To: Mayor and Council, Village of Lions Bay

From: Randy Diehl, Municipal Advisor, Diehl Management Services

Completion Date: August 31st, 2023

Contract Timeframe: March 30th – June 30th; (extension) July 1st – August 31st, 2023

Context:

The Village of Lions Bay requested support from the Ministry of Municipal Affairs to address governance and administrative issues in early 2023. A contract was struck between Diehl Management Services and the Ministry which allowed work to commence on March 30th, 2023. The contract was expected to conclude at the end of June. The parties agreed to an extension to August 31st.

During the contract, I fielded over 2,000 emails and hundreds of phone calls from Lions Bay council and residents. I have attended all In-Camera and Regular Council Meetings, and the majority of Special Council Meetings that were called to provide advice and guidance. I have also conversed with the RCMP over issues, assisted the Village in contracting services to a Municipal Financial Consultant and a Corporate Legislative Consultant, searched for and presented options for an Interim Chief Administrative Officer (CAO), researched best practices from other jurisdictions on several matters, reviewed the organizational structures of similar local government jurisdictions, conducted a CAO hiring process, negotiated a grievance with CUPE, reviewed management contracts, responded to several public information inquiries, obtained status reports on the Auditors process and secured a "Legal Firm of Record" which has provided consistent legal opinions on critical governance and staff issues.

The final deliverable of the contract with the Ministry of Municipal Affairs is the preparation of a Report with recommendations to Village Council on governance at the Village of Lions Bay.

General Observations:

1. Council Roles and Conduct

Improved Regular Council Meetings:

There is improved adherence to Robert's Rules of Order and the Village Procedures Bylaw resulting in more respectful dialogue, orderly speaking procedures, timely agenda preparation, and a more effective public inquiry process. The number of vexatious letters and public participation through "Zoom" has decreased significantly since the council started to operate in accordance with appropriate procedures and in a more respectful manner.

Understanding the Role of Mayor and Council:

Council members are all well-meaning and care deeply about their community but some lack experience and training to be fully capable of taking on a political leadership role in local government. There has been difficulty for councillors understanding that the council must operate as a whole and not as individuals. This means that no one has any more power than anyone else and that decisions are made collectively, based on a majority vote.

The exception is the role of the mayor who has the authority as the Chief Executive Officer to dismiss staff (which must be ratified by the council) and to appoint Standing Committees. As well, in the case of Lions Bay, the Mayor needed to step into a broader role when there was no longer a senior administrator to ensure that the "will of council" was being implemented by staff. This is an unprecedented situation in British Columbia which was not well received by some members of council.

Some councillors believe that to be accountable to the public they need to be involved with every decision and issue in the Village. This resulted in a very high demand for background information on many issues and in the absence of regular staff reports and experienced staff, it became difficult to fulfill their needs. It is also problematic as the separation between the council as a policy maker and Administration as the deliverer of services often becomes confusing. Consequently, conflicts arise about the level and type of information that is required by the council and issues are often debated for extended periods of time. No members of the council have taken the in-person UBCM Newly Elected Course which would be of enormous benefit to all members.

Council relations:

There continues to be a lack of trust amongst councillors. All council members have expressed a desire to reflect a more professional and cooperative image, and I have observed times when collegiality and cooperation have prevailed. However, council members often become combative with each other over issues that should be resolved in a more collaborative manner.

The Code of Conduct was approved as required but the council needs to be more diligent in adhering to the code. More focus is required on the importance and purpose of the code and on how to avoid conflicts that disrupt meetings. This is particularly important to ensure that members conduct the business of the Village in a manner that reflects the best interests of the community and not their personal agendas.

Council members use email to communicate and to exchange views regarding Village business. This is a vital communication tool to augment the decision-making process. However, there were many incidents where it was used as a weapon to chastise other members. I recommend that the council initiate a policy to reduce the misuse of this communication system (e.g., no emails after 9 at night, no attack emails, respectful wording only).

2. Staffing

After the departure of the CAO in December 2022, several key long-term, experienced employees and the replacement Interim CAO resigned. This resulted in a serious shortfall in expertise in the areas of finance, legislative/corporate affairs, public works, building inspections and senior management.

The hiring practices for replacement staff that followed did not reflect best practices (e.g.,hires were not experienced in local government practices, and made little effort to avail themselves of the expertise made available through external consultants; there was significant council disagreement on the authority of the Acting CAO). This simply compounded the problems for the Village and increased the level of distrust amongst staff and councillors.

Progress was made with the replacement of the Public Works Manager with an Interim Manager, the reinstatement of the Building Inspection process with the re-hiring of the retired Building Inspector and the hopeful conclusion of the CAO hiring process. More work is needed to ensure hiring best practices are followed and which includes a stronger focus on employees with local government experience.

I noted that many staff were negatively affected by the significant number of changes that occurred in the first several months of the new Council. An unhappy staff compliment results in poor service delivery and ultimately high staff turnover. The council should be encouraging employee pride by recognizing individuals for good public service, ensuring job security, and supporting proper workplace hiring practices. A positive public service environment is about proud staff members doing work that benefits the residents and results in a better community. This cannot happen if staff are not satisfied with workplace conditions.

3. Local Government Processes

Corporate and Legislative procedures (Roberts Rules of Order, Community Charter Governance Requirements, Council Procedures Bylaw, Correspondence Policy and the Procurement Policy) were reviewed and addressed with recommendations from the external legislative consultant. Changes and updates are outstanding for the Council Procedures Bylaw, Correspondence Policy, and the Procurement Policy.

An overdue "Freedom of Information Request" was concluded by the external consultant because staff did not have adequate experience to process as required by legislation.

The Budget, Financial Plan and Tax Notice were submitted on time, but the process was truncated by lack of staff knowledge and ultimately, did not reflect best practices.

The Annual Report and Audit are still pending and did not meet the timeframe as required by the Community Charter. A major issue that caused this delay was that the minutes from December In-Camera Meetings were not recorded at the time and the council could not agree

on the wording of the resolutions from those meetings. The Annual Report cannot be completed until the Audit is concluded.

An external "Legal Firm of Record" was appointed to assist council and administration with ongoing governance and legal issues. This is an important change as prior to this the council and administration were shopping for legal opinions that satisfied the answer they wanted. A very dangerous practice.

4. Trust

This community is the most politically polarized and publicly divided that I have experienced. There has not been a week during my contract period that has not erupted in some degree of conflict. Residents and family members of councillors regularly weigh-in to support their side of the political divide. Councillors are quick to weaponize their words either verbally in Council Chambers or via email. Trust between councillors is at best – strained.

Numerous angry outbursts are a reflection that there is no trust and that a lot of work needs to be done to bring this group together (for instance, Council did endorse the "Code of Conduct" but at the next meeting it was disregarded. The Municipal Advisor had to intervene several times to bring order).

I am confident that with new professional and experienced staff the level of trust will improve.

Recommendations to Council:

1. Implement, Follow and Support the "One Employee" Model

Conclude the CAO Hiring Process and resolve to adopt the "One Employee Model". Council requests to staff must come through the new CAO once in place. The CAO cannot manage staff if members of the council continually communicate with staff and whether it is surreptitious or not, appearing to provide direction to them. To run an effective organization there must be trust between staff, administration and councillors and there must only be one boss not 5. The CAO is then accountable to council when services do not get delivered as directed. As the level of trust is improved, positive interactions between staff and councillors will follow.

Establish council policy that requires all future hiring for management positions to be processed through a comprehensive and fair competition with no council interference, so that the CAO has the ultimate authority in hiring the best candidate.

Ensure the CAO concludes the hiring process for vacant positions of CFO and Public Works Manager. The CAO should assess the need for a full-time CFO and the potential to hire the current interim Public Works Manager permanently.

2. Strengthen Core Village Operations, Processes and Policies

Ensure that the Corporate Officer and other staff duties are appropriately assigned so that minutes of council meetings are processed immediately following a meeting and posted regularly to the Village website and ensure that the Regular Council Agenda is released at the latest on the Friday before the meeting.

Ensure that the new CAO and other qualified designates, write Council Reports outlining the pros and cons of the issues and provides options and recommendations for all decisions that are being considered by council.

CAO to work with the Auditors to ensure the Financial Audit is completed and the Annual Report is finalized as required. These reports are significantly overdue because of council disagreements on December meeting minutes and the lack of information provided by staff to the auditors.

I have conducted an organizational review of similar sized jurisdictions and found no unusual staffing levels or organizational issues.

Village Office cleanup and appropriate filing of village records. The Office does not present a professional image nor reflect community pride. It needs to be cleared up of old furniture (may have already been done) and pictures hung up in prominent places that reflect the positive lifestyle of Lions Bay residents. Review current record management procedures in accordance with legislation and train staff as appropriate. Ensure legal opinions and other highly confidential documents are properly secured.

CAO should work on updating the following bylaws and policies for council approval: Procedures, Building and Zoning Bylaws, Procurement and Correspondence Policies. The Legislative Consultant has provided reports to the council and administration on best practices for Procurement and Correspondence Policies. The consultant also recommended a thorough review of the Council Procedures Bylaw. The Building and Zoning Bylaws are also out of date and need to be reviewed considering recent legislative changes.

CAO to implement management performance reviews and develop respectful workplace and whistleblower policies. Provide staff training as necessary.

Appoint Staff Minute Taker – Currently this is contracted–out but normally this function is managed by staff. There are times when the contractor is unable to attend the meetings and it is a normal practice to engage staff in this role.

Review and renew the Village Strategic Plan so that council and administration are aligned on the goals and objectives during the mandate of this council. It is imperative that all council and senior managers participate in the strategic planning sessions and provide timely input.

3. Participate in Council Training and Professional Development

The council has been provided sound advice, guidance and recommendations over the last 5 months and need to undertake the work and recommendations in this report to address the significant behavioural and governance challenges that continue amongst council members. All council members should attend the UBCM newly elected program. This will build on their knowledge base and provide a vital supportive network with their political peers in other jurisdictions. This is an invaluable and independent source of support and information.

Improve Code of Conduct – Completed but requires more review with sanctions for noncompliance. Council would benefit from further training and education around their code of conduct.

Ensure Council maintains good relations with the CAO and respects boundaries and the advice provided by staff.

4. Strengthen HR and Hiring Practices

Addressing the staffing issues is a priority that has fallen between the cracks in the last 8 months. Staff are under considerable stress after being subjected to political infighting and many of their colleagues leaving the operation. It should be a major goal to forge better relations with the Union, by renewing and updating the CUPE Contract, ensuring professional Human Resource Practices and following Collective Agreement procedures. The new CAO will also need to address Management Contracts so that they reflect best practices and are fair to all. The Village of Lions Bay should aim to become an employer of choice.

5. Review External Communication Processes

Support more transparent and de-politicized external communications for the Village Update Newsletter by ensuring that it is consistent with best practices in British Columbia. Encourage staff to research best practices and consider developing a policy whereby a collaborative approach is taken (for instance by having all of Council rotate the writing of - "***A Message from Council***").