

2017 Board Governance Review Committee FINDINGS AND RECOMMENDATIONS



Partners in Advocacy & Business

Prepared by the Alberta Association of Municipal Districts and Counties
2017

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Executive Summary

The 2017 Board Governance Review Committee (BGRC) undertook extensive research including a member survey, board member interviews, review of association policies, and a jurisdictional scan to develop recommendations on how to improve the AAMDC's board governance processes. The review was loosely divided into five sections:

- Membership
- Board structure
- Board roles and responsibilities
- Governance processes
- Board compensation

Based on their research, the BGRC has developed the following nine recommendations for review and voting by the membership. The recommendations are listed in no specific order:

Recommendation 1: Strengthen AAMDC board accountability by making available a board report to AAMDC members twice annually and posting all committees that board members participate in on the AAMDC website. The report will include an update on all committees that AAMDC board members participate in.

Recommendation 2: Forward member concerns that the BGRC collected about the resolution process on to the AAMDC Board of Directors and the AAMDC Resolutions Committee for consideration during their review of the AAMDC Resolution Process Policy in spring 2017.

Recommendation 3: Encourage increased communication between AAMDC board, staff, and district chairs to facilitate the development of district meeting agendas and content to ensure it supports the advocacy goals of districts and the AAMDC.

Recommendation 4: When possible, increase the frequency with which the AAMDC uses issue-specific advisory committees, and comprise these committees of one representative from each district and one AAMDC board member as chairperson. Committee members' respective municipalities shall be responsible for costs associated with participating on advisory committees.

Recommendation 5: Expand the AAMDC vice president's responsibilities to include attendance at one district meeting per district per year (in addition to their own district) and first right of refusal to chair the AAMDC Resolutions Committee. Reduce the number of district meetings that district directors can attend each year in districts other than their own from two to one.

Recommendation 6: Adjust the AAMDC Board of Directors' compensation in the following ways:

- Set board member per diem rates as follows:
 - Four hours or less –
 - Board member and vice president: \$180
 - President: \$235

- Four hours or more –
 - Board member and vice president: \$305
 - President: \$400
- Implement hourly compensation for time spent travelling at a rate of \$35 per hour. Require that board members will only be compensated for the costs associated with the most direct, practical, and cost-effective mode of travel available, including the consideration of travel time spent, lodging, and other factors.
- Replace current reading day allowance (three per month per board member) with base pay equivalent to three eight-hour days per month for board members, 3.5 days per month for vice president, and four days per month for president.
- Eliminate current president salary rate of \$300 per month, as this will be accounted for in the president's four days per month of base pay.
- That the rates and compensation structure remain in place until the next board governance review in 2021

Recommendation 7: Facilitate further discussions with AAMDC members located on a district boundary that believe they may be better served by membership in a different district on the possibility of a district switch.

Recommendation 8: Revise the definition of “rural municipality” in the AAMDC bylaws to include “specialized municipality with a significant rural area.”

Recommendation 9: Expand the AAMDC's membership definition to provide the AAMDC board of directors with the discretion to allow for membership of a newly formed municipality as a result of amalgamation, if that newly formed municipality includes all or part of a former AAMDC member.

Each recommendation will be voted on by the AAMDC membership. For recommendations that are endorsed by the membership, AAMDC board and staff will develop implementation processes. The AAMDC board will report back to the membership on progress made within one year. Recommendations not endorsed by the membership will not be followed up on.

History, Mandate and Process

In 2005, the AAMDC formed a member-led Executive Review Committee to review the AAMDC's governance structure. This committee was formed based on Resolution 4-04F: "AAMD&C Executive Committee Restructuring Review." The committee made several recommendations related to the AAMDC's governance process, committee use, and other areas. The final report encouraged a similar process to occur in five years. Therefore, the same committee was struck with new members in 2010, and resulted in recommendations related to board roles and responsibilities, election processes, committees, and resolutions. In both 2005 and 2010, the recommendations were voted on by the broader membership. In both cases, some passed, and others did not. In 2013, the AAMDC undertook a board compensation review, which again occurred through the work of an ad hoc committee.

In early 2015, the AAMDC Board of Directors reviewed the historical board governance and compensation review procedure. This review included the timeline, scope, and formality of the review process. The board decided that in order to support accountability to AAMDC members, the review process timeline should be changed to every four years, the review scope should be expanded to include board compensation (rather than the previous separate processes), and the review process should be formalized through inclusion in a board policy. As such, the board changed the AAMDC's "Appointment to Committees" policy to include the formation of a Board Governance Review Committee every four years, to be formed three years after municipal elections.

With these changes having been made, the AAMDC formed a Board Governance Review Committee (BGRC) in late 2016 with the intent to present recommendations to the AAMDC membership at the Spring 2017 AAMDC Convention. The committee's focus areas, as established in the BGRC terms of reference, are as follows:

- AAMDC Bylaws;
- Board member roles and responsibilities, including those of the President and Vice President;
- Board member remuneration and expenses;
- The board election process;
- The role of issue specific ad-hoc committees;
- How committee appointments are determined; and
- Other board governance issues as directed by the Board of Directors

The committee consists of one voting member from each of the AAMDC's five districts, as well as a non-voting chairperson. Membership of the 2017 BGRC is as follows:

- Non-voting Chairperson: Bob Barss, AAMDC Past President
- District 1 Representative: Neil Wilson, MD of Willow Creek
- District 2 Representative: George Glazier, County of Paintearth
- District 3 Representative: Kara Westerlund, Brazeau County
- District 4 Representative: Cheryl Anderson, County of Northern Lights
- District 5 Representative: Eric Anderson, County of Minburn

In order to gather a broad understanding of the AAMDC's board governance processes, the BGRC undertook research that included a survey of all AAMDC member municipalities, interviews with current AAMDC board members, a review of current board governance practices and protocols, and best practices from similar organizations in Alberta and elsewhere. In particular, the committee examined policies and processes in similar municipal associations in western Canada, as well as associations in Alberta such as the Alberta Water Council, the Alberta Federation of Gas Co-ops, and the Government of Alberta. In addition, the BGRC reviewed the AAMDC's strategic direction, including mission, vision, roles, and strategic priorities was reviewed as they apply to governance and leadership.

Based on this information, the committee has developed several recommendations. The next step in this process is to present the recommendations to AAMDC members for review and voting at the Spring 2017 AAMDC Convention. The recommendations and rationales are listed below for member consideration prior to voting. For added background information, the report includes several appendices, including current AAMDC policies that may be changed to accommodate these recommendations.

Recommendations that are endorsed will be acted on by AAMDC board and staff. **As per the BGRC terms of reference, the board will report back to membership within one year of the review indicating progress made on the implementing the endorsed recommendations.**

Findings and Recommendations

In order to focus the review process, the BGRC established five broad categories of research. They are as follows:

- Membership
- Board structure
- Board roles and responsibilities
- Governance processes
- Board compensation

Each recommendation below aligns with one of the five categories. Each recommendation will be supplemented with background rationale for why the BGRC believed it was necessary. Details relating to implementation will be left to the AAMDC board and staff to address, as implementing various recommendations requires actions ranging from changes to policies and bylaws, to working with individual members and districts, to changing internal processes. As mentioned, the AAMDC board will report back to the membership within one year on progress made. Recommendations are as follows:

Recommendation 1: Strengthen AAMDC board accountability by making available a board report to members twice annually and posting all committees that board members participate in on the AAMDC website. The report will include an update on all committees that AAMDC board members participate in.

Category: Board roles and responsibilities

Rationale: A recurring theme in member input is a lack of information on specific tasks undertaken by board members on behalf of the AAMDC. In particular, AAMDC board

members represent member interests on many province-wide committees, yet reporting to members on key issues or outcomes of these committees is currently sporadic.

Publishing a list of board member committee participation will allow members to reach out to specific board members to gather information on an issue relevant to a specific committee. Developing a report twice annually on committee participation will provide all members with a stronger understanding on how the AAMDC board advocates on their behalf.

Recommendation 2: Forward member concerns that the BGRC collected about the resolution process on to the AAMDC Board of Directors and the AAMDC Resolutions Committee for consideration during their review of the AAMDC Resolution Process Policy in spring 2017.

Category: Governance processes

Rationale: The BGRC received considerable member input that the resolution session should be streamlined by tightening parameters related to out of scope, duplicate, and emergent resolutions. As the AAMDC Resolution Committee is beginning a process of reviewing the AAMDC Resolution Policy in the spring of 2017, the BGRC believes that this input is best addressed by forwarding to them for consideration during their review.

Recommendation 3: Encourage increased communication between AAMDC board, staff, and district chairs to facilitate the development of district meeting agendas and content to ensure it supports the advocacy goals of districts and the AAMDC.

Category: Governance processes

Rationale: The BGRC received considerable member input recommending that district meetings be used to facilitate a collaborative dialogue between members and the AAMDC. In particular, comments indicated an interest in using some portions of district meetings to have a conversation on a specific advocacy issue, the AAMDC's work on it to date, and the perspectives and suggestions of district members on how advocacy on the topic could be approached.

As districts are autonomous and not under the direction of the AAMDC, the BGRC did not believe that it was their role to make specific recommendations on how district meetings should be structured. Instead, this recommendation would facilitate increased communication between the AAMDC and districts to ensure that the contributions that the AAMDC makes to district meetings deliver as much value as possible for the district and the association.

Recommendation 4: When possible, increase the frequency with which the AAMDC uses issue-specific advisory committees, and comprise these committees of one representative from each district and one AAMDC board member as chairperson. Committee members' respective municipalities shall be responsible for per diem costs associated with participating on advisory committees.

Category: Governance processes

Rationale: Recently, AAMDC members have indicated a desire to become more involved in the AAMDC's advocacy efforts through the increased formation of issue-specific advisory committees. The board currently has the ability to convene such committees at their discretion, so this recommendation would not require a change in policy, but rather a change in process in which the board forms advisory committees more frequently.

One challenge with member-comprised committees are associated costs for travel, food, lodging, and per diems. To address this the BGRC has also recommended that the municipalities of those members participating on the committee shall be responsible for associated per diem costs, while the AAMDC addresses travel expenses.

Recommendation 5: Expand the AAMDC vice president's responsibilities to include attendance at one district meeting per district per year (in addition to their own district) and first right of refusal to chair the AAMDC Resolutions Committee. Reduce the number of district meetings that district directors can attend each year in districts other than their own from two to one.

Category: Board roles and responsibilities

Rationale: Currently, the vice president's formal role is limited, and mainly consists of participating in meetings and events on behalf of the AAMDC when the president is unable to attend. The vice president also has committee responsibilities similar to that of district directors.

Expanding the vice president's role to include attendance at one district meeting in each district per year, as well as serving as the chair of the Resolutions Committee will allow the vice president to strengthen their understanding of issues and priorities across the membership, and better prepare the vice president to collaborate with the president in representing the association as a whole. Expanding the vice president's role will also better reflect the fact that they are elected by the membership at large.

In order to account for increased budgetary requirements associated with the vice president attending one district meeting in each district per year, the BGRC also recommends that the AAMDC amend its current policy to reduce the number of district meetings that district directors may attend outside of their own district each year. District directors currently have the option of attending two per year, and the BGRC recommends reducing that allowance to one per year.

Recommendation 6: Adjust the AAMDC Board of Directors' compensation in the following ways:

- **Set board member per diem rates as follows:**
 - **Four hours or less –**
 - **Board member and vice president: \$180**
 - **President: \$235**
 - **Four hours or more –**
 - **Board member and vice president: \$305**

- **President: \$400**
- **Implement hourly compensation for time spent travelling at a rate of \$35 per hour. Require that board members will only be compensated for the costs associated with the most direct, practical, and cost-effective mode of travel available, including the consideration of travel time spent, lodging, and other factors.**
- **Replace current reading day allowance (three per month per board member) with base pay equivalent to three eight-hour days per month for board members, 3.5 days per month for vice president, and four days per month for president.**
- **Eliminate current president salary rate of \$300 per month, as this will be accounted for in the president's four days per month of base pay.**
- **That the rates and compensation structure remain in place until the next board governance review in 2021**

Category: Board compensation

Rationale: The BGRC undertook significant research on compensation practices in similar organizations both within and outside of Alberta, as well as a cross-section of Alberta municipalities. Examples of similar organizations outside of Alberta include the Union of British Columbia Municipalities, the Saskatchewan Urban Municipalities Association, the Saskatchewan Association of Rural Municipalities, and the Association of Manitoba Municipalities. Examples of similar organizations within Alberta include the Alberta Urban Municipalities Association, the Alberta Water Council, and the Alberta Federation of Gas Co-ops.

The BGRC also considered the fact that the AAMDC's board compensation is currently based on the compensation rates paid to Government of Alberta committee members, a rate which has not increased since 2009. Due to the board's significant responsibilities in representing members and rural Alberta more broadly on a provincial and national scale, the BGRC decided that an increase in compensation was warranted following seven years of rate freezes.

The BGRC considered compensation rates at a number of organizations, but ultimately decided to focus on the Alberta Urban Municipalities Association (AUMA), the Saskatchewan Association of Rural Municipalities (SARM), and the Government of Alberta (GOA) as primary comparators. The AUMA was chosen as it serves a similar function to the AAMDC for urban municipalities in Alberta, SARM was chosen because it is the Saskatchewan equivalent to the AAMDC, and the GOA was chosen as the AAMDC had historically relied on strict alignment with GOA rates, so continuing to consider it would provide continuity.

The BGRC found that that the AAMDC's current rates were slightly less than that paid by SARM, and slightly more than that paid by the AUMA for board members, but less than the AUMA pays for the president. With this in mind, the BGRC has recommended an approximately 5% increase in per diems for both board members and president, which results in a full-day per diem of \$305 for board members, and \$400 for the president. These figures closely align with or exceed those paid by SARM and AUMA. The half day rates were developed in an effort to reflect the higher up-front commitments associated

with any length of meeting, which is why they are slightly more than 50% of the full-day per diem.

In interviewing current AAMDC board members, the BGRC heard that between meetings and travel time, board members occasionally worked in excess of eight hours per day and were not compensated for it. To address this, the BGRC has recommended implementing an hourly travel rate for board members to more accurately reflect the time they spend on AAMDC-related business each day. The recommended rate is set at \$35 per hour, which is closely aligned with the board members' recommended per diem rate. In order to support cost control and to align with AAMDC staff travel policies, the BGRC has also recommended that a clause requiring board members to be compensated for the costs of only the most direct, practical and cost-effective mode of travel (regardless of what route or mode they ultimately decide to take) be developed.

Currently, all AAMDC board members are compensated for three reading days per month. The purpose of "reading days" is to allow board members to read relevant materials in advance of meetings. The BGRC heard from several board members that three reading days do not provide adequate preparation time for their diverse meeting commitments. In reviewing similar organizations, the BGRC found that the AAMDC's policy of three reading days per month is relatively generous, as most organizations give one or zero reading days. That being said, the BGRC also acknowledged the heavy workloads that board members face and the importance of being prepared in advance of meetings and other events.

With this in mind, the BGRC recommends re-defining reading days as "base pay." This is essentially a minimum monthly salary that each board member would receive to cover time spent reading and making administrative arrangements such as travel bookings in advance of meetings and other events. The BGRC is recommending maintaining base pay at three days for board members, and increasing it to 3.5 days for the vice president and four days for the president in light of the larger workloads faced by those positions in representing the association on a province-wide basis. Obviously overall base pay rates would increase as this is linked to per diem rates, which are also recommended to increase.

Finally, the BGRC recommends eliminating the current \$300 per month in salary paid to the president, as this amount will actually be exceeded by the four days per month in base pay that the president would receive.

Overall, the BGRC recognized the importance of providing a level of compensation that will attract highly qualified board members from across the province, while also considering the AAMDC's financial constraints. No longer strictly basing AAMDC board compensation on GOA rates, but rather considering the GOA, AUMA, and SARM as "comparators" of AAMDC compensation will allow future BGRCs to be flexible in amending compensation rates and terms, while having a baseline of similar organizations to work from.

Recommendation 7: Facilitate further discussions with AAMDC members located on a district boundary that believe they may be better served by membership in a different district on the possibility of a district switch.

Category: Membership

Rationale: The intent of AAMDC districts are to allow for municipalities in specific regions of the province to collaborate on local and regional issues. As is the case with any boundary, AAMDC districts may not meet the needs of all members as demographics, economics, and trade patterns change over time. The BGRC found that in most cases, the current district boundaries meet the needs of members.

Currently, district membership is set by internal policy and can be modified by the board. There are no formal criteria as to what constitutes a valid reason for a district change. Such requests are rare, but would typically be handled on a case-by-case basis by the AAMDC board.

Several municipalities have indicated to the BGRC that may be better served by membership in another district, mainly in cases where district membership does not match a municipality's primary trade patterns or intermunicipal relationships.

One example identified by the BGRC involves the Regional Municipal of Wood Buffalo (RMWB). Currently, the RMWB is located in District 4 (Northern). Due to the large size of District 4 and the lack of direct road linkages between the RMWB and most other District 4 members in northwestern Alberta, delegates of the RMWB are often required to drive in excess of seven hours to participate in district meetings. For similar reasons, the majority of the RMWB's economic and intermunicipal focuses are oriented towards municipalities located to the south, in District 5 (Edmonton East). For this reason, the RMWB is a good example of a possible candidate to consider a district change.

The BGRC believes that a request for a district change should come from a municipality, not a committee. Therefore, the BGRC is recommending that the AAMDC board develop a process to encourage those municipalities interested in changing districts to engage with the board. The final decision should still be made by the board, and based on what is best for individual members, districts, and the association as a whole, but the BGRC believes that the opportunity for this engagement must be facilitated.

Recommendation 8: Revise the definition of “rural municipality” in the AAMDC bylaws to include “specialized municipality with a significant rural area.”

Category: Membership

Rationale: The AAMDC bylaws allow the board to admit specialized municipalities as members at their discretion. This provision is contradicted elsewhere in the bylaws, where specialized municipalities are included in the definition of “rural municipalities,” and all rural municipalities (counties and municipal districts) are eligible to become full AAMDC members, while specialized municipalities are admitted based on board discretion.

This recommendation would accomplish two goals:

- Replace the existing contradiction in the bylaw related to specialized municipalities

- Ensure that specialized municipalities with a significant rural area will have the option of becoming AAMDC members, while specialized municipalities without a significant rural area would continue to be admitted (or not admitted) based on the discretion of the board.

It is important to note that based on s. 83 of the *Municipal Government Act*, the Minister of Municipal Affairs may confer specialized municipality status for any reason that they see fit, including issues with governance or taxation. Therefore, a specialized municipality could be predominantly urban in nature.

This recommendation will require AAMDC board and staff to define what constitutes a “significant rural area.” The definition and associated bylaw change will then be presented to the membership for approval. Such a definition will likely be linked to the proportion of a specialized municipality’s area that meets the definition of a “municipal district” in s. 78 of the *Municipal Government Act*.

Recommendation 9: Expand the AAMDC’s membership definition to provide the AAMDC board of directors with the discretion to allow for membership of a newly formed municipality as a result of amalgamation, if that newly formed municipality includes all or part of a former AAMDC member.

Category: Membership

Rationale: The AAMDC prides itself on representing all of Alberta’s rural municipalities. Few municipal associations in Canada can match the AAMDC’s 100% membership rate among eligible municipalities, and being able to credibly state that the AAMDC represents all of rural Alberta is an important advocacy tool.

This recommendation is intended to provide the AAMDC with the ability to maintain their membership base in the event that amalgamations between rural and urban municipalities occur more frequently in the future. When a rural municipality amalgamates with one or more urban municipalities, the Minister of Municipal Affairs has the discretion to define the new municipality as specialized. If the Minister chooses not to do so, the new municipality’s designation will depend on what criteria it meets under ss. 78-82 of the *Municipal Government Act*. In order to be considered “rural,” a municipality must consist of an area in which “a majority of the buildings used as dwellings are on parcels of land with an area of at least 1850 square metres” (s.78(a)). If a rural municipality amalgamates with one large urban municipality or several small urban municipalities, the new municipality may be defined as “urban” (village, town, or city) despite including a large rural area, based on the definition provided above.

The Alberta Urban Municipalities Association has a similar provision in their membership definitions that applies to dissolutions. The provision allows the absorbing municipality of a dissolved municipality to become an AUMA member.

This recommendation will empower the AAMDC board to permit membership of a newly formed municipality that may be defined as urban, but have a large rural area, and for the AAMDC to continue to represent all of rural Alberta in the event that amalgamations occur in the future.

Appendix A: Board Governance Review Committee TOR

MANDATE AND OBJECTIVES

The primary role of this committee will be to:

- a) To review and provide recommendations on issues as they relate to the Board governance structure of the AAMDC
- b) To provide a final report to the AAMDC membership upon completion of their deliberations of the focus areas listed below.
- c) That an AAMDC Board Governance Review be conducted every four (4) years, with the final report presented at the spring convention the year of a municipal election.
- d) Recommendations from the AAMDC Board Governance Review Committee will align with the current Strategic Direction of the association.

TIMING & TERM

The Committee will be established three (3) years after each municipal election commencing in the fall on or near fall convention. Once established the term of the Committee shall be a maximum of 4 months to meet, deliberate, and report by the following Spring Convention.

COMPOSITION

This Committee will be comprised of six (6) members:

- One member from each of the five (5) districts, as appointed by their district.
- One non-voting chairperson appointed by the Board of Directors (shall not be a member of the Board of Directors)

FOCUS AREAS

The items for review by the AAMDC Board Governance Review Committee may include:

- AAMDC Bylaws;
- Board member roles and responsibilities, including those of the President and Vice President;
- Board member remuneration and expenses;
- The board election process;
- The role of issue specific ad-hoc committees;
- How committee appointments are determined; and
- Other board governance issues as directed by the Board of Directors

All members of the AAMDC Board of Directors are to be interviewed individually by the Board Governance Review Committee at the start of the process to gather information on the identified focus areas.

REPORTING RELATIONSHIP

The AAMDC Board Governance Review Committee shall provide a report to the AAMDC membership at the spring convention the year of a municipal election. Prior to presenting to the membership the committee shall present their findings to the AAMDC board who reserves the right to provide comment or clarity to report items and recommendations.

- ACCOUNTABILITY

The AAMDC Board of Directors shall report back to the AAMDC membership within one calendar year after the completion of the review indicating progress on identified recommendations. Should the AAMDC Board of Directors choose not to act on a recommendation(s), justification for this decision shall be presented.

- CHAIRPERSON

A chairperson will be appointed by the Board of Directors. This member will act as Committee Chair but will have no voting powers.

- FREQUENCY OF MEETINGS

Meetings will be assembled as required, or at the call of the Chair. Meetings can be attended either in person, via telephone conference or via video conference.

- COMMITTEE SECRETARIAT, ADMINISTRATIVE AND FINANCIAL SUPPORT

- a) The AAMDC will provide all necessary administrative resources and staff support to the committee.
- b) The AAMDC will provide or arrange meeting space for the committees as required.
- c) Per diem costs for all committee members, including the chairperson, associated with participation in the AAMDC Board Governance Review Committee will be borne by the AAMDC. Per diem amounts will be paid as outlined in the AAMDC Board Policy: Board of Directors Per Diem and Expenses.
- d) The AAMDC shall reimburse committee members for travel, accommodation, and meal expenses related to attendance of committee meetings. Expense reports will be returned to the AAMDC for payment within thirty (30) days of the expense.

Appendix B: AAMDC Vision, Mission, Values, Roles, and Strategic Priorities

Mission:

AAMDC empowers its members through proactive leadership, strategic partnership, effective advocacy and collective business services.

Vision:

Strong, vibrant and resilient rural communities

Values:

The AAMDC is committed to the following values:

- Lead in a proactive, responsive and collaborative manner
- Operate with integrity and honesty
- Accountable and transparent in our actions
- Connected with and trusted by our members
- Be stewards of the environment

Roles:

The AAMDC performs the following roles for our members:

- Act as a municipal and rural advocate
- Assure the rural voice is at the table for active participation and decision making
- Work collaboratively and partner with organizations
- Provide education on current issues and developments
- Provide timely two-way communication
- Facilitate networking and information sharing
- Research and share best practices
- Provide quality business services
- Create joint ventures for business expansion
- Operate as an innovative, responsive and learning organization
- Monitor our performance regularly to ensure continuous improvement

Strategic Priorities

The AAMDC's strategic priorities are:

- Preserve and promote rural municipalities and rural way of life
- Provide proactive leadership and effective advocacy
- Increase two-way communication and build member relations
- Provide education, research and best practices
- Expand aggregated business services and member utilization
- Achieve sustainable funding for members and association

Appendix C: Current Board of Directors Per Diem, Expenses and Benefits Policy

Purpose: To provide direction with regard to Per Diem and Expense Allowances for members of the AAMDC Board of Directors.

Definitions: For the purpose of this policy, the following definitions shall apply:

"Full Day" - means a meeting of more than four hours duration (including lunch time).

"Half Day" - means a meeting of up to four hours scheduled apart from another meeting.

"Bridge Day" - means an open day between meeting days.

Rates:

Per diems paid to Board members shall be the same rates as the Province of Alberta Committee Remuneration for Schedule 1, Part A committees, as amended from time to time by Order-in-Council under the authority of the Public Service Act, **with the exception that over 8 hours in any day is not applicable.** (Order-In-Council is attached). Changes to the provincial rates shall be effective at the beginning of the respective following fiscal year.

Travel	Mileage	the highest rate communicated by Canada Revenue Agency from time to time
	Airfare	actual expenditure
Hotel		actual expenditure Private accommodation \$30.00 (unreceipted)
Meals		\$55 per day (unreceipted) Where a meeting/event supplies meals, the rate for meals not supplied will be: Breakfast - \$15.00 Lunch - \$15.00 Dinner - \$25.00

Guidelines:

Regular/Special Meetings

(a) Full Day Meetings

- Per Diem in accordance with Province of Alberta Committee Remuneration with
 - the exception that over 8 hours a day is not applicable.
 - Maximum per diem payable is the full day per diem rate.
 - \$55 Meals
 - Mileage/km rate x distance from home to meeting and return
- OR
- Mileage/km rate x distance to airport and return, plus actual receipted airfare

- (b) Half Day Meetings (up to/including 4 hours/day)
 - Same as (a) above excepting that per diem in accordance with Province Alberta Committee Remuneration
- (c) Association Conventions
 - AAMDC Board will determine per diem and subsistence at a pre-convention meeting.
- (d) All Other Meetings or Conventions
 - same as (a) or (b) as applicable
 - OR
 - as per other policies contained in the Directors' Handbook.
- (e) Reading Days
 - Board members are entitled to claim three (3) days per month as "Reading Days", in recognition of the significant amount of AAMDC-related reading which Board members are required to undertake.
 - Compensation for "Reading Days" is at the same rate as the regular AAMDC per diem rate.
- (f) Conference Calls
 - For duration over one-half (1/2) hour, Board members are entitled to claim a half day per diem.
- (g) Bridge Days
 - Where it is convenient for the Board member to stay over between meeting days and it is cost advantageous, the Board member is entitled to claim hotel and meals as per the rates detailed in this policy.
- (h) President's Compensation
 - The AAMDC President will receive an additional \$300 per month, in recognition of the significant additional duties performed by the President.
- (i) Submission Deadlines
 - Compensation claims must be submitted to the AAMDC office at least five (5) days prior to the end of the month, in order for payment to be made at the end of that month. Claims that are not submitted prior to this deadline will be paid in the following month.
- (j) Annual Adjustments
 - Board per diems will be adjusted on an annual basis, at the beginning of each fiscal year (August 1 of each year), based on the rates in effect at the time in the Province of Alberta Committee Remuneration schedule.
- (k) Tax Free Allowance
 - Pursuant to the Federal Income Tax provisions, one third (1/3) of the per diem will be considered a tax free allowance for expenses incidental to the discharge of the elected official's (Board member's) duties and shall be considered reimbursement for any out-of-pocket expenses incurred such as telephone calls, dry cleaning, personal items, etc.
- (l) Annual Reporting

- Per diems paid and the one third (1/3) allowance shall be reported annually on the required tax forms to Canada Revenue Agency.

(m) Board RRSP Contributions

- The Association will make a matching 5% contribution to individual Directors' registered RRSP accounts sponsored by the Association with London Life. Where personal circumstances may not permit individual Board members to contribute to a registered account or to a personal registered account, the association will make a matching 5% contribution to a Director's unregistered account or spousal account sponsored by the Association with London Life.

Schedule 1

Effective April 1, 2009

Part A

Part B

Part A

1. A member of a committee, other than the chairman, shall be paid
 - (a) \$164 for up to and including four hours in any day, or
 - (b) \$290 for over four hours and up to and including eight hours in any day, or
 - (c) \$427 for over eight hours in any day,
spent on the business of the committee.

2. The chairman or person acting as the chairman of a committee shall be paid
 - (a) \$219 for up to and including four hours in any day, or
 - (b) \$383 for over four hours and up to and including eight hours in any day, or
 - (c) \$601 for over eight hours in any day,
spent on the business of the committee.

3. The chairman and members of a committee are entitled to be paid travelling and living expenses in accordance with the Subsistence and Travel Allowance Regulation made by Ministerial Order 1/98, as amended, or any order made in substitution therefor, as though they were employees of the government.

4. Where the Minister responsible for the committee is satisfied that the chairman or a member of the committee suffers a loss of remuneration as a result of his service on the committee, the Minister, subject to the prior approval of the Minister charged with the administration of the Public Service Act, may increase the fees payable under this Part up to a maximum of double the appropriate rate determined under Section 1 or 2.

Part B

1. A member of a committee, other than the chairman, shall be paid
 - (a) \$82 for up to and including four hours in any day, or
 - (b) \$137 for over four hours and up to and including eight hours in any day, or
 - (c) \$191 for over eight hours in any day, spent on the business of the committee.

2. The chairman or person acting as the chairman of a committee shall be paid
 - (a) \$110 for up to and including four hours in any day, or

- (b) \$164 for over four hours and up to and including eight hours in any day, or
 - (c) \$273 for over eight hours in any day, spent on the business of the committee.
-
- 3. The chairman and members of a committee are entitled to be paid travelling and living expenses in accordance with the Subsistence and Travel Allowance Regulation made by Ministerial Order 1/98, as amended, or any order made in substitution therefor, as though they were employees of the government.

 - 4. Where the Minister responsible for the committee is satisfied that the chairman or a member of the committee suffers a loss of remuneration as a result of his service on the committee, the Minister, subject to the prior approval of the Minister charged with the administration of the Public Service Act, may increase the fees payable under this Part up to a maximum of double the appropriate rate determined under Section 1 or 2.

Appendix D: Board Member Responsibilities Policy

Purpose: To provide details regarding the roles, responsibilities and obligations of an AAMDC Board member.

The Alberta Association of Municipal Districts and Counties (AAMDC) is governed by a board of directors elected by AAMDC member municipalities. Their overall role is to represent and advocate the broad collective municipal and rural interests of the membership, and to oversee the delivery of services that assist members in their business operations and decision-making processes. The key duties of a board member include, but may not be limited to the following:

Key Duties of a Board Member:

1. Governing the AAMDC and all its divisions
2. Actively engaging in setting the overall vision, mission and strategic direction of the organization on a regular basis
3. Reviewing operational plans of the various divisions to ensure alignment to the strategic plan
4. Setting overall fiscal direction for the association, again in line with either the express or perceived direction of the membership.
5. Setting overall policy with respect to the association's interactions with members, other levels of government, and other organizations. In particular, board members must ensure that formal policy positions and key messages put forth by the association reflect the expressed wishes of the membership. Where the membership has expressed no clear policy preference (via resolution, member survey, etc.), the board has a duty to arrive at policy decisions and key message that, in the board's best estimate, reflect the best interests of the membership as a whole. The purpose is to equip these decision makers with a comprehensive rural perspective and advocate for its incorporation in policies.
6. Representing rural interests and priorities in meeting with decision makers in government as well as industry and other relevant stakeholders
7. Monitoring the performance of the Executive Director to ensure that administrative actions are consistent with both the policy and fiscal direction as set out by the board.
8. Representing the association and its members on various committees, task forces, etc., as delegated by the AAMDC board, the president and/or the executive director as necessary. In each case, board members are expected to represent the interests of the association as a whole, and to report back to the board on a timely basis with respect to any relevant information gained as a result of participating on the committee, task force, etc. Further, the board has an accountability to communicate those same findings back to the membership in a timely manner.
9. Taking a broad provincial perspective on issues presented, whether they individually have been elected by all members, or to represent a particular district. Those board members who have been elected to represent a particular district are of course expected to bring

forward the concerns and perspectives of municipal councils within that district. However it is ultimately expected that each board member will consider every issue on the merits of its impacts on all AAMDC member municipalities.

10. Respecting the confidential nature of information which is often obtained as a result of membership on the board. The success of the AAMDC in representing rural and municipal interests is very clearly tied to the trust that has been established between the association and the provincial government. Board members are expected to respect that trust relationship, regardless of any personal political leanings.

In addition the roles and responsibilities noted above that apply equally to all board members, the following duties are specific to either the role of the president or vice president:

1. As president, it is understood that some inherent responsibilities include chairing the AAMDC board of directors and serving as the official spokesman and media representative for the AAMDC's official position.
2. It is further understood that the vice president has the formalized role of carrying on the duties of the president in his or her absence.

Non Pecuniary Interests:

1. Every Board member shall disclose on the Board member's *Statement of Disclosure* or otherwise under this policy, any position the Board member holds in an official capacity with any federal or provincial political party (whether registered and in good standing or otherwise).
2. A Board member shall disclose to the Board if the Board member announces intention to seek nomination as a candidate in an election under the Canada Elections Act, the Election Act (Alberta) or the Senatorial Selection Act (Alberta).
3. When a board member makes a disclosure under section 1, or announces an intention as set out in section 2 above, the Board member must, on an on-going basis, determine whether the activity referred to in section 1 or 2 above creates a conflict of interest for the Board member. If the Board member determines a conflict of interest has arisen, the board member must:
 - a. Notify the Board of the conflict;
 - b. Withdraw from any debate or discussion regarding the matter in conflict;
 - c. Abstain from voting on the matter in conflict;
 - d. Avoid influencing the voting on the matter in conflict;
 - e. Refrain from using the board member's position for any personal benefit in furtherance of the activity referred to in section 1; and
 - f. Where necessary, request a leave of absence or tender resignation
4. Where a board member has been selected as a candidate under section 2 above, the provisions of section 3 above continue to apply for the period leading up to the official

election period. When the writ is issued, the board member shall request and be granted a leave of absence until the official final results are declared.

5. Notwithstanding anything contained in section 3 or section 4 above, where a board member or the board member's campaign intends to solicit campaign contributions from any employee, director, supplier or member of AAMDC, where directly or indirectly, the Board member shall immediately notify the Chief Executive Officer and the Board member shall request and be granted a leave of absence for the duration of the campaign before accepting any such campaign contribution.
6. Notwithstanding anything contained in section 3 above, where a Board member has been declared the leader of a political party under section 2 above, the Board member must immediately resign from the board effective as of that date.
7. In any circumstance where the board determines a Board member has failed to adequately comply with the provision of this part, the Board may grant a leave of absence, or otherwise suspend the board member; or the Board may remove the board member in accordance with AAMDC Bylaws Part E, Section 14 which states, "*any Director (Board member), upon a majority vote of Full Members in good standing, may be removed from office for any cause which the Association may deem reasonable*"
8. A leave of absence or designation under this part is deemed to include a leave of absence or resignation from every position the Board member holds through appointment by the Board including the Boards of AAMDC subsidiaries and associated entities and any external Board or committee on which the Board member represents AAMDC.
9. The Chief Executive Officer will inform the Board of any matter arising under this part.

Appendix E: Appointment to Committees Policy

Purpose: To provide details regarding the participation of AAMDC members on committees created by the AAMDC as well as external committees. For the purpose of this policy the committees are identified as ad-hoc committees, external committees or the AAMDC Board Governance Review Committee.

Definitions:

Ad-Hoc Committees: The AAMDC utilizes ad-hoc committees in instances where a more specialized committee is required. Ad-hoc committees are formed for a specific task or objective, and dissolved after the completion of the task or achievement of the objective.

External Committees: The AAMDC is often requested to provide representation from the Association, via board, staff or member participation on external committees where rural or municipal perspective or other specific technical expertise is required. Some examples of external committees may include LAPP, Safety Codes Council, and Water Council, etc.

AAMDC Board Governance Review Committees: The AAMDC utilizes an AAMDC Board Governance Review Committee for the purpose of reviewing and providing recommendations on issues as they relate to the board governance structure of the AAMDC. Items for review by this Committee may include AAMDC bylaws, board member roles & responsibilities, board member remuneration and expenses, and the board election process as well as other board governance issues as directed by the Board of Directors. These reviews are deemed necessary to meet changing member needs, with a formal organization review occurring once every four (4) years, conducted by member representatives from each district and a board appointed, non-voting chairperson. The AAMDC Board Governance Review Committee will be appointed 3 years after municipal elections. Recommendations from the AAMDC Board Governance Review Committee will align with the current Strategic Direction.

General Guidelines:

- 1) The Board reserves the right to determine the mandate, term and membership of each committee established by the AAMDC. This includes the right to remove a board appointed member from any committee.
- 2) The AAMDC board recognizes that vast amounts of knowledge and expertise are present within member councils and administrators, and where appropriate, seeks to involve the membership at large in the work of the Association. Where appropriate, the Board also has the discretion to appoint expertise external to the membership. An example of such an appointment may be a retired elected official.

Guidelines for Ad-Hoc and AAMDC Board Governance Review Committee:

- 1) Ad-hoc committees will be established at the direction of the AAMDC Board of Directors to address a specific issue of importance.
- 2) An AAMDC Board Governance Review Committee will be established once every four years to undertake a formal organization review of the governance of the AAMDC. The

committee will be appointed in the 3rd year after municipal elections commencing Spring 2017.

- 3) Those eligible for appointment to an ad-hoc or AAMDC Board Governance Review Committee are generally elected or administrative municipal officials belonging to one of AAMDC's member municipalities. In particular for the AAMDC Board Governance Review Committee, besides one appointee from each District, there will also be a non-voting chair appointed by the AAMDC Board of Directors.
- 4) Where possible and appropriate, the Board will endeavor to represent the five districts when establishing and appointing members to committees.

The determination of appointments to an ad-hoc committee is one whereby a call for nominations for committee is distributed to the AAMDC membership with the intent that a representative can be selected from each of the five (5) AAMDC districts. The Board determine final committee appointments through the formal Request for Decision Process.

- 5) Terms of Reference shall be developed for all committees established by the AAMDC. The Terms of Reference shall include, but may not be limited to, the following:
 - objective,
 - mandate,
 - composition, including the AAMDC President as the ex-officio of all committees (with the exception of the AAMDC Board Governance Review Committee),
 - term,
 - reporting relationship,
 - confidentiality,
 - frequency of meetings,
 - required attendees at meetings,
 - committee secretariat, administrative and financial support

Guidelines for External Committees:

1. When considering committee formation requests, the Board and or the Executive Director shall consider the following:
 - Is this request a municipal issue?
 - Is it local, a regional or provincial in scope?
 - Is it a rural issue?
 - Is the AAMDC well-positioned to represent the issue?
 - Does this issue relate to the AAMDC's Strategic Plan?

2. At the Boards' organizational meeting following each annual general meeting, a review of all active committees requiring elected official representation is made with the exception of the AMMDC Board Governance Review Committee which has a four year term. A process is undertaken by the board to divide the committee workload. As part of this process, consideration is given to such things as inherent expertise, continuity, interest, time commitment, geography and financial obligations.
3. Upon receipt of a request for administrative staff or technical representation on an external committee, the Executive Director will determine the appropriate course of action to be taken in order to fill the request. Depending on the circumstance and committee requirements, the Executive Director may:
 - Appoint an AAMDC staff member to the committee,
 - Solicit appropriate technical expertise from within the membership, through a member bulletin, or from specific individuals known to administration,
 - Refer the request to the Board for their input and direction.