

Town of East Gwillimbury Formal Code of Conduct and Complaint #200325
Investigation Report

Summary:

This report sets out my findings with respect a Formal Code of Conduct complaint (the “Complaint”), in which Mayor Virginia Hackson was named as Respondent (the “Respondent”).

This inquiry involves a review of allegations that the Respondent failed to declare a pecuniary interest contrary to the *Municipal Conflict of Interest Act* (“MCIA”) or otherwise violated the Code by participating in a matter in which she had a Code conflict.

Section 223.4.1 of the *Municipal Act* allows an elector or a person demonstrably acting in the public interest to apply in writing to the Integrity Commissioner for an inquiry concerning an alleged contravention of section 5, 5.1 or 5.2 of the MCIA by a member of council or a member of a local board. After conducting an inquiry, I am empowered to decide whether to apply to a judge for a determination of whether the Respondent contravened the MCIA.

As Integrity Commissioner for the Town of East Gwillimbury (the “Town”), I am further empowered to determine whether a Member has violated the Code and if so, to recommend a sanction to Council.

Below, I provide my findings and reasons why I will not apply to a judge pursuant to the MCIA. I find that the Respondent violated the Code at Rule 10 and recommend a sanction as set out below.

Allegations of the Complaint:

The Complaint related to the Respondent’s participation in meetings related to the following:

- March 21, 2023 - Statutory Public Meeting
- May 8, 2023 - Ontario Land Tribunal Appeal Filed
- August 27, 2024 - OLT Decision on the Appeal
- September 24, 2024 - Update Memo to Council from Town Staff
- January 21, 2025 – Two deputations by Land Services Group (“LSG”) before Council

The Complaint alleges that the Respondent failed to declare a pecuniary interest in

matters involving the property known as 18880 2nd Concession in the Town of East Gwillimbury. In the sworn statutory declaration, the Complainant stated:

While a form declaration was made on January 21, 2025, I believe it was incomplete. It should have been made in September 2024 in relation to a matter before the Land Tribunal, and it should have encompassed all matters relating to the developer group, not just one of their projects. According to public records, title to the property at 18880 2nd Concession was transferred for just \$2 in December 2023. It was purchased by a corporation with the same address as Land Services Group, and the Mayor appears on title for the property. Records also show an active mortgage on the property. This suggests an ongoing financial relationship with the developer. I reached out to the Integrity Commissioner on February 11th, within the 6 week timeframe in order to seek clarity and direction from her office. She provided this form to me on March 6, 2025 following her inquiries into the matter.

The Complainant alleges that the Respondent had a disqualifying pecuniary interest under the *MCIA* with respect to all matters involving 18880 2nd Concession Line for which she has an ongoing financial interest.

The Complaint alleges the following:

- Spring (May?) 2023 [the Respondent] told [...] verbally she was thinking about selling her property at 18880 2nd Concession. She did not say to whom. This was surprising [to me], because she had always said] t she would not sell while she was Mayor in order to avoid accusations of a conflict.
- July 2023 – [the Respondent] purchased her current home at 9 Fairbairn Gate
- November 2023 – March 2024 – [the Respondent] takes medical leave of absence
- December 15, 2023 – public records show transfer of title on 18880 2nd Concession to Riverview Hills Assets Ltd (same mailing address as LSG [Land Services Group]) for just \$2.

The Complaint submits that on January 21, 2025, the buyer, LSG made two deputations to Committee of the Whole Council. The first deputation provided an update on Holland Hope/Holland Park development, and the second deputation introduced another project in East Gwillimbury called Riverview Hills at 18858 2nd Concession.

The Complaint submits that the Respondent declared an interest regarding *just* the 2nd deputation as it related to land she “used to own”. The Complaint alleges that she should have declared in interest in both matters.

Preliminary Issues

1. Jurisdiction to Proceed With the Investigation

(a) Limitation Period

Pursuant to the Council/Committee Code of Conduct (the “Code”), the Integrity Commissioner will establish a process to investigate the Complaint. The Complainant contacted this Office on February 11, 2025 by email correspondence setting out the allegations that the Respondent had contravened the MCIA and the Code.

The Code of Conduct Complaint

The Complainant alleges violations of the Code of Conduct when the Respondent participated in the March 21, 2023 - Statutory Public Meeting, Council provided direction to staff with respect to the May 8, 2023 Ontario Land Tribunal Appeal Filed, and the September 2024 Council Meeting when Council received and deliberated on an update Memo to Council from Town Staff. Further, LSG gave deputations to council at a January 21, 2025 Committee of the Whole meeting.

Unlike most municipal codes of conduct, the Code in effect in 2019 did not contain a limitation period for filing allegations of violations. However, the Code was amended to include a limitation period of six months. With respect to the allegations in 2023, I have determined that I will not investigate the stale-dated allegations of breach of the Code (although I have considered the MCIA as required).

I have considered the allegations with respect to misconduct in September 2024 and January 2025 which were filed within six months of the alleged misconduct.

The MCIA Complaint

My jurisdiction with respect to the investigation of *MCIA* complaints is governed by the *Municipal Act*. Section 223.4.1(4) of the *Municipal Act* provides that:

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

This provision contains language similar to s. 8(2) of the *MCIA* which governs deadlines for making an application to the court under the *MCIA*. Section 8(6) of the *MCIA* also sets out an ultimate limitation period of six years. No applications to the court may be considered after the sixth anniversary of the date on which the alleged contravention of the *MCIA* occurred. After an investigation, the integrity commissioner may apply to the Court for a determination of whether there was a breach of the conflict of interest provisions under the *MCIA*.

On its face, the Complainant states that they only became aware of the link between and the Respondent and the development matters with respect to 18880 2nd Concession Line on January 21, 2025. The Complainant has provided a reasonable explanation about why they had only recently learned of that fact. At that time, the Complainant determined that there was a violation of the *MCIA* in respect of the Respondent's votes held the previous year. I accept that the Complainant became aware of the alleged contravention on January 21, 2025.

The *MCIA* Complaint was made on February 11th, within three weeks of the Complainant becoming aware of the alleged contravention.

Initial efforts were made to resolve the matter and to determine whether the Respondent had an ongoing pecuniary interest in the property. At my direction, during those efforts, the Complainant did not file the Statutory Declaration Form.

After that informal process, the Complainant confirmed that they wished to proceed with the complaint on March 3, within six weeks of becoming aware of the alleged contravention. I accepted the Complainant as timely despite the Complainant requiring additional time to submit the perfected Statutory Declaration Form.

Municipal Conflict of Interest Act – Direct Pecuniary Interest:

When present at meeting at which matter considered

- 5 (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 and is present at a meeting of the council or local board at which the matter is the subject of consideration, the member,
- (a) shall, prior to any consideration of the matter at the meeting, disclose the interest and the general nature thereof;
 - (b) shall not take part in the discussion of, or vote on any question in respect of the matter; and
 - (c) shall not attempt in any way whether before, during or after the meeting to influence the voting on any such question. R.S.O. 1990, c. M.50, s. 5 (1).

While “pecuniary interest” is not defined in the legislation, case law has determined that a pecuniary interest for purposes of the *MCIA* is a financial or economic interest. For the *MCIA* to apply, the matter being considered or voted upon by council must have the potential to affect the direct or indirect pecuniary interest of the municipal councillor (*Greene v. Borins* [\(1985\), 50 O.R. \(2d\) 513](#) (Ont. Div. Ct.) at p. 8).

The Facts:

Riverview Hills is the name of a 39-acre residential development project along 2nd Concession Road in East Gwillimbury. Marketing materials confirm that Riverview Hills is being co-developed by Plenus Development Group, KMB Development & Construction Ltd., and LSG. LSG’s own investment term sheet lists LSG Partners Ltd. as the Development Manager for Riverview Hills¹, with the project structured as a Limited Partnership (often referred to as “Holland Landing Partners”). This suggests that LSG (through LSG Partners Ltd.) and the developer consortium share governance of the project’s partnership.

As detailed below, the Respondent sold 18880 2nd Concession Road to Riverview Hills on December 15, 2023.

On the landservicesgroup.ca website², the Introduction states:

The Land Services Group is pleased to present an extensive residential development opportunity located along 2nd Concession Road East Gwillimbury, Ontario. This +39 acres (22.5 acres developable) property includes four parcels of developable land zoned to accommodate a combination of detached single family homes, regular townhomes, back-to-back stacked townhomes, mid-rise condominium building with potential for ground-level commercial space, and outdoor amenities.

The development details of Riverview Hills appear in a brochure which states:

	1	2	3	4
Address	Pin#034270746	18880 2 nd Concession	18858 2 nd Concession	18830 2 nd Concession
Dimensions	200’ x 1735’	200’ x 2180’	200’ x 2212’	388’1488’
Total Area	7.85 ac.	9.92 ac.	10.01 ac.	11.12 ac.
Zoning	Residential			
Official Plan	Urban Development Area			White Belt*

The brochure lists Local Development Activity including:

#Status (2022)	Type
1. Subdivision approved	420 single detached lots, 124 semi-detached lots, 32 blocks of 145 Townhouses units
2. Circulated for comments	260 dwelling units, 1 mixed use block, 1 medium

¹ This includes Riverview Hills Holdings and Riverview Hills Assets Ltd.

² <https://landservicesgroup.ca/riverview-hills/>

	density block, 1 apartment block, 1 mixed-use apartment block, an elementary school, and a park
3. - 9. Phases	
Awaiting for servicing to complete subdivision	

The website lists LSG Partners Ltd. as the Development Managers.

LSG has several other ongoing projects including Holland Hope. Corporate profile reports indicate that Holland Hope³ and Riverview Hills share common management or are otherwise related to Land Services Group (LSG). The LSG website lists Riverview Hills and Holland Hope as projects. Plenus Development Group (listed as co-manager of Riverview Hills) has overlapping management with LSG as well. Each of the entities shares a corporate address except Plenus Development Group.

The Sale of the Respondent's Property to Riverview Hills

The Respondent and her spouse owned the property located at 18880 2nd Concession. She sold that property to Riverview Hills Assets Ltd. on December 15, 2023 for the stated price of \$2. The Respondent took a vendor take-back mortgage over the property for \$3 million at 4% interest and for a five-year term. There are no listed guarantors on the publicly available documents.

According to the Respondent:

- the mortgage was closed and fixed on the sale. She is owed money by the new property owner.
- The Respondent and her spouse purchased a separate residential home in July 2023.
- The Respondent and her husband have no interest or dealing with Holland Hope, Holland Park, Holland Hills, on Thompson Dr. at Yonge St., Holland Landing.

The Complaint

The Complaint alleges that the Respondent had a conflict of interest in respect of five matters which came before Council or Committee:

- March 21, 2023 - Statutory Public Meeting (related to Holland Hope project)

³ This includes Holland Hope LP, Holland Hope Holding, and Holland Hope General Partners

- May 8, 2023 - Ontario Land Tribunal Appeal Filed (related to Holland Hope project)
- August 27, 2024 - OLT Decision on the Appeal (related to Holland Hope project)
- September 24, 2024 - Update Memo to Council from Town Staff (related to Holland Hope project)
- January 21, 2025 – Two deputations by LSG (related to Holland Hope project and Riverview Hills project)

March 2023 and May 2023

The Respondent participated in two matters that came before council while she owned 18880 2nd Concession: 1) March 21, 2023 at a Statutory Public Meeting and 2) May 8, 2023 closed meeting in respect of an Ontario Land Tribunal Appeal being filed. Those matters related to the Holland Hope project in relation to the properties known municipally as 19349, 19357, 19365 and 19399 Yonge Street in Holland Landing.

At that time, the Respondent was a landowner on 2nd Concession.

Even though the sale did not close until December 2023, it appears that by this time, the Respondent had reached a deal with or was in discussions to sell her property to Riverview Hills, a company associated with LSG. The neighbouring parcels of land were sold in June 2023. The Respondent's property was listed as part of the consolidated parcel on an investor's brochure which appears to have been produced before June 2023.⁴ On a draft site plan, her property is shown inside the main drawing with "land to be purchased" outside of the white box. This indicates that her land deal had been struck in or before May 2023.⁵

August and September 2024

An appeal decision related to the LSG-related Holland Hope lands on Yonge Street was rendered by the OLT in late August, 2024. On September 4, 2024, there was a closed meeting to discuss a litigation matter. The Respondent participated in the meeting. The public minutes state:

Update from Closed Meeting in which staff and legal counsel sought direction from Council to authorize legal counsel and appropriate staff to attend an Ontario

⁴ <https://web.archive.org/web/20240215065215/https://landservicesgroup.ca/wp-content/uploads/2023/08/Riverview-Hills-v11.pdf> Based on the language "PIN#034270746 and 18830 2nd Concession are to be closed in June 2023"

⁵ <https://web.archive.org/web/20240215065215/https://landservicesgroup.ca/wp-content/uploads/2023/08/Riverview-Hills-v11.pdf>

Land Tribunal hearing. Council resolved to go into closed to receive a verbal update from GM Development Services.

At the following Committee meeting, Development Services provided a written update on the OLT tribunal matter.

The September 24, 2024 Development Services Memorandum

On September 24, 2024, the Manager of Planning and the General Manager of Development Services tabled a Development Service.

The stated purpose of the memorandum was:

to update Council and the public on the Ontario Land Tribunal's Decision regarding the appeal by Holland Hope General Partners Inc. for Council's non-decision on applications for an Official Plan Amendment (OPA.22.01), Zoning By-law Amendment (ZBA. 2202), and Site Plan Application (SPA.22.08) for the properties known municipally as 19349, 19357, 19365 and 19399 Yonge Street in Holland Landing.

[...]

Next Steps

As directed by the OLT, the applicant is required to revise the submitted Zoning By-law to address the zoning deficiencies raised by Town Staff at the hearing. The revisions must be to the OLT's satisfaction. A Holding Provision is to be place on the lands to ensure that development cannot proceed in advance of Council assigning servicing allocation. Final approval from the OLT will not be issued until the Town advises in writing that servicing allocation is available and has been assigned by Council for the proposed development.

At the Committee of the Whole meeting, Council was asked to receive the memorandum for information purposes. The General Manager of Development Services provided an update and overview. There was no discussion, and no decisions were made other than receiving the memo.

In her response to this Complaint, the Respondent explained that:

This memo provided an update on the file before the OLT, a provincial governing body, advising they were allowing the appeal. The request was for Council to receive the memo, which was done unanimously, no opposition noted. There was

no decision made in relation to the development and no presentation from the developer.

....

as of September 24, 2024, I was not aware that Land Services Group/Holland Hope General Partners Inc., were connect to Riverview Hills with whom in December 2023, I negotiated the sale/mortgage take back of 18880 2nd Concession, and for this reason I did not declare an interest in 2024.

The Respondent states that since she sold her property to Riverview Hills, she did not believe that the matter before Council on September 24, 2024 created a disqualifying pecuniary interest for which she would be required to declare an interest under the MCI A because the name "Riverview Hills" did not appear in the Memorandum.

The January 21, 2025 Meeting

At the January 21, 2025 Committee of the Whole meeting, LSG made two deputations:

- 1) they provided an update on Holland Hope/Holland Park project,
- 2) introduced their new project called Riverview Hills at the consolidated parcel named 18858 2nd Concession (but including the Respondent's former property).

The deputations were described as follows:

P. Jain, on behalf of Land Services Group, making a deputation to Committee regarding the development project known as Holland Park

BE IT RESOLVED THAT the deputation made by P. Jain, on behalf of Land Services Group, regarding the development project known as Holland Park, be received.

[Holland Park Deputation](#)

A. Sarang, on behalf of Land Services Group, making a deputation to Committee regarding the development project known as Riverview Hills

BE IT RESOLVED THAT the deputation made by A. Sarang, on behalf of Land Services Group, regarding the development project known as Riverview Hills, be received.

[Riverview Deputation](#)

After seeking advice from this Office, the Respondent declared an interest regarding the 2nd deputation giving as reasons that it was land she “used to own”. However, the Respondent did not declare an interest with respect to the Holland Park matter. No advice was sought in relation to that matter.

In her response to this investigation, the Respondent stated:

I can assure you that at no time was I operating in a deceptive or malicious manner. My neglect to declare a pecuniary interest was done simply because I was not aware of the connection between the two businesses. I can also assure you that, going forward, will be declaring a pecuniary interest should Land Services Group, Holland Hope General Partners Inc., and/or Riverview Hills come before Council.

Analysis:

***MCI*A Matters**

The purpose of the MCI

A is to foster and maintain confidence in municipal government. Confidence that decisions by elected officials are made solely in the interests of the residents is therefore essential. “Pecuniary interest” is not defined in the MCI

A, but it has been held to be a financial, monetary or economic interest. To qualify as a pecuniary interest, the matter to be discussed or voted on must have the potential to affect the direct financial interest of the respondent or an indirect or deemed interest.⁶ The Divisional Court has defined pecuniary interest as “[g]enerally, it is a financial interest, an interest related to or involving money.”⁷

The Respondent stated in her reply to the Complaint that she did not act in a deceptive or malicious manner and the September 2024 Memorandum was received with a unanimous vote. With respect to motivations of a respondent in casting a vote, the courts have found that:

“The obvious purpose of the [Municipal Conflict of Interest] 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 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.”⁸

⁶ *Magder v. Ford*, 2013 ONSC 263, 2013 CarswellOnt 387 (Ont. Div. Ct.), para 6

⁷ *Tuchenhagen v. Mondoux*, 2011 ONSC 5398 (CanLII) (Div.Ct.), at para. 31.

⁸*Moll v. Fisher* (1979), 8 M.P.L.R. 266 (Ont. Div. Ct.)

Pursuant to s. 9 of the MCIA, inadvertence is a consideration for a judge in considering the appropriate sanction.

Relevant MCIA Provisions:

Pursuant to s. 5 of the MCIA,

5 (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 and is present at a meeting of the council or local board at which the matter is the subject of consideration, the member,

(a) shall, prior to any consideration of the matter at the meeting, disclose the interest and the general nature thereof;

(b) shall not take part in the discussion of, or vote on any question in respect of the matter; and

(c) shall not attempt in any way whether before, during or after the meeting to influence the voting on any such question. R.S.O. 1990, c. M.50, s. 5 (1).

Where member to leave closed meeting

(2) Where the meeting referred to in subsection (1) is not open to the public, in addition to complying with the requirements of that subsection, the member shall forthwith leave the meeting or the part of the meeting during which the matter is under consideration.

The questions to be determined are:

- 1) Did the Respondent have a pecuniary interest in the matter discussed at the September 24, 2024 Meeting?
- 2) Did the Respondent have a pecuniary interest in the deputation for which she did not declare an interest at the January 21, 2025 Meeting?

The Respondent's Pecuniary Interest

On December 15, 2023, the Respondent sold her property located at 18880 2nd Concession Road, East Gwillimbury for the stated consideration of \$2.00. Based on land assembly and mixed-used land development estimates, the 2025 estimated market value of the consolidated property is \$20.65 million. The Respondent stated that she negotiated with Riverview Hills a "sale/mortgage take back".

The purchaser continues to owe to the Respondent over \$3 million secured by a mortgage over 18880 2nd Concession. Under the MCIA, the Respondent has a direct pecuniary interest in matters involving the Riverview Hills project. While there are separate legal entities, the structure of which is not completely clear, the Respondent has a financial interest in the success of the Riverview Hills project to ensure repayment of her vender takeback mortgage. The Respondent did declare an interest in the matter related to that

project and property in January 2025.

The alleged pecuniary interest in relation to the Holland Hope project arises from the Respondent's loan to Riverview Hills and the connection between the Holland Hope and Riverview Hills projects through their common management and the developer LSG.

The Respondent has confirmed that she has no financial involvement in the Holland Hope project. She has no direct pecuniary interest under the MCIA in any of the Holland Hope entities.

Section 2 of the MCIA defines indirect pecuniary interests for the purpose of the MCIA. None of those situations apply here as the Respondent is not a partner of a person, an employee, a member of a body, a shareholder of a private corporation, or a person with controlling interest, or who is an officer or director of a corporation with Holland Hope.

Under s. 2(b) of the MCIA, an employee of a "body" could be seen as broader than a single corporation or project, particularly in a development context where employees work across projects or work for the parent corporation. But there is no employment relationship between the Respondent and Holland Hope, Riverview Hills, or LSG.

In *Lorello v. Meffe*, the Respondent member of Council sold his shares of a corporation to the other two shareholders. The Court held that a financial relationship between the member and two individuals who purchased his shares did not create a debt for the corporation and accordingly, the member had no interest in the corporation (which had a possible future interest in a matter before council).

This decision indicates a respect for corporate personality in relation to a debt owing to a member when considering pecuniary interests under the MCIA.

Here, the publicly available documents do not list any guarantors or other individuals or entities that have an interest in the loan. Specifically, the documents do not indicate that the Respondent's mortgage is guaranteed by the developer's other assets. In my review, I have learned that most development projects have separate investors, separate bank accounts, and separate financing arrangements to manage risk and financing for a particular project. The sole-purpose entities ensure that any debts owed in one project are not collectible from other projects held in different corporation. While the corporations have significant overlapping management and are both projects offered by LSG, the pecuniary interest is isolated to the entity which owes funds to the Respondent, in this case Riverview Hills. There is no evidence that the Respondent's debt will be satisfied through the success of a different project owned by the same developer through a separate entity. Each MCIA investigation is reviewed on the specific facts of the

complaint. I do not have conclusive evidence that the Respondent's pecuniary interest in Riverview Hills results in a pecuniary interest in Holland Hope or LSG.

As a result of a lack of conclusive evidence that the Respondent's pecuniary interest in Riverview Hills results in a pecuniary interest in Holland Hope or LSG, I will not apply to the Court in relation to the Respondent's participation in matters related to Holland Hope. My decision does not mean that there is not interdependence between Riverview Hills and Holland Hope or LSG, but rather I do not have sufficient information in this case, to demonstrate that the Respondent's pecuniary interest in Riverview Hills creates a pecuniary interest in LSG or the Holland Hope group of corporations. If I had received any information that suggested that LSG or Holland Hope was responsible for the debts of Riverview Hills, I may have reached a different conclusion.

Code of Conduct:

The Relevant Code Provisions

1.1 The following principles will guide Members and assist with the interpretation of the Code:

- Members shall serve the public in a conscientious and diligent manner.
- Members shall always act and perform their functions with integrity, accountability and transparency, and shall avoid the improper use of influence of their office and conflicts of interest, both apparent and real.
- Members shall perform their duties and arrange their private affairs in a manner that promotes public confidence and will bear public scrutiny

...

...

10.0 Conflicts of Interest

10.1 Members shall take appropriate steps to avoid conflicts of interest, both apparent and real. Proactive steps to mitigate conflict of interest are important to maintaining public confidence in elected officials. Members may seek guidance from the Integrity Commissioner if they may have a conflict between their responsibilities to the public as a Member of Council and any other interest, pecuniary or non-pecuniary.

10.2 When a Member discloses a pecuniary interest, the Member must file a written statement of the Member's interest at the meeting with the Municipal Clerk, or as soon as possible afterwards.

10.3 The Town is required to establish and maintain a registry of statements and declarations of interests of members, which shall be available for public inspection.

The conflict of interest provisions in the Code are broader than the pecuniary interests under the MCIA. The Code captures real or apparent conflicts which may include non-pecuniary conflicts.

While the Respondent may not have a pecuniary interest in every corporate entity related to the developer and its principals, the Respondent is owed over \$3 million by one of the developer's companies from the sale of her property. Management must direct payment of the interest and principal (at the end of the term). There is an apparent conflict of interest which arises from the common management - where the Respondent has an interest in ensuring that management is satisfied with the decision of the municipality through council. Having identified a Code conflict of interest, I considered whether a reasonable elector, knowing about the Code conflict of interest, would be more likely than not to regard the interest as influencing the member's actions in regard to this matter. I determined that a reasonable elector, knowing about the Respondent's relationship with the developer LSG and financial interest in Riverview Hills, would regard those interests as influencing the Respondent's actions in participating in discussions or voting on development applications or matters related to LSG's other projects.

In this case, I accept that the Respondent was not aware of the connection between Riverview Hills and Holland Hope at the time of the March 2023, May 2023, and September 2024 meetings. Without knowledge of her interest, a reasonable elector likely would not find that she engaged in the Holland Hope issues considering her personal interest in LSG developments.

However, by January 2025, when LSG made a deputation in regard to Holland Hope, I find that the Respondent was aware of the connection between LSG and Holland Hope as well as LSG and Riverview Hills. I find that the Respondent breached s. 10.1 of the Code by failing to avoid the Code conflict of interest by recusing herself from participation in the matter in relation to LSG. While no decision was made, members of council did ask questions and were never put on notice that the Respondent had a Code conflict of interest. The Respondent was aware of that obligation as she declared a MCIA conflict in the Riverview Hills related deputation.

On April 3, 2025, I provided the Respondent with Notice of Formal Complaint Investigation and invited her to provide her written reply on the Code and MCIA allegations on or before April 14th.

On April 3rd, I was advised that the Respondent was on vacation and that she required a

time extension to provide the reply to the Complaint. I decided to grant the Respondent a time extension until April 22st.

I received the Respondent's written reply to the Complaint on April 22, 2025. In summary, the Respondent advised in relation to not declaring a pecuniary interest regarding Holland Hope that:

January 20, 2025,

- When I noticed reference to the address 18880 2nd Concession on the January 21 East Gwillimbury Committee of the Whole Agenda, it was then that I became aware that the Land Services Group/Holland Hope and Riverview Hills were connected in some form. Considering this I immediately sought advice from you in relation to a potential conflict of interest. Based on our discussion on January 20, and the additional information provided to you the following day related to the mortgage take back details, it was confirmed by you that I did in fact have a pecuniary interest.
- At the beginning of the January 21, Committee of the Whole Meeting I made the declaration of a pecuniary interest for the item related to 18880 2nd Concession and did not participate in the discussion.
- While I only made the declaration in relation to 18880 2nd Concession, I understand now that my declaration should have also included the matters of the Holland Hope development.

The Respondent continued in her written reply to state that as of September 24, 2024, she was not aware that Land Services Group General Partners Inc., were connected to Riverview Hills with whom in December 2023, she had negotiated the sale/mortgage take back of 18880 2nd Concession. The Respondent concluded that it was for these reasons that she did not declare an interest at this time.

The Respondent concluded her reply by saying:

I can assure you that at no time was I operating in a deceptive or malicious manner. My neglect to declare a pecuniary interest was done simply because I was not aware of the connection between the two businesses. I can also assure you that, going forward, I will be declaring a pecuniary interest should Land Services Group, Holland Hope General Partners Inc., and/or River Hills come before Council.

On August 8th, I provided the Respondent with a copy of the draft complaint investigation report. I advised that the Respondent was being provided with a Confidential copy of the draft findings with an invitation to provide comments by August 19, 2025 on **errors or omissions of fact** in the draft report, which I would consider in

the completion of my final report. I reminded the Respondent that this was not an opportunity to submit new information as the investigation was concluded.

In her August 19th comments, the Respondent stated:

I confirm receipt of your findings in relation to the formal complaint received under the Municipal Conflict of Interest Act addressing a failure to declare a pecuniary interest. I have read the report and am comfortable that the details have been captured accurately and have no further comments.

I would like to take this opportunity to sincerely apologize for my oversight in not declaring the pecuniary interest for reasons I have shared in my response, and I also regret that this matter has taken up a lot of your time and resources.

While I understand and acknowledge your position to recommend a meaningful sanction, I assure you that I am now fully aware of the affiliation between the identified organizations and going forward I will most certainly be declaring an interest on such matters.

Conclusion:

For the above reasons, I have made the decision not to apply to the Court in relation to the MCIA.

I find that the Respondent breached s. 10.1 of the Code through her participation in the council meeting on January 2025 and failing to avoid the Code conflict of interest by recusing herself from participation in the matter in relation to LSG.

In deciding on a recommendation, I considered the purpose of an accountability regime and having Code of Conduct rules. In so doing, my considerations included:

- a) the likelihood of a repetition of the offence (specific deterrence);
- b) the nature of the action committed;
- c) any extenuating circumstances surrounding the commission of the contravention;
- d) the detriment to the municipality occasioned by the contravention; and,
- e) the need to deter others from committing a similar actions (general deterrence).

A written Code of Conduct protects the public interest and helps to ensure that the Members of Council and Members of local boards share a common basis for acceptable conduct. The standards are designed to provide a reference guide and supplement to the legislative parameters within which the Members must operate.

Members of Council and local boards are therefore expected to perform their duties of office with integrity and impartiality in a manner that will bear the closest scrutiny. In turn, adherence to the standards set out in the Code will protect and enhance the Town of East Gwillimbury's reputation and integrity.

In recommending the appropriate sanction, I took into consideration that the Respondent cooperated in the investigation and that this is the first time that I have found a violation under the Code against the Respondent. I also considered that the Respondent did not comment or ask questions in respect of the deputation, and I received no evidence that the Respondent engaged with other members of council on the Holland Hope project after that meeting. Given the importance of maintaining public confidence in elected officials, and in particular in their participation on matters without a private interest in them, I determined that these actions warrant more than a reprimand but that the length of any suspension of pay should not be overly punitive but that a meaningful sanction was necessary to send a strong signal to members that declaration of conflicts of interest are vital and may also engage section 10 of the Code.

I recognize that the Respondent has expressed sincere regret for her conduct and that going forward she will be vigilant with respect to her obligations under the MCIA and the Code and has committed to declare a conflict in respect of any matters involving Riverview Hills, Holland Hope, and LSG while the loan is outstanding. While I commend her for doing so, the expression of regret itself demonstrates her current understanding of her obligations but does not excuse her past failures under the Code. While the regret and acknowledgement serve as mitigating the Respondents' breaches of the Code, for the reasons set out above, I had determined that a stronger sanction than a reprimand is required.

Recommendation:

With respect to the *Municipal Conflict of Interest Act*, 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.

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 the application is made within six weeks after receiving this decision.

With respect to the Code, I recommend that the Town of East Gwillimbury impose the following sanctions:

a Formal Reprimand;

b. A suspension of Remuneration for a period of 10 days.

Respectfully submitted,



Suzanne Craig
Integrity Commissioner