

Gogama Local Services Board  
Monthly Board Meeting – June 6, 2018  
Public Presentation of Approved Financial Statements  
Gogama Community Centre at 7:00 P.M.

MINUTES

1. Call meeting to order and Roll Call

Andre Jodouin, presiding as Chairperson, called the meeting to order at 7:02 PM.

Present

Andre Jodouin – Chairperson  
Gilles Veronneau – Vice Chairperson  
Rachelle Minarik – Board Member  
Daniel Mantha – Board Member  
Paul Derkacz – Board Member

Christine Bedard – Secretary

Five (5) members of the public present.

Absent with Regrets

2. Declaration of conflict of interest – As the meeting progresses.

3. Acceptance of agenda

The Chairperson asked for a motion to accept the agenda.

The motion to accept the agenda was moved by Daniel Mantha and seconded by Gilles Veronneau.

**Motion Carried**

4. Acceptance of minutes

- 4.1 May 10, 2018 Meeting

The Chairperson asked for a motion to approve the minutes of the May 10, 2018 meeting.

The motion to approve the minutes of the May 10, 2018 meeting was moved by Gilles Veronneau and seconded by Rachelle Minarik.

**Motion Carried**

5. Disbursement:

- 5.1 Presentation of Financial Statements to the Public

The Chairperson welcomed Mr. Paul Rokeby of MNP LLP to the meeting and turned the floor over to him to present members of the public present with the approved audited financial statements of 2016/2017.

Mr. Rokeby thanked the Board and members of the public for having him attend the meeting for the purpose of presenting the public with the approved, audited financial statements of the Board.

Mr. Rokeby provided members of the public in attendance with some historical data as to the length of the company's involvement with the Gogama Local Services Board. MNP LLP, formerly known as Fuller Jenks Landau LLP have been providing auditing services for the GLSB in excess of 20 years and is intimately knowledgeable in the Board's workings over the past two decades.

Mr. Rokeby introduced the approved financial statements of the GLSB as non-consolidated audited financial statements that differ from previous years' audited financial statements as not all previously reported assets were disclosed. He went on to state that one particular committee under the GLSB, refused to provide their financial information to the Board to be included in this audit.

Q. Board Member, Rachelle Minarik, who holds the Fire Protection Services Portfolio, asked Mr. Rokeby if he would please identify the committee being referred to.

A. Mr. Rokeby stated the committee in question was the Gogama Fire Department.

Mr. Rokeby explained that the Gogama Fire Department had provided some financial information from the beginning of the 2017, but had refused to provide the financials for the remainder of that fiscal year at the numerous requests of the Board, therefore these were not a full picture of the GLSB financials therefore are the non-consolidated audited statements of the GLSB.

Q. Mr. Edmond Chenier asked Mr. Rokeby how a correct financial statement of the Board can be obtained if not all information is included.

A. Mr. Rokeby answered Mr. Chenier by expanding on the "Basis for Qualified Opinion" which states that in common, with many not-for-profit organizations, the GLSB derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, MNP's verification of this revenue was limited to amounts recorded in the records of the GLSB and were not able to determine whether any adjustments might be necessary to fundraising revenue and other donations revenue for the years ending 2017 and 2018 and current assets or net assets as at September 30, 2017 and 2016. MNP's opinion of these non-consolidated financial statements for the year ended September 30, 2016 was qualified accordingly because of the possible effects of the limitation in scope.

Mr. Rokeby went on to explain that summary financial information for the Fire Department program, a separate not-for-profit organization controlled by the GLSB was not provided by the GLSB and was thus not available at the non-consolidated financial statement date. The Fire Department has its own complete financial statement audit, this is what they assert. As a result, the GLSB was not able to disclose information about the Fire Department including: Total assets, liabilities and net assets; revenue, expenses and cash flows; or details of restrictions on resources held by the Fire Department.

Mr. Rokeby stated that the non-disclosure of the Fire Department financials is not so much the issue here, but the bigger issue is that of liability. He states that the GLSB and the community have a fire team that is carrying out mandated services for this community but are not following the governance of the GLSB. There are issues regarding liability insofar as insurance is concerned, and that the people who are responsible for providing this information would not be standing up to take responsibility should something occur and that puts responsibility back on the GLSB and the community. Those same people are essentially playing with your money but are not playing fair. Every other committee which is responsible to answer to the GLSB have reported as required but this committee has decided not to and, so far, no one has been able to make them. Mr. Rokeby advised members of the public in attendance that he understands that the GLSB have consulted with legal counsel on this matter but he could not speak to that issue as it was outside of his legal purview.

Q. Mr. Edmond Chenier stated that in his previous experience, the Fire Department has always answered to the GLSB and doesn't understand how no one can hold them accountable.

- A. Mr. Rokeby agreed with Mr. Chenier that this has always been the case for several decades without fail up until now. He went on to state that, as an outside observer, he views this as someone who did not like the results of an election and has decided to run his own election and do it his own way.
- Q. Mr. Edmond Chenier clarified his earlier question and asked how could MNP, in their capacity as auditors, not be able to demand that the information from the Fire Department be submitted for scrutiny?
- A. Mr. Rokeby reiterated that all he can show the public is the results based on what was provided to him by the GLSB, that being incomplete information from the Fire Department.
- Q. Mr. Edmond Chenier asked "How can we get that information if not through the GLSB?"
- A. Mr. Rokeby stated that the GLSB have engaged legal counsel to address that issue.
- Q. Mr. Chenier asked if this information would be included in the next auditor's report.
- A. Mr. Rokeby stated if the information was available at that time, yes it would be included in the next report.
- Q. Natalie Gaudette stated "You have stated that the Fire Department is having their own financials audited?"
- A. Mr. Rokeby stated that yes, this was his understanding.
- Q. Natalie Gaudette then stated "So this information can be requested by the public?"
- A. Mr. Rokeby stated that in light of the fire team's behaviour, it was unlikely that an answer would be forthcoming but yes, that information can be requested.
- Q. Claude Secord asked if the Fire Department's unwillingness to provide the information regarding their financials to the GLSB would stop the GLSB from getting grant monies.
- A. Mr. Rokeby stated that there was a strong possibility that this would affect the GLSB's ability to qualify themselves for funding as not only could there be other bank accounts not divulged here, there could also be other liabilities. If all is in order, governments may withdraw funding or not move forward with approving new funding based on a number of factors. This report shows that there are some uncertainties and based on what we, the auditors, have been told, we are unsure.
- Although there is no such tolerance as "public shaming" but most certainly, members of the public are entitled to ask their questions of this fire team and expect plausible answers. Whether those answers would be forthcoming is something entirely different. If the Community expects funding dollars then they should expect that there is some accountability back to the Board from these committees.
- Q. Mr. Gerry Talbot made the statement that "these committees have an obligation to report to the Board but that is not what is happening here".
- A. Mr. Rokeby agreed with Mr. Talbot's statement.

Mr. Rokeby then continued by moving on to demonstrate the balance sheet report explaining these are the assets the GLSB owns as of September 30, 2017. Those significant assets being the community centre building, the Well House and Water Treatment Plant, Sewage Lagoons which would not be sold but used to operate the services being provided to the community. Mr. Rokeby outlined accounts receivables and

payables, community contributions to grants received by the GLSB whereas not all are yet included in this report as they are yet to be received and spent.

Mr. Rokeby points out that although the amount of money outlined in this report gives the appearance of having a lot of money on hand, he would like to bring to people's attention the amount of expenses put against this revenue showing that the GLSB does not have a significant amount of money over and above to go towards catastrophic situations such as water breaks etc. The Board's capital assets are aging, a good number of which are past life expectancy that needs to be attended to. He went on to say that if the community was to suffer a catastrophic event, it would not take very long for these funds to be depleted. In the case of large grants such as the current water infrastructure grant, it does not simply suffice for the GLSB to say to Ministries that "we will see what we can find when the time comes", the GLSB has an obligation to prove that it can put forward the community's contribution amount.

Mr. Rokeby went on to speak to the Statement of Income which showed that the dollars were specifically earmarked for regular expenditures and did not allow for extras. He brought to the public's attention that MNM funding of just a little over \$44,000.00 has been frozen/capped at this amount for several decades with no indication that this will be increased by the Ministry. He went on to state that if this funding was removed from the equation, the GLSB financial statement would be in the deficit, reducing the surplus indicated as having been experienced.

Mr. Rokeby brought to the public's awareness that the amount of \$29,398.00 was the amount that was removed from the GLSB financials that pertained to the Fire Department financials. This is the amount that the auditors know were withheld by the Fire Department financials from last year. This is a significant amount of money where financial information is being withheld from the community whereas the fire team is saying they are refusing to explain.

Mr. Rokeby went through the eligible and ineligible expenditures as outlined by the GLSB.

At this time, Mr. Rokeby opened the floor to the members of the public and welcomed any questions and or concerns.

Q. Mr. Gerry Talbot directed Mr. Rokeby to page 9 of the report under Fire Protection, more specifically the \$7,347.00 under attendance incentives, donations and vehicles. Mr. Talbot asked Mr. Rokeby if he could speak to this item? Mr. Talbot wished to have it clarified that this was reported by the Fire Team.

A. Natalie Gaudette clarified that this was ineligible expenses reported by the fire department in 2016 only. Mr. Rokeby expanded on this by saying that numbers for 2017 were not included in this as they were not provided to the GLSB by the fire department when the fire team decided they were no longer participating in this audit.

Q. Mrs. Therese Talbot asked "Doesn't that set a precedent being allowed to do that?"

A. Mr. Rokeby agreed that yes, like a parent that sets that precedent that this is the way we do things, the balance is upset when all of a sudden the rules change."

Rachelle Minarik, Fire Protection portfolio board member advised the members of the public in attendance that this year, the audit has cost the Board almost \$6000.00 more due to the direct actions taken by the fire department to not provide their financials as they have done decades past.

Q. Mr. Gerry Talbot made the statement "that's extra money spent that the public doesn't yet know about"

- A. Rachelle Minarik and Daniel Mantha stated that was correct. Mr. Mantha added that the Board was hoping that more people from the public would have turned out to this meeting so that they could better understand. Mr. Mantha went on to say that if the Board did not pursue this matter, they would not be doing their due diligence as per the taxpayers.
- Q. Mr. Edmond Chenier stated "So all of this is the reason why we are not receiving a perfect audit and it is costing the taxpayers more."
- A. Mr. Daniel Mantha agreed, clarifying once again why this year's audit report is non-consolidated.
- Q. Mr. Edmond Chenier asked Mr. Rokeby "When all of this is straightened out, will you be re-doing the books at your cost?"
- A. Mr. Rokeby stated he welcomes the invitation from the Board to return to do next year's audit but no, he would not be performing this at his own cost. It was his hope that all of this, pertaining to the fire department, would be cleaned up by the end of September 2018 in which case both sets of financials, 2017 and 2018, could be entered in and compared but there would still be an additional cost for next year's audit as well.

Having no further questions from the public in attendance, Mr. Rokeby took his leave and left the meeting.

#### 5.2 By-Law #2017-2018-23

The Secretary read by-law #2017-2018-23 stating this is the administrative by-law approving the audited financial statements for the year 2016-2017.

The Chairperson asked for a motion to approve by-law #2017-2018-23 as the Administrative by-law approving the audited financial statements for the year 2016-2017.

The motion to approve by-law #2017-2018-23 as the Administrative by-law approving the audited financial statements for the year 2016-2017 was moved by Rachelle Minarik and seconded by Daniel Mantha. **Motion Carried**

#### 5.3 Monthly Budget Review

Bookkeeper, Natalie Gaudette brought it to the Board's attention that the extra budget sheet not currently attached to this month's monthly budget report was the sheet that was missing from last month's report outlining the monies received for current Board projects as well as CN donation monies that were shown separately. Ms. Gaudette stated that other than this, there were no other changes and she had no concerns.

The Chairperson asked for a motion to accept the Monthly Budget as provided by the Bookkeeper.

The motion to accept the Monthly Budget as provided by the Bookkeeper was moved by Paul Derkacz and seconded by Rachelle Minarik. **Motion Carried**

#### 5.4 Interim Budget Report

The Secretary explained that this interim budget report is the report that is submitted to MNDM when the Board makes their 2<sup>nd</sup> request for funding. She went on to state this interim budget report was prepared and submitted based on the numbers from the audited financial statement. The Secretary asked the Bookkeeper if there was any additional information she wished to speak to regarding this report. The Bookkeeper stated she had nothing to add, the numbers balanced. She went on to explain that even though, through no fault of their own, the Board was late in submitting the first request for payment but were in time to meet this deadline for the 2<sup>nd</sup> request for payment which is due June 10,

2018. She stated that since June 10, 2018 fell on a weekend this year, the Board was in time to send this request out the following day, being June 9, 2018.

The Chairperson asked for a motion to accept the Interim Budget Report for the 2<sup>nd</sup> request for payment.

The motion to accept the Interim Budget Report for the 2<sup>nd</sup> request for payment was moved by Paul Derkacz and seconded by Gilles Veronneau. **Motion Carried**

5.5 By-Law #2017-2018-24

The Secretary read by-law #2017-2018-24 as being the Administrative By-Law to approve the Interim Budget for the year of 2017-2018.

The Chairperson asked for a motion to approve by-law #2017-2018-24 as being the Administrative By-Law to approve the Interim Budget for the year of 2017-2018.

The motion to approve by-law #2017-2018-24 as being the Administrative By-Law to approve the Interim Budget for the year of 2017-2018 was moved by Gilles Veronneau and seconded by Paul Derkacz. **Motion Carried**

6. **Grants Update:**

The Secretary explained to members of the public present at the meeting, the Grants Update document, explaining that this is the document reviewed by the Board at every meeting, is the document where all grants updates are listed and can be viewed by the Board at a glance. This document is updated monthly and is reviewed by the Board.

The Secretary outlined what was done to date for each grant and project and provided an at a glance list of steps yet to be taken for each said grant and project. As the list is extensive, the Board has agreed to make public the Grants Update document for anyone to review.

7. **Action Items:**

The Secretary explained to members of the public present at the meeting that this Action Items list was a newly developed document that the Board has adopted in order to keep track of outstanding and on-going action items along with whom the items belong to. This document is also updated monthly bumping all items done and adding any new action items identified at each meeting.

The Secretary identified items completed to date from the list and the Board has agreed to make this Action Items list public as well for anyone to view.

8. **New Business**

**8.1 Correspondence:**

8.1.1 NOTICE - CN RIGHT-OF-WAY VEGETATION CONTROL

The Secretary advised the Board that the office had received a correspondence from CN advising that they will be performing vegetation control on either side of the railroad tracks. This clean up would likely coincide with the Board's CWWF project specific to Lagoon/exfiltration beds vegetation clean up.

## **8.2 Administrative Portfolio:**

The Chairperson advised there was no new business action items to add to this portfolio.

## **8.3 Garbage Collection Portfolio:**

### **8.3.1 Spring Clean Up – update**

Gilles Veronneau stated that the annual spring clean up went off without a hitch and that no issues were reported to him by the contractor.

## **8.4 Financial Portfolio:**

### **8.4.1 By-Law #2017-2018-25**

The Secretary read by-law #2017-2018-25 as being the Administrative By-Law to Approve the Appointment of Engineering Firm, Kresin Engineering, for the OCIF Top-up Funding Project.

The chairperson asked for a motion to approve by-law #2017-2018-25 as being the Administrative By-Law to Approve the Appointment of Engineering Firm, Kresin Engineering, for the OCIF Top-up Funding Project.

The motion to approve by-law #2017-2018-25 as being the Administrative By-Law to Approve the Appointment of Engineering Firm, Kresin Engineering, for the OCIF Top-up Funding Project was moved by Rachelle Minarik and seconded by Paul Derkacz.

**Motion Carried**

## **8.5 Fire Protection Portfolio:**

### **8.5.1 Delnite Fire – Inspection non-compliance list**

The Secretary advised the Board that Delnite Fire had completed their annual inspection. At the Board's request, Delnite has included the Well House, Water Treatment Plant and the Fire Hall Buildings to their annual inspection. Other than a few minor requirements to the Well House and Water Treatment Plant, Delnite reported no issues with their inspection, as for the Fire Hall Buildings, that was another matter entirely. Delnite did find some significant non-compliance issues within both fire hall buildings that were not anticipated. Delnite will be providing a detailed report of their findings to the Board shortly.

### **8.5.2 Fire Marshal – Building Inspections**

The Secretary advised the Board that OFMEM Inspector, Dale Moore, will be attending, at the Board's request, and will be inspecting all Board-owned building for Fire Code compliance. Delnite's list of concerns will be provided to him for reference.

## **8.6 Library Portfolio:**

Daniel Mantha stated that there are no new items of business from the Library at this time.

## **8.7 Recreation Portfolio:**

### **8.7.1 Manager/Custodian Monthly Report**

The Secretary brought it to the Board's attention, with the manager/custodian's permission, the news that the manager/custodian, Erin Beilhartz, was newly pregnant once again. She wished for the Board to know that barring no health issues, she would be completing her contract this year. The Board wishes Ms. Beilhartz the best of luck in her upcoming pregnancy.

## **8.8 Water/Sewer Portfolio:**

### **8.8.1 Approval of OCWA Tender bid – Clear Well Inspection/Repair/Cleaning**

The Secretary presented the Board with additional information from OCWA pertaining to the

Project of Inspecting/repairing/cleaning of both Clear Well holding tanks. The Board reviewed the information provided. Having reviewed this information, the Board felt they had sufficient information to approve OCWA's Tender Bid of up to a maximum of \$25,000.00 to complete.

The Chairperson asked for a motion to approve OCWA's Tender Bid of \$25,000.00 to inspect/repair/clean both Clear Well Holding tanks.

The motion to approve OCWA's Tender Bid of \$25,000.00 to inspect/repair/clean both Clear Well Holding tanks was moved by Paul Derkacz and seconded by Rachelle Minarik.

**Motion Carried**

#### 9. Deputations or Delegations or Discussions from the floor

As there were no questions from the members of the public in attendance and the Board at this time, the Chairperson asked for a motion to move the meeting in-camera.

The motion to move the meeting in-camera to discuss agenda item 10.1 was moved by Gilles Veronneau and seconded by Paul Derkacz.

**Motion Carried**

#### 10. In-Camera (motion)

10.1 File #4381

After discussing File #4381, the Chairperson asked for a motion to move the meeting out of in-camera.

The motion to move the meeting out of in-camera was moved by Gilles Veronneau and seconded by Paul Derkacz.

**Motion Carried**

The Chairperson asked for a motion resulting from in-camera discussion was to direct the Secretary to send correspondence to the Board's legal counsel.

The motion resulting from in-camera discussion was to direct the Secretary to send correspondence to the Board's legal counsel was moved by Gilles Veronneau and seconded by Paul Derkacz.


**Motion Carried**

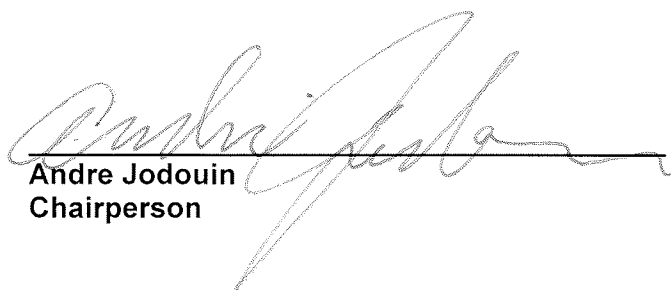
#### 11. Adjournment

Having no further Board business to discuss, the Chairperson asked for a motion to adjourn the meeting.

The motion to adjourn the meeting at 10:00 PM was moved by Rachelle Minarik and seconded by Paul Derkacz.

**Motion Carried**

  
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Christine Bedard  
Secretary

  
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Andre Jodouin  
Chairperson