



CITY OF CHESTERMERE, Alberta

MEDIA RELEASE

City to investigate unusual employee pay-outs amounting to almost \$600,000

July 26, 2022

The City of Chestermere has called for an investigation into employee pay-out packages amounting to almost \$600,000 given to two staff members who resigned – in violation of the city’s policy that says the council must approve payments over \$75,000.00

The irregular payouts show both employees resigned and were only legally entitled to two weeks of salary in lieu as per the Alberta Employment Standard Code.

If they had been terminated, they would have received a total of \$56,000, as per the staff report presented at a special city council meeting today showed.

However, according to the Corporate Services Update filed at today’s council meeting, one former employee got \$400,000 while the other got \$200,000 after resigning.

These financial irregularities were discovered after the current mayor and council took office with a mandate to improve transparency and accountability of Chestermere City’s finances.

At the meeting today, councillors voted unanimously to approve a 3rd party expert to assist the city’s administration staff investigate the irregular employee pay-outs.

Council also instructed staff to report back on the following.

- i) Why the severance packages were paid out without council’s approval
- ii) Uncover if other irregular severances packages paid out without council’s approval,
- iii) Evaluate the current employment template and make changes to ensure future contracts do not contravene the City’s Employment Policy,
- iv) Evaluate current severance templates to ensure future severance agreements do not breach the City’s Employment and Severance Policy,
- v) Change the Payroll and Banking Policy to ensure a three-person coded system is put in place with the Chief Administration Officer, the Finance Manager, and the Mayor, signing off on all payment releases.



“We were elected on a promise of increased transparency and accountability, and this is part of the process of keeping our promise to the taxpayers of Chestermere. This matter was brought to our attention by city staff, and we are grateful that they support our mandate of increased transparency, which will ensure the full accountability of tax dollars as we move forward,” said Mayor Jeff Colvin.

[This is the second investigation called for by the mayor and councillors this month.](#)

On July 20, 2022, The City of Chestermere instructed its Finance Department to fully investigate a series of financial irregularities involving millions of dollars at its troubled utilities corporation.

The financial irregularities, spanning over a decade and two previous city administrations, were discovered by staff, who had prepared a report for a public hearing on the Dissolution of the Chestermere Utilities Inc. (1538974 Alberta Ltd).

Details of the financial irregularities have also been passed on to Alberta’s Ministry of Municipal Affairs for their provincial inspection. It should be noted that the current Mayor is fully supportive of an on-going provincial inspection into the city’s governance.

“We are asking for the provincial inspection to include the financial irregularities detected at Chestermere Utilities Inc. and the bloated employee pay-out packages brought to our attention by staff,” said Mayor Jeff Colvin.

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