

Wildrose Independence Party of Alberta

2021 Leadership Race - Final Report

Submitted by: the Leadership Selection Committee
To the: WIPA Board of Governors,
June 20, 2022

Executive Summary

- *The 2021 Leadership Race conducted by the Wildrose Independence Party of Alberta installed Paul Hinman as leader of the party.*
 - *Despite uncertain public health regulations, the leadership contest was conducted using creative solutions that will benefit the party in future contests, such as candidate selection.*
 - *The race did not generate much enthusiasm within the party or gain much exposure for the party in the general population.*
 - *There was a significant financial irregularity discovered in official filings with Elections Alberta on the part of the candidate; that may hurt the party image.*
 - *The LSC recommends that the bylaws be amended such that a candidate not be allowed to pay themselves a salary from campaign funds, as such a practice is a conflict of interest.*
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Introduction

As a new party, founded in the summer of 2020 and holding its founding AGM in January of 2021, WIPA did not have a Leader elected by its members. Instead, in July 2020 (shortly after the founding of the party) the Board of Governors (Governors) engaged a member with past political experience to act as an interim leader on a contract basis. He was afforded \$65,000 to conduct duties over the five months of his service in 2020.

The Governors were bound by the LSC motion at the AGM to announce the leadership race within 30 days of the AGM. The LSC was formed at the following meeting of the Governors, and details of the leadership race were announced to the members on February 22, 2021. The LSC convened 27 times over the ensuing months and contributes approximately 200 man-hours to ensure that the selection of the Party Leader was carried out in a fair and ethical manner.

This report was written to summarize the process that was followed and relate to the Board of Governors the lessons learned from the Party's first leadership race.

Convening the LSC

A feature of the Wildrose Independence Party of Alberta (WIPA) is its requirement to hold a leadership review at every annual general meeting. The goal of this policy is to ensure that the leader continuously engages with the membership of the party and is held accountable for their actions.

As a new party that had an interim leader, contracted by the Board of Governors, and not a leader elected by the members, a Leadership Review was not possible; therefore, for the Founding AGM held on January 23, 2021, the question was modified by motion of the Interim Board of Governors as follows:

Motion to approve rule addition: Gord Janke; Second by: Steve Goodman

- i. As per Section VIII, Subsection C, the first and only the first AGM of the newly merged Wildrose Independence Party of Alberta, the Membership will NOT call for a vote on a leadership review. There will, instead, be a motion to establish a Leadership Selection Committee. Dates for a Leadership race will be announced no later than 30 days from the AGM.*

- 1. Carried with unanimous consent*

The Leadership Selection Committee motion was moved at the AGM and carried by a vote of the membership. At the following Governors meeting, convened on February 4, 2021, the Party President, Rick Northey, proposed that a Leadership Selection Committee be formed with the following members:

- | | |
|--------------------|----------------------------|
| ○ Paul Gullackson, | ○ Jeevan Mangat, |
| ○ Bob Leflurgey, | ○ James Albers, |
| ○ Gucharan Garcha, | ○ Fabrice Taylor, |
| ○ Rick Strankman, | ○ Wes Caldwell (alternate) |

The proposal was formalized by a motion by Dennis Modry and seconded by Todd Brown. The motion was carried with unanimous consent and the Leadership Selection Committee (LSC) was formed. James Albers was assigned the chair of this committee and he contacted the members to arrange a meeting.

The LSC was first convened on February 10, 2021 with the six of the members present. Rick Strankman withdrew from the committee and Wes Caldwell was moved from the alternate position to committee member. Also at this meeting a schedule for the Leadership Race was developed for approval by the Governors, as follows:

Table 1: Proposed Leadership Race Schedule

Milestone	Date	End Date	Length
Nominations	April 2, 2021	May 14, 2021	n/a
Vetting	April 2, 2021	May 31, 2021	2months
Announce Candidates	June 4, 2021	-	1 Day
Campaign	June 5, 2021	August 27, 2021	3 months
Election	August 28, 2021	-	1 Day

Following the first meeting on February 10th, 2021, the committee chair distributed to the committee members a Declaration of Neutrality form as a condition of participation on the committee.

Fabrice Taylor attended one meeting, on February 20, 2021, and did not otherwise participate. He officially stepped down on March 13th, 2021, to focus his energy on the WIPA Fundraising Committee.

Between February 10, 2021 and July 21, 2021, the LSC met 27 times for a combined total of 199 man-hours contributed by the committee members

Convening the Dispute Resolution Committee

The Leadership Selection Rules (LSR) require that a Dispute Resolution Committee (DRC) be setup to manage issues including applicant rejections. The task of assembling a DRC lies with the LSC. After creating a short list of five nominees who were members of the Party known for their integrity, the LSC selected the following individuals:

- i. Steve Goodman
- ii. Mark Mantie
- iii. Ken Walker

The selection was confirmed on March 6, 2021 and a motion was passed to have these individuals sign confidentiality and neutrality agreements.

The DRC was not convened during the Leadership Race of 2021 since there were no complaints about the process or the application of the LSR.

The Leadership Selection Rules

The Leadership Selection Rules (LSR) govern leadership races within the party. The Governors are responsible for this document which may be modified to address the evolving provincial political landscape, if needed. The LSC conducted a review of the LSR document for consistency and content with proposed changes presented to the Governors on March 9th, 2021. The revised was adopted by the Governors in April of 2021.

Leadership Race 2021 Documents

The LSR assigns the authority to create the application package to the LSC. These documents were created by the LSC members and included:

- Logos specific to the Leadership Race 2021
- Application package, including:
 - All the relevant EA forms and requirements
 - Nomination Questionnaire
 - Agreement to Background/Credit/Social Media check
 - Consent Forms
 - Confidentiality Agreement
 - Nomination Declaration (Including reading of LSC rules)nominee questionnaire

The LSC recommended that the nominees collect no fewer than 100 signatures from members, with no fewer than 10 coming from each riding.

Planning the Race

The key dates are shown in Table 1, above. During the campaign period town halls were planned to be held in Calgary, Red Deer and Edmonton beginning in June and ending just before the election at the end of August.

Following the close of the nomination period the LSC responded to the request of the candidate to shorten the campaign period. Originally set as August 28, 2021, with the assumption that a robust campaign period would help generate interest in the party and grow the membership, the date of the vote was moved up to July 13, 2021.

Leadership Contest Costs

The LSC set the cost of application at an amount to cover the cost of the running the leadership race according to the Election Financial and Contribution Disclosure Act, Section 9.2.2:

If a fee or deposit is required to be paid as a condition of entering the leadership contest, the amount of the fee or deposit must be reasonable in relation to the cost of holding the leadership contest.

The LSC initially estimated the cost of running the leadership race at approximately \$100,000 based on the following breakdown and allowing for some cost overruns/contingencies:

- Events (3 online/ 3 in person): \$20 – 30,000
- Advertising (all platforms total): \$30,000
- Voting event (online and in person): \$20,000

It was initially hoped that 2 to 3 candidates for leader would be nominated. To cover the cost of the contest it was decided by the LSC that a \$20,000 application fee would suffice along with revenue from in person events. With the shortening of the Leadership Race and the unrealised public events (cancelled due to complications from the provincial Covid mandates), the final cost was reduced

significantly. Ultimately this resulted in the refund of \$10,000 (half of the application fee) to the only candidate running.

LSC also charged a non-refundable fee of \$250 for the application package. The cost of the application package would be credited to a nominee towards their application fee, if they chose to proceed.

Candidate Search

On February 22, 2021, the Governors announced to the membership that the leadership nomination period would open on April 2, 2021 and close on May 14, 2021. During this time nominations would be accepted and following a vetting period, the accepted nominees would be free to begin campaigning.

The role that the Interim Leader would be allowed to play was discussed and it was determined that, although Interim Leaders are not normally allowed to run for the position of Leader (due to the perception that they would have an unfair advantage over leadership candidates not connected with the operation of the party). This concession was made due to a clause within Paul Hinman's contract with the Party that specified that he would be allowed to do so. However, it was also decided that he would have to follow the LSR.

It was therefore determined that, should the Interim Leader wish to run, he was not compliant according to Section III, A, 3)iii that a leadership contestant shall ...' ...*Have taken a leave of absence from all CA boards six months prior to the leadership race (or on the date of announcement of said race if shorter than six months) and is not a sitting member of the Board of Governors...*

The LSC Chair communicated this to the Interim Leader who rejected the guidance. Paul Hinman stated that he wanted to wait until the close of the nomination period to declare his intentions. This would have allowed him to continue collecting a salary from the Party while he potentially campaigned for his benefit, and potentially would have afforded him an unfair advantage over other contestants. The LSC judged that this situation could adversely affect the race by creating the perception of party bias that would deter other qualified nominees from entering the contest. Therefore a motion was passed by the LSC as follows:

(LSC) Motion by James and second by Wes that Paul Hinman be required to take leave by the EOD Tuesday March 9th if he intends to run, or announce publically that he has no intention of running, in the interest of ensuring the integrity and success of the Leadership Contest.

The Governors followed this advice by moving that Paul Hinman be invited to comply with the LSR if he wished to run. This motion was passed on at the Governors meeting on March 9th, 2021 and that, as of March 31, 2021 his position as Interim Leader would cease along with the contractual relationship between Paul Hinman and the Party, including contractual payments and expenses.

Campaign Period

The nomination period closed on May 14th, 2021 with only one application received. There is no acclamation in this party so a nomination event had to be scheduled; however, the campaign period was shortened to reflect that an extended campaign period was not required for one candidate and the nomination event tentatively set as July 7th, 2021. Further discussion placed the nomination event on July 13, 2021.

Paul Hinman submitted his application package and fee and an interview of the nominee was conducted by the LSC on May 22, 2021.

On May 31, 2021, the candidate expressed concerns regarding the impact this campaign was having on his family and finances. Given the candidate's history with the Party and his status as the sole candidate in this race, the LSC moved to wave the good conduct bond of \$10,000.

On June 5th, 2021 the voting platform was established. It was also noted that Paul Hinman was asking for a partial refund of his application fees. The LSC consulted with Elections Alberta and during the June 12th, 2021 meeting of the LSC, the response from Elections Alberta was reviewed. Due to the reduced cost of the race, Elections Alberta directed the LSC to lower the application fee and refund the leadership candidate. The LSC complied and lowered the application cost from \$20,000 to \$10,000 and refund the difference to Paul Hinman, as follows:

(LSC) Motion by James Albers that the LSC lower the application fee to \$10,000 and refund to Paul Hinman the difference. Seconded by Jeevan Mangat.
None opposed; carried by consensus.

Three online town halls were held and they were generally well received. Attendance was 75, 93 and 133 for the events. It was noted that an in person event would have had better interaction but the online format also worked.

Nomination Event

The online vote was conducted on July 13, 2021. At the time of the vote WIPA had about 4000 members and of that number, approximately 1600 participated in the vote. The error rate was low with 170 bad emails and 71 members deciding to unsubscribe. Most of the reported problems were related members not following the directions provided and the LSC provided support to allow them a vote.

Paul Hinman was selected with an approval rate of 92.7% (of those that voted) and a letter congratulating Paul Hinman on his win was sent out the membership on behalf of the party (see Attachment 3).

Collection of money

Following the requirements of the Elections Finance and Contributions Disclosure Act, the LSC set the application cost to cover the approximate cost of the Leadership race, based on an assumption that three candidates would come forward.

With the cancellation of in person events, the cost of running the leadership race was reduced significantly. The candidate requested that the cost of his participation be reduced and the LSC accomplished this in two ways:

1. The Good Conduct Bond of \$10,000 was waived for Mr. Hinman
2. Half of the \$20,000 Application Fee was refunded to Mr. Hinman

The \$10,000 was refunded to Paul Hinman on behalf of the LSC immediately; however, due to an error on the part of the CFO the funds were direct deposited to Mr. Hinman's personal account, not the campaign account as required by law. Mr. Hinman did not correct this error and this oversight may have contributed to the discrepancy between the campaign filing and the party's (as described below).

Filings

Official reporting is required within four months of the close of a leadership race by Elections Alberta under the Elections Finance and Contributions Disclosure Act.

The CFO of WIPA filed the Party portion of the reporting on June 7, 2021 (See Attachment 1)
Paul Hinman filed his report on November 15th, 2021 Leader's Filing (see Attachment 2)

There is a \$10,000 discrepancy between the filings that indicate that Paul Hinman did not report the refunded application fee. Mr. Hinman subsequently filed a report with the Governors asserting that he paid the full application fee of \$20,000 but due to this inaccuracy the Governors refused to accept this report. Furthermore, it became evident that Mr. Hinman, as a practice, pays himself campaign funds as a form of salary for running in campaigns.

Conclusion and Recommendations for future Leadership Races

The goal of a Leadership Race is to find the best candidates for leader of the party and give them a chance to present their vision to the membership. When done well, a leadership contest will enliven the members, develop a sense of cohesion for the road ahead, and build the profile of both the contestants and the party. In the best case, two or three candidates for the role of leader will travel from constituency to constituency to meet with the local members and hear from them what they are looking for. By the end of the race the leadership candidates should have a strong connection with the party base, and hopefully each other so that they can work together once the race is completed.

As such, it is recommended that the Nomination Period for future leadership races be left open until more than one candidate has come forward to run. Without the energy from good-natured competition, a leadership race is not likely to build enthusiasm within the existing membership or induce new members to join the party.

Furthermore, although the situation is unlikely to arise for this party again, it is recommended that WIPA adopt a practice of not allowing an interim leader, in particular a paid interim leader, the option of running in a leadership contest. This is a generally accepted practice for political parties and was waived for the benefit of Mr. Hinman. This prohibition developed over time and, although it is unclear that it would have helped to overcome some of the challenges faced during this contest, allowing Mr. Hinman to run may have caused potential contestants to question the integrity of the process.

Of particular importance, it is recommended that the WIPA bylaws be amended as soon as possible to prevent the use of campaign funds by a candidate for personal gain. Candidates being allowed to pay themselves is a conflict of interest, or the appearance of a conflict of interest (as the candidate transfers money for a campaign to directly to themselves for their own benefit with no oversight) and such a practice may hurt the credibility of the party as a whole. The LSC proposes the following motion be reviewed by the P&G Committee for inclusion in the bylaws:

Proposed Motion: Campaign funds are not to be used by a WIPA candidate to cover costs not directly related to the campaign. All unused campaign funds are to be transferred to the CA, the Party, the Crown, or held in trust according to Elections Alberta regulations.

1. Campaign financial accounting is to be provided to the Board of Governors within three (3) weeks of the end of a campaign.
2. Contravention of these rules will result in immediate investigation by the PNC who may recommend sanctions, to be approved by simple majority of the Board of Governors.

The online voting system used for the leadership election worked very well. Simply Voting provided a simple and secure system for collecting and presenting the election results. It has been used for events since this one and has proven itself to be reliable and flexible so it is recommended that we continue on with it.

Overall, the leadership selection process worked well and the LSC was honoured to play a role on behalf of the party. There was reasonable engagement with the members, given the uncertain atmosphere created by public health measures, and the party gained important experience running online events. It is unfortunate that there was a need for changes to the financial side of the event and the challenge that this introduced could have been mitigated with better communication between the candidate and the committee.

Attachments:

1. WIPA Financial filing with Elections Alberta
2. Hinman Leadership Campaign Filing with Elections Alberta
3. Leadership Race Announcement

Attachment 1:

Wildrose Independence Party of Alberta Official Filing with Elections Alberta

**ELECTION FINANCES AND CONTRIBUTIONS DISCLOSURE ACT****LEADERSHIP CONTEST STATEMENT****FORM LC-LCS-01**

OFFICE USE ONLY

NAME OF REGISTERED POLITICAL PARTY

DATE OF OFFICIAL CALL OF LEADERSHIP CONTEST

DATE OF CLOSE OF NOMINATIONS (OPTIONAL)

DATE OF LEADERSHIP VOTE(S)

PARTY ENDORSEMENT DEADLINE (10 CALENDAR DAYS AFTER DATE OF FINAL LEADERSHIP CONTESTANT VOTE)

List fee and/or deposit amount(s) required to be paid by leadership contestant as a condition for entering the contest. Also list the estimated cost for holding the leadership contest.

Amount of fee (if applicable): \$ _____

Amount of deposit (if applicable): \$ _____

Estimated cost to hold the leadership contest: \$ _____

CHIEF FINANCIAL OFFICER SIGNATURE

This leadership contest statement is hereby submitted by the Chief Financial Officer of the registered political party named above.

Print Name_____
Signature_____
mm / dd / yyyy**ACCEPTANCE BY ELECTIONS ALBERTA**_____
Authorized Signature_____
mm / dd / yyyy**FORWARD SIGNED ORIGINAL TO ELECTIONS ALBERTA**

Suite 100, 11510 Kingsway NW, Edmonton, AB T5G 2Y5 780.427.7191

FAXED OR SCANNED COPIES ARE NOT ACCEPTABLE - ORIGINAL FORM ONLY

OFFICE USE ONLY

ENTERED:

Attachment 2:

Official Elections Alberta Filing of Paul Hinman



LEADERSHIP CONTESTANT
FINANCIAL STATEMENT - AS SUBMITTED

Received by
Elections Alberta

Form: LC-FS-01 Page 1 of 2

PERIOD FROM: 04 / 02 / 2021 TO: 09 / 13 / 2021
mm / dd / yyyy mm / dd / yyyy

11 / 15 / 2021
MONTH / DAY / YEAR

NAME OF REGISTERED LEADERSHIP CONTESTANT

PAUL HINMAN

NAME OF REGISTERED POLITICAL PARTY

WILDROSE INDEPENDENCE PARTY OF ALBERTA

REVENUE FOR REPORTING PERIOD

RECEIPTED CONTRIBUTIONS	Valued	Money	Totals
① Contributions of \$250.00 or less	\$ 0.00	\$ 6,765.00	\$ 6,765.00
② Contributions of \$250.01 and greater	0.00	36,258.75	36,258.75
③ TOTAL (lines 1 and 2)	\$ 0.00	\$ 43,023.75	\$ 43,023.75
FUND-RAISING & OTHER REVENUE			
④ Fund-raising functions (attach Form LC-FS-S01)			\$ 0.00
⑤ Transfers Received (attach Form LC-FS-S02)			0.00
⑥ Other Income (attach Form LC-FS-S03)			916.30
⑦ TOTAL (lines 4, 5 and 6)			\$ 916.30
⑧ TOTAL REVENUE (lines 3 and 7)			\$ 43,940.05

EXPENSES FOR REPORTING PERIOD

OPERATING EXPENSES	Totals
⑨ Leadership contestant fee / deposit (attach Form LC-FS-S04)	\$ 20,250.00
⑩ Expenses related to leadership contest (attach Form LC-FS-S06)	23,690.05
⑪ Transfers Issued (attach Form LC-FS-S02)	0.00
⑫ TOTAL EXPENSES (lines 9, 10 and 11)	\$ 43,940.05

SURPLUS (DEFICIT) FOR REPORTING PERIOD

⑬ TOTAL REVENUE (line 8)	\$ 43,940.05
⑭ TOTAL EXPENSES (line 12)	\$ 43,940.05
⑮ SURPLUS (DEFICIT) (lines 13 less line 14)	\$ 0.00

STATEMENT OF ASSETS AND LIABILITIES

ASSETS:	Totals	LIABILITIES:	Totals
⑯ Cash	\$ 0.00	⑲ Accounts payable (attach Form LC-FS-S10)	\$ 0.00
⑰ Accounts receivable (attach Form LC-FS-S07)	0.00	⑳ Loans payable (attach Form LC-FS-S09)	0.00
⑱ Other assets at cost (attach Form LC-FS-S06)	0.00		
⑲ TOTAL (lines 16 to 18)	\$ 0.00	㉒ TOTAL (lines 20 and 21)	\$ 0.00
㉓ NET ASSETS (LIABILITIES) (lines 19 less line 22) Must match line 15			\$ 0.00

CONTINUED ON PAGE 2...



**LEADERSHIP CONTESTANT
FINANCIAL STATEMENT - AS SUBMITTED**

Received by
Elections Alberta

Form: LC-FS-01 Page 2 of 2

PERIOD FROM: 04 / 02 / 2021 TO: 09 / 13 / 2021
mm / dd / yyyy mm / dd / yyyy

11 / 15 / 2021
MONTH / DAY / YEAR

NAME OF REGISTERED LEADERSHIP CONTESTANT

PAUL HINMAN

NAME OF REGISTERED POLITICAL PARTY

WILDROSE INDEPENDENCE PARTY OF ALBERTA

ATTESTATION OF CHIEF FINANCIAL OFFICER AND LEADERSHIP CONTESTANT

I understand and certify that:

- This financial statement and attachments accurately and completely reflect all financial transactions and balances of the leadership contestant's campaign.
- Elections Alberta maintains and makes public a list of contributors who contributed over \$250 in aggregate based on the contribution information in OFS, and that failure to record all contributors and issue official contribution receipts by the filing deadline will result in an incomplete/late financial filing subject to an automatic late filing fee and possible further penalties.

Michelle Heggie

Chief Financial Officer

original signed by position holder

Signature

11 / 15 / 2021

mm / dd / yyyy

Paul Hinman

Leadership Contestant

original signed by position holder

Signature

11 / 15 / 2021

mm / dd / yyyy

NOTE: MUST BE SUBMITTED TO ELECTIONS ALBERTA BY NOVEMBER 13, 2021

Attachment 3:

Paul Hinman Elected as Leader of the Wildrose Independence Party of Alberta - Announcement to the Membership

The following text was sent out to the general membership following the election of Mr. Hinman

It is an honour to announce, on behalf of the WIPA Leadership Selection Committee, the successful election of our leader, Paul Hinman. We had an encouraging turnout of 1,651 voters who voted over the last two days to arrive at an overwhelming 92.7% in favour of Mr. Hinman.

Paul earned his victory by tirelessly campaigning across the province throughout the spring and early summer. Even though the party was experiencing a tumultuous time, Paul's never lost faith in the members and the membership has returned the sentiment. Paul will be stepping into the position of Leader of the Wildrose Nation with a strong mandate to call Albertans back to the basic values of freedom and accountability.

On behalf of the Board of Governors I would like to welcome Mr Hinman back to the team and express our gratitude for his work to grow the movement.

*Warm regards,
Wes Caldwell, Party Secretary,
Wildrose Independence Party of Alberta*