



MANITOBA
OMBUDSMAN

OMBUDSMAN ACT INVESTIGATION REPORT

The Municipality
of Souris-
Glenwood

The Municipality
of Souris -
Glenwood Airport
Commission

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TABLE OF CONTENTS

ACKNOWLEDGEMENT	3
THE COMPLAINT	3
OUR INVESTIGATION PROCESS	4
MANITOBA OMBUDSMAN ROLE	5
THE INVESTIGATION	6
CONCLUSION & RECOMMENDATIONS	19
MUNICIPALITY'S RESPONSE	21

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ACKNOWLEDGEMENT

Public bodies make decisions that directly impact people's daily lives. Flowing from these decisions is a duty to act fairly and to make procedurally fair decisions. The Souris-Glenwood Airport Commission is a case in point.

The people we interviewed share a personal stake in the Souris-Glenwood airport for different reasons. The airport is a place where people earn a living, fly their aircraft and engage with like minded people. For the municipality, the airport is both an asset and a potential liability. Despite their different perspectives, everyone we spoke with wanted the Souris-Glenwood airport to operate safely and efficiently for the long term.

The municipal administrators, council members, flying club members and others we interviewed were candid and cooperative. We received thoughtful insight into the issues and challenges of operating a small municipal airport and we heard willingness to consider the opinions and interests of others to address concerns. One councillor summed up many sentiments expressed in their statement: "We should be fighting for the airport not about it."

The municipality has expressed a desire to address administrative deficiencies and build public confidence in its actions and decisions. Manitoba Ombudsman is optimistic that recommendations made in this report will assist the municipality in meeting its duty to act fairly as it reviews its by-laws and its council committee structures and as it develops clear policies and procedures for the Airport Commission that support fair practices.

THE COMPLAINT

Manitoba Ombudsman received a complaint that during a May 25, 2023 meeting of the Souris-Glenwood Airport Commission, the commission decided to appoint a new airport manager and approve a \$500.00 monthly honorarium for their service. The complaint alleged the commission chairperson called the meeting with insufficient advance notice and without an agenda. Only four of the seven commission members attended the meeting. Those not in attendance were unaware that a decision would be made to replace the existing airport manager and to compensate the newly appointed airport manager. Up to that point, the airport manager role was a volunteer without compensation. The complaint also said the municipality unfairly withheld information about Airport Commission funds.

OUR INVESTIGATION PROCESS

We received the complaint in May 2024. After making efforts to informally resolve the concerns raised, we notified the municipality of our investigation in August 2024.

We identified the following issues for investigation:

1. Did the municipality provide adequate notice of the May 25, 2023 Airport Commission meeting to all Airport Commission members?
2. Did the Airport Commission's decision to appoint and approve compensation for a new airport manager at the May 25, 2023 Airport Commission meeting comply with the applicable rules and follow a fair and transparent process?
3. Did the municipality unfairly withhold Airport Commission financial information from Airport Commission members?

The purpose of this investigation was to determine whether the municipality's actions and decisions stemming from the May 25, 2023 Airport Commission meeting amounted to maladministration.

We obtained relevant information through documentary evidence and interviews. We requested the municipality provide copies of meeting notices and communications sent to Airport Commission members from January 1, 2023 to October 2024. We also asked for other documents including by-laws, tendering and procurement and related policies, employment contracts, terms of reference, Airport Commission appointments and financial documents. We interviewed 14 individuals including municipal staff, elected officials, and flying club members.

Our investigation included a review of the following:

1. Acts and regulations
 - The Municipal Amalgamations Act,
 - The Municipal Act,
 - Canadian Aviation Regulations (CARS) Quick Reference Guide TP 15286-E November 2021
2. By-laws and policies
 - Municipality of Souris-Glenwood by-law No. 12-2015 (Formation of an Airport Commission)

- Municipality of Souris-Glenwood By-law No. 59-2023 (Organization and Procedures)
- Municipality of Souris-Glenwood Purchasing and Disposal Policy 04-2015

3. Other

- The Municipal Act Procedures Manual (2022)
- Black's Law Dictionary (definitions)
- Documentary evidence from the municipality, the complainant and others
- Interviews with the chief administrative officer (CAO), the mayor for Souris-Glenwood, municipal councillors, Airport Commission committee members, Souris-Glenwood Flying Club members, Manitoba Municipal and Northern Relations and other individuals.

MANITOBA OMBUDSMAN ROLE

Under The Ombudsman Act, Manitoba Ombudsman investigates complaints about administrative actions and decisions made by government departments and agencies, municipalities, and their officers and employees. Our investigations are independent and impartial.

A matter of administration can include any practice, procedure, action or decision that government makes as it implements or administers its laws and policies. We assess whether administrative processes and procedures are followed according to applicable legislation, regulation and/or existing policies.

Manitoba Ombudsman investigations obtain, review and analyze relevant information to identify areas requiring administrative improvement.

Where appropriate, our reports include recommendations for administrative improvement. Improved administrative practices can enhance the relationship between government and the public and reduce administrative complaints.

THE INVESTIGATION

Background

The Souris-Glenwood airport is located near Souris, Manitoba in the Municipality of Souris-Glenwood. The airport served as a Royal Canadian Air Force training base during World War II until 1945.¹ We heard that an airport commission was established in the late 1970s or early 1980s when the Rural Municipality of Glenwood and the Town of Souris were separate entities.

The Municipality of Souris-Glenwood by-law 12-2015 was enacted in 2016 following the 2015 amalgamation of the Rural Municipality of Glenwood and the Town of Souris. The by-law authorized the formation of an Airport Commission for the new municipality.

The purpose of the Airport Commission, as described in the by-law, is “to be responsible for the operation of the Airport.” The by-law established a tri-party agreement between the municipality, the airport commission and the Souris Flying Club. The agreement outlines commission membership, the parties’ rights and obligations, and lists 12 terms and conditions under Schedules A (Agreement), B (Hangar Lease Agreement), C (Regulations) and Appendix A (Duties and Responsibilities).

Before the amalgamation of Glenwood and Souris, the Airport Commission had seven members with representation from the two municipalities and the flying club: two Town of Souris council members, two Rural Municipality of Glenwood council members, and three flying club members.

After the amalgamation, the Municipality of Souris-Glenwood passed the Airport Commission by-law 12-2015. We understand the wording in this by-law mirrored the previous agreement which established a seven-member commission. However, rather than appointing two council members from Glenwood and two council members from the Town of Souris, all four council members on the commission were from the same municipality – the Municipality of Souris-Glenwood. We heard that before the 2022 municipal election, commission members were able to reach agreement on matters pertaining to airport operations. In 2022, the change in council resulted in a change in appointments to the commission. Four of the seven commission members represented the council majority, and some of the new council members wanted to see changes in how the airport was used and operated.

¹ Manitoba Historical Society website.

The municipality and Municipal Governance and Advisory Services staff said that it would not advise establishing a committee where a majority of the membership consists of elected council members because council would have a majority vote. In this case, the by-law says that quorum for commission meetings is a simple majority of the members. So, if four council members attended a commission meeting, decisions could be made without input from flying club members. Based on evidence we heard; when the commission was established, it was not the commission's intent to give council members the voting advantage over flying club members. The commission was established, as the by-law states: to be responsible for airport operations, which would reasonably require advice from the commission members who use the airport.

While the Municipal Act does not give council committees the power to pass council resolutions, in practice, the four commission members representing the municipality represented the majority vote on commission matters. We heard evidence relating to uncertainty about the effect of having four municipal council members from the same municipality on the commission. If all four councillors were present at commission meetings, quorum was satisfied. However, the Municipal Act does not allow council to delegate council decisions to council committees, therefore, commission decisions are different from council decisions which must be made at council meetings not at committee meetings. Our report discusses this fact in our analysis and findings.

The Souris-Glenwood Flying Club

The flying club has a long history and a strong attachment to the airport. Many flying club members lease land and own buildings at the airport. Historically, mostly flying club members used and maintained the airport. One flying club member runs an aircraft maintenance and aerial crop spraying business at the airport. According to the flying club, it is important to have an "anchor tenant" at a smaller municipal airport; someone who makes their living at the airport and is motivated to keep it viable long term.

One flying club member said agreements were negotiated years ago with past councils and private individuals to ensure the airport's long-term sustainability. This included establishing a commission bank account to track airport revenues and expenses separately. There is a funding relationship between the Airport Commission and the municipality despite the fact that the municipality used a different financial institution. Minutes of meetings show the commission appointed the head of council, a municipal employee and a flying club member as commission account signatories. When the municipality began exploring other uses for the airport, the flying club objected. The flying club suspected that funding for those ventures would deplete the commission bank account.

We reviewed the Airport Commission statements of revenues and expenses for 2022 and 2024. The municipality explained that in 2024, following a 2023 financial audit, airport related transactions were processed through the municipality but recorded separately as a controlled entity to be consolidated into the municipal financial statements.

The municipality also clarified that the airport operating budget is not included in the municipal financial plan except for the annual unconditional operating funding. But the information is available to the public upon request. The municipality further clarified that the operating grant in the municipal budget was moved from the Economic Development Services classification to Transportation services to align with Public Sector Accounting Board accounting principles.

The complainant told us that in 2023, tensions grew between the flying club and the municipality as it became apparent the new council did not share the same vision for how the airport should operate. Council expressed interest in attracting new business to the airport, such as a glider training school. The flying club members of the commission did not support this proposal for a variety of reasons. Some council members expressed concern that the airport manager might be in a conflict because of his familial relationship with another commission member and the secretary-treasurer; and because he operated a for-profit business from the airport. We heard evidence that communication between the municipality and the flying club deteriorated.

We heard that flying club members had, for years, coordinated and/or participated in various fundraising activities, volunteering their time and resources to expand funding for airport operations and maintenance. On the other hand, the municipality said it applied for annual provincial grant money for the airport, and it wanted more involvement in how its airport operated. The flying club grew increasingly concerned that council was eyeing funds the flying club had relied upon to finance airport operations to instead pay for ventures some flying club members did not support.

Issue #1: Did the municipality provide adequate notice of the May 25, 2023 Airport Commission meeting to all Airport Commission members?

We heard evidence that on May 24, 2023, the chief financial officer (CFO) was asked to send notice of the May 25, 2023, Airport Commission meeting, scheduled for 7:00pm. The CFO sent email invitations at 4:32 p.m. on May 24, 2023 to Airport Commission members informing them of an unscheduled meeting occurring the next day. The email did not include an agenda.

Two commission members representing the flying club told us the email went to their spam/junk email folder, and they did not see the email until later in the day on May 25, 2023. Another commission member from the flying club told us they did not receive that email. We also heard from the commission members representing the flying club there was no agenda included with the meeting notice. As such, they were unaware of the matters under consideration and to be decided.

We reviewed the minutes of the May 25, 2023 commission meeting. The mayor of the municipality (the chairperson) and three council members of the commission attended that meeting. The former chief administrative officer (CAO) and the CFO also attended. The chairperson called the meeting to order at 7:10 p.m. Commission members representing the flying club were recorded as absent. There was no evidence of a motion to reschedule the meeting to give commission members representing the flying club a better opportunity to attend.

The municipality's Airport Commission By-Law does not provide information on advance notice of commission meetings such as how much notice is required, how notice is to be posted or made, and whether agendas must be included. The by-law says only, "THAT the Commission must meet a minimum of four (4) times per year, and other times as may be required at the call of the Chairman."

We heard evidence that before December 2022, regular commission meetings were scheduled each December or early in January on the first Tuesday of every other month, with intent that at least four meetings would be held as the by-law required. The then secretary-treasurer typically contacted commission members before each scheduled meeting by telephone and text message to confirm their intention to attend.

We were told this informal practice prevented meetings from being cancelled due to lack of quorum. Meetings were rescheduled if necessary to ensure representatives from both council and the flying club were available to attend. The meeting minutes recorded the date for the next meeting so members could plan accordingly. We heard that around the time of the May 25, 2023 meeting, a new secretary-treasurer for the commission had started and might not have been aware of this informal practice to confirm attendance.

We asked the municipality why the meeting had to be called on that particular day with only one day's notice. The municipality acknowledged there was no urgency to call or hold the meeting. We also asked whether the municipality had considered advance notice requirements provided in the municipality's procedures by-law. We heard they were not, because at the time, the municipality did not know they should have applied.

Analysis and Findings

When our office received the complaint, the Airport Commission did not follow a formal procedure to give notice of the date, time and place of unscheduled commission meetings. Although the commission was established under the municipal Airport Commission By-Law, at the time, the parties did not consider the commission, or any other council committee, as a council committee or body of council, to be subject to municipal procedures for advance notice of meetings.

We found the Airport Commission to be a body of council subject to municipal notice requirements because:

- The Municipal Act defines a council committee as "...a committee, or other body established by council under subsection 148(2)...". This subsection of the act outlines what must be included in a municipality's organizational by-law, including the establishment of council committees.
- Section 149(3) of The Municipal Act requires a council's procedures by-law to provide for the date, time and place of regular meetings of council, and the type and amount of notice to be given. The act says the by-law must provide rules respecting the conduct of council meetings such as procedure to suspend rules, quorum, participating by communication facility, and preparing and posting the agenda.
- Section 149(2) of the act says council is bound by its procedures by-law and must govern itself accordingly.
- The municipality's procedures by-law establishes the procedures that must be followed when conducting municipal business. Section 1.1 of the Souris-Glenwood procedures By-law 59-2023 establishes that rules and regulations set out in the by-law shall be observed in council and in all committees.
- Part 5 of the 2022 Manitoba Municipal Act Procedures Manual (p.5.4.4) explains that council committee meetings generally follow the same procedures as council meetings.
- Council is free to establish different rules for committees, but did not do so for the Airport Commission.

During our investigation, the municipality confirmed it agrees with our interpretation².

The Airport Commission By-Law does not provide information on notice requirements for meetings. In the absence of different rules in this by-law, the municipal procedures by-law requirements for meeting notices ought to have applied to calling the May 25, 2023 Airport Commission meeting.

The municipality's rules of procedure in place at the time of the May 2023 meeting required members to have at least two days' notice of an unscheduled meeting, with an agenda provided in advance. The municipality said it did not realize at the time the May 25, 2023 meeting was called, that these rules ought to have applied to the Airport Commission, unless a different rule is formally established by council resolution.

We accept the municipality's explanation that a new secretary-treasurer had recently started and may not have been aware of established informal practice to confirm attendance at commission meetings. However, it is reasonable for commission members representing the flying club to have expected this practice to continue unless they were informed otherwise and to have expected to receive more than one day's notice.

We accept the municipality's view that, at the time, it did not realize the Airport Commission was a council committee subject to the notice requirements in the procedures by-law. Regardless, the short notice of the May 25, 2023 meeting was not adequate and did not follow the established informal practice of contacting members before convening a commission meeting. There is no evidence the commission chairperson or other municipal employee contacted commission flying club members by phone or by text message, as had been the practice, to inform them a meeting was called.

We find the Airport Commission did not provide adequate advance notice of the May 25, 2023 meeting. One day's notice of a meeting at which a significant decision would be made, and without providing an agenda in advance, was not fair. Commission members representing the flying club were effectively excluded from the decision-making process.

² Section 148 of The Municipal Act (the act) requires every municipality to pass an organizational by-law which establishes the municipality's organizational structure. Among other things, the content of a municipality's organizational by-law must provide for the establishment of council committees, the committees' duties and functions, and a process for committee appointments.

The Airport Commission is not explicitly named in the Souris-Glenwood organizational by-law, but the act does not require a committee or other body of council to be named, to be considered a body of council subject to the organizational by-law requirements.

The municipality told us they agree with our finding. Staff told us the short notice was not a deliberate intent to exclude members from the meeting. But in hindsight, the municipality understood the commission's decision to meet without flying club representatives could be seen by flying club members as a deliberate attempt to avoid confrontation over the decisions being made.

Once our office pointed out the unfairness of calling a commission meeting on short notice, the municipality took steps to prevent recurrence of a similar situation. It has introduced a new software program that is now fully operational. Use of the program will ensure all meeting invitees receive advance notice of meetings. Notice of meetings will comply with the by-law and/or policy requirements. Staff is using the program to schedule all council and council committee meetings, including Airport Commission meetings. The CAO is in the process of arranging training for Airport Commission members on how to use the program. Meeting notices will be sent automatically to all members. Invitees will be able to confirm attendance electronically.

In summary, we found that the municipality did not provide adequate notice of the May 25, 2023 Airport Commission meeting. The short notice that was provided:

- did not comply with notice requirements established in the municipality's procedures by-law;
- deviated from the commission's established practice for notice of an unscheduled meeting
- resulted in commission members who represented the flying club's interests not having a fair chance to participate in decisions that impacted the airport in general and the airport manager specifically and;
- contributed to division between council, the flying club and other airport tenants.

Issue #2: Did the Airport Commission's decision to appoint and approve compensation for a new airport manager at the May 25, 2023 Airport Commission meeting comply with the applicable rules and follow a fair and transparent process?

Airport Commission Decision to Appoint a New Airport Manager

Schedule C of the Airport Commission By-law 12-2015 - Regulations Governing the Operation of the Souris-Glenwood Airport Commission says:

1. a) The Airport Commission shall appoint an Airport Supervisor to oversee the airport operations.

b) Said person, when possible, should be a Souris Flying Club member and shall be directed by, and report to the Commission.

The by-law does not specify how long a person may be appointed as airport supervisor. Nor does it say council must ratify the commission's decision to appoint an airport manager.

Based on information presented to our office, we understand it was the commission's practice to make an appointment annually. Commission members representing the flying club told us the commission's past practice for appointing an airport manager was consensus based. The Airport Commission by-law does not include criteria or considerations, beyond that the person should, wherever possible, be a flying club member.

Under the terms of the Airport Commission by-law, the Commission has authority to appoint an airport manager, so long as quorum requirements are met. Under the Airport Commission by-law, a quorum for the meetings of the commission "shall be a simple majority of the members of the commission...." In this case, the four commission members present at the meeting formed a simple majority.

At the May 25, 2023 meeting, the commission members who were present passed a resolution to appoint a new airport manager. The individual who was in the airport manager position up to the May 25, 2023 meeting, was a commission member representing the flying club. The individual told us he had been performing the airport manager duties for approximately seven years.

Flying club members told us the commission accepted that services performed at the airport were unpaid and voluntary. That arrangement had worked well for many years. But since 2022, some airport tenants expressed discontent to council members about maintaining the airport without receiving any compensation; others were promoting more development and different safety standards at the airport.

We heard at the time this decision was made, the long-standing airport manager was unaware the municipality intended to replace him. We heard the commission members who made the decision did not give him or other commission members representing the flying club an opportunity to agree, to object or to hear reasons for the decision.

The outgoing airport manager said the news of the appointment came as a "complete surprise," and the municipality's explanation to him after the decision was made - that he

was too busy - was not adequate. However, at that point, the decision had been made, and he saw no point in challenging it. Other commission members from the flying club, also not at the May 25, 2023 meeting, said they were completely “blindsided” by the decision.

The Compensation Decision

On May 25, 2023, the commission, represented by four council members, passed a resolution to approve a \$500.00 monthly honorarium for the new appointee. The resolution did not specify where the money would be paid from – the airport commission bank account or the municipality’s general revenue – but it did say the monies would be “processed through” the municipality.

Schedule A, point 5) of the by-law says:

That a quorum for the meetings of the Commission shall be a simple majority of the members of the Commission; except in the case of financial matters, which shall include preparation of the budget and expenditures outside of the approved budget, when all representatives of the Municipality must be present to form a quorum.

The by-law goes on to say that the commission must submit to the entire council a budget for approval prior to February 28th in any year during the currency of the agreement, and no budget shall be in effect until the municipality has ratified same. In our view, this implies all new expenditures not already included in the approved budget must be submitted to the entire council.

The Airport Commission by-law does not authorize the commission to make new financial commitments or approve expenditures beyond what is in the council-approved annual budget. The airport manager is authorized to approve, from the approved budget, a maximum of \$500 to facilitate repairs and maintenance on a timely basis.

No evidence was put forward to us that the commission’s approved annual budget included the \$500.00 monthly honorarium. We also saw no evidence that the new monthly honorarium was put to the entire council for review outside of the annual budget approval process. We also heard, following the decision to appoint a new airport manager, the municipality offered the outgoing airport manager a retroactive payment. We saw no evidence council approved this financial commitment, or that the persons who made the offer had authority to do so.

Section 140 of the Municipal Act empowers council to make decisions either by by-law or council resolution. All resolutions must be passed at a council meeting. A committee (or other body of council such as the Airport Commission) can make recommendations to council. But section 85(2) of the act makes it clear that council cannot delegate its power or duty to pass a resolution or by-law.

The municipality's procedures by-law reinforces this requirement in its definition of Resolution:

q) "Resolution" means a motion that has been formally adopted by a majority of elected members at a council meeting.

In consideration of The Municipal Act requirements, the municipality's procedures by-law, and the Airport Commission by-law, the commission should have informed the entire council, at a regular meeting of the council, of its desire to begin compensating the airport manager with a \$500.00 monthly honorarium. The commission could have done so in various ways, including passing a motion as a formal proposal for the entire council to take specific action, or in the form of some other written proposal to council.

If council wished to support a proposal from the commission to pay a monthly honorarium to the airport manager, it would then be up to the entire council to approve the expenditure from within the existing Airport Commission budget or find some other way to cover the costs. It would also be up to the municipality to determine if or how other policies, such as the tendering and procurement policy, may apply to the purchase of the airport manager's services.

In summary, only council has the power to pass a resolution, and all council resolutions must be passed at a council meeting. Commission meetings are not council meetings, and the commission should not have authorized the monthly payment.

We are satisfied the commission did not intentionally contravene the Municipal Act or the Airport Commission by-law when on May 25, 2023, the commission authorized the paid appointment to the position of airport manager by commission resolution. However, the commission did not follow the correct administrative procedure when it authorized a monthly payment for the new airport manager.

Analysis and Findings

We are satisfied the commission had authority under its by-law to appoint an airport manager, because it met the requirements of the Airport Commission by-law and has authority to appoint the airport manager. However, the commission did not follow a fair

and transparent appointment process in making the appointment. The commission members present (four council members) made the decision without providing the other commission members representing the flying club an opportunity to participate in the decision, and without advance notice to the long-time airport manager who was also a commission member.

Our investigation found the commission's decision to approve a monthly honorarium for the new airport manager did not comply with the Airport Commission's by-law requirement to seek approval from the entire council for budget decisions.

Based on information from a number of sources, we believe council, former administrative staff and others, were under the misguided impression that because four council members are on the commission, the commission could make council decisions.

The commission should have made its recommendations for the paid appointment to council to be considered at a council meeting. All representatives of council would have had the benefit of seeking instruction from the CAO on proper procedure for approving payment for performing airport manager services. Instead, the commission usurped council's authority.

The municipality has sought advice from Municipal Governance and Advisory Services and from legal counsel to address unclear wording in the Airport Commission by-law and to review the role and powers of the Airport Commission. The municipality understands that the Airport Commission by-law can be amended but only by council resolution, and by following all requirements set out in the Municipal Act. (s.147).

It was apparent during our investigation that the commission's decision to replace the airport manager without notice and without involving the flying club members of the commission, and to begin compensating the new airport manager, contributed to a challenging relationship between the flying club and the new airport manager. We heard evidence of escalating disagreements over safety and work priorities at the airport, following these decisions.

In March 2024, the new airport manager resigned from the position. The former airport manager was reappointed, on an interim and voluntary (unpaid) basis, to perform some duties, including acting as the airport's contact for the municipality.

As a result of the relational consequences of this decision-making process, the municipality identified a need to review its related policies and procedures. The municipality told us this will include a review of tendering, procurement and hiring practices in relation to the Airport Commission.

Given the municipality is presently reviewing its policies and processes with assistance from Municipal Governance and Advisory Services, we are satisfied with the steps it is taking to ensure legal requirements and fairness standards are met as outlined in Fairness by Design, a publication developed by the Canadian Council of Parliamentary Ombudsman (CCPO).³

Issue #3: Did the municipality unfairly withhold Airport Commission financial information from Airport Commission members?

The complaint to our office included that the municipality unfairly withheld information about Airport Commission funds. The individual was seeking financial information from June 2023 to March 2024. The commission had not met during this time, therefore the secretary-treasurer did not table financial statements as they normally would at regular commission meetings.

The flying club members' concern about access to financial information arose after a number of situations occurred. In May 2023, the commission decided to begin paying the new airport manager without flying club members participating in the decision-making process. The outgoing airport manager and other flying club members suspected the monthly honorarium was being paid from commission funds, which they adamantly opposed. The commission chairperson called a meeting in June 2023, however, we were told it was unproductive. Disagreements about airport operations were unresolved. The commission did not meet again until October 2024 and therefore, no financial reports were tabled at commission meetings.

One flying club member told us he asked councillors for the commission's bank account balance in March 2024 and was assured the information would be made available. Several text messages between the commission's flying club members and councillors were exchanged between March 13 and March 26, 2024. In one message, a councillor asked the flying club member what they were looking for. The flying club member clarified via text message that they wanted "just a current account balance and expenses...from June 2023 till now." Further text message exchanges show that councillors contacted the CAO to get the information requested. The flying club member confirmed they did eventually receive the account balance information as requested.

We spoke with one of the councillors who agreed to provide the flying club with the bank balance - they admitted the delay and explained the delay was not intentional. The

³ Fairness by Design - An Administrative Fairness Assessment Guide

councillor clarified that the airport funds were used for airport services and operations in a manner consistent with the Airport Commission by-law. We obtained documentation that further confirmed the conversations and the councillor's assurance that information would be made available to the flying club.

The CAO told us that financial information would be provided upon request, but requests should be made to administrative staff (the commission's secretary-treasurer, who is a municipal staff), not to the commission's council members who do not have ready access. The CAO explained she had not been asked for a bank statement and was not aware of that specific request until our office informed her. The CAO acknowledged the municipality's need for a clear communication strategy to respond to specific information requests and complaints.

We learned from our interviews that when the commission was established by by-law, an account was opened under the name Souris-Glenwood Airport Commission. The account is at a different financial institution from the municipality's account. We understand that funds held in the account are generated from a variety of sources: airport tenants' rental payments; rental of farmland; provincial grants the municipality receives; flying club fundraising and occasional contracts. As noted, the Airport Commission by-law includes a \$500.00 maximum spending authority from the approved budget to facilitate timely repairs and maintenance for routine matters.

Before the 2022 municipal election, the signing authorities for the commission bank account included the chairperson (the mayor), a flying club member who was also the then-airport manager, and an employee of the municipality.

After the new council was elected, the new mayor was appointed chairperson and given signing authority. The flying club member retained signing authority. The municipal employee resigned from Souris-Glenwood to accept a position at another municipality but continued as secretary-treasurer of the commission until December 2022. We were told council preferred to have its own employee partake in commission business. The municipality appointed one of its administrative staff as secretary-treasurer who was added as signing authority to the commission account. We understand the same flying club member continues to be a signing authority; and any expenditures from the Airport Commission account still requires two signatures.

Analysis and Findings

We find this issue to be unsupported. Our investigation did not find evidence of the municipality's willful intent to hide information from any member of the commission.

Neither the municipality nor the commission had a clear and transparent process for requesting and providing commission financial information at regular commission meetings. That lack of process combined with the unfair decision-making process affected flying club members and contributed to the complaint that financial information was being unfairly withheld. We also understand that any person with signing authority may request account balances from the financial institution.

We understand that flying club members have received current commission account information, and we have heard from several commission members that recent commission meetings have been more productive.

CONCLUSION & RECOMMENDATIONS

Manitoba Ombudsman's investigation into the administrative practices of the Municipality of Souris-Glenwood found unfairness in matters relating to the Airport Commission's May 25, 2023 meeting.

The municipality's failure to communicate its intentions without providing reasonable notice; without properly informing persons affected by the decisions; and without providing understandable reasons and an opportunity to have a say, created an unproductive environment at the Souris-Glenwood airport. Neither the municipality nor the flying club benefited from the conflict which led to concerns about safety and airport sustainability.

We are satisfied the municipality did not deliberately withhold financial information about the airport operations from commission members. However, it is evident that having no clear process for requesting information and responding to requests and complaints fueled concerns about how airport funds were being spent, fractured relationships and wasted time and resources.

The municipality has acknowledged administrative deficiencies associated with the Airport Commission's decisions subject of this investigation. They have begun implementing new strategies that support fair practices and observance of laws, by-laws, and the municipality's policies and procedures, with assistance from Municipal Governance and Advisory Services.

The CAO expressed commitment to ensuring rules of procedure are applied fairly and consistently moving forward. The CAO has reported that reinforcing procedural rules has come with some resistance from council committees made up of volunteers who have

been accustomed to operating independently; and not always according to the municipality's by-laws and policies. We believe that with the municipality's fair and consistent application of established rules of procedure, public confidence in the municipality's administrative practices will grow.

Changes within organizations rarely occur without some disagreement from the individuals who make up the organization. Building trust and channels for open and transparent communication are essential elements for persuading persons affected by administrative decisions to accept them. This investigation has demonstrated that how a public body handles the decision-making process and communicates reasons for its decisions are as important as the decision itself.

As a result of the findings of this investigation, Manitoba Ombudsman makes the following recommendations to improve council committee decision-making processes. The recommendations made are intended to address deficiencies, prevent a recurrence of a similar situation and instill public confidence in elected officials' decisions.

Recommendation 1

That the municipality follows through on its plan to enlist the services of Municipal Governance and Advisory Services, Municipal & Northern Relations for advice, assistance and guidance regarding procedures to amend by-laws, the language for by-laws, and the requirements of the Municipal Act, regulations, and municipal policies.

Recommendation 2

That the municipality ensure all council committees have clearly documented structure, operating procedures, roles and responsibilities, including decision-making authority, to support compliance with legal and procedural requirements.

Recommendation 3

That the municipality arrange training for council members and staff on municipal council procedures to ensure the notice requirements of municipal laws, by-laws and policies and procedures are followed in every action taken and council decision made. Training should place special emphasis on rules for council committees and other bodies of council, hiring practices and procurement of services.

MUNICIPALITY'S RESPONSE

Response from the Municipality of Souris-Glenwood

Council has reviewed the report thoroughly and confirms its acceptance of all three recommendations. We are committed to implementing each recommendation in full and have already taken steps toward compliance. Below is a summary of our progress to date:

In response to Recommendation 1:

The municipality has initiated contact with Municipal Governance and Advisory Services, Municipal & Northern Relations. Preliminary consultations have taken place, and we are currently working with their advisors to review and revise relevant by-laws to ensure alignment with the Municipal Act and best practices.

In response to Recommendation 2:

A review of all council committees has been completed. Council has enacted a new organizational and procedural by-law that details committee structures, roles, responsibilities, decision-making authority, and notification requirements. The by-law also specifies that if no other applicable requirement exists for a particular committee, the minimum standard outlined in the procedural by-law will apply.

In response to Recommendation 3:

Training sessions are currently being scheduled for both Council members and municipal staff. The curriculum includes municipal council procedures, notice requirements, committee governance, hiring practices, and procurement protocols.

We are committed to implementing these recommendations in a timely and effective manner to strengthen our governance practices and ensure continued accountability and transparency.

This report concludes Manitoba Ombudsman's review of this matter.