

## **Fiona Hamilton**

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**From:** Darren J. Holm <darren@holmgraphics.ca>  
**Sent:** June 15, 2022 8:41 PM  
**To:** Chris Peabody; Dan Gieruszak; Kym Hutcheon; Steve Adams (stevenm.adams@wightman.ca); Tim Elphick; James Lang; Dean Leifso; Fiona Hamilton  
**Subject:** Ombudsman's Report on SMA dated June 9, 2022

Good Evening,

I am writing tonight to draw your attention to the Ombudsman's report on the Saugeen Municipal Airport dated June 9, 2022. The report can be viewed here;

<https://www.ombudsman.on.ca/resources/reports-and-case-summaries/municipal-meetings>

Before getting into my areas of concern with this report, I remind you of the prior report from the Ombudsman's Office dated December 9<sup>th</sup>, just 7 months ago which can be reviewed here;

<https://www.ombudsman.on.ca/resources/reports-and-case-summaries/municipal-meetings/2021/saugeen-municipal-airport-commission>

In this earlier report, the ombudsman came to the opinion that the commission contravened the Municipal act 7 times for failing to provide proper notice for meetings, once for improperly reopening the meeting and once for not having a procedural bylaw. In paragraph 54 of the report the Ombudsman stated the Chair of the commission told him in August 2021, he would be providing more training for the commission related to closed meetings.

With the Chair having served multiple terms on Municipal Council along with the two other elected officials on the commission, I believe it is a reasonable expectation that at least these three members of the Commission should have a solid understanding of the rules governing closed sessions.

Yet, this latest report again shows the Commission contravened the municipal act three times by discussing three items that should have been discussed in open session and then a fourth time for not providing proper notice for the reason for entering a closed session in the first place.

This totals 14 times that the commission contravened the Municipal act (or as common people describe it, "Broke the Law") in less than a year.

But this is not even the most serious part!

In Paragraph 61 the Ombudsman states ;

With respect to negotiations with the participating municipalities, one member of the Commission suggested that discussions about the Commission's financial position would weaken the Commission's position when negotiating a change in funding with the municipalities. This assertion conflicts with those of other members of the Commission interviewed, who categorically denied that any possible funding negotiations were discussed further to the 2021 financial information. On a balance of probabilities, I am not satisfied that the Commission had any *in camera* discussions about positions, plans, procedures, criteria, or instructions that were intended to be applied to negotiations with its municipal partners.

I believe the Ombudsman miss-spoke in describing the municipalities as "municipal partners" with the commission. In reality the municipalities are actually the owners of the airport and the commission is simply a creature of the three

municipalities to manage the airport as spelled out in the Partnership Agreement. To suggest that the commission's financial position needed to be discussed in secret would weaken their negotiating position with the municipalities would strongly suggest the commission is being deceitful with its owners about its true financial condition. I recognize that there seems to be inconsistencies in this particular paragraph with one commissioner having a different recollection of the intent of the conversation than the other five.


But when you review paragraph **51**

My Office was told that financial information is usually discussed by the Commission in an open session, but in this case, the Commission wanted to review the increased legal fees it faced in 2021. These legal fees primarily resulted from ongoing negotiations with a specific client, although the Commission limited itself to discussing the legal fees incurred by the Commission, rather than personal information about this client.

there does not seem to be any contention that legal fees was indeed discussed. In the following paragraphs the Ombudsman lays out why this was not allowed to be discussed secretly in closed session. Obviously the commission did not want the municipal owners or the taxpayers to know how much they had expended in legal fees. But when the audited financials for 2019 and 2020 along with the draft audit for 2021 are reviewed, it appears about \$80,000 was spent on "Professional Fees". Further review of the interim financials presented at monthly meetings shows about \$6,000 a year or \$18,000 over the three years are dedicated to the audit leaving over \$60,000 for legal fees. Given the neglected condition of the corporate books and bylaws it seems clear none of this money was dedicated to the normal corporate housekeeping that should have been done. It appears that the lion's share of these funds were solely dedicated to the dispute with one pilot. I also think the commission recognized that if this large expenditure of taxpayer funds became know to the municipal owners and the taxpayers, it would not meet with their approval. Therefore, each commission member made the decision to participate in this closed session and the chair who is ultimately responsible for the meeting and agenda allowed it to happen.

I encourage prompt council action to address this issue.

Regards,  
Darren

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