

Candour, transparency and conflicts of interest at City Hall

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Day 1 of council's Public Hearing on Planning Matters, specifically the proposed citywide rezoning change, started at city hall in Calgary on Monday, March 23, 2026. It is expected to run all week.

Darren Makowichuk/Postmedia

Something equal parts special, interesting and compelling happened at Calgary city council on Feb. 17, 2026.

A significant land use development matter was before council. It involved the proposed "Augusta Villas" 35 townhouse development in the community of Springbank Hill.

Here's the special/interesting/compelling part: Mayor Jeromy Farkas took what one may consider to be a noteworthy position with respect to the need for council members to be candid and transparent, and to scrupulously avoid conflicts of interest in their roles — be it material, pecuniary, indirect or perceived.

Citing sections 170(1)(b), and sections 172.1(1) and (2) of the Municipal Government Act and a “perceived personal conflict of interest”, specifying that he did not have a “pecuniary interest”, in the matter, the mayor vacated the chair, recused himself from the council matter, left the chamber, and abstained from voting.

As “fiduciaries” of and for the City of Calgary and the people they represent, councillors, in my view, must not only do right in their actions as representatives on council, but must be seen to do right in those actions. Fiduciaries bear a standard of “utmost good faith” — placing the interests of their constituents and the integrity of their office above and ahead of all personal interests.

The council agenda item in question affected, specifically, only a small portion of the city in a small community with strong feelings about — read “opposition” to — the proposed Augusta Villas development.

The ramification of the mayor’s decision, however, was anything but small. It mattered. It set the standard. It has consequential implications for the ongoing blanket rezoning public hearings. Unlike the contained scope of the Augusta Villas matter, which arguably only directly affected Springbank Hill, the rezoning hearings have far-reaching and profound consequences for the entire city and its property owners.

Some interesting background on this issue: There was — until very recently — a requirement for council members to publicly disclose their real estate, corporate and financial holdings. “Best practices” would also necessitate disclosing personal holdings, shares and offices held in corporations and business ventures, as well as those for persons not at “arm’s length” to the council member, such as close family members.

Make no mistake, there is consequential — read “big” — money involved in the development of densified inner-city housing. When one can turn a single dwelling on a standard city lot into four, six, eight, or even 12 dwellings on that lot — each selling for as much or more than the single dwelling they supplanted — it is a material, pecuniary or financial pursuit. By extension, if one has two, three or five of these properties, the significant profits at stake are multiplied accordingly.

If a council member has an interest in a property — beyond the one that they live in personally — that is eligible for densified development under an endorsement/facilitation through blanket rezoning, with very limited exception, there is a pecuniary interest that should be disclosed before the public hearing. Action of the “utmost good faith” should be taken by the councillor — recuse and abstain. It is a simple matter.

If a councillor with such property chooses to remain engaged in the public hearing and proceed to vote, they should, at the very least, declare and explain their perceived conflict of interest and let their constituents decide at election time if they did the right and ethical thing.

With the puzzling repeal in 2025 of the city bylaw — Code of Conduct for Elected Officials — and the disappearance of the Disclosure Policy for Members of Council, the disclosure requirements for council appear to have become “voluntary” and “discretionary”, and such disclosures of real estate, corporate and financial holdings that used to appear on the City of Calgary website are nowhere to be found.

Under the current system, there is no way for the public to readily see what financial, business and property interests a councillor holds and how such interests might be assessed for conflicts of interest, breaches of fiduciary duties, and the need for councillors to recuse themselves from matters in which they may have a conflict of interest.

In light of the current public hearing on the repeal of the blanket rezoning bylaw, and the example set by Mayor Farkas, it would seem timely for members of council to diligently consider whether their interests in real estate, corporate matters and financial holdings, out of an abundance of caution, candour and transparency, ought to be disclosed, and to take appropriate action to recuse themselves from the public hearing.

If a councillor has nothing to disclose, they should say that, too.

Let's just clear the air on conflicts. Wouldn't it be great if all council members simply voluntarily declared their personal holdings, shares and offices held in corporations and business ventures, as well as those of close family members?

And going just one step further — maybe if a councillor has a conflict of interest — be it material, pecuniary, indirect, or perceived — they could declare if they intend to recuse themselves from the public hearing, and to let the public know if they intend to abstain from the votes.

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Municipal Government Act, Alberta c. M-26 RSA 2000

Excerpted March 30, 2026

Division 6 - Pecuniary Interest and Conflict of Interest of Councillors

Pecuniary interest and conflict of interest

170(1) Subject to subsection (3), a councillor has

- (a) a pecuniary interest in a matter if
 - (i) the matter could monetarily affect the councillor or an employer of the councillor, or
 - (ii) the councillor knows or should know that the matter could monetarily affect the councillor's family,
- and
- (b) a conflict of interest in a matter if
 - (i) the matter could affect a private interest of the councillor or an employer of the councillor, or
 - (ii) the councillor knows or should know that the matter could affect a private interest of the councillor's family.

(2) For the purposes of

- (a) subsection (1)(a), a person is monetarily affected by a matter if the matter monetarily affects
 - (i) the person directly,
 - (ii) a corporation, other than a distributing corporation, in which the person is a shareholder, director or officer,
 - (iii) a distributing corporation in which the person beneficially owns voting shares carrying at least 10% of the voting rights attached to the voting shares of the corporation or of which the person is a director or officer, or
 - (iv) a partnership or firm of which the person is a member,
- and
- (b) subsection (1)(b), a person's private interest is affected by a matter if the matter affects
 - (i) the person directly,
 - (ii) a corporation, other than a distributing corporation, in which the person is a shareholder, director or officer,
 - (iii) a distributing corporation in which the person beneficially owns voting shares carrying at least 10% of the voting rights attached to the voting shares of the corporation or of which the person is a director or officer, or
 - (iv) a partnership or firm of which the person is a member.

Bylaw requiring statement of disclosure

171 A council may by bylaw

- (a) require that each councillor file with a designated officer a statement of the name or names of
 - (i) the councillor's family,
 - (ii) the employers of the councillor,

(iii) each corporation, other than a distributing corporation, in which the councillor is a shareholder, director or officer,

(iv) each distributing corporation in which the councillor beneficially owns voting shares carrying at least 10% of the voting rights attached to the voting shares of the corporation or of which the councillor is a director or officer, and

(v) each partnership or firm of which the councillor is a member,
and

(b) require the designated officer to compile a list of all the names reported on the statements filed with the officer and give a copy of the list to the employees of the municipality indicated in the bylaw.

1994 cM-26.1 s171;1996 c30 s10

Disclosure of pecuniary interest

172(1) When a councillor has a pecuniary interest in a matter before the council, a council committee or any other body to which the councillor is appointed as a representative of the council, the councillor must, if present,

(a) disclose the general nature of the pecuniary interest prior to any discussion of the matter,

(b) abstain from voting on any question relating to the matter,

(c) subject to subsection (3), abstain from any discussion of the matter, and

(d) subject to subsections (2) and (3), leave the room in which the meeting is being held until discussion and voting on the matter are concluded.

Disclosure of conflict of interest or perceived conflict of interest

172.1(1) When a councillor believes the councillor may have a conflict of interest or perceived conflict of interest in a matter before the council, a council committee or any other body to which the councillor is appointed as a representative of the council, the councillor may disclose the general nature of the conflict of interest or perceived conflict of interest prior to or during any discussion of the matter.

(2) If a councillor discloses a conflict of interest or perceived conflict of interest under subsection (1), the councillor may, if present, do any one or more of the following:

(a) abstain from voting on any question relating to the matter;

(b) abstain from any discussion of the matter;

(c) leave the room in which the meeting is being held until discussion and voting on the matter are concluded.

(3) The disclosure of a councillor's conflict of interest or perceived conflict of interest under subsection (1) and the abstention of a councillor under subsection (2) must be recorded in the minutes of the meeting.

2024 c11 s2(7)

Division 7 - Disqualification of Councillors

Reasons for disqualification

174(1) A councillor is disqualified from council if

(g) the councillor contravenes section 172;

REASONS TO OWN A **SINGLE** R-C1 OR R-C2 PROPERTY

In the context “residential” housing, there is only one reason, practically, that a Councillor – or anyone else - would ordinarily own a single residential property – particularly one that would be zoned as R-C1 or R-C2 under the previous Bylaw – and that is to house and shelter the property owner and their family.

REASONS TO OWN MORE THAN ONE R-C1 OR R-C2 PROPERTY

Correspondingly, there are generally only three reasons to own more than one residential R-C1 or R-C2 property:

1. to RENT out the properties as a landlord for financial gain,
2. to HOLD a property in speculation of future financial gain, or
3. to DEVELOP the property for future financial gain

– summarized collectively as the pursuit of commercial gain.

In short, to realize benefit on a pecuniary interest.

**SAMPLE
DENSIFICATION REDEVELOPMENT
SCENARIO**

PURCHASE OF R-C1/R-C2 LOT \$800,000

CONSTRUCT 8 UNITS ON THE R-C1/R-C2 LOT

AVERAGE NEW UNIT PRICE \$800,000

TOTAL REDEVELOPMENT REVENUE \$6,400,000

AVERAGE PROFIT PER UNIT \$125,000

TOTAL SINGLE LOT REDEVELOPMENT PROFIT \$1,000,000

MULTIPLIER FOR MULTI-LOT DENSIFICATION REDEVELOPMENT

2 LOTS TOTAL REDEVELOPMENT PROFIT \$2,000,000

3 LOTS TOTAL REDEVELOPMENT PROFIT \$3,000,000

4 LOTS TOTAL REDEVELOPMENT PROFIT \$4,000,000

5 LOTS TOTAL REDEVELOPMENT PROFIT \$5,000,000

* While these numbers are for illustration purposes only and will vary by redevelopment site and project – if the profit projections are even ¼ of those illustrated above, these profits represent a material financial interest.