

**RE: Formal Code of Conduct Complaint #011725 – Written Reasons**

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### **Summary and Allegations of the Formal Code of Conduct Complaint**

This Report provides my written reasons with respect to allegations that Regional Councillor Mario G. Racco (the “Respondent”) violated Sections 5, 5.1 and 5.2 of the *Municipal Conflict of Interest Act* (“MCIA”) and a particular allegation of breach of the Code of Ethical Conduct for Members of Council and Local Boards (the “Code”). An application was made to this Office by way of a signed and commissioned Statutory Declaration.

The Complaint alleges that the Respondent failed to declare a pecuniary interest in matters involving 87 Keatley Drive, Vaughan, Ontario. The Respondent allegedly had a deemed pecuniary interest through the employment of his stepdaughters with a development firm and an investment firm actively engaged in projects, including within the City of Vaughan.

Pursuant to section 12 of the Complaint Protocol for the Code of Ethical Conduct for Members of Council and Local Boards (the “Complaint Protocol”), upon completion of an investigation of a complaint of violation of the MCIA, the Integrity Commissioner shall advise the Complainant whether the Commissioner will be making an application to a judge for a determination if there has been a violation of the MCIA. The Integrity Commissioner shall publish written reasons for her decision within 180 days of such decision. This Report presents my reasons for the decision not to apply to a judge.

Additionally, I discontinued my investigation under the Code after my determination that the allegation was time-barred as it was brought more than six months after the alleged misconduct.

### **The Complaint and Preliminary Review**

The Complaint alleges that the Respondent had a disqualifying pecuniary interest under the MCIA with respect to the following City of Vaughan Council and/or Committee meetings:

- Thursday, May 30, 2024 (7:00 p.m.) – Community Meeting with Treasure Hill & the Public
- Tuesday, September 17, 2024 (1:00 p.m.) - Committee of the Whole (2) Meeting
- Tuesday, January 1, 2025 (1:00 p.m.) – Committee of the Whole (1) Meeting

Further, the Complainant alleged that a post made on social media violated s. 5.2 of the MCIA due to the same disqualifying pecuniary interest.

The Complaint sets out that the Respondent had a deemed, indirect pecuniary interest under section 3 of the MCIA providing the following supporting information:

- [One stepdaughter] employed by Treasure Hill Home Corp (“Treasure Hill”)
- This stepdaughter of Councillor Racco, is a Senior Employee at Treasure Hill, where she currently holds the title of Director of Sales Operations;
  - She has been with Treasure Hill for over five years and nine months;

- Treasure Hill is the developer of 87 Keatley Drive

[The second stepdaughter] employed by Greybrook Realty Partners (“Greybrook”)

- The [second stepdaughter] is employed by Greybrook as Senior Vice President of Marketing;
- She held this role since 2016;
- Greybrook is a real estate development company that lists Treasure Hill as one of its partners.

In addition to the allegations under the *MCIA*, the Complainant sets out that with respect to the May 30, 2024 Community Meeting, the Respondent:

- was not invited to this community meeting, which was organized by the Ratepayers Association and Treasure Hill. Despite this, he attended uninvited, bringing his own microphones and speaker system and proceeded to declare himself the chair of the meeting. He was asked to leave by representatives from the Ratepayers Association, Treasure Hill and [another councillor], but refused.

The Complaint sets out that following this event:

- “[A named individual], President of Preserve Upper Thornhill Estates, informed [the Ward Councillor] that Councillor Racco called him after seeing the meeting announcement on their Facebook page. [The resident of the Preserve Upper Thornhill Estates] expressed confusion over Councillor Racco’s sudden interest in the development, as he had never previously engaged in the project.”

Additionally:

- [the Ward Councillor] contacted Racco and questioned his involvement. His response was dismissive, stating: ‘Mind your own business, I am going to show up and chair the meeting’.
- Other Members of Council also attended the meeting.

## **Preliminary Issues**

### **1. Jurisdiction to Proceed With the Investigation**

#### **(a) Limitation Period under the Code and the MCIA**

The Complaint was made on the City of Vaughan Code of Conduct Complaint Form/Affidavit which includes a Statutory Declaration (the “Form/Affidavit”). The Form/Affidavit was submitted on February 18, 2025.

The Complainant affirmed that it was only on January 14, 2025 that he became aware of the link between the Respondent’s stepdaughters and Treasure Hill/Greybrook and the matters discussed at the meetings set out in the Complaint. At that time, the Complainant determined that, in his view, the Respondent may have violated the *MCIA* in respect of his participation at the meetings without declaring a pecuniary interest.

In accordance with the *MCIA*, the Code, and the Complaint Protocol, individuals who identify conduct that they believe is in contravention of the Code and/or the *MCIA* may make a complaint

to the Integrity Commissioner. The Complaint Protocol provides that the complaint must be on a Complaint Form. Pursuant to s. 223.4.1 of the *Municipal Act* and s. 5 of the Complaint Protocol, *MCIA* complaints must be made within six weeks of the date when the Complainant became aware of the alleged contravention. The Complaint Form requires complainants under the *MCIA* to affirm the date on which they became aware of the alleged contravention. The complaint allegations relate to the Respondent's participation in matters at the public townhall on May 30, 2024 and which came before Committee or Council on September 17, 2024 and January 21, 2025.

The Complainant affirms that:

- they became aware of the alleged contravention on or about January 14, 2025 after being alerted of the reposting of the Respondent's comment of March 28, 2024 that were originally posted on the *Preserve Thornhill Woods Association* Facebook page: <https://www.facebook.com/PreserveThornhillWoods>.
- on January 14, 2025, a Facebook member, [a named individual], reposted the Respondent's comments in the *Preserve Upper Thornhill Estates* group: <https://www.facebook.com/groups/1486685058523644>.
- upon becoming aware of this, the Complainant contacted the group moderator, [a named individual], and requested that the post be removed, as it was unrelated to **87 Keatley** and could potentially cause unnecessary anger and confusion. [A named individual] agreed and took down the post on January 15, 2025.

#### Integrity Commissioner Jurisdiction to investigate complaints under the Code:

Pursuant to s. 2 of the Complaint Protocol, complaints made pursuant to the Code of Conduct must be made within six months of the alleged misconduct.

The Complainant made an allegation that the Respondent's conduct at the May 30, 2024 Community Meeting violated the Code. This Complaint was made more than six months after the alleged misconduct. It is not necessary for me to make any determination with respect to the allegations of a breach of the Code. I am barred from reviewing those allegations by s. 2 of the Complaint Protocol.

#### Integrity Commissioner Jurisdiction to investigate complaints under the MCIA:

Since March 1, 2019, municipal integrity commissioners have had authority to receive complaints of alleged breaches of the *MCIA* by a Member of Council.<sup>1</sup> Integrity Commissioners may investigate complaints and determine whether to bring an application to the court for a determination of whether a member violated the statutory conflict of interest provisions. The enforcement of the *MCIA* remains within the jurisdiction of the courts. Integrity Commissioners do not have jurisdiction to make findings about whether the Respondent has violated the *MCIA*. Electors may apply directly to the Court or may apply if the Integrity Commissioner does not do so.

My jurisdiction with respect to the investigation of *MCIA* complaints is governed by the *Municipal Act*. In respect of applications to the Integrity Commissioner, section 223.4.1(4) of the *Municipal Act* provides that:

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<sup>1</sup> Bill 68 the *Modernizing Ontario Municipal Legislation Act*, 2017 amendments to the *Municipal Act*

An application may only be made within six weeks after the applicant became aware of the alleged contravention.

This provision contains the same language as is set out in s. 8(2) of the *MCIA* which governs deadlines for an elector to make an application to the court under the *MCIA*. Section 8(6) of the *MCIA* also sets out an ultimate limitation period of six years.

On its face, the Complainant states that they only became aware of the link between the Respondent's stepdaughters' employment relationship and the development matters with respect to 87 Keatley Drive on January 14, 2025. At that time, the Complainant came to believe that the Respondent had violated the *MCIA* in respect of two meetings in 2024 and one meeting in 2025. The *MCIA* Complaint was made less than six weeks after January 14.

For the purpose of deciding whether to investigate, I accepted the affidavit evidence as truthful with respect to when the Complainant became aware of the alleged contravention of the *MCIA*. At the conclusion of my preliminary classification and throughout this investigation, there was no evidence to undermine the sworn statement of the Complainant. The Complainant provided a reasonable explanation about why they had only recently learned of that fact.

**(b) Prior Written Integrity Commissioner MCIA Advice:**

Section 223.1(1) 6 states that:

Without limiting sections 9, 10 and 11, those sections authorize the municipality to appoint an Integrity Commissioner who reports to council and who is responsible for performing in an independent manner the functions assigned by the municipality with respect to any or all of the following

[...]

6. Requests from members of council and of local boards for advice respecting their obligations under the *Municipal Conflict of Interest Act*.

On May 26, 2024, the Respondent sought advice from my Office about whether he had a disqualifying pecuniary interest relating to his stepdaughter in a matter that was before Council. He told me that (i) Treasure Hill was a property owner with a matter coming before Council and (ii) his stepdaughter had a social media-related or public relations role with Treasure Hill, in which she, for example, posted images of the developments. Based on this information, this Office advised the Respondent that he had a pecuniary interest in the upcoming May 30, 2024 Community Meeting; however, he was permitted to participate because the Respondent's pecuniary interest was likely remote and insignificant as defined under section 4(k) of the *MCIA*.

On May 26, 2024, I provided the Respondent with the following written advice, in my capacity of Integrity Commissioner:

Good day Regional Councillor Racco:

This is one of the circumstances where the courts have reasoned differently in different situations. My comments below may be relied upon as Integrity Commissioner advice, if you have provided to me all the relevant facts and they remain unchanged.

Section 4 of the Municipal Conflict of Interest Act (MCIA) sets out the exceptions to the prohibition for a Member when they have a pecuniary interest in a matter. Section 5, 5.2 and 5.3 do not apply to a pecuniary interest in any matter that a Member may have where any of the 11 section 4 exceptions are present. Subsection 4(k) sets out that the section 5 prohibition (for which a Member cannot discuss, attempt to influence the vote or vote) does not apply (k) *by reason only of an interest of the member which is so remote or insignificant in its nature that it cannot reasonably be regarded as likely to influence the member.*

The legal standard to determine whether a conflict of interest exists is the objective standard of a reasonable person in the place and circumstances of the Member. It relates to the potential for enrichment or for economic loss directly or indirectly through the official's position and action therein.

[Your spouse's] daughter works for a property owner. Whether or not she has a management role or is involved in the decision-making process, the first consideration has been fulfilled – she is an employee, thus, she has a pecuniary interest because it is her employer. Section 3 of the MCIA states that this creates a deemed pecuniary interest for you because “the pecuniary interest, direct or indirect, of a parent or the spouse, or any child of the member shall, if known to the member, be deemed to be also the pecuniary interest of the member.

The next step in the analysis is to determine if any of the section 4 exceptions apply to the pecuniary interest such that you are no longer disqualified under section 5 from discussing, attempting to influence or voting on the matter for which you have a pecuniary interest. You advised that your relative's position and role in the company is regarding public relations and in any event, is minor and does not have a decision-making role. The test to be applied under section 4(k) is whether a reasonable elector, knowing that your relative works for the company and in what capacity, would be more likely than not to regard your interest as influencing your actions in regard to the matter.

**Based on the information that you have provided to me**, you have a pecuniary interest based on the pecuniary interest of a child (broadly speaking and considered under the MCIA). Considering your proximity of the interest of your “child”, based on case law (*Ferri v. Ontario (Ministry of Attorney General)*), I would (and thus if this ever went forward as a MCIA complaint, the courts) have to consider many circumstances to apply the test of remote and insignificant. For example: years of service, whether you are acting in good faith and your motivation to participate is not motivated by pecuniary interest, you have a record of being vigilant and conscientious in declaring a pecuniary interest, that you receive no personal benefit from your child's compensation and that ***your child's compensation and employment do not depend on the outcome of legal proceedings involving the project or any decision of council respecting such matters.***

Based on the information that you have provided to me, the deemed pecuniary that you have (your child's indirect pecuniary interest – because she is employed by the company), on its face, is remote and insignificant. If, however, I receive a complaint that alleges that

your child's compensation and employment depend on the outcome of the council decision and if after an investigation the allegation is sustained, then,

1. If I help to organize a meeting between the developer & the taxpayers.
2. If I speak at the meeting?
3. If I try to help the two groups resolve some or all the issue?

are all actions that would not be allowed in your circumstances under the MCIA.

To be clear, I have said and am saying that based on the information that you have provided to me, I believe that you have a pecuniary interest but that it is remote and insignificant and thus in application of section 4(k) of the MCIA, you are **not** prohibited from discussing and voting at Council or attempting to influence the vote (which would include 1, 2 and 3 above).

However, if your child's compensation and employment depend on the outcome of legal proceedings involving the project or any decision of Council respecting such matters – in other words the outcome of Council could mean the company no longer needs the position your child holds or the owners would likely terminate her employment as a result of a Council decision, then you cannot avail yourself of the 4(k) exception and you would be disqualified under section 5 from discussing, attempting to influence the vote or voting on the matter. You haven't provided me any information to suggest this would be the case, however, if there is a causal link, I would – if there is a complaint – take this into consideration in determining that you had a disqualifying pecuniary interest and that you should not do any of the actions set out in 1, 2 and 3 above.

In accordance with the provisions of the Code relating to written advice from the Integrity Commissioner, under Framework and Interpretation, the Code states:

3. With respect to requests for advice, referred to in paragraphs 2(d), (e), and (f) above: a. Requests for advice from Members shall be in writing and the Integrity Commissioner shall provide all advice in writing; and b. As long as all the facts known to the Member are disclosed to the Integrity Commissioner and there is no change to these facts, then the Member may rely on any written advice provided by the Integrity Commissioner. c. The Integrity Commissioner will create a "confidentiality wall" such that, if the Integrity Commissioner receives a Formal Complaint in respect of the matter for which advice was given, the written advice provided to the Member will not remove the presumption of neutrality of the Integrity Commissioner or unfairly prejudice the Member

As at May 26, 2024, I provided Integrity Commissioner advice relying on the information that the Respondent provided to this Office, which included that his stepdaughter held a social media-related or public relations role in the company. The Respondent did not provide information that she had a management or significant role in the company.

The Code states that, "as long as all the facts known to the Member are disclosed to the Integrity Commissioner and there is no change to these facts, then the Member may rely on any written advice provided by the Integrity Commissioner."



The Complaint suggests that the Respondent's stepdaughter had a managerial position at the time of the May 30<sup>th</sup> and subsequent meetings. In addition, the Respondent allegedly made a previous post about the development which may have violated s. 5.2 of the *MCIA*.

Given that the facts alleged in the Complaint were not the same as those provided to this Office in May 2024 and that the Complaint includes two additional timeframes where no advice was sought, I decided to proceed with an investigation.

### **The Respondent's Reply to the Complaint**

On April 2, 2025, the Respondent provided his reply to the Complaint.

The Respondent writes that his conduct has not contravened section 5, 5.1 or 5.2 of the *MCIA* and sets out the reasons:

#### **The May 30 Meeting**

Before the May 30 Meeting, on May 26, 2024, the Respondent proactively sought formal advice from the IC, in respect of [stepdaughter's] employment with Treasure Hill. At the time, the Respondent understood that Treasure Hill was the owner of the Property and involved in the Development. The Respondent disclosed to the IC all relevant facts known to him at the time in writing and requested guidance about his potential involvement in the May 30 Meeting. The IC reviewed the matter and advised the Respondent that while a pecuniary interest did technically arise by virtue of [stepdaughter's] employment with Treasure Hill, the interest was remote and insignificant under section 4(k) of the *MCIA*. At that time, [stepdaughter] had no involvement in municipal matters or the Development. On this basis, the Respondent proceeded to organize the May 30 Meeting.

The May 30 Meeting was not a meeting of Council, a Committee of Council, or a local board within the meaning of section 5(1) of the *MCIA*. Accordingly, the Respondent's presence at the May 30 meeting did not engage section 5 or 5.1 of the *MCIA*. Instead, the May 30 meeting was held in response to community concerns regarding the Development and the recommendation made at a prior Council meeting that a community meeting be convened to allow for public discussion. Given that no one else had taken the initiative to organize the meeting, the Respondent, understanding the importance of public engagement on the issue, stepped forward to organize the May 30 Meeting in good faith and in response to the needs of the community. Emails with respect to organization of the May 30 Meeting between the Respondent, the Respondent's assistant, consultant [a named individual], and [The President of the Preserve Upper Thornhill Estates], Director of the community organization, Preserve Upper Thornhill Estate ("**PUTE**"), are attached hereto as **Tab "A"**.

Further, in response to the allegation that the Respondent attempted to influence a matter under consideration by an officer or employee of a municipality or local board by his comments made at the May 30 Meeting, the Respondent submits that he made no comments regarding the pending application for the Development. As the application was under review by the Ontario Land Tribunal at the time of the May 30 Meeting, the Respondent was not permitted to comment on it and fully respected that limitation. The audio recording and notes taken by the Respondent's assistant of the May 30 Meeting, attached hereto as **Tab "B"**, establish that any comments made by the Respondent were not an attempt to influence within the meaning of section 5.2 of *MCIA*. Additionally, the May 30 Meeting did not involve consideration of a matter by an officer or employee of a

municipality or local board with any resulting decision or recommendation within the meaning of section 5.2 of the *MCIA*. Accordingly, that section is not engaged.

The May 30 Meeting was an information meeting, during which residents were invited to ask questions of representatives of the property owner and developer regarding the proposed Development. No decisions or recommendations were made nor was any vote taken. The Respondent's role was only as facilitator of a question and answer session.

Based on the foregoing, the Respondent's presence and conduct at the May 30 Meeting does not factually, and cannot legally, constitute breach of sections 5, 5.1 or 5.2 of the *MCIA*.

### **The September 17 Meeting**

Between the date of the original IC advice and the September 17 Meeting, [stepdaughter] was promoted to a managerial position in sales with Treasure Hill. However, the Respondent did not seek further advice from the IC in advance of the September 17 Meeting because, following the May 30 Meeting, the Respondent came to understand that Treasure Hill was not involved in the Development. The President of Treasure Hill, [named individual] ultimately informed the Respondent that Treasure Hill was not the owner of the Property nor the developer of the Development.

At the time of the September 17 Meeting, it was the Respondent's understanding, based on the information available to him at the time, that the developer who submitted the application for the Development and the owner of the Property was in fact QF Development Group (BT) Inc. (the "**Applicant**"). In or around August 2024, the Respondent informed [The President of PUTE] that, to his knowledge, the Applicant is the registered owner of the Property and the developer of the Development. The Respondent came to understand that the owner or principal of the Applicant is the father-in-law of [named individual]. The Respondent's understanding as of the September 17 Meeting is supported by the communications for the September 17 Meeting, specifically items 1, 3 and 8, the Queen Filomena Condos Website for 87 Keatley Drive<sup>1</sup> and the Parcel Register for the Property, all of which are attached hereto as **Tab "C"**. In addition, the notice for the May 30 Meeting noted only the Applicant's name, which is attached hereto as **Tab "D"**. While reference was made at the May 30 Meeting by a representative of the property owner and developer to Treasure Hill, as described above, by the time of the September 17 Meeting, the Respondent understood that Treasure Hill was not involved.

In any event, at the September 17 Meeting, the Respondent, along with all other members of Council, voted against the Development application. The Respondent's conduct in this regard refutes any suggestion that he sought to improperly influence the process in favour of the Development or the developer. Moreover, the Respondent did not have a disqualifying pecuniary interest at the September 17 Meeting, as [stepdaughter's] employment was with Treasure Hill, which, based on the Respondent's understanding at the time, was not involved with the Development. At no time has [stepdaughter] been an employee of the Applicant, a separate corporate entity from Treasure Hill. Further, as of June 14, 2024, [stepdaughter] even ceased active employment with Treasure Hill.

### **The January 21 Meeting**



At the January 21 Meeting, Council considered a modified proposal for reducing the size of the Development from a 15-storey building to a 4-storey building as a result of negotiations between the Mayor, the Local Councillor and the Applicant. The revised proposal responded to public concerns and was a compromise supported by all members of Council, including the Respondent.

The Respondent did not seek advice from the IC in advance of the January 21 Meeting because it was the Respondent's understanding, as described above, that he did not have a pecuniary interest in the matter. While [stepdaughter] was employed by Treasure Hill, to the Respondent's knowledge, Treasure Hill was not involved in the Development. Instead, the Applicant was the owner of the property and the developer of the Development. On this basis, the Respondent reasonably concluded that [stepdaughter's] employment with Treasure Hill did not give rise to a pecuniary interest under the *MCIA*. The Committee of the Whole report for the January 21 Meeting, attached hereto as **Tab "E"** is consistent with the Respondent's understanding. His participation in the January 21 Meeting and support for the revised proposal reflected a good-faith effort to serve the public interest and aligned with the unanimous position of Council.

**[The other stepdaughter] and Greybook Realty [sic – Greybrook, throughout response]**

There is no evidence that Greybook Realty has any involvement in the Development. To the Respondent's knowledge, it is not involved in the Development in any way. While Greybook Realty's website indicates that it has partnered with DG Group (which operates in part as the Applicant) and Treasure Hill on past projects, this does not give rise to any pecuniary interest related to [other stepdaughter] employment with Greybook Realty in respect of the Development in question.

As stated above, Treasure Hill is not involved in the Development. Additionally, the Queen Filomena Condos Website for 87 Keatley Drive identifies Platinum Condo Deals, not Greybook Realty, as the realtor and sales representative for the Development, further evidencing that Greybook has no connection to the Development.

**The Respondent's March 2024 Facebook Post**

The March 2024 Facebook post referenced in the Notice did not relate to the Development. It was a general statement originally made by the Respondent on the Preserve Thornhill Woods Association ("**PTWA**") Facebook page. A resident of the PTWA reposted it to the PUTE Facebook page. The content of the post was unrelated to any specific development application or matter before Council.

**No Disqualifying Pecuniary Interest**

No pecuniary interest actually arises in the circumstances requiring disclosure under the *MCIA* because, to the Respondent's knowledge, neither [stepdaughter's] former employer, Treasure Hill, nor [other stepdaughter's] employer Greybook Realty, are involved in the Development. The Respondent originally understood that Treasure Hill was the owner of the Property and developer of the Development, which is why he sought the IC's advice in respect of the May 30 Meeting.

However, the Respondent subsequently learned, before the September 17 Meeting, that, consistent with all related documentation, the Applicant was the owner of the Property and

the developer of the Development. Again, at no time was [stepdaughter] employed by the Applicant.

To the Respondent's knowledge, at no time was Greybook Realty, [the other stepdaughter]'s employer, involved in the Development.

On this basis, the Respondent did not have a pecuniary interest under the *MCIA*, and did not, therefore, have an obligation to recuse himself from participating in Council discussions or decisions on the matter.

In the alternative, even if Treasure Hill or Greybook Realty were determined to have some involvement in the Development, any resulting pecuniary interest would be too remote and insignificant to trigger sections 5, 5.1 or 5.2 of the *MCIA*. In the case of Treasure Hill, [stepdaughter] ceased active employment with Treasure Hill in June 2024. When she was an active employee, she ultimately held a managerial position in sales (after the May 30 Meeting), but had no role in planning matters, no authority over development applications and no decision making power in relation to municipal processes. Her compensation was not tied in any way to the outcome of the Development application. Similarly, [the other stepdaughter] holds a marketing role at Greybook Realty and is not involved in municipal affairs, development submissions, or approvals, nor does she hold any authority that could influence the Development or benefit from its outcome. In both cases, the connection to the matter before Council is too remote and insignificant to have disqualified the Respondent from participating in Council discussions or decisions on the matter.

This analysis is consistent with the Ontario Court of Appeal's decision in *Ferri v. Ontario (Ministry of the Attorney General)*, 2015 ONCA 683. In *Ferri*, the court concluded that a councillor was not disqualified from participating in a planning matter even though his son worked at the law firm representing a party to the matter. The court held that the councillor's deemed interest was too remote and insignificant because the son's employment and compensation were unaffected by the matter, and the councillor had no personal financial stake. The court emphasized that under section 4(k) of the *MCIA*, the relevant question is whether a reasonable elector would see the interest as likely to influence the councillor's actions, not whether a technical or theoretical connection exists.

The same reasoning applies here. When the Respondent initially believed that Treasure Hill might be involved in the Development, he acted out of an abundance of caution and sought advice from the IC prior to the May 30 Meeting. He later voted against the Development at the September 17 Meeting. It was only after the Applicant revised its proposal to reduce the building height in response to public concerns that the Respondent supported the compromise at the January 21 Meeting, along with all other members of Council. These facts demonstrate that the Respondent acted in good faith and in the public interest, not out of any private motivation.

Further, as held in *Yorke v. Harris*, 2020 ONSC 7361, a pecuniary interest must be "definable and real rather than hypothetical." Any possible benefit to either stepdaughter in this case is purely speculative. Neither [of the stepdaughters] had any involvement in the Development, nor do they hold roles at any time that could influence or benefit from the outcome. There is no definable or real benefit to either stepdaughter, and by extension to the Respondent, that could reasonably be seen as influencing his participation. A

reasonable elector, fully informed of the facts, would conclude that the Respondent acted with integrity and independence, guided by the public interest rather than any remote or perceived association.

In the analysis below, I have addressed several of the matters above. Where the comments were not relevant to my analysis, I have not commented expressly on the Respondent's response to the complaint. Any such silence should not be taken as acceptance that the submissions accurately reflect the legal principles applicable in the circumstances or the interpretations of the Integrity Commissioner.

## Analysis

### 1. The MCIA

Section 223.4.1 of the *Municipal Act* sets out that an elector, as defined in section 1 of the *MCIA*, or a person demonstrably acting in the public interest may apply in writing to the Integrity Commissioner for an inquiry to be carried out concerning an alleged contravention of section 5, 5.1 or 5.2 of the *MCIA*.

The *MCIA* deems the pecuniary interest, direct or indirect, of a member's child to be the pecuniary interest of the council member if that interest is known to the member. If a matter which relates to the deemed pecuniary interest comes before council, the *MCIA* requires a member to disclose such interest and to refrain from, among other things, participating before, during, or after the meeting. The *MCIA* contains exceptions whereby the requirement to disclose and refrain from participating do not apply. These exceptions include circumstances where it is determined that the interest is so remote or insignificant that it cannot be reasonably regarded to influence the member's decisions. The issues to be determined are:

1. Did the Respondent have a deemed indirect pecuniary interest in relation to the May 30 community meeting, the September 17 Committee of the Whole meeting and/or the January 21<sup>st</sup> Committee of the Whole meeting?
2. If so, did the exemption contained in s. 4(k) of the *MCIA* apply to the Respondent to exempt him from the operation of s. 5, 5.1 and 5.2 of the *MCIA*.

### 2. Background: The 87 Keatley Drive Application

Treasure Hill Homes was incorporated in July 2003 with three directors, [named directors]. In July 2012, [Director 1] was added as a director. [Named director] was the officer in July 2003 and the four directors took offices in July 2012, with [another named director] as CEO and [Director 1] as President. [Director 1] has been the president and secretary since August 2022 and more recently became the treasurer. [Another director] became the CEO in April 2025.

In August 2022, QF Development Group (BT) Inc. was incorporated with the same head office as Treasure Hill Homes. [Director 1] was the director and president; ten days later another director was added. In April 2025 after approval of the project, [another director] was added as a director and CEO.<sup>2</sup>

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<sup>2</sup> The corporate profile for QF Developments lists [another director], (owner of Greenpark Group), [a third named individual] and [Director 1] (Treasure Hill). Greenpark Group and Treasure Hill Homes are

Greenpark Group is wholly owned by the Baldassarra family. Greenpark Group and Treasure Hill Homes jointly opened a US development company under the name GT Homes USA.

QF Developments, the 87 Keatley Drive property owner, applied for approval to build a 15 storey condo tower. Vaughan Council did not immediately make a determination with respect to approvals. As a result, the property owner applied to the Ontario Land Tribunal (OLT) with respect to the non-decision.

By May 2024, the matter was before the OLT. The Respondent participated in a community meeting on May 30, 2024. Other members of council were present along with several staff members. The Respondent says that he took it upon himself to organize that meeting, although that is disputed by other witnesses in this investigation.

In September 2024, the Committee of the Whole considered the condominium development application at 87 Keatley. The Respondent did not declare an interest. He participated in a vote against the application.

In December 2024, the property owner made an offer to settle the OLT proceeding and to change the proposed construction from a multiple storey condominium tower to 104 townhomes.

At the January 21, 2025 Committee of the Whole (1) meeting, Council approved the new plan to proceed with the build of a 104-townhome community rather than the original proposed condo tower. The Respondent participated in this meeting and voted on the updated application.

By July 2025, Treasure Hill had listed the townhome development known as Flori Towns on its website. The only available detail on the website is “coming soon”, which likely means that pre-sales will be listed in the future. A new development specific website is now found at [floritreasurehill.ca](http://floritreasurehill.ca).

[The Respondent’s stepdaughter] is a senior sales representative at Treasure Hill. The structure of her compensation is not known. While many salespeople have commission-based compensation structures which are tied to their sales totals, I received no information about how the Respondent’s stepdaughter was compensated.

### 3. The Pecuniary Interest

A member is deemed to hold the pecuniary interests of listed family members. The definition of “child” includes “a person whom a parent has demonstrated a settled intention to treat as a child of his or her family”. Accordingly, the pecuniary interests of the Respondent’s stepdaughters fall within the definitions of the MCIA.

During the course of my investigation, I discovered that the Respondent’s stepdaughter’s LinkedIn states their work history:

[One stepdaughter]

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engaged in another partnership in the United States operating GT Homes USA.

Treasure Hill – Director of Sales Operations – current  
Treasure Hill – Operations Manager – Sales 2020-2024  
Treasure Hill – Design Studio Consultant – 2020

[The other stepdaughter]  
Greybrook Realty Partners  
Senior Vice President Marketing – current  
VP Marketing – 2016-2025

As I have not received any information that connects 87 Keatley Drive to Greybrook, I have no reason to believe that the Respondent has a pecuniary interest through his second stepdaughter's role in that corporation.

An indirect interest is defined in s. 2 of the MCIA and includes a matter in which the member is "a partner of a person or is in the employment of a person or body that has a pecuniary interest in the matter".

The word "body" is not defined. Accordingly, it is not clear whether this refers to the specific corporation which employs the member or a listed family member or whether it may be interpreted as broader – for example, if "body" includes a group of corporations which fall within the umbrella of a particular developer. Here, there is common management of the property owner (QF Developments (BT) Inc.) and the employer, Treasure Hill.

#### The Known Corporate Structure

The property owner, QF Development (BT) Inc. is a sole purpose entity incorporated to purchase the 87 Keatley property in August 2022. QF Development (BT) Inc. is closely related to Treasure Hill. The management is nearly identical with [Director 1] acting as president since its inception and [another director] becoming CEO and a director in April 2025. Since its inception in 2003, [another director] and several family members were directors and/or officers of Treasure Hill. [Director 1] joined as a director and officer in 2012.

The Respondent suggested that he erred in May 2024 in understanding that Treasure Hill was the property owner at 87 Keatley Dr. The Respondent correctly states that Treasure Hill has never been the property owner, and it was another entity, which he submits was owned by [Director 1's] father-in-law which owned the property. Undoubtedly, the two corporate entities are closely related.

The development project called Flori is listed as "coming soon" on the Treasure Hill website. The development specific website is found at "floritreasurehill.ca". Based on available information, it is clear that Treasure Hill is involved in the project. The development is not distinct from the management of Treasure Hill, even though it is owned through a separate, development specific corporation.

Given [the stepdaughter's] role as director of sales, there can be little doubt that she is or will be involved in selling homes in the new development.

Does [the Respondent's stepdaughter's] employer have a pecuniary interest?

I have not found any judicial case law which interprets the word "body" in this context. In

*Orangeville (Town) v. Dufferin (County)*<sup>3</sup>, the Court of Appeal wrote:

[22] The courts have held that the *MCIA* is to be construed broadly and consistently with its purpose. It was enacted to encourage open, accountable and honest municipal government by demanding “high standards of those elected to public office”: *Re: Moll and Fischer et al.* (1979), 1979 CanLII 2020 (ON SC), 23 O.R. (2d) 609 (Div. Ct.), at 612. In that context, courts have held that what constitutes a pecuniary interest sufficient to trigger the provisions of the *MCIA* is not to be narrowly confined: *Re: Edwards and Wilson et al.*, 1980 CanLII 1583 (ON SC), [1980] O.J. No. 3873 (Div. Ct.), at para. 20. There is no exhaustive guideline for its determination.

[23] As noted, “body” is not defined in the *MCIA*. In keeping with the purpose and intent of the Act, the term should be given a broad interpretation, to ensure that all potential conflicts of interest are captured by it. However, it must also be noted that the *MCIA* is part of a broader legislative scheme that includes the *Municipal Act, 2001*, and, in the present case, the *County of Dufferin Act*. These statutes will be relevant in interpreting the provisions of the *MCIA*: Ruth Sullivan, *Sullivan on the Construction of Statutes*, 5<sup>th</sup> ed. (Markham: LexisNexis, 2008) at 413; *Canada (Attorney General) v. Public Service Alliance of Canada*, 1991 CanLII 88 (SCC), [1991] 1 S.C.R. 614 at 531-532.

In *Darnley v. Thompson*<sup>4</sup>, the Superior Court considered allegations that a member had an interest in several developers, including one which was related to a corporation which had previously provided a private mortgage to the member. The Court wrote:

[59] In order to constitute a pecuniary interest, there must be something more than infrequent past business dealings or the possibility of future business. To have a conflict under s. 5 of the *MCIA*, there must be a pecuniary interest existing at the time of the vote. There must be an actual conflict or, at least, there must be a reasonable assumption that the conflict will occur. The pecuniary interest must be definable and real rather than hypothetical: *Lorello v. Meffe*, 2010 ONSC 1976, 99 M.P.L.R. (4th) 107, at para. 59.

[80] In her first supplementary application, the applicant asserts a conflict of interest arising from the respondent and his father having obtained a mortgage from Rupee Manor Developments Inc. in November 2007 in the sum of \$600,000. The evidence is clear that the mortgage was repaid in full at the time of the closing of the sale of the Heritage Road Property on April 20, 2015. The applicant offers no evidence whatsoever that the respondent voted on any matter relating to Rupee Manor Developments Inc. or that that company presented any kind of application to Caledon.

[81] Further, it is argued on behalf of the applicants that the respondent knew that one Jack Eisenberger was a principal of Rupee Manor Developments Inc. and of Fieldgate Group of Companies. However, her affidavit evidence in this regard simply states that she was aware that Mr. Eisenberger was a principal of the Fieldgate Group of Companies, a developer and construction company in the Caledon and Brampton area.

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<sup>3</sup> 2010 ONCA 83 (CanLII), <<https://canlii.ca/t/27tk4>>

<sup>4</sup> 2016 ONSC 7466 (CanLII), <<https://canlii.ca/t/gvx68>>



[82] There is no evidence that the respondent had any knowledge whatsoever of a connection between Rupee Manor Developments Inc. and the Fieldgate Group of Companies.

[83] There is no evidence that Rupee is completely controlled by Fieldgate or was incorporated for an improper fraudulent purpose. Persons contracting with or transacting business with either Rupee or Fieldgate are lawfully permitted to view each company as a separate independent entity: *Transamerica Life Insurance Co. of Canada v. Canada Life Insurance Co.* (1996), 1996 CanLII 7979 (ON SC), 28 O.R. (3d) 423 (Ct. J. (Gen. Div.)); *Sauer v. Canada (Attorney General)* (2006), 2006 CanLII 74 (ON SC), 79 O.R. (3d) 19 (Sup. Ct.).

Taken together, the decisions suggest that the word “body” should be broadly interpreted and that common control of the corporations could impact a Court finding about whether “body” captures all companies within the same developer under the MCIA definitions.

In the Respondent’s reply to the Complaint, he stated that:

“before the May 30<sup>th</sup> Community Meeting, on May 26, 2024, [he] sought formal advice from the Integrity Commissioner in respect of [his stepdaughter] employment with Treasure Hill. At the time, the Respondent understood that Treasure Hill was the owner of the Property and involved in the Development. The Respondent disclosed to the IC all relevant facts known to him at the time in writing and requested guidance about his potential involvement in the May 30 Meeting. The IC reviewed the matter and advised the Respondent that while a pecuniary interest did technically arise by virtue of [stepdaughter’s] employment with Treasure Hill, the interest was remote and insignificant under section 4(k) of the MCIA. At that time, [stepdaughter] had not involvement in municipal matters or the Development. On this basis, the Respondent proceeded to organize the May 30 Meeting.

The Respondent’s reply continued and said:

Between the date of the original IC advice and the September 17 Meeting, [the stepdaughter] was promoted to a managerial position in sales with Treasure Hill. [and...] As of June 14, 2024, [the stepdaughter] ceased active employment with Treasure Hill.

By September 17<sup>th</sup> the Respondent understood that Treasure Hill was not the applicant of the subject property. Thus, the Respondent took the position that he relied on the Integrity Commissioner’s advice of May 26, 2024 that he had a pecuniary interest but that it was remote and insignificant. The Respondent took the position that he did not have a deemed pecuniary interest that disqualified him from participation at that September 17, 2024 Committee of the Whole (2) Meeting or the January 21, 2025 Committee of the Whole (1) Meeting because the Respondent believed that Treasurer Hill no longer owned the property and was not involved in the development.

The Respondent sets out in his reply to the Complaint that he has relied on the previous advice provided by the Integrity Commissioner. As I have determined during this investigation, even if the Respondent’s stepdaughter had a small role in the corporation in May 2024 (which appears inconsistent with her LinkedIn profile and other information that I have reviewed during the course of this investigation), shortly thereafter, she was promoted to a Director level sales role. This change is material to the pecuniary interest analysis, so my previous advice does not apply to the

September 2024 and January 2025 meetings.

On the facts of this case, including the continued involvement of the principals of Treasure Hill in the project, I have determined that the Member had a pecuniary interest in the matters discussed at the Community meeting in May 2024 and before council in September 2024 and January 2025.

#### 4. May 30, 2024 Community Meeting with Treasure Hill

The foundational principles of the MCIA have been set out in a 2022 court decision<sup>5</sup>, and said:

The Act has undergone substantial amendment since 1972. It was amended most recently by the *Modernizing Ontario's Municipal Legislation Act*, S.O. 2017, c. 10 - Bill 68, Sched. 3, s. 8(1) (the "Modernization Act"). The Modernization Act made three important changes to the MCIA for our purposes.

[23] First, the Modernization Act added s. 1.1 to the MCIA. Section 1.1 is a statement of principles in relation to the duties of members of councils and local boards under the Act. It provides as follows:

**1.1** The Province of Ontario endorses the following principles in relation to the duties of members of councils and of local boards under this Act:

1. The importance of integrity, independence and accountability in local government decision-making.
2. The importance of certainty in reconciling the public duties and pecuniary interests of members.
3. Members are expected to perform their duties of office with integrity and impartiality in a manner that will bear the closest scrutiny.
4. There is a benefit to municipalities and local boards when members have a broad range of knowledge and continue to be active in their own communities, whether in business, in the practice of a profession, in community associations, and otherwise.

Prior to the Bill 68 amendments to the *Municipal Act, 2001*, the MCIA focused on a member's pecuniary interest in a decision-making setting, including a meeting of the council, local board or a committee of either of them. Section 5(1) set out the obligation of a member to declare a pecuniary interest in any matter being considered before the council, the local board or a committee of either, and then to recuse themselves from participating or voting on such matters and from seeking to influence the vote in any way. The legislature added s. 5.2 which precludes members seeking to influence others with decision making roles, including City staff.<sup>6</sup>

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<sup>5</sup> 2022 ONSC 640 (CanLII)

<sup>6</sup> The addition of s. 5.2 of the *MCIA* was also recommended by the *Mississauga Judicial Inquiry*. S. 5.2(1) provides:

**Influence**

5.2(1) Where a member, either on his or her own behalf or while acting for, by, with or through another, has any pecuniary interest, direct or indirect, in any matter that is being considered by an officer or employee of the municipality or local board, or by a person or body to which the municipality or local board has

In addition, the Bill 68 amendments provided for a role for an Integrity Commissioner to conduct inquiries to determine whether, in her opinion, a member has contravened ss. 5, 5.1, 5.2 or 5.3<sup>7</sup> of the *MCIA* and if so, to decide whether to apply to the Court for a decision on whether a Member violated the *MCIA*.

The Member understood that Treasure Hill was the property owner with a pecuniary interest in matters to be discussed by Council, which led to him seeking Integrity Commissioner advice. He now says that he was mistaken and that Treasure Hill had no pecuniary interest.

In the Respondent's reply to the Complaint, he states that the May 30<sup>th</sup> Community Meeting "was not a meeting of Council, Committee or of a local board within the meaning of section 5(1) of the *MCIA*. Accordingly, the Respondent posits that his presence at the May 30 Meeting did not engage section 5 or 5.1 of the *MCIA*." The Respondent's reply goes on to state, "[g]iven that no one else had taken the initiative to organize the meeting, the Respondent, understanding the importance of public engagement on the issue, stepped forward to organize the May 30 Meeting in good faith and in response to the needs of the community."

Vaughan Staff advised that typically the Ward Councillor takes the "lead" on Community Meetings. However, there is no standard procedure and the Community Meeting is lead by the applicant in the development application with Council members invited to attend. On May 22, 2024, the representative of Land Solutions Ontario sent an email to Vaughan staff stating:

As disused we have a second community meeting scheduled for May 30<sup>th</sup>, 2024, at 7:00pm at the North Thornhill Community Centre – Activity Room A.

I would like to extend the invitation for staff to attend and observe the meeting.

Section 5.2 has relevance in respect of the May 30, 2024 Community Meeting with Treasure Hill and the Public. The Court has found that even when a Member of Council declared a pecuniary interest, they were not shielded from scrutiny under section 5.2 of the *MCIA*, if they influenced staff or the decision-making process. Even if a Member simply poses questions or makes comments aimed at shaping outcomes, though indirect, this conduct can constitute improper influence of council under s. 5.2.<sup>8</sup> Section 5.2 of the *MCIA* does not require that the matter in which the Member had a pecuniary interest be discussed at a meeting of Council or a Local Board. It is sufficient that the Member with a pecuniary interest in the matter in any way to attempts to influence any decision or recommendation that results from consideration of the matter by an officer, employee, or person with delegated authority to influence the decision or recommendation that results from their consideration of the matter.

In *Moll v. Fisher*, which remains a leading case, the Court stated:

The obvious purpose of the Act is to prohibit members of councils and local boards from engaging in the decision-making process in respect to matters in which they have a

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delegated a power or duty, the member shall not use his or her office in any way to attempt to influence any decision or recommendation that results from consideration of the matter.

<sup>7</sup> This section applies to the head of council only.

<sup>8</sup> 2021 ONSC 7635 (CanLII); appeal dismissed 2022 ONSC 640 (CanLII)

personal economic interest. There is no need to find corruption on his part or actual loss on the part of council or board. So long as the member fails to honour the standard of conduct prescribed by the statute, then, regardless of his good faith or the propriety of his motive, he is in contravention of the statute.

The Member knew that other members of Council and the Mayor were present along with staff members. Any discussion of the matter by the Respondent in their presence when he had a pecuniary interest violates the MCIA prohibition on attempts to influence decision or recommendation makers.

In their text, authors O'Connor and Rust-D'Eye describe what constitutes a pecuniary interest:<sup>9</sup>

**It does not matter whether the pecuniary interest is large or small** (subject to the exceptions contained in section 4); positive, negative or maintaining the status quo; direct or indirect; **or easily quantifiable**; nor is it relevant whether the member votes for or against his or her interest; whether that member's vote carries the question; or whether the outcome of the vote itself serves or defeats the member's interest. It is the fact that the member has a pecuniary interest in the matter that imposes the duty, not the direction or result of the vote. It is the act of participating in the debate or voting on the matter in contravention of the duties prescribed by the statute that constitutes the offence.

Section 5.2 governs attempts to influence decision or recommendation makers in situations outside of formal council or committee meetings. Accordingly, if the Respondent has a disqualifying pecuniary interest, his participation in the May 30 Community Meeting likely violated s. 5.2 of the MCIA.

5. September 17, 2024 Committee of the Whole (2) Meeting and January 21, 2025 Committee of the Whole (1) Meeting:

Council considered matters related to the 87 Keatley Drive development in September 2024 and January 2025. If the Respondent had a pecuniary interest through his stepdaughter's employer, his participation in those meetings was prohibited by s. 5 and 5.1 of the MCIA, subject to the s. 4 exceptions.

It has been held that the pecuniary interest of the member must be a "real one" and not hypothetical.<sup>10</sup> The Respondent's stepdaughter's executive role with that company gave rise to a deemed pecuniary interest for the Respondent under section 3 of the MCIA. As defined in section 2 and 3 of the MCIA, a pecuniary interest includes the interest of a child's employer. The connections between Treasure Hill and the applicant company, both structurally and through shared leadership, mean that the financial outcomes of Council's decisions on the 87 Keatley Drive application would directly impact the business interest of Treasure Hill. Indeed, Treasure Hill is clearly involved with the sales of the Flori, the new development, and I conclude that the entities likely constitute a "body" under s. 3 of the MCIA. Even if I am wrong in that conclusion, I find that Treasure Hill had a pecuniary interest in the matter before council given its role in marketing and sales of the Flori townhomes. I conclude that the Respondent knew about Treasure Hill's

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<sup>9</sup> O'Connor, M. R. & Rust-D'Eye, G. H. (2007). The basics: Ontario's Municipal Conflict Of Interest Act. *Municipal World*, 117

<sup>10</sup> *Magder v Ford*, 2013 ONSC 263 (Div. Ct)

involvement even if not as property owner, given that it arranged the May Community Meeting.

The Respondent had a deemed, indirect pecuniary interest. Subject to the s. 4 exceptions, his participation in the meetings would trigger a conflict under the MCIA for which he would be required to declare a pecuniary interest, refrain from participating or attempting to influence the vote or decisions of staff with delegated decision-making authority.

6. Does the s. 4(k) exception apply to the Respondent?

The Respondent submits that the s. 4(k) exception in the MCIA applies here.

Section 4(k) states:

4 Sections 5, 5.2 and 5.3 do not apply to a pecuniary interest in any matter that a member may have,

(k) by reason only of an interest of the member which is so remote or insignificant in its nature that it cannot reasonably be regarded as likely to influence the member.

The applicable test under s. 4(k) is whether a member has an interest that is so remote or insignificant in its nature that it cannot reasonably be regarded as likely to influence the member. In *Whiteley v. Schnurr*,<sup>11</sup> the Court stated the question to be asked:

Would a reasonable elector, being apprised of all the circumstances, be more likely than not to regard the interest of the councilor as likely to influence that councilor's action and decision on the question? In answering the question set out in this test, such elector might consider whether there was any present or prospective financial benefit or detriment, financial or otherwise, that could result depending on the manner in which the member disposed of the subject matter before him or her.

The case law is clear that the *MCIA* is not interested in speculative interests. A remote interest may be one that is purely speculative in nature.<sup>12</sup> The qualifier "insignificant" does *not* relate to the amount at stake; in this matter, an approximately \$300 pecuniary interest was not found to be insignificant.<sup>13</sup>

The Ontario Court of Appeal in *Ferri* provided an example of the types of circumstances that a decision maker must consider when undertaking the s. 4(k) analysis. In *Ferri*, the Court of Appeal stated the relevant question is whether a reasonable elector would see the interest as likely to influence the councillor's actions. In that matter, the member's son was an associate lawyer at a

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<sup>11</sup> *Whiteley v. Schnurr* (1999), 4 M.P.L.R. (3d) 309 (Ont. S.C.J.) at para. 10.

<sup>12</sup> A Court may determine that a speculative interest does not constitute a pecuniary interest. But if that is wrong, then it would be "remote" under s. 4(k): *Lorello v. Meffe* 2010 ONSC 1976, (2010), 99 M.P.L.R. (4th) 107 (Ont. S.C.J.) at para. 79-80.

<sup>13</sup> It has been held that the fact that the value of a pecuniary interest is particularly small does not relieve a member from compliance with the statute: *Mino v. D'Arcey* (1991), 4 M.P.L.R. (2d) 26 (Ont. Gen. Div.).

law firm that represented an applicant in a planning matter before council. The court held that there was no disqualifying pecuniary interest because s. 4(k) applied. In reaching that decision, the Court considered several factors including: his son's employment and compensation were unaffected by the matter and the member had no personal financial stake in the matter.

The Court wrote: "The s. 4(k) analysis must commence afresh and focus on the proximity and significance of the councillor's pecuniary interest in the context of all the circumstances."<sup>14</sup> The analysis of whether a councillor's pecuniary interest is too remote or insignificant to be reasonably regarded as likely to influence that councillor cannot be premised on the notion that, unless proven otherwise, the councillor is fixed with the same level of proximity and significance as his child.

As stated by a municipal law expert, "[w]hat this all means is that a statutorily attributed indirect pecuniary interest, or a deemed pecuniary interest, cannot be necessarily ascribed to the member at the same level of proximity or importance to that of the corporate, employment, partnership or membership entities set out in s. 2 or that certain members of the member's family may have under s. 3. The test gets reset to consider the member's own situation and interest".<sup>15</sup>

The context considered by the Court of Appeal in *Ferri* were:

- The appellant has many years of faithful service to the municipality;
- The appellant was acting in good faith and his motivation to participate in the issues related to the plan are not motivated by a potential pecuniary benefit;
- The appellant has been extremely vigilant and conscientious in declaring conflicts of interest under the *MCIA*, including 16 times when [his son's law firm] was retained on a matter, even if his son was not on the file;
- The matter related to the plan are of major public interest to his constituents;
- The appellant receives no benefit from his son's compensation; and
- [his son's] compensation and employment do not depend on the outcome of the [matter under consideration] or any decision of council respect these matters.

In another decision, the court found that Mayor McCallion did not have a deemed pecuniary interest because her son's corporation was never eligible to benefit from the transition period favorable development charges regime. Furthermore, Mayor McCallion's son never tried to avail himself of the benefit. As a result, the court found that there was no deemed pecuniary interest on the part of the Mayor, and thus there was no disqualifying pecuniary interest. In case that assessment was wrong, the Court went on to consider whether the interest was remote and insignificant. Key to the Court's consideration in *McCallion* was that there were "multiple levels of improbability" between the decision regarding the change in development charges and any possibility that her son would benefit from them. Apprised of all the circumstances, a reasonable elector would not regard the deemed financial interest to have influenced Mayor McCallion's decision, and Mayor McCallion had acted in the public interest by voting that the first stage of development should be the hotel component, as this would most benefit the municipality. The Court found that since that decision rendered her son's development project economically not viable, Mayor McCallion had in fact placed the interests of the electorate ahead of those of her son.<sup>16</sup>

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<sup>14</sup> *Ferri v. Ontario (Ministry of Attorney General)* (2015), 40 M.P.L.R. (5th) 223 (Ont. C.A.) at paras. 14-15

<sup>15</sup> Ontario's Municipal Conflict of Interest Act — Things That May Surprise You About its Application and Enforcement, Municipal and Planning Law Reports (Articles)2020100 M.P.L.R. (5th) 53John Mascarin

<sup>16</sup> *Hazineh v. McCallion*, 2013 ONSC 2164



I acknowledge that some electors may have seen the circumstances in the *Ferri* court decision (his child's employer's client's pecuniary interest) as an interest likely to influence the Member's decision making. Some of the cases are difficult to reconcile for members of the public: on the one hand courts have found that it does not matter whether the pecuniary interest is large or small or if the member votes for or against his or her pecuniary interest, or even if the outcome of the vote itself serves or defeats the member's interest - it is the fact that the member has a pecuniary interest in the matter that imposes the duty, not the direction or result of the vote. It is the act of participating in the debate or voting on the matter in contravention of the duties prescribed by the statute that constitutes the offence. Prior to the *Ferri* court decision, the court's viewed conflict of interest in that propriety of motive and the presence of good faith are not relevant to the existence of conflict.<sup>17</sup> In the past, the courts held that a conflict of interest exists regardless of whether personal gain is preferred over private interest<sup>18</sup>. The suggestion that a conflict of interest only arises when a private interest interferes with decision making in the public interest is, in the words of the Federal Court of Appeal, to confuse conflict of interest with corruption.<sup>19</sup>

However, under the s. 4(k) exception of the MCIA, considering the factors considered by the Court of Appeal in *Ferri*, once it is determined that a Member has a deemed pecuniary interest by virtue of their child (or parent or spouse) as I have done in this complaint investigation, courts will rarely find a pecuniary interest not to be excepted by the s.4(k) remote or insignificant exception. The Court is required to consider "all of the circumstances" which include the good faith and motivation of the councillor, the pecuniary interest of the member himself, and the likelihood that any potential pecuniary interest of the employer will flow to the child. In making my decision on whether I will make an application to a court, I am required to consider what a court would likely do reviewing the circumstances of this file.

In the Complaint before me, the Respondent submits that his stepdaughter "had no role in planning matters, no authority over development applications, and no decision making power in relation to municipal processes. Her compensation was not tied in any way to the outcome of the Development application." While on the face of his stepdaughter being employed in a significant role at Treasure Hill, a reasonable elector may believe that the Respondent may not be objective in matters involving her employer and thus her employer would influence his actions, applying the s. 4(k) test of all the circumstances (which I must conscientiously do), including the subjective elements from *Ferri* would likely exempt the member in the Complaint before me.

Employing the similar applicable factors from *Ferri*, the court will likely consider:

- (1) whether the child's employment depends on the application being approved,

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<sup>17</sup> *Moll v. Fisher* (1979), [1979 CanLII 2020 \(ON SC\)](#), 23 O.R. (2d) 609 (Div. Ct.) at 612 and *Tuchenhagen v. Mondoux* (2011), [2011 ONSC 5398 \(CanLII\)](#), 107 O.R. (3d) 675 (Div. Ct.) at 686, para. [28](#)

<sup>18</sup> *Cox v. College of Optometrists of Ontario* (1988), [1988 CanLII 4750 \(ON SC\)](#), 65 O.R. (2d) 461 (Div. Ct.) at 469.

<sup>19</sup> *Democracy Watch v. Campbell*, [2009 FCA 79](#), at para. [51](#).

- (2) the extent to which the child is playing a role in seeking this application approval;
- (3) if there is any evidence of a potential financial benefit to the child (as opposed to the employer); and
- (4) whether the member receives benefits from the child's compensation.

In *Ferri*, the Court also considered subjective factors like:

- Length of service of the councillor
- Whether they were motivated by good faith
- Whether the councillor is motivated by a potential pecuniary benefit
- Whether the matter before council is of major public interest to constituents

Applying those factors to this case, the Respondent knew that his child was working for a development corporation tied to the 87 Keatley project. While there was no evidence that the child would receive a direct financial benefit from the approval of the development application, as a senior member of the sales team, her sales role is dependent on the approval of new projects (otherwise, there is nothing to sell). While approval of the development application would bring a financial benefit to her employer, I have received no evidence that the stepdaughter would have received a financial benefit if this particular application was approved (by way of commission sales or otherwise).

In terms of length of service, the Respondent was elected to the City of Vaughan Council in 1982 and retained this position until his election to the Ontario legislature in 2003, serving until 2007. In 2022, the Respondent returned to Vaughan Council as an elected Local and Regional Councillor. There is no evidence that the Respondent was acting in bad faith at the time of the May 30 community meeting and advancing the interests of the corporation to the detriment of the community. Sometime before September 2024, the Respondent spoke to the principal of his daughter's employer about the development matter and sought to rely on the distinction between the separate corporate personality of an entity incorporated for a particular project. The Respondent seemed to have a close enough relationship that he was speaking to the principal of Treasure Hill who did not advise him of his relationship with QF Development. That was troubling and had the effect of allowing the Respondent to treat the application as being submitted by an unrelated applicant, thus allowing him to participate in the matter before council.

In *London District Catholic School Board*, the Court considered a board member whose daughter was part of a bargaining unit represented by CUPE.<sup>20</sup> The Board's role was to ratify the collective agreement, but they are not involved in negotiating it. The court noted that "the parents of an adult child are unlikely to derive any significant personal financial benefit derived by the child whose pecuniary interests *might theoretically be impacted* by budget decisions." The Respondent owns the property in which his child resides, however I have not received any evidence that the Respondent receives any financial benefit from this circumstance. I have no information to suggest that the Respondent receives any benefit from his stepdaughter's compensation.

In all of the circumstances relevant to this Complaint and during the course of this investigation, I found that the Respondent had a pecuniary interest under section 3 of the MCIA. However, I have determined that the pecuniary interest falls within the section 4(k) exception as remote and insignificant.

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<sup>20</sup> 2023 ONSC 1693

In his reply, the Respondent advised that his actions, including the vote, were on behalf of his constituents. To be very clear, a conflict of interest is not eliminated by believing oneself to be acting for one's constituents and motivated by what is best for the municipality. It would be imprudent for Members of Council Council that their pecuniary interests may be ignored, as long as they deliberate and are acting in good faith on behalf of their constituents.

## **Conclusion**

I have concluded that the Respondent had a deemed indirect pecuniary interest in the matters considered at the Community Meeting and Committees of the Whole Meetings because the Respondent's stepdaughter was employed in a management position in the developer that had pecuniary interest in the matters at the meetings.

However, as set out in my reasons above, I must consider all of the circumstances including the relevant ones from *Ferri*, and, as a result, I find that it is likely that the Court will hold that his pecuniary interest is remote and insignificant.

Pursuant to section 12 of the Complaint Protocol:

ii) If, upon completion of the investigation, the Integrity Commissioner determines that on a balance of probabilities there has been a violation of the MCIA, or is otherwise of the opinion that it is in the City's interest for a judge to determine if there has been a violation of the MCIA, the Integrity Commissioner may apply to a judge for such a determination. For greater certainty, nothing in this Protocol shall prevent a complainant from bringing their own application to a judge for a determination of whether there has been a violation of sections 5, 5.1, or 5.2 of the MCIA.

iii) Upon completion of the investigation, the Integrity Commissioner shall advise the complainant whether the Commissioner will be making an application to a judge for a determination if there has been a violation of the MCIA. The Integrity Commissioner shall publish written reasons for his/her decision within 90 days of such decision.

## **Should I make an application to a judge?**

The *Municipal Act* provides that the Integrity Commissioner must decide whether to take the MCIA allegation to the Superior Court of Justice. I *believe* that the Respondent has breached the MCIA, but for the reasons set out above, I believe that several of the factors considerent in *Ferri* apply here, and the Court is likely to determine that the pecuniary interest is remote and insignificant. Only a judge can determine whether the Respondent did contravene the MCIA and only a judge can impose a penalty, including:

9.(1)

1. Reprimand the member or former member.
  2. Suspend the remuneration paid to the member for a period of up to 90 days.
  3. Declare the member's seat vacant
- [...]

Under the current accountability and transparency regimes set out in Part V.1 of the *Municipal Act* it is the Integrity Commissioner who makes the decision to apply to a court and not Councils

receiving and adopting the Integrity Commissioner's' MCIA investigation. Under section 223.4.1, of the Municipal Act, the Integrity Commissioner does not take the report and findings to Council: either the Integrity Commissioner decides to make an application to a judge for a decision on whether the Respondent has breached the MCIA or they do not make an application and give reasons for this decision.

I share the position of many integrity commissioners that the cost of an Integrity Commissioner's court application which is borne by the municipality is litigation that is lengthy and costly.

A former Integrity Commissioner of Elliot Lake took an MCIA case to court and then appealed the court decision unsuccessfully.<sup>21</sup> At the conclusion of the litigation the municipality incurred a cost of \$263,259.<sup>22</sup>

The Respondent would have avoided this situation had he provided me accurate information when seeking my advice in May 2024. Had he sought my advice in September 2024 or January 2025, this lengthy complaint investigation may not have happened as he could have relied on accurate advice.

Were the interpretation of clause 4(k) solely up to me, I would assess the remote and insignificant nature of the pecuniary interest based solely on objective factors. It is not my place, as a municipal integrity commissioner, to ignore the prevailing interpretation of the Ontario Court of Appeal that public-mindedness and good faith motives may be sufficient to obviate a conflict of interest. Given my conclusions on the likelihood of the court determining that the s. 4(k) exception applies, and that the *Ferri* decision of the Ontario Court of Appeal states the current law of the Province, and is binding on the Superior Court of Justice to which I would bring an application on the matter before me, it would be irresponsible for me to commence a Court application and take a position opposite to *Ferri*. I do not feel that an application, at significant cost to the municipality, would be prudent to verify my conclusions.

I have decided not to apply to a judge for a determination as to whether the Respondent contravened sections 5, 5.1 and 5.2 of the MCIA.

### **Decision**

I will not apply to a judge under section 8 of the MCIA for a determination as to whether the Respondent contravened the MCIA on the dates set out in the Complaint. This decision is limited to the dates set out in this Complaint. The assessment of a conflict of interest must be made on a case-by-case basis. My decision with respect to the circumstances raised in this Complaint, and my belief that the section 4(k) exception applies, does not mean that a subsequent matter before Council or a committee, will be similarly treated. As Integrity Commissioner for the City of Vaughan, I will always be available to give confidential advice to a Member of Council prior to a meeting regarding whether they have a disqualifying pecuniary interest under the MCIA, not excepted by any of the exceptions set out in section 4 of the MCIA.

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<sup>21</sup> *City of Elliot Lake v. Pearce*, 2021 ONSC 7859 (CanLII) (Div. Ct.)

<sup>22</sup> City of Elliot Lake, Staff Report, Review of Legal / Integrity Commissioner Fees (October 11, 2022), online: <https://pub-elliottlake.escrimemeetings.com/filestream.ashx?DocumentId=4853>, at 4. The row titled "Conflict of Interest Councillor Pearce" shows costs of the MCIA proceedings.

Under the legislation, the Complainant has the right to apply personally to a judge for a determination of whether the Respondent contravened the MCIA, if such application is commenced within six weeks after receiving this decision.

Respectfully submitted by:

August 18, 2025



Suzanne Craig  
Integrity Commissioner and Lobbyist Registrar