



March 12th, 2024

To: The Honourable Ric McIver
Minister of Municipal Affairs

This letter, and the accompanying position statement, are provided in response to a petition submitted to Alberta Municipal Affairs on February 12th, 2024. This petition requested that the Minister of Municipal Affairs complete an Inspection of Lamont County, in accordance with Section 571 of the Municipal Government Act. Based on reporting within our community, it is our understanding that this petition makes allegations regarding the governance and administrative leadership of Lamont County.

Specifically, we understand these matters to be:

1. Allegations that staffing costs are not reasonable;
2. Allegations that mill rates are not reasonable;
3. Concerns with proposed changes to the County's Land Use Bylaw.

Attached is a detailed position paper to provide the Minister of Municipal Affairs clarity on these matters, in the hope that the Minister will determine that the cost and disruption of an Inspection are unwarranted, regardless of the sufficiency of the petition. Unquestionably an Inspection would adversely impact timely progress towards the priorities established for the community by Council. We wish to reinforce that the purpose of an Inspection is to investigate matters that are irregular, improper, or improvident in nature. They are not intended to be a mechanism for disgruntled citizens, representing a minority of residents, to take political action in response to misinformation or disagreements with County decisions.

The information contained in this document has been developed by Russell Farmer. As you know Mr. Farmer has been engaged by Alberta Municipal Affairs on multiple occasions to complete Inspections. He is familiar with the standard of investigation required for an inspection, and has confirmed his opinion that an Inspection is not warranted.

This letter represents the position of Lamont County Council reinforced by Resolution-2024-178, as well as the position of the County's Senior Administration Team. We are confident that the Minister will consider the information provided in this position paper and will deem an Inspection and the associated costs unnecessary. If there are specific issues contained in the petition that we have not addressed, we would be pleased to provide a response to those matters in a good faith effort to support transparency and accountability, while respecting the natural person powers of duly elected municipal officials and municipalities.



Respectfully,



Reeve David Diduck, on behalf of Lamont County Council

cc: Mr. Gary Sandberg, Assistant Deputy Minister
MLA Jackie Armstrong Homeniuk
Residents of Lamont County



Introduction

Lamont County is aware that Alberta Municipal Affairs has received a petition from residents requesting that the Minister of Municipal Affairs appoint an Inspector to complete an Inspection in accordance with Section 571 of the Municipal Government Act. Although we have not yet received confirmation that the petition is sufficient, we have elected to provide this response to Alberta Municipal Affairs and the Minister of Municipal Affairs. This response addresses matters that have been reported in our community, and through local media, which we believe are contained as points of complaint within the petition. We understand these matters to be:

1. Allegations that staffing costs are not reasonable;
2. Allegations that mill rates are not reasonable;
3. Concerns with proposed changes to the County's Land Use Bylaw.

In responding to these concerns, we wish to reflect on the legal principal that municipalities in Alberta have Natural Person Powers. These powers give each municipality, and its Council, the right to act in good faith and to make decisions on their own behalf. Municipal inspections are intended to address those matters which are:

Irregular - not according to established law, method, or usage, rules or to established principles.

Improper - Not suitable; unfit; not suited to the character, time and place.

Improvident – Demonstrating want of care and foresight in management.

We wish to demonstrate that Lamont County is governed by four (4) duly elected Councillors and one (1) acclaimed Councillor with over 50 years of collective experience. In addition, Lamont County is managed by a team of experienced municipal leadership professionals acting in good faith. Regardless of the sufficiency of the petition, no aspect of the operation of Lamont County meets a standard of irregular, improper, or improvident conduct. There is no valid reason that would justify an Inspection and for the Minister of Municipal Affairs to put the costs of an Inspection on a Council diligently and lawfully discharging its governance responsibilities and powers under the MGA.

General Comments and Context

This document addresses several specific areas which we believe were identified in the resident petition document. We wish to provide some additional information to provide context on Lamont County and its senior leadership team. We are proud to identify that:

- Our County has received consistently clean financial audit opinions from a respected Auditor specializing in the municipal sector (Metrix Group).



- Council hired an independent and respected municipal consultant, Strategic Steps, to complete an Organization Audit in 2021, with the recommendations arising from that audit fully implemented.
- We completed a third-party salary and benefits study in 2022 that evaluated our County against ten 10 comparable benchmarked municipalities. The recommendations arising from that study have been implemented. The impact of this study on County salaries is addressed later in this document.
- We recently completed a comprehensive review and update of our HR Policies to improve competitiveness and to ensure compliance with employment standards.
- We are currently updating our Municipal Development Plan (MDP) and Land Use Bylaw (LUB). These projects are being led by a newly hired, and highly experienced, Director of Planning and Community Services. Our contracted support for this project is Stantec.
- We engaged a former Municipal Accountability Advisor from 2021 – 2023 to undertake a review and update of some 41 Bylaws and some 66 Policies.
- We have implemented a rolling three-year Business Plan with 90% of 2023 and 96% of 2022 initiatives completed or progressing on time and on budget.
- We have established a Fire Services Bylaw that seeks to recover response costs and provides for fines for unsafe and unpermitted burning.
- We are the regional service provider operating a regional fire service and emergency management program as well as regional FCSS and CALC programs. These programs are both led by respected and experienced municipal professionals.
- We provide cost sharing to area urban municipalities in support of recreation facilities that are utilized by urban and rural residents alike.
- Based on our most recent audited financials (2022), our County has strong Reserves of over \$23 million, and an accumulated Surplus of \$74 million.
- Lamont County supports and maintains the legislated 5:1 ratio of Non-Residential to Residential Tax Rate.
- Our County is working in accordance with an approved Strategic Plan (2020 – 2023), and we monitor and report on key indicators associated with our Strategic Goals.



- Council completed a comprehensive Service Level Review prior to approving the 2022 Budget and has engaged the public annually through the use of survey tools to ensure Service Levels meet resident expectations.
- We achieve closure to 95% of Service Requests resulting from resident enquiries and complaints in 2023.
- Lamont County is a proud member of the Alberta Heartland Industrial Association (AIHA) and actively supports Economic Development in the Region.

In addition to these accomplishments, we would like to highlight the capabilities and experience of our Senior Leadership Team as a means to demonstrate the quality of leadership provided to Lamont County.

Peter Tarnawsky, Chief Administrative Officer, MBA, BComm

Peter Tarnawsky became Lamont County’s Chief Administrative Officer in September of 2021. A seasoned rural municipal administrator, Mr. Tarnawsky has twenty one years of varied experience in the municipal sector, including thirteen in the role of Chief Administrative Officer. Mr. Tarnawsky came to Lamont County following CAO roles in Sturgeon County and the City of Wetaskiwin. In 2017 Mr. Tarnawsky was awarded the R.W. Hay Award for Rural Municipal Excellence by RMA and SLGM.

Rodney Boyko, Chief Financial Officer, CPA, CMA

Mr. Boyko joined Lamont County as CFO in September 2021. He is a CPA with over 25 years of financial sector experience, including nine years proven financial leadership to Alberta municipalities. Mr. Boyko has been an Elected Officials Education Program facilitator, providing several offerings of the Municipal Corporate Planning and Finance, Muni 101, and Service Delivery courses as well as co-author of the course materials.

Debra Irving, Director of Planning and Community Services, BA, AICP, RPP, and MCIP certified professional planner

Ms. Irving joined Lamont County in January 2024, bringing over 30 years of municipal experience in policy development, land use planning, and municipal administration. She previously spent ten years as the Director of Planning and Development for the City of Spruce Grove, and eight years as a Manager of Planning and Senior Planner for the City of St. Albert. Ms. Irving will be leading Lamont County’s MDP and LUB update process.

Darby Dietz, Director of Public Works,

Mr. Dietz joined Lamont County in March of 2022 bringing with him eighteen years of heavy construction experience, including thirteen years of senior leadership experience



with Beaver County. Mr. Dietz has spent over a decade in Alberta Counties in Director and Superintendent of Public Works positions.

Terry Eleniak, Manager of Ag Services, Degree in Agriculture

Broadly skilled in all aspects of Agriculture, Vegetation and Pest Management, Terry Eleniak, Lamont County Fieldman is a long-standing resident of Lamont County and valued employee over the past 35 years. He is respected in his field having recently been awarded recognition for his 25 years with Association of Ag Fieldman and a recipient Queen Elizabeth II Platinum Jubilee medal for Outstanding Support to Agriculture.

Bo Moore, Regional Fire Chief, Diplomas, Justice Institute of BC (Honours)

Experienced Executive Chief Fire Officer with upwards of 24 years of increasingly responsible fire services and emergency management positions in training, operations and overall department leadership to upwards of 100 staff and multi-station fire services environment. Providing urban and rural firefighting leadership and expertise in Lamont County since June 2023.

Russell Farmer, Manager of Human Resources, BSc, BEd, MBA

Russell Farmer joined Lamont County in 2023, bringing almost two decades of municipal experience in the areas of Human Resources, municipal governance, organizational design, strategic planning, conduct investigations, and policy development. He has regularly been engaged by the Government of Alberta to complete investigations and inspections under ministerial orders, including fifteen Municipal Inspections. Mr. Farmer is the principal author of this submission to the Minister of Municipal Affairs on behalf of Lamont County.

As you can see the majority of the members of the senior leadership team of Lamont County has been recruited to the County within the past two-and-a-half years. Since September of 2021, the County has established a stable, qualified, and experienced team of municipal professionals providing strong leadership and oversight.

Staffing Expenses

Lamont County is aware that allegations have been raised regarding staffing costs. We wish to demonstrate that Lamont County Council makes responsible, and fiscally prudent decision regarding staffing, and that staffing costs for Lamont County do not deviate substantially from comparable benchmark Counties.

The information provided in Table 1 comes from the County's audited financial statements for 2020 to 2022, and from unaudited financial records for 2023.



	Administration and Legislative	Public Works	Planning and Development	Fire, Policing, & Protective Services	Agricultural Services	Water Supply and Distribution	Recreation, Culture, CALC, and FCSS	Total	Year over Year Change
2020	\$ 1,570,929.00	\$ 2,784,643.00	\$ 615,564.00	\$ 543,963.00	\$ 561,178.00	\$ 161,882.00	\$ 492,336.00	\$ 6,730,495.00	
2021	\$ 1,541,249.00	\$ 2,958,129.00	\$ 606,549.00	\$ 775,017.00	\$ 581,473.00	\$ 155,123.00	\$ 509,294.00	\$ 7,126,834.00	5.89%
2022	\$ 1,584,383.00	\$ 3,184,521.00	\$ 566,816.00	\$ 910,780.00	\$ 694,600.00	\$ 58,708.00	\$ 589,652.00	\$ 7,589,460.00	6.49%
2023	\$ 1,742,269.26	\$ 3,558,798.67	\$ 580,695.33	\$ 1,145,423.91	\$ 721,015.81	\$ 77,753.91	\$ 660,896.65	\$ 8,486,853.54	11.82%

For the four-year period ending 2023, Lamont County saw a 26% increase in total staffing costs. This increase is the result of:

- 1. New Positions:** Over the four cited fiscal years Lamont County added eight (8) full-time staff. These new staff included:

Fleet Supervisor (1)	P&D Administrative Assistant (1)
CALC Program Coordinator (1)	Agricultural Operator (2)
Deputy Regional Fire Chief (1)	Grader Operator (1)
Equipment/Truck Driver (1)	

All new positions were approved by Council through the annual budgeting process in response to approved Service Levels. During this period there were also a variety of position changes and re-classifications to meet operational needs. It should be noted that the CALC Program Coordinator position is grant funded.

- 2. Merit Increases:** Lamont County operates off a Council-approved salary grid system. Under the grid system, employees meeting expectations through annual performance reviews receive a step increase. Each step is equal to a 2% salary adjustment.
- 3. Cost of Living Adjustments (COLA):** The County's salary grid is subject to annual increases resulting from Council-approved COLAs. Recent COLAs were:

2021	0%	2022	2%
2023	4%	2024	3%

In consideration of the Bank of Canada reported 15.7% inflation from 2020 to 2024, Lamont County's compounded COLA over that time period of 9.26% is conservative.

- 4. Compensation Study:** In 2022, Lamont County engaged Daryl Johnson (MA, B.Ed., CEC, CCP, CHRP) of Johnson and Associates to complete an independent review and benchmarking study of the County's salary structure. Mr. Johnson has three decades of experience in HR and Compensation consulting. This review resulted in an updated and streamlined salary grid and a Compensation Policy approved by Council. Salary studies of this type are an organizational leading practice to support internal, and external, pay equity. Implementation of the compensation study recommendations were implemented between the fall of 2022 and December 2023.



The County's overall budgeted increase in salaries for 2024 is 5.2%, which includes the approved 3% COLA and for most staff a 2% increment.

Lamont County's total salary costs compare favorably overall and on a per capita basis with those of benchmarked municipalities. This comparison is based on 2022 data, as audited financial statements for benchmarked municipalities are not yet available for 2023.

	Population	Administration and Legislative	Public Works	Planning and Development	Fire, Policing, & Protective Services	Agricultural Services	Water Supply and Distribution	Recreation, Culture, CALC, and FCSS	Total	Per Capita
Lamont	3890	\$1,584,383.00	\$3,184,521.00	\$ 566,816.00	\$ 910,780.00	\$ 694,600.00	\$ 58,708.00	\$ 589,652.00	\$ 7,589,460.00	\$ 1,951.02
Smoky Lake	4096	\$1,505,550.00	\$3,302,691.00	\$ 303,111.00	\$ 262,335.00	\$ 560,464.00	\$ 603,253.00	\$ 148,400.00	\$ 6,685,804.00	\$ 1,632.28
Wainwright	4453	\$1,427,471.00	\$4,077,726.00	\$ 108,211.00	\$ 50,829.00	\$ 463,875.00	\$ 39,846.00	\$ 178,745.00	\$ 6,346,703.00	\$ 1,425.26
Flagstaff	3614	\$1,794,253.00	\$3,986,748.00	\$ -	\$ 376,913.00	\$ 773,503.00	\$ 139,223.00	\$ 58,214.00	\$ 7,128,854.00	\$ 1,972.57
Vulcan	4085	\$1,409,151.00	\$4,252,071.00	\$ 370,623.00	\$ 553,742.00	\$ 327,272.00	\$ 17,421.00	\$ 7,274.00	\$ 6,937,554.00	\$ 1,698.30
Average	4028	\$1,544,161.60	\$3,760,751.40	\$ 269,752.20	\$ 430,919.80	\$ 563,942.80	\$ 171,690.20	\$ 196,457.00	\$ 6,937,675.00	\$ 1,735.88

Lamont County's total salary expenditures are at the top end of benchmarked municipalities. However, an assessment of the salary data provides the following findings:

- Lamont County's expenditures on Administrative and Legislative, and Public Works, are on or below benchmarked averages.
- Lamont County is significantly above benchmarked municipalities for Recreation, Culture, CALC and FCSS. This is because Lamont County operates the CALC and FCSS programs for the Town of Bruderheim, the Town of Mundare, Town of Lamont, the Village of Chipman, the Village of Andrew, and Lamont County. In other municipalities, these programs are operated by independent agencies receiving grants, or by partnering urban municipalities. We note that FCSS and CALC are significantly grant-funded. FCSS Funding is a 80/20 partnership between the Province of Alberta Children Services Department and local municipalities, the higher staffing costs appearing in Lamont County's financial statements are largely offset by grants and contributions by partnering municipalities. Despite a staffing budget of \$589,652, the total contribution to FCSS and CALC operational funding coming from Lamont County in 2023 was \$86,902.
- Municipalities vary significantly in expenditures for Water Supply and Distribution. This is the result of the presence of water service commissions. Where a municipality is funding a commission, the expenditure does not appear under staffing.
- Lamont County is significantly above benchmarked municipalities on Fire, Policing and Protective Services. This is the result of two factors:



- In 2022, the County’s Health and Safety Officer was positioned within Protective Services. This has since changed, resulting in the salary for that position being located in a different department.
- Benchmarked municipalities provide regional fire service in collaboration with urban partners that operate independent stations, and other fire service organizations. Lamont County Emergency Services provides fire service to all of the urban municipalities within its boundaries through five fire stations. As a result, all staffing costs for fire service within the region appear within Lamont County’s staffing budget.
- We considered additional benchmarks of the County of Warner and the County of Two Hills. Both municipalities have comparable populations to Lamont County. However, the operating budgets and expenditures in comparison to Lamont County are not reasonable. Lamont County had operating expenditures of \$19,440,670 in 2023 compared to \$12,218,443 for the County of Warner, and \$3,764,321 for the County of Two Hills.

We wish to clearly state that there is nothing irregular, or improper regarding Lamont County’s expenditures on salaries and benefits. The County and its Council have made reasonable decisions regarding staffing levels and compensation. These decisions are appropriately aligned with municipal leading practices based on benchmarked municipalities.

Taxation Rates

In many municipalities, residents will assert that taxation levels are unreasonable, or are higher than those in neighbouring communities. Lamont County strives to maintain an affordable level of taxation while providing a high standard of service to residents. The following table provides the trend for major categories of mill rates for the past five years.

Lamont County Mill Rates						
	2019	2020	2021	2022	2023	% Change
Residential	3.76	3.54	3.63	3.99	4.31	15%
Farmland	14.28	14.28	14.60	16.06	17.34	21%
Non Residential	18.79	17.74	17.74	19.52	19.52	4%

Lamont County acknowledges that municipal mill rates have increased since 2019, in spite of a small decline in 2020. These increases have been necessary to meet escalating operating expenses associated with rapid inflation. In spite of these increases, Lamont County maintains tax rates that are appropriate when compared with benchmarked municipalities.



Municipality	Population	Mill Rates			Assessment		
		Non Residential	Residential	Farmland	Residential	Farmland	Non-Residential
Thorhild County	3254	23.31	4.66	18.60	369,154,637	46,960,255	378,672,146
County of Two Hills	3412	21.87	4.84	17.90	346,927,453	87,768,820	173,731,010
Flagstaff County	3614	17.50	5.35	18.67	378,785,740	164,916,120	616,290,680
Lamont County	3890	19.52	4.31	17.34	477,613,122	95,344,520	648,257,359
Smoky Lake County	4096	21.93	5.78	13.28	332,973,667	56,740,990	327,152,084
Beaver County	5905	19.12	4.91	18.39	664,404,177	114,758,240	513,982,637
Average	4029	20.54	4.97	17.36	428,309,799	94,414,824	443,014,319

Lamont County mill rates remain below average for farmland, non-residential, and residential properties. Reasonable and competitive taxation levels, combined with above average assessments, provide a sound financial footing for the Lamont County and the ability to provide superior service to our residents.

Land Use Bylaw

Lamont County's Municipal Development Plan (MDP) and Land Use Bylaw (LUB) were adopted in 2007. Since that time, the County's strategic plans have changed substantially, with a greater focus on seeking economic opportunities and financial sustainability. Leading practices see Municipal Development Plans and Land Use Bylaws updated every 5 to 10 years, depending upon growth, changes to strategic plans, or other external factors.

Provincially, the Municipal Government Act saw major changes to address red tape reduction and modernization, which has warranted Lamont County revisiting municipal bylaws and processes for alignment.

In 2018, Lamont County determined the existing Municipal Development Plan may need revisiting and refreshing as part of its coordination and updating of regulations affecting Alberta. Engagement on the Municipal Development Plan kicked off in 2018 with 35 one-on-one sessions with industry stakeholders. Engagement has been extensive, including six (6) open houses in communities across the County, as well as two (2) duly advertised public hearings, and a 60-day written comment period.

Updates to the Land Use Bylaw are largely for modernization of language, reducing redundancy between industrial districts and better aligning uses in each district its purpose, and updating legislation references.

In addition, the 2007 Land Use Bylaw has many of its uses as discretionary uses and a lack of regulatory specificity, which is perceived as high-risk to major investors. The proposed Land Use Bylaw better organizes uses into appropriate districts and reduces redundancy between districts, in order to provide greater clarity to investors and community stakeholders regarding the purpose of each district and how it may develop in the future.



We wish to stress that Lamont County's MDP and LUB updates processes are:

- Necessary to meet the County's strategic objectives.
- Necessary to ensure these key documents meet the regulatory requirements of the Province.
- Being led by qualified professionals with exceptional experience and training.
- Meeting all legal requirements defined under legislation and County Bylaws.
- Significantly exceeding required standards for public consultation and transparency.
- Entirely within the legal powers of the County.
- Not substantively impacting the rights of landowners in the County.

Concluding Comments

Municipal Inspections are an important mechanism for the Minister of Municipal Affairs to ensure that Municipalities are being operated professionally, in good faith, in accordance with legal requirements. They are not a mechanism for dissatisfied resident to exert their political will. It is our hope that this document will support the finding that there is no foundation for an Inspection of Lamont County. We would be pleased to provide additional information or to support an independent assessment regarding any additional areas of concern not addressed within this document.

Thank you for this opportunity to provide information on behalf of our Council and our Administration. Your consideration on this matter is appreciated.



