

MUNICIPAL INSPECTION REPORT

CITY OF MEDICINE HAT 2024/2025

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INC



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

June 2025

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

Her Worship, Mayor Linnsie Clark
Office of the Mayor, City Hall
580 First Street, SE
Medicine Hat, AB, T1A 8E6

Re: City of Medicine Hat, Municipal Inspection Report

Dear Minister Williams:

An Inspection has been conducted of the management, administration and operations of the City of Medicine Hat, Alberta as directed by Alberta Ministerial Order No. MSL:086/24, approved on October 29, 2024.

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

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

Sincerely,

Strategic Steps Inc.

Ian McCormack, CMC
President, Strategic Steps Inc.
Municipal Inspector
City of Medicine Hat, Alberta

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1 Executive Summary

Through late 2024 and into early 2025, a Municipal Inspection was conducted for the City of Medicine Hat, Alberta as directed by the Minister of Alberta Municipal Affairs and requested by Medicine Hat City Council. Organizational strengths were found, such as the overall financial position of the municipality and expertise in front-line program and service delivery. Areas of concern were also identified including the council decision-making practices, conflict within council, conflict between council and administration, staff culture, and members of council not adhering to their governance roles or the Council Code of Conduct Bylaw.

From early in the 2021-2025 term, city council has been operating in a somewhat hostile environment leading to frustration amongst council members. In turn, this has impacted their ability to work together in a professional manner and make effective decisions for the city. This negative tone has further led to a compromised working environment for management and staff. Tensions between the city manager, the mayor, and some other members of council have created an untenable working environment that is distrustful and guarded. This tension has led to increasing public distrust of council.

Following a detailed, rigorous, and independent Inspection, the Inspector is of the opinion that the municipality has been managed in an irregular, improper and improvident manner.

This determination is not taken lightly, nor is it an absolute. The governance function of the city is ineffective and is characterized by rancour, suspicion, and accusations; however, the citizens, businesses, and community organizations in Medicine Hat are still by and large receiving the programs and services they need from their city. Based on document gathering, research, and interviewees' insights, this position of adequacy may well not be tenable in coming months. To illustrate the point, several interviewees indicated the situation worsened through the duration of the Inspection. Any change in this cascade will largely be based on whether the tone at the top changes for the better in the short term or whether it remains toxic.

Those interviewed for this Inspection were largely cooperative throughout the Inspection process and provided the Inspector with a significant amount of information. Stakeholders spoke highly of the wonderful city that Medicine Hat is and the beautiful environment surrounding it. However, the unfocused leadership and the dysfunction of council were given overall universally harsh comments by interviewees and media reports, as evidenced by some of the quotes and stories that will be referenced through the report.

It is important to note in an Inspection that the final decision for the Minister is a binary one – either the ‘three I’s’ are present, or they are not. As with any review such as this, there will always be things that can be improved, and that is the case with Medicine Hat. Interviews and emails can sometimes tell disparate stories and lead individuals to opposite conclusions.

Recommendations are included throughout this report as a way to move Medicine Hat back into the realm of a high-functioning governance body. The recommendations are identified in context through the report and also collated at the end in an Appendix. Consideration and implementation of these recommendations is intended to assist the city in strengthening local policy, processes, adherence to the rules, and to ensure full legislative compliance.

In an email to the Inspector, one member of council put it this way; *“I truly believe we can still get a lot done in the last eight months working together as a group, but the amount of time wasted on questions that weren’t even asked, and innuendo and accusations doesn’t help any of us.”*

Ultimately what has transpired in Medicine Hat is much more about the human part of governance than it is about having the proper rules in place. It is the need for increased respect among and between elected officials that is paramount.

2 Scope of Municipal Inspection

2.1 Legislative Basis for a Municipal Inspection

The Minister of Alberta Municipal Affairs ordered a Municipal Inspection in response to a request made by city council on September 3, 2024. Concerns were based on a number of factors including the behavior of council, conflict between council members and administration, as well as a council meeting incident that placed sanctions on the mayor prompting a judicial review. In July 2024 the Minister met with council to relay his concerns which led to council passing a resolution to request a Municipal Inspection. Soon after, the Minister was notified of the resolution and ultimately, approved the Inspection.

Alberta Ministerial Order No. MSD:086/24 was signed on October 29, 2024. The Honourable Ric McIver, Minister of Municipal Affairs at the time, appointed a third-party consultant to undertake the Inspection of the council conduct and council leadership, and the city's management, administration and operations pursuant to Section 571 of the *Municipal Government Act*¹ (MGA), as quoted below. Upon review of the Inspection findings, the Minister may order directives upon the municipality pursuant to the MGA s. 574, also quoted below.

Inspection

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

(a) on the Minister's initiative, or

(b) on the request of the council of the municipality.

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

(3) An inspector

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

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

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

- (4) *When required to do so by an inspector, the chief administrative officer of the municipality must produce for examination and inspection all books and records of the municipality.*
- (5) *After the completion of the inspection, the inspector must make a report to the Minister and, if the inspection was made at the request of a council, to the council.*

Directions and dismissal

- 574(1) *If, because of an inspection under section 571, an inquiry under section 572 or an audit under section 282, the Minister considers that a municipality is managed in an **irregular, improper or improvident manner**, the Minister may by order direct the council, the chief administrative officer or a designated officer of the municipality to take any action that the Minister considers proper in the circumstances.*
- (2) *If an order of the Minister under this section is not carried out to the satisfaction of the Minister, the Minister may dismiss the council or any member of it or the chief administrative officer.*

The following definitions are used in reference to these MGA sections:

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

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

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

2.2 Council Request for Inspection

Throughout the council term that began in October 2021, relationships between city council members, the mayor, and the CAO have degraded to the point where the effectiveness of city council has decreased, and the culture of the city has been negatively impacted both within, and from the perspective of residents.

The rancour reached a public nadir at the public city council meeting of August 21, 2023, where observers noted that the debate between the mayor and the city manager became overtly problematic. Since that time, council and city staff have been operating in an increasingly turbulent and suspicion-filled working environment that has not gone unnoticed by city staff and residents.

In July 2024 the Minister met with council and the CAO about the concerns relayed to him. The intent of that meeting was to better understand the context in which council and administration was operating.

The distrust and frustration finally escalated to council voting to impose a series of sanctions on the mayor. In turn, the mayor responded with a request for a judicial review. In August 2024 a judicial review took place, resulting in most of the sanctions being overturned. Though the judge did agree that the mayor had breached the code of conduct, several of the sanctions that city council had applied were removed. This was seen as vindication by both those who sided with the mayor and those who sided by city council. The breach of the code was upheld, but some of the sanctions were removed.

Council continued to struggle in the environment in which they worked and at the September 3, 2024 regular council meeting, a council member brought forward a notice of motion requesting a Municipal Inspection. The “Notice” was waived by way of a council vote in order for the matter to be dealt with immediately (on the basis of a 6-3 vote). Subsequently, the resolution to pursue an Inspection was adopted there and then, with the mayor raising concerns over how the motion was written.

The request for an Inspection was made pursuant to subsection 571(1) of the *MGA* to ‘request an inspection of the Administration, the Mayor and the Council of the City of Medicine Hat’.

13. **NOTICE(S) OF MOTION**

(13.1.) **Request for Inspection**
Sponsor: Councillor McGrogan

Councillor A. McGrogan - Councillor C. Hider moved that Council waive notice and consider the motion at this meeting.

For: 6; Against: 3; Absent: 0
Voting Against: Mayor L. Clark, Cllr. R. Robins, Cllr. A. Van Dyke

Carried

Figure 1 - Motion to Consider Inspection Request

and Councillor A. McGrogan - Councillor C. Hider moved that Council, pursuant to the provisions of subsection 571(1) of the *Municipal Government Act*, requests an inspection of the Administration, the Mayor and the Council of the City of Medicine Hat.

Prior to the vote related to the above, Mayor Clark raised concerns related to the accuracy of the last two WHEREAS statements in the preamble and asked that the objection be recorded in the minutes.

For: 6; Against: 3; Absent: 0
Voting Against: Mayor L. Clark, Cllr. R. Robins, Cllr. A. Van Dyke

Carried

Figure 2 - Motion to Request an Inspection

On October 30, 2024, the Minister sent a letter to Mayor Linnsie Clark confirming that an Inspection would take place and that a procurement process to retain an independent Inspector was complete. Along with the confirmation letter was Ministerial Order number: MSD: 086/24 (dated October 29, 2024) which outlined the scope of the impending Inspection.

In the case of Medicine Hat, the initial Inspection process was focused on the five points noted in the Ministerial Order, although the Inspector was able to expand the review to include “*other matters or issues*” that are germane to the Inspection.

During the course of the inspection, the inspector shall inspect the following issues:

- the roles and responsibilities of council and administration, including members of council engaging in administrative functions;
- council making decisions outside of council meetings;
- members of council's adherence to respectful workplace policies;
- processes for the approval of unbudgeted expenditures; and
- policies and procedures related to organizational structure, including the establishment/disestablishment of staff positions and the establishment of designated officers reporting to council.

As part of the inspection, the inspector shall also inspect any other matters or issues that he determines to be necessary to prepare the report.

Figure 3 - Excerpt from Ministerial Order 086/24

2.3 Provincial Mandate and Inspection Process

The preliminary review identified concerns that members of the public in Medicine Hat are unhappy about with the municipality. The ministry has received at least 43 pieces of correspondence over the last two years relaying concerns about the leadership and operation of the city. These concerns included conflict within and between council and administration, the operations and finance of the city's utility company, decisions made by council, and sanctions imposed on the mayor resulting from a code of conduct investigation. The distrust among councillors and dysfunction of council has continued.

After receiving notification that council wanted a Municipal Inspection, it was determined by the ministry that an in-depth review would be appropriate. To that end, the Minister of Alberta Municipal Affairs responded by ordering a Municipal Inspection in accordance with s. 571 of the *MGA*.

The contract for the Municipal Inspection was awarded to Strategic Steps Inc. (SSI) who are an independent, third-party Alberta company hired to conduct a Municipal Inspection into the management, administration and operations of the City of Medicine Hat and to provide a report to the Minister with details of the Inspection findings.

The Inspection and this report focus on the topic areas outlined in the Ministerial Order noted on the previous page. In a more general Municipal Inspection, the process would be broader, delving into operations and service delivery of the relevant community; however, in this case, the bulk of the review concentrated on city council, senior management, and the interface between the two.

In support of the Ministerial Order, the Municipal Inspection team conducted interviews, research, and data collection primarily from November 2024 to January 2025. In addition, the Inspector followed local issues and remained available to receive further information and seek clarification from stakeholders until the final report was completed and submitted.

Finally, the Inspection team established and monitored a dedicated email address over the course of the Inspection (mh.inspection@strategicsteps.ca). That email address was removed at the conclusion of the Inspection.

The Municipal Inspection process included the following tasks:

1. Conduct stakeholder interviews, including:

- Elected officials (current and former);
- Chief Administrative Officers (current and former);
- Senior managers (Managing Directors²); and
- Various staff members (current and former).

² The term 'Managing Directors' is used in Medicine Hat to mean those key management staff who report directly to the CAO. In other municipalities, these would more commonly be known as 'General Managers'.

2. Research, review, and evaluate municipal records and processes at a variety of intensiveness, including:
 - Bylaws and policies
 - Council and council committees;
 - Organizational structure;
 - Process and procedures used to prepare for council meetings;
 - Role clarity between the governance function and the management/administrative function;
 - Council's understanding of their role and responsibilities;
 - A review and evaluation of council's leadership and effectiveness in working together;
 - The CAO's understanding of their role and responsibilities;
 - Attendance at and evaluation of the conduct of a council meeting;
 - The process for preparing and approving council meeting agendas and minutes ;
 - A review of recent minutes;
 - Security of key municipal records;
 - A review and evaluation of council's decisions;
 - The process of financial reporting to council;
 - The budget process; and
 - Public engagement and communication policies and procedures.
3. Prepare a written report to the Minister of Municipal Affairs and city council on the Inspection findings and recommendations.
4. Present the Municipal Inspection report to the municipal council in a closed meeting
5. Present the Municipal Inspection report to the municipal council in a public meeting.

3 Municipal Inspection Interviews

The Inspection process included a series of approximately 25 stakeholder interviews conducted to gather data and to develop an understanding of council and administration and the dynamic between the two. These interviews included individual conversations with council members, the CAO, senior staff, other staff by exception, and some former elected officials and city staff members.

Interviewees were asked a generally consistent set of questions, and the responses provided were used to assess and summarize information to develop themes where concerns were identified. In instances where allegations were made or questions of clarity were required, related stakeholders were provided with follow-up interviews to give those individuals a chance to hear and respond to sensitive matters as a manner of preserving fairness through the course of the Inspection.

3.1 Internal Stakeholders

Approximately two dozen internal stakeholders were interviewed, including current and former elected officials, CAOs, and staff. These stakeholders provided firsthand knowledge of internal processes and recent actions of local officials. In some cases, these individuals provided second-hand understandings of the topics related to the questions asked by the interview team. In these cases, requests were made for interviews with the first-hand originators of the comments. In most cases, the requests for interviews were obliged, although in at least two cases former city officials declined the request for interviews.

All interviewees were informed that they may have their own legal counsel present; however, no interviewees chose to have their lawyers attend the interviews.

3.2 External Stakeholders

In some Municipal Inspections, the scope of the review requires that external individuals be interviewed. In the situation of the Medicine Hat Inspection, there were no purely external interviews conducted other than those interviews conducted former municipal elected and appointed officials who are no longer in the city's employ.

Several members of the public provided information through the dedicated email address for the Inspection, but none of these individuals were interviewed. As noted elsewhere, these submissions were frequently related to questions or concerns that are beyond the scope of the Inspection.

4 Local Setting

4.1 Municipal Profile Information and Statistics

The name Medicine Hat comes from the native word “saamas” meaning medicine man’s hat. There are several stories and legends around the medicine man’s hat. Leading up to Medicine Hat’s incorporation as a village within the Northwest Territories. While drilling for water in 1894 the Canadian Pacific Railway discovered natural gas west of the townsite, and the community would eventually earn the moniker ‘Gas City’.

Medicine Hat became a town in 1898. In 1903, the council of the day began a program in which gas would be delivered to all residents of Medicine Hat. The rapid growth this brought saw Medicine Hat become a city in 1906 under the auspices of the *Medicine Hat Charter*. The discovery of gas and oil became the beginning of a city-owned utility venture that still exists to this day. Since that time, Medicine Hat has been the largest community in southeastern Alberta.

Today, Medicine Hat is a thriving city of almost 65,500 people, growing at a rate of 1.62% year over year. Its main economic drivers are its natural resources (coal, clay, natural gas and farmland), transportation, and access to a large portion of Canada’s crude oil production. It boasts an average of 330 days of sunshine, with over 155km of trails, parks and campgrounds. The median resident age of Medicine Hat is 42. Below is a snapshot of its municipal profile.

Some relevant statistics for the city were retrieved from the Government of Alberta’s municipal profile website³ and from the city’s financial statements⁴. The statistics are based on the most current available data from 2023:

- 9 Member Council;
- 1,082 Permanent staff positions;
- 63,271 Population (2023);
- 29,568 Residences;
- 11,984 Hectare land base;
- \$800 Million in financial assets;

³ Statistics on this page are generally retrieved from the Municipal Dashboard website provided by Alberta Municipal Affairs at http://www.municipalaffairs.alberta.ca/mc_municipal_profiles

⁴ Retrieved from 2023 Audited Financial Statement <https://www.medicinehat.ca/en/government-and-city-hall/resources/Documents/2023-Financial-Report.pdf>

- \$437 million debt; and
- \$1.022 billion debt limit.

4.2 Geography

Medicine Hat is a city in southeast Alberta, Canada. It is located along the South Saskatchewan River approximately 169 km east of Lethbridge and 295 km southeast of Calgary. This city and the adjacent Town of Redcliff to the northwest are within Cypress County. Medicine Hat was the eighth-largest city in Alberta in 2021 with a population of 63,271. It is also the sunniest place in Canada according to Environment and Climate Change Canada, averaging 2,544 hours of sunshine a year.

Medicine Hat is served by the Trans-Canada Highway (Highway 1) and is the eastern terminus of the Crowsnest Highway (Highway 3). Nearby communities considered part of the Medicine Hat area include the Town of Redcliff (abutting the city's northwest boundary) and the hamlets of Desert Blume, Dunmore, Irvine, Seven Persons, and Veinerville. The Cypress Hills (including Cypress Hills Interprovincial Park) is a relatively short distance (by car) to the southeast of the city.⁵

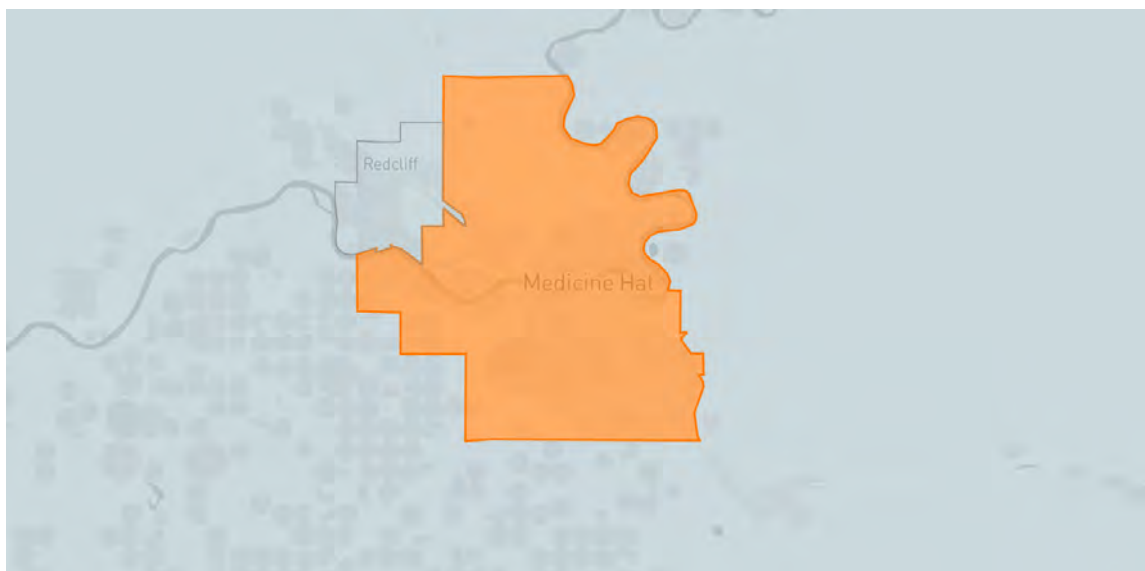


Figure 4 - Medicine Hat City Boundaries

⁵ Retrieved from <https://regionaldashboard.alberta.ca/region/medicine-hat/#/>

Municipal Inspection Findings

5 Governance

Alberta municipalities are established under provincial authority and are required to follow provincial and federal legislation. The Municipal Government Act, Revised Statutes of Alberta 2000, Chapter M-26 (MGA) is a primary piece of provincial legislation that provides order, authority and direction to municipalities.

Between the start of the 2021 city council's term and the present day, the *MGA* has undergone some significant changes in relation to governance. For the most part, the current version of the *MGA* is used by way of reference in this report, however some details in this report also rely on the 2021 version of the Act.

The *MGA* is very specific on many governance aspects, including the basic purposes of a municipality, as follows:

Municipal purposes

3 The purposes of a municipality are

- (a) to provide good government,*
- (a.1) to foster the well-being of the environment,*
- (a.2) to foster the economic development of the municipality,*
- (b) to provide services, facilities or other things that, in the opinion of council, are necessary or desirable for all or a part of the municipality,*
- (c) to develop and maintain safe and viable communities, and*
- (d) to work collaboratively with neighbouring municipalities to plan, deliver and fund intermunicipal services.*

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

- Specifies the powers, duties and functions of a municipality (s. 5);
- Gives a municipality natural person powers (s.6);
- Gives a council general jurisdiction to pass bylaws affecting public safety, regulating services, setting fees, enforcement and other matters (s. 7); and
- Gives broad bylaw passing authority to councils to govern municipalities in whatever way the councils consider appropriate within the jurisdiction given to them (s. 8 and 9).

5.1 Broad Authority to Govern

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

- Each municipality is governed by a council, as a continuing body (s. 142);
- General duties of the chief elected official (mayor) (s. 154) is to preside at council meetings in addition to performing the duties of a councillor;
- General duties of councillors (s. 153) are to:
 - (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;*
 - (a.1) *to promote an integrated and strategic approach to intermunicipal land use planning and service delivery with neighbouring municipalities;*
 - (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;*
 - (e.1) *to adhere to the code of conduct established by the council under section 146.1(1);*
 - (f) *to perform any other duty or function imposed on councillors by this or any other enactment or by the council.*
- A council may act only by resolution or bylaw (s. 180);
- A resolution is not valid unless passed at a public council meeting in which there is quorum (s. 181);
- Councils and council committees must conduct their meetings in public, subject to limited exceptions (s. 197);
- Councillors are required to vote on matters at a council meeting at which they are present (s. 183);

- Councillors are required to disclose real or perceived pecuniary interests or conflicts of interest, abstain from voting and leave the room until discussion and voting on those is concluded (s. 172);
- A council must adopt operating and capital budgets for each calendar year (s. 242, 245);
- A council must appoint an auditor to provide a report to council on the annual financial statements (s. 280-281);
- A council must pass a land use bylaw that may prohibit or regulate and control the use and development of land and buildings in a municipality (s. 640);
- A council must appoint a chief administrative officer (CAO) (s. 205) and provide the CAO with an annual written performance evaluation (s. 205.1); and
- A council must not exercise a power or function or perform a duty that is by this or another enactment or bylaw specifically assigned to the CAO or a designated officer (s. 201); and
- Each council must establish procedures to authorize and verify expenditures that are not included in a budget (s. 248).

As public servants, members of municipal councils do not retain personal liabilities for the decisions of council, so long as those decisions are made in good faith and in accordance with various Acts and bylaws.

The liability of councillors and others is covered in the *MGA*, as follows:

Protection of councillors and municipal officers

535(1) In this section,

(a) “municipal officers” means

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

(ii) employees of the municipality;

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

(2) Councillors, council committee members, municipal officers and volunteer workers are not liable for loss or damage caused by anything said or done or omitted to be done in good faith in the performance or intended performance of their functions, duties or powers under this Act or any other enactment.

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

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

Of specific note in this section of the Act, council members, staff and volunteers are not liable for loss or damage that may result in the proper and thoughtful execution of their duties. This protection does not cover acts which may be legally considered to be defamatory in nature.

5.2 Council Structure

The City of Medicine Hat is governed by a nine-member council (including the mayor) elected at large by a vote of the electors of the whole municipality in accordance with the *MGA* s. 147. Regular council meetings are held twice month and special meetings as needed.

A mayor is often described as the ‘first among equals’ on the municipal council, and has no individual powers to make decisions or direct staff beyond those of other members of council. Alberta’s local government system uses a ‘weak mayor’ form where “*a mayor’s powers of policy-making and administration are subordinate to the council.*”⁶ The word ‘weak’ should not be conflated with the strength or abilities of the individual occupying the mayor’s chair. The term and the person may often be very different.

Council also appoints the deputy and acting mayor designations by council resolution in accordance with the *MGA* s. 152. These designations are six weeks in length, providing each councillor the opportunity to hold the deputy/acting mayor role throughout the elected term.

Regardless of official titles, Alberta’s local government system is egalitarian⁷ in which each council member has an equal vote as shown in the *MGA* s. 182:

Voting

Restriction to one vote per person

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

The mayor and councillors collectively serve as part of the whole council with a decision-making structure rooted in the basic democratic principle of majority-rule. Elected officials have no individual power and a council can only act collectively by resolution or bylaw, in a public setting, with a quorum of members present in accordance with the *MGA*, as follows:

⁶ <http://www.merriam-webster.com/dictionary/weak%20mayor>

⁷ <http://dictionary.reference.com/browse/egalitarian>

Council Proceedings, Requirements for Valid Action

Methods in which council may act

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

Requirements for valid bylaw or resolution

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

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

The basic democratic principle of majority-rule means that once council decisions are made, through the passing of a resolution or bylaw, all council members are expected and obligated to uphold and honour the decision of the majority of the council, regardless of whether they voted in favour or against the decision. Essentially, this transforms council from a group of individuals into a single entity – council is an ‘it’, not a ‘they’.

In cases where the decision of council that was made based on the information of the day is determined to no longer be in the best interests of the city as a whole, there is a process available to city council to reconsider a previous motion, although such a reconsideration must be sponsored by an individual who voted with the majority in the initial vote⁸.

Effective leadership of a municipal council requires a degree of trust, grace, tact, and professional respect within council, between council and municipal staff, and between the municipal entity and the public it serves, even if there is disagreement among councillors.

Council Size and Composition

The beginning of this section of the report notes that Medicine Hat is served by a council that comprises nine members. Since a 1995 update to the *MGA*, the default number of council members outlined in s 143(1) of the *MGA* for towns and cities in Alberta is seven; however, the number of council members in Medicine Hat is nine.

⁸ Procedure Bylaw 4725, section 19.7

This is a number that was either created at nine or increased to that number sometime in the last century. The *MGA* contains a provision for council to change the number by bylaw, though the resulting number must always be an odd number and must be a minimum of three.

Ideally, this size of a city council is designed to provide a critical mass of balancing personalities and political persuasions that brings about a group that is broadly representative of the community it serves. Looking back, there does not appear to be a resolution that increased the size of council from the default to its current number.

While city officials were not able to locate a resolution regarding council size or any changes in council size, they provided a history of elected officials going back to 1900. The city council has comprised nine members since 1908, so if there is a bylaw resolution it would be well over a century old. It is also possible that the legislation of the day did not have the same requirements as today's *MGA* for a default number of elected officials. Even with that in mind, it is expected that municipalities in Alberta will align themselves with the Act as it changes from time to time. To address this irregular issue, a bylaw to set the number of city council members is required.

A very similar matter was investigated as part of the Village of Andrew's 2023 Municipal Inspection⁹, with a Ministerial Directive issued to rectify the irregularity of the absence of a related bylaw about the village council's size¹⁰. For that reason, a recommendation is included to formally establish that Medicine Hat City Council comprises nine members.

It is also worth noting that one elected official interviewee suggested that the city revert to a seven-member council.

⁹ Retrieved from: <https://open.alberta.ca/publications/municipal-inspection-report-village-of-andrew-alberta>

¹⁰ Retrieved from: <https://www.andrewab.com/public/download/files/241782>, see Directive 3.

1908 Medicine Hat Council¹¹

1908			
Cousins, W.	Mayor	Penhale, T.	Alderman
Baker, H. A.	Alderman	Forster, F. G.	Alderman
McKay, T.	Alderman	Huckvale, W.	Alderman
Tweed, H. L.	Alderman	Spencer, Nelson	Alderman
Morrow, H.	Alderman		
Roberts, E.	City Clerk		

Figure 5 - City Council at Nine Members since 1908

For comparison, other mid-sized cities in Alberta have councils that comprise either seven or nine members:

Alberta Mid-Sized City¹² Council Size

City	Council Size
Airdrie	7
Beaumont	7
Brooks	7
Camrose	9
Canmore	7
Chestermere	7
Cochrane	7
Cold Lake	7
Leduc	7
Lethbridge	9
Lloydminster	7
Medicine Hat	9

¹¹ Town and City of Medicine Hat, Members of the Municipal Council and City Clerk, 1899-present

¹² Data retrieved from Alberta Mid-Sized Cities Mayors' Caucus. The AMCMC defines a 'mid-sized city' as any city over 15,000 population, excluding Edmonton and Calgary

City	Council Size
Okotoks	7
Red Deer	9
Spruce Grove	7
St. Albert	7
Strathmore	7
Stony Plain	7
Strathcona County ¹³	9
Sylvan Lake	7
Wetaskiwin	7

This data is included to illustrate that the City of Medicine Hat has a city council that is numerically in alignment with most other mid-sized towns and cities in Alberta. The four other mid-sized cities that have councils that comprise nine elected officials are:

- Camrose;
- Lethbridge;
- Red Deer; and
- Strathcona County.

All other mid-sized cities have councils of seven elected officials. With the exception of Strathcona County, all of the mid-sized cities that have nine-member councils have at-large elections rather than ward- or division- based representation. In all these cities, the mayor is elected at large.

RECOMMENDATION FOR COUNCIL SIZE BYLAW: That Medicine Hat City Council adopt a bylaw to establish the size of city council at nine members, in accordance with MGA s. 143(1).

¹³ Strathcona County is a Specialized Municipality rather than a city but is included in this list by Alberta Municipalities.

5.3 Elections

The *Local Authorities Election Act* (LAEA) specifies the qualifications of candidates seeking elected office. Council members must be eligible to vote in the municipality, and must be residents for at least six months nomination day, according to the *Local Authorities Election Act* (LAEA)

The 2021 general municipal election resulted in nine candidates being declared elected to city council in accordance with the LAEA s. 34. Councillors are elected 'at large', meaning there is no ward system in the City of Medicine Hat. The same situation applies to the mayor. That individual is also elected at large rather than chosen from within the group of elected council members.

Five individuals ran for the position of mayor and 33 individuals ran for the eight council seats. As a result of the election, there were seven new members and two incumbents (*) elected.

Medicine Hat's 2021-2025 City Council includes:

- Mayor Linnsie Clark;
- Councillor Robert Dumanowski *;
- Councillor Cassi Hider;
- Councillor Darren Hirsch *;
- Councillor Allison Knodel;
- Councillor Andy McGrogan;
- Councillor Ramona Robins;
- Councillor Shila Sharps; and
- Councillor Alison Van Dyke.

5.4 Council Orientation

In the version of the *Municipal Government Act* in effect when the current city council was elected, the city had to offer orientation training to each councillor within 90 days of taking the oath of office. That training included specific topics that are mandated to be covered. Within section 201 of that version of that Act, a council orientation had to include the following:

- role of municipalities in Alberta;
- municipal organization and functions;
- key municipal plans, policies and projects;
- roles and responsibilities of council and councillors;

- the municipality's code of conduct;
- roles and responsibilities of the chief administrative officer and staff;
- budgeting and financial administration;
- public participation; and
- any other topic prescribed by the regulations.

For the 2025 municipal election, an updated version of section 201 of the *MGA* will be in effect. It will be required that council training and orientation occur within two weeks of taking office¹⁴. In addition, orientation will be mandatory where previously a councillor had the choice to attend or not.

In addition to what the Act requires, the City of Medicine Hat's Code of Conduct Bylaw (4805) is explicit around attending orientation:

14.1 Every Member must attend the orientation training offered by the Municipality within 90 days after the Member takes the oath of office.

14.2 Every member is encouraged to attend any other training organized at the direction of the Council for the benefit of members throughout the Council term.

Of specific note, clause 14.1 of this bylaw is improper, and will need to be updated to reflect the changes recently made to the *MGA*.

RECOMMENDATION FOR UPDATE TO CODE OF CONDUCT BYLAW: That the City of Medicine Hat council update Bylaw 4805 (Code of Conduct Bylaw) to align with changes to the *MGA* about the timing and structure of municipal council orientations.

Council orientation is a valuable education component for council members to learn or reinforce roles and responsibilities at the start of a council term. Providing the orientation binder resources in a searchable electronic format could serve local officials as an improved practice.

Orientation for the 2021-2025 council began on October 25, 2021, and continued with a diverse set of presentations until November 17th. The sessions comprised educational workshops that primarily provided opportunity for council members to learn about the city corporation. Although attendance at

¹⁴ The *MGA* states that orientation training must happen on or before the Organizational Meeting (s 201(1)(a)), and that the Organizational Meeting must occur within 14 days of the 3rd Monday in October (s 192(1)). That date corresponds to the quadrennial election day (*Local Authorities Elections Act* s 11(1)(a)). The result is that orientations must occur within 14 days of the election.

the orientation was not mandatory in 2021, all members, including the returning council members, attended the sessions. The orientation program was not open to the public.

After the internal orientation, council members attended a *Munis 101: the Essentials of Municipal Government* session offered by Alberta Municipalities (then AUMA) in Lethbridge on December 2nd and 3rd. Through documentation provided by the city, it appears that the orientation comprised what was required in the *MGA* along with a significant amount of additional information.

The following image contains a list of the topics and dates of the orientation that city council received. This agenda for the orientation process was provided to all members of city council at the beginning of their term on city council.

2021 CITY OF MEDICINE HAT COUNCIL ORIENTATION	
1. CITY COUNCIL ONBOARDING <i>October 25, 2021</i>	Notes:
2. CITY MANAGER ORIENTATION <i>November 1, 2021</i>	Notes:
3. LEGAL & LEGISLATIVE ORIENTATION <i>November 2, 2021</i>	Notes:
4. PUBLIC SERVICES COMMITTEE ORIENTATION <i>November 3, 2021</i>	Notes:
5. CORPORATE SERVICES COMMITTEE ORIENTATION <i>November 4, 2021</i>	Notes:
6. ENERGY & INFRASTRUCTURE COMMITTEE ORIENTATION <i>November 5, 2021</i>	Notes:
7. STRATEGIC MANAGEMENT & ANALYSIS ORIENTATION <i>November 10, 2021</i>	Notes:
8. INVEST MEDICINE HAT ORIENTATION <i>November 12, 2021</i>	Notes:
9. AUDIT COMMITTEE ORIENTATION <i>November 17, 2021</i>	Notes:

10. **MUNIS 101 ORIENTATION**
December 2/3, 2021
Notes:

11. **2021 COUNCIL & STANDING COMMITTEE SCHEDULE**
For reference.
Notes:

Adjournment

Figure 6 - 2021 City Council Orientation Agenda

Looking at this outline, topics 1-9 were more about pure onboarding and providing an understanding of how the city and its departments work. From this agenda, only item 11 appears to deal primarily with the topic of governance and role clarity, making this an irregular occurrence. It would likely have been useful to have that role overview appear much earlier in the orientation process so that elected officials could understand the rest of the topics using their governance lens and therefore stay clear of operations.

During the interview process, all elected officials who commented about their orientation suggested that the orientation was not focused tightly enough on council's job, with one of them contending that the process appeared to be one in which city administration was trying to convince the elected officials to adopt the priorities of the city administrators.

The information that the Inspection team reviewed did not seem to have this tone, however one elected official noted that the orientation *"was not about council, or how to be a councillor."* Another council member stated that *"our orientation was a massive failure; it was more of a brainwashing session. Council needs to know more about their lane and what it's not"*.

One of the problems with the deluge of information so early in the term is that the material is hard for elected officials, particularly the newly elected, to digest all at once. While we often hear the metaphor of 'drinking from the firehose', one new member of council put it this way; *"it was such a tsunami of information. I opened my orientation binder the other day and I didn't remember much of it."* For reference, the orientation presentation that the Inspection team reviewed, the one from which the agenda above was taken, was 994 pages in length, not including any additional material that was provided during the Munis 101 session.

There is a big difference between orienting a council and onboarding the members. In the latter, the onboarding would comprise a process that brings the newly elected person up to speed on how the city operates and how they superficially fit in. This might include;

- How the council member gets paid and receives benefits;
- Where the councillor's office is and how to get access to it;
- Where the council member parks;
- What different parts of the city deliver (i.e. the organizational structure); and
- Who the senior leadership team is and their respective roles within the municipality.

On the other hand, the true orientation to the role of councillor would include what is outlined in section 201.1 of the *MGA* noted above. The orientation is intended to give the newly elected person an overview of their governance role, how they make decisions, how they set strategy, and how they oversee functions like finance, engagement, and public participation. These items are strategic in nature and should be re-emphasized throughout the term in order to avoid an improper situation. Similarly, refraining from being tactical or operational should be re-emphasized throughout the term, since that is the job of the municipal administration.

RECOMMENDATION FOR COUNCIL ORIENTATION FOCUS: That the City of Medicine Hat revise its council orientation process to align with changes to the *MGA* and ensure that the process clearly differentiates between onboarding and orientation.

RECOMMENDATION FOR COUNCIL ORIENTATION CONTENT: That the City of Medicine Hat revise its council orientation process to provide comprehensive role-based governance training near the beginning of the orientation process.

The issues with onboarding and orientations illustrated above are not unique to Medicine Hat and not unique to Alberta. Across Canada, elected officials, particularly new ones, often note that they did not expect or realize the depth and complexity of the role prior to getting elected. More and more municipalities are realizing that 'training' has to begin before council is even elected and that ongoing governance-based professional development throughout the term is beneficial and maybe even critical.

While all councillors in Alberta now have to undertake orientation, there is a lack of consistency on how this is done across the province. Some municipalities hire consultants while others provide the training in-house. In addition, the provincial municipal associations also provide assistance in the governance-oriented learning process. While there is no fundamentally right or wrong way to orient

and onboard members of councils¹⁵, the result is a patchwork of comprehension among Alberta municipal councils on their true governance role. During the review process for this report, one member of city council suggested *“I strongly believe it (orientation) should be outsourced to an independent organization”*. The councillor went on to provide that rationale that *“relying on internal staff to train council members places an inappropriate and undue burden on employees and directly contributes to the organizational challenges we are currently facing as the training was not complete.”*

The emergence of candidate workshops is growing as a way to encourage those individuals who are truly dedicated to serving their communities, while at the same time giving a note of caution to people who may not realize what local government does, who don’t have the time to dedicate to an expanding role, or who are not likely to work well within a team of colleagues.

These overview workshops focus on the role of council and the individual member of council, including what the municipality does (and doesn’t do). They also note the egalitarian nature of how Alberta’s local government councils work as a counter to what may be seen in predominantly American media and from disinformation, misinformation, and mal-information that is found online and within small groups of like-minded individuals.

Council candidate workshops, when offered, are typically hosted by the municipality some months before the close of nomination day and may be offered in-person or virtually.

RECOMMENDATION FOR CANDIDATE WORKSHOPS: That the City of Medicine Hat consider designing, offering, and delivering voluntary workshops for citizens who may be interested in running for city council and that these workshops be held well before the close of nominations for positions on city council.

5.5 Ongoing Councillor Professional Development

Governance Refreshers

One-and-done councillor orientations or training are not an effective way of providing elected officials with the knowledge they need to govern effectively throughout the course of a four-year

¹⁵ The MGA s 201 identifies a basic set of topics that must be covered in orientations.

council term. This is in part because the initial information comes as a deluge, and ongoing reminders, along with new information, create a more fulsome governance understanding.

Many individual councillors will take additional training of their own volition, and some will do so if it is required by bylaws or policies. City council's Code of Conduct Bylaw notes that ongoing professional development is 'encouraged' but it is not mandatory:

Orientation and Other Training

14.2 Every member is encouraged to attend any other training organized at the direction of the Council for the benefit of members throughout the Council term.

It is not uncommon to hear that the first year of a council term is a steep learning curve, particularly for those who may have limited or no understanding of the role of the municipality or how to be an effective governance board member.

The fact that budget deliberations occur immediately after the election is also often onerous for new councillors as the budget process can be complex, and significant governing decisions are being made. The second year for a councillor provides a better understanding of the city organization; and there will likely be more comfort with the demands of the job.

By the third year, councillors typically feeling more confident, and can often navigate the system with relative ease. By the fourth year, the formerly new councillors are gearing up for the next election which often results in some of their focus being on the campaign.

Training and orientation should therefore be a process that occurs throughout the term. The type of training needed should be determined by identifying the competencies of individual councillors and the collective group. Ongoing emphasis on governance and governing is always appropriate.

Ongoing Training

A request was made of the city clerk's office to provide information about what types of ongoing professional development for members of city council have occurred through the course of this council term.

The following list was provided by the city in relation to these types of opportunities that have occurred following the council orientation in October and November of 2021 until late 2024.

City Council Strategy, Professional Development, and Training

(data provided by City of Medicine Hat)

Date	Topic	Attendees
2022.01.25	Strategic Planning Session – Introductory Workshop	Council and Executive
2022.02.11	Strategic Planning Session, Facilitated externally	Council and Executive
2022.02.12	Strategic Planning Session, Facilitated externally	Council and Executive
2022.03.02	Council Committee Relationship – Webinar by George Cuff	Council and Executive
2022.03.04	Strategic Planning Session – Facilitated externally	Council and Executive
2022.03.05	Strategic Planning Session – Facilitated externally	Council and Executive
2022.03.14	Council City Manager Relationship – Webinar by George Cuff	Council and Executive
2022.04.05	Strategic Planning Session	Council and Executive
2022.09.24	Council Retreat – Session on Governance and Parliamentary Procedures	Council, City Manager, City Clerk
2022.11.14	Council Vision Retreat Session	Council and City Manager
2023.02.15	Strategic Retreat	Council and City Manager
2023.03.27	The Role of Municipal Government – Facilitated externally	Closed Council Committee of the Whole Meeting
2024.05.29	Local Government with George Cuff	Open Council Committee of the Whole Meeting
2024.05.29	Workshop with George Cuff	Closed Council Committee of the Whole Meeting
2024.08.14	Media Training	Council and Executive
2024.08.16	Strategic Session	Council and City Manager
2024.10.08	Strategic Plan Review – Facilitated externally	Council and City Manager
2024.10.09	Strategic Plan Review – Facilitated externally	Council and City Manager

In addition to these group sessions, all members of council have attended various local, provincial and national conferences and other professional development opportunities through the course of the term. The city's website¹⁶ contains a list of sessions, dates, attendees, and costs for each opportunity. Through the course of the current council term, all members of council have partaken of training and professional development.

Looking back to 2024, which is the most recent complete year, these sessions included, but are not limited to:

- Alberta Municipalities Annual Conference;
- Chamber of Commerce Leadership Breakfast;
- Chamber of Commerce Luncheons;
- Economic Growth Forum;
- Federation of Canadian Municipalities Annual Conference;
- Mid-Sized Cities Mayors' Caucus;
- Palliser Economic Partnership and Mayors and Reeves Meeting; and
- Rural Municipalities of Alberta Spring Convention.

While useful to creating expertise in various subject areas, these events appear to be focused on topics other than the governance of a city, meaning city council members run the risk of governing in an irregular, improper, or improvident way. Keeping governance skills honed requires ongoing effort and focus, particularly when so many members of council were new at the start of the 2021 term.

It is worth noting that some of these organizations, particularly the provincial municipal associations, sometimes host governance-focused workshops either before or after the title event, and these workshops may be of use as a refresher on how to stay rooted in the governance role that members of city council have taken on.

RECOMMENDATION FOR ONGOING GOVERNANCE REFRESHERS: That the City of Medicine Hat consider designing a governance refresher program throughout the council term to reinforce the orientation topics and/or to provide relevant new information to elected officials in digestible and memorable amounts.

¹⁶ Retrieved from: <https://www.medicinehat.ca/en/government-and-city-hall/plans-reports-and-studies.aspx#Council-Travel-Reports>

Informal Team Building

Council members need to guard their political capacity with steady adherence to respectful, professional conduct to collectively accomplish good things for the community. Ongoing council teambuilding efforts are needed as well as refresher training on council roles and responsibilities to strengthen professional meeting conduct, decorum and chairmanship.

One of the points of contention that emerged during the Inspection was the consideration of 'Team Medicine Hat'. This idea occurs when more than one member of council attended the same conference or workshop, and particularly when most or all of council would attend annual conference like the Alberta Municipalities annual convention.

There was a disagreement in thought about this concept. Most members of council saw these events as an informal method of team building, as a way for city council members to spend time with one another outside the formality of council or committee meetings. On the other hand, the mayor in particular, suggested that these events were a way to meet other elected officials around the region, province, or further afield.

Both of these perspectives have merit, but only if they are both exercised in similar amounts. Spending all the available time together is not a good way to gain diverse learning, and spending all available time apart does not permit information sharing and team building.

Perception is often the basis of individuals' reality. Some members of council felt that the mayor should be sitting with the rest of council during meals and that she was showing disrespect to the team by not doing so. At the same time, the mayor told the interviewers that she saw merit at splitting up the council members and meeting other elected officials at other tables during mealtimes. As noted, both of these perspectives have validity; however, when it becomes an either/or activity, city council as a whole does not benefit. When the mayor rarely if ever sits with the rest of city council at events, it appears that she does not want to sit with them, and puts some credence behind the councillors' perspective of improper conduct.

5.6 Code of Conduct

The Code of Conduct Bylaw 4805 was most recently updated and approved through three readings between March 4 and September 16, 2024. This bylaw is required by the MGA, and it outlines the standard of awareness, care, and self-policing with which a council should always govern. This

important bylaw should be reviewed regularly by council to remind councillors of their ethical, legal, fiduciary, and good governance responsibilities to the municipality and the public.

Diversity of opinion among and between individual council members is a fundamental tenet of good local government. Municipal council members are elected individually, required to vote individually and to participate individually, as part of a collective whole rooted in democratic principles of majority-rule. Debate and disagreements are expected at a council table since diversity is built into the local governance process. Indeed, members of council should be open to the possibility of changing their view – and their vote - during the course of respectful debate.

There is a stark difference, however, between respectfully debating an issue or decision and disrespectfully forcing a position, arguing about personality, or failing to consider another point of view. With respect to interactions by council, the Code of Conduct bylaw is explicit in what is required of council. Section 8 of the bylaw reads:

8. Respectful Interactions with Council Members, Staff, the Public and Others

8.1 A Member must:

- (a) act in a manner that demonstrates fairness, respect for individual differences and opinions, and an intention to work together for the common good and in furtherance of the public interest;*
- (b) treat one another, employees of the Municipality and members of the public with courtesy, dignity and respect and without abuse, or intimidation;*
- (c) not use indecent, abusive, or insulting words or expressions toward another Member, any employee of the Municipality or any member of the public;*
- (d) not Discriminate;*
- (e) respect the fact that employees in Administration work for the Municipality as a corporate body and are charged with making recommendations that reflect their professional expertise and a corporate perspective and that employees are required to do so without undue influence from any Member of group of Members;*
- (f) foster an environment of trust by showing consideration for every person's values, beliefs and contributions, and supporting and encouraging public participation where appropriate;*

- (g) *demonstrate awareness of their own conduct, and consider how their words or actions may be perceived as offensive or demeaning;*
- (h) *demonstrate respect for the decision-making processes of the Municipality; accepting that a decision of Council is a decision of Council as a whole; and*
- (i) *demonstrate respect for the professional capacities of municipal employees, including employees' responsibility to provide unbiased and objective advice without undue influence from any individual Member or faction of Council.*

8.2 Members must not:

- (a) *involve themselves in matters of Administration, which fall within the jurisdiction of the City Manager as outlined in the Administrative Organization Bylaw;*
- (b) *use, or attempt to use, their authority or influence for the purpose of intimidating, threatening, coercing, commanding or influencing any employee of the municipality with the intent of interfering in the employee's duty to disclose improper activity; or*
- (c) *maliciously or falsely injure the professional or ethical reputation, or the prospects or practice of employees of the Municipality;*

Harassment

8.3 *Council Members must not engage in Harassment of other Members of Council, employees of the Municipality or members of the public.*

8.4. *Members must not engage in Sexual harassment of any person.*

While the Code of Conduct for Elected Officials Regulation (AB Regulation 200/2017) mandates review of the document once in every term, the Inspector's recommendation would be the following:

RECOMMENDATION FOR CODE OF CONDUCT BYLAW REVIEW: That the council of the City of Medicine Hat review, and update if necessary, the Council Code of Conduct Bylaw at least twice during a term.

The once per term review is in alignment with the Act, but a more regular reminder of what council members expect of themselves and each other will reinforce what they agreed to as a collective when they took office and came under the influence of all the city's bylaws and policies.

5.6.1 Mediation Efforts

Since the council meeting incident in August 2023 (the public altercation between the mayor and city manager), Medicine Hat council has been fractured and increasingly dysfunctional. One interviewee noted during the course of the follow-up interviews early in 2025 that *“I can’t explain enough about the toxicity. Everyone is exhausted from having to deal with her (the mayor). The false narratives she puts out are cruelly intended. It’s not just ineptitude, there’s a ruthlessness too.”*

Accusations that the mayor had acted in an irregular way by breaching the code of conduct were brought forward, voted on, agreed to, and sanctions were imposed¹⁷. The mayor subsequently requested a judicial review, after which many of the sanctions were ordered removed. The situation has set an ongoing negative tone that has impacted the ability for council to work together, thereby impairing decision making for the betterment of the community.

Seemingly acknowledging that city council would benefit from external expertise, well-known Canadian local government expert George Cuff worked with members of council several times over the course of the term, sometimes by way of webinars and once in-person, both in closed session and in open session of the Committee of the Whole on May 29, 2024. A video recording of the open session presentation is available on YouTube¹⁸.

The Province has been aware of the internal tensions in Medicine Hat for most of this term. After the imposition of sanctions on the mayor, the Minister of Municipal Affairs even met with city council in Medicine Hat on July 25, 2024 in an effort to find ‘common ground’ as noted in the article below.

¹⁷ Medicine Hat City Council. Special Meeting of March 21, 2024, Item 4.1

¹⁸ Retrieved from:

<https://www.youtube.com/watch?v=4BwmTCACV1Q&list=PLPNhXLWNLvNfsB1YNRM7suDLTsDAaDVXu&index=27>

By Eli J. Ridder

‘Nothing to say’: Medicine Hat mayor refused mediation with Alberta minister present, sources say

Aug 17, 2024 | 2:42 PM

Mayor Linnsie Clark did not engage in an attempt to find “common ground” during a meeting she and council had with Alberta’s municipal affairs minister Ric McIver in July, according to two individuals at the meeting who spoke to CHAT News on the condition of anonymity.

Every member of council spoke from the heart “in the name of reconciliation” during the meeting, one of the individuals said Saturday.

“At the end of it, she just smiled and said ‘I have nothing to say,’” the person added.

Figure 7 - Chat News Article, August 17, 2024

Further in this article, a spokesperson for the Minister was quoted as saying “*Minister McIver travelled to Medicine Hat to hear the perspective of each member of council and offer ministry supports to help council find common ground.*”¹⁹

At some point, the desire for mediation appears to have deflated, and council moved on to their own next step; this Inspection.

After a resolution was adopted by council to ask the Minister for a Municipal Inspection, a request to which the Minister agreed, Individual interviews with council and staff provided common themes relating to the governance of Medicine Hat and the relationship issues that council is having with each other and administration.

The comments from elected officials are not restricted to intra-council tension. During interviews and follow-up submissions, one member of council wrote “*my frustration stems not from personal interactions, but from the toxic environment that has been allowed to develop. The city manager’s*

¹⁹ Retrieved from: <https://chatnewstoday.ca/2024/08/17/nothing-to-say-medicine-hat-mayor-refused-mediation-with-alberta-minister-present-sources-say/>

ongoing refusal to provide complete information to the mayor and council is a primary driver of the current dysfunction”.

The inherent tension becomes clearer when the city manager’s response to this assertion is added into the mix. The quote above was provided to CAO Mitchell for comment. She told the Inspector that *“misuse of information and lack of respect for confidentiality is one of the reasons I stopped doing things like the bi-weekly report”*. She added that *“sometimes operational documents are provided to council with a caution that this is developed by leadership.”* The implication behind this is that providing operational detail to city council comes with the history that some members of council will dig into the detail and may miss the overall context that operational implementation of council’s direction is within the bailiwick of the city manager.

CAO Mitchell went on to add that *“I would like to share more, but I’m reluctant to. I’d like to share everything, but it’s the misuse I’m concerned about”*.

This topic is discussed more in the section of the report about the relationship between elected officials and administrators. It is included here to provide an insight into the current situation in Medicine Hat.

5.7 Respect for Confidentiality

Information that is known to individual councillors, or to council as a whole, but which should not be in the public realm is sometimes making its way beyond the circle of individuals who ought to be keeping it confidential. Later in this report, the topic of the treatment of confidential information in closed meetings of council will be discussed, so this portion of the report refers to more general information that is shared among council that needs to remain among council. Breaches of confidentiality would constitute an irregular and improper activity under the aegis of this Inspection.

An example of this was provided during the Inspection by a person copied on an email string²⁰ associated with an alleged privacy breach. The city clerk of the day sent this email to the mayor and other members of council on April 2, 2024. For reference, the names of the ‘from’ and ‘to’ fields have been omitted because they are not necessary to illustrate the point.

²⁰ Interviewees cited both emails and texts as the sources of information. In this report, we are typically using ‘email’ rather than both terms.

Subject: Privacy Breach - action recommended immediately

Importance: High

Hello Mayor Clark.

It has come to my attention that you have posted documents related to the Code of Conduct Investigator's report on Facebook.

By doing so, this is a breach of Ann's privacy (and others noted in the documents too) and as such, I strongly recommend that you take them off of Facebook immediately. I truly don't want you, anyone else or the city to get into a more difficult situation than already exists.

If a privacy breach is of an ongoing nature, it is incumbent upon the person(s) causing the breach to take remedial actions immediately, in this case, by removing them from any public facing social media accounts or similar.

This breach may be reported to the Information and Privacy Commissioner.

I am in an awkward position here but felt I needed to make you aware of this important matter and hope you act accordingly.

Figure 8 - Email Excerpt to Mayor re. Privacy Breach

In response, the mayor's own email reply made this request:

Can you please specify the exact sections of the posted documents that you are saying breach "Ann's privacy (and others noted in the documents too)", together with the provisions of the [Freedom of Information and Protection of Privacy Act](#), RSA 2000, c F-25 and/or case law upon which you are relying to support that?

Figure 9 - Email Excerpt from Mayor re. Privacy Breach

Later the same day, the city clerk replied with a screenshot of the relevant section of the *FOIP Act* and noted that it was the Act rather than case law that was relevant. In this case, the mayor's response reads like what might be expected of someone with an adversarial legal background rather than from someone whose concern was related to good governance.

All members of city council and city management have access to in-house legal services that could provide advice on what is appropriate to put into the public domain, and what is not appropriate to share.

The point to this is that leaking information, whether consciously done or not, harms the city and may even cause the city legal problems. A member of council opined that "*her (the mayor's) narrative in the community is damaging for the rest of us – she's leaked emails.*" Another councillor mentioned during their interview that "*she disseminated confidential emails even after she was*

convicted of the code of conduct violation. We chose not to pile on.” A third member of council provided “she’s like, trying to control everything at 11:30 p.m. over email or over text.”

There are other allegations of the ‘leaking’ of confidential information, whether done consciously or not. At the time of writing this report, there is an allegation that another member of council leaked a confidential email to a local media outlet regarding a social agency called the Mustard Seed. If true, that too represents irregular activity That is discussed in more detail in the section of this report that speaks to Council – CAO relationships.

Disagreement with process or policy must be managed internally. When individual members of council – or administration – take being a whistleblower into their own hands, there are significant reputational, organization, and sometimes legal risks. In relation to this sort of activity, a city manager said that “(t)his is not the first instance of inappropriate action and gross misconduct and significantly erodes/eliminates trust between council and the integrity of City staff.” There are long-ranging implications to this type of behaviour that will last beyond the end of this council’s term.

RECOMMENDATION FOR RESPECT FOR CONFIDENTIALITY OF INFORMATION:

That all members of Medicine Hat City Council respect the sanctity of the council table and respect privileged and confidential information until it is approved for distribution into the public domain, in accordance with section 153(e) of the *Municipal Government Act*, and sections 9.1 and 9.2 of the Council Code of Conduct Bylaw.

5.8 Council Performing Administrative Duties

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

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

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

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

The *MGA* provides clear direction for council to remain focused at a strategic leadership level and consider broad policies rather than the minutiae of municipal operations. Despite training and orientation on council roles and responsibilities, Medicine Hat council members, including the

mayor, have participated in, or permitted other council members to engage in, administrative duties - an irregular and improper use of the councillors' time.

Some examples of where council appears to have performed administrative duties include:

- Setting the organizational structure below the CAO. While permitted in the AO Bylaw, this activity is more properly within the scope of administration.
- Drafting bylaws or policies. This practice is not normally exercised by an elected official and any resulting draft bylaw or policy would still need to be considered and voted upon by the council as a whole.
- Local government legislation does not provide members of council to literally put pen to paper to draft legislation. The Westminster model of government seen in Canadian legislatures and Parliament anticipates the idea of private members' bills, but Alberta's MGA does not.
- Participating in hiring and dismissal of staff other than the CAO. The Act is very clear that the CAO is the only employee of council²¹. All other roles are hired by, and responsible to, the CAO. This prevents city council members from actively participating in the supervision of other staff.

There was some disagreement about the role of the MGA that emerged during the interview process, primarily from Mayor Clark, who said *"I don't agree that the MGA dictates how to govern. There should be some latitude about how we govern."*

The MGA is not a permissive piece of legislation when it comes to governance. Terms like 'must' and 'shall' occur regularly, while words like 'may' are less common. The idea behind legislation is to be at least somewhat prescriptive so that the Government of Alberta and the citizens of Medicine Hat can be assured that their city is aware of the rules, and that they can know when the rules are, in fact, being followed.

Essentially, the city is governed by a 'board of directors', but rather than professional governors, the board is broadly representative of the community at large providing a varied perspective. That the current city council comprises at least one member with previous municipal experience is a coincidence rather than a legislative requirement.

²¹ MGA s 205. While the Act allows Council to appoint "one or more people" who can carry out the powers, duties, and functions, the Act does not seem to anticipate any roles other than CAO reporting to council.

5.8.1 Defining Business Units

Of particular note in Medicine Hat, is the Administrative Organization (AO) Bylaw (4662). This bylaw conflates governance and administrative responsibilities in several places, one of which is at the crux of the sanctioning of Mayor Clark in 2023.

This topic area is also likely the origin of, or a significant factor in, the first and fifth 'issues' outlined in the Ministerial Order 086/24 that forms the basis of this Inspection. These two issues include a requirement to Inspect:

- the roles of council and administration, including members of council engaging in administrative functions; and
- policies and procedures related to organizational structure...

At the centre of this topic area is a clause in the AO Bylaw that states:

COUNCIL

6. *Council shall determine by resolution the departments and business units in the Divisions, and in addition, the departments and business units reporting directly to the City Manager.*²²

There is a catch-22 within this section of the bylaw that comes into play when the city manager would like to make alterations to the city's structure and its business units, particularly when the desired activity involves downsizing or the elimination of some roles in the city.

On one hand, prudent management practice would dictate that these types of proposed changes occur within the scope of the city manager's authority to carry out the will of council within constraints set by the city's strategic plan, bylaw, policy, and budget. This would include notifying anyone affected by the changes prior to those changes being made public, such as what would occur during an open council meeting.

On the other hand, the AO Bylaw requires that council approve any changes to the top layers of the city's structure, presumably before those changes become official. Since decisions cannot be made in closed session, the changes need to appear on the agenda of a public council meeting in open

²² Review of the history of this bylaw indicates that this clause has been in the bylaw since at least 2015, before almost all members of the current council had been originally elected.

session. In this case, anyone affected by the change, particularly if their role was changed or eliminated, would only find out during the council meeting. Doing so would have constituted an improvident occurrence given the financial implications that could have followed such a public disclosure.

Given this inherent conflict, and an understanding that the city manager's role is to deliver on what council wants, it seems more appropriate that these decisions for structural changes be made within the realm of the city manager's responsibilities, and then reported to council.

What appears in the paragraphs immediately above is the crux of the conflict that came into open session on August 21, 2023, in a confrontation between the mayor and the city manager. During her interview, Mayor Clark said *"(o)n the Aug 21 meeting, I feel that Ann (Mitchell) wilfully contravened the AO Bylaw. It wasn't an accident"*. In this council meeting, the city manager presented changes to the organizational structure to city council, but in effect those changes had already been made, making this a contravention of the AO Bylaw.

In response to this statement from Mayor Clark, the city manager told the Inspector that *"this was a hard decision. This was the right decision, and I knew I was going to pay for it."* On a related note, the city manager said that *"I did say that night (August 21st), that if there was a process problem that's on me. It was following direction from council."*

Based on comments from the city manager and the mayor, and on a reading of the AO Bylaw, it is evident that the CAO did breach section 6 of the AO Bylaw in an irregular fashion by not getting city council to provide a resolution to change the organizational structure.

RECOMMENDATION FOR CHANGES TO THE ADMINISTRATIVE ORGANIZATION

BYLAW: That the City of Medicine Hat council remove section 6 from the Administrative Organization Bylaw (4662) and thereby provide the city manager with the flexibility to structure the city's organization in a way that best delivers the requirements of city council and city administration²³.

²³ Later in this report, a recommendation will be made to split the AO bylaw. If that recommendation is adopted, it will mean that this recommendation needs to be viewed in a different context.

There is significant additional comment on the Administrative Organization Bylaw and on the events of August 21, 2023 throughout this report.

5.8.2 Drafting Bylaws and Policies

During the course of the Inspection, it became apparent that Mayor Clark has occasionally been providing draft wording of bylaw or policy updates. This activity strays into the realm of the city clerk and city solicitor and often becomes an irregular activity. During her interview, Mayor Clark was asked about this, and she said *“I started drafting a Procedure Bylaw. I was told that was so inappropriate”*.

In response to that notion of the action being ‘inappropriate’, Mayor Clark suggested that the *“MGA says we are supposed to ‘develop and evaluate policy’. That means I can write policy; like a private members’ bill.”*

The relevant portion of the MGA is related to one of the roles of council being *“developing and evaluating the policies and programs of the municipality”*²⁴. While the role of council is indeed to ‘develop’ policy, that does not mean that council is expected to literally draft the policy. During her interview, Mayor Clark disagreed with this contention and noted that the way the Act was written, she interpreted as the ability to actually write legislation like she might have done while working in the city’s legal department.

City council hires one expert (the CAO), and in turn that expert hires other experts, including individuals whose job it is to draft documents for council’s consideration. Conflating the governance role of developing ideas and the administrative role of putting pen to paper blurs the lines of governance and administration, and it makes the governance role less efficient over time. If each member of a municipal council took it upon themselves to write bylaws and policies, there would be no focus, and the role of setting strategic direction would be overtaken by the role of daily activity – bylaw writing in this instance.

There is an adage about the ‘power of the pen’, meaning that the person who drafts a document often has the most power over it because they wrote it the way they wanted it. This should not be the same for a contemplative body such as a city council. Council should talk about ideas and

²⁴ MGA, s. 201(1)(a)

provide direction, and the legislative writers should then write the bylaw or policy as objectively as possible, anticipating and avoiding unintended consequences or gaps in the rules.

The “*power or duty to pass bylaws*”²⁵ is also one of the powers that the council may not delegate.

Furthermore, within section 207 of the *MGA*, one of the CAO’s duties is “*ensure(s) that the policies and programs of the municipality are implemented.*”²⁶

Finally, “(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.*”²⁷

Essentially, this legislation provides that council is the governance arm of the municipality, while the CAO (and staff) are the management, administrative, and service delivery arm of the municipality. Council is the thinker, while administration is the doer. Council develops policy (and bylaws), administration implements them.

The mayor’s contention is that “developing” policy means writing policy or bylaws. That contention strays from the role clarity between governance and administration. While city council provides direction about which policies it needs, wants to change, or wants to repeal, it is up to the city’s legislative services staff to draft that policy for council’s consideration. Small amendments made on the floor of a council meeting notwithstanding, city council ought not to physically draft policy.

Whoever occupies the office of the city manager must ensure that the city solicitor’s department is staffed by experts in policy writing and editing. Coincidentally, the mayor used to work in that department and therefore likely has some of the skills necessary to write policy, but that is not her job, nor is it the job of any other member of council.

RECOMMENDATION FOR COUNCIL TO AVOID ADMINISTRATIVE FUNCTIONS:

That the City of Medicine Hat Council refrain from performing administrative duties, in accordance with the provisions in the *MGA* s. 201(2).

²⁵ *MGA*, s. 203(2)(a)

²⁶ *MGA*, s. 207(b)

²⁷ *MGA*, s. 201(2)

5.9 Strategic Planning

5.9.1 Overview of Planning Process

Strategic planning is one of the most effective and transparent ways in which a municipal council identifies its priorities for the future with short- to mid-range goals that lead toward achieving the municipality's vision, which in the case of Medicine Hat is *The Community of Choice*. A homegrown strategic plan is a necessary component to centralize and communicate council's collective direction over the course of their term and beyond.

This level of planning provides clarity to administration on council's priorities for the community and should lead to a logical alignment of resources with strategic priorities through the budgeting process.

Two of Alberta's municipal associations, the Alberta Municipalities (AM) and Rural Municipalities of Alberta (RMA), recommend that all municipalities develop and approve a strategic plan that guide the community into the future.

The basic framework of the associations' recommended municipal strategic plan process is solidly based on an analysis of how to best achieve the five dimensions of sustainability, that are expressed through a program known as Welcoming and Inclusive Communities, of which Medicine Hat is a member as of 2014²⁸. These dimensions of sustainability are:

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

²⁸ Retrieved from: <https://www.abmunis.ca/advocacy-resources/social-issues/welcoming-inclusive-communities/about-wic>

5.9.2 Medicine Hat Strategic Plans

The City of Medicine Hat council approved a 2023-2026 Strategic Plan called *We Have Energy*²⁹ in 2023 which was approximately halfway through the current council's electoral term.



Figure 10 - 2023-2026 Strategic Plan

The overall structure of the Strategic Plan is achievable, and the format is both succinct yet comprehensive. The Strategic Plan titled *We Have Energy* identifies the City's vision as: "*Medicine Hat is the Community of Choice*". The Strategic Plan contains the following six focus areas which align closely with recognized dimensions of sustainability listed above:

1. Innovation;
2. Economic Evolution;
3. Service Orientation;
4. Partnerships and Governance;
5. Community Wellness; and
6. Resilience and Sustainability.

²⁹ Retrieved from: https://www.medicinehat.ca/en/government-and-city-hall/resources/Documents/Plans-Reports-and-Studies/CMH-Strategic-Plan-2023-2026_upload.pdf

The 2023-2026 strategic plan identifies council's priorities and provides the foundational values on which council should base their decision making. The plan could be improved by adding specific performance targets and timelines that link to the budget articulating how and when resources are allocated to strategic priority areas.

An update to this strategic plan was approved by council in 2024. This document contained a list of four strategic priorities for the remainder of the council term. The four priorities were identified as:



Figure 11 - 2024-2026 Strategic Priorities

Narrowing the strategic plan down into priority areas allows administration two main opportunities:

- Focus change-oriented resources on the priorities expressed by council; and
- Challenge council should they direct administration to adopt a new priority or what has been called in the vernacular a 'shiny object'.

Typically, a strategic plan would contain a way of determining how success will be measured. These outcome-type measures would look at what sort of change has been brought about by the achievement of goals and priorities. Neither the 2023 nor 2024 strategic plans contain measures, though they could be inferred by looking at a collective synthesization of the tactics in the plans and making a determination whether the overall governance objective has been met, whether it remains in progress, or whether the objective was not met. One member of council suggested that council has requested "*priorities with measurable indicators and timelines*", though this has not yet come to pass. The development of priorities would be a role for council, while the development of

performance indicators and timelines would typically be conducted by administrative experts and confirmed by city council.

Cascading out of the strategic planning process is the transfer of ownership to the city manager. This is often completed through what can be called a business plan, corporate plan or an identification of administration's own strategic objectives. This process will be explored later in the report.

5.9.3 Strategic Planning Process in Medicine Hat

The first strategic planning session held for the 2021-2025 city council and senior management occurred on January 26 and 27 2022, about three months into the new council's term. Several interviewees noted that this session provided an early indication of the issues that were to arise amongst members of council, and particularly between the mayor and the rest of council. One interview opined that the session was a *"gong show."*

This event may also have been one of the sparks that annoyed members of council in regard to the mayor's late attendance at meetings and events, with one member of council noting about the planning session that *"she's chronically late for everything. She was four hours late for our session."* Another council member suggested that *"the mayor showed up late; it's a chronic problem. She never apologizes for it. That meant we didn't have the city manager or the mayor for that session"*. The acting city manager at the time was Rochelle Pancoast, who typically occupies the office of the Managing Director of Energy, Land and Environment. Ms. Pancoast noted that she held the acting city manager role for approximately three months, and was acting in that capacity during the time of this planning session.

Councillor Sharps told the Inspector that she was physically absent for the second day of the session due to an injury that prevented her from physically being in the room. The councillor further said that when she was not in the room on the second day, she was present online from her office.

According to one interviewee, when Councillor Sharps was participating in the session, she was abrupt with a member of staff on at least one occasion. During interviews and subsequent follow up, the interview team heard that a member of council submitted a complaint under the Code of Conduct on behalf of the staff member, but that the complaint was subsequently withdrawn.

When asked about this, Councillor Sharps asserted that this was a miscommunication associated with her virtual attendance and inability to observe the goings-on in the meeting room. The potential

code of conduct complaint was based on that treatment of a staff member of Invest Medicine Hat, but it required an elected official to actually submit the complaint under the Code. This process was begun but was not followed through. Councillor Sharps apologized in writing³⁰ to the staff member and said during an Inspection interview that *“I can be blunt, but that (inappropriate treatment of staff) wasn’t my intention. This was an execution issue not a personnel issue”*.

Considering that the strategic plan is the document from which long-term direction is provided, having two members of council absent for a significant portion of the council’s first collective planning session is an improper action and it sets council’s planning process off on the wrong foot and acts as an impediment to the creation of a collective team and a plan that can be owned by all members of council.

One interview suggested that when the mayor was there, she *“took over”* and *“grabbed some of the facilitator’s role. The dynamic was that we had a ‘strong’ mayor³¹ in the room.”*

On an optimistic note, one interviewee said that *“at the end of the day, I left feeling confident that it was really good work. It was some hard slogging, but we got there.”*

Instead of the result of the session being the outline of a draft strategic plan that could be word-smithed into a document for council’s consideration, the mayor was said to have taken the ideas away and drafted the resulting strategic plan, an action that could be seen as irregular. A councillor said of the result that *“she (the mayor) took it home and nitpicked it. I was embarrassed by it. It was all philosophical airy-fairy”*. Another councillor said that *“our plan ended up being nothing that we liked. Linnsie ended up writing up a plan. It had a bunch of stuff that wasn’t part of the session – strong mayors, things like that. City staff tried to make it work, but it would have been really hard.”*

The strategic planning process eventually resulted in the 2023-2026 strategic plan being approved by council on June 6, 2022, although interviewees generally noted that the version that was finally approved was substantially different from what was developed in the January 2022 workshops. Notably, the strategic plan was approved unanimously with one councillor absent.

³⁰ Councillor Sharps provided a copy of the related email to the Inspector.

³¹ The *Municipal Government Act* does not provide for strong mayor powers in Alberta.

14. **NEW BUSINESS AND/OR RISE AND REPORT ITEM(S)**

(14.1.) **Medicine Hat City Council Strategic Plan 2023-2026**
Documentation to be distributed at the meeting

Councillor R. Dumanowski - Councillor A. Knodel moved that City Council adopt the Medicine Hat City Council Strategic Plan 2023-2026

For: 8; Against: 0; Absent: 1
Voting Against: (None)

Carried

Figure 12 - Excerpt from Regular City Council Minutes, June 6, 2022

As noted, the original strategic plan was updated in 2024 with the recognition of four strategic priorities. This update went before council and was approved unanimously on October 21, 2024 with all members of council present.

11. **NEW BUSINESS**

(11.1.) **Strategic Plan**

City Manager Mitchell provided an introduction, gave additional context and answered questions of Council.

Councillor A. Knodel - Councillor R. Dumanowski moved that Council accepts and ratifies the focused City of Medicine Hat 2024 - 2026 Strategic Plan, as presented.

For: 9; Against: 0; Absent: 0
Voting Against: (None)

Carried

Figure 13 - Excerpt from Regular City Council Minutes, October 21, 2024

One notable comment from a participant in the strategic planning process was “*the night before our most recent strategic plan, she (the mayor) decided not to show up. Then in council, she said she disagreed with the results*”.

Through observation of the live stream of the related council meeting³², it was evident that the mayor was not completely on side with the strategic plan and wanted assurance that council would

³² Retrieved from: <https://www.youtube.com/watch?v=iFjFkKP56yU>

have the ability to “*approve*” the accompanying business plan developed by administration. It was also evident that councillors did not appreciate the fact that the mayor was not present for the strategic plan session but was clearly eager to scrutinize the work of the other councillors.

In the end, the mayor voted in favour of the strategic plan “*in principle*” but with the caveat of approving the details of how the plan would be executed – a task which belongs to management and therefore falls into the category of an irregular action.

Strategic plans are collective in nature and will not contain everything that all members of council want. Indeed, what elected officials want to see completed during their terms is often tactical in nature. The true value in an effective governance-level (i.e. strategic) plan is for the tactical items to be grouped into common themes that emerge as governance direction that can then be provided to the city manager as the collective will of council.

If individuals choose not to participate in some or all of the process, it taints the overall outcome, particularly when the absent person’s opposition to the final product is voiced in an open council meeting.

RECOMMENDATION FOR STRATEGIC PLANNING AS A PRIORITY: That the 2025-2029 Medicine Hat City Council make strategic planning for their term a priority, that they hold a planning retreat in the first quarter of 2026, and that they engage an external facilitator. It is further recommended that city council review the strategic plan at least annually.

RECOMMENDATION FOR STRATEGIC PLANNING: That the 2025-2029 Medicine Hat City Council embark on strategic planning with an air of collective goodwill, with the expectation that their new plan will be a collective expression of success that is owned by all members of city council.

It is further recommended that the strategic plan be drafted by city administration or an independent contractor and be reflective of the direction provided through input of all members of city council.

RECOMMENDATION FOR STRATEGIC PLAN MEASURES: That any new strategic plan created by city council contain a method of identifying whether the plan, or parts of the plan, have been achieved in terms of desired outcomes.

5.10 CAO Performance Evaluation

The *MGA* requires a council to conduct a formal evaluation of the performance of the CAO each year, as indicated in the Act:

Performance evaluation

205.1 A council must provide the chief administrative officer with an annual written performance evaluation of the results the chief administrative officer has achieved with respect to fulfilling the chief administrative officer's responsibilities under section 207³³.

This process has been completed as required; however, given the rapid turnover in permanent, interim, and acting city managers over the duration of the 2021-2025 council term, it is only the current city manager about whom this process is most relevant.

Annual Review 2024

In spring 2024, the most recent review process got underway. The city manager made the suggestion that council consider bringing in an independent third party to conduct the review process “*given the current situation*”.

³³ Section 207 is the section of the *MGA* that lays out the four main responsibilities of the CAO.



Figure 14 - Excerpt of Memo from CAO to Council Requesting External Review

Eventually, Doug Lagore from Transitional Solutions Inc. was contracted to proceed with the review. Even that choice was not without concern, not so much with the evaluator, but with the process to select the evaluator, as indicated by an email from the mayor on May 24, 2024.

Once the matter of selecting an evaluator was settled, Mr. Lagore was able to undertake the independent evaluation. Meeting minutes of May 6, 2024 suggest that council went into closed session to consider the city manager's performance. *City Manager Performance Appraisal Process and Schedule (s.19 confidential evaluations) - received for information.*

The completed evaluation was eventually distributed to council members on August 15, 2024, and the matter was to go before city council on August 19, 2024 in closed session. Though the open portion of that meeting ended up being cancelled, the closed session appears to have occurred based on the agenda and unapproved minutes below.

In a procedural irregularity, there appear to be no record of the adoption of the council minutes of August 19, nor of council calling the August 19 meeting to order, starting in open session and

moving into closed, or reverting to open session. Neither is there a note in the unapproved minutes of who might have been invited to the closed session other than members of council, if anyone.

There is a note in the unapproved minutes shown below that the closed session “concluded” at 5:25 p.m., followed by an adjournment at the same time. Since there are no approved minutes of that meeting, there is no record of any decisions that might have come out of closed session on that day.

The agenda posted to the city’s website supports the contention that no formal open session meeting was held on August 19th.

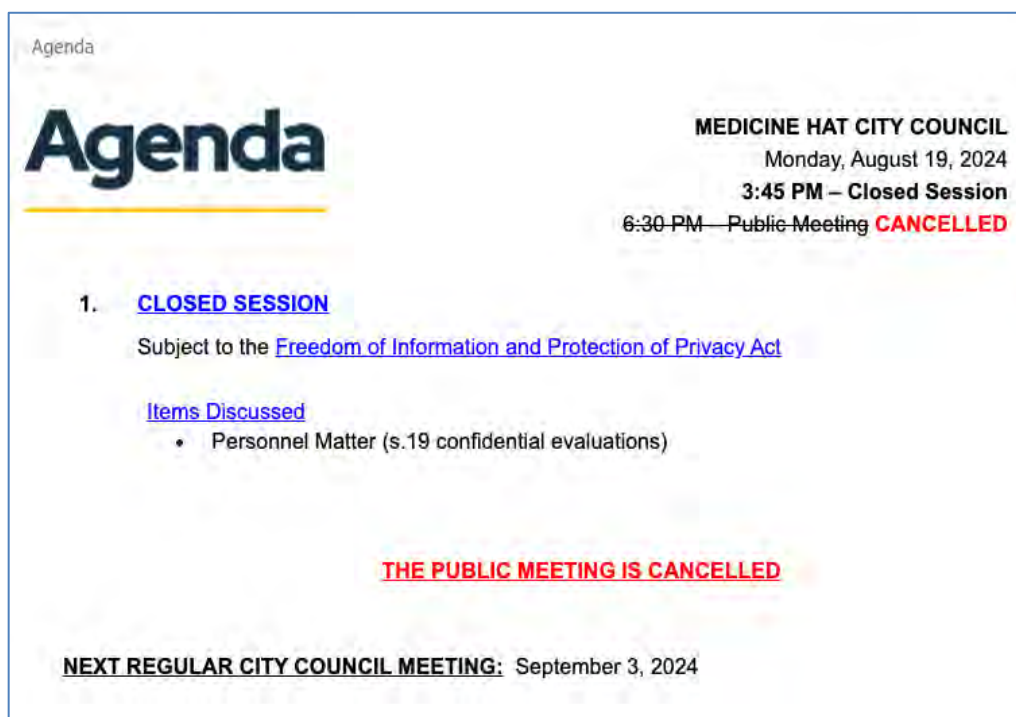


Figure 15 - August 19, 2024 Council Agenda

The unapproved minutes from this meeting indicate no open session, along with some procedural irregularities in how the closed session occurred.

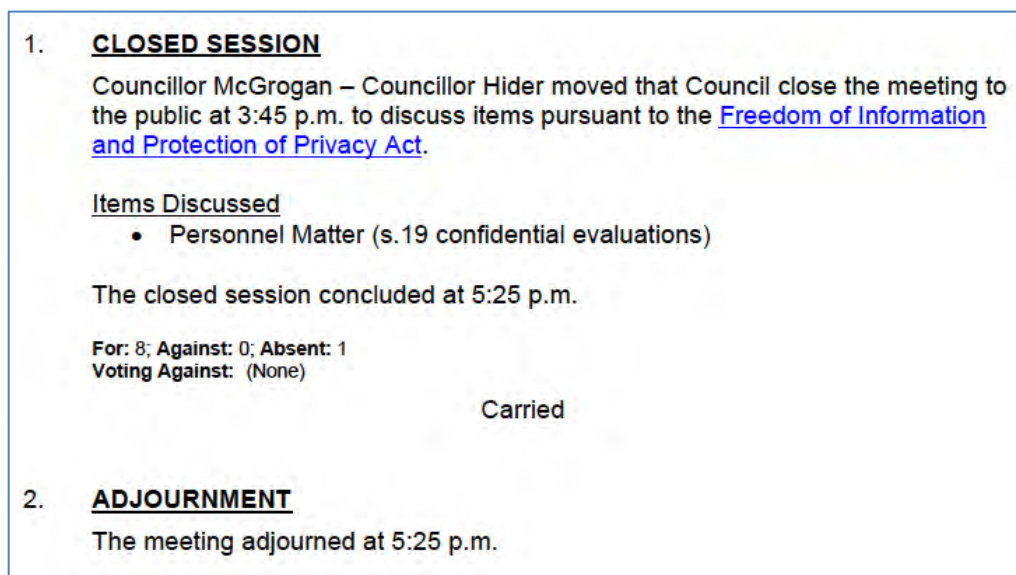


Figure 16 - Excerpt from Unapproved Minutes, Regular Council Meeting, August 19, 2024

On August the 19th however, the mayor shared a folder of documents with Mr. Lagore a few minutes prior to the start of the closed session of council. In response, Mr. Lagore wrote back to indicate that the contents would not be reviewed as the evaluation had already been completed and distributed.

It is the Inspector's understanding from the city clerk that these draft minutes will appear before city council for consideration shortly.

Getting back to the CAO evaluation that was to occur on August 19, and the mayor's provision of additional documentation shortly before the council meeting was to be called to order, the contracted evaluator provided a follow-up email to all members of council, part of which is excerpted below.

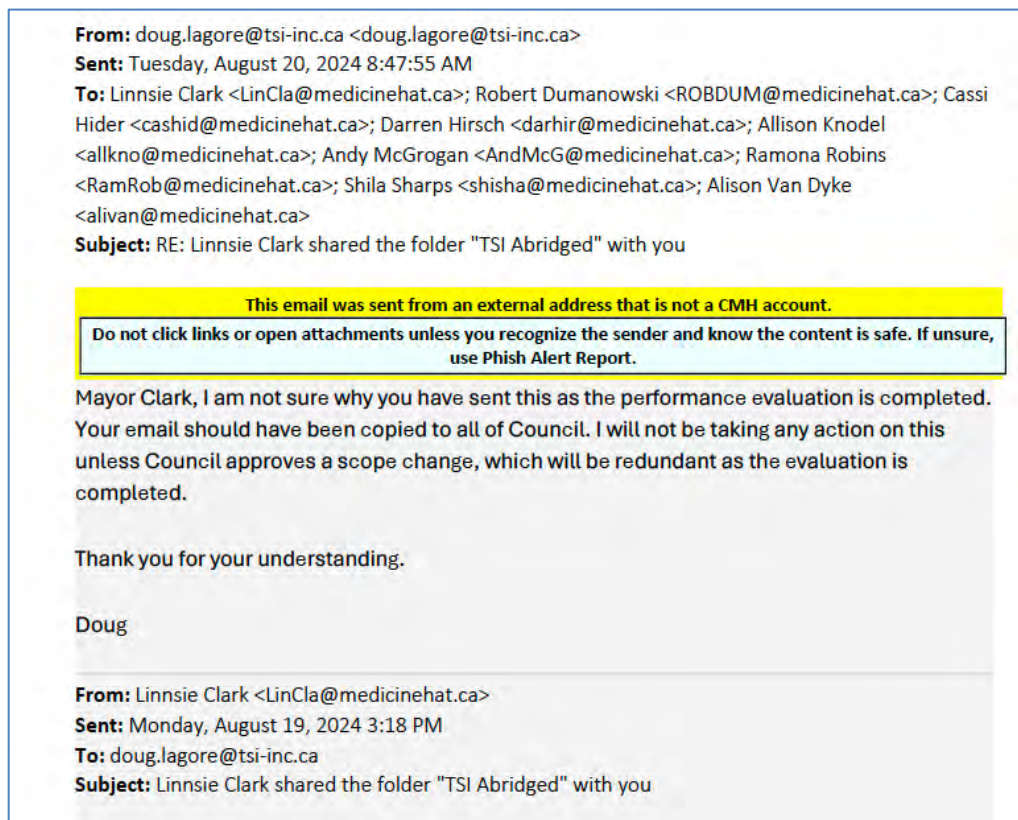


Figure 17 - Lagore Response to Mayor Providing Additional Documentation

The retroactive request from the mayor is problematic and improper, given that council members had already had their input into the city manager's evaluation and the evaluator had completed the contracted work. From an external perspective the way this occurred made it look like the mayor wanted the last word rather than understanding that the process had been concluded and that her authority in this matter was the same as any other member of council's.

This instance of when additional documentation was provided in support of the CAO evaluation process is part of what appears to be a pattern of last minute or late submission of information from the mayor. Other examples of this included the submission of a significant volume of records and other information to the Municipal Inspector which was provided over a month after the original due date of December 31, 2024, and the submission of information to Kingsgate Legal as part of their review of the Code of Conduct complaint filed on August 22, 2023³⁴. This action tends to delay

³⁴ The initial request to review interview statements was provided by Kingsgate Legal to the mayor on November 10, 2023, and a response provided on January 31, 2024, and another response on February 13, 2024. The redacted Kingsgate report is available at: <https://www.medicinehat.ca/en/government-and-city-hall/resources/Documents/Kingsgate-Report-Redacted.pdf>

processes when others have already provided their own submissions by the time they were supposed to be provided.

When asked about this pattern during part of a follow-up interview, Mayor Clark provided feedback on why each of these specific instances occurred, commenting that *“I provide more detail and evidence-based submissions than other people do. In the midst of the Code of Conduct (sanction and judicial review process), I was the only one putting information on my behalf.”*

After reviewing all the regular meeting minutes after the August 19th meeting was cancelled, the Inspector could not find a resolution to approve the city manager’s appraisal. There was a closed session on September 16 that discussed the following item; *Personnel Matters (s.17 personal privacy, s.24 advice from officials) - received for information*. It is hard to know whether this item had anything to do with the city manager’s appraisal; however, there did not appear to be a resolution related to the performance appraisal in open session.

The city manager’s remuneration change went before council on October 7, 2024, and was approved 7-1 with only the mayor voting in opposition.

(11.2.) City Manager Remuneration

Councillor S. Sharps - Councillor R. Dumanowski moved that Council provides a 3% increase to the City Manager’s compensation, retroactively to February 6, 2024, in alignment with other senior leadership increases.

For: 7; Against: 1; Absent: 1
Voting Against: Mayor Clark

Carried

Figure 18 - City Manager Remuneration Update, October 7, 2024 City Council Meeting

Typically, when a CAO performance appraisal is complete, a resolution comes before council to approve or accept the review. After that, another resolution might be put to adjust the CAO’s remuneration. A resolution is typically passed to alert the public that an evaluation has been performed and a contract has been signed or renewed. In the case of Medicine Hat, that resolution was never considered by council, and it is likely still outstanding.

RECOMMENDATION FOR APPROVAL OF 2024 CAO REVIEW: That Medicine Hat City Council consider a resolution to approve the 2024 annual written performance evaluation in compliance with section 205.1 of the *MGA*.

Six Month Review

Even before the formality of the annual review, there was tension around the evaluation of the then new CAO. One member of council mentioned during their interview that *“The night before the city manager’s six-month evaluation, Linnsie sent a midnight email to all of us saying why Ann should be fired.”*

The interviewee linked this to the two new city staff roles who had been assigned to council some months before. The interviewee put it this way. *“When Ann got here, we (council) asked her to evaluate the Chief of Staff and PR person as part of a restructure. Ann said she didn’t think the positions were adding value, and that they were counterproductive. Ann also said that the positions should be under the city manager rather than the mayor. This is what spurred Linnsie with her discord with Ann.”*

General

The MGA requires the annual review of the CAO, but the Act does not stipulate how the evaluation must be conducted, what types of details will be included within the evaluation process, or what the eventual evaluation ‘product’ will look like. The evaluation provided by Mr. Lagore was detailed and comprehensive, but it was based on the process provided by the company for which Mr. Lagore works.

City council may want to consider reviewing its evaluation process and creating a policy to add detail to what is required in the Act. This will help make the process transparent and remove overtly political input into the annual process.

Typically, an employee needs to know what the expectations are prior to commencing work, or prior to starting another year under contract. While the city does not have a policy related to the CAO evaluation, there are indicators that live within the city manager’s contract, the role description and the AO Bylaw.

CAO Mitchell’s five-year contract is dated December 15, 2022, has a commencement date of February 6, 2023, and it expires on February 5, 2028, unless it is renewed.

EMPLOYMENT AGREEMENT	
THIS AGREEMENT (this " Agreement ") is dated for reference this 15 th day of December, 2022.	
BETWEEN:	
	THE CITY OF MEDICINE HAT (the " City ")
AND	
	ANN MITCHELL (the " Employee ")
BACKGROUND	
A. The City wants to employ the Employee as its City Manager , and the Employee agrees to accept and enter into such employment, upon the terms and conditions set out in this Agreement. This employment offer is subject to ratification by City Council and conditional on City Council appointing the Employee as the City Manager in accordance with the Administrative Organization Bylaw 4662.	

Figure 19 - Header from CAO Contract

The CAO job description that is in effect was last updated in June of 2018 and since that time, the role has evolved, particularly in the area of organizational relationships.




		Medicine Hat The Gas City		JOB DESCRIPTION	
JOB TITLE:	CHIEF ADMINISTRATIVE OFFICER				
REFERENCE NO:	100221				
DIVISION:	CAO'S OFFICE				
DEPARTMENT:	CAO'S OFFICE				
APPROVAL DATES:	BY:		DATE:	<u>June 20/18</u>	
		MAYOR			
	BY:		DATE:	<u>June 19, 2018</u>	
		GENERAL MANAGER OF HUMAN RESOURCES			
<u>GENERAL DESCRIPTION:</u>					
<p>This executive management position provides effective strategic and operational direction and leadership to all divisions within the City of Medicine Hat. The CAO ensures implementation of City Council decisions and policies and the effective and efficient delivery of municipal services across the City of Medicine Hat as well as oversight over the City's extensive energy operations and land development. The CAO reports to the Mayor and Council, providing advice and support in developing and implementing policy, strategy and objectives that address the needs of the community. The CAO ensures that all matters going forward for Council consideration have been thoroughly analysed and that recommendations provide staff's best professional perspective including risks and alternative outcomes.</p>					
<u>ORGANIZATIONAL RELATIONSHIPS:</u>					
<ul style="list-style-type: none">• Reports directly to City Council.• Chair of the City's Administrative Committee.• Responsible for providing leadership and supervision to the Executive Team, consisting of Commissioners overseeing both municipal and energy operations.• Provides direct supervision to the CAO Executive Assistant and Corporate Communications Manager.• Develops and maintains communication links and relationships within the community through partnerships, operational and business relationships and public service networks.					

Figure 20 - Current CAO Position Description

The AO Bylaw has been discussed in detail over the course of this Inspection report, so no additional comment is provided here.

RECOMMENDATION FOR CITY MANAGER EVALUATION POLICY ADHERANCE:

That the mayor of Medicine Hat City respect the process for evaluations as agreed to by city council and not provide additional documentation after the process has concluded.

RECOMMENDATION FOR CITY MANAGER EVALUATION POLICY: That Medicine Hat City Council create a policy to cover the evaluation process and types of measures for the annual review of the city manager.

RECOMMENDATION FOR UPDATE TO CITY MANAGER JOB DESCRIPTION That Medicine Hat City Council direct administration to update the CAO's job description to reflect the current reality of the role.

5.11 Council Leadership and Relationships

Beyond all the formal rules, the leadership of any municipality is based on human relationships and the recognition of each individual's value to the whole. If those relationships are effective, the municipality has a decent chance of being successful. If those relationships, or even some of those relationships, sour, then opportunities for good governance are much less. Within the City of Medicine Hat, it is these relationships that are at the root of much of the dysfunction that has been observed over the course of this council's term.

While majority rule is fundamental, debate and compromise are at the heart of getting anything done. On a council of nine individuals who all have the same voting authority, any idea requires at least five people to agree for it to be advanced.

In Medicine Hat, there is frequently unanimous agreement on more routine topics, but when those topics become contentious, the voting frequently seems to default to 8-1, with the mayor usually being the stand-alone vote either for or against the matter at hand.

Some examples of these split votes include:

- Support for 'organizational alignment' issue August 21, 2023 (8 for; 1 against);
- Limit of five minutes speaking time for council members (1 for, 8 against);
- Code of conduct bylaw (Aug 21, 2023) and AO bylaw (Sept 16, 2024) – The mayor voted against in the first two readings but ultimately both bylaws passed after amendments and recesses (8 for, 1 against); and
- Administrative Response (Nov 18, 2024) with proposed plans and actions to the updated Strategic Plan 2024-2026 (8 for, 1 against).

Of note, in relation to another resolution, this one at the council meeting of May 6, 2024, the mayor wanted the city manager's expenses to go through to the closed audit committee. This motion was defeated with three voting for, and five against³⁵. In the same meeting, the mayor and two other

³⁵ One member was absent for this meeting, meaning the total number of votes cast was eight rather than nine.

members of council wanted the city manager to provide a detailed accounting of all funds reallocated in 2023 pursuant to the AO Bylaw. This was also defeated by the same vote of three four and five against.

The split votes noted above all have an underlying tone of distrust or more between the mayor and the city manager, contributing to the dysfunction of the team.

Municipal council leadership serves as a central force to accomplish municipal purposes such as to develop and maintain safe and viable communities, and to provide services, facilities or other things that, in the opinion of council, are necessary or desirable³⁶.

The local government system is designed to provide grassroots leadership with local elected representatives serving the community. Local leaders have, or are expected to quickly acquire, great awareness and sensitivity to the physical, environmental, social, cultural and historical attributes of the community. A council, acting collectively, can be seen as an enabler of progress by accomplishing strategic objectives that serve local needs and build a vibrant, sustainable community.

5.11.1 Intra-Council Relationships

The most effective councils comprise people with different opinions from each other. It is often said that rich debate based on individuals' personalities, opinions, and experiences provides better decisions than those generated by homogeneous councils. Ideally there will be topic-based intra-council diversity of expressed opinion and robust debate, but the conclusion of the debate ought to result in a vote that decides the matter at hand.

Following that decision, council members are expected to support the decision regardless of their own opinion. In legislation, council is an 'it' rather than a 'they', meaning that decisions made are decisions of the entity rather than of a group of individuals. This was outlined when one member of council noted that their job is "*not to argue with administration. We question and then we make a decision*".

The point about arguing with administration will appear later in this report. There is a difference between arguing and debating. While the latter is constructive, the former is not. Ultimately, if

³⁶ MGA s 3

council as a whole does not trust the information that is being brought to them from their administration, they have the authority to change the head of administration.

For the most part, intra-council relationships appear to be constructive during Medicine Hat City Council meetings, but this doesn't mean there aren't arguments about specific topics. During their interviews, elected officials noted that they recognize there is richness in the debate, and that they don't always need to agree with one another.

There is a unique intra-council relationship; the one between the mayor and the rest of city council. A review of that relationship appears next.

5.11.2 Mayor - Council Relationship

The relationship that Mayor Clark has with the rest of city council could be considered to be at the crux of this Inspection and at the core of the code of conduct complaint and the subsequent judicial review. While the latter contention was related to the mayor's actions in response to the occurrences at the August 21, 2023 Regular Meeting of city council, the reality of that situation is that the circumstances that led up to that day had been evolving since near the beginning of the 2021-2024 council term.

All members of city council were elected by the same voter base since the City of Medicine Hat uses an at-large election format. The eight councillors' and one mayor's constituency are the same; however, the mayor does have a slightly different role as the Chief Elected Official under the *MGA*³⁷

This section of the Act notes that the Chief Elected Official – known by the 'mayor' in Medicine Hat – has one additional duty that does not appear in the role of councillor. The mayor is to 'preside when in attendance at a council meeting'³⁸. There are restrictions on that duty that come into play from time to time, but Alberta uses the weak mayor system, wherein the mayor has no more legislative authority than any other member of council – i.e. the mayor's vote counts for no more than any other member of council's vote.

One of the typical roles of the mayor is that the incumbent is to be the convener of the council team as the titular head of council. That person is expected to treat colleagues with respect owing to their

³⁷ *MGA*, s 154

³⁸ *MGA*, s 154(1)(a)

offices and in accordance with the Council Code of Conduct Bylaw's expression of appropriate behaviour.

Prior to election in October 2021, the new mayor of Medicine Hat had not served on a municipal council before, indeed she noted during her interview that her experience on boards of directors of any kind was very limited up to the point of being elected mayor. There is a fundamental difference between working boards and governance boards, and some of the mayor's actions indicate that she was irregularly treating city council more of a working board than a policy governance board, examples of which appear below.

This has been observed through the Inspection process and related interviews that note that the mayor regularly advances into the administrative side of the corporation and has a tendency to focus beyond council's governance role. Running a complex city effectively requires a team of individuals who faithfully execute their roles and rely on others to execute theirs. Examples of where the mayor has crossed from governance into management include the desire to physically write bylaws, a desire to approve management's business plan, and apparently taking an active role commenting on administrative topics in the Administrative Committee.

According to several interviewees, the new mayor had several 'allies' on the new city council, though these individuals noted that over the course of the term their allyship waned in response to the mayor's actions.

Visible Leadership

One of a mayor's soft skills needs to be the ability to be the leader of the team and to create a cohesive unit; 'Team Medicine Hat' in this instance. Based on interviewees' comments and demonstrated actions from the mayor, this 'team' never really gelled following the 2021 election.

Individual members of council provided comments like these when asked about the team concept.

- *She never acknowledges the role of council.*
- *Mayor Clark doesn't show up to regional events.*
- *She never talks to us.*
- *Nobody has had a conversation with her since Aug 21.*
- *She will sit by herself rather than with the rest of us.*

There was a more universal comment about the mayor's chronic lateness to meetings, indicating to many interviewees that she does not respect the time of other people. When asked about this topic, Mayor Clark said that *"I have a very optimistic view of time, but it's not intentional. It's not intended to be rude."* She added *"I'm not saying I'm like, a punctual person at the best of times. ...I have lots of skills.... That's not one of them,"*

Running a city, whether from a governance perspective or operationally, is a complex task that relies on every member working together effectively within the scope of their role. When one member of the team is regularly late for meetings, it makes the rest of the team less effective and makes it seem like that one person's time is more valuable than others' time – regardless of the reason for the tardiness.

In response, the mayor said during her interview that *"I came in with a collaborative perspective. I don't need to do ribbon cuttings, get my face out there"*. Both of these sets of statements can't be true on the surface. The consistency of the rest of the interviewees, both on council and in administration tends to provide support to the former rather than the latter based on balance of probabilities. This does not speak to intent, but rather to what is observable.

RECOMMENDATION FOR TIME MANAGEMENT: That the Mayor of Medicine Hat be more conscious that others rely on her to visibly be at meetings and events on time, and that she avail herself of training to develop that skill.

Leadership Style

One member of council noted *"There is a passive approach to leadership. She (the mayor) can't command the group; she's constantly 30 minutes late. She's either absent from her role as leader or she's trying to control everything. It's two ends of the extreme."*

Evident frustration expressed by other members of city council was consistent, with comments like these quotes emerging out of interviews with members of council:

- *About a year and a half in, the mayor stopped meeting with us, at about the same time as the code of conduct violations.*
- *Communication between the mayor and council doesn't happen. We don't know when she's presenting or meeting with someone on behalf of council. We don't get updates.*
- *Everyone gets cross-examined.*

- *Her narrative in the community is damaging for the rest of us – she’s (allegedly) leaked emails.*
- *I talked to her on the second day after the election. It was a good, constructive talk. Then the way she began to approach council members – rebuking them in council chambers – isn’t right.*
- *If something doesn’t align with her, she thinks people are against her and are fundamentally evil.*
- *Lots of work could have been accomplished, but the mayor drags things out and we can’t finish.*
- *She doesn’t engage with us outside (council) meetings at all. She doesn’t have supper with us.*
- *She doesn’t know how to be a chair, a leader, a collaborator.*

When asked about the list of quotes in the bullets above, the mayor enquired about what the specific context of each comment was. Her response was *“I do not think that anyone is against me. I feel that they (those quoted above) are more emotional than I am in their decision making. I’ve not been part of the conversation that leads to this emotion. This doesn’t resonate with me at all.”* She went on to say that *“I feel that any one of the councillors could have reached out to me at any time after the August 21st (2023) meeting. I am always open to conversations with them.”*

Taken together, the comments about the mayor from colleagues are consistent among most, if not all, other members of council. The general theme is that a brand-new mayor took office in 2021 with a predominantly new group of councillors³⁹. The optimism and hope for a new and effective term of city council existed at the beginning but quickly began to erode to the point where quotes like those above have become common.

Attendance at Events

As the overall leader of council and head of the government for the City of Medicine Hat, the mayor is often invited to external events throughout the city and beyond. She also speaks on behalf of the city to media or through internal events like the annual State of the City speech.

Early in the term, Mayor Clark and some others asked for some additional help to support this external function for herself and her colleagues. City council agreed, and provided resources for a

³⁹ Two councillors out of nine members of council were on the previous council.

Chief of Staff and a public relations / communications person for council's use on a one-year trial basis.

These two roles are discussed more in the Administration section of this report. What is applicable here though is that several interviewees suggested that one of the individuals in these roles would often be invited to present at external events if the mayor was not able to attend. This irregular action confuses the roles of governance and administration. In a typical council, if a council member (the mayor) was invited but could not attend, the duty would typically fall to the deputy mayor or another elected official – not to a staff member. This is consistent with what council already has in its Code of Conduct Bylaw:

5.2. Unless Council directs otherwise, the Mayor is Council's official spokesperson and in the absence of the Mayor it is the Deputy Mayor, unless otherwise designated by Council. All inquiries from the media regarding the official Council position on an issue must be referred to Council's official spokesperson.

Figure 21 - Excerpt from Code of Conduct Bylaw – Official Spokesperson

When presented with this contention, the mayor responded that the accusation was not accurate, saying *"I suspect that the allegations may be instances of the individual speaking as part of her external volunteer roles as a member of a board or other volunteer pursuits."* Whether this is correct or not, more than one member of council believed the staff member was speaking in a role that was not appropriate. If council members felt this way, it stands to reason that the people in attendance at these events could have come to the same conclusion.

This action raised the ire of several members of council who interpreted it as the mayor as treating shared staff as her own resource, not to mention confusing the governance and administrative roles. One councillor put it this way: *"so we appoint a chief of staff, and then social media manager slash communications manager that sits directly under her. So then she kind of further pulls away from the group and is functioning more as an independent entity from there."*

RECOMMENDATION FOR EVENT ATTENDANCE: That if an invited elected official cannot attend an event, that another elected official be asked to attend wherever possible in accordance with section 5.2 of the Council Code of Conduct Bylaw.

State of the City

The City of Medicine Hat has communications resources available to support elected officials in their external duties, one of which is the mayor's annual State of the City speech. The 2025 speech was

delivered on January 28th during a meeting co-sponsored by the Chamber of Commerce and the Kiwanis Club⁴⁰. This event is an ideal opportunity for the city to put its best foot forward through a planned event that is supported by the city's communications department.

In this event, while it is the mayor delivering the speech, she is doing so on behalf of council, six members of which were present, and there is an implicit understanding that the speech reflects the position of council and likely that council members are aware of what the mayor will be speaking about. This is reflected in Council Code of Conduct Bylaw

5.3. A Member who is authorized to act as Council's official spokesperson must ensure that their comments accurately reflect the official position and will of Council as a whole, even if the Member personally disagrees with Council's position.

Figure 22 - Excerpt from Code of Conduct Bylaw - Position and Will of Council

According to one interviewee, the mayor did not use the material she was provided. The interviewee said "the *“mayor is supposed to speak for council. Comms prepared notes. The mayor went rogue and did a fireside chat with someone from the Kiwanis.”*

The emcee noted in his introductory remarks on the YouTube video of the event *“that this year, the mayor has asked for a different approach. She’s not a fan of long-winded speeches, so she’s chosen to fashion her presentation as a conversation”*.

The State of the City focused on the mayor's opinions and insights rather than communicating the actual 'state of the city', and while it no doubt interested members of the audience, for the most part, the comments during the chat were about what Linnsie Clark's thoughts were rather than having a focus on what the direction of the council or the city were likely to be.

When asked about the change of structure for the State of the City during a follow-up interview, the mayor suggested that *“communications doesn’t understand my voice. Most of what I got from them I ended up re-writing. I don’t want to sound like a corporate robot. I worked with the group that was putting on the event, and it’s their expectations that matter.”*

Other members of council would appear to differ from what the mayor said in the previous paragraph in that they indicated surprise at the format change for the State of the City event, and

⁴⁰ The speech can be viewed at <https://www.youtube.com/watch?v=y5SfZcpK6qA>

echoed how what transpired differed from what their initial expectations for the event were, with one of them suggesting:

“What I think the community expects, is a polished and professional presentation showcasing the progress of the past year, and vision-casting for the future. It would highlight the strengths and collaboration of the City and community, utilizing media which can be shared and repurposed for promotion and attraction. It should be inspirational and build confidence in the future of both “The City” and the city.

Unfortunately, I do not feel that this year’s format or content met those expectations, and I’m disappointed by the lack of collaboration on the part of the mayor to produce a message that reflected less on council and administration misalignment and current community challenges, and more on building a positive message about the future of the City of Medicine Hat.”

Another councillor said:

“(I) did not think it was effective. The mayor did not acknowledge anyone in attendance, especially the business community that faithfully attends to hear whatever direction the City might be going. She took a shot at Council but did not acknowledge us in any other way. She also did not think to acknowledge administration, who were also in attendance”.

These two comments further illustrate the irregularity and misalignment between what council expected of this public event and what eventually transpired in the mayor’s presentation.

RECOMMENDATION FOR REFLECTING THE WILL OF COUNCIL: That any elected official speaking publicly on behalf of Medicine Hat City Council, and especially the mayor, ensure that their comments accurately reflect the position and will of Council as a whole, in accordance with section 5.3 of the Council Code of Conduct Bylaw.

Divisional Realignment Vote

Ultimately, the relationship between the mayor and the rest of council degraded to the point where on March 21, 2024, city council accepted a report by Kingsgate Legal and found that the mayor had violated the Council Code of Conduct Bylaw. At that time, city council voted to impose a series of six sanctions against the mayor.

This eventuality was the result of an interaction between the mayor and City Manager Mitchell during the open session of the city council meeting on August 21, 2023. The topic of that debate was a 'divisional alignment' that was being proposed by the city manager. While the change was eventually approved 8-1 with the mayor voting in opposition, the ramifications of the discussion that occurred between the mayor and the city manager became the flashpoint for the code of conduct violation accusation and the application of subsequent sanctions.

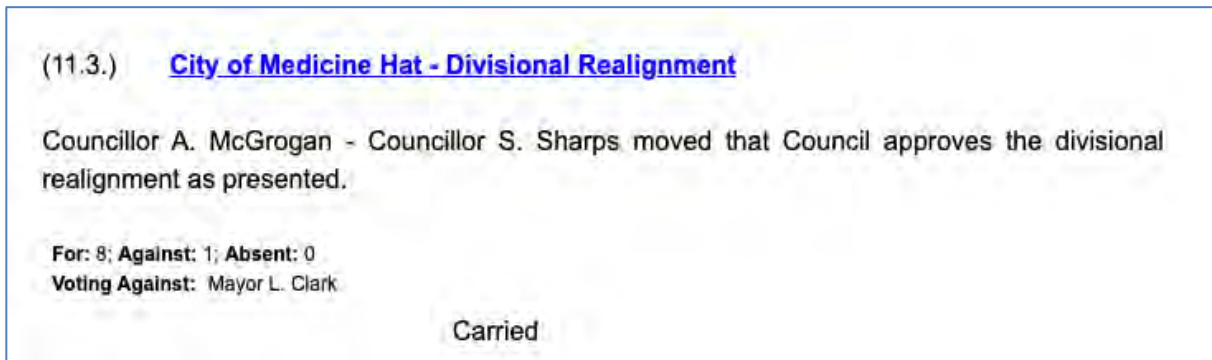


Figure 23 - Excerpt from City Council Minutes, August 21, 2023

Code of Conduct Breach and Sanction Application

Subsequent to the divisional realignment topic's debate and agreement, a report was commissioned by Kingsgate Legal to inform council members before council decided whether to take any further action. The report was accepted by a vote of 7-0 with Mayor Clark and Councillor Sharps absent from the meeting.

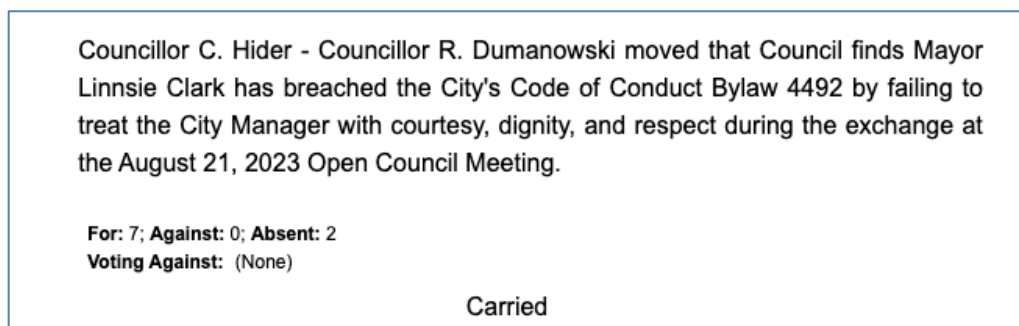


Figure 24 - Resolution on Mayoral Breach of Code of Conduct

A resolution was then considered by council about the potential for sanctions to be applied based on the breach of the Code of Conduct Bylaw. The same voting result as the previous motion led to the following list of sanctions being applied:

1. publication of a letter of reprimand and request for an apology;

2. suspension of Clark's presiding duties under section 154 of the Municipal Government Act, RSA 2000, c M-26 (MGA);
3. Clark will no longer be the official spokesperson for Council;
4. a prohibition against Clark entering the Administration area of City Hall and outside of Council meeting will not have any direct contact with City staff other than the City Manager, which would only be via email, copied to all Council, and if the City Manager agrees to meet Clark in person, the meeting must be in the presence of another member of Council;
5. Clark is no longer to attend meetings of the Administration Committee; and
6. a reduction in Clark's salary by 50%.

The final action at that Special meeting was for a rotating chair of council meetings to be decided and for a council representative to be appointed to the Administrative Committee.

Judicial Review

The mayor chose to take the finding of a breach of the Code of Conduct Bylaw and the list of sanctions to judicial review. On August 26, 2024, Justice Nation of the Court of King's Bench of Alberta released a decision on the case of *Clark v City of Medicine Hat*⁴¹, the conclusion of which was two-fold:

1. The finding of a breach of the Code of Conduct Bylaw was upheld.
2. The sanctions applied to the mayor were disproportionate to the severity of the breach.

The Justice wrote that sanctions 2, 3, 5, and 6 were "*disproportionate and unreasonable*" and therefore were struck. Sanction 1 was "*upheld as reasonable*," and sanction 4 was sent back to council for reconsideration. The requirement was for a revised sanction "*that reasonably protects the city manager but does not restrict Clark from performing her duties as mayor.*"

The ultimate result of the judicial review's findings was that the mayor did violate the Code of Conduct Bylaw, an action that can be considered irregular, but that the list of sanctions was significantly reduced, the sanctions chosen constituting an improper action.

Sanction 4 was eventually removed by city council at their February 3, 2025 meeting, but with the caveat that the mayor must copy other members of council on emails that she is sending to the city

⁴¹ Clark v Medicine Hat, 2024 ABKB 513

manager. In addition, the acting or deputy mayor is invited to attend Administrative Committee meetings that have historically had the mayor as the only elected representative⁴².

When asked, one member of council said of the result of the judicial review “when the sanctions were reversed by the judge, we were all deflated as a council”.

The mayor added one additional point to this review, noting that the way that legal fees were paid differed. Both council and the city manager had their legal fees covered, while the mayor did not.

This is not the first time in recent memory that a sitting mayor has taken the rest of council to court over the application of sanctions. In June 2014, then Fort Macleod mayor Rene Gendre took town council to court over sanctions that were applied as part of a code of conduct process in that town. In that case, Justice Nixon upheld the sanctions⁴³. Of note, that town was also the subject of a Municipal Inspection.

In an August 28 interview with the *Medicine Hat News*⁴⁴ the mayor provided her own comment on the judicial review:

Both Sides Feeling Justified after Judicial Review

That evening, Clark released a statement thanking supporters and claiming victory, while current council members indicated their decision was upheld.

Clark's supporters planned to rally at next Tuesday's council meeting, while a former councillor says the landscape is still unsettled.

"I am very pleased that our Superior Court (King's Bench) restored my powers, duties and salary," wrote Clark. "(The decision found) these sanctions were overwhelmingly disproportionate to the public questions I raised during our August 21, 2023 council meeting.

"I believe that all parties involved, including myself, have learned valuable lessons from this experience."

Figure 25 - Excerpt from Medicine Hat News Article, August 28, 2024

The result of this ongoing problematic relationship between the mayor and the rest of council is what ultimately led to council requesting the Minister to request this Municipal Inspection.

⁴² Retrieved from <https://chatnewstoday.ca/2025/02/03/medicine-hat-mayors-city-hall-access-restored-to-status-she-had-before-sanctions/>

⁴³ Gendre v Fort Macleod (Town), 2015 ABQB 623, <https://www.canlii.org/en/ab/abqb/doc/2015/2015abqb623/2015abqb623.html?resultIndex=1>

⁴⁴ Retrieved from <https://medicinehatnews.com/news/local-news/2024/08/28/both-sides-feeling-justified-after-judicial-review/>

In the interim between the conclusion of the review and current day, it does not appear that the relationship between the mayor and the rest of city council has markedly improved. One member of council expressed a desire for the coming years as *“I don’t want the next council going into a mess. Nobody deserves this for the next four years”*.

To set the next council off on the right foot, it would be useful for the 2025-2029 mayor to have a deep understanding of what motivates council members and to be in regular contact with them, like Mayor Clark did early in the 2021-2025 term. These meetings provide an opportunity for the mayor and individual members of council to have an open discussion on topics that can be used to build relationships and trust.

RECOMMENDATION FOR MAYOR-COUNCILLOR MEETINGS: That the Mayor of Medicine Hat engages in regular one-on-one meetings with individual members of city council at least quarterly, and that these meetings include a standing agenda and a way of tracking progress on members’ goals, priorities, challenges, and successes.

5.11.3 Council – CAO Relationship

While not designed to be adversarial in nature, it is not unusual for elected members and their only employee to disagree from time to time. It is the CAO’s role to provide objective advice, perhaps with a recommendation and alternates for council to consider. It is then council’s job as a whole to consider that advice, put their political lens and council’s expressed values in front of the matter, and make a decision.

For the most part, it appears that Medicine Hat City Council has followed this structured advice; however, this structure does not always work.

There is an adage that suggests ‘when push comes to shove, it’s the CAO who gets shoved’. Over the course of this electoral term, five individuals⁴⁵ have occupied the CAO chair, either as permanent, interim, or acting CAOs. This indicates a lack of stability in the office that should be concerning to observers. Apart from the organizational instability this causes, there is an improvident financial impact to changing CAOs on a frequent basis. This cost, whether in terms of

⁴⁵ See section 6.1 of this report ‘Chief Administrative Officer’

recruitment costs, severance, or the cost of bringing a new CAO up to full effectiveness is a cost that is ultimately passed on to the citizens and businesses of the city.

The *MGA* is clear on the role of council vs the CAO. Whereas council is to ‘develop and evaluate policies and programs’⁴⁶, the CAO’s job is to ‘implement’⁴⁷ them. So long as this role clarity exists, the council-CAO relationship functions well. When council begins to get involved in the implementation side of municipal operations, problems occur. Likewise, when the CAO strays into governance, or into not keeping elected officials informed, the relationship – and the trust requirement - erodes.

There is a grey line between governance and operations here, to which the mayor suggested that *“how can we keep the city manager accountable if we don’t have information about operations?”* No other members of council made a similar remark, though some implied it. There is more about the mayor’s relationship with the CAO in the next section of this report.

An example of this desire for ‘more information’ was provided by a councillor who expressed frustration that council was not being provided with a list of actions that the city clerk is working through to advance governance in the city⁴⁸. The councillor suggested that when asked about the list or for a copy of the list, the city manager has *“consistently been vague—“it’s coming”, “we’re working on it”, or “do you know how much progress we’ve made?”*” and subsequently the councillor noted that *“this (asking for information) is literally our job, and we should be able to make such requests ; How many times does the mayor have to ask for this? Do we need to make this a motion?”*

The response to the last question is ‘yes’, council does need to make a motion. The *MGA* is clear that council acts as a whole through the legislative process of majority rule. If a majority of council members want access to something that is appropriate given their governance oversight role, then administration is to provide that. A note of caution about this is that not all of administration’s documentation is within council’s purview. As outlined elsewhere in this report, the city’s corporate plan is an example of this. This document is an administrative document, so council does not own it.

⁴⁶ *MGA* s 153(b)

⁴⁷ *MGA* s 207(b)

⁴⁸ This list of actions is referenced several times throughout the Inspection Report

That said, it is useful for council to be aware that these types of documents exist, and perhaps to see them for information.

There is a response from administration to this assertion that council is not being provided with the information they are requesting. The city manager listened to the quote about information provision above and replied that *"I am not a hoarder of information. It's the misuse of information and the damage it can cause. We are considering if it will be used to pick us apart. It's not used for what they say they want it for"*.

Ultimately, this relationship is about trust, and once that trust dissipates – from either group – the relationship between council and the CAO deteriorates. The lack of trust appears to be one of the reasons there have been so many CAOs over the course of this council's term.

The CAO's role is highly regulated, both with local bylaws and policies, but also with provincial and federal rules. The essential activity of the city must continue, and most of that activity does not directly involve city council. The current city manager noted that *"our team has been able to work despite the noise."* The first city manager during this council's term suggested that council had a steep learning curve. He said *"seven new members of Council too, and they are already drinking from the fire hose. To have that many people drinking from the fire hose at the same time with a new city manager; it was going to be a challenge."*

One of the ways that council and the CAO maintain a relationship is through meetings outside of duly called meetings in council chambers. That will be spoken to later.

Regular Communication

In many municipalities, the principle of all members of council learning about information concurrently occurs through some sort of regular update from the CAO to all of council. City Manager Mitchell had done this through something she called her 'weekly update' that contained matters of routine business and raised council members' awareness on current and potential topics that council members ought to know about and about which they may get questions.

The excerpt below is from a March 2023 update. The full contents of the update have not been included here to preserve material that might still be confidential. To provide some context though, the section headers are:

- Human Resources Position;

- HR Sign;
- Incentive;
- Grant Funding;
- Heritage Pavilion;
- IT;
- Legal;
- Lands Division;
- Medicine Hat Real Estate Board;
- Office Moves;
- Planning; and
- Wastewater Plant.

From: Ann Mitchell <annmit@medicinehat.ca>
Sent: Sunday, April 2, 2023 9:27:10 AM
To: Robert Dumanowski <ROBDUM@medicinehat.ca>; Darren Hirsch <darhir@medicinehat.ca>; Alison Van Dyke <alivan@medicinehat.ca>; Allison Knodel <allkno@medicinehat.ca>; Andy McGrogan <AndMcG@medicinehat.ca>; Shila Sharps <shisha@medicinehat.ca>; Cassi Hider <cashid@medicinehat.ca>; Linnise Clark <LinCla@medicinehat.ca>; Ramona Robins <RamRob@medicinehat.ca>
Subject: Re: City Manager's Weekly Update - Confidential

**City Manager Weekly Update
March 27th – March 31st, 2023**

Human Resources Position

I have approved HR to move forward hiring the following:

Figure 26 - Header from Sample City Manager's Weekly Update

The city manager ceased distributing these weekly updates in early 2024 because, she alleges, some of the contents of these confidential emails were making their way into the public domain. If this allegation is correct, the distribution of confidential information would be both irregular and improper depending on the contents of the material in question.



Figure 27 - CAO's Notice of Cessation of Weekly Update

The rationale for this change this was not universally understood or accepted. For example, Mayor Clark said during her interview that “(v)ery early on, Ann started doing things that illustrated that she didn’t respect me. She unilaterally chose to stop sending a batch email⁴⁹ to staff that used to go to staff and elected.” However it was received, the loss of these updates has eliminated a timely way for members of council to receive information that is most likely useful in their roles in the wider community.

It does appear however, that the Weekly Update was restarted some months later, with a highly prominent requirement that the material being distributed was not to be shared beyond members of city council.

⁴⁹ The ‘batch email’ was part of a regular correspondence that used to go out to both administrators and elected officials.

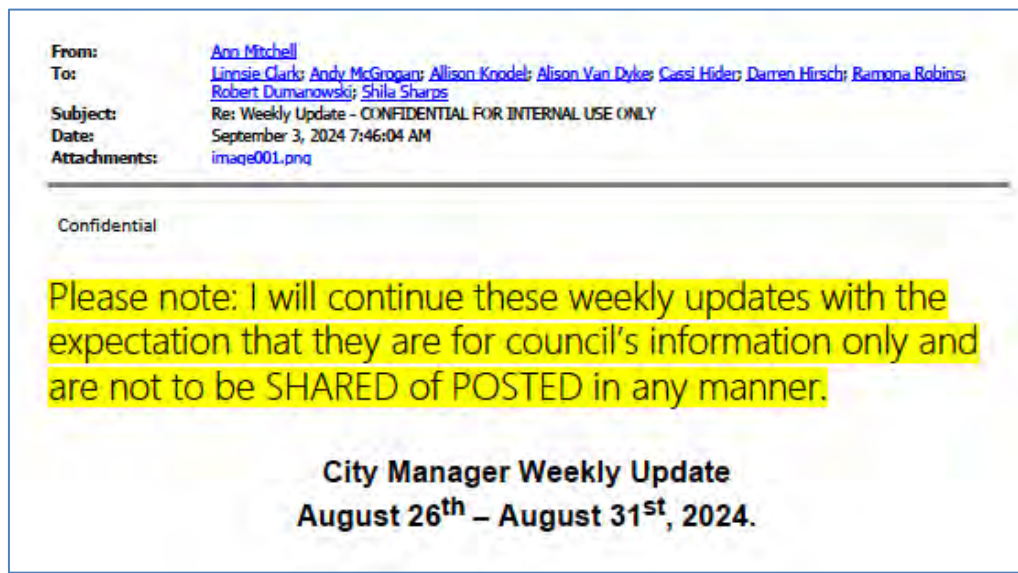


Figure 28 - Reinstatement of Weekly Update

Respect for Elected Officials

There have been times when members of council do not believe they have been afforded the respect that the office deserves. This includes when assertions are made that the city manager does not follow the direction of council, does not respond to emails in a timely fashion, or does not follow established rules that are laid out in bylaws and in policy. There are two sides to this story, with members of city administration alleging that confidential information is making its way into public, thereby eroding trust between elected officials and the city's staff complement. If either or both perspectives are true, then improper actions are taking place. There is a follow-on effect too, where members of city staff have reduced trust in their leaders because of these eventualities.

During the Inspection several members of council forwarded email strings to support their assertions, particularly in relation to real or perceived lack of respect or direction-following on behalf of the CAO. While each topic is unique, these strings were consistent in their assertions of reactions that the sender deemed inappropriate.

This excerpt from an email of March 3, 2025 is representative of the topic. This email is between the mayor and the city manager, and it includes reference to an interaction between the city manager and Councillor McGrogan.

During a follow-up interview with Councillor McGrogan, he said of this interaction that he had felt bullied. He noted that the challenge and apparent disrespect was "*not egregious. It's an example of*

disrespect for the people she works for. She separates and divides and conquers. It's bizarre and petty."

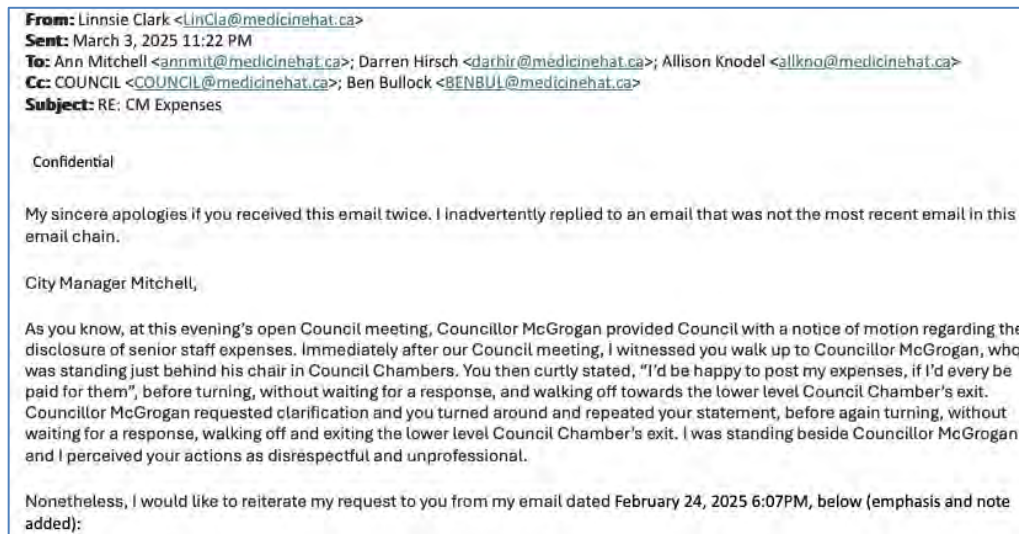


Figure 29 - March 3, 2025 re. Council-CAO Interaction

Another recent example of this had to do with the Mustard Seed, a social agency located in a residential area near downtown Medicine Hat. The organization had applied for permission to add 20 overnight beds⁵⁰, a change that requires the consent of the city through the Municipal Planning Commission (MPC). When asked for detail, the city's relevant managing director provided this comment about the change the Mustard Seed requested:

"The Applicant is requesting an approval beyond April 30, 2025, with no specific date mentioned. The general use of the site is for a daytime shelter from 7:30 am to 3:30 pm that offers food services, and then a night-time shelter from 3:30pm to 7:30 am which can accommodate up to 20 beds for overnight sleeping".

On January 15 the MPC unanimously denied the request and the city issued a related notice⁵¹. While community expectations may have been that the matter ought to have taken effect overnight, the city must follow legislated and reasonable measures of enforcement. When this didn't occur, one or more elected officials asked why. The Inspector was told that council and the community were advised of the process, which included formal notification, relevant appeal periods, observation of non-compliance, reasonable enforcement measures, and applicant engagement.

⁵⁰ Currently, there is no provision for overnight beds at the Mustard Seed.

⁵¹ Item 3.1 on agenda of January 15, 2025 MPC

The managing director told the Inspector that city administration had published Frequently Asked Questions (FAQ's) on the City website on December 20th. These questions included expectations as to potential decisions. Once the decision was taken by MPC, a second FAQ was posted to the city's website on January 27, 2025⁵², further clarifying what the community and council could expect for activity on-site as well as municipal enforcement actions. Council was sent emails including the first FAQ on January 2nd and the updated FAQ on January 27, 2025.

Further, the responsible managing director said that *"on February 5th, a stop order was issued (which initiated another statutory 21-day appeal period). The city's land use bylaw (s. 2.1 and 3.5) and the Act (s.683), dictate requirements for enforcement which were provided to all of council prior to, and during the process"*. As this report is being written, the Mustard Seed has signalled their intent to cease operations no later than February 28, 2025; prior to the March 3rd Stop Order date.

One member of council during an interview suggested that the city manager said she was unable to update council because the matter was under enforcement even though it was apparently not yet in fact under enforcement. An email received by the Inspector corroborated this. On February 7th, the city manager wrote *"I would caution members of council that we are in an enforcement process and by engaging and discussing this matter you could be putting the organization at risk."*

While the details of this instance are specific, the general notion from the interviewee is that there is *"a city manager who avoids responding to our inquiries, claiming that the mayor might leak information."* The councillor went on to say *"The community is ruminating over money being spent, and literally when we asked the question the answer is it's none of our business. I am struggling with this as we are accountable to the taxpayer."*

There is an administrative response to this contention, however the crux of both points is that trust is eroded between elected officials and administrators. A local news outlet allegedly and irregularly received a confidential internal email that the outlet in turn used as part of the basis for a story it posted online about the process occurring with the Mustard Seed⁵³. One line in the story states that *"The email was shared with CHAT News on the condition of anonymity."* This acknowledgement by the media suggests the sender was aware of the confidential and sensitive nature of the email. According to a member of the city's management team who was named in the story, the online text

⁵² Retrieved from: https://www.medicinehat.ca/en/business-and-development/resources/Documents/503A_Allowance_Ave_SE_PLDP20240804_FAQ.pdf

⁵³ Mustard Seed 'operations at North Flats Site can continue until March 3, city staffer says': <https://chatnewstoday.ca/2025/02/07/mustard-seed-march-continue/>

“included personal identifying information with opinion and commentary. The email to council was regarding an enforcement process to cease and desist Land Use based on a Municipal Planning Commission decision (the Development Authority).”

The city manager provided a related email exchange that included herself, several members of the management team, and city council. The first email in this exchange was sent on February 7th, 2025, and the most recent email in the string was from February 21st of that year. The overall theme of the thread starts with a manager providing recipients with a timeline of events related to the Mustard Seed, and ends with a discussion about relevant city policy regarding enforcement and related processes.

During the response period when members of council and the city manager were asked to provide insights into the report as it stood at the time, one member of council asserted that *“(a)dministration appears to be increasingly taking the spotlight and wanting to be Front and Centre. If they wish to continue in this manner, they should consider running for elected office”*. The crux of this contention comes to role clarity, in that administrators are expected to implement the will of Council rather than merge into the political realm.

This comment was provided in the context of an opinion expressed by the councillor that *“administration needs to stay out of political affairs”*. The examples provided were twofold:

- A construction organization that mentioned they were told by administration that members of council weren't available; presumably for some sort of a meeting or other engagement; and
- CBC was in Medicine Hat for a politically themed podcast featuring some former elected officials. While it was the city that hosted or curated the event, it was the city administration that introduced the panel. According to the councillor, the communications manager and a managing director took center stage, and there were two rows of reserved seating filled with staff. The councillor attended but sat at the back, only to be approached by panel members questioning why councillors were not seated at the front and acknowledged.

Topics like the ones above emerged several times through the course of the Inspection and are likely indicative of other trust, confidence, and confidentiality issues at play.

RECOMMENDATION FOR WEEKLY CITY MANAGER UPDATES: That the Medicine Hat City Manager continue with the weekly update to council, under the proviso that any dissemination of confidential information by the recipients constitutes a breach of section 9 of the Council Code of Conduct Bylaw and sections 153(e) and (e.1) of the *Municipal Government Act*.

5.11.4 Mayor – CAO Relationship

Ordinarily the report for a Municipal Inspection would include the mayor's relationship with the CAO within the sub-section on Council – CAO relationships because the legislative relationship that the chief elected official has with the chief administrative officer is essentially the same as that for all other members of council.

Like any other councillor, the mayor cannot direct the CAO without the agreement of at least half of the rest of council agreeing to the direction in an open meeting. The CAO acts in response to council as a whole, not to one member of council, even if that council member is the mayor.

Since the CAO is the only employee of council, all other staff essentially report to council through the CAO. For that reason, this section of the report expands beyond the mayor-CAO relationship and sometimes includes other members of the city's administration.

Mayor – CAO Meetings

This legislative relationship is somewhat altered by the titular authority granted to the mayor. She is ostensibly the head of council and the representative of the municipality. In a practical sense, one of the common situations in which this appears in local governments across Canada is when the mayor might meet with the CAO on a regular basis to go over routine details or to get and provide general updates.

A former city manager noted during their interview that:

"Whenever I would meet with Linnsie (Mayor Clark) at least once a week, one-on-one in her office, if there was any request for information that was reasonable to access and that didn't require all of Council to approve a motion to access information. It was forthcoming without any hesitation."

This type of information is appropriate to be shared with individuals because it does not relate to council's decision-making process about business before council and does not imply that one member of council – the mayor in this case – is getting information that is not available to other members of council.

Rather than all of council meeting with the CAO as a routine, it is much more efficient for one member of council (the mayor) to meet with the CAO. This only works if the mayor has gathered information from their council colleagues in advance of that regular meeting and if the mayor or the CAO then disseminates the information to all of council shortly after the meeting in accordance with section 153.1 of the MGA.

Duty of chief administrative officer

153.1 Where the chief administrative officer or a person designated by the chief administrative officer provides information referred to in section 153(d)⁵⁴ to a councillor, the information must be provided to all other councillors as soon as is practicable.

As a caveat to this is the note that it is important that these one-on-one meetings do not include advancing any topics, issues, or business that should be discussed in the formal agenda of city council or committee meetings.

While the mayor and the current CAO do not appear to have a constructive relationship; this is one of the most important relationships in any city's structure. If the communication between the mayor and CAO is not regular, efficient, and respectful, the process of good governance is eroded. The two individuals do not have to be friendly with each other, but they do have to be collegial. This professional rapport does not currently seem to exist in Medicine Hat.

To support this contention, the city manager – council's primary adviser - told the Inspector that "*at my six-month check-in (after being hired), I said the biggest challenge is the dysfunction on council. The mayor said that it (intra-council relationships) was none of my business*". This comment makes open communication even more difficult.

⁵⁴ s. 153(d) speaks to obtaining information about the operation or administration of the municipality.

Conflation of Mayor and CAO Roles

Several interviewees offered comments in their interviews about the mayor's role in the City of Medicine Hat. The gist of those comments was that the mayor "wanted" to occupy both roles, indeed one interviewee suggested that the mayor offered to fill the role of CAO during one of the times when the city was seeking out a new CAO. Apparently, the mayor was heard to have said *"let me be mayor and city manager."*

Another interviewee suggested that *"she (the mayor) said words to the effect that she doesn't even think a city manager is necessary, that the mayor should be able to perform both functions. And I think that theme permeates how she conducts herself even today."*

There is nothing wrong with a person who is a mayor and then a CAO, or vice versa. Indeed, that is common in local governments in Canada. The problem arises when a person wants to hold both offices at the same time. Another interviewee said that *"Linnsie should have waited until the CAO role was open and applied for that."* If this exercise of someone else's authority did occur, it would be an irregular and improper occurrence.

Under the MGA, the CAO is an employee of the municipality. There is a clause under the Reasons for Disqualification section of the MGA that says:

Reasons for disqualification

174(1) A councillor is disqualified from council if

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

While the mayor did not officially take on the role of the CAO, some interviewees said that it felt like she would have preferred that job as well of that of the city solicitor. As an example, one interviewee said that the *"mayor would wander down the leadership hallway and give direction to the managing directors. They'd go and talk to Ann about this, and Ann would send an email to council saying that direction needs to go through the CAO."* This likely led in some fashion to the sanction that city council chose to include in the list of sanctions⁵⁵ under the Council Code of Conduct breach that council approved emerging out of the August 21, 2023 Regular city council Meeting.

⁵⁵ This sanction was one of the ones that Justice Nation wrote was disproportionate to the offense during her judicial review.

Mayor's Email Correspondence to CAO

During the course of this Inspection, a series of lengthy emails from the mayor to the CAO (and copied to other members of council) were provided as part of the document request. While not inherently inappropriate, the sheer volume and length of emails reported slowed down the administrative structure's ability to respond, and added to the opportunity cost of not being able to get other work done.

The use of emails as conversation between formal council meetings in municipalities is becoming increasingly common, and there are at least two points of view about using this tool. On one hand, it can quickly dispense with the minutiae of routine questions or requests for information that would otherwise take up time during council meetings. On the other hand, the use of email could be to get information about topics that are in front of council. If an email advances an issue towards a conclusion, it is inappropriate to use the tool; however, there is no proof that this is the case in Medicine Hat.

The volume of email strings provided to the Inspector as part of the Medicine Hat Inspection verges on overwhelming. Most interviewees provided some sort of email string to support a comment made during the interview, and some provided long email strings as 'proof' that the situation is out of hand, and that the use of this amount of email is not appropriate. Without an actual count, it is fair to say that the number of intra-municipal email strings submitted is likely in the hundreds.

As an example, as part of the mayor's submission to this Inspection, one email string – along with its attachments – ran for 230 pages⁵⁶. This submission is titled 'Mayor Clark's Concerns with the Written Inquiry Correspondence'. Another email string entitled 'Discussion and Direction to Administration to Redact and Release the Kingsgate Investigation Report' runs for 39 pages. This submission includes an email string that involves all members of council and the city manager.

From what members of city council have suggested, this type of correspondence is common. The amount of reading and writing that is being created and read creates an immense burden on individual members of council and staff, and for the municipality as a whole.

⁵⁶ Of note, not all the emails in the string were authored by the mayor. This was a string of emails and documents that had several contributors in all.

True debate on issues before council or facing the municipality ought to be taking place within the walls of council chambers, whether in open session or in closed session depending on the topic. Engaging in virtual 'debate' where no members of the public can view the salient points runs counter to commonly desired values such as regularity, accountability, and transparency.

When councillors have conversations over long email threads, there can be a tendency to get into debate, almost without recognizing this transition. It is not necessarily intentional, but the line can get crossed. It is best to practice limiting conversations over email as a safeguard to what likely belongs as a debate in council chambers.

Each of these strings becomes a record and may be subject to a freedom of information request depending on the contents of the email string and attached documents. At very least, the job of determining what may need to be redacted from a FOIP request would be substantial.

RECOMMENDATION FOR MAYOR ROLE FOCUS: That the Mayor of Medicine Hat act within the general duties of councillors (s 153) and general duties of chief elected official (s 154) as outlined in the *Municipal Government Act*, and that the mayor refrain from taking on duties that belong to the CAO as defined in s 207 of the *Municipal Government Act*.

RECOMMENDATION FOR MAYOR - CAO MEETINGS: That the Mayor of Medicine Hat and the CAO of the City of Medicine Hat reengage in regular update meetings at least twice per month, and that these meetings include a standing agenda and a way of tracking complete and incomplete actions.

RECOMMENDATION FOR COUNCIL INPUT AND REPORTING FOR MAYOR - CAO MEETINGS: That the Mayor of Medicine Hat request of other members of council the topics they would like to have discussed between the mayor and CAO, and that the mayor follow up the mayor-CAO meetings with a written or email report to councillors within two business days.

RECOMMENDATION FOR MAYOR – CAO CORRESPONDENCE: That the Mayor of Medicine Hat refrain from providing lengthy email messages to members of council and the CAO on topics that are more appropriately discussed in either the mayor-CAO meetings or in council or committee meetings.

RECOMMENDATION FOR FOLLOWING COUNCIL DIRECTION: That the City Manager follow direction provided by City Council through a resolution of the Council, unless that direction would run counter to legislation.

5.11.5 Community Engagement

In Alberta, all municipalities are required to have a public participation policy. Medicine Hat is no different. The city's policy was adopted by council in June 2018 with the policy statement outlined here:

Policy

Title: PUBLIC PARTICIPATION		Number: 0165
Reference: Administrative Committee - June 6, 2018	Adopted by City Council: July 3, 2018	
	City Clerk 	Chief Administrative Officer
		Supersedes: N/A
Prepared by: Corporate Communications, Chief Administrative Office		

STATEMENT

PUBLIC PARTICIPATION IN THE DECISION MAKING PROCESS PROVIDES DECISION MAKERS WITH INFORMATION THAT ASSISTS THEM IN MAKING DECISIONS THAT ARE WELL INFORMED AND WELL UNDERSTOOD. THE CITY OF MEDICINE HAT RECOGNIZES THE VALUE OF PUBLIC PARTICIPATION AND IS COMMITTED TO CREATING APPROPRIATE OPPORTUNITIES FOR THE PUBLIC TO BE INVOLVED.

Figure 30 - Title Block of Public Participation Policy 0165

As with several other policies that are discussed in the 'policy' section of this report below, this policy is likely in need of an update given that it is seven years old, and the policy itself requires that "this policy will be reviewed at least once every four years". According to the city's website⁵⁷, the city hired a Public Participation Specialist in June 2024, and that person is 'working on the development of a Public Participation Framework.' Statutory documents being permitted to go beyond their expected lifespans before being reviewed constitutes an irregular activity.

The city's documentation makes several references to the International Association for Public Participation (IAP2), which is the benchmark for municipal public participation policies in Alberta and

⁵⁷ Retrieved from: <https://shapeyourcity.medicinehat.ca/public-participation-framework>

beyond. During the interviews, very little was said about engagement *per se*; however, many interviewees did comment on how the city, and council in particular engages externally to the city's communications and engagement staff.

Social Media

Several members of council have a social media presence. This presence is governed under the Council Code of Conduct Bylaw. The essence of this is that council members must understand, accept, and act in a way that indicates knowledge that the city's reputation must be upheld by those who post on social media.

5.6. Use of Social Media

- (a) As public figures and representatives of the Municipality, Members must exercise sound judgment and be prudent in what material they post on Social Media. As with any other communication, Members are accountable for content and confidentiality. Members should exercise caution when engaging in debate or making comments on contentious matters, as feelings and emotions can become enflamed very quickly.
- (b) When engaged in matters pertaining to their roles as Members, in using Social Media, Members must not attempt to disguise or mislead as to their identity or status as an elected representative of the Municipality.
- (c) Members must not use Social Media to publish anything that is dishonest, unsubstantiated, or misleading in any way when engaged in matters pertaining to their roles as Members.

Figure 31 - Excerpt from Council Code of Conduct Bylaw 4805 – Use of Social Media

Throughout the Inspection, several allegations of confidential information being posted on council members' public accounts were made. This is discussed in detail throughout the report.

Beyond posting personal opinions, the Code of Conduct Bylaw also includes instructions that must be followed when council members are communicating on behalf of the municipality, a common requirement that is inherent in a public facing role of elected official.

Communicating on Behalf of the Municipality

- 5.1. A Member must not claim to speak on behalf of Council unless authorized to do so.
- 5.2. Unless Council directs otherwise, the Mayor is Council's official spokesperson and in the absence of the Mayor it is the Deputy Mayor, unless otherwise designated by Council. All inquiries from the media regarding the official Council position on an issue must be referred to Council's official spokesperson.
- 5.3. A Member who is authorized to act as Council's official spokesperson must ensure that their comments accurately reflect the official position and will of Council as a whole, even if the Member personally disagrees with Council's position.
- 5.4. A Member must not make a statement when they know that statement is false.
- 5.5. A Member must not make a statement with the intent to mislead Council or members of the public.

Figure 32 - Excerpt from Council Code of Conduct Bylaw 4805 - Communicating on Behalf of the Municipality

While Medicine Hat has some mainstream print and broadcast media, the city is also home to various private entities that purport to tell the story of what is occurring within city hall. Most members of city council do not seem to avail themselves of these entities, although Mayor Clark does have an ongoing relationship with a Facebook entity called 'Community TV' or the 'Medicine Hat Owl'. The entity's website says that 'Together, we're a powerful mix—scrappier, wiser, and more dangerous to corrupt rat politicians by the day⁵⁸'.

One city staff interviewee noted of this entity that *"Community TV Facebook page has said terrible things about staff. They don't fact check, they just put opinions out and people think it's true. The two people who run that Facebook page were in the mayor's office for an interview. How does that happen? It's such a slap on the face (to staff)."*

The mayor was asked about this quote regarding the interview and the online reporting group, saying that *"I think that Facebook is here, and those news sites are here. I think the impression is that if I do an interview with someone then I'm endorsing everything they have said. If we can develop good relationships with online media, then we should. I think the interviews have been fair."*

There is nothing in the Code of Conduct Bylaw that prevents individual members of council from speaking with the media, acknowledging that it is typically the mayor who acts as the city's voice,

⁵⁸ Retrieved from: <https://www.comtv.ca/about-4>

but members need to be cautious and know that their words carry weight, have ramifications, and that they may not be taken in context.

Other members of council have had contentious interactions with local reporters as well. An example of this is an audio clip of Councillor Sharps that was posted to Community TV on September 3, 2024⁵⁹. As part of a wider three-minute audio clip about costs at city hall, the councillor is heard to say, *“my battle is, let’s lose 20% of our staff and maintain our services.”* More than one staff member indicated that this has *“severely impacted staff morale and effectiveness”*. In this case, the Councillor was very likely speaking about her own opinion or something that she had heard elsewhere, and not speaking for council. Subsequently the councillor told the Inspector that the clip was not provided to Community TV as part of a formal interview, and that she was also repeating words that she had heard the city manager say. It is a reminder of the significance of how elected officials communicate.

Earlier in this section, the mayor’s 2025 State of the City presentation was identified in the section on Mayor-Council relationships. At this event, those in attendance from the city, whether elected or appointed, were generally surprised by the mayor’s changing of the process.

This Facebook entity appears to be friendly to the mayor, including being provided access to the mayor’s office for a December 6, 2024 interview⁶⁰.

One member of staff said during an interview that *“the way the public interacts with the city has been detrimental to staff mental health. There is a community reporter who puts out blatant misinformation, and they have a large group of followers.”* And further *“the fact the mayor brought them into city hall for an interview legitimized the bully”*.

In this way, perception becomes reality, and the reality recently appears to be that this type of engagement is contributing to the growth of negative culture. Public engagement and communication are the ways that the city interacts with the people who live and work in Medicine Hat. It needs to be timely, honest, and transparent to be effective.

⁵⁹ Retrieved from: <https://www.comtv.ca/news/2024/9/2/shila-sharps-diatribes-recorded?rq=sharps>

⁶⁰ Retrieved from: <https://www.facebook.com/watch/?v=8667651549950569>

RECOMMENDATION FOR COUNCIL EXTERNAL ENGAGEMENT: That Medicine Hat City Council members remain aware of their role as community spokespeople and abide by the Council Code of Conduct when interacting with outside entities and media; and further, that members of city council avail themselves of professional development opportunities related to council's role in communication and engagement.

5.12 Organizational Meetings

The *MGA* requires that a city must hold its Organizational Meeting every year, and no later than two weeks after the third Monday in October:

Organizational meetings

192(1) Except in a summer village, a council must hold an organizational meeting annually not later than 14 days after the 3rd Monday in October.

The City of Medicine Hat Council has abided by the *MGA* and held annual organizational meetings within the required period legislated by the *MGA*. The most recent Organizational Meeting was held on October 21, 2024.

October 21, 2024 Organizational Meeting Agenda

Agenda

MEDICINE HAT CITY COUNCIL ORGANIZATIONAL MEETING
Monday, October 21, 2024
6:30 PM
City Hall Council Chambers

- Call to Order**
- Appointment of Council Members to Various Bodies**

RECOMMENDATION THAT Council vote by secret ballot for the committee positions during the organization meeting when required.

After voting occurs:

RECOMMENDATION THAT Council destroys the ballots for the elections during the Organizational Meeting for the 2024-2025 Council Member Appointments.
- 2025 Council Meeting Schedule and 2025 Provisional Consolidated Meeting Schedule**
- Reminder - Deputy Mayor and Acting Mayor Appointments**

As established at the November 1, 2021, Organizational Meeting of Council
- Adjournment**

Figure 33 - October 21, 2024 Organizational Meeting Agenda

The city's Procedure Bylaw (4725) sections 4.7 to 4.10 outlined what occurs within the structure of the Organizational meeting.

Organizational Meetings in Procedure Bylaw

Organizational Meetings

4.7 Council must hold an Organizational Meeting annually not later than two (2) weeks after the 3rd Monday in October. *[M.G.A. s. 192(1)]*

4.8 At an Organizational Meeting, Council must:

- appoint Councillors to the position of Deputy Mayor and the position of Acting Mayor pursuant to section 4.10;
- conduct other business as identified within the Organizational Meeting agenda.

4.9 At an Organizational Meeting, Council shall vote on the appointment of Councillors to Council Committees, boards, commissions, and external organizations.

Figure 34 - Excerpt from Bylaw 4725

Section 4.10 of the Procedure Bylaw includes the schedule and appointments for deputy and acting mayors.

One minor change is required to section 4.7 of the bylaw because of a recent change to the MGA. This change will prevent the Procedure Bylaw from becoming irregular.

RECOMMENDATION FOR UPDATE TO PROCEDURE BYLAW TO MATCH MGA:

That Medicine Hat City Council update section 4.7 of the Procedure Bylaw (4725) to match the changes made in 2023 to section 192(1) of the MGA.

5.13 Council Meetings

Adversarial Nature

In an ideal situation, a council meeting will comprise a series of different individuals with different perspectives and different ideals all working together to advance the interests of the municipality they serve. There is always disagreement and debate, and that typically enriches the outcome.

Members of council debating with one another in a focused environment led by a mayor who takes the role of meeting chair and interface between council members and any external entity is an ideal situation, but it is not always present. The situation in Medicine Hat is perhaps one of the examples where this ideal breaks down in an improper way. It is one thing for members of council to vociferously debate one another and perhaps stray over the line of decorum from time to time, but it is something completely different for members of city council to roundly criticize individuals who are presenting to them – whether they are internal to the city or not. Over the course of the Inspection, the Inspector heard of such behaviour directed towards members of staff, external subject matter experts, and even citizens who were addressing council.

Over the course of the 2021-2025 council term, the interaction between members of council and between council and presenters has been rancorous to say the least. A former city manager suggested during their interview that it was *“pretty clear that (behaviours displayed by council) caused management to feel that we had a hostile and adversarial relationship with council, and that if we ever stepped out of line or if anything went wrong, or if there was opportunity to criticize, that there was going to be a public ridiculing that ensued that. That would make anybody cringe, and subsequently, that's what happened with Ann Mitchell.”*

In a related tone, another member of the city's management team said that *"people are punished if they try something and it doesn't work"*. The same person went on to say that *"staff get dressed down publicly. That still happens – watch any council meeting. Staff just pull in and keep their heads down. We are not a psychologically safe organization"*.

The Inspector observed this type of behaviour at a Special council meeting on November 25th, 2024⁶¹, when an external consultant appeared in front of council to speak to the Energy Business Strategic Review. The Inspector noted that the meeting was a meeting of Council rather than a meeting of the Committee of the Whole, and as such the meeting ought to have been more constrained to debate on the matter at hand – what the city might want to do with their gas and electric businesses over the long term.

In this meeting, the original intent was for the presenters to provide their commentary, to be followed by questions of clarification and potentially debate by members of council. Instead, about 20 minutes into the external presentation, the mayor interrupted the presenter to allow a question from another member of council. Approximately 15 minutes later, the mayor interrupted again. While it was the mayor who broke into the presentation, it was on behalf of other members of council. This behaviour continued throughout the length of the two and a half hour meeting. It is again worth noting that this gathering was a council meeting rather than a committee meeting, so the rules of procedure were more structured.

The confusion about whether this gathering was a council meeting or a committee meeting was reflected in a statement by Councillor Hirsch. At the beginning of introducing a pair of motions, the councillor addressed the mayor as *"madam chair"* rather than *"madam mayor"*. Likewise, Councillor Robins said in a line of questioning *"Thank you. Through the chair"*. These instances might have been slips; however, because the meeting had devolved into more of a conversational committee meeting than the formal council meeting that it was, this confusion became apparent.

Council members are reminded that there is a power imbalance between themselves and their administrators, particularly in an open council meeting. Projecting the type of behaviour that they expect from others will go a long way to creating a more highly-functioning and less-stressful experience for all involved.

⁶¹ Video of this meeting is available at https://www.youtube.com/watch?v=l7hlx_NYKTW

Cultural Impact

Despite the ongoing cultural implications of the adversarial nature of council within the confines of a council meeting, and the human resource expectations that individuals legitimately have to work in a safe workplace, there is long-term impact on what the city might accomplish because of the adversarial nature of council's relationship between themselves and those who appear before them.

Another member of the city's management said that "*the sustainability of the city is critical. We need to be more innovative. There is a real lack of innovation⁶², but people are very risk adverse.*" That risk aversion from staff who are afraid to appear in front of council means that city council is not hearing some of the ideas that might make Medicine Hat an even better place to live and start a business.

In the city's 2023 – 2026 strategic plan identifies *Innovation* as the first pillar; that "*the City's organizational culture will encourage and celebrate innovation, creativity, and multidisciplinary collaboration. We will empower individuals in our organization and community to present solutions to problems⁶³*". This 'celebration' is muted if innovative ideas are risky to present to city council. Further, it is noted that when the strategic plan was updated in 2024, the *Innovation* pillar was removed.

Beyond city council, the City of Medicine Hat has created a Respectful Workplace Policy, the policy statement of which is noted here:

THE CITY OF MEDICINE HAT ("CITY") IS COMMITTED TO CREATING AND SUSTAINING A WORKPLACE THAT SUPPORTS AN ENVIRONMENT WHERE EVERY PERSON IS TREATED WITH DIGNITY AND RESPECT AND AN ENVIRONMENT THAT ENSURES EQUAL OPPORTUNITY, IS FREE OF DISCRIMINATION, HARASSMENT OR VIOLENCE, AND IS INCLUSIVE, PRODUCTIVE, POSITIVE, SAFE AND RESPECTFUL TO ALL EMPLOYEES, VOLUNTEERS AND THE PUBLIC.

Figure 35 - Policy Statement from Respectful Workplace Policy 8047

⁶² The term 'innovation' appears in council's original strategic plan referenced elsewhere in this report, however it is not listed in the updated version of the plan.

⁶³ Retrieved from: https://www.medicinehat.ca/en/government-and-city-hall/resources/Documents/Plans-Reports-and-Studies/CMH-Strategic-Plan-2023-2026_upload.pdf

While city council does not have a formal role in the Respectful Workplace Policy, members would be expected to model the behaviour they expect of staff within the city. Council went so far as to provide a Council Statement on this topic at the April 22, 2024, meeting:

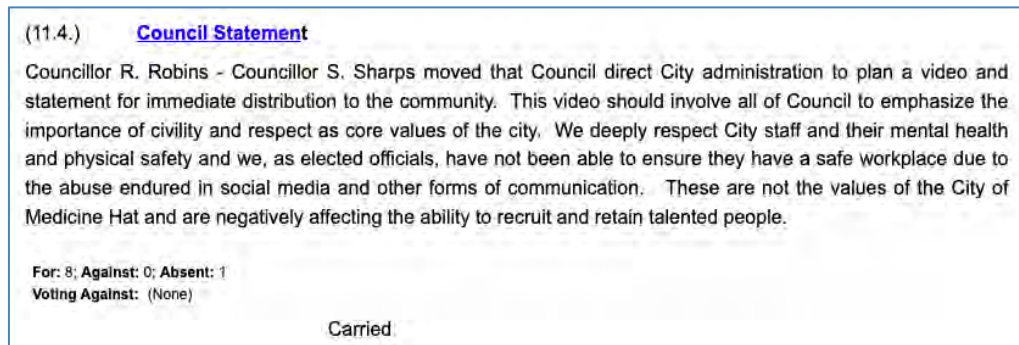


Figure 36 – April 22, 2024, Council Statement on Safe Workplaces

Unfortunately, the adversarial nature of council members towards each other and towards staff does not model the behaviour they have identified in the city Respectful Workplace Policy, or in the Council Statement.

Gotcha

One of the city's managing directors said in their interview that *"in public meetings, it's common courtesy to give staff a heads-up on tough questions. That doesn't happen here."* These instances would constitute a 'gotcha' question, where getting an answer is not really the desired end. Often the desired goal of these types of questions is to make the other person look unprepared or ill-informed. This does nothing for decorum or the sanctity of the council chamber, and 'gotcha' certainly fits the definition of an improper practice.

In such a case *"it seems like the focus has been on retribution or embarrassing someone else rather than upholding a covenant to provide a community with action based on the principles of good governance."*⁶⁴

One manager said of the relationship between the mayor and the city manager that it *"is dysfunctional. One manager told me; 'that's getting so old'. It seems like there are lots of 'gotcha' moments"*. Another manager said that the *"mayor wants access to everything. She's looking for a*

⁶⁴ McCormack, Ian, *The DNA of Great Leaders*, Municipal World Inc., 2022 p 7. Note for disclosure; this book is authored by the Inspector.

gotcha item". Even members of council have noticed this, with one of them saying during their interview that the "mayor uses lots of gotcha questions. She could walk down the hall and ask (members of the management team) before the meeting. She's trying to get political points. She preys on staff who are just doing their jobs."

In response to this, and since these comments are typically directed at the mayor, she said in her interview that *"it (could) be perceived as gotcha, like, are you wanting to uncover things that you feel the city is not doing in good faith, and do you believe that they're not? Is it good to hold, to ensure, accountability, financial accountability. I feel like, if we let corruption happen, we're the ones who are going to be responsible for that. So, you feel responsible for uncovering any corruption within the organization. If I see corruption, I'm not launching an investigation. If I see something that is inappropriate, I don't think that it's my job to ignore it".*

5.13.1 Following Procedure in Council Meetings

Medicine Hat has as Procedure Bylaw (4725) that governs how formal meetings of council and committees are to be run by the presiding officer or meeting chair. While this is typically the mayor, it is not always the mayor, either by legal requirement or by a decision of council.

The general idea behind having rules of procedure is to allow for the smooth running of meetings and the quick discharge of the business of the city. Medicine Hat's most recent iteration of a very comprehensive Procedure Bylaw was passed on August 22, 2023, so it is relatively current.

Meeting participants, whether elected officials, members of administration, or presenters are all reminded that the rules laid out in the bylaw are not optional.

As the presiding officer, it is up to the meeting chair – typically the mayor – to understand the meeting procedure rules and apply them fairly. It is also up to the chair to model the rules and to set the expectation that others will follow the rules as well. This is not always the case in Medicine Hat, and the divergence from the rules could be considered one of the irregular factors that led to the confrontation between the mayor and the city manager on August 21, 2023⁶⁵.

⁶⁵ The video of this meeting is available online. The paragraphs that follow are based on actions observed in that meeting video starting at 1:40. Retrieved from: <https://www.youtube.com/watch?v=mxe7LSQgLe4>

Procedure on August 21, 2023

In that council meeting, once the agenda topic of the divisional realignment was reached, the city manager introduced the topic.

Following that initial presentation, Councillors Hirsch, Dumanowski, Knodel, and Robins, commented on what the CAO said and presumably on what was provided in the written documentation, and they asked questions for clarification and detail. Some of the councillors also acknowledged that this reorganization was likely to be stressful on staff.

At this point, the mayor asked the city manager about timing, saying *“this reorg, already happened and people have already lost their jobs. Why are you bringing this to council now?”*

CAO Mitchell replied that *“(t)here was a conversation with council on July 4th, so council was aware of this. If the process happened out of order, that was my issue.”*

There followed a back and forth between the mayor and the city manager.

Mayor Clark went on to express her concern that the organizational structure is a council decision according to the AO Bylaw. She said that there *“was a significant amount of time that you had done things that were not consistent with our bylaws”* and she questioned the city manager about how that happened.

The mayor went on to say that *“(p)resumably you consulted the AO Bylaw before you did a reorganization.”* The city manager reiterated that council had been kept informed. This turned into a bit of a gotcha-type situation or a cross-examination of how the reorganization change process rolled out along with specific dates and actions. The city manager noted several times that parts of the process outlined in the bylaw got missed. She also noted that previous reorganizations had been dealt with in a similar way to the proposed one, saying essentially that this process was no different.

Councillor Sharps called a Point of Order, stating *“(t)his is starting to be an inquisition rather than council asking administration a question”*. She went on to say that the rest of council was already aware of this process and noted that it had happened in a similar way in previous reorganizations.

This point of order was never dealt with and was an irregular gap in meeting procedure. A point of order is not debatable and not amendable according to the city's Procedure Bylaw⁶⁶.

The mayor said *"I do honestly find it quite disappointing that no one else cares about the exercise of a council power."* She then stated she had got a legal opinion and read out the conclusion of that opinion she had received to support her point about following bylaws.

The city manager spoke up to say, *"I think this is highly inappropriate and I would like to stop this discussion right now."*

Councillor Sharps interjected to say that this is council 'getting into the weeds' and noted that other members of council were of the opinion that council was kept apprised of the changes as they were evolving, even before getting to council. This was borne out when Councillor Sharps called the question, and the resolution to support the divisional alignment passed 8-1 with the mayor in opposition.

Council then moved on to the next agenda item.

Ultimately, the city's Procedure Bylaw is clear that '(t)he Chair must enforce the rules of this bylaw⁶⁷.

In this interaction between the mayor and the city manager, the rules of procedure appeared to be followed for the initial portion of the interaction, including the time that involved three other members of city council.

9.8 A Member may ask questions of the City Manager to obtain information related to the information presented that relates to the debate or the discussion.

Figure 37 - Excerpt from Procedure Bylaw 4725 – Obtaining Information

The debate strayed from procedure when the mayor began to push the city manager on the specifics of times and events. It appeared on the meeting video that the mayor was not following these sections of the Procedure Bylaw:

⁶⁶ Bylaw 4725, s 7.3, 7.5, and Schedule D, Secondary Motions.

⁶⁷ Ibid s 7.11

- | | |
|------|--|
| 9.9 | A Member will refrain from the use of ridicule, vague or meaningless comments or language that is considered biased or offensive. |
| 9.10 | Administration should provide their best professional judgement on issues and Members must not engage in debate with or ask argumentative questions of Administration. |

Figure 38 - Excerpt from Procedure Bylaw 4725 – Argumentative Questions

RECOMMENDATION FOR FOLLOWING MEETING PROCEDURE: That the mayor of Medicine Hat review the city's rules of meeting procedure and refrain from debate that calls the professionalism of city staff into question.

Role Focus

Council meetings can be times where some members of council stray from their governance role and begin to ask questions that are operational in nature. That activity is not unique to Medicine Hat and this topic is described earlier in this report, so it is not explored in detail here.

Generally, members of council are reminded that their role is not operational. Occasionally comments are made that a councillor needs '*all the information*' to make a decision. For simple decisions, that is likely correct, but for more complex or politically charged decisions it is often not correct.

Ultimately, council members need *enough information* to make an informed decision. On technical, complex, or changing scenarios, it is unlikely that *all* the information will be of use to elected officials who are focused on governance. At times, more information may be necessary if a council members' decision point is dependent on specific information, however, in most cases providing more information would not change a 'yes' vote into a 'no' vote. At some point, getting more information will not change that decision point, so seeking additional information is a diminishing return.

RECOMMENDATION FOR MEETING PROCEDURE TRAINING: That Medicine Hat City Council regularly review the contents of its Procedure Bylaw, that everyone participating in meetings follow that procedure during meetings of city council, and that refreshers on meeting procedure be included as part of councillors' recurrent training program.

5.13.2 Council Meeting Agendas

The City of Medicine Hat has a strong Procedure Bylaw that sets out the expectations for all types of meetings of council and its committees. At the time of the Inspection, this bylaw had been updated less than six months previously and it was not the topic of any significant comment, complaint or feedback by interviewees.

Council Agenda Setting

There is reference in the city's Procedure Bylaw⁶⁸ noting that Administrative Committee has the role of reviewing and approving items for council meeting agendas. Given that a council would typically set its own agenda with assistance from administration, it might not be appropriate for the Administrative Committee to have that role, and instead council might want to consider some sort of agenda review committee comprising elected officials and some members of management; notably the city manager and the city clerk, with additional individuals included as required.

The City of St. Albert has outlined their council agenda setting process in their Procedure Bylaw⁶⁹ as illustrated here.

SCHEDULE A	
Agenda Planning Process	
1	Without debating or discussing the merits of any matters, the proposed Agendas for regular Council Meetings and pre-scheduled Meetings of the Committee of the Whole shall be established by the Mayor in consultation with the CAO.
2	Any Member may also participate in meetings or discussions with respect to establishing the Agendas, even if not acting in place of the Mayor.

Figure 39 - City of St. Albert Council Agenda Setting Process

There is more detail available on the specifics of agenda setting in St. Albert's procedure bylaw, and this type of process is something that would likely be helpful in Medicine Hat.

In this way, administrative matters and governance matters could be separated more clearly, with the revised Administrative Committee (or a differently named committee) managing internal aspects of city management and service delivery, while an agenda setting committee or group could handle

⁶⁸ Procedure Bylaw 4725, clause 6.2

⁶⁹ Retrieved from: https://stalbert.ca/site/assets/files/24557/procedure_bylaw_24-2022_august_15-2023.pdf

the governance focus of setting council's business. This second committee could include responsibility for ongoing meeting agenda creation and review, as well as managing council's long-term legislative agenda and related scheduling. Any changes to this structure and purpose of committees would require changes to the Procedure Bylaw.

RECOMMENDATION FOR ADMINISTRATIVE COMMITTEE TERMS OF

REFERENCE: That Medicine Hat City Manager create and approve a formal terms of reference for the Administrative Committee, including purpose, membership, roles, and reporting structure.

RECOMMENDATION FOR ADMINISTRATIVE COMMITTEE MEMBERSHIP: That the terms of reference for the Administrative Committee comprise members of administration only, but that guests may be invited from time to time depending on the topics on the agenda.

RECOMMENDATION FOR AGENDA SETTING COMMITTEE ESTABLISHMENT:

That Medicine Hat City Council consider creating a council committee* that is responsible for council's agenda setting and legislative calendar.

** Alternatively, Council could amend the terms of reference for the Administrative and Legislative Review Committee to include agenda setting.*

Agenda Approval

Ignoring for now the recommendations above related to the committee that establishes agendas, and relying on the current bylaw, once submissions have been received from a variety of sources, the agenda must be created. The Procedure Bylaw speaks to this; requiring different processes for topics referred from a standing committee and other topics not directly referred. The agenda review group can vary, but at a minimum it must include the mayor, city manager, and city clerk. The bylaw is permissive in expanding or altering that group somewhat.

The bylaw also stipulates that the agenda must be approved at least four days prior to the meeting of council.

- 6.2 Agenda items and agendas for all Council Meetings will be reviewed and approved as follows:
- (a) for those items not referred to a Standing Committee, Administrative Committee must review and approve such agenda items no later than one (1) week prior to the Council Meeting unless otherwise directed by the City Manager; and
 - (b) for Regular Meeting and Closed Meeting of Council agendas, a group that includes, at a minimum, the Mayor, City Manager and City Clerk, but may also include the Deputy Mayor and Acting Mayor or other Councillor(s) the Deputy Mayor or Acting Mayor may request to attend in their absence, must approve such agendas by majority vote no later than four (4) days prior to the Council Meeting.

Figure 40 - Excerpt from Procedure Bylaw 4725, Agenda Creation

Agenda Distribution

Meeting agendas and packages are widely available online to any member of the public who might be interested, although those packages do not contain information about the topics to be discussed in closed session. The city is meeting its schedule for submission of items to the agendas, and the subsequent requirement to distribute agendas.

It does not appear that the Procedure Bylaw sets an exact deadline for the publishing of agendas, but rather notes that:

- 6.8 Copies of the Meeting agendas will be provided to Members and made publicly available, as follows:
- (a) delivered electronically to Members as soon as possible after all submissions to the Meeting agenda have been approved;
 - (b) published on the City's website for the general public and media, no later than twenty-four (24) hours after the agenda is sent to the Members; and
 - (c) made available for review in person by making available the agenda cover pages in a place in City Hall which is accessible by the public.

Figure 41 - Excerpt from Procedure Bylaw 4725, Agenda Distribution

Given the submission deadlines for material to appear on the agenda, this would ensure that agendas would be available approximately 3-5 days in advance of the meeting.

In many communities, there are individuals, groups, and members of the media who are interested in the transaction of their municipality's business. These people often like to review meeting agendas prior to the commencement of the meeting. For these people, it is useful if they can expect to see a copy of the meeting agenda and the public portion of the meeting package posted to the municipal website a few days in advance of the meeting.

RECOMMENDATION FOR PUBLIC ACCESS TO MEETING PACKAGES: That Medicine Hat City Council update section 6.8 of the Procedure Bylaw to provide a set a minimum time prior to Council and Committee meetings that agenda packages are expected to be available on the city's website for the public to view.

Orders of the Day

There is a portion in the Procedure Bylaw that lists the 'orders of the day'⁷⁰ – essentially the typical meeting agenda for a Regular meeting of city council. Since this is outlined in a bylaw, it must be followed for every Regular meeting, even if there is no business within the related topic area. More commonly in recent years, municipalities are moving the order of business out of the bylaw and creating a policy around meeting agendas and topics.

Since policy is easier to change than bylaw, adapting a meeting agenda does not require opening up an entire bylaw and does not require three readings for the change to take effect.

Making Decisions

Councils typically make decisions based on information received from their administrative experts. This information is based on objective advice provided to elected officials, who then put their political lens in front of the recommendation from their administration.

Often times, council will agree with the recommendation, but sometimes councils will go in a different direction than the recommendation they were provided with. This is one of the essences of representative democracy in Alberta's local governments.

Information can be provided to council through verbal presentations (either in person or virtual), or in written presentations. In either case, the city manager is often required to provide a 'briefing note' to council. In the case of Medicine Hat, this document includes several sections:

⁷⁰ Bylaw 4725, Schedule A.

Description of Sections of a Briefing Note

Section	What it Means
Issue	Brief overview of what council is being asked to do.
Recommendation	Objective course of action suggested by administration.
Council Strategic Priority	Tie between the issue's advancement and the achievement of priorities in council's strategic plan.
Key Risks	Health, Safety, Environmental Impact, Financial Impact, Legal or Policy Impact, and Public Implications of making the decision.
Background	History of the topic that brings council to its current decision point.
Options Considered and Potential Implications	Alternative recommendations should council choose not to proceed with the option recommended by administration. This also includes the objective implications of the various choices.
Implementation Plan	Administration's projected next steps based on what council decides to do.
Preparation and Approval chain	Indication of the individuals who have contributed to advancing the issue to the point where it is to be considered by council.

These steps are typical of this sort of document and seem to serve the city and council well. One note of difference between what Medicine Hat does and the typical process is the actual name of the document. While Medicine Hat calls this a briefing note, is more regularly known as a 'Request for Decision' or RFD.

RECOMMENDATION FOR BRIEFING NOTE NOMENCLATURE CHANGE: That the City of Medicine Hat Council consider changing the name of 'Briefing Note' to 'Request for Decision' to accurately represent that council is being asked to act on a topic.

Exceptions to Disclosure in Closed Session

The meeting agenda for the closed session that appears on the public agenda does note the exception to disclosure of the *Freedom of Information and Protection of Privacy Act* that the topic at hand is related to. This provides readers with a high-level understanding of the general topic being discussed as illustrated in the 'Items Discussed' section below.

It is important to recognize that the average citizen likely does not know the *FOIP Act* and its exceptions to disclosure. Therefore, one could argue that the vagueness of the topic being discussed shows a lack of transparency on the part of council. That said, the city is limited in what it can describe in the agenda without breaking the confidentiality that the closed session is designed to protect.

From a review of recent council meeting agenda, it appears that the city is correctly and appropriately using the FOIP reference when identifying topics for the closed session.

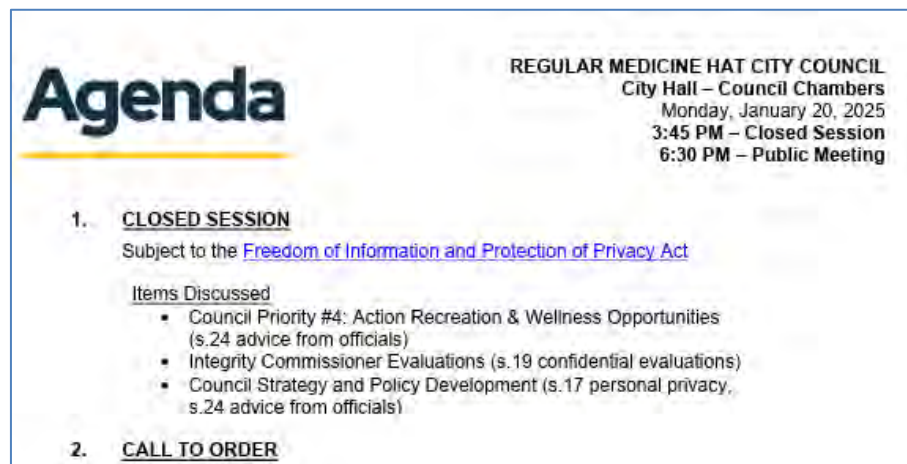


Figure 42 - Excerpt from January 20, 2025 Regular Meeting

5.13.3 Council Meeting Minutes

The Inspection found that council meeting minutes were properly and securely stored and were presented to council for approval in accordance with *MGA* s. 208(1)(c) which reads as follows:

- 208(1) The chief administrative officer must ensure that*
- (a) minutes of each council meeting*
 - (i) are recorded in the English language,*
 - (ii) include the names of the councillors present at the council meeting,*
 - (iii) are given to council for adoption at a subsequent council meeting, and*
 - (iv) are recorded in the manner and to the extent required under section 216.4(6) when a public hearing is held;*
 - (b) all bylaws, minutes of council meetings and other records and documents of the municipality are kept safe;*

Medicine Hat has historically taken two irregular steps with their council meeting minutes that are not typical and may need to be addressed.

Recorded Votes

The first item is that the meeting minutes always contain a note of who voted against the resolution. This is similar to the *MGA* section about recorded votes, but it is the city's default setting based on the Procedure Bylaw⁷¹ rather than dependant on a request from a council member⁷². The Procedure Bylaw requires "*the names of the Members voting either "for" or "opposed"*" on all motions;" By recording the 'opposed' names, the 'for' names can be assumed, but they are not recorded in the minutes.

As such votes appear like this excerpt below. In the first resolution, the vote was 5-4 against the motion, and the names of the five who voted against are noted.

In the second resolution, the vote was 9-0, so there are no names beside the 'voted against' tag in the minutes.

Regular Council Meeting Voting Procedure

Council heard additional details related to the future of Towne Square.
Councillor R. Robins - Councillor A. Knodel moved that the Towne Square 2024 season update be moved to early in Q3 of 2024 on the Public Services Committee Outstanding Items List.
For: 4; Against: 5; Absent: 0 Voting Against: Cllr. R. Dumanowski, Cllr. C. Hider, Cllr. D. Hirsch, Cllr. A. Knodel, Cllr. A. McGrogan
Defeated
Councillor R. Dumanowski - Councillor C. Hider moved that Council accept item 8.5 for information.
For: 9; Against: 0; Absent: 0 Voting Against: (None)
Carried

Figure 43 - Excerpt from December 18, 2023 Regular Meeting

Council is an 'it' rather than a 'they', meaning council acts as a single body. By recording every vote, the individualistic nature of the members of council comes to the fore, and takes away from the notion of a collective action being a 'decision of council'. Even if the default vote recording

⁷¹ City of Medicine Hat Procedure Bylaw, s 6.13

⁷² *MGA* s 185

convention found in s 16.3 of the Procedure Bylaw is removed, the MGA's allowance for a member of council to call for a recorded vote from time to time found in s. 185(1) still remains in force; meaning that if the vote is particularly contentious, or there is a philosophical point to be made, a councillor can still request a recorded vote.

Should council choose not to alter the Procedure Bylaw, it should be more diligent in following the bylaw and recording the names of those voting "*either "for" or "opposed"*⁷³"

RECOMMENDATION FOR RECORDING NEGATIVE VOTES: That the City of Medicine Hat Council remove section 16.13(c) from the Procedure Bylaw 4725 and not record individual members' votes by default.

Unique Numbering

Being able to differentiate between motions at council meetings is an important way to tell the ideas being voted on apart. One of the most universal ways of completing this is by giving each motion a unique identifying number. The meeting minutes excerpt on the previous page illustrates that Medicine Hat does not use unique identifiers, making motion tracking difficult. Section 216(4) of the MGA does not require a unique identifier, but these are almost universally used elsewhere.

It is the Inspector's understanding that the city clerk's office is pursuing the use of unique identifiers starting in 2025. In support of that, the following recommendation is included:

RECOMMENDATION FOR COUNCIL RESOLUTION IDENTIFIERS: That the Medicine Hat City Clerk include a unique identifier for each decision made by council during the course of their meetings.

5.13.4 Council Acting by Bylaw or Resolution

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

Methods in which council may act

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

⁷³ Procedure Bylaw 4725, s 6.13(c)

Requirements for valid bylaw or resolution

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

During the Inspection, there appeared to be a common understanding of how to best transact business through the course of a council or committee meeting. City council appears to follow these sections of the *MGA*, although when members of council delve into operations, they sometimes stray away from the formality of debate during a council meeting. This irregularity is spoken to in various sections throughout this report.

Discussing council agenda items informally prior to council meetings, and in the absence of the public is an improper practice and a matter of concern. The primacy of the public council table needs to be respected. This is why discussion and debate amongst members of city council is reserved for official council and committee meetings where the public has a right to be present in accordance with legislative requirements for the decision-making process.

For the most part, this discussion does not appear to be occurring based on interviews and email strings that were provided to the Inspector.

Sometimes, individual members of council have been known to informally direct administrators by sharing something they have heard or seen in the community; however, this direction is fairly minor according to what was provided to the Inspector. For example, one city manager said that “council *does get into operations sometimes. If it’s a simple request from a councillor, I’ll just go ahead and do it. Yesterday, I got a request from a councillor about a trail that hadn’t been cleared, delivered in a polite and genuine way. Ann (city manager Mitchell) was included in the email.*”

While strictly this is in opposition to the *MGA* sections noted above, requests such as this are common and do not involve members of administration being asked to act outside the direction of council. Whether it is a question about trails, or notification of a pothole, the council member is acting more like an informed member of the public rather than someone with detailed information about the city’s operations and personnel.

Often cities have online portals or other reporting tools that council members could use instead of calling or emailing a member of the city’s management; and Medicine Hat is no exception. If the council member is passing on a request from a member of the public, the councillor can also direct the person to the city’s reporting tool.

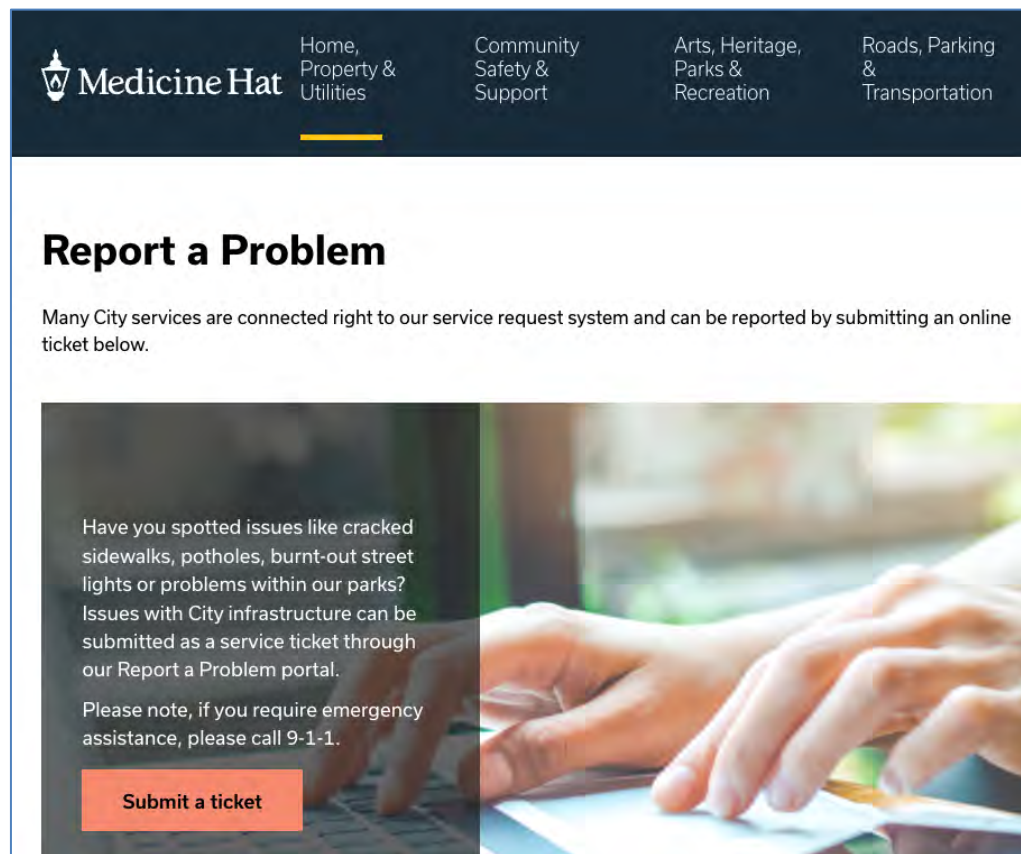


Figure 44 – ‘Report a Problem’ Page on City Website

5.13.5 Requirement to Vote and Abstentions

In Alberta, voting on matters in front of council is mandatory with very few exceptions. In fact, not voting when there is no reason not to vote is considered a disqualification offence⁷⁴.

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

Requirement to vote and abstentions

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

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

⁷⁴ *MGA*, s 174(1)(f)

Council meeting minutes show that council members followed proper processes for voting or abstaining on matters, in accordance with the *MGA*. Abstentions appear to have been rare over this term. When asked, the city clerk responded that there have been few, if any, abstentions during her limited time with the city.

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

5.13.6 Pecuniary Interest and Conflict of Interest

According to the *MGA*, council members have a pecuniary interest or a conflict of interest if a decision of council could monetarily or otherwise affect a councillor, their family⁷⁵, or a councillor's employer, as follows:

Pecuniary interest and conflict of interest

170(1) Subject to subsection (3), a councillor has

(a) a pecuniary interest in a matter if

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

and

(b) a conflict of interest in a matter if

- (i) the matter could affect a private interest of the councillor or an employer of the councillor, or*
- (ii) the councillor knows or should know that the matter could affect a private interest of the councillor's family.*

⁷⁵ Family is defined as the councillor's spouse or adult interdependent partner, the councillor's children, the councillor's parents and the councillor's spouse's parents. *MGA* 169(b)

There are 11 instances⁷⁶ of when the elected official specifically does not have a pecuniary interest or a conflict of interest that are laid out in legislation as well.

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

Disclosure of conflict of interest or perceived conflict of interest

172.1(1) When a councillor believes the councillor may have a conflict of interest or perceived conflict of interest in a matter before the council, a council committee or any other body to which the councillor is appointed as a representative of the council, the councillor may disclose the general nature of the conflict of interest or perceived conflict of interest prior to or during any discussion of the matter.

(2) If a *councillor* discloses a conflict of interest or perceived conflict of interest under subsection (1), the councillor may, if present, do any one or more of the following:

- (a) abstain from voting on any question relating to the matter;*
- (b) abstain from any discussion of the matter;*
- (c) leave the room in which the meeting is being held until discussion and voting on the matter are concluded.*

(3) The disclosure of a councillor's conflict of interest or perceived conflict of interest under subsection (1) and the abstention of a councillor under subsection (2) must be recorded in the minutes of the meeting.

It is appropriate for council members to seek legal counsel prior to voting or abstaining from voting on matters if they are unclear on a potential pecuniary interest or conflict of interest matter. Legal counsel can consider the situation and advise a council member whether they have a pecuniary interest or conflict of interest, or if they are required to vote on an agenda item.

Every council will have members who need to declare a pecuniary interest from time to time. As an example, Councillor Van Dyke declared one prior to a debate at the Regular meeting on December 19, 2022, as follows:

⁷⁶ *MGA* s 170(3)

8.2.2 Medicine Hat Community Housing Society Affordable Housing Land Donation Request

Councillor Van Dyke declared a pecuniary interest related to her role with the Community Food Connections Association (current lessor of the subject land) and recused herself for this item.

Figure 45 - Declaration of Pecuniary Interest, December 19, 2022 - Van Dyke

When asked about this instance, Councillor Van Dyke told the Inspector that she declared a pecuniary interest because she is employed by the Community Food Connections Association in the role of Food Security Coordinator, and her employer would stand to benefit monetarily (positively or negatively) by a decision of council in relation to land that was leased to the Association for a community garden. Given this circumstance, it would appear that the declaration of pecuniary interest was appropriate.

In a different example, on June 3, 2024, Councillor Dumanowski declared a pecuniary interest and recused himself from a matter before council.

12. NOTICE(S) OF MOTION

Prior to any discussion, Councillor Dumanowski declared a potential pecuniary interest and recused himself at 9:06 p.m. for the remainder of the meeting.

Figure 46 - Declaration of Pecuniary Interest, June 3, 2024 - Dumanowski

In this case, the specific nature of the pecuniary interest is not noted in the meeting minute related to the declaration; however, the minutes of that meeting go on to say that the matter being discussed was a potential recognition of Councillor Dumanowski from Alberta Municipalities.

In this instance, the councillor improperly declared a 'potential' pecuniary interest. The Act does not imagine anything like a 'potential' pecuniary interest, although it does speak to 'perceived' conflicts. In actuality, either the councillor will benefit monetarily, or the councillor will not benefit monetarily. If that needs to be determined, elected officials have access to legal advice.

It is understandable that the councillor would not want to be involved in the debate or vote on whether he is to receive external recognition, but the councillor probably ought to have voted on this motion because neither he, his family, nor his employer would benefit financially from the decision of

council; therefore, he was not in a condition of real pecuniary interest. The declaration of potential pecuniary interest is even a bit of a stretch given that any pecuniary interest is expected to involve monetary benefit or detriment.

Recording In Minutes

The city's Procedure Bylaw contains a clause related to the declaration of pecuniary interest. The Bylaw states that *'where a member has left the meeting due to a pecuniary interest, the city clerk must record in the minutes the reason for and time of the Member's departure and return'⁷⁷*. In an irregular practice, this does not appear to have been done in either of the instances noted above. The Procedure Bylaw also ought to be updated to reflect changes in the *MGA* that also now include 'conflict of interest'.

RECOMMENDATION FOR UPDATE TO MEETING PROCEDURE BYLAW FOR PECUNIARY AND CONFLICT OF INTEREST: That Medicine Hat City Council update its Procedure Bylaw 4725 to reflect recent changes to the *MGA* related to real and perceived pecuniary interest, and conflict of interest.

RECOMMENDATION FOR TRACKING COUNCILLOR DEPARTURES UPON DECLARATION: That the Medicine Hat City Clerk comply with section 8.3 of the Procedure Bylaw and record when elected officials depart and return in relation to pecuniary interest or conflict of interest.

RECOMMENDATION FOR ADOPTING MINUTES PER PROCEDURE BYLAW: That the Medicine Hat City Council update Procedure Bylaw 4725 clause 6.13 to add a clause that the meeting minutes must include notice of when council members departed and returned in relation to pecuniary interest or conflict of interest.

⁷⁷ Bylaw 4725, Procedure Bylaw, s 8.3

RECOMMENDATION FOR PECUNIARY INTEREST AND CONFLICT OF INTEREST

TRAINING: That Medicine Hat City Council seek out training on aspects of pecuniary interest and conflict of interest from the updated *MGA* as they apply to members of city council.

5.13.7 Closed (In Camera) Portions of Meetings

For items that cannot be discussed in open session, the *MGA* allows for those subjects to be discussed in closed session, sometimes better known as *in camera*. During this portion of the meeting, only council members and anyone else they invite may be present. In closed session, there can be almost no resolutions made, no decisions made, and no record of the meeting is to be kept. A comment and recommendation about Closed Meeting Summaries is provided later in this section of the report.

According to at least one interviewee, incidents of closed meetings increased quite remarkably with the new Council, with a former city manager noting *"I think because they didn't trust management, they didn't see there was this sort of conflict that was inherent in the relationship. And I think largely attributable to the conduct of the mayor and the point of view of the mayor. And so, a lot of deliberation occurred, deliberation, discussion and even, I think, decision making occurred in camera most often with no management present at all."*

If this is correct, it is an irregular use of the closed portion of council meetings.

Timing of Closed and Open Meetings

Procedure Bylaw 4725, clause 4.25 notes that closed meetings will commence at 3:45 on the same dates as Regular Meetings that start at 6:30. This indicates that there are actually different two meetings that occur on the same day.

To the casual observer, the agendas of the meetings do not indicate that there are two meetings, but rather note that there is a closed session first, followed by the call to order as illustrated below in the agenda of a typical meeting:

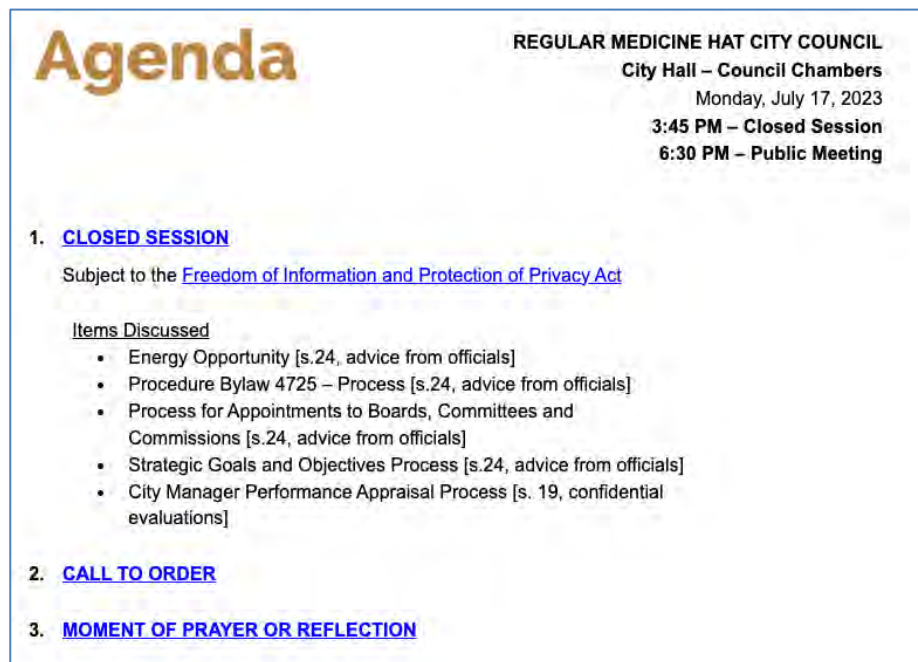


Figure 47 - Excerpt from Typical Regular Meeting Agenda

Several interviewees who had experience outside Medicine Hat noted as a curiosity that closed business is dealt with first. There is a practical application to this, as any decisions required out of closed session could conceivably be moved forward to the open session of council. However, it is much more common for the closed session to occur after the open session. This also provides a courtesy to those watching the proceedings.

The way Medicine Hat operates now with over two hours between the start of the closed meeting and the subsequent open meeting, there is the possibility for inefficiency to be built into the process if the closed business does not take all the time available. The Procedure Bylaw does anticipate this, allowing the mayor, in consultation with the city manager and the city clerk, to make the start time of the closed session later than the regular 3:45 start⁷⁸. This clause is anticipatory, and real discussion may take more or less time than was anticipated.

By having closed sessions prior to the Regular Council meeting, there could be a perception by the public that council is preparing itself for the discussion in open session, particularly if there is an item on the agenda that is contentious. It may play into how the public feel about transparency or lack thereof.

⁷⁸ Procedure Bylaw 4725, s 4.25.1

Should council choose to change the order of open and closed session to put closed session business after open session business; at the beginning of the closed session, the mayor can announce that council will be in closed session for the rest of the meeting, and provide individuals in the gallery with the ability to depart without feeling that they are being excluded from part of the meeting that is to follow. Council can then proceed with any closed business until its conclusion and the meetings adjournment.

Council retains the right to go into closed session to deal with a matter at any time, and that right is not abridged by the change in order of open and closed sessions of council.

It is the Inspector's understanding that the city clerk's office is already making a similar recommendation to council about the order of business in council meetings, so this recommendation may be redundant, however, it is included here as support for the clerk's position. If this does happen, city council may want to consider advancing the start time for its Regular meetings to an earlier time, allowing for the consideration of both open session and closed session after the earlier start time.

Including a closed portion of a council meeting by default is not a good practice because it makes it easier to push content that should be in open session into closed session. Closed sessions should only be used when they are required, not included as a standing item. Currently the Orders of the Day⁷⁹ do not include a reference to a closed portion of a Regular council meeting.

Interviewees noted that it is common for there to be a break between the two meetings and for council members to gather for supper. This is an ideal time for informal team building for members of city council. That said, the meal break is one of the times of contention that may have led to this Inspection. Several interviewees offered that the mayor does not join the rest of her council colleagues in sharing a meal, which negates part of the benefit of the team-building time.

RECOMMENDATION FOR REDUCED USE OF CLOSED SESSION: That Medicine Hat City Council consider eliminating the default closed session of Regular council meetings in favour of using closed session as and when required.

⁷⁹ Ibid, Schedule A

Appropriate Use of Closed session

During Inspections, one of the common topics is about the leaking of information from closed sessions into the public sphere, an irregular practice. There were some complaints about this from interviewees, some of whom noted that confidential topics and documentation are appearing in the public domain, in places like Facebook posts. The information posted may well have been part of a closed session agenda or discussion. While several interviewees made allegations about inappropriate posts to Facebook, they were primarily associated with the mayor and the former PR staff person.

An excerpt from an email string between the former city clerk and the mayor on this topic appeared earlier, in the report, in the section on 'Respect for Confidentiality'.

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

Public presence at meetings

- 197 (1) *Councils and council committees must conduct their meetings in public unless subsection (2) or (2.1) applies.*
- (2) *Councils and council committees may close all or part of their meetings to the public if a matter to be discussed is within one of the exceptions to disclosure in Division 2 of Part 1 of the Freedom of Information and Protection of Privacy Act.*
- (2.1) *A municipal planning commission, subdivision authority, development authority or subdivision and development appeal board established under Part 17 may deliberate and make its decisions in meetings closed to the public.*
- (3) *When a meeting is closed to the public, no resolution or bylaw may be passed at the meeting, except a resolution to revert to a meeting held in public.*
- (4) *Before closing all or any part of a meeting to the public, a council or council committee must by resolution approve*
- (a) *the part of the meeting that is to be closed, and*
- (b) *the basis on which, under an exception to disclosure in Division 2 of Part 1 of the Freedom of Information and Protection of Privacy Act, the part of the meeting is to be closed.*

Best practices require municipal councils to show greater disclosure on the *reason* for closing the meeting and specifically state applicable *Freedom of Information and Protection of Privacy Act* (FOIP) exceptions to disclosure.

Exceptions to disclosure referenced in the MGA excerpt above are from Division 2 of Part 1 of the *Freedom of Information and Protection of Privacy Act* are listed below:

Division 2

Exceptions to Disclosure

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

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

Keeping matters in confidence was identified as a concern among stakeholders where certain members of the public seemed to have access to privileged information. The Inspector did not substantiate this assertion. Regardless, council members are reminded of their responsibility to keep matters in confidence, according to the *MGA* s. 153(e), as follows:

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

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

RECOMMENDATION FOR CLOSED SESSION AGENDA ITEMS: That Medicine Hat City Council comply with the *MGA* s. 197 when closing any part of a meeting to the public that council members keep matters in confidence as required by the *MGA* s. 153.

Closed Meeting Summaries

The *MGA* is clear that “no resolution or bylaw may be passed...” in closed session, but it is silent on the keeping of a record of the meeting. Common practice is that no documentation is to be taken out

of a closed session meeting in case it inadvertently gets into the public realm. During orientations, some administrators will tell their elected officials that they may not take notes out of the closed session, and that the notes can be shredded or otherwise destroyed by administration.

While not included in the Procedure Bylaw, Medicine Hat has a procedure of keeping a 'Closed Meeting Summary'. This document is labelled confidential and is distributed only to those who ought to be in possession of it. While this document is a useful reminder of who was at the closed session of council and what topics were discussed, it still forms a record as defined by FOIP:

1 (q) *“record” means a record of information in any form and includes notes, images, audiovisual recordings, x-rays, books, documents, maps, drawings, photographs, letters, vouchers and papers and any other information that is written, photographed, recorded or stored in any manner, but does not include software or any mechanism that produces records;⁸⁰*

To preserve the confidentiality of closed session, no examples of these irregular meeting summaries are included in this report.

The above is not to say that there are not records that refer to the closed session; it is just that those records are kept in the open session meeting minutes. These meeting minutes from open session include:

- The motion to go into closed session;
- Names of individuals in closed session, including elected officials, administrators and any invited guests; and
- The general topic of the item(s) discussed in closed session and the related FOIP exception to disclosure.

RECOMMENDATION FOR CESSATION OF CLOSED MEETING SUMMARIES: That the Medicine Hat City Clerk discontinue producing and distributing closed Meeting Summaries.

⁸⁰ *Freedom of Information and Protection of Privacy Act*, RSA 2000, F-25, s 1(q), December 2024

5.13.8 Council Meeting Dates, Times and Locations

The Inspection found that city council meetings were held in council chambers on regularly scheduled dates and times that are initially established during annual Organizational Meetings as required in section 4.14 of the city's Procedure Bylaw.

Regular council meeting dates, times and locations are set by council as provided in the MGA:

Regular council meetings

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

(2) Notice of regularly scheduled meetings need not be given.

(3) If council changes the date, time or place of a regularly scheduled meeting, the municipality must give at least 24 hours' notice of the change

- (a) to any councillors not present at the meeting at which the change was made, and*
- (b) to the public.*

Based on the alignment with legislation and city bylaws, the current scheduling system and meeting advertising seems to be working for the city.

5.14 Committee of the Whole

A Committee of the Whole (CoW) is commonly used in municipalities as a standing committee of council that is established to provide more flexibility in discussion than is permitted within the constraints of a formal city council meeting.

The structure of the CoW as well as what it may deal with, and its procedural requirements are laid out in the city's Procedure Bylaw. As the name indicates, the CoW comprises all members of city council as noted in the definition within the procedure Bylaw:

(k) **"Committee of the Whole"** means a committee comprised of Council which conducts itself as a Council Committee;

Figure 48 - Definition of Committee of the Whole

The matters which the CoW may consider are wide and varied, and like city council meetings, they must be held in public unless there is a reason to close the meeting under one or more of the exceptions to disclosure found in FOIP.

Like other committees of council, the CoW is established by council, is advisory in nature, and is permitted to make recommendations to council rather than making final decisions. Ultimately all decisions have to be made by city council in a city council meeting. The example below indicates how the CoW recommends actions for council to consider.

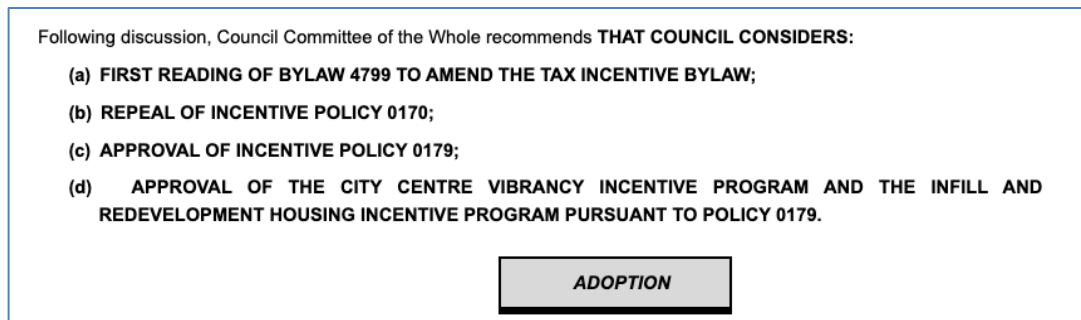


Figure 49 - Excerpt from CoW meeting, March 25, 2024

In Medicine Hat, it is the city's practice under bylaw for the mayor to be the chair of the CoW⁸¹, though this is not universally the case elsewhere. Some municipalities rotate the chair of the CoW as a means of providing all members of council with the opportunity to gain experience in chairing a meeting.

Reviewing the minutes of the CoW, there is a correlation between the deputy mayor schedule and the chair of the CoW, though the mayor does act as chair too. When asked about this, the city clerk provided comment that the mayor is the chair of the CoW, as outlined in the Procedure Bylaw, and "if she is not in attendance, then the deputy mayor will preside, and if they are not in attendance, the acting mayor would preside". According to the city clerk, this process is a convention rather than something that is in writing anywhere.

RECOMMENDATION TO IDENTIFY COMMITTEE OF THE WHOLE CHAIR: That the City of Medicine Hat update its Procedure Bylaw 4725 to indicate that if the mayor is not the chair for a meeting of the Committee of the Whole, then the deputy mayor fills the chair, and if the deputy mayor cannot fill the role, then the acting mayor fills the chair.

⁸¹ Procedure Bylaw 4725, s 4.37

RECOMMENDATION TO ROTATE THE CHAIR OF COMMITTEE OF THE WHOLE:

That Medicine Hat City Council consider altering the Procedure Bylaw to install the deputy mayor as the default chair of the Committee of the Whole as a way to provide practical meeting procedures training to all members of city council through the course of their term.

5.15 Bylaws and Policies

Access to public records is a fundamental tenet of good governance. While the *MGA* is the same for all municipalities, where each individual community begins to express its unique nature in the way that it constructs, revises, and repeals its bylaws and policies. While some records such as codes of conduct, public participation, and CAO bylaws and policies are mandatory, many others are discretionary and are created based on local requirements.

Each of these municipal records must be effectively managed, often using a records management policy and system. Medicine Hat has such a policy, though it appears to have been adopted more than a decade ago and may require a review and possible update.



POLICY

Title: RECORDS MANAGEMENT POLICY		Number: 0156
Reference: Administrative Committee November 13, 2014	Adopted by City Council: November 17, 2014	Supersedes:
Prepared by: CITY CLERK/RECORDS MANAGER		

STATEMENT:

The purpose of this policy is to ensure that the corporate lifecycle of Documents and Records is managed efficiently and effectively by establishing a standard information framework based on the International Standard for Organization:

15489:2001 (ISO) Information and Documentation – Records Management – Part I – General and Part II Guidelines

These standards are guidelines for formalizing capture and protection, use and preservation of Documents and Records in all formats, as evidence of the City of Medicine Hat (City) functions, activities and business transactions. Documents and Records that are in the custody and control of the City are valuable assets that require management to ensure they serve current operational purposes, promote superior public service, ensure accountability and transparency, secure confidential Documents and Records, and protect legal and historical activities.

ROLE OF COUNCIL

To receive, review and adopt this policy and any recommended amendments thereto.

Figure 50 - Policy 0156, Records Management, page 1

A review of policies and bylaws has provided the Inspector with statutory framework that council should be working within. Further comment on these statutory documents appears below; however, a general comment would be for the city to review and update its bylaws and policies given the age of some of them, and the need to update some to align with updated versions of provincial legislation, particularly the MGA. Not being in alignment with federal or provincial legislation would constitute an irregular practice.

RECOMMENDATION FOR OVERALL POLICY/BYLAWS REVIEW: That the council of the City of Medicine Hat direct administration to create a schedule of review and update of bylaws and policies to ensure they are current, relevant, necessary, and as strong as they need to be.

5.15.1 Bylaws

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

Bylaw readings

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

(2) Each councillor present at the meeting at which first reading is to take place must be given or have had the opportunity to review the full text of the proposed bylaw before the bylaw receives first reading.

(3) Each councillor present at the meeting at which third reading is to take place must, before the proposed bylaw receives third reading, be given or have had the opportunity to review the full text of the proposed bylaw and of any amendments that were passed after first reading.

(4) A proposed bylaw must not have more than 2 readings at a council meeting unless the councillors present unanimously agree to consider third reading.

(5) Only the title or identifying number has to be read at each reading of the bylaw.

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

Passing of bylaw

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

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

(3) Bylaws must be signed by

(a) the chief elected official, and

(b) a designated officer.

The MGA provides a council with the authority to consolidate bylaws, *by bylaw*, using the following process:

Consolidation of bylaws

69(1) A council may by bylaw authorize a designated officer to consolidate one or more of the bylaws of the municipality.

(2) In consolidating a bylaw, the designated officer must (a) incorporate all amendments to it into one bylaw, and (b) omit any provision that has been repealed or that has expired

(3) A printed document purporting (a) to be a copy of a bylaw consolidated under this section, and (b) to be printed under the authority of a designated officer, is proof, in the absence of

evidence to the contrary, of the original bylaw, of all bylaws amending it, and of the fact of the passage of the original and all amending bylaws.

According to documents provided by the city clerk, Medicine Hat currently has 128 active bylaws, and the city is undertaking a process to review the bylaw register and update where necessary.

Of these active bylaws, 45 of them are consolidations. An example of a consolidated bylaw is illustrated here. This bylaw was originally passed in 1995 but has been amended as recently as 2024. The first line of the bylaw text indicates that it is a consolidation.

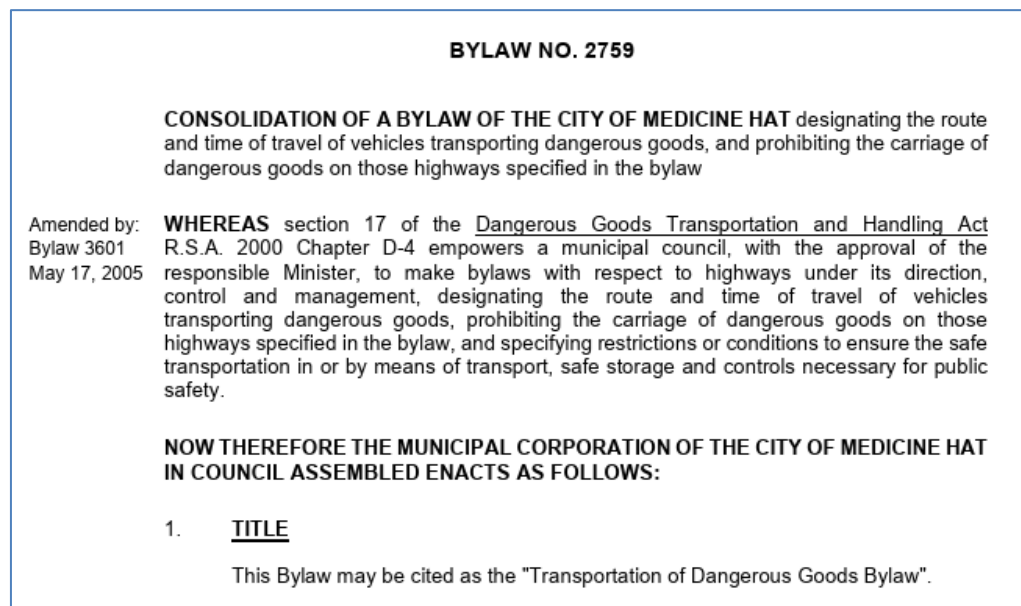


Figure 51 - Example of a Consolidated Bylaw

Municipal bylaws were found to be organized in binders, signed and stored securely in accordance with legislative requirements in the *MGA*. Local bylaws had logical titles and followed a sequential numbering format. A significant number of commonly requested bylaws were available electronically on the city's website⁸², though with a proviso that a corporate records search may be needed for some of them. The Inspector found that the records search function was not intuitive and did not return expected bylaws.

⁸² Retrieved from: <https://www.medicinehat.ca/en/government-and-city-hall/bylaws.aspx>

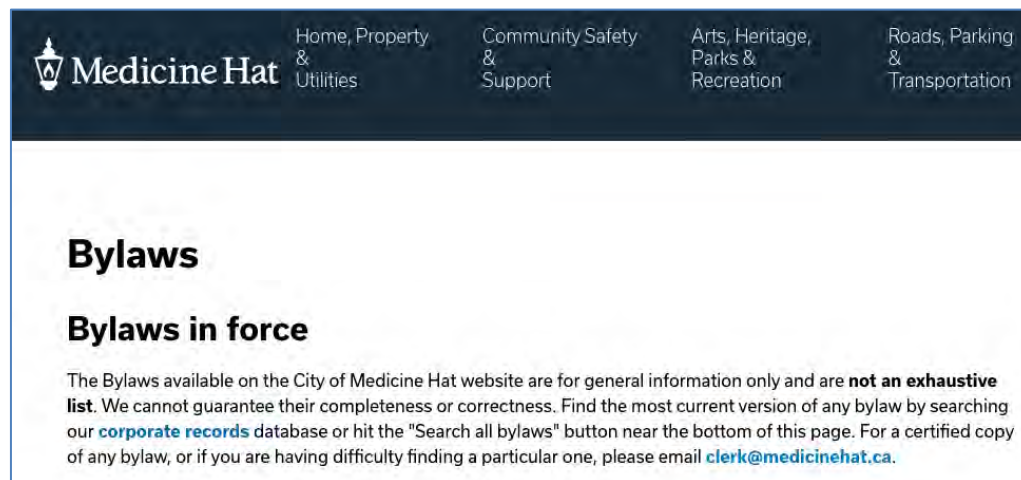


Figure 52 - Notification of Bylaw Access from City Website

Bylaw numbering could be improved to recognize the year that the bylaw was passed as well as the sequential bylaw number, such as 2017-250, followed by 2017-251, etc.

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

Amendment and repeal

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

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

The municipality is in the process of completing a bylaw review project while the Municipal Inspection is underway. The city clerk's 'Action List' includes the creation of a 'current bylaws in-force list', a project that is being carried out jointly between the clerk's office and the city solicitor's office. Given that this action is underway, these recommendations are provided to aid the process.

RECOMMENDATION TO REVIEW THE BYLAW SEARCH FUNCTION ON THE

CITY'S WEBSITE: That the Medicine Hat City Clerk review the search function on the city's web page that is intended to provide the searcher with relevant bylaws or minutes, or to include a set of user instructions about that page.

RECOMMENDATION FOR BYLAW NOMENCLATURE: That the Medicine Hat City Clerk revise the naming convention for city bylaws to include the year in which the bylaw was created, and include page numbers on all bylaws.

5.15.2 Policies

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

Powers, duties and functions

5 A municipality

- (a) has the powers given to it by this and other enactments,*
- (b) has the duties that are imposed on it by this and other enactments and those that the municipality imposes on itself as a matter of policy, and*
- (c) has the functions that are described in this and other enactments.*

Policies are essentially pre-made decisions, and they exist for at least four reasons that support the efficient work of the city as illustrated below with some sample current policies. The referenced policies are all available on the city's website.

Rationale for Policy Use

Policy Rationale	What it Means	Example Policy and Statement
Accountability	Council can be held to a standard of operations or governance.	Procurement Policy (0173): "Ensure that equitable, economical, sustainable and consistent practices are implemented for the City of Medicine Hat for the procurement and payment of goods, services and construction and for the disposal of surplus items."
Efficiency	Administration does not have to ask council the same question multiple times.	City Crest Policy (0006): "The City of Medicine Hat shall have a crest, intended for official use."
Predictability	Readers can determine when and how an action will be taken.	Drug and Alcohol Policy (8037) "The use of drugs and alcohol can have serious adverse impacts on their ability to perform their tasks safely in the workplace"

Policy Rationale	What it Means	Example Policy and Statement
Transparency	Anyone who has access to the policy can determine the action the city is expected to take based on a set of criteria.	Financial Reserves Policy (0168): “The purpose of this policy is to establish consistent standards and guidelines for the administration of financial reserves.”

The city clerk provided a register of policies that are in force. This list comprises 78 policies, which is a low number for a city the size of Medicine Hat. As with the bylaws, city policies are publicly available on the city’s website. Using the four rationales for policy listed in the table above, the city could ‘pre-decide’ more topics and thereby reduce the time that council needs to spent making situation-specific decisions.

Though the number of current policies is small, indicating likely policy gaps, the city clerk told the Inspector that identifying gaps and filling them through policy modification and creation is on the Action Items list for execution through the remainder of this council term and likely into the next term as well.

Also similar to the process with the bylaw review, the clerk’s Action Items list contains an action to create a ‘current policies in force list’. This list is being compiled in collaboration with the city solicitor’s office and is due to be completed by November 2025. Recommendations on policies appear at the bottom of this section of the report for consideration during the clerk’s ongoing review.

Like the city’s bylaws, policies appear to be sequentially numbered, however there is no indication in the numbering of the year the policy may have been created or amended.

Policy headers, such as the one below do not include a ‘review by’ date, so it is possible that policies will age and perhaps become irrelevant, yet still remain on the city’s books. It is a wise and regular practice to include a review schedule for policies, so administration and then council can decide whether they are still relevant.


		POLICY	
Title: FLORAL EMBLEM		Number: 0003	
Reference: Community Services Committee - September 28, 1977 City Council - October 3, 1977		Adopted by City Council: November 18, 1985	
		Supersedes:	
Prepared by: FINANCE & ADMINISTRATION DEPARTMENT			
STATEMENT			
THE PLAINS PRICKLY PEAR CACTUS (OPUNTIA POLYACATHA HAW) SHALL BE THE OFFICIAL FLOWER OF THE CITY OF MEDICINE HAT.			
PURPOSE			
To authorize an official floral emblem for the City of Medicine Hat.			
PLAINS PRICKLY PEAR CACTUS			

Figure 53 - Example Policy Header

RECOMMENDATION FOR POLICY NOMENCLATURE: That the Medicine Hat City Clerk revise the naming and numbering convention for city policies to include the year in which the policy was created.

RECOMMENDATION FOR POLICY REVISION PROCESS: That the Medicine Hat City Clerk include a 'review by' date in all policies.

5.15.3 Access to Bylaws and Policies

Under freedom of information legislation, any member of the public may have access to public records like bylaws and policies, though there is sometimes a cost associated with it that would be identified. In the case of Medicine Hat, all the city's bylaws are available on the city's website⁸³. Some of the policies are there as well. In both cases, the seeker must have some information about what they are looking for in terms of subject, title, or unique identifier (if present); otherwise the documents can be difficult to find.

⁸³ Medicine Hat Bylaws and Policies: <https://www.medicinehat.ca/en/government-and-city-hall/bylaws-and-policies.aspx>

Additional policies can be requested by members of the public, though a reasonable charge for any required time or copying fees may be incurred.

Terms of reference for committees of council do not appear on the website because they have not been approved either by bylaw or policy. The city clerk did note that these documents are indirectly available if they were included as part of a council agenda package that was posted to the website, though this is a very cumbersome way of finding a public document.

More on this topic appears in the section of this report about council committees.

5.15.4 Delegated Authority

In most municipalities in Alberta, elected officials serve in part-time roles that vary in the number of hours required to carry out the role based on the size and complexity of the municipality and on the time of year or term. To ensure that elected officials can focus on their governance role, the MGA allows councils to delegate some of their authorities and responsibilities to other roles within the municipal structure, including to council committees.

Delegation by council

203(1) A council may by bylaw delegate any of its powers, duties or functions under this or any other enactment or a bylaw to a council committee or any person unless an enactment or bylaw provides otherwise.

(2) A council may not delegate

- (a) its power or duty to pass bylaws,*
- (b) its power to make, suspend or revoke the appointment of a person to the position of chief administrative officer,*
- (c) its power to adopt budgets under Part 8,*
- (d) its power with respect to taxes under section 347, and*
- (e) a duty to decide appeals imposed on it by this or another enactment or bylaw, whether generally or on a case by case basis, unless the delegation is to a council committee and authorized by bylaw.*

(3) The council when delegating a matter to a council committee, the chief administrative officer or a designated officer may authorize the committee or officer to further delegate the matter.

Beyond the MGA's permission, the city's AO Bylaw also speaks to delegation of authorities from either the CAO or a managing director.

21. The City Manager may delegate any of the City Manager's powers, duties or functions to a designated officer or employee of the City.
22. The City Manager remains responsible to ensure that any power, duty or function delegated under section 21 is properly exercised or carried out.
23. Notwithstanding section 21, Council shall have the right to appoint an acting City Manager at any time that the City Manager is absent or the position of City Manager is vacant.

MANAGING DIRECTORS

24. Positions are hereby established for up to 4 designated officers to be known as Managing Directors.
25. A Managing Director shall be appointed by the City Manager.
26. The City Manager may revoke the appointment of a Managing Director.
27. A Managing Director may delegate any of the Managing Director's powers, duties or functions to any City employee within the Division that the Managing Director has been assigned to supervise.
28. A Managing Director remains responsible to ensure that any power, duty or function delegated under section 27 is properly exercised or carried out.

Figure 54 - Delegation of Authorities in AO Bylaw

Based on this bylaw, any time the city manager would like to alter the number of managing directors upwards, the bylaw itself must be changed. Earlier in this report the topic of organizational structure was discussed, and it was noted that structure ought to be within the city manager's purview as the head of that part of the organization that is responsible for carrying out the will of council.

If structure is delegated to the city manager, then the titles and roles of individuals reporting to the city manager should also be within the bailiwick of the city manager. As such, clause 24 above ought to be either altered or removed during the AO Bylaw review. Keeping to governance, council's role is to set the budget, part of which is associated with human resource costs. The number of managing directors or other direct reports to the city manager would be indirectly overseen by council through the budget process.

One of the topics that emerged during the Inspection was whether delegated authorities – or lack of same – were being used to best effect by the city and by council. An example of this is the authority to sign off on severance that is provided to staff who have parted company with the city involuntarily. Paying out severance is often a matter of contractual obligation or of negotiation rather than council approval. Unless this authority is specifically delegated from council, the responsibility to authorize

these payments rests with council and eventually requires the mayor's signature unless authorized by council⁸⁴.

Conflating an administrative human resource management and legal role with the governance role of a council is improper, inefficient, and unnecessary, and it can lengthen the time required for the process to be completed. A relevant example was provided where a staff member was let go on September 16, 2024, the former employee engaged their own legal counsel on October 10, an agreement was reached on December 16, and the severance was eventually signed off by the mayor on February 12th, 2025.

That delay inconvenienced the individual affected, that person's lawyer, the city's lawyer, People Services staff, and staff in the city's finance department. People Services said that this process should ideally have taken approximately a week rather than the nearly six months that it actually took.

In an email from People Services, the Inspector heard that *"we do not pay out until the agreement is fully executed so this former employee did not receive their severance monies until February 14th, 2025. I instructed my team to make a special pay run so they did not have to wait."*

When asked about this, the mayor disagreed with some of the dates. In an email to the Inspector, the mayor wrote that the original document was *"sent out for signature on January 21, 2025, NOT December 16, 2025. I received the document on January 22, 2025, but it was just the release attachment to the agreement. I declined to sign it, because the agreement referenced in the release (to which the release was supposed to be an attachment) was not included in the document sent to me for signature. The actual agreement was sent to me for signature on Wednesday, February 7, 2025, and I signed it on Monday, February 12, 2025."*

Regardless of the specifics of the various dates, there was a contractual obligation in place, so the mayor's signature was more of a required formality than a governance necessity. In this case, the authority to sign off on things like severance should rest with the city manager as the top administrator rather than with the mayor as the head of the governance arm of the city.

⁸⁴ MGA s 213(4)

RECOMMENDATION FOR REVIEW OF NUMBER OF MANAGING DIRECTORS:

That Medicine Hat City Council update the Administrative Organization Bylaw to remove the limit on the number of Managing Directors that may be appointed by the city manager.

RECOMMENDATION FOR REVIEW OF DELEGATED AUTHORITY: That Medicine Hat City Council review its designated authorities to streamline processes and align administrative processes with administrative responsibilities as per section 203 of the MGA and sections 21-28 of the Administrative Organization Bylaw.

5.16 Council Committees

Not all of the work that city council does occurs within the bounds of a formal council meeting. Often, councils may choose to gather a group of people to focus on a particular topic area, or appoint members of council to participate in external entities like chambers of commerce or social groups.

Sometimes the city may want to get advice from knowledgeable people and bring them together to focus on a topic of interest. Where the city ‘owns’ the committee, it is common that city council would create a terms of reference for these committees, working groups, or task forces. In other cases, city council may decide to create a committee in a formal way through a bylaw.

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

Bylaws — council and council committees

145 (1) A council may, by bylaw, establish the procedures to be followed by the council.

(2) A council may, by bylaw, establish council committees and other bodies.

(3) Where a council establishes a council committee or other body, the council may, by bylaw, establish the functions of the committee or body and the procedures to be followed by it.

Composition of council committees

146 A council committee may consist entirely of councillors, entirely of persons who are not councillors or of both councillors and persons who are not councillor

The city’s Procedure Bylaw adds some local context to the Act in an aligned way:

- 11.3 When any Council Committee is established, Council may, by bylaw establish the functions of the Council Committee and the procedures to be followed by it and may include the:
- (a) name of Council Committee;
 - (b) terms of reference;
 - (c) term of appointment of Members;
 - (d) reporting requirements, if any, for reporting to Council; and
 - (e) allocation of any necessary budget or other resources as required.
- [M.G.A. s.145(3)]*

Figure 55 - Procedure Bylaw 4725, Standing and Council Committees

Existing Standing Committees

Within Medicine Hat's Procedure Bylaw is a list of seven standing committees, or committees that are established by council and which comprise members of council and one or more administrative advisors.

The list of standing committees and their functions is illustrated here. This table is taken from text that exists in the Procedure Bylaw.

Medicine Hat Council Standing Committees

Committee ⁸⁵	Role
Administrative and Legislative Review Committee⁸⁶	Responsible for matters related to legislation, Administration and City organization referred to it by Council.
Audit Committee	Responsible for oversight of the appointment and performance of the independent auditor of the City's financial performance, system of internal controls and risk, ongoing financial reporting and any other matters referred to it by Council.
Corporate Services Committee	Responsible for matters related to finance (including assessment and taxation, financial control and reporting, supply chain (procurement), customer care and billing and treasury), information technology, corporate communications, engagement and marketing, fleet and facilities, corporate (business) planning and performance and any other matters referred to it by Council.

⁸⁵ Meeting Procedure Bylaw 4725, Schedule B

⁸⁶ This committee is not the same as the Administrative Committee, which is a committee established under the AO Bylaw and is under the authority of the city manager.

Committee ⁸⁵	Role
Development and Infrastructure Committee	Responsible for matters related to water, waste water, solid waste and waste diversion, storm collector systems, roads, airports, municipal engineering, business licencing, safety codes and administrative matters relating to the City's land use and planning responsibilities, and any other matters referred to it by Council.
Energy, Land, and Environment Committee	Responsible for matters related to energy (including but not limited to electric generation, oil and gas production and related well management, electric distribution, natural gas distribution, and energy marketing and analysis), the City's land and property management (including but not limited to real estate transaction and land development), and the City's environmental services (including compliance and strategy leadership) and any other matters referred to it by Council.
Public Services Committee	Responsible for matters related to community development, arts and culture, cemeteries, transit services, events programming, emergency services, fire safety codes services, 911 communication, parks and recreation, asset planning, facility operations and business and innovation and any other matters referred to it by Council.
Emergency Advisory Committee	Responsible to carry out the powers and duties detailed in City Bylaw No. 4319, the Emergency Management Bylaw.

Terms of Reference

To ensure common understanding of the role of the committee, its composition, and any delegated authority, it is necessary to ensure that all standing committees are established by bylaw. While s. 145(2) of the *MGA* is silent in its direction of specifically how to create a terms of reference, establishing standing committees with a well-crafted bylaw can help ensure the committee structure is carefully created, avoids irregularity, and its mandate regularly reviewed.

It appears that the City of Medicine Hat's committee structure is more fluid, with some standing committees having terms of reference and others not having a terms of reference. For the Audit Committee, the city clerk provided a one-page terms of reference, a portion of which is excerpted below.

When asked whether every committee has a similarly structured terms of reference, the city clerk noted that the policy coordinator has a related draft policy completed, but that not every committee has a formal terms of reference.

CITY OF MEDICINE HAT	
AUDIT COMMITTEE	
TERMS OF REFERENCE	
1. Mandate:	
1.1	The Audit Committee is a Standing Committee of Council for the City of Medicine Hat.
1.2	The Committee shall support Council by ensuring the appropriate controls are in place for financial reporting and corporate governance.
2. Responsibilities:	
2.1	The Audit Committee shall advise and make recommendations to Council on:
a.	The annual financial statements and annual report.
b.	The audit scope and results of the external audit.
c.	The Independent Auditor's qualifications and independence.
d.	The performance and appointment of the Corporation's independent auditors. The Committee shall annually evaluate and, when warranted, recommend replacement of the Corporation's independent auditors. The Committee shall oversee the work of the independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.

Figure 56 - Standing Audit Committee Terms of Reference Excerpt

When reviewed in its entirety, the terms of reference for the Audit Committee included the following section headers:

1. Mandate;
2. Responsibilities;
3. Composition;
4. Meetings; and
5. Independent Auditors.

What does not appear within the terms of reference is any indication of how or when these terms of reference were created or revised. A search of the city's bylaw register does not identify any audit committee terms of reference, nor any terms of reference for any other standing committees.

A review of the list of 'Current CMH Policies' document provided by the city clerk likewise did not return any results for committee terms of reference. In response to a question about this, the city clerk provided a briefing note to council dated March 16, 2022, with the following statement "*It is recommended through the Administrative Committee and the Audit Committee that city council reaffirm the existing Audit Committee Terms of Reference as attached*".

The project to complete terms of reference for committees, both standing committees and other committees is underway and is to be commended. One of the drawbacks of the sample terms of reference above is that there is no indication when they were created, whether and how they may have been amended over time, and when they are due for a review by city council.

Review of Committees

Apparently, there is a process underway to review committees, both standing and otherwise. As this review is currently underway, and the types of committees are ultimately under council's authority, no additional recommendation is made in this report related to the number, type, or structure of committees.

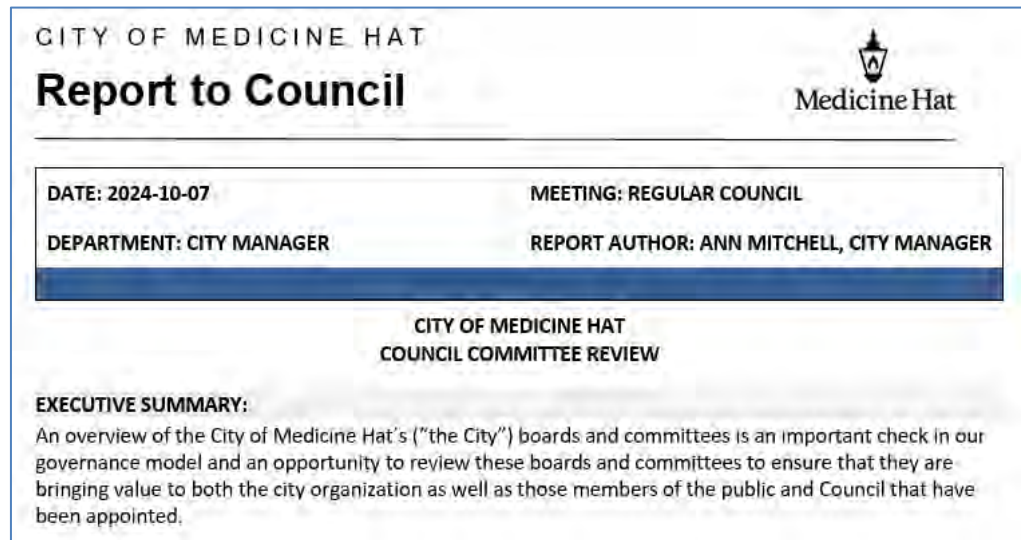


Figure 57 - Council Committee Review Report, October 7, 2024 - Overview

This October 7, 2024 report to council⁸⁷ contained a series of recommendations. The adoption of some or all of these recommendations is council's prerogative. Notably, several of these recommendations are echoed throughout the pages of this Inspection report.

⁸⁷ This appeared as agenda item 12.1 on the October 21, 2024 Council meeting.

RECOMMENDATION:

It is recommended through the Administrative Committee and the Administrative & Legislative Review Committee that City Council accepts the following as information and provides further direction:

1. All boards, committees and commissions of Council should have a clear mandate and terms of reference. All members should attend governance board training.
2. Members of Council who sit on outside boards and committees should provide a brief written report at the next regular meeting of Council.
3. Advise Administration through a strategic planning session, direction for the external boards and should also include a discussion on how these external boards fit into their strategic vision for the community and what the financial requirements/impacts may be.
4. Limiting Administrative Committee to members of administration only.
5. Amending the Administrative Organizational Bylaw to be less prescriptive as presented in the Briefing Note.
6. The integration of the following boards:
 - a. Community Vibrancy Advisory Board
 - b. Municipal Planning Commission
 - c. Municipal Names Committee

Figure 58 - Council Committee Review Report, October 7, 2024 – Recommendations

Subsequent to the report of October 7, a motion was put before city council and approved by all present on February 3, 2025.

(9.3.)

Internal and External Council Committees



City Manager Mitchell provided additional context and answered questions of Council.

2025/025 Councillor A. McGrogan - Councillor S. Sharps moved that Council direct the City Manager to evaluate the Council Committees (external and internal), receive feedback from Council, and prepare and present recommendations which may include the six recommendations from the October 7, 2024, report that was presented to Council, no later than Q2 2025.

For: 7; Against: 0; Absent: 2

Voting Against: (None)

Carried

Figure 59 - Excerpt from Draft Minutes of February 3, 2025 City Council Minutes

As a concluding comment on committees, the city clerk wrote *“there needs to be a ToR for all the standing committees and other committees. Needs to be crystal clear. There has been lack of policy and formal process and implementation. I believe that is why the city manager supported the role of Policy Coordinator position that commenced in August 2024”*.

RECOMMENDATION FOR REVIEW OF COUNCIL COMMITTEES: That Medicine Hat City Council continue with its current review of council committees as proposed by the City Manager on October 7, 2024.

RECOMMENDATION FOR COUNCIL COMMITTEE TERMS OF REFERENCE: That Medicine Hat City Council approve terms of reference for all council committees, that the structure of the terms of reference for all committees be similar, and that the terms of reference include adoption, amendment, and review-by dates as a method of maintaining the committees as current.

6 Administration

6.1 Chief Administrative Officer

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

Chief administrative officer's responsibilities

207 The chief administrative officer

- a) is the administrative head of the municipality;*
- b) ensures that the policies and programs of the municipality are implemented;*
- c) advises and informs the council on the operation and affairs of the municipality;*
- d) performs the duties and functions and exercises the powers assigned to a chief administrative officer by this and other enactments or assigned by council.*

One of the best descriptions of the role of CAO is that the incumbent ought to provide 'fearless advice, loyal implementation'. The CAO serves at the pleasure of council, and is hired, evaluated and replaced based on the will of council. Under the *MGA*, a council must have a CAO, and that CAO must be appointed by bylaw. All of these activities have occurred in Medicine Hat in accordance with the *MGA*.

Progression of CAOs

Through the course of the 2021-2025 city council term, the office of the CAO in a permanent, interim, or acting role, has been held by seven people⁸⁸ with incumbent Ann Mitchell being the longest serving of the term. Ms. Mitchell's first day was February 6, 2023, having been appointed to the role in a unanimous vote taken at the December 19, 2022 Regular meeting.

⁸⁸ The role was held by one individual twice, and five others have occupied the role once.

11. <u>NEW BUSINESS</u>
<p>(11.1.) City Manager Appointment</p> <p>Councillor A. Knodel - Councillor D. Hirsch moved that Council appoint Ann Mitchell as City Manager for the City of Medicine Hat, effective February 6, 2023.</p> <p>For: 9; Against: 0; Absent: 0 Voting Against: (None)</p> <p style="text-align: right;">Carried</p>

Figure 60 - Appointment of Ann Mitchell as City Manager, December 19, 2022

Chronology of CAOs over 2021-2025 City Council Term (to date)

City Manager	Role	Start	End	Approximate Duration
R. Nicolay	Permanent	October 2021 (start of term)	January 31, 2022	3 months
B. Mastel	Acting	February 1, 2022	February 14, 2022	2 weeks
R. Pancoast	Acting	February 15, 2022	March 13, 2022	2 weeks
M Heggelund	Interim	March 14, 2022	June 14, 2022	4 months
G. Feltham	Interim	June 15, 2022	December 21, 2022	7 months
R. Pancoast	Interim	December 22, 2023	February 5, 2023	2 months
A. Mitchell	Permanent	February 6, 2023	N/A	24 months

This turnover in CAOs in a particularly short duration is bound to reduce the stability of the organization and alter the culture for the worse. CAOs do not have to be 'liked', but they do have to be respected by council. In the list above, more than one of the CAOs was said to have been ushered out involuntarily, even though the person officially resigned.

CAO Relationship with Staff

Through the course of the Inspection, there were polarizing comments made about the current city manager. While there were many individuals who lauded her leadership ability and her focus, there were also comments provided to the Inspector both verbally and in writing, about a 'culture of fear' that some staff apparently have of the city's management, and of the CAO in particular.

As an example of this, one interviewee said *"I am fearful of the city. That's a sentiment for many former employees. That fear should speak to the culture of the city"*. On the same topic, the person said that *"people don't want to lose their jobs. They are scared of Ann, not council. I've never seen someone in leadership treat some people the way I've seen Ann treat people."* An emailed submission stated that there may be a *"fear of reprisal for speaking out"* in response to staff commenting to the Inspector. A letter was sent to Municipal Affairs near the end of the Inspection that echoed these concerns, however since the anonymous writer did not provide any way to corroborate their concerns, no excerpts of that letter are included here.

When asked for a response to these types of comments that either directly came from members of staff or which were received during interviews with other individuals, CAO Mitchell said *"I was hired to be a change-maker. When you do that, there will always be detractors. In my seat, you have to make those decisions."*

This sentiment was also reflected by some city staff, but in a very different way. One person said *"There's a bit of a culture of fear of making mistakes, staff are afraid of presenting to council."*

Fear has been a common sentiment expressed throughout this Inspection. On the elected side, one member of council said that *"she (the mayor) leads from a place of fear rather than a place of courage."* When asked about this in follow-up, the mayor responded that she required specific examples to be able to comment.

The previous three comments could be seen as mutually exclusive; however, all were expressed during interviews. Regardless, the fact that several interviewees and individuals who sent emails to the dedicated Inspection account, used the word 'fear' or 'culture of fear' is troublesome, and it is something that requires action to reverse. If indeed the fear is cultural, that means it is at least somewhat ingrained. Culture takes time to form, and it takes time to reverse.

As the administrative head of the organization, it is up to the city manager to model and shape culture. If that culture is getting more negative, it is the city manager who needs to lead the effort to reverse the negative cultural change.

There is more about culture and culture change in the Human Resources section of this report below.

In a Weekly Update email from the CAO to members of council, the city manager acknowledged the role and importance of culture. This paragraph from the update is drawn from the Canadian

Association of Municipal Administrators' guide called the 'Standing Strong Toolkit: A CAO's Guide to Maintaining Professionalism Amidst Incivility'.

Impact of Organizational Culture and Performance

The presence of abuse by elected officials can significantly impact the organizational culture and performance of municipal administrators. When abusive behavior is tolerated or overlooked, it creates an atmosphere of fear, mistrust, and insecurity amount staff members. This toxic environment can stifle creativity, innovation, and collaboration, leading to decreased employee morale, productivity, and retention rates. Moreover, the reputational damage caused by instances of abuse can tarnish the public image of the municipality, eroding community trust and support. CAOs must recognize the detrimental effects of abuse on organizational dynamics and work diligently to foster a culture of respect, transparency, and accountability within their municipalities.

Figure 61 - Reinstatement of Weekly Update, August 2024

RECOMMENDATION FOR CULTURAL IMPROVEMENT: That the Medicine Hat City Manager and Director of People Services continue with the implementation of culture change initiatives and programs identified in the '2025 Barrett Values Culture Assessment Results and Recommendations' as a means to improve staff culture; and that outcome measures are created and reported within staff and to council as appropriate.

6.2 Administrative Organization (AO) Bylaw

Under the MGA, councils are permitted to define 'designated officers' and to appoint individuals into those roles as noted in section 210 of the MGA.

Designated officers

210(1) A council may

(a) by bylaw establish one or more designated officer positions, give each of the positions a different title and specify which powers, duties and functions of a designated officer under this or any other enactment or bylaw are to be carried out by which positions, and

(b) appoint individuals to the designated officer positions.

(2), (3) Repealed 2022 c16 s9(44).

(4) Unless otherwise provided by bylaw, all designated officers are subject to the supervision of and accountable to the chief administrative officer.

(5) A chief administrative officer may exercise all of the powers, duties and functions of a designated officer under this or any other enactment or bylaw if

(a) no position of designated officer has been established by council,

(b) the position of designated officer is vacant, or

(c) this or any other enactment or bylaw refers to a designated officer and the power, duty, function or other thing relating to the designated officer has not been assigned to any designated officer by council.

As referenced several times within this report, the City of Medicine Hat uses an 'Administrative Organization Bylaw' (bylaw 4662) rather than the more common 'CAO Bylaw' and 'Designated Officer Bylaw'. The 2021 AO Bylaw outlines the high-level responsibilities for five groups:

- Council;
- City Manager (Chief Administrative Officer);
- Managing Directors (equivalent to General Managers);
- City Clerk; and
- City Solicitor.

Most municipalities have split these groups into two with different bylaws applying to each:

Title	Area of Responsibility	Applies To	Accountable To
CAO Bylaw (or City Manager Bylaw)	All aspects of the role of the CAO as outlined in the MGA and other Acts, plus any specifics required by the municipality.	<ul style="list-style-type: none"> ▪ City Manager 	Appointed by, and accountable to, city council
Designated Officer Bylaw	All aspects of designated officers' responsibilities as determined by various Acts, city council, and delegated from the CAO.	<ul style="list-style-type: none"> ▪ Managing Directors ▪ City Clerk ▪ City Solicitor 	Appointed by council, but supervised by, and accountable to, the CAO

There is typically no municipal bylaw that identifies what a city council may do because those responsibilities are outlined in the *MGA*. Medicine Hat's AO Bylaw falls along those lines. With the concept of legislative paramountcy in mind, there is nothing that could be written in a bylaw that can counteract any federal or provincial legislation, including the *MGA*. There is no need for a 'council' section in a bylaw that speaks specifically to council's designated officers.

In the *MGA*, designated officers *may* be appointed by city council, however since that is written permissively, Medicine Hat has devolved that duty to the city manager to appoint the designated officers (other than the CAO). The AO Bylaw states that the city manager *shall* appoint managing directors, the city clerk, and the city solicitor⁸⁹. The same bylaw notes that the city manager may also revoke those appointments. It would be an appropriate courtesy for the city manager to inform council of the pending revocation or appointment before it is made, however the final decision remains with the city manager. This would also mean that elected officials do not need to be part of the hiring, evaluation, or replacement process for any of the designated officers.

The AO Bylaw has been at the centre of much of the concern in Medicine Hat in recent years because of some of the authorities that city council has kept for itself, particularly around approvals on changes to the parts of the organizational structure that report directly to the city manager. While it is important for council to know about these changes, they are more properly within the realm of administration and therefore more typically fall under the city manager's authority.

In an August 15, 2023 email from the mayor to other members of council, Mayor Clark wrote that:

"Section 6⁹⁰ of the City's Administrative Organization Bylaw very clearly states that reorganizations are city council's jurisdiction. Only Council has the authority change the makeup of divisions. Only Council, has the authority to determine the departments and business units reporting directly to the city manager.

Each time I raised Section 6 with Ms. Mitchell, save one, her response was the same. Our city manager took the position that Section 6 shouldn't be in our bylaw."

⁸⁹ Administrative Officer Bylaw, s 25, 35, 37.

⁹⁰ For reference, s 6 of the AO Bylaw states "Council shall determine by resolution the departments and business units in the Divisions, and, in addition, the departments and business units reporting directly to the city manager."

The assertion that this is what City Manager Mitchell said was checked with the city manager, and she agreed that she has taken this position.

A similar assertion of the difference between ‘what’ and ‘how’ was also made by governance consultant George Cuff when he was invited to speak with city council on the topic of governance at their May 29, 2024⁹¹ Committee of the Whole meeting. Cuff said in response to a question from Mayor Clark in relation to how operational a council should be, “*there are things you ought to be doing, and (things you ought not to be doing).*”

This topic of role clarity emerges throughout the Inspection and this report. It is essentially a disagreement between what constitutes governance (council’s realm) and what constitutes management and administration (city manager’s realm). A lack of role clarity, or a misinterpretation of effective role clarity is an improper, and sometimes irregular, practice.

Mayor Clark asserts that “*at a high level, these governance and admin. rules are laid out as a division of powers in the MGA.*” While true, the description of the powers of council, the councillor, the chief elected official, and the chief administrative officer are at a high-level, with an individual municipality’s bylaws, policies, practices, and culture, providing further clarity.

RECOMMENDATION FOR CITY MANAGER BYLAW: That Medicine Hat Council repeal the AO Bylaw (4662) and replace it with a more standard CAO Bylaw that focuses entirely on the role of the City Manager.

RECOMMENDATION FOR DESIGNATED OFFICER BYLAW: That Medicine Hat Council adopt a Designated Officer Bylaw that encompasses high-level responsibilities for all Designated Officers as identified in s 210 of the *MGA*.

RECOMMENDATION FOR ADMINISTRATIVE OWNERSHIP OF ORGANIZATIONAL STRUCTURE: That any bylaws adopted by Medicine Hat City Council recognize that organizational structure falls within the authority of the city manager.

⁹¹ Retrieved from:
<https://www.youtube.com/watch?v=4BwmTCACV1Q&list=PLPNhxLWNLvNfsB1YNRM7suDLTsDAaDVXu&index=27>, approximately 1:30 into the meeting.

RECOMMENDATION FOR MANAGING DIRECTOR TITLE CHANGE: That Medicine Hat Council change the term 'Managing Director' to 'General Manager' wherever it appears in city bylaws and policies.

6.3 City Clerk

Part of the initial tranche of documents received in the Inspector's initial document request of the city clerk included a document called City Clerk's Office Action Items, a list that has been referenced several times in this report already. This is a list of tasks the city clerk's office has set out for administrative changes within the City of Medicine Hat. Many of the items on this list are also items that were identified as wanting during the Municipal Inspection. The clerk's office is being proactive in addressing some of the items that are noted as deficient in this report.

Some of the items on the list as of the time of writing this report include:

1. (*Create unique*) council motion resolution numbers;
2. Procedure Bylaw amendments;
3. Standing committee meeting recordings;
4. FOIP page on website;
5. FOIP Bylaw;
6. FOIP continual education for staff, council and residents;
7. Request for decisions for council agendas; and
8. Evaluate action items list.

More detail on each of these items, including desired actions and timelines are included in the document itself. The city clerk during the inspection had only been with the city for a few months, yet the changes she has begun to set in motion are already having a large impact on the rigour of processes associated with council meetings and document management are already noticeable.

For this reason, there are no recommendations associated with some of the changes that the Inspector would ordinarily recommend, other than a blanket recommendation that the city clerk carry out the plan that she has created and set in motion.

RECOMMENDATION FOR CITY CLERK'S OFFICE ACTION ITEMS: That the Medicine Hat City Clerk continue to implement the changes that are identified in the 'City Clerks' Office Actions Items list, and that this list be kept current and reported to city council.

6.3.1 Council Meeting Minutes

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

Performance of Major Administrative Duties

208 (1) The chief administrative officer must ensure that

(a) minutes of each council meeting

(i) are recorded in the English language,

(ii) include the names of the councillors present at the council meeting,

(iii) are given to council for adoption at a subsequent council meeting, and

(iv) are recorded in the manner and to the extent required under section 216.4(6) when a public hearing is held;

A review of council meeting minutes found that the minutes over the course of the 2021-2025 council term have been taken and kept in a format that is in alignment with the *MGA*. In addition, all public council agendas and minutes are readily available on the city's website.

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

The Inspection found that council meeting minutes were almost always⁹² presented to council for approval in accordance with *MGA* s. 208(1)(3) which reads that the minutes:

(iii) are given to council for adoption at a subsequent council meeting; and

The Inspection found that bylaw and minute binders were kept safe within the locked vault in the municipal office, and later transferred offsite for archival purposes. This practice complies with the *MGA* s. 208(1) which reads as follows:

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

⁹² The draft minutes of the August 19, 2024 Regular meeting of council that included the closed session about the review of the CAO performance were not considered by council as of the writing of this report.

As noted earlier in the report, the city has historically not applied a unique numbering system to individual resolutions of council. That practice has been updated in 2025 with the addition of unique and chronological numbering of resolutions.

In this example, recent changes to how council minutes are being kept is illustrated and it brings the city into compliance with regular practice. In this example from February 3, 2025, the resolution now has a unique identifier (2025/026) and also includes a timeline for review (end of Q1, 2025). These practices are new since the start of the Inspection and are to be commended.

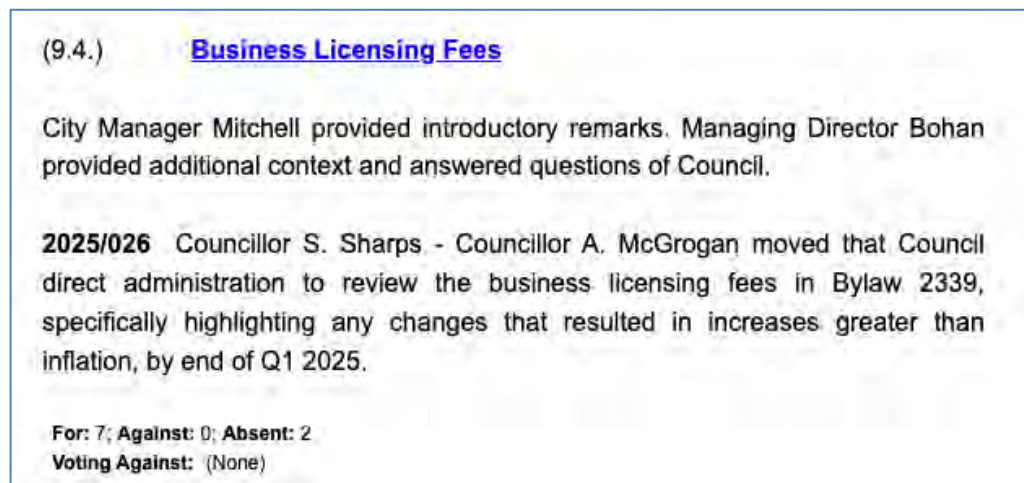


Figure 62 - Example of Council Resolution with Unique Numbering and Response Date

6.4 Corporate Business Planning

One of the city manager's key functions is to implement the will of council as expressed through their strategic plan. While the strategic plan, its updates, and its focus on priorities, are important to council, the business plan takes a much wider view of the city's operations. This plan includes the change functions included in the strategic plan, while also including the ongoing administrative and service delivery tasks inherently required to run the city.

A business plan is the administrative road map for accomplishing council's strategic priorities, while recognizing the vast bulk of the city's work is not contained within the change-related strategic plan. Through a cascade of alignment, the results of the strategic plan and the business plan can be linked to the city manager's annual review.

In Medicine Hat, the city's managers have devised a set of three corporate strategic objectives for the period 2024-2026. These objectives appear below along with a series of goals that are intended to help achieve the overall objectives.



Figure 63 - Corporate Strategic Objectives 2024-2026

To action the objectives, the city provided a current collated business plan for 2025-2026 that links the city's corporate business to council's strategic objectives. This comprehensive 147-page document is publicly available⁹³ and it contains a significant amount of information.

Each of the city's 26 business units' plans contains the following segments:

- Mandate and Structure;

⁹³ Retrieved from: <https://www.medicinehat.ca/en/government-and-city-hall/resources/Documents/Budgets-and-Finance/2025-2026-Business-Plans.pdf>

- Key Objective(s);
 - Council Strategic Alignment
 - Corporate Strategic Goal Alignment
 - Strategies to Achieve Key Objective
 - Measurement of Success
- Budget Summary; and
- Sub-Department Service Areas and Descriptions of Same.

This document goes over each business unit within the city; however, the document is missing an overall introduction that would explain the terminology used, provide a high-level organizational chart, and include the context of why this document is being produced in the first place.

One item that is missing from the 2025-2026 Business Plans is a description of how the business plans are intended to further the priorities and goals in city council's strategic plan. While each business unit does include a description of how the area contributes to council's strategic plan in terms of alignment to council's six theme areas in the strategic plan, there is no central effort given to suggest that the business plans need to align to the strategic plan in some form of cascading alignment.

In the example below, the Economic Development Department has identified a Key Objective and then identified how that objective may align with three of the six themes in council's plan, followed by how it might align with corporate objectives.

KEY OBJECTIVE #2 – Community and Stakeholder Engagement Solid relationships are an enabler of economic development. To ensure the success of the economic development department, engagement is required both with staff internal to the City and with local, regional, and provincial service providers, and municipal, provincial, and federal counterparts and the City of Medicine Hat community.		
COUNCIL STRATEGIC ALIGNMENT:		
INNOVATION <input type="checkbox"/>	ECONOMIC EVOLUTION <input checked="" type="checkbox"/>	SERVICE ORIENTATION <input checked="" type="checkbox"/>
PARTNERSHIPS & GOVERNANCE <input checked="" type="checkbox"/>	COMMUNITY WELLNESS <input type="checkbox"/>	RESILIENCY & SUSTAINABILITY <input type="checkbox"/>
CORPORATE OBJECTIVE ALIGNMENT:		
PARTNERSHIP CULTURE <input checked="" type="checkbox"/>	STAKEHOLDER SATISFACTION <input checked="" type="checkbox"/>	FINANCIAL SUSTAINABILITY <input type="checkbox"/>

Figure 64 - Alignment Between Business Plans and Strategic Plans

This business plan document clearly falls within the CAO's bailiwick. It is an operational document rather than a council document. It is council's to know about, but not council's to own or council's to approve.

Further down the cascade from the strategic plan and even the business plan is a plan that staff can own. This can lead into a series of foundational statements that are important to the city's employees. In this case, an expression of staff's values was published and circulated. Although this document has no date of publication in the metadata, it was likely circa 2022. What appears in the image below outlines what staff of the day saw (and may still see) as their vision, their mission, and their values. These statements do not conflict with what council defines as success.



Figure 65 - City Staff Vision, Mission, and Values

RECOMMENDATION FOR REVISION TO CITY BUSINESS PLANS: That the Medicine Hat City Manager ensure that the city's business plans document includes a description of how the business plans are intended to cascade from the strategic plan.

6.5 Organizational Structure

The City of Medicine Hat's organizational structure changes from time to time in reaction to changing requirements put on the city and an evolving suite of programs and services that the city offers. As explored earlier in this report, under section 6 of the current *Administrative Organization Bylaw* (4662), the city manager is limited in their ability to make changes without the approval of council.

6. Council shall determine by resolution the departments and business units in the Divisions, and, in addition, the departments and business units reporting directly to the City Manager.

Figure 66 - Excerpt from Administrative Organization Bylaw

This section of the bylaw is problematic in terms of governance, and it may have been the ‘straw that broke the camel’s back’ in the disagreement between the mayor and the city manager that came to a head on August 21, 2023.

In reflection of this, a local media outlet headlined that meeting as seen here:



Figure 67 - CHAT News Headline, Mar. 22, 2024⁹⁴

In a pure governance model, council identifies what it wants to see done in terms of desired outcomes, and it is then up to the city manager to deploy staff in the best way possible to achieve those outcomes while keeping the business of the city running.

That the city manager did not get approval from council on a change to the organizational structure is counter to the way the *AO Bylaw* is written, but it does align with good management practices – thereby putting governance and management into conflict in this case.

A recommendation about changes to the AO Bylaw was made in the section of this report entitled ‘Council Performing Administrative Duties’, so it is not repeated here.

Organizational Chart

The 2023 organizational structure of the senior levels of management within the city included 10 direct reports to the city manager, including four managing directors, four managers, and the contentious positions of Chief of Staff and PR Specialist.

⁹⁴ Retrieved from: <https://chatnewstoday.ca/2024/03/22/the-exchange-that-spurred-an-investigation-into-medicine-hat-mayor-linnsie-clark/>

What appears below is an illustration of the top levels of the city's management as of June 2023 based on a document provided by the city. The full organizational chart provided to the Inspector includes dozens more positions down to what the city calls 'Individual Contributors'.

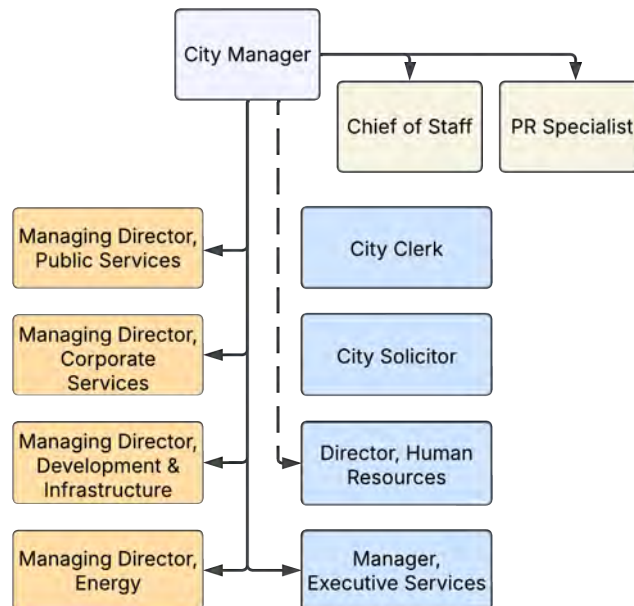


Figure 68 - Organizational Structure, June 2023

Of note, according to the city clerk, the two positions of Chief of Staff and PR Specialist never actually really reported to the city manager. These were the two positions that ostensibly reported directly to council and the mayor.

While ten (or eight) direct reports to the city manager may have been a lot, it appears to have been manageable according to the CAO.

There are some roles in Medicine Hat that would ordinarily report to someone other than the CAO; for instance the Director of Human Resources and the Manager of Executive Services. Soon after this 2023 chart was produced, the Chief of Staff and PR Specialist roles were abolished.

The current organizational chart for the top of the city management structure in 2025 is very similar to the way it was in 2023. Two of the positions have been eliminated and the human resources manager has had a change of title.

As of writing, the membership on this committee includes:

- Mayor;
- City Manager;
- Managing Director of Corporate Services;
- Managing Director of Development and Infrastructure;
- Managing Director of Energy, Land and Environment;
- Managing Director of Public Services;
- City Solicitor; and
- City Clerk.

While the committee is active, there is no approved terms of reference for the committee, so it is difficult to ascertain the formal membership of the committee, or whether the committee is effective. This is a city manager committee rather than a standing committee of council, so the terms of reference would likely require only administrative action rather than a council decision.

According to several interviewees, the current mayor has taken a much more active role in the committee than previous mayors, and it is one of the points of contention that emerged through the course of this Inspection. One member of the committee noted that *“other mayors have always stayed in their roles”*, and *“she (the current mayor) weighs in a lot into administrative matters”*.

A member of city management spoke to role clarity as well, noting that *“on the Admin. Committee, the former mayor would only comment if the topic was going to have a political impact to consider. Mayor Clark would make reference to specific words in bylaws. She got very detail oriented. It annoyed me that one politician would influence legislation before any other members of council have had a look at it. This isn’t her role on the committee”*. In response to this contention, Mayor Clark opined that *“I am not the former mayor. We are very different people. I get to be me when I am being the mayor. I don’t see the harm when things don’t make sense. Council will ultimately be responsible for what comes of that policy or bylaw.”*

The Admin. Committee is a tool that the city uses much like any other to get the work of the municipality completed. Tools must work as intended for them to be effective and for them to work well with the rest of the tools that the city can deploy. In this case, the mayor appears to be altering the function of the committee somewhat.

According to an administrative member of that committee, it has come to pass that *“one member of council (the mayor in this case) can stop an initiative before it even gets to council”*. The same person said that *“there is no reason other than history to have politicians on the committee.”* This power runs counter to the good governance principle that would see all members of council get the same information at the same time. Alberta does not use a strong mayor system; however, this approach would constitute an irregular move towards a strong mayor-type power if it is really occurring.

Recently, the deputy mayor has also been included in the membership of the committee, allegedly as a counterweight to the mayor, although because there are no approved terms of reference, the change in membership is more invitation-based rather than formally structured.

Given this is an administrative committee rather than a council committee, there is no legislative requirement for any elected officials to be on the committee. Mixing the themes of governance and administration can be fraught with the potential for role confusion, particularly when the committee does not have roles defined in a terms of reference.

The mayor is likely at the Administrative Committee meetings to act as a conduit between elected officials and administration, as a person with the political lens that is not within administration's role. If that conduit is not working, as it apparently is not currently working, there is little purpose to having a political presence on the committee. One council member noted in relation to this topic *“so admin committee, we should be getting updates from the mayor about what's happening at admin committee, but that wasn't happening.”*

Indeed, one member of city management offered that *“one member of council can stop an initiative. Nobody feels comfortable having an elected on the committee.”*

Given the membership of this committee is mostly administrative, and given the fact that the topics of discussion typically arise from within the city structure, the committee is really more akin to a Senior Leadership Team (SLT) or Executive Leadership Team (ELT), which is a group that the city already has. Many midsize and large municipalities have regularly scheduled meetings with SLT/ELT for updates on ongoing topics as well as emergent items.

It is through the SLT/ELT that the CAO is kept apprised of issues and can ensure the municipality is operating well, delivering on its plans, and responding to emergent topics as they arise. Senior or

executive leadership should be able to speak freely about internal matters without a politician present.

RECOMMENDATION FOR REVISION TO ADMINISTRATIVE COMMITTEE: That the Administrative Committee's membership be entirely administrative in role and comprise the city manager, managing directors, city solicitor, city clerk and any other administrative leaders or guests that may be invited for their expertise. Further that the Terms of Reference for the committee includes that this committee meet regularly and any pertinent information garnered from these meetings be provided to council.

Earlier in this report, a recommendation was made for the creation of a committee that sets council's agenda for meetings and for a long-term governance calendar. That committee and the Administrative Committee ought to be two different entities.

6.7 Human Resources Management

We often hear that people are a municipality's most valuable resource, and if this is the fact, then attention is well directed at how the organization is structured, the skills of individuals incumbent in various positions, and the culture that results from both the structure and the skill and attention of management.

There is always turnover in corporations the size of Medicine Hat, so there are likely to be related disagreements about the actions that management takes in relation to the structure of the organization – the two positions that reported to council in 2023 for example.

Any new director of human resources, or People Services as it is now called in Medicine Hat, will have an impact on culture. In many larger municipalities, this person would report to the person in charge of corporate services, but in Medicine Hat, this director reports directly to the city manager for reasons outlined elsewhere. Adding that the city manager was relatively new at that point too, and the change in senior staff is not uncommon.

During the Inspection, there was some criticism leveled at the People Services area of the city. One interviewee suggested *"I'm not sure where the 'people' are in all of this. We had some good people walked out of the organization. I was astounded about some of them."* Some of this sentiment was related to the incumbent director, and some to the relationship between the director role and the CAO role. This was explained as *"I'm not a fan of the director that Ann brought in to run People Services."* And *"(t)he relationship between People Services and CAO is ridiculously tethered. I don't*

like where People Services has taken the people side of our business. People Services should not report to the CAO. It should report to Managing Director of Corporate Services."

The interviewee's final point was that *"there is a culture of fear among city employees wondering who's next. You better not piss off People Services or you might end up down the road."*

In response to the comment about where the human resources function ought to be in an organization, the Director of People Services told the Inspector that *"HR should always report to the highest person in any organization."* Prior to the hiring of the current director, the human resource function reported to the Managing Director of Corporate Services. During the transition to the current director, the line of authority was changed to report to the city manager.

When asked about the criticism of the department, of long-time staff being walked out, and significant changes throughout the organization, the director acknowledged that *"we have a lot of problems. I can't comment on individual cases. People are not walked out the door willy nilly."* Her overall conclusion is that *"I think we've made some really good transitions in terms of things we're doing. We're trying to change any culture of fear at the organizational level"*. The 2025 culture assessment process is described shortly.

These topics of structure, culture, and people will all be explored in more depth through the human resources section of the report.

6.7.1 Positions Reporting to Council

The *MGA* does not specifically restrict the number of "persons to carry out the powers, duties, and functions of the position of chief administrative officer" that a municipality may have⁹⁷; however, the typical one-CAO model was recently tested through the 2024 Municipal Inspection in the City of Chestermere council's three-CAO model. One individual typically reports to city council in the role of overall executive manager for the municipality; that being the chief administrative officer. In recent years, Medicine Hat City Council chose to add two more roles that were accountable to council, those being a chief of staff and a public relations/communications role.

These two net-new roles were added shortly after the 2021 election and ostensibly reported to council as a whole; however, they were seen by several interviewees as being the 'mayor's staff',

⁹⁷ *MGA* s. 205(2)

even to the point that one of them would be sent to some events to represent the city if the mayor was unable to attend.

These roles were not filled by elected officials, so the incumbents should not be put into a political situation such as representing the city. This improper activity adds to the lack of role clarity between governance and administration. During interviews, several council members noted that if the mayor was unable to attend an event, the rest of council, and in particular the deputy mayor, should be next on the list to attend on behalf of the city.

Indeed, the city's *Procedure Bylaw* supports this contention, as does the *MGA*.

<u>Deputy Mayor and Acting Mayor</u>	
4.10	At the Organizational Meeting, Council shall appoint Councillors as Deputy Mayor, and Acting Mayor on a rotating basis for periods of forty-five (45) days.
4.11	When the Mayor is unable to perform the duties of Mayor, or when the office is vacant, the Deputy Mayor, or in their absence, the Acting Mayor, shall perform all the duties of the Mayor and shall preside at all such meetings of Council.
4.12	When the Mayor, the Deputy Mayor and the Acting Mayor are unable to perform the duties of the office, Council may appoint an alternate Acting Mayor.

Figure 71 – Procedure Bylaw - Duties of Deputy Mayor and Acting Mayor

Deputy and acting chief elected officials

- 152(1) A council must appoint one or more councillors as deputy chief elected official so that
- (a) only one councillor will hold that office at any one time, and
 - (b) the office will be filled at all times.
- (2) A deputy chief elected official must act as the chief elected official
- (a) when the chief elected official is unable to perform the duties of the chief elected official, or
 - (b) if the office of chief elected official is vacant.
- (3) A council may appoint a councillor as an acting chief elected official to act as the chief elected official
- (a) if both the chief elected official and the deputy chief elected official are unable to perform the duties of the chief elected official, or
 - (b) if both the office of chief elected official and the office of deputy chief elected official are vacant.

Early in the term, one member of council recalls of the mayor that “she told us that she needed a PR person and a chief of staff. Council wanted to maintain austerity though, so the mayor needed to

defend the two new people.” According to the same interviewee, the mayor asked for the two positions and council agreed so long as the positions were reviewed after a year. Three members of council were on the hiring committee for the new roles, and they were filled. There is some contention that the roles were eventually filled with individuals already known to the mayor; something that is not automatically disqualifying for anyone seeking a job.

Though both roles reported to council as a whole; that concept seemed to fade quickly, with a councillor saying that *“the public relations person reported to the mayor rather than the CAO. Council didn’t think that (the public relations person) worked for council”*. Another councillor said *“so we appoint a chief of staff, and then a social media manager slash communications manager that sits directly under her (the mayor). So then, she (the mayor) kind of further pulls away from the group and is functioning more as an independent entity from there.”*

Part of this chief of staff role was for the incumbent to meet with members of council regularly to provide information germane to the role, however the efficacy of this was not clear after some time. The same councillor said that *“eventually council stopped meeting with her”*.

After the year was up, council decided not to continue with the roles after their trial run. The positions were transferred from council to administration, and they were eliminated in the restructuring that eventually led to this Inspection. As a final comment on this topic, the councillor referenced in the previous paragraph said that this *“was the straw that broke the camel’s back”*.

This reference is to the organizational restructuring and the issues that came to a head at the council meeting of August 21, 2023.

6.7.2 CAO Reporting Structure

In most corporate organizations of significant size, the structure of the organization is designed to limit the number of direct reports to an executive so that person can carry out their professional duties rather than concentrating on managing people. For this reason, among others, municipalities often set up a structure that includes the CAO and a series of executive reports such as community services, corporate services, public works, etc. Exact structures are unique to each municipality.

Sometimes a CAO will alter the structure such that other individuals may report directly to the CAO; people who would ordinarily report to a second-level executive. In Medicine Hat, the most notable of

these is a recent change by CAO Mitchell that sees the person responsible for human resources⁹⁸ report directly to the city manager, whereas that person would more commonly report to the managing director in charge of the scope of the municipal organization that is responsible for corporate services. This role alignment was illustrated in the 2023 and 2025 organizational charts earlier in this section of the report.

While this is a peculiarity, if the process works in the City of Medicine Hat, the only note of caution is that the city manager has one more role to oversee. On the other side of the argument, given expressions of the problematic culture caused by the tone at the top, it may well be wise for the city manager to be closer to the pulse of the organization, and that is ostensibly done by having People Services report directly to the CAO.

6.7.3 Severance Process

Earlier in the report, the topic of delegated authority was discussed, and the example used was about the severance process that the city uses. In Medicine Hat, the final severance agreement must be signed off by the CAO and by the mayor.

Council has the ability to delegate authority for a large number of processes, and this is one of them. If council – and the mayor – were to delegate the authority to sign off on approved legal agreements involving departing staff, the matters would be dealt with much more expeditiously. By the time these arrive on the mayor's desk, the contractual requirements will have been met, and the mayor's signature is more of a formality.

The frustration caused by the mayor's delays in signing agreements like this solicited several comments from several senior managers during the initial interview process for this Inspection. These comments included⁹⁹:

- *I don't know if it's bloody mindedness, ineptness, or what. We spend an inordinate amount of time chasing her to sign stuff.*
- *The mayor won't let go of the legal piece even when the sign-off is just routine.*
- *She can't take off the hat of the solicitor – she's arguing while we're in the meeting.*

⁹⁸ Known as the 'Director of People Services' in Medicine Hat.

⁹⁹ These quotes have been alphabetized to provide some anonymity.

- *These put the organization in jeopardy. By the time the mayor is asked to sign off on a severance, it's been vetted by Legal and People Services.*
- *We spend lots of time explaining to her why she has to sign stuff.*
- *When the mayor is gone or not signing stuff, it's so straightforward.*

Each of these quotes get to the heart of the frustration that city staff encounter when trying to carry out the business of the city. The mayor's role – or any council member's role for that matter – in processes like this is to ensure that they have appropriately discharged their governance requirement while not making the city improvident in how efficiently it deploys the city's finances. The allegation of 'arguing while we are in the meeting' seems more like a solicitor's role than a mayor's.

When asked about this, the mayor suggests that signing is a choice, suggesting that *"having signing authority comes with the responsibility of a fiduciary responsibility. Without knowing what I am signing, I can't make an informed choice. It is an administrative responsibility to make sure that all of council knows about the contracts that I have to sign."*

Within the delegated authority section of this report above, an overall recommendation was included about reviewing the city's delegated authorities with an eye to improving efficiencies within the city. The recommendation that appears below is specific to the delegation of authority to sign-off on severance.

RECOMMENDATION TO DELEGATE SEVERANCE SIGN-OFF: That Medicine Hat City Council delegate the authority for final sign-off on contractually or legally required employee severance to the City Manager as authorized under s 203(1) of the MGA.

6.7.4 Culture Change

As well-known management expert and author Peter Drucker noted 'culture eats strategy for breakfast', and this is particularly salient for Medicine Hat. While there are tools in place to ensure that the city has set and continues to monitor its strategic direction, many of the improper impediments described in this report are preventing the advancement of strategy.

Much of what appears in this report has an effect on the city's culture for better and for worse. When the tone at the top is problematic, that will cascade through the organization and have a negative effect on culture.

In February 2025, the city received a report on a staff culture assessment that occurred in December 2024. The overall assessment contains a significant amount of data and detail, but it also supports what many people would likely already realize; that the culture in the City of Medicine Hat is troubled.

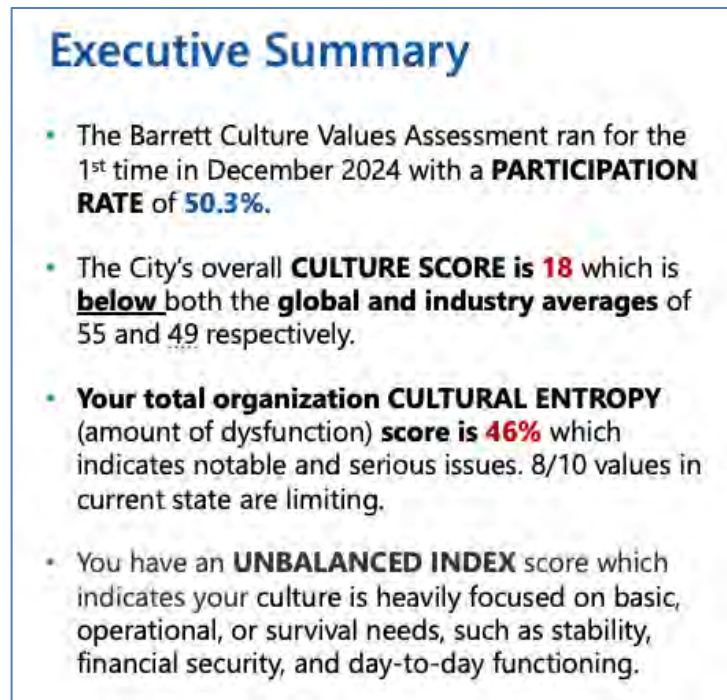


Figure 72 - Excerpt from Feb. 2025 Culture Assessment

This is a snapshot of the report's results, but it is deeply concerning and it requires both council and management to act.

One interviewee recounted about management that *"they don't allow constructive criticism. They don't want to hear negative things. They are more interested in political expediency or public interest."*

The assessment provided information about next steps, which are very new as of the writing of this report. This assessment provides a benchmark, and subsequent analyses will indicate how well the city is managing to create more of a virtuous cycle.

6.8 Freedom of Information

Over the course of the Inspection, the topic of freedom of information requests was brought up several times. On one side of the discussion was an individual who submitted a FOIP request for information regarding the total of severance packages paid out to departed staff. On the other side

were some members of council who were annoyed that they did not receive this information prior to members of the public getting it.

The matter went before city council on May 6, 2024 as a written inquiry that contained six requests for information from the mayor. The inquiry was based on a memo from the mayor dated February 20, 2024.

That matter was dealt with on May 6, with a council motion asking that administration prepare an estimate of costs of responding to the mayor's six items.

Mayor L. Clark - Councillor R. Robins moved that Council directs Administration to prepare accounting of estimated person hours and budget for each of the items listed on Mayor Clark's February 20, 2024 written inquiry.

For: 5; Against: 3; Absent: 1

Voting Against: Cllr. R. Dumanowski, Cllr. C. Hider, Cllr. D. Hirsch

Carried

Figure 73 - May 6, 2024 Regular Meeting of City Council, Agenda Item 10.3

The mayor subsequently prepared a 12-page memo dated April 30, 2024, and circulated it to city council members. In it, she said of the written inquiry – in part:

2. My intention in making the Written Inquiry was **not** to ask for Council's permission to receive the Information. Rather, I made the Written Inquiry so the Information would be provided for discussion during an Open Council Meeting.
3. As Mayor, I am entitled to the Information pursuant to my legislated duties and obligations as a member of Council pursuant to the *Municipal Government Act*, [RSA 2000, c M-26](#) (the "MGA"). In my view, I would also be entitled to all, or at least most, of the Information as a member of the public pursuant to the *Freedom of Information and Protection of Privacy Act*, [RSA 2000, c F-25](#) ("FIPPA").
4. The purposes of the Written inquiry, include evaluation of our existing policies and programs, potentially amending or developing new policies and programs and financial oversight. These purposes are consistent with my duties to:
 - a. obtain information about the operation or administration of the municipality;
 - b. participate in developing and evaluating the policies and programs of the municipality;
 - c. participate in ensuring that the chief administrative officer is fulfilling their responsibilities; and
 - d. consider the welfare and interests of the municipality.
5. Since the City would be required to disclose all, or at least most, of the Information to any member of the public who requested it under FIPPA, I added the Written Inquiry to a Regular (open) Meeting pursuant to Section 6.4(a) of the Procedure Bylaw.

Figure 74 - Excerpt from Mayor's Memo to Councillors, April 30, 2024

Mayor Clark's contention was that the information should be made available because it would be a responsive record in a FOIP request. Being that as it may, council did not provide direction to administration, so no action was taken.

At the Regular meeting on Oct 7, 2024, administration provided the information that had been requested based on the two resolutions that were approved on May 6, 2024. In items 10.3 and 10.4 from the minutes of the October 7 meeting shown below, no action was taken by council. Given that council must direct administration to act through a resolution, these two items did not proceed any further.

	Jurisdictional Scan of Municipalities for Disclosure of Severance Agreements and Expense Claims
(10.3.)	Director of People Services Karla Kochan, presented the results of a jurisdictional scan of municipalities for disclosure of severance agreements and expense claims for information.
(10.4.)	<u>Estimated Person Hours/Budget for Written Inquiry</u>
	Director of People Services, Karla Kochan, presented for information the estimated number of person hours and associated budget of required to respond to Mayor Clark's February 20, 2024, written inquiry.

Figure 75 - Excerpt from October 7, 2024 Council Meeting, Severance Request

On the other side of the equation, any member of the public can submit a FOIP request to the city, and that is what happened. Fees were applied based on the FOIP Act¹⁰⁰.

Fees

93(1) The head of a public body may require an applicant to pay to the public body fees for services as provided for in the regulations.

Specific fees were applied based on the FOIP Regulation¹⁰¹.

Fees for non-personal information

11(1) This section applies to a request for access to a record that is not a record of the personal information of the applicant.

(2) An applicant is required to pay

¹⁰⁰ Freedom of information and Protection of Privacy Act, RSA 2000, F-25

¹⁰¹ Freedom of Information and Protection of Privacy Regulation, AR 186/2008, Current as of June 20, 2024.

(a) an initial fee of \$25 when a non-continuing request is made...

The requester did get the information requested about severance; however, the information was significantly redacted.

In asking the city clerk about what transpired; she noted that the cost of the request was borne by the requester at a cost of \$27 per hour based on the fee schedule in the *FOIP Regulation*¹⁰², whereas the cost for internal collection of data was “over \$100 per hour”.

As illustrated above, fees are set by the *Freedom of Information and Protection of Privacy Regulation* and they note that the initial fee to get the request started. This fee is also noted on the city’s website¹⁰³.

When the recipient got the documents, members of city council asked how the public got them while council didn’t. The city clerk told the Inspector that because the information request for the related documents came with a cost that was more than council thought the information would bring in terms of benefit, council defeated the motion requesting the information. That meant that when the external person requested the information and paid the related fees, they got access to all the related information that was appropriate for release. The documents were redacted to preserve private and confidential information.

On the surface, it appears that the processes worked as they were intended to work as per the Procedure Bylaw and the *FOIP Act/Regulation*:

1. Council received, considered, and approved a written request from the mayor to find out how much providing the information would cost.
2. Administration provided information based on the market cost of the estimated time to gather the information and prepare a report for council.
3. Council as a whole chose not to provide direction to administration regarding the written inquiry from the mayor, so the request did not proceed.
4. A member of the public made a FOIP request for the severance information, paid the FOIP mandated non-market cost, and received the redacted information.

¹⁰² FOIP Regulation, Schedule 2, fee set at \$6.75 per 15 minutes.

¹⁰³ Retrieved from: <https://forms.medicinehat.ca/City-Clerk/FOIP-Request-to-Access-Information>

In discussions with administration, the Inspector was told that it is possible that city council members would have been provided redacted information because the responsive record contains personal information. Because the internal process did not continue, this contention was not tested.

7 Finance

The topic of municipal finance is a common one under the realm of a Municipal Inspection; however, for the Medicine Hat Municipal Inspection, there is a focused requirement to look at finance related to the approval of unbudgeted expenditures. For the most part, the topic of unbudgeted expenditures appears to relate to a contingency fund that has long been a part of the city's budget. There are other topics that relate to finance as well; in particular the approval of expenses and how service levels and associated costs relate to the annual budget.

7.1 Contingency Funds

In the Ministerial Order that outlines expectations for this Inspection, one of the issues that has been identified is 'processes for the approval of unbudgeted expenditures.' In Medicine Hat, this likely refers to a budget item known as the CAO Contingency Fund. This fund is indeed in the budget; however, because it is a contingency fund, the items that receive dollars through the contingency fund are, by definition, typically not items that had appeared in the original city budget.

In recent years, this fund was set as high as \$1 million but has been reduced for 2025 and 2026. The CFO provided this table in an email in response to the Inspector's question about the contingency fund:

1. CAO Contingency Amounts – from prior year budgets (2019 – 2023) – to provide capital budget for CAO discretion to fund smaller items that arise during the year

Year	Amount
2019 Capital	\$500k
2020 Capital	\$500k
2021 Capital	\$500k
2022 Capital	\$500k
2023 Capital	\$1,000k
2024 Capital	\$1,000k

Figure 76 - Historic CAO Contingency Fund Amounts

A senior staff member told the Inspector that *"these expenditures have to be reported to council."* Further comment from the same person indicated that *"there isn't a policy, but it is included in the budget documents"*.

There is recognition among both elected officials and staff that *"the CAO contingency fund has been a point of friction."* And *"even amongst the public, it's been a point of contention"*. The mayor noted that *"I don't think the CAO contingency fund is listed in the budget. There isn't a policy about this."* Another councillor said during their interview that *"(t)here are expenses that come up that we didn't*

anticipate. Strategic planning is an example. The spending out of that account should be reported to council.”

The contingency fund used to be solely a capital fund, but recently an operational component was also included. As an example, the fund was used to pay for some of the strategic planning work that was described earlier in this report, a factor that created issues for some members of council. It was used for the planning because the planning process itself was not in the operational budget, but council deemed it important.

The fund was also apparently used to fund some renovations to council chambers where the drapes were replaced. There have been a series of social media posts about this topic, so it has had profile that a routine expenditure like this would not have ordinarily had.

City Hall and Council Chamber Renovations

A question about this use of the contingency fund was asked by the Inspector given the profile of these changes that has appeared in social media. Questions about the cost, the procurement process, and the transparency of the process were posed online and in emails to the dedicated Inspection email account. There was also some conflation of the renovations in council chambers and a renovation to the rest of city hall.

The Facilities Management and Procurement team provided this response in an email sent to the Inspector through the city clerk:

“(The city) administers a strict procurement process. The City of Medicine Hat has a competitive bid process where city-wide contracts are awarded¹⁰⁴. The contractors utilized for the renovations have gone through the competitive procurement process, awarded a Standing Offer Agreement and are engaged on an as-required basis.

The window coverings that were replaced in council chambers were originally installed in 1983. The new window coverings are intrinsically fire rated. The mounting hardware and controls were reused in the installation to save budget.

¹⁰⁴ According to the city’s [website](#); “City-wide contracts are typically set up for one year with options to extend. Once a contract is set up, it is advertised on our internal site for all City departments to view and use. These City-wide contract opportunities, just like any other competitive procurement for the City, are advertised for all qualified bidders to view.”

The response went on to identify some future renovations as well, noting that “(t)he upholstery on the seating in council chambers was originally installed in 1983 and will be replaced this summer”. Apparently, the carpet in the gallery of council chambers was also due to be replaced this summer, but according to Facilities Management, that will not occur this year.

In relation to the renovations elsewhere in city hall, Facilities Management and Procurement also said”

“An internal evaluation took place to identify gaps in the security of the building to ensure a safe work environment for staff, while providing access to the public. The goal was to balance safety and public access. It was identified that upgrades/renovations were needed to take place such as relocation of security desk, expanding the card access and video surveillance systems and installing permanent glass barriers on the service counters.

The department’s comment on cost for these changes was that “\$565,000 of this work was funded from the CAO contingency. Funds expended are reported to the Audit Committee once per year in April.”

It is worth noting that the city maintains a Procurement Policy (0173) that was last seen and approved by council earlier in this term, on October 3, 2022¹⁰⁵. This 20-page policy outlines the city’s various processes for procurement based on the dollar value range of what is being sourced and whether the procurement is a routine or being conducted in an emergency. The city’s policy reflects common practice in procurement for larger municipalities in Alberta.

Grant Opportunities Fund

There is a third use for the contingency fund; and that is to put some money aside in case grant opportunities require the city to provide some matching funds. These opportunities are not always known in advance, so having access to contingency funds makes it more straightforward for the city to apply for these grants, although the grants themselves must still be in alignment with city needs before the city would apply for them.

When interviewed for this Inspection, the CFO of the time made several observations about the contingency fund:

¹⁰⁵ Retrieved from: <https://www.medicinehat.ca/en/government-and-city-hall/resources/Documents/Policies/0173-Procurement-Policy.pdf>

- For 2023 and 2024 we have a CAO contingency fund of \$1M for smaller capital expenses that can be allocated without going to council.
- This year, the amount is \$250k for 2025 and 2026.
- This year, we added a \$100k operating contingency as well.
- There may also be \$250k budgeted to use as matching in case of grant opportunities.

The fund was presented to city council as part of the annual budget process. The slide below was presented at the December 2, 2024, city council budget meeting.

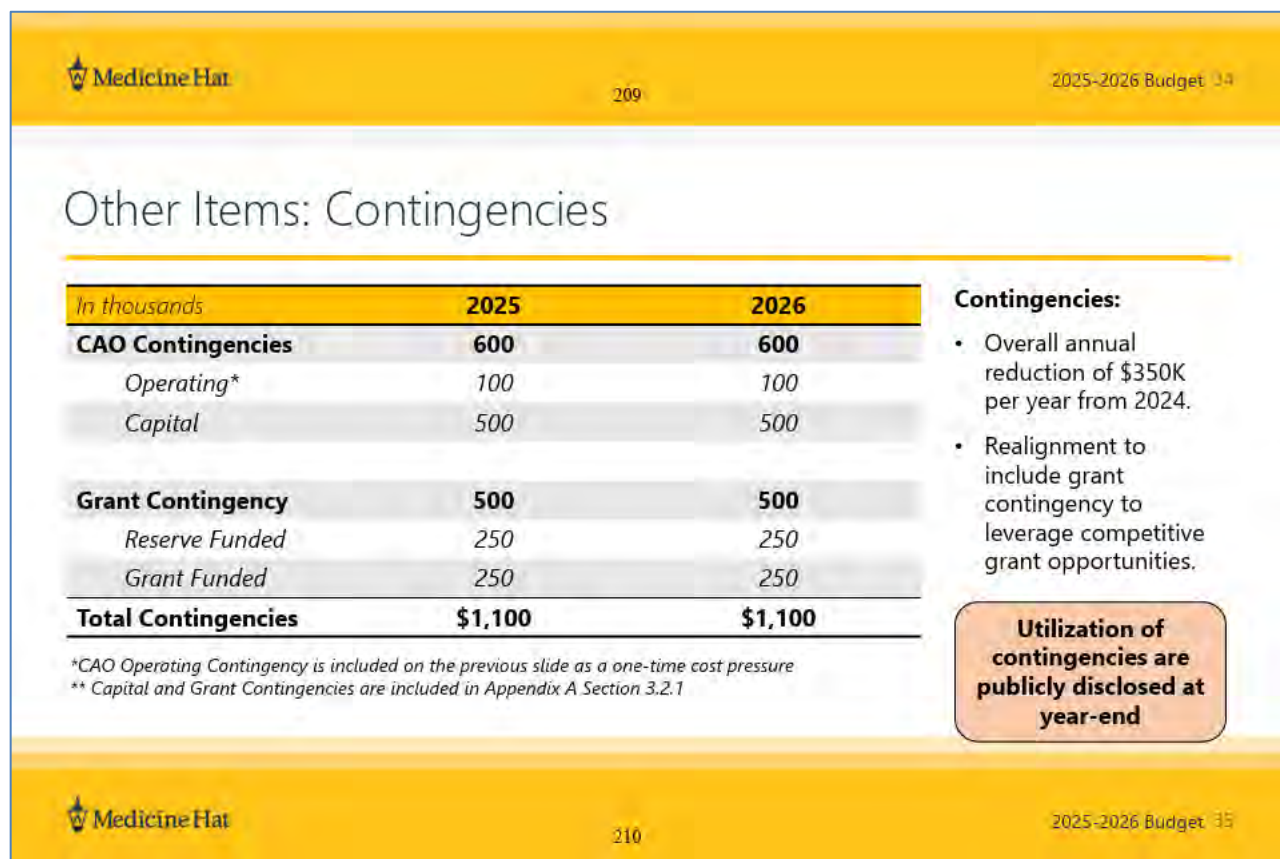


Figure 77 - 2025 & 2026 Contingencies Budget, Dec 2, 2024 Council Meeting

There was a quote earlier from the mayor suggesting that there is not a policy guideline for these contingency funds. That irregular and improvident practice is being changed early in 2025, with a draft policy going before council on January 6, 2025.

This is an excerpt from Policy No. 0183, Budget Amendment Policy¹⁰⁶

¹⁰⁶ This draft policy went before council on January 6, 2025 from the Corporate Services Committee with a recommendation that council approve the policy

3.05 Contingency Funds

Contingency funds are approved as part of the approved budget to provide operational flexibility and potential funding source for unforeseen items.

(b) City Manager/CAO contingency fund

If a City Manager/CAO contingency fund has been approved by Council:

- *New projects not included in the Approved Budget can be funded through this contingency through a briefing note to the City Manager/CAO.*
- *Previously approved projects that are over budget can be funded through this contingency through a briefing note to the City Manager/CAO.*

Though the city and council appear to be putting some policy and process behind the budgeting and use of contingency funds, there is still an appearance that the fund comes without real guidelines. An email that a council member provided to a citizen in February 2025, illustrates that the presence and use of contingency funds is still not deeply understood. The councillor wrote “...*having said all of that what you said below about the carpets and the drapes and everything you’re right none of that ever comes to council because it’s contingency.*”

RECOMMENDATION FOR CONTINGENCY FUND REPORTING: That expenditures which receive dollars from the from the contingency fund that is approved as part of the city’s overall budget be reported to city council in a timely fashion.

7.2 Approval of Expenses

It is a provident financial practice for individuals to require approval on any expenses they incur as part of discharging their responsibilities. On the administrative side of the city corporation, ultimately that falls to the head of administration, the CAO. In reality, much of that responsibility is delegated to other managers, leaving the CAO to approve expenses for direct reports.

For the city manager, the responsibility for approving expenses is held by the mayor and should be based on policy. That policy is called the Personal and Travel Expense Policy and it was last seen and updated by city council on February 6, 2023.

STATEMENT

THE PURPOSE OF THIS POLICY IS TO PROVIDE A FRAMEWORK OF CONSISTENT STANDARDS AND GUIDELINES FOR THE REIMBURSEMENT AND PAYMENT OF PERSONAL AND TRAVEL EXPENSES INCURRED BY EMPLOYEES, CITY COUNCIL, BOARD AND COMMISSION MEMBERS IN THE PERFORMANCE OF THEIR DUTIES.

PRINCIPLES

1. Ensure taxpayer dollars are used prudently and responsibly with a focus on accountability and transparency.
2. Ensure fair and reasonable practices for reimbursement of personal and business expenses (including membership and association fees).
3. Ensure individuals are appropriately reimbursed for approved travel expenses.
4. Ensure appropriate approval has been obtained to facilitate travel.
5. To set out procedures that will enable employees to obtain reasonable and cost-effective transportation and accommodation.

Figure 78 – Personal and Travel Expense Policy 0107 – Statement and Principles

Within this policy, there are three categories of individuals that the mayor is either to approve personal expenses or delegate that responsibility to someone else:

2.03 Mayor

- (a) Approve or appoint a designate(s) to approve all personal expense claims for:
 - (1) Councillors
 - (2) City Manager/Chief Administrative Officer
 - (3) Employees reporting directly to the Mayor

Figure 79 – Policy 0107, Mayor's Responsibility for Expense Approval

For the most part, the approval of routine expenses is occurring as it would be expected to happen, though there is one major exception. The city manager has expressed concern in getting expenses approved by the mayor. An example of this was provided in the form of an email string between the city manager and the mayor in February 2025. In that email, the city manager was requesting approval of expenses associated with travel, the mayor pushed back, requesting the approved travel authorization request. In response, the city manager emailed the mayor saying that there was no approved request because the sign-off had been stalled in the mayor's office until it was too late, and the travel occurred.

A few excerpts of this February 24, 2025 exchange appear here:

- 1) CAO's request to have travel claim approved.

From: Ann Mitchell <annmit@medicinehat.ca>
Sent: February 24, 2025 11:47
To: Linnse Clark <LinCla@medicinehat.ca>; Darren Hirsch <darhir@medicinehat.ca>; Allison Knodel <allkno@medicinehat.ca>
Cc: Ben Bullock <BENBUL@medicinehat.ca>
Subject: Re: CM Expenses
Importance: High

Council has a contractual obligation to approve my expenses that are occur while preforming my role. Please advise when my February 6th (Travel Claim number 36378) will be approved.



Ann Mitchell MA, BA, CMO
City Manager
City Manager's Office
City of Medicine Hat
MOBILE: 587-370-1782

2) Mayor's Request for approved authorization

From: Linnse Clark <LinCla@medicinehat.ca>
Sent: February 24, 2025 1:28 PM
To: Ann Mitchell <annmit@medicinehat.ca>; Darren Hirsch <darhir@medicinehat.ca>; Allison Knodel <allkno@medicinehat.ca>
Cc: Ben Bullock <BENBUL@medicinehat.ca>; COUNCIL <COUNCIL@medicinehat.ca>
Subject: RE: Re: CM Expenses

City Manager Mitchell,

Can you please provide your approved Travel Authorization Request for Travel Claim number 36378?

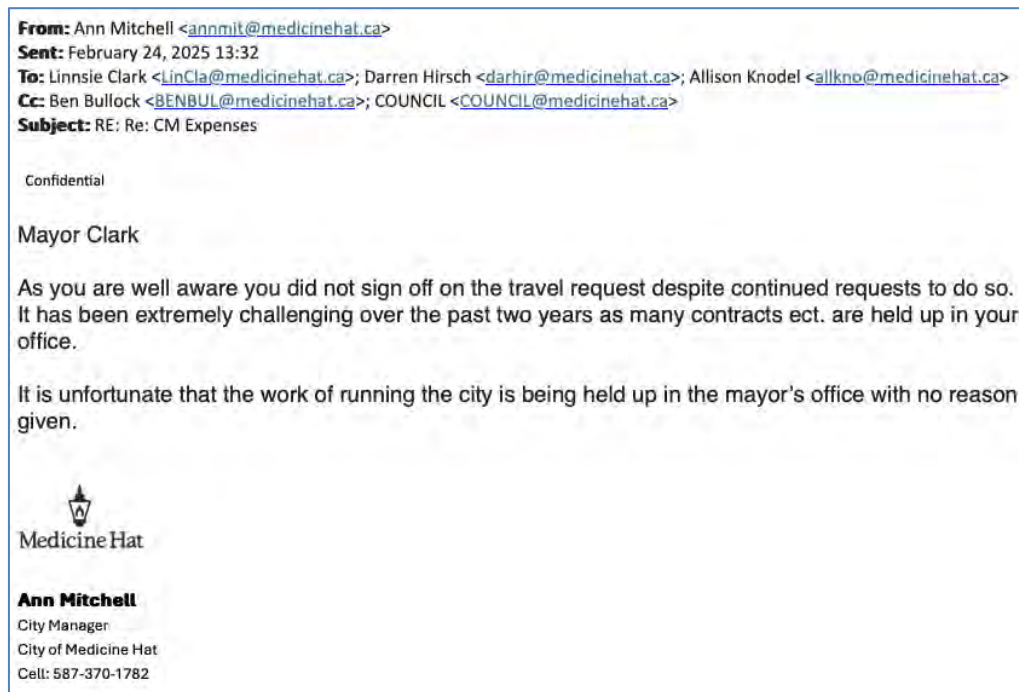
City Solicitor Bullock is the City's lawyer, not the City Manager's lawyer and not Council's lawyer. This matter is regarding the City Manager's employment contract and there are legal implications. As such, I would appreciate clarity regarding his role in this matter – so there is no confusion and we are not putting City Solicitor's office in an awkward position.

Thank you.



Linnse Clark BSc, JD
Mayor
City of Medicine Hat
Phone: 403-529-8181
Fax: 403-529-8182

3) CAO's response that request was held up in mayor's office



The email exchange continued, with the mayor eventually noting that the city manager was not entitled to reimbursement because the authorization had not been approved – and apparent improvident catch-22. The city manager followed up with saying that she would look to council for another avenue for expense reimbursement approval because the initial cause of the lack of approval had been caused by the length of time the approval was in the mayor's office for signature. The email continued back and forth a few more times, but the general themes remained consistent.

In a different email string, this one between October and December 2024, the mayor contended that there is risk assumed by her in approving expenses, so she provided a long series of questions and a 37-page attachment to support her contentions about approvals and the travel and expense policy.

One of the emails from the mayor to the former CFO on November 26, 2024, appears to get to the heart of the matter.

The mayor wrote (bolding added for emphasis):

*"For clarity, I have not signed any of City Manager Mitchell's P-Card (Procurement Card) statements since the discussion regarding my Written Inquiry (beginning with City Manager Mitchell's P-Card Statement for January 28, 2024 – February 27, 2024). **I think it is reasonable to conclude that means my approval of City Manager Mitchell's P-Card***

statements has no consequence, other than transferring the risk/accountability to me, for something I have no control over.

I do not have the opportunity “approve” City Manager Mitchell’s expenses, as indicated in Section 2.03 of the procedures of the Personal and Travel Expense Policy (Policy No. 0107). Instead, I am merely told after the fact what City Manager Mitchell’s expenses are.

My discomfort with this situation has certainly increased since I received the attached emails and listened to discussion at Council Meetings about my written inquiry. City Manager Mitchell and some members of Council were very quick to note that the mayor “approves” the city manager’s expenses, even though the reality is, I do not actually have the opportunity to authorize/approve the city manager’s personal or travel expenses.”

In this case, the mayor appears to be taking on the role of legal expert and arguing her case around risk assumption.

The long and detailed interaction from which the above excerpt is taken likely caused significant delays judging by the fact that the first email from the former CFO to the mayor was on October 21, 2024, and the most recent in the string was December 16 of the same year. Had the mayor made a request of the city’s legal department rather than taking the matter into her own hands, she could have likely got the risk analysis she was seeking and the individuals waiting for reimbursement would have got that payment much sooner.

In a city the size of Medicine Hat, the city manager is essentially the CEO of a mid-sized corporation. That routine expenses like travel on work-related matters would require approval seems inefficient, counterproductive, and is likely to cause delays.

It would seem more appropriate for the CAO – and the rest of city administration - to have flexibility in the use of the city’s travel and expense budget so long as these expenses fall within the policy for what the city considers appropriate categories of expenses. Emergent expenses will also arise through the year, and these should be at the discretion of the city manager so long as they fit within the categories of approved expenses based on council-approved policy.

Both of these examples are operational in nature rather than governance focused.

If city council has approved a budget, it is up to the city manager to deploy that budget as efficiently as possible. In approving the budget, council has given approval to broad categories of income and expenses. So long as the city’s administration stays within those broad categories and reports

variances regularly to council, it should refrain from being involved in how that budgeted money is spent.

In fact, the city's Administrative Organization Bylaw speaks directly to this process:

20. The City Manager may re-allocate City capital and operating funds on an inter-divisional or inter-departmental basis if the City Manager considers it advisable to do so to maintain the operations and affairs of the City within approved budget limits.

Figure 80 - Excerpt from AO Bylaw, Allocation of Funds

While these comments refer to the travel and expense policy and budget dollars related to these categories of expenses, they also apply to most other budget categories in the city. Essentially council takes the strategic role of determining 'what' must be done, while administration determines 'how' to get what council has approved actually completed and then reported upon.

The other issue here is that even if the expenses don't require approval, the reimbursement does. The city uses procurement cards for this process, and approval for the payment of those card balances can be done internally.

It is more complex when an individual incurs a city expense using a personal card or cash. In that case, the individual needs to be reimbursed based on the travel expense claim process¹⁰⁷ in the Personal and Travel Expense Policy. So long as these expenses are in line with the policy, there should be no holdup in approving the expense reimbursement.

RECOMMENDATION FOR CAO EXPENSE APPROVAL: That only unbudgeted CAO travel expenses require approval from the mayor.

RECOMMENDATION FOR TIMELY EXPENSE APPROVAL: That any individual who is asked to authorize an expense under the Personal and Travel Expense Policy (0107) do so in a fashion that does not unreasonably delay the payment of funds owing to the elected official or staff member.

¹⁰⁷ Personal and Travel Expense Policy (0107), clause 3.14.

RECOMMENDATION FOR PERSONAL AND TRAVEL EXPENSE POLICY UPDATE:

That Medicine Hat City Administration update the Personal Travel and Expense Policy (0107) so:

- 1) only unbudgeted or unusual travel expenses require approval, and
- 2) information about assumption of risk by those who approve expenses is outlined.

and that the policy process of 'approval' of expenses be examined against similar policies in other Alberta municipalities to identify best practices.

7.3 Service Levels

The idea behind defining service levels is to provide a baseline for how well the city can meet expectations. Each department in the city provides a suite of services or programs, and each of those has a cost. The intensity of the service provision also matters, because the more often or more intensively the service is provided, the more it will cost over the course of a year. An example of this could be garbage pickup. If the city picks up all residential garbage once per week, there is a certain cost that can be assumed to provide that service. Should city council alter the service level to one pickup every two weeks, the cost of that new service level will be reduced. This concept flows through all of what the city does, and it ultimately informs the budget.

If a municipality has a robust set of service levels with known costs of provision, the budget completion process is already well underway. Council can change the costs by altering the service level of a particular service, so ultimately city council will be aware of how what the mix and intensity of service provided will have an impact on fees, charges, and taxes.

The former CFO put it this way. *"we can do an inventory of services at a high level, look at the program levels, cost that, and discuss with council."* He went on to say that *"council hasn't weighed in on service levels"*. On a related note, the city manager said during her interview that *"There is currently no overall policy, however, there is an initiative underway that will define services and related service levels to the community. It falls under Corporate Services"*. In several other municipalities, service level policies and related forecasting become an integral part of the annual budget process.

While service levels are not widely used in Medicine Hat yet, there is a change on the horizon. City management has provided a set of corporate strategic objectives for 2024-2026. In this document, three objectives are outlined; one of them relates to service levels.

2

Improve stakeholder satisfaction by ensuring clear alignment, understanding and awareness of expected levels of service.

We recognize we have three broad stakeholder groups to consider (City Council, public and employees) and that nurturing understanding can improve relationships and satisfaction. To reduce misconceptions and concerns, we must clearly define (in consultation with City Council) and communicate what stakeholders can and should expect from the City of Medicine Hat as it relates to the provision of City services and operations of City amenities.

Goal 2.1

Clarify and document external service levels based on an understanding of cost/benefit trade-offs and establish criteria to measure success.

KEY OUTCOMES

1. We have documented the various external services provided by operational departments and their corresponding service levels.

2. We have alignment and understanding of service level expectations (and tolerance for deviations) with Council.

Goal 2.2

Communicate the reasons for our actions and ensure appropriate transparency.

KEY OUTCOMES

1. Service levels are clearly communicated to stakeholders through a service catalogue.

2. We have a communication strategy to explain the "why" behind municipal actions.

Figure 81 - Excerpt from 2024-2026 Corporate Strategic Objectives

In an email to the Inspector, the managing director responsible for this process provided some insight into the progress on the service level project, saying that *"we have completed the first deliverable under 'Inventory/define the current service levels' - coordinate and guide organizational efforts in the collection and detailing of current service levels for external operating departments"*. From this point, the department notes that they are *"moving on to the second deliverable, which is to determine the cost of providing the services. We currently have Q4 (2025) as a goal for the second deliverable."* According to the managing director, there will be an update to city council provided in spring 2025.

Even during the council orientation in 2021, there was the introduction of service levels as an idea. One of the key results from strategic priorities at the time was *"(e)stablish and review service level standards for core municipal services, including but not limited to emergency services, transit, parks, and roads, with a view to reducing future operational costs."*¹⁰⁸

The city is encouraged to continue to proceed down the path of setting service levels, revising them as needed, and completing annual budgets using service levels.

RECOMMENDATION FOR SERVICE LEVEL POLICY: That Medicine Hat City Council continue to encourage management in their process of developing and deploying service levels, and that city council create a Service Level Policy.

¹⁰⁸ 2021 City of Medicine Hat Council Orientation, Page 923

7.4 Financial Reporting to Council

The MGA is clear on the keeping of financial records.

Financial records and receipts

268.1 A municipality must ensure that

- (a) accurate records and accounts are kept of the municipality's financial affairs, including the things on which a municipality's debt limit is based and the things included in the definition of debt for that municipality;*
- (b) 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;*
- (c) the revenues of the municipality are collected and controlled and receipts issued in the manner directed by council.*

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

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

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

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

Financial reports to council should show sufficient departmental activity to provide enough information to understand the financial results of municipal operations. There are a variety of types of financial documentation provided to council as part of their role as providers of due diligence of scarce resources.

One direct finance-related question raised during the Inspection regarded financial reporting of compensation paid to elected officials and top managers of the city. The MGA states that the CAO

must provide this information¹⁰⁹, though the Act does not dictate specifically how it must be provided. This financial data is typically included in the audited financial statement of a municipality, and this is the case in Medicine Hat, where the most recent compensation figures¹¹⁰ can be found in the notes of recent years' year-end financial reports posted to the city's website.

While this information is provided as outlined in the Act, one individual asked why all designated officers' compensation is combined into one figure rather than provided individually. The *Supplementary Accounting Principles and Standards Regulation 313/2000* states that the municipality's financial statements must contain information about salaries and benefits of designated officers among others. Further, section (2)(c) of the Regulation speaks specifically to how the salaries and benefits of designated officers must be reported in the aggregate (bolding added below for emphasis).

Notes respecting salaries and benefits

(2) The notes must meet the following requirements:

- (a) the notes must disclose the salary and benefits for each councillor separately through the use of a unique identifier, such as the councillor's name or the division or ward the councillor is elected in;*
- (b) the notes must disclose the salary and benefits for the chief administrative officer separately;*
- (c) **the notes must disclose the salary and benefits for the designated officers as a total figure** and must indicate the number of positions included in the total.*

The designated officers in Medicine Hat include the city solicitor, the city clerk, the assessor, and the four managing directors, for a total of seven roles. In the most recent financial statements, the city identifies that there are ten designated officers for fiscal 2023. When asked why, the city's finance department noted that there had been overlap in individuals who occupied individual designated officer positions within fiscal 2023, particularly in the clerk and managing director roles. This meant that the total number of individuals cited in the annual financial report was ten, even though there are only seven designated officers for the city.

¹⁰⁹ MGA s. 217(3)

¹¹⁰ Financial reports from 2007-2023 can be found at <https://www.medicinehat.ca/en/government-and-city-hall/plans-reports-and-studies.aspx#Financial-Reports>

It ought not to be assumed that all elected officials understand these documents as they join city council. As such council members should receive training on how to read and interpret financial statements at the beginning of each term.

7.5 Overall Finance

The topics that appear in this section of the Inspection report indicate that there would be benefit in city council members receiving additional training on the governance role in municipal finance in Alberta. This ought to be part of council's initial training, and it likely needs to be reinforced through the term.

RECOMMENDATION FOR FINANCIAL TRAINING: That the Medicine Hat City Manager consider adding more training on the governance role in finance as part of the orientation process for the 2025-2029 city council, and that this training include information on operational and capital budgets, reserves, and contingency funds as well as the annual budget process, including fees and charges, and how the budget helps achieve the priorities identified in the strategic plan.

8 Conclusion

The Inspector was asked to look specifically at five areas of interest that emerged prior to the ordering of the Inspection and these areas were included within the Inspector's appointment order.

This report has delved into each of these areas; however, it is important to be clear in the conclusions that were identified for each of these areas.

Issue Identified in the Ministerial Order	Inspection Finding
The roles and responsibilities of council and administration, including members of council engaging in administrative functions.	<ul style="list-style-type: none"> ▪ Role clarity for city council, and the mayor in particular, was a major cause of the dysfunction that was found during the Inspection. ▪ Role clarity on the part of other members of council varied but was overall more in alignment with the principles of good governance and the requirements of the MGA. ▪ Role clarity from the city manager and other members of the city's management team was found to be appropriate given the city's operating circumstance. ▪ There are bylaws and policies that need to be updated to more clearly identify governance roles vs. management and service delivery roles.
Council making decisions outside of council meetings.	<ul style="list-style-type: none"> ▪ City council was found to be making decisions and advancing issues within the formality of council meetings rather than outside. ▪ Significant volumes of email, particularly originating with the mayor, begin to venture into topics that would be more appropriately discussed or debated at Committee of the Whole or Council meetings. ▪ Policy around internal communication amongst members of council might be developed in order to ensure that discussion over email does not turn in opinion, debate, or decision making, given that these emails are considered to be records under FOIP. ▪ Lack of understanding of the role of closed meetings and Committee of the Whole meetings has meant that debate and/or decisions are sometimes not being made in the proper gathering.

Issue Identified in the Ministerial Order	Inspection Finding
	<ul style="list-style-type: none"> Some instances of elected officials directing staff were identified, but they did not seem to impact the overall running of the city or the delivery of programs and services to the people who need them.
Members of council's adherence to respectful workplace policies.	<ul style="list-style-type: none"> This issue is related to the previous one. Dogmatism and lack of role clarity meant that there were times that the mayor and sometimes other members of council did stray into what could be seen as breaches of the city and province's respectful workplace requirements. The outcome of lack of clarity and overstepping of bounds has resulted in what the Inspection team heard as a 'culture of fear' in some instances. This culture was not fomented solely by council; there were allegations of some senior managers propagating it too. The low morale within the city is real for many staff members and ultimately could impact productivity and services to residents.
Processes for the approval of unbudgeted expenditures.	<ul style="list-style-type: none"> This issue seems to be based in conjecture and suspicion more than in fact. The current structure of the Administrative Organization (AO) Bylaw and the CAO's Contingency Fund are the largest impediments to this perception being resolved. The city has received no comments during annual audits over the course of this council's term that would lead the Inspection team to come to a different conclusion about unbudgeted expenditures.
Policies and procedures related to organizational structure, including the establishment/disestablishment of staff positions and the establishment of designated officers reporting to council.	<ul style="list-style-type: none"> The city is weak in its policy area. It does not have enough policies for a city its size, and some of the existing policies are significantly out of date. The AO Bylaw is perhaps the most problematic. It conflates a more typical CAO Bylaw and a Designated Officer Bylaw (among other topics). This has meant that the clarity of roles of what properly belongs with council and what properly belongs with the CAO is not appropriate in all circumstances. This idea of what types of decisions belong with council and which belong with the city manager is at the crux of the problem.

Issue Identified in the Ministerial Order	Inspection Finding
	<p>Changes in organizational structure, and therefore changes in staffing positions, more properly belong with the CAO than with city council.</p> <p>Council is responsible for ‘what’ needs to be done, while the CAO is responsible for ‘how’ to carry out council’s wishes within the budget and policy constraints that council has set.</p> <ul style="list-style-type: none"> ▪ Strengthening policy will assist with role clarity; however, adherence to policy is also required. Both council and administration must be able to stay in their lanes. Ongoing professional development and policy review may help with this.

There is a sixth area that was reviewed within this Inspection as well. The Ministerial Order identifies that as *“any other matters or issues that he determines to be necessary to prepare the report.”*

There were several of these ‘other matters’ that were identified and inspected during the course of the review.

Overall, the 2021 Medicine Hat City Council got off on the wrong foot and has continued that way through the course of the entire term to-date. Efforts at reconciliation and statutory corrections of action have not been enough for this council to focus on the work they should be doing for the citizens they represent.

The frustration that has been felt was expressed well by one member of city council who opined that *“being a city councillor or an elected official should come with a sense of pride and duty, but instead, this term has left me with a feeling of shame and embarrassment.”*

The primary impediment in the good governance of the city has been the mayor. She was duly elected by a populace who may have been aware of her background and relative inexperience on any type of board, and on a governance board in particular. Coming with a background working as a lawyer for the city gave her insights into the legal aspects of running a municipality, but it did not seem to provide the idea of how governance by a team of nine colleagues needs to work.

Throughout the course of the Inspection, individuals have frequently opined about whether there should be a recommendation in this report that the Minister consider embarking on a legislative process that would result in removing the mayor from office for the duration of this term. Some individuals thought this would be of benefit, and others thought the opposite.

Within the confines of the MGA, the Minister may not simply remove a sitting elected official. Section 179.1 of the Act allows for the Minister to require a vote of electors to determine whether to dismiss a sitting member of a council if the person in question is “*unable, unwilling, or refusing to perform the duties of a councillor,*” or if “*it is in the public interest to do so.*”¹¹¹ Section 574 of the same Act provides due process and a requirement that “*any and all reasonable efforts to resolve the situation*” must be undertaken prior to the Minister making any orders, including an order to dismiss any member of council¹¹².

A recommendation of the significance of embarking on the process of removing an elected official needs to be carefully considered and weighed. Given the proximity to the next municipal election in Alberta, and the fact that the mayor – along with the rest of council - was democratically selected by the citizens of Medicine Hat, it seems appropriate that the citizens be given the opportunity to choose members of their next city council at the October 20th, 2025 election.

While Medicine Hat’s citizens have the right to elect whomever they want as members of council, the reality is that unless there is monumental change in understanding and acceptance of the role from the current mayor, the issues that have plagued this term of city council are likely to continue.

The mayor’s inexperience is compounded by the inexperience of most of the rest of city council. Of the other eight councillors, only two carried over from the previous council term. The learning curve has been steep for the entire team, and missteps have been made along the way, primarily in the realm of role clarity.

Shortly after the last municipal election, the city manager of the day left, allegedly not completely voluntarily. Since that time there has been instability in that office with a series of CAOs, acting CAOs, and interim CAOs occupying the big chair. That lack of stability has compounded the inexperience of city council to the point where too much attention is focused inwards on the city’s governance and not enough has been focused outwards on how the city meets the needs of those who live within its boundaries.

Significant changes in senior staff beyond the office of the city manager have added to the lack of stability, and changes to the organizational structure over time have further created unpredictability and added to negative cultural issues. This is somewhat compounded by what has been seen as

¹¹¹ MGA s. 179(1)

¹¹² MGA s. 574(2)(h)

brashness or arrogance on the part of the city manager, a role that requires some forcefulness and focus to implement well. When asked for her reaction to these statements, the city manager asserted that there has been increasing stability occurring in the organization since she arrived, acknowledging that some change is still taking place. The city manager is not universally admired, a contention that is at least somewhat supported by submissions from some former and current city staff during the Inspection.

Finally, the 'rules' the city uses – its governance bylaws and policies – are not meeting the needs of Medicine Hat. For the city to operate with a useable and comprehensive set of 'standard operating procedures', council must have the rules, know the rules, and use the rules. If any of this triad are missing, the rules really don't exist, and good governance does not work.

This Inspection has illustrated that Medicine Hat's shortcomings are primarily within the areas of human relationships rather than in structure, or role, or even in documentation. Without the mayor leading in terms of modeling the behaviour that expected of a solid visionary chief elected official, council is not set up for success, and that cascades throughout the city's organization.

While council is made up of individuals with different backgrounds and perspectives, decisions are made collectively. Council members need view themselves as a 'we' entity, not a 'me' entity.

External factors such as social media and external individuals who choose to comment on happenings in the city without expertise or deep knowledge have not helped either. These factors though have always been present in municipalities across Canada, even if the tools they use and their ability to rapidly and widely spread a message of their own making have sped up the cycle, sowed confusion, and created doubt.

That this Inspection was requested by city council and the called by the Minister provides the City of Medicine Hat with a unique opportunity to be introspective, to evaluate the nearly complete term, and to consider how best to ensure that the 2025 version of city council gets off on the right foot for the citizens of this city.

The recommendations contained throughout this report, and the comments provided by many committed individuals, illustrate that for the city to succeed, council must succeed and administration must succeed. There must be trust and goodwill; of which there is an ever-diminishing amount.

Seemingly in support of this desire, a council member sent an email to the Inspector that said *"we must be able to ask questions openly, without emotion, accusation, or defensiveness — and*

administration must respond with honesty and clarity. If we do not establish this expectation, we risk repeating the very issues that came to a head on March 21 2023."

If this opportunity is missed and there are no fundamental changes, particularly among council and its leader, the next council term runs the risk of being as problematic as this one has been.

It is conceivable that these issues will be exacerbated if nothing substantial is done:

- Ongoing dysfunction amongst council, and particularly between the mayor and the rest of council, that will remove much of council's ability to govern well and to imagine and communicate a successful future for Medicine Hat;
- The mayor needs a solid understanding of the role of governance and the grace to stay out of operations and detail as much as possible;
- The lack of trust between the mayor and city manager will continue to hobble the most important interface between elected officials and administrators;
- If new or returning council members are elected into an environment of ongoing dysfunction in October 2025, there is the real risk that members of council will resign during the course of the term, resulting in further turmoil and additional expense;
- The problems that the city is having recruiting and retaining quality staff will likely continue and may even get worse;
- The reputational risk to the city will be immense. Governance is a human-centric endeavour that relies on functional relationships and clear role execution. If that does not emerge, the culture for the city will be damaged for years to come;

This report is an opportunity for soul searching for elected officials, staff, and citizens. The goal of any Inspection is to focus forward by learning from the past. Medicine Hat has the opportunity to grow and thrive; and it's up to the city's authority figures to be real leaders.

Acceptance of responsibility with grace, patience, and goodwill will go much further than changes to the rules will.

9 Appendix – Recommendations Summary

Recommendations are found throughout the Municipal Inspection report and a complete list of recommendations is summarized below. Recommendations are grouped in sections representing Governance, Administration/Operations and Finance. The context for each recommendation can be found in the associated section of the report that is referenced by the page number.

9.1 Governance Recommendations

The following recommendations are generally aligned with Section 5 of this report, which covers topics of governance, although some administrative matters appear here as well.

For readers reviewing this report digitally, the recommendations and page numbers in the recommendations below are hyperlinked to the location in the report where they originated.

#	Governance Recommendation	Page
G1	RECOMMENDATION FOR COUNCIL SIZE BYLAW: That Medicine Hat City Council adopt a bylaw to establish the size of city council at nine members, in accordance with MGA s. 143(1).	27
G2	RECOMMENDATION FOR UPDATE TO CODE OF CONDUCT BYLAW: That the City of Medicine Hat council update Bylaw 4805 (Code of Conduct Bylaw) to align with changes to the MGA about the timing and structure of municipal council orientations.	29
G3	RECOMMENDATION FOR COUNCIL ORIENTATION FOCUS: That the City of Medicine Hat revise its council orientation process to align with changes to the MGA and ensure that the process clearly differentiates between onboarding and orientation.	32
G4	RECOMMENDATION FOR COUNCIL ORIENTATION CONTENT: That the City of Medicine Hat revise its council orientation process to provide comprehensive role-based governance training near the beginning of the orientation process.	32

#	Governance Recommendation	Page
G5	RECOMMENDATION FOR CANDIDATE WORKSHOPS: That the City of Medicine Hat consider designing, offering, and delivering voluntary workshops for citizens who may be interested in running for city council and that these workshops be held well before the close of nominations for positions on city council.	33
G6	RECOMMENDATION FOR ONGOING GOVERNANCE REFRESHERS: That the City of Medicine Hat consider designing a governance refresher program throughout the council term to reinforce the orientation topics and/or to provide relevant new information to elected officials in digestible and memorable amounts.	36
G7	RECOMMENDATION FOR CODE OF CONDUCT BYLAW REVIEW: That the council of the City of Medicine Hat review, and update if necessary, the Council Code of Conduct Bylaw at least twice during a term.	39
G8	RECOMMENDATION FOR RESPECT FOR CONFIDENTIALITY OF INFORMATION: That all members of Medicine Hat City Council respect the sanctity of the council table and respect privileged and confidential information until it is approved for distribution into the public domain, in accordance with section 153(e) of the Municipal Government Act, and sections 9.1 and 9.2 of the Council Code of Conduct Bylaw.	44
G9	RECOMMENDATION FOR CHANGES TO THE ADMINISTRATIVE ORGANIZATION BYLAW: That the City of Medicine Hat council remove section 6 from the Administrative Organization Bylaw (4662) and thereby provide the city manager with the flexibility to structure the city's organization in a way that best delivers the requirements of city council and city administration.	47
G10	RECOMMENDATION FOR COUNCIL TO AVOID ADMINISTRATIVE FUNCTIONS: That the City of Medicine Hat Council refrain from performing administrative duties, in accordance with the provisions in the MGA s. 201(2).	49
G11	RECOMMENDATION FOR STRATEGIC PLANNING AS A PRIORITY: That the 2025-2029 Medicine Hat City Council make strategic planning for their term a priority, that they hold a planning retreat in the first quarter of 2026, and that they engage an external facilitator. It is further recommended that city council review the strategic plan at least annually.	56

#	Governance Recommendation	Page
G12	<p>RECOMMENDATION FOR STRATEGIC PLANNING: That the 2025-2029 Medicine Hat City Council embark on strategic planning with an air of collective goodwill, with the expectation that their new plan will be a collective expression of success that is owned by all members of city council.</p> <p>It is further recommended that the strategic plan be drafted by city administration or an independent contractor and be reflective of the direction provided through input of all members of city council.</p>	56
G13	<p>RECOMMENDATION FOR STRATEGIC PLAN MEASURES: That any new strategic plan created by city council contain a method of identifying whether the plan, or parts of the plan, have been achieved in terms of desired outcomes.</p>	56
G14	<p>RECOMMENDATION FOR APPROVAL OF 2024 CAO REVIEW: That Medicine Hat City Council consider a resolution to approve the 2024 annual written performance evaluation in compliance with section 205.1 of the <i>MGA</i>.</p>	62
G15	<p>RECOMMENDATION FOR CITY MANAGER EVALUATION POLICY ADHERANCE: That the mayor of Medicine Hat City respect the process for evaluations as agreed to by city council and not provide additional documentation after the process has concluded.</p>	65
G16	<p>RECOMMENDATION FOR UPDATE TO CITY MANAGER JOB DESCRIPTION That Medicine Hat City Council direct administration to update the CAO's job description to reflect the current reality of the role.</p>	66
G17	<p>RECOMMENDATION FOR TIME MANAGEMENT: That the Mayor of Medicine Hat be more conscious that others rely on her to visibly be at meetings and events on time, and that she avail herself of training to develop that skill.</p>	70
G18	<p>RECOMMENDATION FOR EVENT ATTENDANCE: That if an invited elected official cannot attend an event, that another elected official be asked to attend wherever possible in accordance with section 5.2 of the Council Code of Conduct Bylaw.</p>	72

#	Governance Recommendation	Page
G19	RECOMMENDATION FOR REFLECTING THE WILL OF COUNCIL: That any elected official speaking publicly on behalf of Medicine Hat City Council, and especially the mayor, ensure that their comments accurately reflect the position and will of Council as a whole, in accordance with section 5.3 of the Council Code of Conduct Bylaw.	74
G20	RECOMMENDATION FOR MAYOR-COUNCILLOR MEETINGS: That the Mayor of Medicine Hat engages in regular one-on-one meetings with individual members of city council at least quarterly, and that these meetings include a standing agenda and a way of tracking progress on members' goals, priorities, challenges, and successes.	78
G21	RECOMMENDATION FOR WEEKLY CITY MANAGER UPDATES: That the Medicine Hat City Manager continue with the weekly update to council, under the proviso that any dissemination of confidential information by the recipients constitutes a breach of section 9 of the Council Code of Conduct Bylaw and sections 153(e) and (e.1) of the <i>Municipal Government Act</i> .	87
G22	RECOMMENDATION FOR MAYOR ROLE FOCUS: That the Mayor of Medicine Hat act within the general duties of councillors (s 153) and general duties of chief elected official (s 154) as outlined in the <i>Municipal Government Act</i> , and that the mayor refrain from taking on duties that belong to the CAO as defined in s 207 of the <i>Municipal Government Act</i> .	91
G23	RECOMMENDATION FOR REFLECTING THE WILL OF COUNCIL: That any elected official speaking publicly on behalf of Medicine Hat City Council, and especially the mayor, ensure that their comments accurately reflect the position and will of Council as a whole, in accordance with section 5.3 of the Council Code of Conduct Bylaw.	91
G24	RECOMMENDATION FOR COUNCIL INPUT AND REPORTING FOR MAYOR - CAO MEETINGS: That the Mayor of Medicine Hat request of other members of council the topics they would like to have discussed between the mayor and CAO, and that the mayor follow up the mayor-CAO meetings with a written or email report to councillors within two business days.	91

#	Governance Recommendation	Page
G25	RECOMMENDATION FOR MAYOR – CAO CORRESPONDENCE: That the Mayor of Medicine Hat refrain from providing lengthy email messages to members of council and the CAO on topics that are more appropriately discussed in either the mayor-CAO meetings or in council or committee meetings.	91
G26	RECOMMENDATION FOR FOLLOWING COUNCIL DIRECTION: That the City Manager follow direction provided by City Council through a resolution of the Council, unless that direction would run counter to legislation.	92
G27	RECOMMENDATION FOR COUNCIL EXTERNAL ENGAGEMENT: That Medicine Hat City Council members remain aware of their role as community spokespeople and abide by the Council Code of Conduct when interacting with outside entities and media; and further, that members of city council avail themselves of professional development opportunities related to council's role in communication and engagement.	96
G28	RECOMMENDATION FOR UPDATE TO PROCEDURE BYLAW TO MATCH MGA: That Medicine Hat City Council update section 4.7 of the Procedure Bylaw (4725) to match the changes made in 2023 to section 192(1) of the MGA.	98
G29	RECOMMENDATION FOR FOLLOWING MEETING PROCEDURE: That the mayor of Medicine Hat review the city's rules of meeting procedure and refrain from debate that calls the professionalism of city staff into question.	105
G30	RECOMMENDATION FOR MEETING PROCEDURE TRAINING: That Medicine Hat City Council regularly review the contents of its Procedure Bylaw, that everyone participating in meetings follow that procedure during meetings of city council, and that refreshers on meeting procedure be included as part of councillors' recurrent training program.	105
G31	RECOMMENDATION FOR ADMINISTRATIVE COMMITTEE TERMS OF REFERENCE: That Medicine Hat City Manager create and approve a formal terms of reference for the Administrative Committee, including purpose, membership, roles, and reporting structure.	107

#	Governance Recommendation	Page
G32	RECOMMENDATION FOR ADMINISTRATIVE COMMITTEE MEMBERSHIP: That the terms of reference for the Administrative Committee comprise members of administration only, but that guests may be invited from time to time depending on the topics on the agenda.	107
G33	RECOMMENDATION FOR AGENDA SETTING COMMITTEE ESTABLISHMENT: That Medicine Hat City Council consider creating a council committee* that is responsible for council's agenda setting and legislative calendar.	107
G34	RECOMMENDATION FOR PUBLIC ACCESS TO MEETING PACKAGES: That Medicine Hat City Council update section 6.8 of the Procedure Bylaw to provide a set a minimum time prior to Council and Committee meetings that agenda packages are expected to be available on the city's website for the public to view.	109
G35	RECOMMENDATION FOR BRIEFING NOTE NOMENCLATURE CHANGE: That the City of Medicine Hat Council consider changing the name of 'Briefing Note' to 'Request for Decision' to accurately represent that council is being asked to act on a topic.	110
G36	RECOMMENDATION FOR RECORDING NEGATIVE VOTES: That the City of Medicine Hat Council remove section 16.13(c) from the Procedure Bylaw 4725 and not record individual members' votes by default.	113
G37	RECOMMENDATION FOR COUNCIL RESOLUTION IDENTIFIERS: That the Medicine Hat City Clerk include a unique identifier for each decision made by council during the course of their meetings.	113
G38	RECOMMENDATION FOR UPDATE TO MEETING PROCEDURE BYLAW FOR PECUNIARY AND CONFLICT OF INTEREST: That Medicine Hat City Council update its Procedure Bylaw 4725 to reflect recent changes to the <i>MGA</i> related to real and perceived pecuniary interest, and conflict of interest.	119

#	Governance Recommendation	Page
G39	RECOMMENDATION FOR TRACKING COUNCILLOR DEPARTURES UPON DECLARATION: That the Medicine Hat City Clerk comply with section 8.3 of the Procedure Bylaw and record when elected officials depart and return in relation to pecuniary interest or conflict of interest.	119
G40	RECOMMENDATION FOR ADOPTING MINUTES PER PROCEDURE BYLAW: That the Medicine Hat City Council update Procedure Bylaw 4725 clause 6.13 to add a clause that the meeting minutes must include notice of when council members departed and returned in relation to pecuniary interest or conflict of interest.	119
G41	RECOMMENDATION FOR PECUNIARY INTEREST AND CONFLICT OF INTEREST TRAINING: That Medicine Hat City Council seek out training on aspects of pecuniary interest and conflict of interest from the <i>updated</i> MGA as they apply to members of city council.	120
G42	RECOMMENDATION FOR REDUCED USE OF CLOSED SESSION: That Medicine Hat City Council consider eliminating the default closed session of Regular council meetings in favour of using closed session as and when required.	122
G43	RECOMMENDATION FOR CLOSED SESSION AGENDA ITEMS: That Medicine Hat City Council comply with the <i>MGA</i> s. 197 when closing any part of a meeting to the public that council members keep matters in confidence as required by the <i>MGA</i> s. 153.	124
G44	RECOMMENDATION FOR CESSATION OF CLOSED MEETING SUMMARIES: That the Medicine Hat City Clerk discontinue producing and distributing closed Meeting Summaries.	125
G45	RECOMMENDATION TO IDENTIFY COMMITTEE OF THE WHOLE CHAIR: That the City of Medicine Hat update its Procedure Bylaw 4725 to indicate that if the mayor is not the chair for a meeting of the Committee of the Whole, then the deputy mayor fills the chair, and if the deputy mayor cannot fill the role, then the acting mayor fills the chair.	127

#	Governance Recommendation	Page
G46	RECOMMENDATION FOR OVERALL POLICY/BYLAWS REVIEW: That the council of the City of Medicine Hat direct administration to create a schedule of review and update of bylaws and policies to ensure they are current, relevant, necessary, and as strong as they need to be.	129
G47	RECOMMENDATION TO REVIEW THE BYLAW SEARCH FUNCTION ON THE CITY'S WEBSITE: That the Medicine Hat City Clerk review the search function on the city's web page that is intended to provide the searcher with relevant bylaws or minutes, or to include a set of user instructions about that page.	132
G48	RECOMMENDATION FOR BYLAW NOMENCLATURE: That the Medicine Hat City Clerk revise the naming convention for city bylaws to include the year in which the bylaw was created, and include page numbers on all bylaws.	133
G49	RECOMMENDATION FOR POLICY NOMENCLATURE: That the Medicine Hat City Clerk revise the naming and numbering convention for city policies to include the year in which the policy was created.	135
G50	RECOMMENDATION FOR REVIEW OF NUMBER OF MANAGING DIRECTORS: That Medicine Hat City Council update the Administrative Organization Bylaw to remove the limit on the number of Managing Directors that may be appointed by the city manager.	139
G51	RECOMMENDATION FOR REVIEW OF DELEGATED AUTHORITY: That Medicine Hat City Council review its designated authorities to streamline processes and align administrative processes with administrative responsibilities as per section 203 of the MGA and sections 21-28 of the Administrative Organization Bylaw.	139
G52	RECOMMENDATION FOR REVIEW OF COUNCIL COMMITTEES: That Medicine Hat City Council continue with its current review of council committees as proposed by the City Manager on October 7, 2024.	144

#	Governance Recommendation	Page
G53	RECOMMENDATION FOR COUNCIL COMMITTEE TERMS OF REFERENCE: That Medicine Hat City Council approve terms of reference for all council committees, that the structure of the terms of reference for all committees be similar, and that the terms of reference include adoption, amendment, and review-by dates as a method of maintaining the committees as current.	145

9.2 Administrative, Finance, and Operational Recommendations

The following recommendations are generally aligned with Sections 6 and 7 of this report, which cover generally administrative topics, although some governance matters appear here as well.

For readers reviewing this report digitally, the recommendations and page numbers in the recommendations below are hyperlinked to the location in the report where they originated.

#	Administration and Operations Recommendation	Page
A1	RECOMMENDATION FOR CULTURAL IMPROVEMENT: That the Medicine Hat City Manager and Director of People Services continue with the implementation of culture change initiatives and programs identified in the '2025 Barrett Values Culture Assessment Results and Recommendations' as a means to improve staff culture; and that outcome measures are created and reported within staff and to council as appropriate.	149
A2	RECOMMENDATION FOR CITY MANAGER BYLAW: That Medicine Hat Council repeal the AO Bylaw (4662) and replace it with a more standard CAO Bylaw that focuses entirely on the role of the City Manager.	152
A3	RECOMMENDATION FOR DESIGNATED OFFICER BYLAW: That Medicine Hat Council adopt a Designated Officer Bylaw that encompasses high-level responsibilities for all Designated Officers as identified in s 210 of the MGA.	152
A4	RECOMMENDATION FOR ADMINISTRATIVE OWNERSHIP OF ORGANIZATIONAL STRUCTURE: That any bylaws adopted by Medicine Hat City Council recognize that organizational structure falls within the authority of the city manager.	152
A5	RECOMMENDATION FOR MANAGING DIRECTOR TITLE CHANGE: That Medicine Hat Council change the term 'Managing Director' to 'General Manager' wherever it appears in city bylaws and policies.	153

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A6	RECOMMENDATION FOR CITY CLERK'S OFFICE ACTION ITEMS: That the Medicine Hat City Clerk continue to implement the changes that are identified in the 'City Clerks' Office Actions Items list, and that this list be kept current and reported to city council.	153
A7	RECOMMENDATION FOR REVISION TO CITY BUSINESS PLANS: That the Medicine Hat City Manager ensure that the city's business plans document includes a description of how the business plans are intended to cascade from the strategic plan.	158
A8	RECOMMENDATION FOR REVISION TO ADMINISTRATIVE COMMITTEE: That the Administrative Committee's membership be entirely administrative in role and comprise the city manager, managing directors, city solicitor, city clerk and any other administrative leaders or guests that may be invited for their expertise. Further that the Terms of Reference for the committee includes that this committee meet regularly and any pertinent information garnered from these meetings be provided to council.	164
A9	RECOMMENDATION TO DELEGATE SEVERANCE SIGN-OFF: That Medicine Hat City Council delegate the authority for final sign-off on contractually or legally required employee severance to the City Manager as authorized under s 203(1) of the MGA.	169
A10	RECOMMENDATION FOR CONTINGENCY FUND REPORTING: That expenditures which receive dollars from the from the contingency fund that is approved as part of the city's overall budget be reported to city council in a timely fashion.	179
A11	RECOMMENDATION FOR CAO EXPENSE APPROVAL: That only unbudgeted CAO travel expenses require approval from the mayor.	184
A12	RECOMMENDATION FOR TIMELY EXPENSE APPROVAL: That any individual who is asked to authorize an expense under the Personal and Travel Expense Policy (0107) do so in a fashion that does not unreasonably delay the payment of funds owing to the elected official or staff member.	184

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A13	<p>RECOMMENDATION FOR PERSONAL AND TRAVEL EXPENSE POLICY UPDATE: That Medicine Hat City Administration update the Personal Travel and Expense Policy (0107) so:</p> <p>only unbudgeted or unusual travel expenses require approval, and information about assumption of risk by those who approve expenses is outlined.</p> <p>and that the policy process of ‘approval’ of expenses be examined against similar policies in other Alberta municipalities to identify best practices.</p>	185
A14	<p>RECOMMENDATION FOR SERVICE LEVEL POLICY: That Medicine Hat City Council continue to encourage management in their process of developing and deploying service levels, and that city council create a Service Level Policy.</p>	186
A15	<p>RECOMMENDATION FOR FINANCIAL TRAINING: That the Medicine Hat City Manager consider adding more training on the governance role in finance as part of the orientation process for the 2025-2029 city council, and that this training include information on operational and capital budgets, reserves, and contingency funds as well as the annual budget process, including fees and charges, and how the budget helps achieve the priorities identified in the strategic plan.</p>	189