

City must catch up on road spending: auditor-general

BY RENE BRUEMMER, GAZETTE CIVIC AFFAIRS REPORTER MAY 27, 2013



Auditor-general report says Montreal underspent by almost \$100 million a year in 2010 and 2011 in the amount needed to keep the city's main roads and sidewalks at a minimum level of repair.

Photograph by: john kenney, montreal gazette

MONTREAL — Serious deficiencies in the amounts spent on road repairs for the city of Montreal is costing it millions and will lead to much more expensive repairs in the future, reveals the auditor-general's annual report overseeing city management.

The report, made public Monday, indicates the city underspent by almost \$100 million a year in 2010 and 2011 in the amount needed to keep the city's main roads and sidewalks at a minimum level of repair. To keep them at a "good" level would require extra spending of \$178 million a year, the auditor-general found.

"The consequences of underinvestment will be very serious in coming years if the situation is not rectified, because a growing proportion of roads and sidewalks will be in poor condition and the number of emergency responses to the system will also rise," the report reads. "This situation could have major disruptive effects for the public."

Vision Montreal leader Louise Harel called the report extremely important because it shows “the dysfunction of the city of Montreal” and its inability to properly plan for roadwork maintenance. And it shows a lack of communication between the boroughs, responsible for repairs to secondary roads, and the central city, which is responsible for major thoroughfares, Harel said.

While in the past the annual report has issued scathing indictments of municipal affairs — most recently with regard to the management of the Bixi bicycle lending service and the city comptroller general’s office hacking into his own emails — the 2012 report from Jacques Bergeron was comparatively tame, proposing mostly administrative changes, with the exception of the portions about the road and water system maintenance.

An independent office meant to oversee the workings and management of the city, the auditor general’s office has about 35 members.

Among the report’s highlights:

Whistleblower hotline: As it has requested in the past, the auditor-general’s office suggested control of the city’s ethics hotline, meant to encourage whistleblowers to anonymously report wrongdoing within city management, be returned to the auditor-general.

“This request was justified by the current climate, in which the city of Montreal has been beset by allegations of collusion, corruption and misappropriation of funds since the opening of the Charbonneau Commission,” Bergeron writes.

In 2010, control was given to the city’s comptroller-general’s office. Bergeron noted that his office is independent while the comptroller-general’s office comes under the control of the city manager, which could hamper investigations.

According to Bergeron, since the service was transferred, the number of calls to the whistleblower line has dropped from 131 in 2010, when the auditor general’s office ran it, to 33 in 2011. Other cities have seen increases in calls, Bergeron said.

There is little love lost between the auditor-general’s office and the comptroller-general’s office. In May, a lawsuit launched by Bergeron against the city over his emails that were intercepted by the comptroller-general’s office was settled out of court. In 2011 it came out the comptroller-general had been reading Bergeron’s emails as part of a 10-month investigation into Bergeron. No money was given to Bergeron as part of the settlement, but legal fees covered by taxpayers were over \$300,000. In his report for 2012, Bergeron notes his office has implemented a new protected domain outside the city’s domain to protect its emails.

The Charbonneau Commission: In audits over the last 15 years, the auditor-general’s office “repeatedly sounded the alarm” over collusion and corruption, Bergeron writes, finding a “troubling market share of construction firms within some boroughs.” But he adds, his office lacks the investigative powers of a police force, and “it would seem that the perpetrators of the corruption and collusion ... probably used schemes that were ... almost undetectable in a traditional audit.”

An independent audit of the city's accounts is "still an important means of ensuring sound management of public funds," but because of constraints on the office, it's unrealistic to expect the auditor general to be "able to detect all fraudulent activity that could occur in a large city like Montreal," Bergeron writes.

Risk management: The city should produce a new risk-management grid to determine key sectors and activities that are more exposed to misappropriation of funds to prevent losses.

Condition of infrastructure: City authorities have made no decisions about what the desired conditions of buildings or roads, bridges and water systems must be, which is necessary to define how much needs to be invested.

Bergeron also suggests that planning on complex infrastructure projects be spread over several years as opposed to on an annual basis as is done now, and that the extent of the three-year capital expenditure programs be given far earlier in advance than at present, so city departments and boroughs can plan projects.

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