basis the fundamentals of how it functions and what changes might be needed to ensure that it is achieving its objectives as a governance body.

We are cognizant that this is a relatively small community in terms of size and therefore resources. And yet, there is a real need to see these issues and recommendations as essential to the health of the system.

We also recognize that notwithstanding any of our recommendations the Municipality may not change for the better. Positive change will not happen without the leadership of this Council (and its successors) and the support of a competent administration.

### 2.0 TERMS OF REFERENCE

As per our letter of understanding to Council, we agreed to review the following:

- Orientation of Council
- Clarity of Roles
- Council Decision-Making
- Use of Committees
- Understanding of Role of the CAO
- Understanding of Role of Management
- Organization Structure
- Business Planning
- Overview of Departments and Recommendations for Improvement

The terms of reference more specifically states that we are to:

- assess Council’s governance objectives relative to how it would like to move the organization forward in a way that is consistent with the aims of this Council
- identify those areas which are felt to be strengths of the present day system and how these might best be retained/enhanced
review the current governance/administrative situation and examine existing governance/management styles and processes; review the powers of the Mayor and Councillors and how these are currently being discharged

review Council’s governance principles and assess how well the current model of governance helps Council achieve its governance objectives in accordance with these principles

assess the appropriateness of the current organizational structure (particularly the three senior levels reporting to the Council)

develop an understanding of the issues and concerns of the present Council and its key priorities

review the reporting relationships, roles and responsibilities of the Mayor, Council, Committees, CAO, Directors/department heads and recommend ways by which these might be improved now and function best in the future

assess the appropriateness of management styles of the current senior staff given the concerns and preferred governing style of the present Council

examine the present legislative decision-making processes, including the mandates, reporting procedures, functional guidelines and future need of standing committees/task forces and commissions; identify how Council can best fulfil its governance obligations and expectations

review and assess current practices for preparing Council information, advising the Council, conducting meetings, following up on Council decisions, and handling public inquiries

identify what roadblocks exist in the organization which might negatively impact the proposed changes (e.g. poor personal relationships, lack of policy development/comprehensive strategies, systems for communication, poor training and development programs, need for restructuring, etc.)

specify what changes are required to narrow the gap between the preferred course and the current structure, processes and sense of direction

recommend the most appropriate governance model and structure as well as the appropriate senior level organizational structure based on what is desired as the Corporation’s present course of direction, identified future challenges and resources
provide practical and useful recommendations on all matters covered by the terms of reference and any additional areas of concern which come to the attention of the consultant during the course of this engagement.

3.0 OUR APPROACH

Our approach to this engagement has been based on our desire to gain a clear understanding of how the Municipality of Crowsnest Pass functions at present and to identify what changes are necessary in order to increase the effectiveness of the organization.

Based on the requirements, we:

- Met with the Mayor and Councillors to discuss the purpose of the Review
- Discussed with the designated contact person (i.e. Director of Finance and Systems) the logistical matters regarding the Review
- Requested and reviewed all applicable background documentation relevant to this Review; some of the material was sent to us via electronic means whereas in other instances we reviewed materials made available to us on site
- Met with the CAO, department heads to discuss our approach
- Met with the leader of the petition which sought an independent inquiry of the Municipality
- Toured the municipality
- Set up interviews (in one location) for all those we felt were essential to our understanding of the situation in Crowsnest Pass (largely limited to Council, CAO, department heads, direct reports) and to enable us to develop our understanding of both the historical and current issues and processes
- Reviewed background materials made available by Alberta Municipal Affairs including the information relating to its financial health and demographic base; surveyed other municipalities of a similar size to understand how Crowsnest Pass compares to those communities
- Conducted a seminar for all members of Council and senior staff
- Conducted a separate management training seminar at the end of September 2009
4.0 WHAT WE HEARD

On the basis of our interviews we have compiled a series of summary statements which seeks to reflect an accurate portrayal of what we heard from those interviewed.

We have worded these so as to protect the voices of those who may have made these comments/suggestions:

- The community senses that the Council is divided in its leadership and does not see that changing much without the intervention of the next municipal election; some feel even that may not change the political landscape
- Council is very much divided; on key issues this represents a 4-3 split; this does not differ much from the previous term where again it was dominated by a 4-3 split, with one Councillor reportedly dominating Council
- Councillors are of the opinion that information is not always shared concurrently; that the reports provided by management are not complete; and that minutes of meetings attended are not necessarily provided
- There have been numerous accusations of pre-Council meetings (on both sides of the Council table; that is, by both factions)
- The Mayor is frustrated in not being able to exercise the style of leadership he has in the past in part because he has a Council which does not always listen or take seriously his advice
- Some members of Council are concerned that the Mayor is not trying to re-assert his leadership in part because he believes the majority to be following the wrong course, and that they are unlikely to change
- Similarly, others suggest that the Mayor loses some degree of control of meetings or biases their outcomes by allowing arguments and/or public presentations which are critical of certain members of Council to go unchecked
- A number of those interviewed believe that the CAO is hamstrung by Council’s divisiveness and his desire not to anger or go against the Mayor
There still seems to be support for the CAO given the professed understanding of his limitations caused by perceived interference.

Council appears to some observers as being too willing to criticize those who are perceived to be in opposition to the will of the majority; not as “client friendly” as is anticipated.

Belief by staff that their departments could be more then they are or that they are allowed to be; leadership seems to be improving at least in some instances.

Limited focus on leadership development by the Municipality; this shows up in its approach to the development and encouragement of volunteers; much more work required in trying to bring community groups together.

Community’s focus still seems to be parochial; focused on the way it was and not the way it could be as a combined Municipality; a number of facilities which duplicate one another; need to rationalize services.

Council members need to understand what it means to lead rather than wait on management to come up with all the ideas.

Long term planning poor; now doing a Sustainability Plan (federally-funded); has developed a Capital Works plan; upgrading a Recreation Master Plan; these are being done without any commitment by Council to a long term vision.

Management team needs to be strengthened; difficult relations reported in Public Works; other management team members not as aware as they should be regarding need to share services/knowledge/expertise.

Management and staff meetings of limited value; managers not certain of where the value could be so may miss the right target.

Management meeting joined by the Mayor; may be well-intentioned but his continued presence sends the wrong message.

CUPE viewed as very strong and locked in the past.

Members of Council largely aware of their duty not to interfere with staff members but some finding that difficult.

Job descriptions not updated; morale in some departments seems poor; communication reported as lacking; no regular team meetings; a lack of communication/collaboration between Superintendent and Assistant.
Performance reviews have not been done for the majority of staff interviewed for many years, if ever (according to a couple of long term employees); fire chiefs would be happy to have performance reviews if they could be done by an experienced chief (would have to be outside the system at this point); currently they hold elections for all positions in the station including chief; elections viewed as a ‘performance review’ by their volunteer crews.

Outdated, antiquated maintenance equipment seems to be a major problem; maintenance staff seems to have become resigned to just patching up broken equipment that is becoming increasingly difficult to find parts for; staff frustrated that new equipment is purchased without consultation of those most affected.

Long term plans are requested and submitted but never seem to go beyond the first year; this seems cyclical.

Centralization of Public Works services is believed by several to be absolutely essential for effective operation of the department; have been many calls for centralization but the calls are ignored; belief that there is a waste of resources currently which could be reallocated for more efficient use; Community Services, Fire Services, equipment maintenance, and others feel they would benefit if Council would make the necessary decisions to facilitate this.

New Councilor orientation is inadequate, according to several interviewees.

Some felt the CAO should visit the outside crews more frequently to build rapport and morale.

Council seems reluctant to reveal long term plans and goals; any vision that does get projected seldom gets carried out.

Fire Department seems to be functioning quite well in the wards but most chiefs agree that a full time employee in the role of ‘Fire Marshall’ (at one time this role did exist) would be a great benefit with one location being “Base” and the others in the communities functioning as ‘fire halls’; equipment could be specialized and much duplication avoided; each fire station has it’s own SOP (standard operating procedures).
Since the Rescue Department operates happily on its own, there is considerable agreement among the fire chiefs that it is in some ways a duplication of services; for example, the fire department attends highway accidents and is trained in extraction but that is the Rescue Department’s mandate.

Employee training does happen with new personnel but seems to not begin soon enough; courses and training seems to be offered in some departments and not in others.

No one in the upper levels of management seems supportive or aware of the importance of mentoring.

Some work initiated on longer term planning processes; focus on an evaluation of the physical plant assets; planning has incorporated future planning areas plus longer term replacement plans in areas such as the water master plan, wastewater master plan, 10 year infrastructure plan, equipment replacement plan, electrical system upgrade plan and the Recreation master plan currently being completed; a number of other ancillary plans have been developed. However, a coordinated corporate strategic long range approach to these individual plans does not exist.

The 2001 Municipal Development Plan and 2004 Land Use Bylaw have become dated and are in need of review to reflect the current day situation; a large number of area structure plans, land use designations and development agreements were dealt with in the past three years.

Each term the Council has held a retreat shortly after being elected to determine the major priorities of the incoming Council; annually Councils have tended to concentrate their efforts on the 3 year draft budget plan with a majority of time spent on the next year budget; in the past this process has taken from the middle of November through to the middle of April or later.

Boards and committees have not been part of the Municipality’s strategic planning processes; while they are involved in important aspects of community life they report being non-involved in Council and administration’s discussions regarding future needs; some express serious concerns vis-à-vis their facilities and the upgrades required.
5.0 BACKGROUND ON GOVERNANCE

5.1 Introduction

The Municipality of Crowsnest Pass is defined in law as a “specialized municipality” which began as a series of smaller five communities, the largest being the town of Blairmore with a population of 2321. A second community (the town of Coleman) was also home to 1543 people. The other communities which were amalgamated into the Municipality of Crowsnest Pass in 1979 included the villages of Bellevue and Frank as well as a portion of Improvement District #6 and all of Improvement District #5, with its 13 hamlets (the largest being Hillcrest Mines) with a total population of 2041. The total population at January 1, 1979 was recorded as 7330 and the census for 1980 was counted at 7,340. The process of amalgamation included a review by the Special Projects and Policy Research Branch of Alberta Municipal Affairs, published in December 1977. That report intimates that their study was not the first on this issue but that various studies had been previously completed on related topics like land use and utilities. The report recommended four wards, eight Councillors and a Mayor, transfer of community utilities to the amalgamated municipality, incorporation as a town and a special transitional grant of $400,000 each year for the ensuing five years, such funds to be used for capital purposes. The report points to the positive impact that amalgamation would have on balancing the assessment base and the impact of expenditures/revenues.

The Municipality of Crowsnest Pass was granted specialized municipal status on January 16, 2008 in response to the sense that becoming a member of the Alberta Association of Municipal Districts and Counties was important in an effort to better align the community with its rural neighbours. The Municipality is still classified as a Town for certain issues such as foreign ownership. The current population as last recorded in 2006 census is 5,749. After 1979 the Municipality amalgamated with Improvement District #6 on January 1, 1996 which had a population of 130.

The Pass has had a very interesting history with its focus in the early days on the mines in the area, from which the region drew much of its economic health and population. This activity changed after the Second World War and as the mines began to close both then and after the railways converted to diesel, the population
suffered. In addition to the mine activity, the region was the site of international interest as a result of the mountain slide (referred to as the Frank Slide) of 1903 which resulted in the loss of 79 people.

There have been significant challenges associated with blending five quite different communities into one larger community. While this would have been of sufficient magnitude in any circumstance, given the fact that there has not appeared to be any planned, focused, concerted effort to make the five into one in reality has increased the time taken to create a new community and has resulted in a number of built-in inefficiencies. These inefficiencies result in higher than expected costs in terms of infrastructure repair and maintenance as well as facility operation costs and dispersed staffing. As our analysis points out, the Municipality has a much different profile than others of a similar population because of distances to be serviced, etc.

The Municipality of Crowsnest Pass engaged our firm to review its governance and senior management to assess what improvements could and should be made. In developing this Report, we are mindful of the work done to date by successive Councils and administrative staff, all of whom were desirous of serving their community. Our Report does not focus on the past but on the current situation and future direction.

As one of the outputs of this engagement, we provided to the Council and senior management some thoughts (via an initial seminar on governance and a briefing on our Report’s findings) on issues pertinent to governance. These are replicated and elaborated upon herein and are important to the context of this review in terms of acting as background to what follows.

5.2 Governance

Governance has been defined by this author in previous text as:

“The process of exercising corporate leadership by the policy-making authority on behalf of the community to the organization as a whole in terms of its purpose, control and future and overseeing the organization to ensure that its mandate is achieved.”

Governance relies on the elected leaders of the community to provide both leadership of the key issues and direction of the community as well as acting in an oversight capacity relative to its decisions and policies. General practice in Canadian
municipalities reflects this view in terms of Councils in both small and large communities, rural and urban, getting together early in their term of office to discuss the issues heard during the election; to hear from their administration as to their sense of key priorities; and then to amalgamate what they heard in the community and from their electorate into a set of priorities and goals. These drive the community’s business plan and budget (both short and long term).

In addition, Council has the responsibility of ensuring that their administration follows its direction as expressed by Council’s approved policies, plans and bylaws. The mandate for ensuring that this happens is vested in the Chief Administrative Officer (CAO) who has the authority provided by the Municipal Government Act (MGA) and by the CAO’s appointment bylaw.

Council’s approved land use and strategic plan, its policies and the authority delegated to the CAO provide the umbrella of power and direction to undertake a full suite of service delivery to the residents. Concerns that are raised by the residents should then be understood in relation to that mandate.

We expressed the view that:

- **Governance is distinct and can be learned**
This role is considerably different than that of management and it would be a mistake to presume otherwise. Governance refers to the setting of direction, the leading of an organization, establishing the vision and the policy-making authority that is accorded to the elected Council.

- **Municipalities rely on leaders to govern effectively and compassionately**

While there will obviously be considerable focus placed on those hired to manage any corporate body, governance is also a critical and essential function.

- **Good governance relies on clear roles, clear vision, understood processes, equal treatment, respect, confidence in the Council-CAO relationship**

Role clarity is essential to the effective discharge of Council’s mandate. Clear vision is necessary in order to ensure focused direction. Respect and confidence in the Council-CAO relationship are fundamental to the organization moving forward in a confident manner.

- **Good governance results in:**
  - Focus placed on governing body’s right and obligation to lead
  - Confidence in how business is done
  - A sense of confidence in outcomes
  - Ongoing dialogue with constituents
  - Involvement of key advisors
  - Oversight to critical function

We further described the roles of Council in a manner that supplements that which is contained in legislation and is supplemented by the Municipality’s own policies and practices.

### 5.3 Effective Governance

We described what we view as the **hallmarks of effective governance** as organizations that reflect:

- A learning environment
- A servant mindset
- Respect for the views of others
- Prepared to challenge ideas
- Focused agenda
- Members well-prepared
Based on clear accountability
- A willingness to ask “dumb questions”
- Roles are defined; overlap understood but resisted
- Oversight role of governors respected
- Decision-making processes sound; acceptable to this team
- Community needs above vested interest groups
- Personal integrity (adherence to a Code of Conduct)
- Policy-makers set the vision and stick with it
- The “culture” of the community is protected

We also outlined what we see as the **Keys to Effective Governance:**
- Quality orientation process
- Clarity with regard to roles
- A consistent, understandable Procedural Bylaw
- Council and management strategic planning
- Clear understanding of ABCs (role; value; reporting process; role of Councillor)
- Council’s own decision-making process
- Terms of reference and reporting protocols
- Trust in the CAO and administration
- Focus by Council on policy choices.

An effective Council decision-making process should be:
- as open and publicly transparent as possible
- as straight-forward as practical
- a step-by-step process that ensures quality information and leads to a reasonable & defensible result
- a process involving the right players
- capable of communicating the results efficiently and promptly.

### 5.4 Governance Landmines

During our seminar with Council we pointed out various “landmines” which we described as those factors which inhibit Council’s ability to govern effectively. These “landmines” have impacted many organizations in a negative manner.

- Orientation process either not undertaken at all or focused on the work and roles of the administration
Media coverage appears to be focused on personalities-not issues
Decisions have been discussed and decided before the meeting begins
Councillors think they administer; staff think they set policy
Focus of Council meetings is on “who’s at fault?”; no respect for the right of others to differ
Public comments by Councillors intended to ridicule or gain points-not illuminate
No real sense of the priorities; everything is viewed as important
Inability to make tough decisions & stick with them
Meetings lack focus and substance; held because “it’s Monday”
Councillors fail to prepare adequately for meetings; do not read the agenda package as carefully prepared by the administration
The importance of Council meetings appears to be missing; becomes simply a process of going through the motions
Few questions asked of the administration; fear that it will sound like “I don’t really know, and I’m supposed to know everything (after all, I got elected)
No one prepared to ask “dumb questions” (defined as the one that everybody wants to ask but no one wants to look ill-informed)(thus, the “dumb” question is the one not asked)
The CAO sits in the meetings trying to look important but generally mute because no Councillor asks him “what does your proposal mean in terms of our approved business plan?” OR “would you please speak to the issue and add in anything else that you feel will help us understand better why this is on the agenda”
Council makes decisions then asks for advice (rather than the reverse)
The public is viewed as intruders; (“oh good, the last delegation just left; now we can speak candidly!”)
Relationships with neighbouring communities are not viewed as a priority; “do you mean we can find out what they think of regional cooperation in our economic development initiatives?”
Council members and/or the administration allow the “way we’ve always done business” to inhibit the search for a better way
Confidentiality is not well-understood by all members of Council; the vessel at the top looks like the Titanic on the bottom
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- No real understanding of the value of a step by step decision-making approach
- Council comments bring administration into disrepute
- No respect for the Mayor at meetings of Council; meetings allowed to meander
- Delegation of authority to CAO continually undermined; no real sense of accountability
- Conflict of interest appears to some as being applicable for the other guy-not me.

6.0 THE KEY ROLES IN A LOCAL GOVERNMENT

6.1 Council as a Whole

The Municipal Government Act is the instrument that sets the stage for what a municipality is intended to do and the limits of its authority. The Act states:

“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.”

And, in Section 142, “Councils as governing bodies

142(1) Each municipality is governed by a council.
(2) A council is a continuing body.”

The MGA also outlines the roles of individual Councilors as follows:

“153 Councillors have the following duties:
(a) to consider the welfare and interests of the municipality as a whole and to bring to council’s attention anything that would promote the welfare or interests of the municipality;
(b) to participate generally in developing and evaluating the policies and programs of the municipality;
(c) to participate in council meetings and council committee meetings and meetings of other bodies to which they are appointed by the council;
(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;
(e) to keep in confidence matters discussed in private at a council or council committee meeting until discussed at a meeting held in public;
(f) to perform any other duty or function imposed on councillors by this or any other enactment or by the council.

We described these roles in another way by expressing that the roles are fundamentally:

- **representation** (Councillors are expected to represent the views of citizens as they understand those views to be)
- **communication** (Councillors must be able to effectively communicate ideas and issues to the administration and/or other members of Council)
- **monitoring** (Councillors are charged with monitoring and evaluating issues and concepts as they arise and to provide oversight to major expenditures/projects)
- **preparation** (Councillors must be fully prepared for all of the meetings which they are required to attend, including those with other members of Council and those boards and committees to which a Councillor is appointed)
- **making decisions** (Councillors are charged with approving bylaws, policies, plans, budget)
- **accountable** (Councillors recognize that their decisions are theirs, not that of the administration).

### 6.2 Governance Oversight

The principal role of any governing body is its mandate to provide oversight to the leadership of the organization and to the utilization of current policies. This mandate relies upon the legal basis of the governing body (in this instance, the local Council) to exercise such authority. That responsibility comes from:

#### 6.2.1 Legislative Responsibilities and Powers

The Municipal Government Act provides Council with a considerable range of both duties and expectations. These provisions are exclusively that of Council as the governing body. While Council is expected to turn to its administration for guidance, it retains the final authority to approve the matters within its assigned jurisdiction.
6.2.2 Representation of the Public
While the administration and various groups in the community are all involved in providing service to the residents of Municipality of Crowsnest Pass, only Council can legitimately claim to actually represent its residents. This representation carries with it tremendous authority and prerogatives that are only ascribed to Council.

6.2.3 Council Vision, Goals, Priorities
If the Municipality is to have a clear sense of where it is heading and what issues it wishes to address over a particular time frame, Council must be the body that articulates that direction. Once Council outlines what it sees as the vision, goals, objectives and annual priorities for the Municipality, those should set the stage for subsequent actions by the administration. The latter must ensure that Council’s articulated vision is captured by this and successive budgets and business plans.

6.2.4 Operational & Capital Budgets
Not much of significance happens in any municipality that is not provided for in the approved operating and capital budget. The authority to approve both of these documents rests with Council. While the run-up to the presentation of budgets can be extensive in terms of the time commitment of the administration, the focus of Council’s energies must be on the front and back ends to the process. The front end focus lies in Council’s involvement in the strategic planning process whereas the concluding chapter lies in Council’s review of the formalized documents and its approval of the proposed changes and resulting tax implications. Such a process is normally expected to occur over the October to December 15th time frame so that the administration can begin making capital budget decisions well before the costs increase (which seems to inevitably happen by early spring).

6.2.5 Policies and Bylaws
As we pointed out earlier, Council has a significant role in its governance processes through the approval of new or revised policies and bylaws. These are the principal documents that guide the actions of a municipality and provide the residents with the clarity they need to understand what is permissible by them and their neighbours and what is not.
6.2.6 Structure, Resources, Compensation

It is our view that every Council has both the obligation and responsibility to approve the senior level (i.e. the CAO and direct reports) of the organization structure (but not the hiring of any individual personnel except the CAO). This is important because it shapes where the organization will place its resources and who will be viewed as a senior manager and entitled to be at the decision-making table. Council also has a role in approving either the number of personnel or the funds established for personnel (or both). While we would caution Council from being involved in any other aspect of personnel save the relationship which it has with the Chief Administrative Officer, Council ought to be engaged in defining the relationships that it has with senior management personnel and the access that it needs to have with regard to reports and issues.

With regard to compensation, Council also needs to play a role in terms of establishing overall personnel and compensation policy. This policy should set the framework within which the CAO is to function and make decisions around access to any merit funds for exempt employees.

6.2.7 CAO Performance Assessment

One of the most significant aspects of a Council’s mandate is the development of a solid working relationship with the CAO. This is essential given the fact that virtually all of Council’s messages are communicated down the organization through the CAO’s office and because the administration’s messages sent up to Council are to be processed through the office of the CAO. The Council-CAO relationship establishes the “tone at the top” which we believe to be critical to the successful functioning of any municipal Council. The review and assessment of that relationship should be viewed as a significant mandate of the Council and undertaken on at least an annual basis with ongoing feedback to the CAO provided by the Mayor.

6.2.8 Budget Variances

Council also has the authority to establish its policy vis-à-vis to what extent the CAO might approve variances to the approved budget. It is likely in the course of every year that issues and events arise that were not forecast and which may have a significant impact on one or more budget items. It is Council’s authority to determine
the extent of change that the CAO can authorize and make the necessary adjustments.

6.2.9 Governance Processes

Council also has considerable authority in terms of the processes it utilizes which impact how it will govern the organization and the community. Such processes include the following:

- agenda process
- type of committee system
- appointment of public members to Council’s agencies, boards and committees (ABCs)
- Procedural Bylaw

6.3 Our Observations

The people of Crowsnest Pass are served by its citizens who agreed to place their names before the electorate during the last (October 2007) election. These people are neighbours, colleagues and friends to the public of the Municipality. They approach their responsibilities with a sincere desire to “do the right thing” given that the community is for their enjoyment and that of their families. They are motivated by a service ethic, by a desire to utilize their backgrounds and community service as well as by their understanding of what makes the community a good place to help in its governance and leadership.

Council members are faced with making decisions on matters which affect the well-being of the community as well as its future course, particularly in terms of its land use and infrastructure servicing. Such decisions may involve significant commitments of funds as well as setting future planning in a particular course. As a result, decisions like these are not made lightly. As well, Councillors face a plethora of other issues, often mundane and on which little time is needed or spent. Council members are a very significant part of what is referred to as “tone at the top”. They directly impact how the community sees the organization because much of what is printed is about the style of Council at their publicly-reported meetings. Where a Council is open to the public, trust is developed. Where there is animosity or a sense of entitlement to information and privacy, mistrust is fostered. Where
delegations are either quickly ushered out the door or verbally harassed, the aim of having public input at meetings is thwarted.

The Council also has a very significant impact on the style of management displayed by the CAO and department heads. A Council that has an appreciation of management’s role and value will encourage their reports and thoughtful contributions at committee and Council meetings. A Council that feels that only they possess good ideas will relegate the administration to the sidelines and seldom expect to hear from them publicly. This of course is a tragedy as the community suffers when ill-advised laypeople take their own counsel and never ask to hear that which resides in the management personnel who are, ironically, hired by the municipality to provide such advice. A Mayor and Councillors can empower their administration to be as good as they can be or they can hide them behind the procedural bylaw which seems to expect that only members of Council are entitled to speak at meetings of Council. If the latter is true, the charade of having advisors present should be stopped and the frustration ended.

There is nothing in the legislation or literature which suggests that all of Council members need to be in agreement on individual decisions. Indeed this consultant has written separately about the advantages of thoughtful dissent ([www.municipalworld.com](http://www.municipalworld.com)) and about Councils that function well regardless of disagreement on issues. Each Councillor is expected to have their own perspective of what is best for the community. This may or may not reflect that of their colleagues. This is not a party system wherein members are bound to a particular viewpoint by party discipline.

At the same time, there is something amiss when a Council splits into two groups perhaps on one particular issue and then decides to stay split on other major issues as well. This choice is generally based on personal likes/dislikes and becomes more about personalities and less about what is in the best interests of the community. As a result, the voting on more mundane issues may be unanimous or generally unpredictable (as Council votes should be) and Council may give the appearance of being functional. The problem resides in the fact that underlying this appearance is a bloc mentality that pits one segment of Council against the other side on the critical issues of the day.
In this instance, and for various reasons, such a split has occurred and has been allowed to continue. The Council has become known as a 4-3 Council. The four members does not include the Mayor. So, in effect the Municipality has a dysfunctional group of elected officials who attempt to give the appearance of a functioning body while scrambling behind the scenes to stack their votes on specific issues before the Council meeting is called to order.

This results in:

- a Council that displays poor leadership to its residents on an ongoing basis
- a Council that defies the Act by meeting as two separate blocs before the meetings and determining their vote on particular issues, often that of the Crowsnest Centre
- a Council that shows little respect for the community's election of its chief elected official (i.e. the Mayor)
- an administration which moves very slowly/hesitantly on issues due to uncertainty regarding the support or absence thereof by members of Council if they are seen as “jumping to the pumps”
- a public which is ill-served on the more significant issues because it cannot agree on a course of action.

This state of affairs (which involves the Mayor and to whom I turn to next) results in the community receiving less than full value for its votes. It in effect is being told by the members, all of whom were elected individually, that “you now have a slate” and “our slate will dictate the terms of how issues are going to be resolved”. This, in effect, negates the value that the other three Council members thought that they added to the mix. In some respects, they could stay home and nothing about the issues would change in any material way.

The community deserves better.

We will address how this should work in a later section of this Report.

### 6.4 The Key Aspects of a Mayor’s Role

The Act also sets out the key roles of the Mayor (Chief Elected Official):

154(1) A chief elected official, in addition to performing the duties of a councillor, must
(a) preside when in attendance at a council meeting unless a bylaw provides that another councillor or other person is to preside, and
(b) perform any other duty imposed on a chief elected official by this or any other enactment or bylaw.

(2) The chief elected official is a member of all council committees and all bodies to which council has the right to appoint members under this Act, unless the council provides otherwise.

(3) Despite subsection (2), the chief elected official may be a member of a board, commission, subdivision authority or development authority established under Part 17 only if the chief elected official is appointed in the chief elected official’s personal name.

The actual “duties” of a Mayor are generally agreed (through accepted practice and the literature) to include:

◆ Chairing meetings effectively; keeping order; preserving decorum
◆ Building consensus within Council; seeking the agreement of other members of Council to a recommended initiative
◆ Leading through suggesting a particular course of action, by identifying useful initiatives and/or by supporting good ideas
◆ Keeping Council informed: given that the Mayor often has access to information first, it is important that the Mayor include all other members of Council in the information loop
◆ Being the advocate of Council’s agenda and the public’s concerns: the Mayor is the Council’s spokesperson (or at least should be). This role envisions the Mayor as the primary spokesperson on Council’s issues and as representing Council’s views. Further, the Mayor has a responsibility to communicate the concerns of the citizens to all members of Council and to the administration. This does not, however, presume that the Mayor is the only spokesperson.
◆ Acting as the primary contact with other levels of government on behalf of Council and the community: the Mayor should be viewed as the primary spokesperson in any dealings with the elected officials of other levels of government. In most instances the Mayor should ensure that he/she has at least one other member of
Council with him/her when meeting with another level of Government in order to ensure accountability and clear communication.

- Performing representational and ceremonial functions: the Mayor is the one who is generally invited to represent the community at any number of regional meetings, meetings with other dignitaries, officiating at special events, riding in the parade; opening the new school or store, etc.

- Linking Council to the administration through the CAO: the Mayor is the Council’s primary linkage to the administration which he does through the CAO. This is in order to show respect for the position of CAO and to reinforce the philosophy that the CAO is Council’s “go to” person in terms of getting its decisions put into practice.

- Building bridges between members of Council, between Council & staff, between Council & the community.

While we did not go into any of these roles in any detail, we have included as supplementary information to this report some background material that we have previously authored. Our additional comments herein reflect our attempt to better convey their importance and their relevance to what we view as one of the keys to making the system function as intended in Crowsnest Pass.

The legislation rightfully recognizes the Mayor as the chief elected official in any municipality. The position is generally held in esteem across Canada although how it is played out is a factor of the personality and strengths of each incumbent Mayor. Thus, we speak to what the Mayor is expected to do and how that can be effective. What each individual Mayor does may be quite another matter. One may be experienced and used to the formality of the office. Another might be retired and have more time to attend to public functions during the day. One may have a particular issue or cause he/she wants to pursue while in office; another may be more focused on the long term influence and impact the office can have on the future of the community.

The position of Mayor has considerable power, albeit largely informal. As a result, the Mayor can be very effective in moving the agenda of Council forward even though as we have said the Mayor only has the one vote. The Mayor may be able to accomplish this because Council as a whole respects the views of the Mayor and is prepared to
defer to the Mayor on a number of the issues. This requires two essential elements: the Mayor must be trusted and respected by the rest of Council; and, secondly, the Mayor must prove capable of working with Council on the issues rather than as a “lone ranger”. That is the Mayor must be viewed as a team player and interested in moving together with his colleagues on the issues. The Mayor has only one vote on all matters and is, in many respects, co-equal with his colleagues on Council. Based on the office and the public’s esteem for that position, the Mayor’s authority and power is significantly greater than that of his colleagues.

The Mayor’s effectiveness is a combination therefore of a number of factors. These include:

- The Mayor’s experience in public office
- The Mayor’s willingness to share power with his fellow members of Council
- The Mayor’s confidence in the minds of the public
- The Mayor’s “reach” i.e. his connections to a much broader circle than found in any one community
- The Mayor’s sense of fair play relative to his treatment of each member of Council
- The Mayor’s ability to chair a meeting of Council and to maintain effective decorum throughout the meeting (e.g. ensuring that all members of Council are heard on a relatively equal basis; protecting all members of Council from any tirade by the public).

### 6.4.1 Our Observations

The Mayor is no stranger to local government. He has served his community in elected office for over 20 years. He has been a Mayor for several terms. His commitment to the community is unquestioned. He has an active professional and high profile role in the community and experience with the other levels of government which ought to be a benefit to Crowsnest Pass.

This term has not been as smooth as the others. The Mayor has encountered much more resistance than he had previously and has been met with Council colleagues who do not share his vision for what is in the best interests of the community on a number of fronts.
The Mayor has become embroiled in the conflict and division within Council and this has handicapped his ability to provide the leadership required. He does not command the support of a majority of Council and recognizes that this may not change without the intervention of an election. (Such an event has been known not to change anyone elected to Council so even that may not be the change desired).

The Mayor speaks to the notion of trying to address the issues deemed to be stalemates in the community but has not been successful at moving anyone off their prior position. The Mayor has not convinced his colleagues that none of them, including the Mayor, should be meeting without the full cast present. The Mayor is aware of how this split is portrayed in the media and generally accepts that given that the media appears to be generally supportive of his position.

The Mayor chairs meetings. He tries to be fair in doing so and ensuring that each Councillor can voice their respective views. He is not always viewed as fair by all of his colleagues in that at least on one occasion recalled by a majority of Council, a member of the audience was allowed to berate the majority of Council members without being silenced or reprimanded by the Mayor.

The Mayor could seek all of Council’s support for addressing community issues. He could, together with the CAO, seek common ground on the key issues and a way forward on those issues even though the current and singular dividing issue of the future of the Crowsnest Centre may remain one on which no agreement is possible. The fact that there is that major issue to address (which has been voted on by Council) should have never become the “cause celebre” which it has. Independent counsel could have been sought and the advice followed. A citizens’ committee comprised of those with no known bias might have been asked to review all of the factors surrounding the issue with a timeline for reporting back to Council (and thus to the community). Rather, the issue has been allowed to fester and relationships soured. This has not been the only issue but appears to be the most significant. Big issues like this are generally where the power and clout of the Mayor’s office can be put to good use. Citizens would normally respond well to the request by the Mayor for a public inquiry or review providing all of the facts were to be placed on the table and the results were agreed in advance by Council to be accepted by Council. Some evidence of an attempt to provide a neutral and useful step by the Mayor may not
have reduced the distance between opinions on Council but may have helped to resolve the matter in the community.

The Mayor could also appeal to the sense of natural justice and fair play inherent in any Council and sought to break the logjam rather than inflame it by relying on the weight of media coverage to break the resolve of the majority of Council.

One of the key underpinnings of leadership by the Mayor is the reliance on the public’s judgment in electing those who are elected to the Council. The Mayor’s task is to ensure that the issues are fairly presented; that the debate is heard; that where appropriate the public’s voice is heard through some process of consultation; and that the will of the majority is respected.

The Mayor needs to find the right mechanism to address the matter and move the agenda forward.

### 6.5 Key Roles of the CAO

While we recognize the power and authority of the Mayor and Councillors to set the course, approve the policies and give assent to an approved budget, there is also considerable authority vested in the office of the CAO. We describe these powers in more generic terms later but believe it useful to include herein the legislative basis for this key position.

The Municipal Government Act points to each Council having one key employee through which the direction of the legislative arm is to function. This is as noted in the following sections:

> “205(1) Every council must establish by bylaw a position of chief administrative officer.

> (2) Every council must appoint one or more persons to carry out the powers, duties and functions of the position of chief administrative officer.

> (3) If more than one person is appointed, the council must by bylaw determine how the powers, duties and functions of the position of chief administrative officer are to be carried out.

> (4) Council may give the position of chief administrative officer any title the council considers appropriate.

1994 cM-26.1 s205
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.

1998 c24 s9

Appointment, suspension and revocation

206(1) The appointment of a person to the position of chief administrative officer may be made, suspended or revoked only if the majority of the whole council vote to do so.

(2) The appointment of a person to the position of chief administrative officer may not be revoked or suspended unless the council notifies the officer, in accordance with subsection (3), that it is proposing to revoke or suspend the appointment and provides the officer with its reasons.

(3) The notification and reasons must be in writing and be served personally on the officer or sent by regular mail to the last known address of the officer.

(4) If requested by the officer, council must give the officer or the officer’s representative a reasonable opportunity to be heard before council.

(5) A chief administrative officer whose appointment is revoked without cause is, subject to any written agreement between council and the officer, entitled to reasonable notice or to compensation instead of reasonable notice.

(6) A chief administrative officer whose appointment is revoked with cause is, subject to any written agreement between council and the officer, not entitled to reasonable notice or to compensation instead of reasonable notice.

1994 cM-26.1 s206;1995 c24 s24

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.

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;
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(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.

6.5.1 CAO as Principal Organizational Contact

As well, legislation points to the requirement for Council to seek advice and information regarding the functions of the administration through the CAO. The Municipal Government Act (Section 153 (d)) states that Council Members are “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”. This is seemingly quite clear and yet Council members either do not pay any heed to the legislation after they are oriented to their roles or else believe that their involvement is not covered by these sections. The Act makes the mandate of the CAO clear so as to facilitate proper management to occur and to remove major impediments which have arisen on a regular basis in the past. The management are a separate body. Their “boss” is the CAO. His “boss” is Council. If the CAO gets his guidance and direction clearly from Council, in the form of resolutions and/or policies than the CAO should be able to communicate that direction to his department heads and through them to the rest of the staff. That is how this is intended to work. Interference with the roles of the CAO or other members of senior staff ought not to be tolerated. They are not the “friends and supporters” of members of Council. That is a role for the citizens to play.

The incumbent CAO has been with the organization since September 2004. He has had a lengthy career in local government in other Alberta municipalities and is well-versed in local government legislation and its history. Like every new CAO entering a different community, the CAO understood that there were “issues” which would test his skills and patience. This has proven to be true.

The CAO has a very reserved personal style. He responds to requests for information or advice from his staff but seldom initiates such contact. He is not comfortable challenging Council but has provided information and legal advice when he feels that
Council is overstepping its authority or moving in the wrong direction. He does not feel that he has such a role at meetings of Council but would prefer to work behind the scenes as Council’s advisor. He has tried to maintain his separation from both warring factions but finds that to be difficult because the role requires him to have added contact with the Mayor. The CAO has not developed a personal relationship with any member of Council (which is wise) and has tried to maintain a respectful distance.

The CAO has a responsibility to mentor his subordinates. He needs to ensure that each of them could be candidates for his position when he vacates the role. In part, his performance review should carefully examine how well this is being done.

6.5.2 Advisory Role to Council

The foregoing legislated roles of a CAO are significant in their scope and in their impact. The CAO provides advice to the Council and takes direction from the Council (who may not heed his advice, which ultimately is the prerogative of Council). His advice means that the quality and responsiveness of Council’s decisions is directly related to the ability of the CAO and his department heads to “get it right” in terms of their reports to Council. One of the fundamental aspects of a CAO’s role is to provide quality control with respect to every management report going forward to Council from the senior administration (i.e. the department heads). His signature should be required on every management report to Council. No department head should “report to Council” at a Council meeting. Such a reporting process contravenes the legislated concept of “one employee”. Department heads are deemed to be the employees of the CAO. It is up to him to guide their actions and decision-making. That is not a Council role. Council guides the CAO; Council hears from the CAO; Council assesses the CAO. Council hires/fires/compensates the CAO. It is not that the department heads are not paid by the municipality which is ultimately governed by Council. It is simply that managerial effectiveness and accountability ultimately depend upon the application of discipline in understanding and applying roles.

We emphasize this point because the current system in Crowsnest Pass appears to weaken the accountability of the CAO. If Council members are concerned about the quality of reporting or oversight by Public Works staff, their focus should not be on the Superintendent. If Council members feel (as a result of casual observation and/or
reports from the public) that the latter is unable to manage his crew effectively and efficiently, and if he is unable to practice effective communication then that should be passed along to the CAO. If the problems persist, and if the CAO seems incapable or unwilling to take appropriate action, Council should release the CAO from his duties based on their lack of confidence in his managerial skills.

6.5.3 Organizational Responsibilities of the CAO

The notion that somehow the inadequacies of the management structure are the fault of Council is mystifying. This lies within the ambit of authority of the CAO to “fix” unless Council has such a history of interfering in such matters that the CAO has lost sight of his responsibilities. The absence of clearly delineated roles negates any hope that the Municipality may have of improvement.

It needs to be clear that the CAO is not expected to be the expert on all administrative matters. That is why the CAO ensures that he has access to reasonably skilled and trained department heads and other senior or key staff. He relies on their advice and written reports. He cannot be out in the field every day monitoring the work of Public Works or Recreation staff. He is not expected to be at fire call outs. His senior staff are to assess their own staff members; review their operational effectiveness on a daily basis; ensure that they have access to training and that they are taking the appropriate or required training to meet their expected duties. When the CAO stands to speak to Council on a department report, he does so because he is the only one reporting directly to Council. After he has introduced the matter, he may ask the relevant department head to speak to the issue in more depth. This ensures that Council and the CAO understand and regularly practice their delegated roles.

6.5.4 Assessing the CAO a Mandated Obligation

Assessing the CAO’s competencies and confidence in the eyes of Council on a regular basis is also a mandated role of Council. Section 205.1 states that

“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.
You will note that there is nothing permissive about such a requirement. It is not a Council “may consider” giving the CAO a performance review. The Mayor needs to oversee this requirement and absolutely insist on its accomplishment each and every year. The Director of Human Resources/Confidential Clerk should be assigned the responsibility of reminding the Mayor and Councillors in advance; ensuring that each has a copy of the CAO position description and bylaw; and that each has been provided a copy of the performance assessment format to be individually completed. This document should not be shared amongst members of Council but, rather, returned to the Mayor who may do a summary document; or request a Councillor with good writing skills to take the lead role in summing up all responses on an equitable and accurate basis; or recommending to Council that a consultant be retained to assist in the process. The Mayor does not have the jurisdiction to unilaterally hand off this work to a community citizen or volunteer nor to independently contract with a consultant or lawyer to assist.

Some years ago this consultant authored a manual on conducting a performance review of a CAO for Alberta Municipal Affairs. The introduction of that manual bears repeating here. “The position of a municipal chief administrative officer bears some unique characteristics. Not only must he (or she) receive direction from a group whose individual concerns, motivations and opinions vary, but, at the same time, he (or she) must serve as their principal technical or expert advisor. In addition, the CAO must relate to the public both directly and indirectly through his (or her) staff in a manner that does not in any way conflict with or prejudice the aims and objectives of Council or any one of its members. The CAO must wear a number of hats simultaneously, each quite different and yet each very important. Council expects the CAO to be an effective advisor; a knowledgeable municipal generalist; a sound manager of people; a conceptual thinker; a pragmatist; a diplomat and a disciplinarian.

The successful performance of such a role will depend on the amount, frequency and quality of the feedback the CAO receives from Council. If the organization is small and relations relatively close and somewhat informal, this may come easily. In most situations, however, this is not the case and the CAO may find that he (or she) is
forced to relate with the public regarding matters for which clear direction from Council is lacking.

Council also needs to realize that the perception by the public of Council’s effectiveness in managing the affairs of the community is in large measure influenced by their view of the abilities of their staff both individually and as a whole. Thus, Council might be making intelligent and appropriate choices with regard to issues before them but may have their performance as a legislative body overshadowed by the public’s negative perception of their administrative systems and personnel. (The opposite can also be equally true!)

It is therefore incumbent on Council to develop and maintain a system that will provide it with a continuing awareness of the performance of staff and a channel through which to relay this information back to them. In this context, the principal actor will be the CAO. No Council should expect a sustained high level of performance from this individual unless he (or she) is provided with a regular assessment of that performance.

While there are those who disagree with the value of performance reviews, the general consensus of management experts is that some form of appraisal or review is essential to improved performance and to a resolution of issues before they escalate. Unfortunately, some organizations become trapped by an inappropriate or useless format and lose sight of the objectives. As a result, not only is the format abolished or disregarded, so too is the actual review session.

It is our opinion (based on the experience of the past 30 years) that regular, comprehensive review sessions based on honest and full disclosure between both the Council and the CAO are one of the key building blocks of a lasting, healthy relationship between Council and the CAO. Even though the current relationship may be perceived by Council to be normal and acceptable, there needs to be a process which enables, or indeed requires, Council to provide such an assessment to the CAO. Otherwise, it has been our experience that the relationship can deteriorate quickly without an appropriate mechanism to ensure the awareness of the CAO as to the problems or inadequacies perceived by Council.

Further, Council needs to be aware that all of us like feedback on our performance. We need to know where we stand in relation to agreed upon standards. When the job
has been well done, the CAO needs to know that his performance meets or exceeds expectations. Performance feedback is a real motivator and will likely result in even better results and a happier, more contented employee. Where the results are less than satisfactory, the CAO needs to have that discussed in order to identify the areas in which improvement is sought.

A performance appraisal system for the chief administrative officer is, in our view, a necessity and should be seen as separate from that applied to the rest of the staff. This is primarily because the only competent adjudication of this individual’s performance will be from the Council as a group and a part of their assessment will, of necessity, be subjective in nature rather than objectively measured. Most members of Council may not have the opportunity to view the CAO in action on a daily basis but, rather, have their exposure limited to that contact necessitated largely by meetings. As a result, other criteria must be sought which are appropriate to Council as a whole”.

The concerns that we have relative to the current approach are as follows:

- The Mayor exercises more control over this process than is healthy or normal to other municipalities.
- This control and secrecy results in at least some Councillors not trusting what is being done with the process.
- The lengthy time delays regarding the process has resulted in a lack of certainty as to what was said and what the impact will be.
- Having a member of the public do the summary for all of Council has not been endorsed by Council.
- The fact that most members of Council will not have had much if any prior experience in assessing anyone at such a senior level or in the unique role of a municipal CAO suggests that Council needs to consider another process that adds an external level of professionalism and independence. Having recently been involved in such a process in another municipality, it seems evident that Council members are more candid and free with their commentary if someone without a perceived axe to grind is responsible for developing a summary of Council’s comments and feedback.
6.5.5 Management Style of the CAO

We have written extensively with regard to the impact that those at the top of any organization have on how the rest of the organization function. This “tone at the top” is expressed in many ways including: style of management meetings, degree of camaraderie in the office, personal regard for each other, degree of respect in communication with the CAO, degree of informality in contacts with the CAO, flow of information (such that routine issues are dealt with routinely whereas everyone understands that the CAO expects to see issues of significance quickly and with an action plan of resolution attached). Style of management dictates the speed by which issues are addressed and resolved. Where the CAO is very laid back and seemingly disinterested, the pace will approach glacial speed. Where the CAO is energetic and confident, issues are placed before Council with clear-cut recommendations. In the latter instance the CAO pushes his Council to exercise leadership. In the former style all are parties to the same lethargy that dooms any positive change before it is attempted.

“Tone at the top” also speaks to who is inside the management tent. The CAO will either embrace key positions that may not be normally seen as senior management in order to access good advice or unusual skills, or will maintain a very tight rein on who gets to sit at the management table. The tone also speaks to how well the CAO is able to communicate to all senior managers equally that each is of equal value. A confident and thoughtful CAO will ensure that all department heads are aware of how valuable they are because he will tell them that frequently. He will get better mileage from his senior staff through his actions of kindness than any other manager would accomplish through aloofness or aggression.

“Tone at the top” also influences the degree to which staff at all levels feel comfortable in raising new issues or making constructive suggestions. Staff members can be a good source of feedback on what is working well and what is not. The comfort they feel in doing so is a direct reflection in the protection they believe will be afforded by their boss or by the CAO in being open.

‘Tone at the top” can limit an organization like Crowsnest Pass because the history suggests that very little gets accomplished other than complaining about very little
getting accomplished! The community needs to take an optimistic look at itself and see roadblocks as opportunities for change rather than as insurmountable impediments. The style of the CAO will directly impact that style. If the CAO is assertive, and visionary yet respectful, he will find ways to get the Council “on board” relative to good ideas, or relative to action plans that are absolutely required. The CAO thus is able to say to Council “we need a 3-5 year business plan that is founded on our realities”. He will be able to say “I have decided to review our contract with the Oldman Regional Services Commission because I am not sure we are receiving value for money”. All of Council would be impressed by the upfront innovativeness of the CAO and encourage his review, without preconditions. A non-confident CAO would not approach such an issue and an immature, “no change” Council would question why when it was not their idea.

It is view (based on years of experience) that any municipality is best served where there is a strong, cohesive Council with an articulate and forceful personality as Mayor combined with an equally strong and committed CAO. While this combination no doubt produces the odd explosion the combined efforts and vision find the way forward.

6.5.6 The First and Main Port of Call

The legislation does not specifically state that “no member of Council may seek information from any member of the administration other than the CAO”. Rather, the Council is expected to seek the best method of accessing information that does not undermine the CAO’s control of and influence over the administrative organization. In the current circumstances, it is likely that members of Council would be advised to approach the CAO and Department Heads. It is not healthy, in our opinion, for individual members of Council approaching staff below that of the Department Head level to seek answers to their questions. While this advice might appear to be restrictive, Council members need to understand that their inquiries may be such that the most comprehensive and accurate policy response is most likely to be that which they are able to access from the top levels of the administration.

6.5.7 Succession Planning

Though but one of the elements that a Council is responsible for in relation to its responsibilities and relationship with the chief administrative officer, succession
planning is essential to any healthy organization. Succession planning refers to the need for any organization to ensure it has clear continuity of administrative leadership in spite of any unplanned or planned changes. This is critical for any organization that faces a sudden disruption for whatever reason in the normal Council-CAO relationship such that an unplanned vacancy occurs. Each Council needs to have a policy in terms of how they will approach such an issue and a plan in place that ensures business proceeds as usual as Council makes the necessary decisions which will result in a recruitment and selection process moving ahead.

This issue is very real on the local scene. We note that the incumbent CAO is nearing the end of a lengthy municipal career and plans to leave his position by January 2011. This means that the new Council will have a brief window to conduct a search for the new CAO (and it should be done by the new Council and not as a decision of the current Council). The Council should immediately develop and approve a succession policy and plan (and we will provide you with a draft of each) and should develop as well a recruitment policy and plan (which we will also provide you with at least a good starting point) for this very important position of Chief Administrative Officer.

### 7.0 COUNCIL GOVERNANCE AND LEADERSHIP

#### 7.1 Some Background

One of the key elements of this Review was to be an examination of what governance processes Municipality of Crowsnest Pass utilizes in the conduct of its business. This is a very important component of any municipality as it speaks to how well the governing body is able to discharge its responsibilities and whether or not there are areas for improvement. If Council is to be able to perform its governance functions in a capable manner, then the administration and public will receive the direction and guidance expected such that the future direction and current policies of the organization are clear. The public will have a clearer understanding of the basis of Council’s decisions and will hopefully derive some confidence from this assurance. The administration will also be able to function in a manner that is consistent in that the policies of the Council will be clear and its messages will be effectively and regularly communicated.
7.2 Background to Council’s Responsibilities

The following section, with some necessary edits, has been generic to other studies of this kind. We believe however, that each Council needs to understand these segments of the Report if what follows is to make sense and be applied.

The Purposes of a Municipality

According to the Act, Section 3:

The purposes of a municipality are:

- to provide good government
- to provide services, facilities or other things that, in the opinion of Council, are necessary or desirable for all or a part of the municipality, and
- to develop and maintain safe and viable communities

7.2.1 Council as One Unit

Each Council is made up of a variety of personalities and individual interests. Councils in Alberta are not elected on a slate or party platform and as a result, come at each issue with often very different perspectives. The key to the success of any Council lies in its ability to forge a team approach that while it tolerates differences it ensures that each person’s views are respected and treated equally.

Council will need to ensure that it:

- views itself as one single entity
- does not capitulate on decisions to individual members but which maintains its focus on the directions which are supported by the majority
- acts as a group rather than a series of seven individuals
- seeks to understand issues fully prior to making a decision
- agrees to involve the public in advance on issues of considerable importance
- seeks the input of the CAO on any and all issues of significance; and
- strives to hear the minority views prior to making a decision which clearly reflects a majority view

It is not intended by legislation or by this document that Council members should forsake their individual viewpoints in order to be viewed as a “board of directors.” Indeed, we would expect Councillors to at times disagree quite strongly on particular issues or policy changes. This independence of thought and speech should always prevail. Each member of Council should be expected to articulate their individual
views prior to a decision being made. Once made, however, members of Council should not seek ways to undermine the democratic will of Council by working to challenge the decision of Council or deter the administration from its responsibility to respect the decision and undertake the appropriate and expected action.

### 7.3 The Duties of Councillors

Section 153 of the Municipal Government Act outlines the duties of Councillors as follows:

a) to consider the welfare and interests of the municipality as a whole and to bring to Council’s attention anything that would promote the welfare or interests of the municipality

b) to participate generally in developing and evaluating the policies and programs of the municipality

b) to participate in Council meetings and Council committee meetings and meetings of other bodies to which they are appointed by Council

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

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

f) to perform any other duty or function imposed on Councillors by this or any other enactment or by the Council

### 7.3.1 The Community as a Whole

The Municipal Government Act (Section 153 (a)) states that a Council is expected

- to consider the welfare and interests of the municipality as a whole and to bring to Council’s attention anything that would promote the welfare or interests of the municipality

This sub-section of the legislation is central to the well being of any municipality. It points out that a Council has an obligation to consider issues from a “community as a whole” point of view. That is, the members of Council should be prepared to give equal weight to the opinions and input gathered from all quarters of the Municipality and not over-emphasize that from a particular vested interest or from a specific area.
One of the key tenets of local government is the fact that power is vested in the Council as a whole as opposed to its individual members. Thus, no one member of Council has any legislated authority to commit Council to any particular action. Power is wielded by Council who meet as a group to discuss the issues placed on the agendas that are subsequently adopted by Council as a whole for its consideration.

7.3.2 Participation in Policies and Programs

Secondly, the Municipal Government Act (Section 153 (b)) states that a Council is expected

- to participate generally in developing and evaluating the policies and programs of the municipality

Thus, while the CAO is generally responsible for recommending policies and programs to Council, it is up to the elected officials to determine what is in the best interests of its residents and what can be realistically incorporated into the municipal budget. The second aspect of this requirement is to evaluate the present policies and programs to ensure that they are still relevant and that they are providing the results that the Council initially intended. Given that so much of what a Council does is driven by current policies and programs, we cannot over-estimate the value of carefully assessing each current and new service and policy. While this may seem onerous, the fact of the matter is that the budget document is simply a reflection of what it costs the citizens to deliver such services.

7.3.3 Participation in Council and Committee Meetings

Thirdly, the Municipal Government Act (Section 153 (c)) states that a Council is expected

- to participate in Council meetings and Council committee meetings and meetings of other bodies to which they are appointed by Council

All members of Council are entitled to participate equally at all regular meetings of Council. This does not mean that each needs to speak as frequently as their colleagues but, rather, that each recognizes that he/she could if they so desired. Further, this sub-section of the Act indicates that each member is “expected” to participate in meetings which necessitates, in our view, that each member be reasonably prepared to take part. This requires reading the background materials provided to Council by the CAO (and the department heads) as well as asking
questions of the CAO (or, through the CAO, to the other senior staff available at a Council meeting) where there are unresolved issues that may not have been clear in the background materials.

In some instances, and more frequently in rural communities than urban ones, a member of Council may see the need to drive by the site mentioned in a report (e.g. a troublesome intersection, a poor stretch of road, a proposed development) in order to see first hand what the issue is about. While this can be appropriate from time to time, a member of Council should be clear that the motivation should be to seek clarification as opposed to give any staff direction. The latter is a designated responsibility of the CAO.

Each Councillor needs to understand the expectations of his/her participation as a member of committees to which he has been appointed by Council. Unless otherwise stated, a member of Council is expected to be a liaison on behalf of Council as a whole. This will likely require taking messages from Council to the committee and voting on issues at committee meetings as the member believes Council would have him/her vote. Where there is uncertainty as to the position of Council relative to an issue, then the member should so indicate that their opinion is a personal one and not necessarily the position of Council as a whole. It should also be noted that members of Council should never feel that they are to become the advocate for a particular body to which they have been appointed. That should be the role and responsibility of the chair of that body. Councillors are to be advocates for the community and not for a particular group.

7.3.4 Importance of Seeking Information from the CAO

Fourthly, the Municipal Government Act (Section 153 (d)) states that a Council is expected

- 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

This directive to members of Council places the onus on both Council and the CAO to ensure that there is open communication between the two so as to inhibit the spread of misinformation. The communication of quality, comprehensive information, is a priority mandate of the CAO which he may accomplish through background reports;
through questions and responses at an actual Council meeting; through a CAO report to Council highlighting the key issues; through Council enquiries on either a verbal or written basis to the CAO; or through a regular Council briefing session. This provision is not intended to empower every member of Council with unfettered access to the members of the administration. To allow that would place the normal business of the Municipality in jeopardy. Each member of Council is expected to respect the time demands placed on the administration and to also realize that their requests for information often are attended to far more quickly than other priorities such that the importance of the latter might be overlooked. Placing requests with the CAO or the department head is a more preferable course of action.

7.3.5 Need to Keep Confidential Matters Confidently
Finally, the Municipal Government Act (Section 153 (e)) states that a Council is expected

- to keep in confidence matters discussed in private at a Council or Council committee meeting until discussed at a meeting held in public

While most of what a Council deals with is expected to be open to the public on a regular basis, matters arise which ought to be treated in a confidential fashion. These are generally referred to as the three “Ls”—land sales and purchases by the Municipality; legal advice provided by the Municipality’s solicitor to Council; and labour relations or personnel matters. If the Council has any questions relative to such issues, then a call to the Municipality’s legal counsel by the CAO would be in order. Because of the significance of this matter, we would recommend that Council schedule a separate meeting with their legal counsel at least once every term of office to be reminded what matters of Municipality business are considered as legitimately confidential. The parameters of confidentiality need to be clear to all members of Council and to the administration.

7.4 Legislated Responsibilities
While there are various other sections of the Act which speak (in addition to the foregoing) to the responsibilities of Council in certain circumstances, those which appear to be particularly central to our review follow:

Section 180: A Council may act only by resolution or bylaw.
Section 181: 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.

Section 183: 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. The Council must ensure that each abstention and the reasons for the abstention are recorded in the minutes of the meeting.

Section 201(1): A Council is responsible for:
- developing and evaluating the policies and programs of the municipality;
- making sure that the powers, duties and functions of the municipality are appropriately carried out;
- carrying out the powers, duties and functions expressly given to it under this or any other enactment.

Section 201(2): A Council must not exercise a power or function or perform a duty that is by this or another enactment or bylaw specifically assigned to the chief administrative officer or a designated officer.

Section 202(2): Only a Council may pass bylaws.

Section 205: Every Council must establish by bylaw a position of chief administrative officer.

Section 205.1: Requires Council to give the chief administrative officer an annual written performance evaluation regarding results with respect to the chief administrative officer’s responsibilities under Section 207.

Council has the obligation of ensuring that its decisions are carried out within the context of its decisions. It is the responsibility and obligation of a CAO to discharge the policies of Council. Council has the right to ask thoughtful and respectful questions so as to assure itself that the CAO is discharging the decisions of Council in a responsive manner.

Further, it is worthy to note that the Act expressly forbids Council from performing the responsibilities which Council has assigned to the CAO or which are outlined as a requirement of the CAO by this Act. To do so has the effect of weakening the administration.
7.5 The Orientation of Council

One of the most overlooked aspects of good governance at the local level is the starting point. The evolution from one Council to another might be gentle with only one member changing, or it might be a landslide change with all members being stripped of their duties by a public who seeks change. In most places, there are at least 1-2 changes per election.

Any change in terms of the make-up of Council should be treated seriously. Each new person should receive a full-scale orientation to their new reality. Most have little to no idea as to how their Council functions or they may have a distorted view, and one based on a dislike for the decisions of the prior Council. It is, or should be, a requirement of every CAO to ensure that his/her Council members receive a full-scale orientation even if there is no change. An election provides a natural opportunity to discuss the question “where to from here”? As a result, Councillors (both brand new to Council and returning) deserve the opportunity to discuss what they have heard during the election and what changes they feel are warranted based on that feedback.

To simply slide past one term and into the next presumes that nothing has changed. This suggests that local government is static. It is not. There are a multitude of new challenges during any term and/or current issues that require the guidance of Council.

Quite simply, Council members are elected to govern. That is, they are elected to represent, lead, oversee, communicate, articulate and set direction. Council members are expected to set policies, establish priorities, review and approve the budget, resolve local differences, encourage regional partnerships, identify ways to expand the economic base, and so on.

Council members are not elected to manage. Management is the jurisdiction of the chief administrative officer and his staff. These people are hired on the basis of being competent in what they do and able to conduct themselves in a reasonable and professional manner without the day-to-day involvement of the Council.

Council members are not expected to oversee individual projects nor drop into the office on a daily basis “just to see what’s going on”. Council members are not expected to personally investigate every complaint but, rather, ensure that a
complaints mechanism has been established. Council members are expected to assure ratepayers that their concerns will be looked into but not the result of that review. Council members are not expected to believe everything they hear from the residents of their area but, rather, to ensure that such concerns are forwarded to the CAO for his prompt follow-up and investigation as necessary.

7.5.1 A Comprehensive Process

Effective orientations are timely, comprehensive and focused on the intended audience. If you are a manager, you will recognize the folly of teaching a new employee to set policy, argue political issues or memorize the Procedural Bylaw. Such actions, you would suggest, are not a part of their job description and perhaps even counter-productive to their new role. Similarly, providing Council with an orientation that encourages them to become the director of public works or finance would not be appropriate to either the skill background or “position description” of a member of Council.

The focus of an orientation process for elected officials must be placed on what a member of Council has been elected to do and what tools they will need to become most effective. This requires a thoughtful approach by the administration in discussion with the current Council and likely with other municipal leaders as to what has worked for their Councils. In order to be effective, the approach has to meet the real needs of a new member of Council as well as being sufficiently interesting for those who are back for an additional term of office.

Orientation is more about a process than about a manual or dossier. If a member of Council is to get their term started on the right foot the focus of the orientation has to be on what a member of Council needs in their “tool kit”. It is not about providing Council with a briefing document or policy manual to be quickly read and stuck on a shelf. Council members not only need a thorough overview to their new roles, they ought to be participants in an ongoing process that encourages continuous learning throughout the Council term. That is, members of Council should be encouraged to attend conferences and seminars that place at least some emphasis on governance as a skill set as opposed to learning some intriguing details relative to how to treat canola disease or build an information system. The latter are not unimportant; rather they are not at the crux of being a member of Council”.
7.6 Observations

Council was provided with some written documentation as soon as they were elected in October 2007. The materials were picked up at the office. These materials were quite comprehensive and intended to ensure that those reading it would be adequately prepared for their term. The materials included the following:

- Manuals from Alberta Municipal Affairs (e.g. Now That You Have Been Elected, Conflict of Interest Guidelines)
- Municipal Government Act
- Policy Manual
- Index of Bylaws; Key Bylaws
- Peacetime Emergency Response Plan
- Policy Manual
- Collective Agreement
- List of Facilities
- List of Committees
- Pocket Appointment Calendar
- Minutes of the Regular Council Meetings June through September
- Council benefit information
- Organizational Chart
- Council Remuneration Slips
- AUMA Convention Information
- Update on Highway 3 Plans
- Turtle Mountain Study
- Various Engineering Studies: Blairmore/Coleman Water Interconnect, Bellevue/Hillcrest Wastewater Study, Sentinel Water/Wastewater Preliminary Study, Water Master Plan, Wastewater Master Plan

Other documentation followed including the Land Use Bylaw, Municipal Development Plan and Background, Commission for Oaths - Information Brochure, 10 Year Infrastructure Plan.

We were advised that no one went over the documentation with Council members. Reference was made, however, to these various background documents over the course of the next few months as issues arose in Council Chambers. As well, Council
members also attended the refresher course put on by a consulting firm in Lethbridge after the election.

7.7 The Approach to Policy Development

One of the principal roles of any municipal Council is the development and approval of policies that are intended to guide the decisions and actions of the administration. This role is very important and forms the backdrop to much of what a Council does in terms of its decision-making.

Policies are the lifeblood of any organization. They describe what the Council believes is the best way to do its business in a manner that is fair and considerate to all. Policies are often and most frequently drafted by the administration and presented to Council for its review and comment. Once Council has had an opportunity to assess the potential impact of the proposed policies, and has given some guidance to its staff as to what if any changes are required, then the administration prepares the final and formal document for Council’s approval. The resulting policies stay in effect until they are rescinded by the current Council or by one of its successors.

This final point is an important one. Each new Council must be made aware that it has inherited quite a number of practices and documents that have and will guide the organization’s behaviour until any change is made. Indeed, that is how these systems have to work otherwise there would be a substantial vacuum of direction in the interim period between terms of office. As a result, we believe it to be imperative that each new Council be presented with a summary overview of what we refer to as “the policy bank” and provided with an appropriate mechanism to review key policies and either indicate continued support for these or to request a few (or numerous) amendments. Obviously, some policies are more significant than others. In a municipality like Municipality of Crowsnest Pass policies dealing with how the Municipality approaches land use matters are very significant as are its policies with respect to road maintenance and construction.

The adoption of a policy mindset by Council is central to ensuring that Council sticks to its role and does not interfere in the day-to-day work of the administration. While such involvement is attractive to Council as often that is where there interest lies, it simply makes the work of the administration less certain and more time consuming. Though seemingly innocent in the approach, the personal involvement by Council
members sends a barrage of wrong messages to the administration. In many instances, the person(s) being individually contacted by a member of Council at the Municipality office is very busy handling other files and thus has little time for individual responses to lengthy discussions. Council needs to adopt a protocol of who they are encouraged to approach for information or answers to their questions and limit themselves to those agreed upon boundaries.

Policy development is also one of the key underpinnings of good governance. Policies ought to be presented to and reviewed by Council on an ongoing basis, particularly where the issue is either significant or likely to be repetitive. Policies can be invaluable to any organization and their future success.

There are significant benefits to a Council in being aware of policy development as a tool. These include:

- A reference point for future decisions
- A plumb line of consistency in terms of how to approach future decisions
- A control mechanism relative to decisions by the administration
- A thoughtful, step-by-step process of clear-headed decisions wherein all the key and relevant matters are taken into consideration
- A time-saver for issues which fall within existing policy
- For the administration, the advantages are similar
- An empowering mechanism which enables staff to make decisions in confidence
- A point of reference on which to base advice to Council
- An indication of what Council is likely to decide relative to similar issues
- A control mechanism relative to decisions being made on a day by day basis by junior staff
- A time-saver for issues which fall within existing policy

Policies represent the ‘what we do’ of an organization. They provide certainty to the residents in terms of how an issue will be handled and assurance that other situations of the same or even similar nature will be treated with a measure of consistency. It is the role of Council to approve policies and even, at times, to suggest where a policy might be useful.

It is the role of a forward-looking, proactive administration to recommend policies on repetitive and major issues without necessarily having to be prodded into
action by its Council. It is then the mandate of the CAO and administration to enforce policies in a manner consistent with the intent of Council.

7.7.1 Potential Policy Issues

Part of the problem in defining the role which Council ought to play in governing the Municipality (without becoming embroiled in details which are not within its mandate) is the lack of any clear definition of what type of issues are clearly those which a Council ought to view as its responsibility and on which it ought to be asked to provide guidance.

We see the following as matters on which Council should be expected to provide policy leadership to:

- Council’s vision and values
  a. Council, by policy, should establish when these will be identified; by who; how frequently reviewed
- Council priorities
  b. Council, by policy, should establish when these will be set; by who; how frequently they will be reviewed; and that these will reflect the current Council’s understanding of what priorities are common to the welfare of the citizens as a whole
- The development and evaluation of the policies and programs of the Municipality
  c. Council, by policy, should establish its authority to set policies and approve new/revised programs of service
- The corporate Business Plan
  d. Council, by policy, should identify its role in establishing an annual business plan and what role that will play in guiding the Municipality’s business
- The need for and timing of any new Council orientation
  e. as we identified earlier in this Report, Council by policy should establish a policy on Council member orientation
- Council’s own performance assessment
  f. Council, by policy, should commit to conducting an annual assessment of its own performance as a governing body
- Succession planning (The recruitment process and selection of the CAO)
g. Council, by policy, should clearly establish its role in succession planning as it applies to the position of the CAO

- The contract, agreement and bylaw of appointment for the CAO (chief administrative officer)

h. Council, by policy, should indicate that it has and retains the authority to set in place the contract, agreement and bylaw appointing the CAO and will, by policy, review same on a regular basis

i. Council, by policy, should also specify that all members of Council (following each and every election) are to receive copies of each of the above documents

- The manner, mechanism and timing of a performance review of the CAO (Chief Administrative Officer)

j. Council, by policy, should specify that it will conduct the performance review of the CAO and will be responsible for establishing and approving the mechanism by which that is done

- The compensation authorized for the CAO

k. Council, by policy, should specify that it will determine the annual compensation for its CAO and will determine what, if any, merit arrangements are to be included within that policy

- Approval of the organization structure and any changes thereto

l. Council, by policy, should specify that it will be responsible for approving and making adjustments to the senior levels of the organization structure to the level of the CAO and his/her direct reports

- Approval of any new recommended positions

m. Council, by policy, should specify that it will be responsible for approving and making adjustments to the number of new positions being added to the organization on an annual basis according to an approved manpower plan

- Approval of the annual or multi-year budgets and variances to budget

n. Council, by policy, is responsible for approving any annual or multi-year operational and capital budgets and significant variances to approved budgets; Council will specify by policy the extent of any permitted budgetary changes
• Approval of funding to community groups
  o. Council, by policy, is responsible for approving any funding to community groups on an annual basis subject to their submission of an annual report and business plan

• Approval of bylaws and plans as required by the Municipal Government Act
  p. Council, by policy, is responsible for approving any bylaws and plans as required by the MGA

• Approval of any agreement to retain or release the external auditor, solicitor and banking agent
  q. Council, by policy, is responsible for approving any contract with an external solicitor, auditor and banker and the terms of reference as to how frequently any review should occur

• Approval of any proclamations
  r. Council, by policy, is responsible for approving any proclamations or determining not to

Approval of any matter imposed on Council by the legislation, by bylaws or other enactments of the Municipality not delegated to the CAO by bylaw and/or not otherwise authorized within any current policy or bylaw.

These matters as described above are significant. They are not intended to discourage the Council from providing oversight on other important matters but, rather, to at least indicate to a Council that there are matters of significance which require the policy guidance of a Council.

### 7.7.2 Observations

We were advised that the Municipality has been fairly attentive and active regarding the development of policies. We were provided with a copy of the Policy Index which includes new policies and updates to 2008. The policies are on a wide variety of topics, many of which appear to be directed to situations as they have arisen (that is, they are not simply static, generic policies which were borrowed from other jurisdictions).

Such policies are useful to the extent that:

a) they are regularly referred to in reports from management to Council to support their advice or to suggest a change in policy may be necessary
b) they are referenced in reports by the CAO who makes use of such policies when asked to defend a particular course of action or when proposing that Council do something out of the ordinary.

c) they are regularly reviewed and updated; this would mean that all of the current policies would reflect a current date of 2008-09.

While Council and the administration may have examined issues from a policy perspective, from our review of Council minutes it would appear that there is still a tendency to treat many of the issues from a “one off” perspective rather than from that of trying to find the linkages to either existing policy or to a strategic perspective.

Based on our review of the minutes of Council meetings and our discussions with members of Council, there appears to us to be infrequent reference to existing policy and considerable discussion of detailed matters which often may stray into the jurisdiction of the administration. This is not to suggest that there have not been policy matters brought to the attention of Council on an issue by issue basis during the course of this Council or its predecessor. Where issues have been brought to the attention of Council on a policy basis, Council has sought to provide the appropriate policy guidance. As a result, a number of new policies have been approved.

7.8 Linkages to the Administration

As we have already pointed out, the CAO is expected to be Council’s primary linkage to the administration. However, the CAO is generally not the only such linkage. The department heads also have a direct interface with the Council members, often through their representation at committee meetings and as a result of presenting reports to Council during Council meetings. While these forums provide some degree of direction, the absence of a clear set of Council priorities results in no real sense by Council or the administration that they are “on the same page”. When we discussed the current goals and objectives of Council, there was muted response.

Observations

There are a number of issues stemming from administrative leadership. We highlight these as follows:

- The overall relationship between Council and its administration is described as generally supportive but not enthusiastically so. In other words, the Council as
a whole seems to support the efforts of their administration in getting the job done. At the same time, there does not seem to be a high level of confidence in the ability of the CAO as the administrative leader nor in the leadership of the Public Works functions. Further, Council is split (seemingly more for political reasons) relative to other department heads. This lack of endorsement of the management group as a team limits their confidence and thus effectiveness.

- Council, as a whole, respects the role and demands of the chief administrative officer who is responsible and accountable for the actions and decisions of the administration. Council members have commented on the personal style of the CAO which they feel is a factor of his low key demeanour.

- Council members have developed their own means of accessing the administration as the need requires. While some respect the views of the CAO that such requests for administrative assistance flow through him, others have made direct approaches to other senior administrators or direct to the person that he/she believes to be most responsible for the matter in question.

### 7.9 Governance Issues

Governance functions best when those governing respect their roles and the trust placed in them by the electors. This suggests the following:

- The members of Council have sought training/orientation/updating on their roles as elected officials in an ongoing effort to become better informed as to their respective roles.

- The members of Council respect each other and the will of the citizenry of Crowsnest Pass in electing members of Council, including the Mayor and accept the reality that this group of seven people is expected to work through differences and see the common ground.

- The members of Council understand that not everyone is going to agree on the issues or on the principal challenges facing the Municipality; that is the nature of any democratic body as individual backgrounds suggest that opinions do vary.
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- There will be respect for the fact that individual members of Council will vary in their opinions and that the process that determines whose ideas and will prevails is always determined by the results of putting the matter to a vote.
- All members of Council will respect the voting process (including the Mayor) regardless of whether or not their vote is in the majority.
- All members of Council will be absolutely determined to have access to the best advice possible as put forward by the CAO on all issues; that the advice of the CAO will be respected even if it is ultimately discarded in favour of a different solution.
- Council members will vote based on what they perceive to be in the best interests of the majority of the citizens and not based on vested interest views or necessarily those publicly and previously supported by the local media.

What we find here in Crowsnest Pass:

- Council members began the term as independently minded people. They seemed to have changed in response to the Crowsnest Centre issue which galvanized Council and split the group into a status quo vs. a change now orientation.
- Council reflects a mixture of those experienced in local government and those new to the role of an elected official. Each member of Council seem to be sincere in their desire to serve the well-being of the community. Each was aware of the time demands of this role and appeared generally to accept these demands as consistent with the expectations of citizens.
- The members of Council held an early session (ironically at the Crowsnest Centre) to discuss their roles and their expectations. This session was not very well-received by the majority who felt that having the Mayor act as chair of this orientation/planning session was a mistake. The group as a whole has expressed that they do not feel that they made much progress in terms of defining the issues nor in getting a grasp as to their new identity.
- Both the majority group on Council and those deemed to be “the opposition” have met as separate groups before Council meetings to discuss the issues. While the majority group seems to be more focused in this regard, both have utilized “backroom” discussions to attempt to counter the efforts of the
others. This ill-considered and undemocratic process of trying to influence the decisions of the full Council needs to halt immediately or the matter should be referred to the Minister of Municipal Affairs as the subject of an inquiry/inspection into the affairs of this Council.

- The Mayor holds the leadership position in the community. He alone has the moral clout to bring both groups together and suggest some mechanism for moving the group as a whole off of the predictable 4-3 split. This may require that he show more flexibility as a leader and it might require a similar response from the informal leader of the majority group.

- The responsibility for ensuring that relationships within Council do not inhibit or impair good decision-making lies with all members. Each member is accountable to the public for his role in maximizing Council's effectiveness. As leader, the Mayor has a particular responsibility to ensure that he is doing all he can to minimize any unnecessary hurdles or barriers and to use his office to achieve a cooperative working relationship.

- The leadership/governance style of any Council impacts the fibre of the organization. Much has been said and written about the importance of the “tone at the top” (including by this writer). Its importance, however, cannot be over-stated. The rest of the organization takes its sense of well-being and strength from the degree of consistency and cohesiveness that the top exemplifies. As a result, and while any Council may have significant disagreements on matters of policy, one of the keys to Council becoming more effective in its role lies in its ability and desire to develop a strong commitment to basic protocols and to collaborating on relationship building and identifying its strategic direction.

- We were pleased to find that there is a reasonable level of respect between the members of Council. Each member is courteous and respectful of the others in private and public gatherings and each seems genuinely committed to serving the public. While what the public expects from the Council in terms of decisions and thus services may differ rather markedly at times, there did not seem to us to be any question that members of this Council were collectively and individually trying to do what they felt would best serve their residents.
We were informed that debate on the issues is for the most part quite courteous and considerate. Members appear to be focused on understanding the scope and nuances of issues and mindful of the chair’s role in ensuring that each has the opportunity to present their point of view and debate with each other. It is our assessment that the procedures guiding Council meetings were respected and understood.

We also noted that the dialogue between Council and members of the administration during public Council meetings is also, for the most part, quite respectful and reflects a sincere interest in knowing the issues. Councillors expressed to us their faith in the administration as a body and their belief that the staff are professional, take their roles very seriously and are committed to public service. There is an air of professionalism in the office and chambers that is essential to good governance.

However, we also observed and were advised that there have been serious misgivings and tension between members of Council that runs the risk of deterring this Council from fulfilling its mandate. While the expression a healthy disagreement at the Council table is expected due to considerable differences in personality and perspectives, underlying friction based on interpersonal issues is not constructive. A culture of personal allegiances within Council is not healthy and can result in a degree of suspicion that is not useful to Council’s desire to provide solid, policy-based leadership.

The relationship between Council and its chief administrative officer should be one of openness and respect. This is not the case at the moment. There are concerns that the CAO is not following the majority rule of Council and is seen as the Mayor’s employee. This is not how the CAO wants to be seen as he recognizes the power of the MGA which limits the authority of the Mayor to direct the actions of the CAO. The CAO needs to advise Council of his desire to be viewed as “their” employee and not that of any one member of Council. Such a relationship will ensure that the Council sees its CAO as its chief policy advisor and as a valuable ally in helping Council maximize its governance obligations.
This and every Council is elected to provide leadership to the issues facing the community and to do so within the spirit and intent of the legislation. As we wrote in a prior report, this requires that Council:

- Act in good faith so that the best interests of the whole community are respected
- Think independently and refrain from forming allegiances with factions within Council
- Work with each other on Council so that the will of the public in electing each other is respected
- Support the citizens’ choice of Mayor and show respect for the position and a willingness to make the system work well
- As Mayor, respect the other choices that citizens made in electing the Council members they did and show evidence of a genuine desire to make the new Council a solid workable unit
- Take all points of view into account when making decisions; withhold judgment on requested decisions until all of the information has been considered including the ideas and opinions of each member of Council
- Work in collaboration with the chief administrative officer and his administration; act respectfully at all times
- Refrain from showing added consideration to the views of any individuals in the community regardless of how important they may be perceived to be (either in their own mind or that of others)
- Provide leadership to the chief administrative officer as a body and not individually; use the office of the Mayor to maintain liaison between meetings of Council.

This Council could determine to respond positively to the foregoing description of what they should be doing. They have the potential to work together and to see this term through to the next election. If the members remain convinced that the current make-up of Council needs to change to affect better leadership of the Municipality, an election is less than a year away. The citizens will deliver the judgment as to the style and caliber of leadership it feels it needs to move the yardsticks forward.
There appears to be a limited awareness by this Council as to the distinctions that exist between governance and administration. Based on a seminar presentation by the Office of the Auditor General, they define governance as “The right and responsibility to determine the purpose and principles by which an organization will function”. (February 2007) The administration needs to understand that it also has a role in developing Council’s understanding and clarity in terms of how it is expected to add value to the process through exercising its authority in areas which really influence in a substantive manner the business of the Municipality. Issues that the administration tables with Council should always be assessed from the vantage point of looking for the governance implications and why Council’s direction is needed.

**8.0 COUNCIL VISION AND PRIORITIES**

We have been made aware that the practice of this and at least the previous Council has been to meet as a body after an election to discuss its concept of the key issues and concerns that it was made aware of during the election campaign. This process has not been independently facilitated but is chaired by the Mayor.

**8.1 Results of Council’s Retreat**

A retreat was held between management and Council towards the end of May 2008. The CAO provided some useful background information to the members of Council in preparation for the retreat. This included:

- Community Enhancement Fund
- Previous SWOT Information
- Municipal Sustainability Plan
- Crowsnest Centre - Statement of Loss and Deficit - Dec. 2007
- Crowsnest Centre - Miscellaneous Documentation
- 10 Year Infrastructure Plan

The agenda for the retreat follows:

- Objectives for the weekend
- Overview by managers for each department
- Explanation by an external consultant regarding future expansion plans for the electrical distribution system
- Developing a vision for the next 10-20 years
Review of long term plans e.g. MDP, Sustainability Plan, Culture/Recreation Plan, Water Master Plan, Infrastructure Plan, Equipment Replacement Plan, Fire Master Plan

Land Development: Acquisition of SRD land in the Municipality, Development Agreement Security Deposits, Offsite Levies, Transfer of Development Credits, Municipal Land Inventory, Kananaskis Trailer Court, Blairmore Senior Trailer Court, MDM, Athletic Park, Lagoon Area - Bushtown, Southmore Lands

Highway No. 3 Discussions

Facility Development: Feasibility of New Municipal Office, Combined Public Works Emergency Buildings, Recreation Facilities

Crowsnest Centre

Economic Development and Marketing

Other Areas: Community Standards, Personnel Retention/Hiring, Recycling/Composting Program, Community Enhancement Fund.

8.2 Need for a Strategic Approach
Based on our review of the outcomes of these sessions and our discussions with members of Council and the administration, we are of the view that the process and results do not reflect much of a strategic level view (which we believe is what the CAO intended) but became more administrative and operational in nature. This deprives both Council and the organization from a policy governance perspective and inhibits Council from providing its guidance of the broader more far-reaching issues. The approach to date has played to a sense of operational urgencies but not long range thinking. The agenda itself gives the appearance of being potentially very useful and quite comprehensive. The Council, however, did not seem to take advantage of the opportunity this retreat provided. We would argue that without first rate external facilitation given the interpersonal problems already evident amongst members of Council that less than optimal results was predictable.

While Council members are generally quite conscious of the cost of services and are thus reluctant to spend unnecessarily, saving money by not having this key leadership independently facilitated generally leads to frustration and a very limited and superficial view of what constitutes the key priorities of the day. This is what has
happened here. Council members are not unified on the priorities. The administration does not have any sense that it is functioning within a composite picture of the community’s needs. There is a limited awareness of the importance of a broad long term plan which outlines the pressing priorities and the impact on Municipality finances.

9.0 THE IMPORTANCE OF SOUND COMMUNICATION PROCESSES

Communication is critical to any organization and certainly to one which is so dependent upon the support of the public for its actions. Communities need to address communication from both an internal and external perspective, from that of a recipient of communication and as a disseminator of information.

Councils need to hear from their ratepayers. They need to open up opportunities for regularly scheduled inputs such as the delegation provision in the procedural bylaw as well as frequent “roundtables” wherein the public may be invited to participate in a general discussion of the issues providing that such discussions are kept to certain time and decorum protocols. The news media also offers a range of opportunities for the Council and senior management to ensure that the public are informed on the key issues and/or public service announcements (e.g. grass watering on certain days only).

Further, and from the perspective of the staff members within the organization, it is important that the Council and the CAO put into place ongoing measures that ensure that the staff do not have to rely on the media for their information. Rather, the Municipality should be ensuring and placing a high premium on the need to get the information out to the staff members quickly and comprehensively. This can happen through staff meetings held every two weeks or through an internal e-mail service coordinated by the Communications Officer.

9.1 Observations

There are a number of issues that relate to the Municipality’s communication practices. We highlight these as follows:

- There appears to be a growing awareness of the importance of public communication.
The relationship to the local newspapers appears to be mixed and may be based on the degree of support shown by one relative to the other to one “side” of Council.

There is no official way of getting messages out to the community. This appears to be rather “hit and miss” with the Council and CAO seemingly not making good use of the staff (likely the Confidential Clerk) to act as the go-between with the media.

Council needs to determine what the key messages are and then consistently get these out to the public. A Municipality “communications plan” should be developed.

While each member of any Council is elected in part because of their ability to communicate with their residents, each election seems to result in those same Council members expressing concern about what messages are being transmitted to the general public. As a result, there is often a fear that unless Council assumes direct responsibility for the handling of its messages that each might be misinterpreted by the public. It is our view that this is an inaccurate reflection of what the public expects or should expect. The public wants to see into the decision-making processes and while those same processes may be messy at times, so too would any discussion involving seven individual and independent folks discussing often controversial issues.

**10.0 DECISION-MAKING PROCESSES**

Earlier in this Report we described “governance” as decision-making. While it is certainly more broadly defined that that decision-making is ultimately what those in positions of authority do. The MGA describes the power of a Council to lead, govern and direct the Municipality. It also stipulates those areas which are considered to be in the domain of the CAO (Chief Administrative Officer). Council’s decision-making resides in its resolutions, policies and bylaws. These however are the outcome of prior processes which determine what ultimately gets decided. Issues arise from any number of sources:

- policies which are deemed to be out of date
- questions by the public regarding certain Council actions
suggestions by the administration that may be beyond the authority of the CAO to decide
- presentations by the public or by ABCs which wish to launch this or that initiative and which requires the approval or funding of Council
- challenges to current land use policies or development controls
- requests by lease holders of municipal property for a better deal or release from their obligations
- changes in Provincial legislation which require a response by the Municipality.

The foregoing are at least some of the avenues by which issues can arise.

10.1 Observations

There are a number of concerns stemming from the current decision-making practices of Crowsnest Pass. We highlight these as follows:

- There does not seem to be the level of consistency in management reports that we feel is necessary if members of Council are to trust the professionalism and independence of the administration. The role of the CAO as the quality control focal point for all of Council is not appreciated. He is to ensure that all reports going to Council bear his signature as approved and as representing what he sees as the best advice the current administration can provide.

- Council members do not uniformly support the advice being received from the CAO because of a fear that the CAO is overly supportive of the Mayor rather than the majority of Council. Council members are concerned that the information they receive may not always be sufficiently comprehensive or that it may not incorporate the full range of policy options. While not all members share this concern, it is the view of some Councillors that the advice being presented may at times be based on information that is selected in such a way as to support the preferences of one member of Council vs. another.

- In our opinion, the current model is not designed to ensure that Council can hear a matter of significance without being expected to immediately vote on it. That is, the model should ensure that each member of Council is provided with ample advance notice of the issues and the pros and cons of potential solutions at least as these are identified by the administration.
Council’s current process of conducting its annual organizational meetings needs to be re-thought, particularly the initial organizational meeting following the triennial election. All members of Council (new and returning) should be circulated a dossier by the CAO relative to the current Council list of ABCs (including internal committees). The dossier should include a full description of what each committee has as its mandate; its impact on civic business; its budget; its appointment bylaw; and so on. This would afford all members with some understanding as to their intent and possible impact. Further, the Mayor could provide a list of recommended appointments and the protocol which indicates how frequently members are to be rotated. These committees are often quite important and all members should understand the nature of their significance.

11.0 AGENDA DEVELOPMENT AND ISSUES LEADERSHIP

Effective governance relies upon a systematic and reliable approach to decision-making. The actual Council meeting agenda that is circulated to all members of Council and to the public should be seen as the “itinerary for action”, in effect, as the plan of action needed to move the business of the Municipality ahead. Because of the significance of the agenda the preparation of it should be viewed with great importance by the CAO and his administration. Similarly, Council members should be setting aside sufficient time prior to each meeting to ensure that they have read the full package and clearly understood the issues. It is embarrassing for other members at a meeting to realize that their colleagues are ill-prepared.

Council has various mechanisms by which it can affect the agenda of the municipality. These include:

- Dialogue with the Chief Administrative Officer
- Questions raised at either a Council meeting or at a committee meeting
- Performance feedback to the CAO during an annual appraisal
- Discussion and questions at a Council-management retreat
- Discussion between the Mayor and the CAO at a regular briefing session
- A formal process of agenda development.
If Council is to be fully engaged in leadership it must find the mechanisms that best work for it in influencing the development and guidance of the “strategic priorities” of the municipality. These priorities are a reflection of what the Council feels is important to the overall well-being of the municipality. Otherwise, the bi-weekly meeting agenda will be developed and circulated by the administration based on issues that they believe to be important or those which come to the attention of management and which they believe the Council will want to (or needs to) provide guidance.

11.1 Observations

At the present time, there is no formal Council direction of the bi-weekly Council agenda; its development is largely viewed as a prerogative of the administration. While this may be the standard as practiced by many other municipalities, both rural and urban, the practice does not take into account the role that a Council COULD play in ensuring that the issues that it considers are in fact the key issues of concern to the members of Council. Councillors could be recommending issues forward to be considered at the next Council committee meeting (at which we believe all members of Council should be present). Or, Council members can request that the CAO return an issue for discussion at the next meeting of Council. Further, Council members could agree to have all information items circulated to them electronically with a copy in a public review file for the media and public alike.

12.0 ADMINISTRATIVE PRACTICES

One of the elements we examined during the course of our Review for the Municipality of Crowsnest Pass was its administrative practices. Our interviews with the staff focused on:

- what their mandates are and their understanding of their responsibilities
- the style and competency of managerial leadership which they receive; their degree of support for their supervisors
- the way issues are communicated to them and members of their department
- the access to necessary equipment to do their jobs; the planned replacement of such equipment
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- the approach by the municipality to training and development
- the involvement with members of Council
- the financial health and sustainability of the Municipality.

Any Review of this nature must be cognizant of the size and scope and to some extent the location of the Municipality. As we indicate in the exhibits which follow in this report, there are a number of extra pressures on a municipality like Crowsnest Pass simply because of the unusual nature of its boundaries. Its sheer geographical size places some burdens on the resources which are not experienced by most other municipalities in Alberta. Having said that, the leaders of the initiative to incorporate as a larger and specialized municipality obviously took that into consideration.

Observations

12.1 Understanding of Mandates and Responsibilities

Our interviews with the employees of the organization inform us that the Municipality has placed insufficient attention on common communication of mandates and objectives. Whereas other organizations have annual or semi-annual management seminars or retreats wherein all employees are provided with an overview of what is happening and how important their respective roles are to the success of the community, Crowsnest Pass does not afford itself of such an opportunity preferring to use informal means of communication or none at all. This reduces the collective understanding of what the system is trying to accomplish; the significance of work targets and Council priorities; and the importance of everyone pulling together.

- Services Provided

One of the requests that we made of the organization was the development of a “Service List”. This we received electronically during the time of our review. It is a very helpful illustration of the number of services offered by the Municipality. For example, the following services cost the municipality:

- Animal control $38,768 p.a.
- Bylaw enforcement $83,868 p.a.
- Rescue $67,630 p.a.
- Weed Control $30,000 p.a.
- 911 $30,000 p.a.
Garbage pick-up $300,745 p.a.
- Recycling $90,000 p.a.
- Regional Landfill $165,000 p.a.

A Fire Protection Master Plan was developed in April 2001, with the assistance of an external Fire consultant and the financial assistance of two Provincial departments (Municipal Affairs, Fire Commissioner’s Office). The Master Plan was developed by a committee of members of the community together with the input of current members of the Fire Department. That report made a number of recommendations to address what the committee saw as deficiencies and the needs for the future. These deficiencies included the following:
- aging apparatus
- inadequate essential equipment
- limited water supply
- lack of clear and consistent training standards
- coordinated leadership

The report stated that the fire and rescue departments were likely to continue to operate as two separate entities but that they would have to increase their collaboration and cooperation. The report concluded with approximately 40 “priorities” which were further categorized into five different time frames, over a period of 6 months to 10 years. One of the consistent recommendations was the retention of a full-time Fire Chief (or Marshall) for the Municipality to provide oversight, guidance and consistency to the operation of the various departments.

The Fire and Rescue departments have a series of “Standard Operating Guidelines” which were developed in conjunction with a consultant based in Lethbridge in 2008, so these are relatively new.

We note that the challenges do not appear to have changed much and the need for a full-time Chief still exists.

12.2 Style and Competency of Managerial Leadership

- While we have had various discussions with department heads and the CAO, senior management needs to be aware of the impact of their personal style on the tone of the organization. People need to see their leaders as those who trust them to do the right thing and who lead in that regard by personal example. There is no
question that each of the department heads have significant work responsibilities. These require department heads to be organized and effective communicators/team-builders. The challenge is how each can improve their managerial skills so as to maximize the output of their staff and the sense of goodwill amongst all employees.

- The leadership of the Public Works department consistently comes up during our discussions with the staff members of that department. They point out that the two senior positions are not functioning on the same page which causes unnecessary stress in the department, limitations on communication and weakened morale. These issues are known to the department head and his Assistant and need to be resolved immediately. The only person that has the clout and the power to make that change arbitrarily is the CAO. He should be meeting with the two staff; advising them of his concern; requesting their feedback; and giving them 24-48 hours to make the change or to resign. Failure to clean up their act should result in the release of both personnel. This is not only harmful for the department, it is a black mark for the municipality. It also calls any other request by the CAO or Council into question as the rest of the organization knows that if you cannot manage the obvious, you will not be able to handle other challenges.

- In terms of reporting to Council, the appropriate way to handle this is to consistently underline Council’s commitment to have one employee, namely the CAO. This requires that each department head report is addressed to the CAO and not to Council. Those reports should be signed off by the department head and not by an Assistant, or they should be returned. Any departmental reports should be directed to the CAO. He should decide how they can be rolled up under one CAO report to Council. Any action requests should be in the form of an Action request or “Request for Decision” and not in such reports. The Operational Services Committee should receive a copy “for information” but not approval as that would contradict the power of both the committee and the CAO. A copy of a “Request for Decision” format is attached (see Appendix).

- Team meeting are limited to management team and post Council meeting review. The management team meets weekly. However minutes are not kept nor is there an established process to monitor task assignments. Team meetings build a sense
of common commitment, allow a point for review of project status, and can create a sense of team through discussion and sharing if issues.

12.3 Level of Performance Feedback

◆ Critical to managing people in any organization is the system of performance evaluation and feedback to the staff. This is necessary to document performance, provide insight to staff of opportunities to improve and to determine pay adjustment or promotion decisions. In the Municipality the only staff benefiting from a performance evaluation process is management. No system exists for union staff.

◆ The Municipality utilizes a performance review format for non-union employees. This was introduced in some years ago and there seemed to be good support for utilizing such reviews. This fervour seems to have died off and the attention to using this format has fallen as a result. The format seems to be fairly comprehensive and while it requires the reviewer to use a score box system, it also encourages written commentary as well.

◆ A self-evaluation format was also introduced as a means of encouraging the employee to put forward their own views and then to use that to compare to what the CAO had produced. The former HR staff member/Confidential Secretary was unsure as to when this process was introduced. The format seems to have depended on the candour of both parties to the review. This format (which we have also reviewed) again seems to be fairly comprehensive. Its purpose is as outlined as follows:

  - “This form is designed to help promote and guide discussion between you and your manager about your job performance during the past months. This discussion will help you establish guidelines to improve your performance and will give you the opportunity to agree on steps for your development and training. It will also provide an opportunity for you to make suggestions regarding how things could be better and to ask questions. The discussion should result in a clearer understanding of:

    • The main purpose of your job. Including the scope and the main activities required for accomplishing your job.
    • The critical targets and tasks which are agreed upon by you as necessary and achievable. How you can succeed in accomplishing your plans for
It surveys each employee as to their understanding of their roles, their sense of accomplishment, their challenges, their areas of strength, what they would like to see as improvements, suggestions for training, etc.

12.4 Access to Information; Communication within the Department

Commonly understood communication practices and the importance of frequent contacts on a planned basis with subordinate employees do not appear to be part of a shared culture across the organization. While some managers pay strict attention to how frequently and how well they communicate, others may realize that this is important to their direct reports but fail to fully implement practices that ensure that messages are being effectively communicated to all levels of their departments.

The need for improved communication is also apparent to many in the organization. Mechanisms are present to facilitate communication, e.g. e-mail, but these are not being used effectively.

12.5 Access to Quality Equipment; Planned Obsolescence

The Municipality of Crowsnest Pass has a larger than normal geographic area to cover which requires considerable equipment and a budget that needs to be reflective of the need to regularly replace equipment. This needs to be done on a planned basis and spread across the life of such equipment so that the Municipality is not faced with un-planned inordinate costs in any one year.

The Municipality in the past has developed multi-year equipment replacement budgets (2001-05 and 2006-13). However, since 2006 only year-to-year budgets have been developed.

The Municipality does not have an equipment replacement policy.

12.6 Approach to Training and Development

Management development for new and experienced supervisors does not appear to be recognized as a high priority by the Municipality, at least not in any formalized sense. The Municipality does not have a program targeted at these needs and appears to leave much of the initiative for this to the individuals involved or to their supervisors. This is not only a significant requirement now but will also be of increasing importance into the future.
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- The training which does occur is largely individually-driven. The positive response to the recent Cuff & Associates Ltd. training seminar indicates that there is a considerable need for more such sessions.
- Over the past three years the municipality has spent an average of $26 thousand on training and $33 thousand on conventions and workshops per annum (this excludes travel and accommodation costs).

12.7 **Involvement with members of Council**

- We were pleased to find that Council members as a whole do not regularly interfere with the performance or accountability of the staff members. They appear to understand the importance of the organization structure and while there has been ongoing dialogue between some members of Council and staff (more so than other Councillors) this does not seem to be endemic or to be considered a significant problem.

12.8 **Participation in strategic direction of the Municipality**

- Comprehensive strategic and business planning is largely unknown to this organization. An appropriate planning environment starts at setting the vision, mission, value, goals for the entire organization and ties these to the business plan. It includes defining what steps will be taken to measure the achievement of goals and looks three or more years forward. The Municipality plan is then translated to divisional plans that set out steps to be take this year to achieve the goals and how the divisions funding allocation will be used.

12.9 **Participation in Policy Development**

- The policy development process appears to be largely misunderstood. Clarification is required in terms of what constitutes “policy” and what is meant by “procedures”. Some of the policies we reviewed confuse the two and provide far more direction in terms of the policy statement than is necessary.
- We found that normal administrative policies such as guidance to holders of corporate credit cards and those reviewing purchases were not present. In the absence of clear policy and procedures there is a risk of misuses of these cards, whether it arises from deliberate malfeasance or error. Absence of policy makes it difficult for those reviewing purchases to obtain necessary information or to enforce appropriate behaviour. Also, when a policy is in place there is a tendency
to tolerate non-compliance. Purchasing policy and signing authorities are not as clear as staff desire.

- Concerns were expressed about the need for clarity with regard to issues that have arisen from time to time that may not be a part of any Code of Conduct or personnel policies.

### 12.10 Corporate and Fiscal Health & Sustainability

It is essential that Council as the governing body receive first rate information from its chief advisors including both the CAO and Director of Finance. This information ranges from:

- Monthly financial statements
- Quarterly variance reports
- Capital asset report
- Business plan updates

Emerging financial issues

In this instance we find that:

- Financial reporting was too detailed and focused on the revenue and expenses. We saw no evidence of information on capital spreading. Emerging issues were identified. However, given that no business plan as such exists no reporting was provided against it. We learned that plans are in place to improve reporting through being more focused.

- The detailed information on spending was deficient since it did include only money spent. It did not include encumbrances and thus was not useful to assess how much unused budget was left.

- An effective report must provide information on the status of all key financial items including assets and liabilities. In addition to reporting against the budget, the Council needs to understand if the planned Municipal equity is to be achieved and if cash deficiencies may arise.

With respect to audit processes and reports we are advised that:

- The audit report included a qualified opinion that stated that a material piece of financial information was not included. This information was the effect of the consolidation of the Crowsnest Learning Centre. The auditor stated in their report:
As explained in note 1, these financial statements do not include the results of an organization that is controlled by the Municipality. Under Canadian generally accepted accounting principles, the reporting entity should include all of the organizations that are owned or controlled by the Municipality. Accordingly, these financial statements are not in accordance with Canadian generally accepted accounting principles. If the organization had been consolidated, adjustments would have been made to assets, liabilities, revenue, expenditures, and excess of revenue over expenditures.

The auditor has also identified opportunities to improve controls each of the last few years. There does not seem to be a repeat of items.

With regard to the fiscal policy environment of the Municipality, we find that the following financial policies exist:

<table>
<thead>
<tr>
<th>Policy Name</th>
<th>Policy Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Deposits and Revenue Allocation for Ski Hill</td>
<td>To establish a procedure for the deposit and allocation of ski hill revenue.</td>
</tr>
<tr>
<td>Passburg Gravel Pit Recycling Program</td>
<td>To establish a procedure to record revenue and expenditures for the Passburg Gravel Pit Recycling Program</td>
</tr>
<tr>
<td>Payout of Retiring Allowance or Death Benefit</td>
<td>To establish a procedure to process the payout of retiring allowance to an employee or death benefit to the estate of the employee or the employee’s beneficiary.</td>
</tr>
<tr>
<td>Long Term Service Awards</td>
<td>To establish a procedure to process long term service awards that are pensionable, taxable but not insurable through the Canada Payroll System and General Ledger.</td>
</tr>
<tr>
<td>Invoicing and Cash Receipting Integration</td>
<td>To establish a procedure for the integration and control of financial data generated by the Maxsolution Software Application for the Great Plains/Diamond Sales and Cash Receipting Software Applications.</td>
</tr>
<tr>
<td>Land Sales Document Retention</td>
<td>To establish a procedure enabling the creation, retention and follow up documentation relating to land sales.</td>
</tr>
<tr>
<td>Library Wage Billings</td>
<td>To document the standard procedure for billing library wages paid by the municipality, back to the library for payment.</td>
</tr>
<tr>
<td>Cash Receipt Adjustments/Chargebacks for Cash and Other</td>
<td>To document the standard procedure for entering Chargebacks (NSF) in the Dynamics system for payments received by Cash or Debit.</td>
</tr>
<tr>
<td>NSF Chargebacks</td>
<td>To document the standard procedure for entering Chargebacks (NSF)</td>
</tr>
</tbody>
</table>
backs (NSF) in the Dynamics system for payments received by Cheque.

<table>
<thead>
<tr>
<th>Pre-authorized Tax Payment Plan</th>
<th>To establish guidelines for the implementation of pre-authorized monthly tax payments.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing</td>
<td>To establish guidelines to be followed by the municipal departments and the purchasing office in the purchasing of goods and services for use by Municipality of Crowsnest Pass.</td>
</tr>
<tr>
<td>Tangible Capital Assets</td>
<td>To establish a policy to achieve the consistent recording of tangible capital assets and help with the preparation of financial statements that will comply with generally accepted accounting principles for the Municipality of Crowsnest Pass.</td>
</tr>
</tbody>
</table>

With respect to maintaining an appropriate capital inventory and a replacement plan, we find that:

- The Municipality is in the process of implementing improved tangible capital asset reporting. This is done in conjunction with the need to include these in the Financial Statements and the need to amortize them.
- There seems to be limited information available on equipment maintenance by unit. We heard that Council is frustrated with the absence of hard data which supports management’s replacement plan.

With respect to filing the appropriate information with Alberta Municipal Affairs we find that:

- Administration submits the Municipal Financial Information Returns (MFIR) to Municipal Affairs as required.
12.10.1 Demographic Review and Forecast

A demographic analysis and forecast was conducted on Crowsnest Pass. Crowsnest Pass accounts for 44% of the total population within the combined boundaries of Crowsnest Pass, Ranchland, and Pincher Creek. The Population of Crowsnest Pass is an older population that has been decreasing in size and is forecast to continue to decrease over the next 15 years. Furthermore, employment and income statistics indicate that their unemployment rate is worse than Alberta’s rate, but better than Canada’s. The incidence of low income is better than Alberta’s and Canada’s, but average individual and household incomes are below the Alberta and Canadian averages.

Over the 10 years from 1996 to 2006 the population of Crowsnest Pass and the neighbouring municipalities of Ranchland, Cowley, and the two Pincher Creek municipalities decreased by 580 people (4.3%). This compares to Alberta and Canada’s populations which grew by 22% and 10%, respectively.

Crowsnest Pass has an older population; 55% of people are 45 years and older, compared to 36% in Alberta and 41% in Canada. There are more Baby Boomers than the Alberta average; 34% versus 25%, and fewer 20 to 35 year olds than the Alberta average; 11% versus 22%.
The population of Crowsnest Pass decreased by 9.6% from 1996 to 2006. Assuming age-specific fertility rates, with no migration (in or out), the population of Crowsnest Pass may be expected to decrease by an average annual rate of 1.6%.

A demographic comparison was made to the following four neighbouring municipalities of Pincher Creek, Pincher Creek No. 9, Cowley, Ranchland No. 66.

It was found that:

- Crowsnest Pass accounts for 44% of the total population of the 5 municipalities listed in the table and illustrated in the map.
The population of Crowsnest Pass decreased by 607 people from 1996 to 2006, which is more than twice the rate of the entire region; i.e. 9.6% decrease versus 4.3% decrease.

Pincher Creek No. 9 is the only municipality that has experienced an increase in its population; 137 people or +4.3%.

The Population density for each of the municipalities in the region, in people per square kilometre, are as follows:

- 15.4 Crowsnest Pass
- 1.0 Pincher Creek No. 9
- 410.1 Pincher Creek
- 156.4 Cowley
- 0.03 Ranchland No. 66

Comparing Crowsnest Pass to Alberta’s and Canada’s employment and income statistics, we find that

- The unemployment rate is 5.7%, which is higher than Alberta (4.3%), but lower than Canada (6.6%)
The incidence of low income is 7.6%, which is lower than Alberta (8.7%) & Canada (11.6%).

Similarly, the average individual and household incomes in Crowsnest Pass are below the Alberta and Canadian averages.

12.10.2 Financial Comparison to Seven Municipalities - MFIR Statements

Crowsnest Pass was compared to the following seven municipalities, which have a similar population size; Drayton Valley, Peace River, Rocky Mountain House, Olds, Innisfail, Ponoka and Slave Lake.

Summary of Comparative Analysis

This comparison revealed that Crowsnest Pass has above average per capita revenues, property taxes, and expenditures. Furthermore, Crowsnest Pass has demonstrated the smallest average annual percentage increase in operating revenues, property taxes, assessment values, and expenditures.

Crowsnest Pass has proportionately more Linear Property Taxes then the other municipalities.

The land area of Crowsnest Pass is 7 to 22 times larger than any of the other six municipalities that it was compared to, which results in a larger proportion of its expenses being spent on transportation, the smallest population density, and the largest number of meters of roads and water mains per person.

Details of Comparative Analysis
Operating Revenues: Comparing Crowsnest Pass revenues to the other municipalities reveals that

- the 6 year average per capita revenues of Crowsnest Pass are above average, or third highest, and that
  - total revenues have increased the least from 2002 to 2007, i.e. an average annual increase of 4.1% compared to an over-all average of 8.3%.
  - Drayton Valley’s total operating revenues have increased the most over the 6 years ending 2007 (11.8%).
  - Drayton Valley’s per capita revenues were the highest in 2007 ($2,216).

Net Property Taxes: Comparing Crowsnest Pass property taxes to the other municipalities reveals that

- the 6 year average per capita property taxes of Crowsnest Pass are above average, or third highest, and that
  - total taxes have increased the least from 2002 to 2007, i.e. an average annual increase of 3.8% compared to an
Ponoka’s total property taxes have increased the most over the 6 years ending 2007 (12.6%).

Drayton Valley’s per capita property taxes were the highest in 2007 ($1,019).

**Equalized Assessment:** Comparing Crowsnest Pass assessment values to the other municipalities reveals that

- total assessment values increased the least from 2002 to 2007, i.e. an average annual increase of 5.7% compared to an over-all average of 7.7%, and that Crowsnest Pass has proportionately more Linear Property Taxes then the other municipalities, i.e. 10%.

- Drayton Valley’s total assessment values have increased the most over the 6 years ending 2007 (9.7%).

- Drayton Valley has the smallest proportion of residential assessment compared to the other municipalities (60%).

**Operating Expenses ($):** Comparing Crowsnest Pass expenditures to the other municipalities reveals that

- the 6 year average per capita expenditures of Crowsnest Pass are above average, or third highest, and that total expenditures have increased the least from 2002 to 2007, i.e. an average annual increase of 5.5% compared to an
over-all average of 7.7%.

- Ponoka’s total operating expenditures have increased the most over the 6 years ending 2007 (10.7%).

- Drayton Valley’s per capita expenditures were the highest in 2007 ($1,712).

**Operating Expenses (%)**: Comparing Crowsnest Pass percentage expenditures to the other municipalities reveals that

- Crowsnest Pass spends the second highest percentage of expenditures on Transportation (24.2%).
- Only Peace River spends a greater percentage on transportation (27.7%).
- Comparing expenditures on salaries, wages and benefits revealed that the 6 year average annual per capita cost for Crowsnest Pass is $549. This compares to an average of $449. Drayton Valley had the second highest cost $547, and Innisfail had the lowest at $333 per capita.
Population Density: Comparing Crowsnest Pass population density to the other municipalities reveals that Crowsnest Pass land area of 19,427 hectares is 7 to 22 times larger than any of the other municipalities.

Density of Roads & Sewers: Comparing Crowsnest Pass density roads and sewers to the other municipalities reveals that

- the population density of Crowsnest Pass is the smallest at 0.3 people per hectare,
- the number of meters of road per person is the largest at 25 meters per person, and
- the number of meters of water mains per person is the largest at 16.7 meters per person.
12.10.3 Financial Trend Analysis 2003 to 2008 - MFIR Statements

The Municipal Financial Information Returns for the years 2003 to 2008 for Crowsnest Pass was analyzed.

Summary of Financial Trend Analysis

From 2003 to 2008 the following average annual percentage changes have been realized;

- Cash and Temporary Investments increased by 25.4%.
- Capital Property has increased by 4.7%
- Equity (Fund Balances) increased by 4.4%
- Reserves have decreased by 10%

Over the past six years

- Net-Property taxes have increased by an average annual rate of 5.1%, whereas
- Revenue from Own Sources has increased by an annual rate of 10.6%.
- Salaries, Wages & Benefits have increased by an average annual rate of 4.3%.
- The Lost Creek Fire in 2003 resulted in a significant increase in the cost of Protective Services. The municipality received $2.4 million in grants from the Provincial Government.

Details of Financial Trend Analysis

Assets: Over the past six years, from 2003 to 2008; Cash and Temporary Investments increased the most, by $2.6 million or an average of 25.4% annually, and Capital Property has increased by $14.7 million or an average annual rate of 4.7%.
Liabilities: Over the past six years, from 2003 to 2008; Deferred Revenues increased the most, by $2.4 million or an average of 61.9% annually, Accounts Payable & Accrued & Other Liabilities increased by $1.2 million, or 9.4% annually, and Equity (Fund Balances) increased by $13.6 million or an average annual rate of 4.4%.

Equity: Over the past six years, from 2003 to 2008; the Operating Fund has had an average deficit of $95 thousand. In 2008 it achieved a credit balance of $117 thousand, the Capital Fund has increased by $14.3 million (26%), or an average annual rate of 4.7%, and The Reserve Fund has decreased by $906 thousand (-41%), or an average annual rate of -9.9%.
**Reserves:** Over the past six years, from 2003 to 2008; the Reserve Fund has decreased by $906 thousand (-41%), from $2.2 million in 2003 to $1.3 million in 2008. This decrease equates to an average decrease of $181 thousand per year, or an average of 10% per year. In 2008 reserves totalled $1.3 million, which is 2% of the book value of Capital Property.

**Operating Revenues:** Referring to the above graph, the $6.96 million Government Transfer in 2003 is due to the Bellevue-Blairmore Water Line & Blairmore Main Street upgrade & development ($4.3 million), and Lost Creek Fire Disaster ($2.4 million). Over the past 6 years Net-Property taxes have increased by an average annual rate of 5.1%, whereas Revenue from Own...
Sources have increased by an annual rate of 10.6%.

Operating Expenditures by Object: Over the past six years, from 2003 to 2008; Salaries, Wages & Benefits have increased by an average annual rate of 4.3%, and Contract & General Services have decreased by an average annual rate of -7.6%. However, this is due to the extraordinary increase in expenses in 2003 resulting from the Lost Creek Fire disaster. Materials, Goods, Supplies & Utilities have increased by an average annual rate of 2.9%.

Operating Expenditures by Function: Over the past six years, from 2003 to 2008; General Government has increased by an average annual rate of 8.4%, Protective Services has decreased by an average annual rate of -27.6%. However, this is due to the extraordinary increase in expenses in
2003 resulting from the Lost Creek Fire disaster. Transportation and Recreation & Culture have increased by an average annual rate of 6.8% and 6.1%, respectively.

12.10.4 Audited Financial Trend Analysis 2003 to 2008

The Audited Financial Statements for the years 2003 to 2008 for Crowsnest Pass was analyzed.

Summary of Audited Statements

Over the past six years consolidated revenues have fluctuated between $10.2 million and $17.6 million, due primarily to changes in government transfers. Similarly, consolidated expenditures have fluctuated between $10.6 million and $18.7 million, due primarily to changes in expenditures on roads, streets, walks & lighting. Total Fund Balances, or equity, has decreased by $3.0 million since 2002. At the end of 2008 Fund Balances totalled $1.4 million.

Details of Audited Statement Analysis

Consolidated Revenues: Over the past six years, from 2003 to 2008; consolidated revenues have fluctuated between $10.2 million and $17.6 million. Most of this fluctuation has been due to government transfers.

Consolidated Revenues
Audited Financial Statements
Following is a list explaining the key transfer amounts.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Various projects including Blairmore-Coleman water interconnect in 2008.</td>
<td>$186</td>
<td>$589</td>
<td>460</td>
<td>5,695</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bellevue-Blairmore Water Line &amp; Blairmore Main Street upgrade &amp; development</td>
<td>$4,306</td>
<td>$1,783</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost Creek Fire Disaster</td>
<td>$2,402</td>
<td>$141</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Grants</td>
<td>$255</td>
<td>$398</td>
<td>$1,209</td>
<td>$1,061</td>
<td>$848</td>
<td>$1,093</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,963</strong></td>
<td><strong>$2,321</strong></td>
<td><strong>$1,396</strong></td>
<td><strong>$1,650</strong></td>
<td><strong>$1,308</strong></td>
<td><strong>$6,787</strong></td>
</tr>
</tbody>
</table>

**Consolidated Expenditures**: Over the past six years, from 2003 to 2008; consolidated expenditures have fluctuated between $10.6 million and $18.7 million. Most of this fluctuation has been due to roads, streets, walks & lighting. The Blairmore-Coleman water, Bellevue-Blairmore water, and the Blairmore Main Street projects account for the large fluctuations in Roads, Streets, Water and Waste Water expenditures. Police, Fire, Ambulance & Bylaw expenditures were $3.8 million in 2003 due to the Lost Creek Fire ($2.3 million). The municipality was reimbursed by the Provincial Government.

**Consolidated Surpluses, Deficits & Fund Balances**: Total Fund Balances, or equity, has decreased by $3.0 million since 2002.

- ($4.4) million is due to deficits
- $3.1 million loan advances
- ($1.7) million loan payments
- ($3.0) million decrease in Equity.
Capital Revenues: Government Transfers in 2004 and 2008 were $1.85 million and
$5.66 million, respectively. In 2004 grants were received for the Bellevue-Blairmore Water Line & Blairmore Main Street upgrade & development. In 2008 grants were received for various projects including Blairmore-Coleman water interconnect.

**Capital Expenditures**: Following are the major capital expenditures that occurred over the past 6 years; Bellevue-Blairmore Water Line & Blairmore Main Street upgrade & development ($4.3 million in 2003 and $1.8 million in 2004), and various other projects, which included the Blairmore-Coleman water interconnect in 2008 (5.7 million).

**12.10.5 Analysis of the Electrical Function 2003 to 2008**

The Municipal Financial Information Returns for the years 2003 to 2008 for the Electricity Function of Crowsnest Pass were analyzed.

**Summary of Audited Statements**

From 2003 to 2008 the following average annual percentage changes have been realized; Capital Property has increased by 3.3%, Total Equity has increased by 3.0%, and Reserves Fund has increased by 31.7%.
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Over the past six years Revenues have decreased by -2.5%, Expenses have increased by 4.3%, Net Revenues have decreased by -11%, and Net Revenue Margin has decreased by 19% from 52% in 2003 to 33% in 2008.

In 2008 reserves totalled $60.6 thousand, which is 6% of the book value of Capital Property.

Details of Audited Statement Analysis

**Electricity Assets**: Over the past six years, from 2003 to 2008, Capital Property has increased by $151 thousand, or an annual average rate of 3.3%.
Electricity Equity: Over the past six years, from 2003 to 2008, Total Equity has increased by $158 thousand, or an annual average rate of 3.0%.

Electricity Reserves: Over the past six years, from 2003 to 2008, the Reserve Fund has increased by $45 thousand, or an average annual rate of 31.7%. In 2008 reserves totalled $60.6 thousand, which is 6% of the book value of Capital Property.
Electricity Revenues & Expenditures: Over the past six years, from 2003 to 2008, Revenues have decreased by an average annual rate of -2.5%, whereas Expenditures have increased by 4.3% per year, and Net revenues have decreased by an average of 11% per year.

Electricity Net Revenue Margin: The Net Revenue Margin is calculated by dividing the Net Revenue by Total Revenues. The Net Revenue Margin has decreased by 19% over the past 5 years.
Electricity Expenditures:
Over the past six years, from 2003 to 2008; Total Expenses have increased by average annual rate of 4.3%, Salaries, Wages and Benefits have increased by 8.3%, and Contract & General Services have increased by 22.9%.

12.10.6 Infrastructure Analysis & Forecast of Capital Needs

The Infrastructure of the municipality was analyzed with a forecast future capital needs using life-cycle costing techniques.

Summary of Infrastructure Analysis & Future Capital Needs

Total replacement value of the existing infrastructure, based on current contract rates, is estimated to be approximately $249 million. The average age of existing capital assets is 34 years. The average annual estimated cost to replace existing capital assets, over the next 90 years, is $7.8 million.

Details of Infrastructure Analysis & Future Capital Needs

Assumptions: The values for roads, sidewalks, water, sewer, and storm water were taken from an inventory conducted by Stantec Consulting in 2007. The Stantec report provided a current replacement value for the assets, but did not provide a year-by-year aging of the assets. The report merely indicated that the average age of the infrastructure was over 25 years old. The consultants estimated the replacement value of assets by year by assuming the infrastructure was constructed proportionate
to the period of construction of private dwellings in Crowsnest Pass as published by Statistics Canada in the 2006 Census.

The assumed average useful life of the assets is as illustrated in the table below.

The list of assets came from multiple sources and in some instances contained missing or conflicting information. In these cases the consultant made various assumptions or guesses regarding the age, type or value of an asset. For example, in the case of Vehicles & Mobile Equipment, some asset values were recorded at cost, while other were recorded at replacement value. In this particular case, the consultant did not change any values. Hence, the asset value for Vehicles & Mobile Equipment is likely under estimated.

The reader should understand that the current analysis is a first attempt at calculating the future capital needs for Crowsnest Pass using life-cycle costing techniques.
Total Capital Assets:
The total replacement value of the existing infrastructure, based on current contract rates, is estimated to be approximately $249 million.

- Roads & Sidewalks $94 million (37.8%),
- Water $63 million (25.5%),
- Sanitary $49 million (19.5%),
- Buildings & Land $28 million (11.3%), and
- Other assets $15 million (5.9%).
Acquisition & Construction Dates: The above graph illustrates when the existing assets were purchased or constructed with the 2009 replacement value. The weighted average age of all assets is 34 years. The average ages by category are as follows:

- 24 years for Roads & Sidewalks,
- 44 years for Water assets,
- 44 years for Sanitary assets,
- 38 years for Buildings & Land,
- 9 years for Vehicles & Mobile Equipment,
- 25 years for Electrical assets, and
- 44 years for Storm Water assets.

Life-Cycle Analysis: The above graph illustrates the projected future capital needs for Crowsnest Pass over the next 90 years, from 2010 to 2100. Applying Life-Cycle Costing techniques, the average annual capital needs for Crowsnest Pass over the next 90 years is approximately $7.8 million.

It should be noted that this projection of future capital needs is based on the information and assumptions described in the previous slides. The annual capital needs illustrated above do not represent individual assessments of specific assets, rather it represents the expected needs over the long-term based on the current age, value and standard life-cycle costing analysis.
12.10.7 Summary of Financial and Demographic Analysis

The Population of Crowsnest Pass is an older population that has been decreasing in size and is forecast to continue to decrease over the next 15 years. The land area of Crowsnest Pass is large relative to its population resulting in a low population density, which results and a larger number of meters of roads and water mains per person, as compared to the typical municipality. The end result of these physical realities is the need to spend a larger proportion of expenditures on transportation and utilities.

A review of existing infrastructure found that the replacement cost of existing capital assets is approximately $249 million. The average annual estimated cost to replace these assets is $7.8 million. Comparing this to fund balances that have decreased by $3.0 million since 2002, and were only 1.4 million at the end of 2008, give cause for concern.

A review of the electricity function found that Net Revenues have decreased by 11%, and Net Revenue Margin has decreased by 19% from 52% in 2003 to 33% in 2008. In 2008 reserves totalled $60.6 thousand, which is 6% of the book value of Capital Property.

Given the above the Municipality is facing significant fiscal changes over the next few years.

12.10.8 Assessment of the Finance Department

With regard to the training and experience level of the chief financial officer we find that:

- The CFO brings to the table considerable energy and a strong desire to do the job right. She does not have professional credentials, but has taken training in professional accounting program. As well as, she has taken part in a number of other management programs. She needs to complete the various programs she has started, in particular her professional accreditation.

With respect to financial viability of the Municipality we find that:
The capital assets of the Municipality are facing a significant deferred maintenance cost. This is coupled with facilities operating budget which is relatively high. In addition we were advised that facilities are not fully utilized and in some cases duplicate services. There is a need to rationalize municipal facilities, both internally used and those serving the public. It is important that efficiencies are realized to help mitigate fiscal risk facing Crowsnest Pass. The map below illustrates the need to rationalize facilities and services of the municipality.

Consistent erosion of Municipal equity, including reserves over the past several years. It dropped from $4.4 million at the end of 2002 to 1.4 million at the end of 2008.

As is demonstrated by the comparison with 6 other communities, revenues (as represented by such items as utility rates) have not kept pace with other
jurisdictions. Crowsnest Pass maintains its own electrical distribution system. This system delivered considerable net revenue to the Municipality. However, since rates have been held at a lower rate, it is no longer a significant source of net revenue. The challenge facing the Crowsnest Pass is that they already have one of the highest rates of revenue per capita in the group.

12.10.9 Achieving Municipal Sustainability

What is Municipal Sustainability? How can Municipal Sustainability be achieved? How can you tell if you are moving towards sustainability?

What is Municipal Sustainability?

Municipalities consist of four basic elements, namely: Its Social and Community Life, the Economy or Market Place, its Physical Infrastructure such as roads, water, sewer, etc., and the Environment that surrounds it. Municipal Sustainability entails balancing these four elements.

The balancing of the four elements of a municipality needs to occur within a Financial Sustainability Plan. Financial Sustainability is achieved through Strategic Long Range Planning. A Strategic Long Range Planning framework consists of the coordinated implementation of the Community vision, Council governance, Policy, the Corporate Business Plan.

The Strategic Long Range Planning framework begins with determining the vision the community has for the municipality. Information regarding the community vision and
expectations are gathered in various ways, including: Community surveys, Community consultations and public input at Council meetings.

Considering the feedback provided by the community, the next step in the framework is the governance provided by Council. This governance includes development of the Council strategy which consists of: Council mission, vision and values, Council outcome goals and Council priorities.

Once the Council strategy is developed the next step of the framework is to create the appropriate policies. These policies include: Bylaws, Municipal development plans, Master plans and department long term plans.

With the policies in place the next step in strategic long range planning is to develop the Corporate Business Plan. This business plan will take the Council strategic direction and translate that to operational plans for administration, and will include: Corporate mission, vision and values, Corporate objectives and Corporate priorities.

With a corporate business plan developed it is now left to administration to implement the community vision as it has been determined by Council. This plan is implemented through various different tools, including: administrative policies, departmental budgets, program and service delivery and the Strategic Planning Model.

In order to determine and track if the municipality is becoming sustainable, Council should be kept informed of municipal operations and issues through the provision of

- Agenda Reports from Administration
- Financial Reports that
  - Compare Budgets to Actuals
  - Project Actuals to the end of the year
  - Compare the municipality’s performance to other similar municipalities
- Operational Reports, and
- Economic Reports that will keep council informed about the general economic climate
12.10.10 The Strategic Planning Model

The Planning Model helps to define a road map that will lead us from where we are now to where we would like to be in the future. In order to determine where Crowsnest Pass is going, you need to know

- where you are now,
- where you want to be in the future, and
- how you will get there.

The Planning Model accomplishes this task by calculating future revenues, expenses, rates and reserve balances given different policy objectives and assumptions.

It is important to understand that planning is a process by which an organization develops a road map to where they would like to be in the future, whereas forecasting is a procedure by which predictions are made about the future. The strategic planning model is a simplified representation of the complex relationships that exist between financial and non-financial variables. Given different assumptions, objectives and goals, the planning model is used in the planning process to forecast possible future outcomes.

While the planning model produces a forecast of future possibilities, it does not produce a prophecy of the future. Rather, through the use of the model in the planning process a better understanding of the forces that affect the municipality is acquired. These understandings will improve the quality of decision making through the provision of a clearer understanding of the risks, costs and benefits of alternative goals and strategies.

The structure of the model is relatively simple (as illustrated), it is essentially the aggregation of various operational plans.
12.11 Senior Management (The Department Heads)

Any governance system is reliant on the will of Council to make it work and the cooperation of the administration to support Council’s choice. This revised system for Municipality of Crowsnest Pass has some new elements and some revisions on current processes. Hopefully, both members of Council and administration will determine to make it work and at least give the new model six months to take hold. During that time, there may well be some “bugs” that need to be worked out.

Management has a variety of key roles to play in any governance system, not the least of which is an advisory role in developing the issues that go to Council (or a committee of Council). It is expected that the CAO and senior management will:

- Seek to advise Council on the best ways to make their system of governance work for Council so as to enhance Council’s decision-making
- Ensure that any report to Council is complete, accurate, policy-focused and reflective of clear policy choices
- Identify the strategic issues of consequence for Council and, where possible, frame issues within the context of Council’s approved strategic initiatives
- Add value to any Council discussion through clarifying issues and ensuring that the focus stays on the broader policy-oriented issues
- Refrain from being drawn into a purely political response to any issue but, rather, to respond based on what makes the most sense from an administrative point of view
- Ensure that any agenda matters that are being referred to Council are not within the administration’s authority to approve
- Ensure that all members of Council are treated equitably and fairly
- Move quickly towards the implementation of any Council decision
- Report back to Council on the implementation of key issues so as to “close the loop” in the reporting process

It is our view that the senior management of the Municipality can play a more strategic role in its advice to Council. Council needs first rate advice on the key issues as well as proactive strategic insights into what the administration views as the possible governance context of such matters.
This necessitates a SMT which is prepared to learn afresh how they can add value to
the Council’s role of leading the Municipality. It also requires people whose individual
and collective egos are comfortable in acting as subservient to those whom the
electors have chosen as their elected leaders.

Led by the CAO, the SMT will need to use its time together wisely in assessing the
significant issues of the day; reviewing the reports of each other’s departments;
ensuring that the cross-departmental issues are being well-managed and integrated;
outlining the possible consequences of each new initiative; encouraging each other as
colleagues; ensuring that Municipality systems (e.g. human resources
policies/processes) are respected by all departments; ensuring that business unit
plans are being developed and evaluated; and so on. Such issues should fall into the
following categories:

- Proposed new policies
- Revisions to existing policies
- Matters evolving which are of deemed significance to Council
- Referred matters from Council
- Status variance reports to the budget; business planning issues
- Monthly and quarterly financial statements/updates
- Independent reports from the external auditor
- Capital projects status reports
- Statutory referrals
- Municipality system wide process issues

The CAO, with the assistance of the SMT, will be responsible for reviewing these
matters before placing them (as applicable to Council) on a draft agenda for review.
In order to ensure that the system works as intended, the presence of an effective
SMT is essential.

The SMT should be expected to provide advice to the CAO on key aspects of the
organization but particularly on issues which cross departmental lines. The SMT will
be a central player in the decision-making process by assisting the CAO in vetting key
reports to Council and ensuring that these reports cover all aspects of the issue under
review.
12.12 Observations re: Administrative Practices

- The format and process of employee assessment are relatively sound. If this process was embraced by management and utilized without fail there would likely be positive results in terms of improvement. This would depend on whether or not the department heads are prepared to seek the input and assistance of the Confidential Clerk/HR Officer. She has applicable training in these matters and could/should be a valuable resource to the organization. We do not see much evidence of her skills being utilized to their capacity and that is to the detriment of the organization. The utilization of the performance review process is at best spotty and in most instances not conducted at all. It would be little wonder that the staff would have little to no idea about what performance adjustments are required. “Hoping” that staff members figure these things out for themselves over the course of time is a much exercised but futile hope.

- The Municipality should by policy endorse the pursuit of employee excellence through regular and ongoing reviews with a direct tie in to planned training opportunities. These should also be pursued at all levels of the system. Training is at best “hit and miss”. While dollars may be spent, this is largely thrown against the wind. The current policies regarding training appear to be adequate albeit perhaps unrealistic given the expectation that departing personnel are going to refund a part of their training costs due to not have stayed in the organization longer than a year and a half after the training has occurred.

- Department meetings should be made the practice of all departments, regardless of how small. Even two people in a department can make improvements through dialogue and being aware of issues such as inadequate communication or feedback.

- Building up the organization has to become the raison d’etre of the senior management. This organization will likely benefit from some degree of restructuring. Greater improvement will come about because management refuses to accept the status quo. Procrastination, which seems to be the hallmark of the organization and Council, does little to address any real issues (e.g. water metering the whole community; review of benefits for management staff; absence
of long term planning). It too is based on a futile hope that time will make the necessary changes eventually redundant.

- The Employee Code of Conduct (approved by Council in 1994) was never updated and seemingly had little impact or benefit. It is doubtful that many employees know that this exists and as a result the good that could come out of this is negated because of both management and Council dropping the ball.

### 13.0 ORGANIZATION STRUCTURE

#### 13.1 Background

The structure of any organization is important. It communicates a number of messages both external to the organization as well as internally. Externally, the structure lets people know who is in charge. Internally, the same message applies, but in addition, the following messages are conveyed:

- The span of control: how many people report directly to the Chief Administrative Officer?
- What levels exist in the management stream; how far removed is my position from the top?
- What impact does the number of levels have on my compensation?
- What collegiality is expected to occur within or between departments?

An organization structure needs to be viewed through the perspective that it is an organic mechanism that is by necessity fluid given that it needs to adjust to the changes in society and in the degree of demands placed on certain services of the Municipality. These adjustments should be made by the CAO (with the input of his senior management) in response to Council’s approval of the operational budget and any independent review that it might provide on an annual basis. It is the management that will have the best handle on the needed changes as they are the ones working with the personnel and responding to the pressures on a daily basis.

#### 13.2 Observations

Council’s review and approval of the structure should be limited to the top 2 levels of the structure. This would see Council being asked for its approval of the positions of CAO and department heads. The latter level is important in that this determines the
number of departments, which in turn impacts the cost structure. All of the above have a significant impact on the personnel costs as they drive the budgeted personnel dollars. On the other hand, the direct involvement by members of Council in personnel selection should be limited to the position of CAO.

The CAO should also review with Council the issues and concerns he has relative to the structure and any needed resources. This should be discussed annually so that when additional dollars are available. Council should also be consulted relative the principles that guide the evolution of the design of the structure. This matter should involve Council’s oversight based on a recommendation on such principles by the senior management.

13.2.1 Recent Changes

The organization structure was adjusted earlier this year in order to update the new staffing positions/levels. The following changes were made:

A: Bylaw Officer Position
   
   From: A union employee for the By Law Officer Position
   To: A memorandum of Understanding with the RCMP for a contract By Law Enforcement position.

   Note: Effective October 2009 this has changed back and the Municipality will be hiring an employee for the Bylaw Officer position. Due to legislative restrictions an enhanced police service position would not be able to enforce Municipal Bylaws such as Unsightly Premise (Community Standards Bylaw) or Water Utilization Bylaw, etc.

B: Licensed Weed Applicator Position
   
   From: A union employee for the Weed Applicator Position
   To: A shared seasonal contract position with a neighboring community-MD Ranchlands

C: Warehouse Operator
   
   From: Reporting to the Public Works Superintendent
   To: Reporting to the Director of Finance & Systems (largely for systems support purposes)

D: Electrical Apprentice
   
   From: An electrical helper union position
To: An electrical apprentice union position

Note: This position will be eliminated once the apprentice is a certified journeyman electrician and will then be included under the electrician position category on the organizational chart

E: Building Maintenance Techs

From: Having two Maintenance Tech 1 positions

To: Having one Maintenance Tech 1 position and One Maintenance Tech 11 position

F: Public Works Equipment Operators

From: Having only Equipment Operator 1 and Equipment Operator 11 positions

To: Having Equipment Operator 1, Equipment Operator 11 and Equipment operator 111 positions based on technical skills

G: Health and Safety Officer (.5FTE)

This position is not on the updated organizational chart but has been hired as a permanent part time union employee.

13.2.2 Structural Issues

The issues emanating from the structure are as follows:

- There does not appear to be any day-to-day representation of the issues faced by Emergency personnel (Fire and Rescue) at the management table; as previously recommended, the Municipality needs to consider at its earliest opportunity the addition of a Protective Services Officer who could coordinate the emergency services functions; such a position should report, at least initially to the Director of Community Services (unless it is added at the outset to the structure as a department head i.e. Director of Protective Services).

- The key human resource issues are significant yet do not show up on the organizational horizon. There is no single position identified as the HR officer which unfortunately places a lot of that burden on the CAO.

- Communication is inadequately understood and managed internally and yet has a major impact both in terms of how the staff members view their roles and in terms of how the public receives the messages. The organization is fortunate to have someone who has prior professional training in this area and who could be utilized much more fully in this regard.
Building inspection, development, planning and assessment are shown as direct reports to the CAO which is not appropriate (in our view) in a small organization. Giving these functions a new “home” will enable improved coordination and control.

We understand that succession planning is becoming a much more “real” issue in Crowsnest Pass as staff aging becomes a fact of life. Three seasoned staff members have already retired in 2009, with an additional six staff eligible to retire within the next two to three years. Any such change is significant for a small organization as the amount of corporate memory leaving out the door is not replaced by new folks regardless of how competent or trained they may be.

The organization has, at present, very few middle management positions. Employees are either The manager or they are working on the front-line. While that might seem efficient at first glance, it does little to ensure adequate supervision in the field. We have identified through re-naming certain positions, a few additional supervisory roles.

The overall staff complement was not viewed by us as a significant issue; the CAO should have sufficient flexibility in the budget and through the powers granted to him by bylaw to make internal adjustments based on short term shortfall in services.

### 13.3 Proposed Alignment of CAO’s Office and Divisions

**Chief Administrative Officer**

The CAO is expected to oversee the following key functions:

- Information/secretariat support to Mayor and Councillors
- Administrative coordination with the external auditor
- Liaison to economic development/tourism
- Coordination and leadership to protective services
- Direct leadership and guidance to the department heads

**Department Heads and Functions**

- Director of Corporate & Financial Services
  - Departmental Support (Clerk)
  - Accounting/Taxation
  - Utilities
George B. Cuff & Associates Ltd.

- Warehouse Support
- Bylaw Enforcement
- Health and Safety (.5fte.)

- Director of Legislative, Human Resources and Communication Services
  - Functions (not individual positions)
  - Secretary/Municipal Clerk secretariat support
  - Human Resources
  - Communications

- Director of Community Services
  - Building, Development and Planning Services
  - Recreation/ Facilities
  - Community Services Programmer

- Director of Operational Services
  - Works Supervision and support
  - Utilities Supervision and support
The Pass Powderkeg Ski Hill Authority currently has the staff of the Ski Hill reporting directly to the Authority Manager. This is a year round operation and seems to function reasonably well.

Similarly, the Pool Manager reports directly to the Crowsnest Pass outdoor swimming pool board. This is a seasonal entity. Given that the current Manager has indicated that he will not be returning for another season, this would be an ideal time to review that structure and place the staffing responsibilities under the management of the Municipality.

The Municipality should be moving towards a Community Services structure with a broadly-based community advisory structure in place. Such an approach would include a cross-sectional diversity of membership seeking the best course to enable the community to have access to a wide range of community services including cultural services. The Municipality needs to take the lead in encouraging local groups to think as a community and to see the needs of other groups as allied with their own. Having such an advisory body could help to facilitate greater oneness in the Pass.

### 14.0 Determining the Model of Governance

Every municipality utilizes what is referred to as “a model of governance”. This simply refers to “how does the Council make its decisions?” It also applies to the structure of ABCs (outside and internal agencies, boards and committees). These ABCs have a fairly significant impact on how any municipality governs itself given their mandates of providing advice and sometimes direction in various aspects of the community’s “agenda”.

Crowsnest Pass is no exception. We were provided with a binder of information on such groups and had the opportunity to interview several.

#### 14.1 Which Model?

Whether or not the Municipality has the “right” model is a function of several factors. These we address in the following questions:
“Did the Model of Governance enable Council to ensure that the business of the Municipality was conducted in a fair, responsible and effective manner?”

“Further, did the Model ensure that Council acted as the policy and political leaders?”

Does the model add value to how decisions are made? Has Council indicated how it has utilized the advice it receives from ABCs and members of the public in making key decisions?

Does the Council invite the ABCs into the Chambers on a regular basis to discuss their agendas and how Council can assist them in maximizing their use of community resources?

Do the ABCs have contact with the civic administration? Do they respect that the CAO is the only person entitled to guide the work of the administration?

It is clear that various models can essentially be used to achieve the same ends. The real question lies more in determining which model will work best and be most conducive to ongoing quality government. The two extremes in civic governance are as follows: a considerable number of standing committees with narrow mandates (sometimes referred to as “a portfolio system”) or a committee of the whole with a very broad yet hopefully focused mandate. In the former instance, Councillors are appointed to a plethora of standing committees and act in an oversight role to various civic functions. Thus, one committee may be devoted to parks while another oversees recreation with still others are devoted to community facilities, tourism, planning, economic development, fire services, policing, social services, housing and so on. These committees tend to be so directed towards a narrow range of functions that within the first few meetings, the focus by the weight of necessity has shifted from policy issues to day-to-day management.

The second extreme is that of a single standing committee, referred to as a “committee of the whole”, which has a narrow range of issues which must be referred to it by virtue of its terms of reference (e.g. planning, budget). Thus, this single committee may be limited to reviewing planning matters (which by legislative necessity, must be reviewed by a committee of Council), and budget issues which take pre-eminence during one season of the year. In this model when taken to its extreme, the vast bulk of the Municipality’s business flows through unimpeded to
Council at its regular meetings or is handled by the administration who understands that they have the authority to do so by virtue of the legislation, the CAO’s bylaw and its delegated powers. While this model can be very efficient, it tends to encounter some resistance from Councillors who may fear that they are being left out of issues that they saw as being “interesting”. Or, members of Council might argue that because these Committee of the Whole issues are going to return to the regular Council meeting table, the process may (and will likely) become redundant.

14.2 Current Structure

The Municipality of Crowsnest Pass currently has a series of standing committees. These are noted as follows:

- **Municipal Community Development Committee**
  - This committee is responsible for advising Council of matters pertaining to municipal bylaws including all protective services and bylaw enforcement; marketing of municipal facilities; asset planning and policy development; protocol arrangements for special events; and ensuring appropriate representation at community events by the Municipality. (Approved March 2008)

- **Corporate Services Committee**
  - This committee of Council is responsible for advising Council on matters pertaining to municipal bylaws, land sales, development and legal issues. (Approved December 2007)

- **Operational Services Committee**
  - This committee shall be responsible for advising Council on matters pertaining to Public Works...structures, utilities, ...streets, sidewalks, surface and sub-surface storm drain facilities, water source, water lines, water treatment, water storage...gas, electric, telephone...signs and other works and projects... (Approved December 2007)

The committees consist of the Mayor plus two members of Council together with a staff advisor as appointed by the CAO. The term of office is one year which was to be reviewed annually. The Committee is to elect its own chair. The CAO or his designee is to serve as the meeting secretary. All members of Council are eligible to attend and participate in the debate, but may not make motions or vote and would not be
eligible for honorarium unless appointed to the committee. All meetings are to be open to the public. These meetings are held monthly although the chair (or a majority) has the authority to call a special meeting if so required. The terms of reference also spells out the order of business and the fact that these terms are to be reviewed on an annual basis.

14.2.1 Concerns Regarding Structure

The concerns that we heard vis-à-vis the present model are these:

- The committees do not meet often enough to have much impact on the work agenda
- The committees do not represent the full Council yet they carry quite a lot of weight
- The committees are very operational in nature and enable members of Council to help the department heads do their work.

It is our view that Municipality of Crowsnest Pass Council wants to agree to a model that achieves the objective of being a Council that is fully engaged on the larger, more strategic issues and is able to add some value to the decision-making process on behalf of the residents. (This does not take away from the fact that there will always be members of Council who relate better to individual items that are largely administrative). That is, Council members as a whole would like to be able to see the full picture and leave more of the day-to-day details to the administration.

We believe that the Council-driven model which we are proposing will go a long ways towards ensuring that Council as a whole is fully engaged in the significant matters and is able to lead.

14.3 Criteria for the New Model of Governance

In prior reports we have addressed the issue of how best to structure committees such that a Council is able to achieve its goals relative to understanding the key matters without being dragged into the details while still not losing sight of the key matters. While there is no one model that achieves all that each Council likely desires, it is clear that the present system limits the understanding of all members and in effect encourages Council members to “assist” the senior staff. Such assistance often detracts from department heads growing as senior managers because they are always able to defer any troublesome issues to members of Council and thus not have to
tackle the more difficult issues. Any model that Council employs should be one that enables a Council member to be briefed on the larger matters but simply made aware as information the other issues that are more mundane.

The criteria which we lay out as follows are not new. We have drafted these previously. We think however that they are pertinent to the circumstances here in “These criteria include:

- **Responsiveness to public needs (public-focused)**
- **Responsiveness to political leadership (accountability)**
- **Transparency of decision-making (openness)**
- **Coordination of resources (collaboration)**
- **Openness to change (flexibility)**
  - **Clarity of authority (mandate)**
  - **Capacity to continue (sustainable)**
  - **Simplicity of design (a clear decision-making framework)**
  - **Currency of information (the right to concurrent advice)**

These are further described as follows:

**a) Responsiveness to public needs (public-focused)**

Crownsnest Pass exists to provide public-focused services to its customers, the citizens and businesses of the Municipality. This requires an organization which is open to, and responsive to, public input. That input, while largely focused at the political level, must also be reflected in how the employees of the Municipality respond to demands and new priorities.

**b) Responsiveness to political leadership (accountability)**

This criterion points to one of the key underpinnings of local government. The organization’s corporate structure and personnel must be responsive to the guidance and leadership of the Municipality as provided by the elected Council. It must not only be responsive to the direction provided by bylaws, resolutions and policies, but also the Municipality’s administration must have built into it clear levels of accountability. The will of Council should be understood as pre-eminent in what decisions are being made, what services are being delivered, how they are being delivered, and how the delivery of services and the expenditure of public funds is being reported and assessed.
Regardless of the delegation of considerable administrative powers to the CAO and his staff, the public clearly expects the elected Council to be accountable. This requires that the Council is well-informed, engaged in driving the policy priorities and committed to steering the organization. Within the policy and strategic framework established by Council, the administration is charged with making a multitude of decisions which constitute the rowing of the organization. Thus, Council and the citizenry must be cognizant of who is responsible for administrative action and who, at the end of the day, is accountable for the results.

c) **Transparency of decision-making (openness)**

Public business should be done publicly. This criterion refers to the fact that local governments are expected to function in a far more open environment than either their provincial or federal counterparts. Thus, while some of what a Council does must by necessity be treated in very strict confidence (largely via *in camera* sessions), there are very few issues which should not be the subject of public debate. The citizens need to become aware of how the system works and how it can be accessed. While they are aware that some issues will be confidential, the citizens of Municipality of Crowsnest Pass will likely expect those to be significant and defensible.


d) **Coordination of resources (collaboration)**

The Council and administration of the Municipality run a multitude of businesses. These range from fire services to bylaw enforcement, from providing planning services and granting building permits to processing concerns regarding engineering and designing new roads to maintaining existing roads. There are, however, numerous areas of overlap and thus the potential for duplication. As well, many of these services are interdependent - that is, they affect and even rely upon the actions of other staff in other departments. The work of the department heads is clearly one of focusing these resources and services in such a way as to minimize the potential for duplication and/or poor communication. These resources are expensive and valuable and need to be treated in a collaborative manner. Whatever the governance model employed by Council, it must act as an integrator of resources and not one which contributes to silo management. Functions should be balanced where possible in
terms of their people, potential impact, degree of complexity and perceived value to the Municipality.

ev) **Openness to change (flexibility)**
Flexibility is a by-word for the organizational culture of today and presumably into the future. As the focus of the Municipality’s business changes over time in response to what are the perceived needs of the residents and businesses, this system must also be open to various kinds of adjustment.
Organizations are dynamic entities. They are not static systems but rather are as open to change forces as individuals are. Such changes can occur in legislation, the environment, economic factors, demographics, and so on.

f) **Clarity of authority**
Accountability requires specificity of authority to take action. In order to preserve the respective responsibilities of both Council and the administration, the Governance Model will need to set out the expectations and areas of authority for each party. It must be clear to each part of the organization what duties they are charged with and what level of authority each holds. This clarification is particularly needed and useful in such aspects as:

- Power to hire/fire
- Authority to expend funds
- Authority to guide and direct staff
- Power to advise a political or public body.

g) **Capacity to continue (sustainable)**
We noted earlier that organizations change (or should change) in response to both external and internal factors. Part of the Council’s mandate is to seek to ensure that the Municipality functions effectively and in such a manner that it is sustainable within its available resources.
The Council also has a responsibility to ensure that there is a clear succession policy and plan vis-à-vis its relationship to its chief administrative officer.

h) **Simplicity of Design (a clear decision-making framework)**
The business of a municipality of the size of Municipality of Crowsnest Pass is complex. The Municipality is involved in a range of services and functions which are determined in part by legislation and in part by local preference. The Governance
Model should not, in any way, add to the complexity of the business but, rather, enable good decisions to be made in a straight-forward manner. Thus, anyone viewing or participating in the conduct of the Municipality’s business should understand that there is a logical manner by which decisions are made and the work discharged.

i) Currency of Information (the right to concurrent advice)

This is a difficult yet important issue to address. Any system of governance needs to recognize the importance of ensuring access to all policy-related information and subsequent decisions by those who are charged with the responsibility of making policy decisions. The principle “currency of information” augers against any system which enables only certain members to have access to the key pieces of information (i.e. that which occurs in most standing committee systems or in important external boards and committees). Thus, whatever the system of governance, care must be taken to ensure that it ensures that all members of Council actively and equally share information on a concurrent basis.

14.4 Components of a Governance Model

These criteria are simply a part of the story. Any governance model must include:

- Council’s objectives
- Key principles
- An understanding of good governance
- Quality administrative advice
- Clear reliance on the CAO for quality control
- Reasonable opportunities for the public to have input
- Time for reflection for members of Council
- Consideration of the important and longer term issues
- An understanding of what is policy and what issues are within existing policy

The following takes each of these elements into consideration separately:

- What are this Council’s objectives? It seems to us that these might include:
  - The focus on good decisions which are supportable by the public
  - Making decisions on the key and tough issues which will improve the Municipality’s future
  - Having access to all of the relevant and solid administrative research
  - Making decisions which will stand the test of time
What constitutes good governance?

- Good governance consists of effective decisions; made within a transparent and open environment; made by those who are informed and who are legitimately entitled to make the decisions; with the involvement of those who are directly impacted by such decisions.

How important is quality administrative advice?

- Every Council needs access to the very best of advice on each issue such that decisions being made are well considered, thoughtful and sensitive to public considerations.

How is a Council impacted by its reliance on the CAO for quality control?

- One of the principal roles of a CAO is to provide quality advice to Council on its agenda issues. This requires that the CAO also be sufficiently informed on the matters within the purview of his/her department heads that any of their reports will be suitably scrutinized and if acceptable to the CAO, then signed off.

How will the public be involved?

- It is important that this Council consider whether or not its public has been afforded reasonable opportunities to have input. Are they aware in advance of the issues? Have the mechanisms for delegation become more “user friendly” or more difficult to access?

Does the process provide for time for reflection for members of Council?

- Good decisions are generally not made “on the fly”. They are the product of a step-by-step process which sometimes appears to be overly complex or slow.

Does the governance model consider the future?

- A solid governance process allows for the consideration of the important and longer term issues. Decisions are best when taken in the broader context.

14.5 Meetings of Council

Meetings of Council are critical to the decision-making process. While many Councils treat the processes of their meetings too lightly, it is at such meetings that much of Council’s ultimate power and influence is displayed. Not much happens in a
municipality unless Council has approved the business plan, the budget, the timing and the right to proceed. Final decisions are often rendered at such meetings. As a result, careful thought should be given to their planning, intent, procedures and follow-up action.

Meetings of Council are intended to not only enable Council to "get its business done" but also to provide the public with an opportunity to view the process and participate where desired or possible. Regardless of the activities and actions leading up to regular meetings, the gathering together of Council members to debate the merit of issues and then to decide their resolution is essential to local government. That is, it is the formal and public meetings of a Council which should be the main focal point of a Council’s governance and public presence.

Such meetings also convey the style of a Council and its willingness to be held to account by its citizens. It is up to every Council to determine how frequently it will meet and whether or not those meetings or portions thereof are open to or closed to the public.

14.5.1 Staff Reports

While we appreciate the desire of Council to be informed having department heads present “their” report of their department generally sends the wrong message. Firstly, department heads do not report to Council and yet their reports are directed to the attention of Council. Secondly, having department heads report directly encourages the belief by them as well as Council members that they can, at their pleasure, step past the CAO and deal directly with Council. This effectively undermines the authority of the CAO in the eyes of his department heads and in the minds of Councillors.

Their reports (if the CAO thinks they are needed and useful) should be directed in every instance to the CAO. (Even if the CAO were to be away from the office for a period of time, the reports should be directed to the attention of the Action CAO). If the CAO believes there to be value in rolling up such reports together with “his report” into one document, then it will be the CAO’s report which Council receives. Any issue which requires the attention of Council in terms of an approval or change in policy should be added to the agenda as an item of business, not as a report.
14.5.2 Authority of a Council Member to Request Staff Reports
Any member wishing a report from the administration should present such a request to Council as a whole through a motion at a Council meeting or through a request to the Mayor. The Mayor could then discuss the request with the CAO. No member of Council has that authority on his/her own.

14.5.3 Verbal Reports
Neither Council members nor staff members should be expected to provide verbal reports to their colleagues at either a committee meeting or at a regular Council meeting. Such reports are of dubious value given that no one has the opportunity to study what is being reported or to ask any thoughtful questions. The recording secretary at any meeting attended should have the minutes of such meetings available to all members of the committee or Board and those minutes are what constitute the real account of the meeting.

14.5.4 Secretarial Support
The CAO should designate who the secretarial support is to be at every committee meeting of Council. The secretary to such meetings should never be the CAO or the department head if they are acting as the principal advisor to the meeting. One cannot do a good job of both functions. Further, having someone experienced as a meeting secretary (at very little additional cost to the Municipality) provides the organization with added back-up clerical support in the event of a sudden turnover in staff and if the support person is on staff, with someone whose full attention is focused on the taking of good minutes and not on engaging in discussion with Council.

14.5.5 End of Meeting Additions
While it is common practice in many places to allow items to be added onto an agenda at the end of a meeting, such items should only be considered as “for information” and not “for decision”. Such additions are very unfair to a policy-making body which strives for thoughtful debate which in turn requires the time to prepare through advance study. “Instant expert” decisions are often prone to be exposed as questionable or wrong when considered in the cold light of the realities of the following day.
14.5.6 Public Input at Meetings

Public input to any community decision-making process is generally considered desirable. However, it is not always expressed in an agreeable manner. Regardless of the difficulties encountered in holding public meetings, the Municipality is a public body that according to legislation must conduct its business in public (except those circumstances wherein the Council or committee of Council may legitimately determine to go in camera).

Public input could be achieved and managed in a number of ways. Obviously, the more traditional approach is through a delegation process at regular or committee meetings of Council. This requirement and forum enables a delegation to gain the attention of Council on a particular matter and to present their views for a fixed time (generally 3-5 minutes) after which Council members may be entitled to ask any questions designed to flesh out the remarks of the delegation.

A second approach is similar to the first and that is the availability of time on an agenda for Municipality agencies, boards and committees (ABCs) to make a presentation on matters within their mandate and to seek Council’s concurrence. These differ from the first process only insofar as the latter are ongoing, recognized groups whereas the former is more frequently that of individuals seeking redress on very specific and often time-sensitive matters.

A third approach to public participation at meetings of Council (or at a Governance and Priorities Committee meeting) is to provide a “public dialogue session” at the beginning or conclusion of a Council or committee meeting. Such sessions encourage a more free-wheeling style of dialogue wherein members of the public are entitled to speak to matters on the committee agenda and to ask questions (through the chair) of Council members or any staff members who may have presented an issue. Such a forum needs to be carefully guarded in terms of its boundaries such that no member of the public is allowed unfettered access to staff so as to dominate or manipulate the session. Further, issues that have already been dealt with and are the subject of a Council policy or resolution are not considered open for such discussion. Terms of reference are essential for such processes in order to be effective.
14.6 Improvements to Council’s Governance

We believe that the decision-making of this Council can be improved. While we are not critical of past decisions because we do not see that as a part of our mandate, we do conclude that Council itself has been critical and would like to see how it might improve. The following changes or steps are not particularly unique or radical and generally follow from much of what we have written. Nor will any changes proposed by us or by anyone else protect Council from making inappropriate judgements. Taken together, however, and applied seriously and genuinely, these steps will ensure that the decisions being made are “in the public interest”.

1) **Effective Orientation**
   a) Commit by policy as a Council to an improved orientation for each and every Council member immediately following the next election
   b) Commit to this by policy (which we will draft for Council to approve)

2) **Ongoing Training for Council**
   a) Commit by policy to an improved understanding of Council’s approach to governance (i.e. Council needs to be willing to participate in relevant training in governance matters throughout each Council term)

3) **Make the CAO Accountable and Effective**
   a) Place very strong emphasis on the role of the CAO as the principal policy advisor to Council
   b) Require that the CAO sign off on every report coming to Council, regardless of its source
   c) Require the CAO to be the first speaker on all administrative reports
   d) Place the CAO at a separate table in Council Chambers apart from Council; have him decide what other members of staff join him there

4) **Engage in Effective Strategic Planning**
   a) Bring in a qualified facilitator within 30 days (we could suggest one) to guide Council through a useful strategic planning process that include the involvement of the senior management team
   b) By policy commit to a strategic planning session (independently facilitated) within 60 days of any municipal election

5) **Stop All Private Meetings of Councillors**
Commit by resolution (which we will draft) to not hold private meetings with other members of Council unless such meetings are held at the Council Chambers and are advertised to all other members of Council

Commit by resolution to not engage other members of Council or members of the administration in any e-mail exchanges unless all other members of Council are simultaneously copied on each such communiqué (if a member does not have e-mail, agree to telephone the member immediately or copy him by fax); refuse to participate in any process of decision-making that is not held at a regular or special meeting of Council

Eliminate the Standing Committees of Council

These meetings are not helpful to forcing this Council to work together. Pass a resolution (which we will draft) to rescind the resolution creating such committees. Do so immediately.

Create by resolution a Committee of the Whole hereafter known as the “Governance and Priorities Committee” of Council (GPC). Follow the terms of reference which we will draft and edit these as the need arises.

Establish an Agenda Committee formed by the Mayor and two members of Council (whose role it is to guide the development of policy-oriented agendas which ensure that Council’s issues and concerns are being addressed)

Refuse to Attend any Meetings of Management

The Mayor needs to show leadership by not attending any meetings of management save once per year wherein he commends their work as a team and shows support for the CAO. Management meetings are just that “management meetings”. These are excellent forums for department heads to brief their CAO and for the CAO to draw out the background behind the recommendations being submitted by his department heads.

Commit to Policy Development

Council needs to continually ask the question of the CAO “What is the policy issue at stake in this issue?” If there is no policy issue, question why the matter is on the Council’s agenda.
b) Commit to a review of current policies and request management to bring 1-3 current policies forward to each meeting for a review of their applicability in the present circumstances.

**14.7 Improvements to the Administration**

We did not want the administration to feel left out of this process of improvements to governance. It is certain that they have a tremendous impact on how well any Council governs and so it is fitting to include these recommendations here. These and the foregoing will be re-stated in the “Recommendations” section of this Report.

1) **Apolitical Advice to Council**
   a) Commit to provide Council with the best possible apolitical advice on all business issues
   b) Refuse to be influenced by any member of Council between the regular meetings of Council and the Governance and Priorities Committee (GPC)
   c) Illustrate the linkage of any staff recommendations to Council’s priorities and/or new/revised policies

2) **Request for Decision Format**
   a) Place all reports and recommendations before Council through utilizing the attached “Request for Decision Format” in order to improve consistency and ease of identifying the governance issues at stake in any such matter before Council

3) **Eliminate Department Head Reports**
   a) Place all departmental issues before Council in the form of an RFD; submit any department head reports to the CAO; he will roll these up into a singular CAO report and will direct any questions of Council to the appropriate department head

4) **Commit by Policy to All Staff Conferences**
   a) Ensure that at least twice annually meetings are held with all members of staff (perhaps over a noon luncheon sponsored by the Municipality) (or by a social club of the employees); have the CAO provide all employees with an overview of the key things that are happening in Council and with individual departments; use these meetings as a means of building staff morale

5) **Commit by Policy to Employee Assessments**
a) Ensure that all employees are provided with feedback on their performance once annually; develop an appropriate format for unionized employees; provide training in how such assessments are done

6) Clearly-defined Senior Management Team (SMT) Meetings
   a) Hold SMT meetings once weekly; prepare an agenda; seek input on agenda items from department heads and any direct reports
   b) Commit to a new approach to policy development; place new/revised policies before Council

While this new model will take some time to refine appropriately, we are confident that it will meet the requirements of this Council (and the organization) and ensure that Council has the necessary tools to lead effectively.

The Mayor and Councillors must be absolutely rigorous in committing to the proposed new process and approach and determined to raise the governance bar for itself and succeeding Councils. Such change is seldom without its detractors—and perhaps their voices will carry some weight in this Municipality. On the other hand, change of any kind is never without the perils of status quo and criticism. This Council must in effect stand up and declare that it is the body which governs this Municipality and that it will do so in a manner that is conducive to the spirit of open government and the principles of good governance.

14.8 Task Forces

A mechanism that Council can utilize in the handling of its governance responsibilities in a manner that engages the public effectively is the use of task forces. This is a format that Council could make use of in the future whenever there are “single issue” problems which Council believes warrants the input of the public. Such task forces should reflect the following guidelines:

- Be governed by written terms of reference prior to Council approval of the task force
- Be limited to between 5-7 members of the public only
- Composed of a cross-section of those involved with the issue (or as a broader cross-section of the community)
- Advisory to the Governance & Priorities Committee of Council
- Established only by Council
George B. Cuff & Associates Ltd.

- Include a “sunset clause” in their terms of reference indicating the date by which their report is due and the date by which the task force will cease to exist
- Permit the attendance of Council but not as members of the task force
- Identify (through the office of the CAO) the staff member(s) who is to act in an advisory capacity to the task force

14.9 Revised Procedural Bylaw

It is our view that a Council’s effectiveness is greatly impacted by the processes of decision-making which it has available. Within this umbrella, lies both the manner by which issues are considered for decision and the mechanisms available for such consideration.

Some of the changes we are recommending may require changes to the Procedural Bylaw (Bylaw #655, 2005). The CAO and Director of Legislative Services should review this to ensure that the necessary Bylaw amendments are proposed to Council within 30 days of Council’s adoption of this Report.

The current Procedure Bylaw of Crowsnest Pass is basically sound. It covers the areas which are generally deemed to be critical to the successful functioning of meetings and does not unnecessarily make the matters complex. Changes to the Bylaw that should be considered at the same time as any additional Bylaw amendments necessitated by this Report include:

- Part II, Section 1 The actual day of the week when Council meetings are to be held should be identified in Council’s organizational meeting minutes, and not in the bylaw. The new Council may, because of the commitments of Councillors or for other reasons decide to hold the meetings on a different day of the week. Placing this in the bylaw simply complicates affecting the preferred change.
- Part III, Section 1 b) The order of business is not needed in the bylaw and may hinder any useful change to the agenda. Section 1 a) already speaks to this matter.
- Part III, Section 1 i, j should be amended by adding the words “as designated by the Chief Administrative Officer” after the words in both sub-sections “or other management personnel”
15.0 OUR RECOMMENDATIONS

1) Accept Report
   a) We recommend that the Council accept this Report on the Governance Review “in principle”.
   b) We recommend that Council refer the Report to the CAO for any comments prior to the Report being referred back to Council with a recommended action plan for moving forward.
   c) We recommend that each Recommendation in this Report be considered by Council and a motion presented on each recommendation.

2) Effective Orientation
   a) We recommend that the Council commit by policy to an improved orientation for each and every Council member immediately following the next election.
   b) We recommend that the Council commit to this by policy (which we will draft for Council to approve).
   c) We recommend that an external facilitator be retained to orient the new Council on its governance functions (regardless of the degree of change in the membership of Council subsequent to the 2010 municipal election.
   d) We recommend that the CAO prepare (or cause to be prepared) a thorough briefing on each of the ABCs to which the Council appoints members so that new (and current) members of Council understand the mandate of the ABC, their history, their legal standing, their funding and any key issues.
   e) Further, we recommend that all ABCs receive a letter from the Clerk advising of the appointment of Council’s representative and their real role of liaison to the ABC (as opposed to advocate which is not their role).

3) Ongoing Training for Council
   a) We recommend that the Council commit by policy to an improved understanding of Council’s approach to governance (i.e. Council needs to be willing to participate in relevant training in governance matters throughout each Council term).

4) Make the CAO Accountable and Effective
a) We recommend that the Council place very strong emphasis on the role of the CAO as the principal policy advisor to Council.

b) We recommend that the Council require that the CAO sign off on every report coming to Council, regardless of its source.

c) We recommend that the Council require the CAO to be the first speaker on all administrative reports.

d) We recommend that the Council place the CAO at a separate table in Council Chambers apart from Council and permit the CAO (as suggested by his preeminent rank in the administrative organization) to have the full responsibility to decide what other members of staff join at the administrative table (other than the meeting recording secretary who will be at each meeting and who should also sit apart from Council).

5) Engage in Effective Strategic Planning

a) We recommend that the Council bring in a qualified facilitator within 30 days (we could suggest one) to guide Council through a useful strategic planning process that includes the involvement of the senior management team.

b) We recommend that the Council by policy commit to a strategic planning session (independently facilitated) within 60 days of any municipal election.

6) Conduct of Council and Committee Meetings

a) We recommend that this Council encourage its CAO to speak to each item on the agenda and to be the first speaker to elaborate on any management report that accompanies the item.

7) Stop All Private Meetings of Councillors

a) We recommend that the Council commit by resolution (which we will draft) to not hold private meetings with other members of Council unless such meetings are held at the Council Chambers and are advertised to all other members of Council.

b) We recommend that the Council commit by resolution to not engage other members of Council or members of the administration in any e-mail exchanges unless all other members of Council are simultaneously copied on each such communiqué (if a member does not have e-mail, agree to telephone the member immediately or copy him by fax).
c) We recommend that the Council refuse to participate in any process of decision-making that is not held at a regular or special meeting of Council.

8) **Eliminate the Standing Committees of Council**
   a) We recommend that the Council pass a resolution (which we will draft) to rescind the resolution creating the three standing committees. We recommend that the Council do so immediately.
   b) We recommend that the Council create by resolution a Committee of the Whole hereafter known as the “Governance and Priorities Committee” of Council (GPC).
   c) We recommend that the Council follow the terms of reference which we will draft and that the CAO review/edit these as the need arises.

9) **Meetings with Community Boards**
   a) We recommend that the Council hold meetings every year with the agencies, boards and commissions which Council appoints members to or whom form the volunteer backbone of the Municipality.
   b) We recommend that Council seek ways to maximize their input on topics of relevance at Council meetings.
   c) We recommend that Council request the CAO to develop a “community volunteer registry” and training programs for community volunteers. This information should then be shared with all community groups, within normal legal boundaries.
   d) We recommend that the Municipality’s community services board (which needs to be amalgamated with the cooperation and involvement of groups like FCSS, recreation, cultural groups, Crowsnest Action Committee) should host an orientation and training program for all community volunteers on such matters as board governance, applying for grants, assistance available locally, etc).

10) **Refuse to Attend any Meetings of Management**
   a) We recommend that the Mayor show leadership by not attending any meetings of management save once or twice per year wherein he commends their work as a team and shows support for the CAO. Management meetings are intended as very useful, confidential forums for department heads to brief their CAO and for the CAO to draw out the background behind the recommendations being
submitted by his department heads. Regardless of the well-meaning attempt by the Mayor to sit in and offer historical input only, his presence changes the very tone of these meetings.

11) Commit to Policy Development
   a) We recommend that Council take a more broadly-based governance approach to issue resolution. Council needs to continually ask the question of the CAO “What is the policy issue at stake in this issue?” If there is no policy issue, question why the matter is on the Council’s agenda.
   b) We recommend that Council commit to a review of current policies and request management to bring 1-3 current policies forward to each meeting for a review of their applicability in the present circumstances.

12) Apolitical Advice to Council
   a) We recommend that the CAO and senior management as a body (reporting through the CAO) commit to provide Council with the best possible apolitical advice on all business issues.
   b) We recommend that the CAO and management refuse to be influenced by any member of Council between the regular meetings of Council and the Governance and Priorities Committee (GPC); and that any such attempt be reported to the CAO and through the CAO to Council as a whole.
   c) We recommend that the CAO illustrate the linkage of any staff recommendations to Council’s priorities and/or new/revised policies, and/or the approved corporate business plan.

13) Request for Decision Format
   a) We recommend that the CAO place all reports and recommendations before Council through utilizing the attached “Request for Decision Format” in order to improve consistency and ease of identifying the governance issues at stake in any such matter before Council

14) Eliminate Department Head Reports
   a) We recommend that the CAO place all departmental issues before Council in the form of an RFD.
b) We recommend that the department heads submit any department head reports to the CAO (the CAO will roll these up into a singular CAO report and will direct any questions of Council to the appropriate department head).

15) **Commit by Policy to “All Staff Conferences”**
   a) We recommend that the CAO ensure that at least twice annually meetings are held with all members of staff (perhaps over a noon luncheon sponsored by the Municipality) (or by a social club of the employees).
   b) We recommend that the CAO provide all employees with an overview of the key things that are happening in Council and with individual departments and that he use these meetings as a means of building staff morale.

16) **Commit by Policy to Employee Assessments**
   a) We recommend that the CAO ensure that all employees are provided with feedback on their performance once annually.
   b) We recommend that the CAO develop an appropriate format for unionized employees and provide training in how such assessments are done.

17) **Clearly-defined Senior Management Team (SMT) Meetings**
   a) We recommend that the CAO hold SMT meetings once weekly; that the CAO prepare an agenda; and that the CAO seek input on agenda items from department heads and any direct reports.
   b) We recommend that Council commit to a new or renewed approach to policy development and that the CAO place new/revised policies before Council.

18) **Decisions of Council**
   a) We recommend that the CAO assure all members of Council that all decisions made by Council at duly called meetings of Council wherein there is no question that the Council is functioning in a legal manner will be implemented immediately by the CAO and his administration.

19) **Financial Policies**
   a) We recommend that the CAO ensure that the following policies are developed in a timely manner.

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<td>Donations</td>
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18. **Municipal Sustainability - Strategic Long Range Plan**

   a) We recommend that the CAO outline to Council (within 30 days) a process of developing a Strategic Long Range Plan that brings together the community vision, Council governance, Council policy, and Corporate Business Plan.

19. **Future Capital Needs**

   a) We recommend that after the Tangible Capital Asset project is completed, the Municipality recalculate its future capital needs using the same or a similar method applied in the “Infrastructure Analysis & Forecast of Capital Needs” section.

20. **A Full Review of Facilities and Services**

   a) We recommend that the CAO implement a full review of facilities and services with the object of reducing both annual operating costs and long term capital replacement costs. Facilities that are not fully utilized or provide duplicate services should be rationalized, resulting in the closure or amalgamation of some of the existing facilities and/or services.

   b) We recommend that the municipality conduct a cost-benefit analysis on professional & contract services to determine if there are economies and
efficiencies to be gained by internalizing some of the skills that are currently purchased from external contractors and professionals. In 2008 a total of $2.9 million was spent on Contract & general services.

21. Electricity Function
   a) We recommend that the CAO develop the terms of reference of a “Sustainability Review” of the Electricity function to assess the decreasing revenues and the need to increase reserves and the need for change.

22. Succession Planning
   a) We recommend that the Council immediately develop and approve a succession policy and plan (and we will provide you with a draft of each) as well as a recruitment policy and plan (which we will also provide you with at least a good starting point) for this very important position of Chief Administrative Officer.

23. Report Implementation
   a) We recommend that the Council agree to have George B. Cuff & Associates Ltd. assess the progress made on the implementation of this Report (likely a 1-2 day process) no later than April 15th 2010 and that this Report also be made public.

Thank you.

George B. Cuff, FCMC
President
Appendix
Municipality of Crowsnest Pass

Request for Decision (RFD)

Meeting:
Meeting Date:
Originated By:

Title:
Agenda Item No:

THE PROPOSAL:

What is the essence of what is being proposed? Why is this important for the Council? What would justify this being beyond the authority of the CAO to respond?

GOVERNANCE IMPLICATIONS:

What are the policy consequences or impacts of this decision? What new policy is being recommended? What current policy is being set aside if we go in this direction?

BACKGROUND TO THE PROPOSAL:

What are the key preceding events? Have we seen the issue previously? What gives rise to this being placed before the Council?

DISCUSSION / OPTIONS / BENEFITS / DISADVANTAGES:

What are the key options in terms of Council action? The Council can stay with the status quo (option a) which is...? The Council can proceed with option b, c, d...which are and which result in...
The advantages and disadvantages from the perspective of management are: ???

COSTS / SOURCE OF FUNDING (if applicable):

IMPACT ON APPROVED BUSINESS PLAN:
RECOMMENDED ACTION:

That the Council accept the proposal of the administration as approved for submission by the CAO. This proposed course of action has been identified as Option A which succinctly stated is as follows:

ADDITIONAL BACKGROUND INFORMATION:

There is a file of background information which Council members have access to relative to this report. The executive summary of that information is attached hereto. Additional information can be accessed by following this link:

ADDED COMMENTS BY CAO:

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