



**COUNCIL MEETING
HIGHLIGHTS
REGULAR MEETING
May 18, 2022**

Council/Chief Administrative Officer Covenant

A key issue for the County is to have an effectively operated Corporate Municipality which requires a solid working relationship between the Council and its Chief Administrative Officer. One of the ways by which the relationship can be strengthened is through establishing a Council-Chief Administrative Officer covenant, which commits both parties to seeking clarity in the relationship and seriously undertaking to conduct their respective roles appropriately. The Covenant is approved, signed, and included as an appendix to the Chief Administrative Officer's bylaw and/or contract.

At the May 4th Regular Council meeting, Council approved the Council/Chief Administrative Officer Covenant. At the May 18th Regular Council meeting, Council and Ms. Kayleena Spiess signed the Covenant.

Claystone Waste – Annual General Meeting

The Claystone Waste (CWL) Board is required to hold an Annual General Meeting each year for the following:

- a) present the audited financial statements for the preceding year;
- b) appoint external auditors for the fiscal year;
- c) present any proposed amendments to Core Policies;
- d) present non-Core Policies for information;
- e) present an updated Business Plan;
- f) review the Mandate and Roles Document with the shareholders;
- g) consider Board appointments;
- h) provide an operations report;
- i) update the shareholders on key developments and future plans.

The Chief Administrative Officers (CAOs) vote on the required motions on behalf of their respective municipalities (shareholders). Councils direct the CAOs regarding the vote via motions passed at their respective Council meetings.

Either Majority Consent or Required Consent is required for motions to pass. Majority Consent is defined as at least 2 shareholders representing 50% of the voting shares. Required Consent is defined as at least 2 shareholders representing 75% of the voting shares.

The following matters for consideration at the Annual General Meeting are as follows:

1. Financial Statements

The Unanimous Shareholders Agreement (USA) directs that the financial statements are to be approved by the shareholders. This is contrary to industry practice. Industry practice is that the

audited financial statements are approved by the CWL Board of Directors and presented for information to the shareholders only.

The CWL Board is recommending that the USA be amended to change the requirement from approval of the financial statements by shareholders to a presentation for information only.

After consideration, Council did not support the amendment to the USA . Council wished to consider further the implications of Board approval of the statements.

2. Change to Definition of Material Change

The USA outlines what is considered a material change in CWL's business. The section regarding the geographical locations where services are provided is inconsistent with the Municipally Controlled Corporations (MCC) regulation.

The CWL Board is recommending that the USA be amended to require shareholder consent only if a change in geographic location is not contemplated in the business plan.

After consideration, Council did not support the amendment. Council wished to consider the implications of the proposed amendment.

3. Flexibility in Investments (Claystone Waste)

The Limited Partnership Agreement (LPA) restricts CWL's ability to make investments to those outlined in the Municipal Government Act (MGA). This is inconsistent with industry practice which allows for more flexibility.

The CWL Board is recommending that the LPA be amended to change the reference from the MGA to a Board Policy (Policy has yet to be developed, but will include safeguards against risky investments).

After consideration, Council did not support the change to the Limited Partnership Agreement. Council wished to review the Board Policy and consider the implications.

4. Consistency in Allocation of Partnership Units

The distribution of partnership units in the LPA is inconsistent with the USA. The LPA references a change in distribution by population every 4 years. The USA references a change in distribution by population following each census.

The CWL Board is recommending that the LPA be amended to reference a change in distribution by population following each census.

After consideration, Council did not support the amendment to the Limited Partnership Agreement. Council wished to align this with other shared services agreements that provide a year's notice of population changes.

5. Flexibility in Investments (Claystone Trust Deed)

The Trust Deed restricts CWL's ability (through the Trust Board (CAOs)) to make investments to those outlined in the MGA. This is inconsistent with industry practice which allows for more flexibility.

The CWL Board is recommending that the Trust Deed be amended to change the reference from the MGA to a Trust Board Policy (Policy has yet to be developed, but will include safeguards against risky investments).

After consideration, Council did not support an amendment to the Trust Deed. Council wished to review the Policy and consider the implications.

6. Audited Financial Statements

The USA directs that the financial statements are to be approved by the shareholders. The CWL Board is recommending approval.

After consideration, Council did not authorize the Chief Administrative Officer to vote to approve the 2021 Claystone Waste Ltd. audited financial statements.

7. Appointment of External Auditors

The USA requires the appointment of external auditors every year.

The CWL Board is recommending the appointment of Yaremchuk & Annicchiarico LLP (Y & A). Y & A was the auditor before the MCC was formed, they follow generally accepted auditing standards, and their knowledge of prior transactions creates efficiencies in the audit process.

After consideration, Council did not support the appointment of Yaremchuk & Annicchiarico LLP.

8. Approval of Core Policies

The Mandate and Roles Document (MRD) issued by the shareholders to the CWL Board requires the Board to develop Core Policies for Board governance, committee terms of reference, human resources, financial management, communication and spokesperson advocacy, and board/management relations.

The CWL Board is recommending changes to Policies COR-0002 (Board Member Ethics and Code of Conduct), COR-0003 (Standing Committee Terms of Reference), COR-0004 (Board/Management Relations Policy), COR-0006 (Shareholder Communication Protocol), and HUM-0002 (CEO Succession Plan). The changes are considered minor in nature.

After consideration, Council authorized the Chief Administrative Officer to vote for the changes to Core Policies as noted above.

9. Board Appointments

The CWL Board consists of a minimum of 5 Directors, but may be increased to 7 Directors upon Required Consent of the shareholders. The CWL Board believes that the workload and need for expertise warrant the addition of 2 Directors.

The CWL Board is recommending that the Board be expanded to 7 Directors, that 5 of the Directors be given 3-year terms and 2 of the Directors be given 2-year terms (staggered), and that Directors Bernd Manz and Guy Bridgeman be reappointed for 3-year terms ending November 1, 2025 .

The competencies matrix previously approved by the shareholders will be used to evaluate the candidates for the new positions.

After consideration, Council authorized the Chief Administrative Officer to vote for the reappointment of Directors Bernd Manz and Guy Bridgeman for 3-year terms ending November 1, 2025.

Council did not support the restructure of the Claystone Waste Limited Board to be expanded to 7 Directors, and that 5 of the Directors be given 3-year terms and 2 of the Directors be given 2-year terms (staggered),

At the conclusion of Council's deliberation of all issues, Council directed the Chief Administrative Officer to follow up with legal advice regarding concerns on USA suggested changes, and to follow up with Claystone regarding the financial audited statements, information related to allocation of partnership units after census, lack of policy regarding investments of the board and the trust deed, and the need for expansion of the Board members including financial implications.

Banking Services – Request for Proposals

At the February 16, 2022 Council meeting, an Information Only document was presented to Council regarding the closure of the Ryley ATB branch. It was also noted that there are a few other banking institutions in the County area. Administration suggested that it would be beneficial to issue a request for proposal for banking services.

A Request for Proposals (RFP) was sent to the three banking institutions in the County. Alberta Treasury Branches (ATB), Bank of Montreal (BMO) and Viking Credit Union (VCU) responded to the RFP. The RFPs were evaluated based on the requirements of the RFP. The scoring was also done based on the definitions included in the RFP. The scores ranged from 36 points to 100 points. Alberta Treasury Branches received the highest score.

Following a Closed Session discussion, Council passed a motion approving a banking services contract with Alberta Treasury Branch for a period of five years with an option for a five-year extension.

Community Organization Property Tax Exemption Regulation – Tofield Gun Club

All property in a municipality is subject to assessment and taxation. Some exceptions apply, such as properties owned or used by organizations that provide related services to government, education, charity, religion, recreation, and hospitals. The concept of "public benefit" had traditionally been used to determine whether an exemption was warranted, however inconsistency of this application throughout the Province resulted in legislated exemptions under the Community Organization Property Tax Exemption Regulation (COPTER).

The Regulation defines non-profit organizations and clarifies the types of organizations and activities that are eligible for a tax exemption. The organization must be established by the Societies Act and must be prohibited from distributing income or property to its shareholders or members. The activities of the organization must not be used in the operation of a professional sports franchise, and must actively encourage the general public to use the property without unreasonable restriction on the basis of race, culture, ethnic origin, religious belief, or ownership of property. The organization is allowed to charge only a small application fee and cannot impose unreasonable membership requirements. There is a minimum requirement to review an applicant's tax exemption status every 3 years when a Council has provided exemption under Part 3 of COPTER.

In October of 2019, County Council approved a three year tax exemption (2019, 2020 and 2021) for The Tofield Gun Club. The Tofield Gun Club was instructed to submit an application for tax exemption for subsequent tax years to be determined by Council.

The Tofield Gun Club and Beaverhill Rangers have successfully completed the forms necessary to meet the test of an exemption provision. Doug Brooks, President and Gordon Hryhynchuk, Treasurer

of the Gun Club, presented their organizational objectives, financials and other information relevant to the affairs of the organization and answered questions from Council at a recent GPC meeting held April 27, 2022.

Council passed a motion approving a partial tax exemption to the Tofield Gun Club and Beaverhill Rangers based on the difference of the valuation model of agricultural use value rather than the legislated valuation of market value; and furthermore, that the structure be assessed as improved market value and the land area be assessed as farmland class at regulated agricultural use value for taxation years 2023, 2024, and 2025.

Request for Tax Payment Agreement – Long Run Exploration

Long Run Exploration is a natural gas producer in Beaver County. The company is starting to recover from the financial challenges it faced when the natural gas market was struggling, but cannot pay both the current and outstanding property tax arrears by October 31, 2022.

Long Run Exploration had previously proposed a two-year agreement with both past and future penalties waived. Council did not accept that proposal and requested a lump sum payment as well as a commitment to resolve outstanding surface lease payments.

Long Run Exploration has indicated that they are not able to pay all tax arrears in a lump sum and have now requested an eighteen-month tax payment agreement. The agreement will include all tax arrears (including past penalties) as well as the 2022 tax levy. They are also requesting that the October 31, 2022 and January 16, 2023 penalties be waived.

They have indicated that approximately 65% of the surface lease agreements have been paid and they are committed to paying the balance as soon as possible.

Council passed a motion to enter into an agreement with Taxpayer #20285 and 22405 for payment of the 2019, 2020, 2021, and 2022 property taxes over eighteen (18) months and waive the October 31, 2022 and January 16, 2023 late payment penalties.

Funding Request – Alberta Invasive Species Council

The Alberta Invasive Species Council (AISC) is a not-for-profit society dedicated to informing and educating Albertans about the destructive impacts invasive species have on our environment, economy, and society.

Annually, the AISC sends out letters, seeking support from various stakeholders, to support the on-going work of the organization. These funds are directed to delivering the various programs and extension activities that AISC runs, including the 'Be Plant Wise – Grow Me Instead', 'Squeal on Pigs' and the over 150 invasive species factsheets that they maintain.

At the January 18, 2022 meeting of the ASB, the AISC funding request was reviewed and discussed. A recommendation regarding this item was postponed until the next ASB meeting, as the AISC was presenting at the Provincial ASB conference and the Board wished to hear the presentation prior to making a decision.

At a subsequent ASB meeting, the ASB passed a motion to recommend that Council provide a Bronze Partner level of funding to AISC.

Council passed a motion to accept the recommendation from the Agricultural Service Board (ASB) to provide Bronze Partner Level funding in the amount of \$1000 to the Alberta Invasive Species Council (AISC).

MCSnet – Public Hearing Request

Beaver County has been approached by MCSnet to formalize the lease agreements for three tower site locations within the County. These are already existing tower sites but have been operating without a formalized lease agreement in place.

Information was presented to the Governance and Priorities Committee on April 27, 2022 for review.

The tower locations have an approximate footprint of 10m x 12m each and are already existing on the sites. The company is requesting a ten (10) year lease with the possibility of three (3) extensions, each with a term of five (5) years.

Compensation will be determined within the lease agreement; however, the following have been proposed for the tower locations as follows:

- 1) Legal: NW 27-50-20-W4M, Beaver Creek Estates (tower height – 46 m (150 ft))
- 2) Legal: NE 15-50-20-W4M, Lori Estates (tower height – 30 m (100 ft))
- 3) Legal: SW 35-51-20-W4M, Sherwood Forest Estates (tower height – 30 m (100 ft))

At each tower, compensation will be provided in the form of either \$60/month or an internet credit with power currently supplied by neighbouring parcel and compensated.

There is no bylaw required for these lease agreements to be formalized; however, the *Municipal Government Act* requires that a public hearing be held when the County leases or sells municipal reserve property.

Administration intends to begin the public hearing process for the three (3) locations that have been brought forward by MCSnet with the public hearing occurring at a Regular Council meeting.

Council passed a motion authorizing administration to schedule a public hearing regarding the formalization of lease agreements for the existing MCSnet Tower sites on NW 27-50-20-W4M, NE 15-50-20-W4M, SW 35-51-20-W4M.

Request for Grant Release – Bathgate Water Co-op

In 2014, Beaver County entered into a Memorandum of Understanding (MoU) with Clean Harbors for a grant to be used for the Bathgate waterline project (first priority) or other County strategic priorities.

The grant was based on the volume of waste landfilled by Clean Harbors at its site north of Ryley. A total of \$210,000 was received before Clean Harbors found it difficult to continue its contributions due to declining economic conditions. In 2016, Clean Harbors gave notice that it would no longer be able to make contributions and the County has held the funds in reserve since that time.

From the reserve, the County has paid for the following (at the request of the Bathgate Water Co-Op):

- a) engineering costs related to the Bathgate waterline project,
- b) grants to the Beaver Heritage and Agricultural Society, Ryley Legion, Ryley Museum Society, and Friends of Ryley School Society,
- c) funds for an upgrade to the Ryley water truck fill station.

The Co-Op is requesting a disbursement of \$7897 to the Ryley Sunshine Club to replace the furnace and upgrade plumbing in the seniors' centre.

The Village of Ryley and Beaver County Chief Administrative Officers have met to discuss continued financial support for the Ryley Sunshine Club. The next step is for the CAOs to meet with the Club president.

Council passed a motion approving the disbursement of \$7897 from the Clean Harbors' grant to the Ryley Sunshine Club to replace the furnace and upgrade plumbing, and directing administration to meet with the president of the Ryley Sunshine Club and the Village of Ryley administration to discuss long-term solutions for continued viability of the seniors' centre.

Strategic Priorities Update

On February 10-11, 2022, Council and senior management met to discuss strategic priorities for this Council's term. A Strategic Priorities Chart was subsequently approved by Council, with quarterly updates to follow.

The Chart has been updated and expanded to highlight Corporate and Council Priorities on one page and the Service Area Priorities on page 2.

With the completion of the strategic priority for recruitment of the Chief Administrative Officer, there is capacity for another Corporate Priority. Administration recommended that the Salary Review/Human Resources Strategy be advanced as it is a time-sensitive item. Collective bargaining will begin soon and Council indicated that the salary review should include union positions.

Administration also considers it to be cost-effective to include a human resources strategy (succession planning, human resources policy review, etc.) at the same time.

Council passed a motion to approve the Strategic Priorities update dated May 18, 2022, and advance the Salary Review/Human Resources Strategy into the list of current Corporate Priorities.

The next Regular Council Meeting has been scheduled for Wednesday,
June 1, commencing at 9:30 am.

The next Regular Governance & Priorities Committee meeting has been scheduled for
Wednesday, May 25, 2022, commencing at 1:00 pm

For more information, contact Beaver County toll free at 1-866-663-1333 or 780-663-3730.
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www.beaver.ab.ca
