

“WHEN THINGS GO BAD YOU BUY YOUR WAY OUT” - RM 220 COUNCIL

BULYEA SK: The RM of McKillop No. 220 Council is spending ratepayers’ money to buy their way out of unapproved contracts signed by the former senior employee.

The Municipalities Act, 111(2), states the RM administrator shall ensure that: (j) the funds of the municipality are disbursed only in the manner and to those persons that are directed by law or by the bylaws or resolutions of the council. The RM of McKillop Purchasing Authority and Authorization of Expenditures (Policy # ADM-001) states that ‘any purchase of goods and services to a total value of \$5,000.00 may be made by the Administrative Financial Officer.’ Any purchase over this amount must be made by a formal tender process as identified and approved by Council.



On May 29th, 2017, RM 220 Reeve Arndt announced the sudden resignation of the RM’s senior employee. Since that time it has come to the attention of Council and ratepayers that this former employee had, without proper authorization, committed the RM to at least two purchase contracts: one for computer equipment, at \$110,000 and the second for audio video equipment, at \$10,000. Neither of these contracts are recorded as approved in Council minutes nor were they tendered out. What has been formally recorded are two motions 179B/2017 Kuderewko (June 12th, 2017) and 221B/2017 Kuderewko (July 10th, 2017) to investigate whether these contracts followed RM policy and procedure and if the former senior employee had appropriate authorization to sign the contracts. Motion 179B/2017 further proposed that ‘(3) if council has not provided formal authorization [to] the parties who have committed the RM to any expense incorrectly [they] should compensate the RM for any costs associated with that error.’

The RM Council defeated both motions to investigate whether these contracts, signed by the former senior RM employee, were properly authorized. Instead, Council approved motions to use ratepayers’ money to pay out these contracts. One RM Councillor was audio recorded at the July 10th meeting as stating, ‘When things go bad you buy your way out’.

The Municipalities Act, 113(1), requires Council to obtain annually a fidelity bond to cover employees. On January 23rd, 2017 Council approved payment to the Saskatchewan Association of Rural Municipalities of \$27,802.51 for their employees’ 2017 fidelity bond. Why is Council not seeking compensation through the fidelity bond ‘when things go bad’? Why is it instead spending more ratepayers’ money by voting to pay for unauthorized contracts not permitted under *The Municipalities Act* or RM policies and not known to exist, or at the very least not formally approved, by Council until after the sudden resignation of the senior employee?

Reeve Arndt was elected on a platform that promised he would lead a council that ‘provides honesty, integrity and transparency’. The RM of 220 Ratepayers’ Association believes that the only way we can ensure that RM Council comes clean about why they refuse to investigate the signing of these unauthorized RM contracts is to press for a Management Audit and a Financial Audit to get to the bottom of this misuse of ratepayers’ money.

BACKGROUND: The Rural Municipality of McKillop No. 220 lies along the east shore of Last Mountain Lake, north of Lumsden, south of Strasbourg with Hwy #20 on its east boundary. There are 732 permanent residents and approximately 2,000 ratepayers in the RM.

If you have any questions please contact us at rm220rpa@gmail.com

Thank you.