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Nunavut union wants answers in Pang deficit debacle

"A whole slew of questions of who knew, when, and what happened"

PETER VARGA

The Nunavut Employees Union has asked the Department of Community and Government Services to conduct a "forensic investigation" into the Hamlet of Pangnirtung's \$1.5 million deficit, which led to the lay-offs of four unionized workers.

The union's president, Doug Workman, wants to know why the hamlet negotiated pay increases when its administration ought to have known the hamlet was building up a big deficit of about \$1.5 million, amounting to almost 19 per cent of their approximate annual budget of \$8 million.

The last two collective agreements for the hamlet, negotiated by the NEU, produced "reasonable increases across the board," Workman said, "in spite of the fact that the employer was looking for concessions both times."

"It just doesn't make a lot of sense from our point of view," Workman told Nunatsiaq News, Dec. 4.

The hamlet employees' current collective agreement was ratified in February 2013.

Hamlets are the responsibility of the CGS department, Workman said, adding he doesn't want to see the same situation occur in other communities.

The union president said he sent a formal request Dec. 2 to the minister responsible for CGS, Tom Sammurtok, requesting a "forensic investigation" to determine how much the department knew about the deficit.

The amount, \$1.5 million "is a lot of money to have gone missing," Workman

He said he hopes to get full answers to a list of questions by next spring, when the legislative assembly is back in session.

"We have to protect our members, absolutely," Workman said. "But how can you fight a phantom? I would expect that these public governments have transparency and they're accurate in the information that they give people.

"We need to know how and why this happened, so we can prevent this in the future," he said.

Workman recently learned from the hamlet's interim senior administrative officer, Ed Murphy, that the \$1.5 million deficit "was accrued over a long period of time," he said.

"That should have been reflected in yearly financial statements over the last two or three years."

The union first learned about the deficit from the hamlet at the end of September, Workman said, when mayor Sakiasie Sowdlooapik and deputy mayor Johnny Mike went on leave to run in the territorial election.

By mid-October, the union learned that the hamlet's SAO, Ron Mongeau, and its director of finance Brenda Belair were no longer working in their positions.

"Certain council members were calling us and letting us know that they saw a serious deficit," Workman

Rikki Butt, who served in the SAO position temporarily until Murphy's arrival, confirmed the deficit.

Murphy took on the job of interim SAO Nov. 4. He said he came to the hamlet knowing of its financial difficulties, and mapped out a "deficit recovery plan" with hamlet council and the support of community and government services, he said.

This included lay-offs of five hamlet employees - four of them unionized — as well as a non-union hamlet manager.

The union got notice of the lay-offs on Nov. 21, and these were well justified, Workman said.

"There's a necessity in that they have to adhere to their budget deficit-reduction program, and unfortunately they have to do some layoffs," he said.

Murphy confirmed that hamlet administration and the council knew about the deficit "for some time," he

"They just didn't take the initiatives that needed to be taken at that point."

Meanwhile, Workman said the union has found no information in its files to show the hamlet was in deficit.

"I went back in our bargaining reports, all that stuff, trying to assess — was there some information that we missed," he said. "We didn't find anything."

The hamlet's current collective agreement was signed February this year after conciliation, he said, when the employer "was looking for concessions."

Any deficit should have been revealed at those negotiations, he said.

But Mongeau, who then worked as SAO, didn't provide financial statements that reflected this.



Doug Workman, the president of the Nunavut Employees Union, wants Tom Sammurtok, the minister of Community and Government Services, to order a forensic investigation to find out why Pangnirtung ended up producing a \$1.5 million deficit. (FILE PHOTO)

"He [Mongeau] didn't do that," said Workman. "We couldn't find any evidence of information in our files that there was any shortfall in the last three or four years."

"When you find out eight months later [after the collective agreement was signed] that there are financial short-

falls, it just opens up a whole slew of questions of who knew, when, and what happened to the \$1.5 million," he



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