

CONDUCT AND CONFLICT: UNFAIR COMPLAINT HANDLING BY THE RURAL MUNICIPALITY OF VICTORIA

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PUBLIC REPORT #4 | OCTOBER 2026





From the Ombudsperson

Democracy depends on more than elections. It depends on respect for the rules and institutions that give meaning to the public's vote. This report describes how the Rural Municipality of Victoria (RMV) purported to disqualify an elected councillor from office after following numerous unfair complaint assessment processes. Critical to the timing of this report, which is being released during a municipal election, the mayor incorrectly informed residents that the councillor was disqualified from seeking municipal office in the future. This statement was not only incorrect, but could cause additional harm if left publicly uncorrected prior to the election date.

In local government, residents elect councillors to represent them, challenge one another's ideas and engage in debate about the future of their communities. Elected representatives often disagree on what that future should look like. Those disagreements are not a flaw in the democratic process. They are part of its design.

Professional disagreements can be intense. To prevent them from veering into unacceptable behavior, councillors are required to abide by code of conduct bylaws that establish behavioral expectations. Should someone believe the code of conduct has been breached by a councillor, they can submit a complaint to the municipality. A similar process exists for anyone who believes a councillor has breached a municipality's Conflict of Interest Bylaw. The procedural requirements

for handling these complaints are intended to ensure that the processes are fair and adhere to the principles of natural justice.

The purpose of this report is not to assist or oppose any candidate in the upcoming municipal election. It is to correct misinformation about eligibility for municipal office before residents cast their ballots. It is also intended to inform residents of the unfairness committed by the RMV when purporting to disqualify a democratically elected councillor from office. For the purposes of this report, the elected councillor will be referred to as "EG."

This report was drafted promptly following the conclusion of our investigation and was finalized only after all parties directly affected were provided with a chance to review it and make final representations. The timing of its release reflects the completion of those procedural fairness requirements.

Matthew Chapman
Ombudsperson and Public Interest
Disclosure Commissioner





Role of the Ombudsperson

OmbudsPEI has broad authority to investigate allegations of unfairness involving government agencies, municipalities, Health PEI and post-secondary institutions. If someone believes a municipality is acting contrary to the *Municipal Government Act* (MGA), they can contact the Municipal Affairs Division of the Department of Housing and Communities (the Department) to raise their concerns. This allows the Department to assess whether ministerial action under the MGA may be warranted in response. The individual can also submit a complaint to OmbudsPEI about unlawful action, including bylaw non-compliance, or administrative unfairness in the application of public policy more broadly.

Once a complaint is received, OmbudsPEI assesses whether the concerns have sufficient merit to warrant a deeper review. If so, we then contact the involved municipality with questions and information requests. We may also reach out to the Department to inform our assessment.

If OmbudsPEI identifies unfairness, our goal is not to seek punitive action on behalf of the complainant. Rather, we strive to prevent ongoing harms, ensure that any unfairness that occurred does not happen again, that meaningful recognition of what happened is provided, and that, when reasonably possible, the person subject to the unfairness is returned to a position they were in before the unfairness occurred.

The Ombudsperson cannot mandate a resolution or compel an authority to take action to rectify unfairness. The Ombudsperson does not have that power. When the Ombudsperson is unable to convince an authority to address an unfairness, their final recourse is to inform the public. It is the role and responsibility of the Ombudsperson to “bring the lamp of scrutiny to otherwise dark places, even over the resistance of those who would draw the blinds.”¹

¹ *Ombudsman Act (Re)*, 1970 CanLII 798 (AB SCTD), <<https://canlii.ca/t/gcq2q>>

² *Municipal Government Act Code of Conduct Regulations*, EC2022-530, online: Government of Prince Edward Island <princeedwardisland.ca/sites/default/files/legislation/m12-01-1-municipal_government_act_code_of_conduct_regulations.pdf>.

³ *Code of Conduct Regulations*, Section 2.

Code of Conduct and Conflict of Interest Bylaws

The *Municipal Government Act Code of Conduct Regulations* (the Regulations) require that every municipality adopt code of conduct and conflict of interest bylaws.² Legislation sets requirements for what must be included in those bylaws, such as requiring council members to treat every person with dignity and respect, as well as to ensure that a council member’s decisions are not influenced by their own private interests. The Regulations also mandate processes for determining whether a member has contravened the bylaws.³

It is up to each municipality to determine rules for how code of conduct complaints are submitted, as well as the measures for attempting informal resolution prior to engaging a formal investigation. The municipality can also set general expectations for what can, and cannot, reasonably constitute undignified, disrespectful or harassing behavior. Doing so sets guardrails to prevent the overly strict, or overly permissive, interpretation of the bylaw.

The Regulations require that, should a code of conduct complaint not be resolved through informal resolution or be dismissed as frivolous or vexatious by a non-conflicted assessor, council must appoint a third-party investigator to assess the complaint. This investigator will conduct a procedurally fair investigation that adheres to the principles of natural justice. Once the investigation is completed, a report is submitted to council. Council will then review the report in a closed session before moving to an open session to vote on whether the respondent violated the Code of Conduct Bylaw and what sanctions, if any, should be applied.

Natural Justice is concerned with procedural fairness in decision-making. Before a decision that may have adverse consequences is reached, the affected person must receive proper notice, be given a fair opportunity to participate in the process and have their matter considered by an unbiased decision-maker. These requirements are commonly referred to as the right to a fair hearing.

When council votes to find a councillor in violation of the Code of Conduct Bylaw, the MGA's Regulations permit the following sanctions:

- A fine not exceeding \$500.
- A letter of reprimand.
- A request for an apology.
- A requirement for training.
- The suspension of a council member for a period not to exceed six months or the expiry of the council member's term, whichever occurs first.
- Reduction or suspension of the council member's pay.



A councillor who breaches the Conflict of Interest Bylaw may be disqualified from office, subject to council's ability to pardon an inadvertent breach resulting from a genuine error in judgment.⁴ Such disqualifications apply only for the remainder of the individual's term in office. They do not disqualify the councillor from seeking re-election or sitting on boards or committees in the future. When a vote is taken to disqualify a councillor, the respondent is asked to resign. If they do not, the municipality can make an application to the courts to remove the individual from office.

Background to OmbudsPEI Complaint

Following the November 2022 municipal election, a new RMV council began operating amid administrative instability. Within the first year, multiple chief administrative officers (CAOs) were appointed and resigned in quick succession. This followed a pattern of resignations by senior administrators dating back to 2018.

Departmental records document tensions arising between council members early in the term, leading to a string of code of conduct and conflict of interest complaints made by and against fellow councillors as well as related complaints to the Department. This tension played a role in the resignations of three councillors by September of 2023.

In the summer of 2024, the Department received repeated inquiries and complaints regarding RMV operations. Many of these complaints concerned both EG and the mayor and were often submitted by one another.

By the summer of 2025, multiple councillors were subject to code of conduct and conflict of interest complaints made by fellow councillors. This resulted in considerable time and attention being spent during council meetings to address the complaints.

Initial Complaint to OmbudsPEI

In September 2025, OmbudsPEI was contacted by EG regarding the RMV's process for finding them in breach of the municipality's Code of Conduct Bylaw and suspending them from office. This followed a complaint made against EG by the CAO. The basis for the CAO's complaint was that EG had made comments during a public meeting on September 2, 2025, which the CAO believed were directed against them and constituted bullying and harassment.



⁴ *Municipal Government Act*, RSPEI 1988, c M-12.1, s 96(6) (Council Code of Conduct), online: Government of Prince Edward Island <https://www.princeedwardisland.ca/sites/default/files/legislation/m-12.1-municipal_government_act.pdf>.



The September 2, 2025, meeting had been held to review the RMV's financial situation and develop recommendations to improve the municipality's finances. It was recognized that the municipality was facing financial pressures and that a response plan was necessary.

A transcript of all comments made by EG at this meeting is included in this report as **Appendix A**. As evidenced by the transcript, EG made comments on the following issues:

- Suggesting that the RMV could seek more provincial funding than previously provided.
- A history of the RMV making procedural mistakes, requiring meetings to be redone, causing proportionate administrative workload increases and financial costs for the RMV. EG stressed the need to prevent similar mistakes in the future.
- Stating that there may be additional grants that the RMV could apply for in the future, which had not been applied for in the past.
- Providing an opinion that the RMV should prioritize the development and adoption of a procurement bylaw. This would, in EG's opinion, provide a mechanism for ensuring the money the RMV spent on contracts was done responsibly.

In their code of conduct complaint (**Appendix B**), the CAO alleged that during this meeting, EG publicly accused the RMV of financial mismanagement, lack of transparency and failing to pursue available grants, rather than constructively addressing municipal revenue issues. The CAO contended that EG's comments amounted to bullying and intimidation of municipal staff, created a disrespectful workplace, improperly raised what should have been a human resources matter in a public forum and breached the municipality's Code of Conduct Bylaw governing respectful conduct and council-staff relations. The CAO further alleged that this conduct damaged the reputation of municipal staff, Council, and the municipality. They also alleged that the comments were part of a recurring pattern of conduct toward staff, contributed to staff turnover and had a demoralizing effect on them personally.

The CAO's complaint was received by the mayor the day after the meeting. The mayor promptly emailed EG to relay the CAO's request for a public apology. The mayor explained that they believed the CAO's request was an appropriate and constructive way to address the complaint and provided EG one day to apologize. EG did not respond to this email, believing it constituted an ultimatum by the mayor before EG had a chance to respond to the CAO's allegations. EG did not understand how any of their comments at the September 2, 2025, meeting could be characterized as bullying or harassment or constitute a violation of the RMV's Code of Conduct Bylaw.

A regular council meeting occurred on September 8, 2025. During this meeting, the CAO's complaint was discussed in a closed session. At that time, EG raised concerns about the mayor's email requesting a public apology. This, EG believed, was not an attempt to facilitate a resolution as required by the Regulations⁵ and the RMV's Code of Conduct Bylaw,⁶ but rather a premature finding of a breach and imposition of a sanction. EG raised several other concerns with the complaint and referenced information and documentation it cited that they were not provided.

⁵ Code of Conduct Regulations, s 2(2)(g).

⁶ Code of Conduct Bylaw No. 2023-03, Rural Municipality of Victoria, Prince Edward Island, s 10.10, online: Rural Municipality of Victoria. <<https://static1.squarespace.com/static/5d430fdf7d9ae60001a0e0f7/t/6601b9c19cdaac03a8be606d/1711389121195/Code+of+Conduct+Bylaw+%232023-03.pdf>>.



EG also raised concerns that council was attempting to bypass legislatively required provisions of the RMV's Code of Conduct Bylaw complaint process by seeking a vote without first conducting the required independent third-party investigation.⁷ After EG spoke, council voted to find them in violation of the Code of Conduct Bylaw. Through this vote, council imposed the following sanctions:

1. *Councillor [EG's] services as a member of council (committees and other) are suspended immediately and will be reinstated when a letter of apology is received from Councillor [EG's] and that the letter is read out at a regular council meeting.*
2. *During the time the member is suspended, the member's compensation will be suspended.*
3. *Councillor [EG's] is required to redo the code of conduct training that is provided to all council members by the provincial government before being reinstated as a member of the Council.*

Informal Assessment by OmbudsPEI

Based on the allegations, OmbudsPEI contacted the RMV for clarification about what occurred. In response, the mayor and CAO acknowledged that council had not adhered to the RMV's Code of Conduct Bylaw when considering the CAO's complaint, including its legislatively required provisions. Through OmbudsPEI's informal assessment, we determined that:

- The mayor did not facilitate discussion between the CAO and EG as required by the Code of Conduct Bylaw.⁸ Rather, the mayor asked EG to apologize to the CAO without providing the opportunity to address the allegations.
- Council did not start a formal internal resolution process by appointing an independent third-party investigator as required by the regulations and the RMV's own Code of Conduct Bylaw.⁹
- Because council did not appoint an independent third-party investigator, it failed to adhere to the requirements of the Code of Conduct Bylaw when proceeding to a vote and impose sanctions.¹⁰
- The sanction of removing EG from office, pending an apology, contravened the regulatory requirement that any suspension cannot exceed six months or the expiry of the council member's term.¹¹ The sanction applied to EG included no timeline for when EG could resume their place on council. Its effect was indefinite pending an apology.

It was clear to OmbudsPEI that the RMV had acted contrary to legislatively required provisions of its own bylaw when finding EG in violation of the code of conduct and sanctioning them, and that the process followed did not meet the requirements of natural justice. As a means of informally resolving EG's complaint, OmbudsPEI proposed that council vote to remove all sanctions against them, retroactively compensate them for lost pay and issue a public statement explaining its errors.

The municipality accepted OmbudsPEI's proposal and agreed to hold a vote on whether or not to adopt it at the next council meeting, after which OmbudsPEI would consider the matter concluded.

⁷ Code of Conduct Regulations, s 2 AND Code of Conduct Bylaw, s 10.11.

⁸ Code of Conduct Bylaw, s 10.10.

⁹ Code of Conduct Regulations, s 2 AND Code of Conduct Bylaw, s 10.11.

¹⁰ Code of Conduct Bylaw, s 11.4.

¹¹ Code of Conduct Bylaw, s 12.4(b)(i).



Failure to Resolve

On October 6, 2025, the proposed vote was held and passed. Immediately afterward EG attempted to resume their place on council. The mayor prevented EG from doing so and explained that the council's vote had not yet taken effect and would only come into effect once the CAO advised EG of the results. The mayor's decision, which was not opposed by sitting councillors, gave the CAO the power to determine when EG could resume their place on council. This was despite the vote being immediately effective and despite the CAO's role as the complainant in the original matter leading to EG's suspension. This was also despite EG being present for the vote and therefore being aware of it.

After preventing EG from resuming their place on council, the mayor announced that they had submitted a conflict of interest complaint against EG (**Appendix C**). The mayor explained that they had learned, from the CAO, that EG had missed a water and sewer payment on their personal property. Because of this, the mayor argued that EG's position as chair of the RMV's Water and Sewer Committee, which is charged with managing overdue accounts, placed EG in a conflict of interest, which EG had failed to disclose. The mayor then called for an immediate vote to find EG in a conflict of interest before EG could resume their place on council or respond to the allegations.

The mayor's call for a vote to find EG in a conflict of interest was moved but not seconded and did not proceed. At that time, EG questioned whether a conflict of interest complaint still existed, to which the mayor responded, "we will file another one, whatever it takes."

Prior to this meeting, EG had filed a code of conduct complaint against the deputy mayor. It was EG's understanding that this complaint would be considered at the October 6, 2025, meeting. When it was not, EG questioned why. In response, the mayor warned that they would call for a vote to have EG removed from the room if they persisted with the line of questioning.

The actions of the mayor at the October 6, 2025, meeting prevented OmbudsPEI's proposed resolution from taking effect as it unreasonably barred EG's return to council. The mayor's actions also demonstrated that they attempted to seek a vote by council to find EG in violation of a bylaw without first providing EG with the opportunity to address the allegations against them in a manner required by natural justice.

Workplace Harassment Allegations

Following the events of October 6, 2025, council voted at its November 24, 2025, meeting to remove EG as chair of two committees and prohibit them from attending the municipal offices without an escort by a non-conflicted councillor. EG, who was unable to attend the meeting, only learned of these sanctions through a resident newsletter published by the mayor on November 26, 2025. Two days later, EG was informed by the CAO that these measures were taken under the province's *Occupational Health and Safety Act, Workplace Harassment Regulations* (Workplace Harassment Regulations). OmbudsPEI confirmed with the CAO and mayor that these measures were taken solely in response to the allegations made by the CAO in their original code of conduct complaint (**Appendix B**) against EG.

The mayor and CAO had, in effect, converted the code of conduct complaint, which had been handled unfairly by the RMV, into a workplace harassment complaint and relied on provisions of the Workplace Harassment Regulations to prevent what the CAO alleged was ongoing harassment by EG. This decision was made despite any completed or planned independent assessment into whether workplace harassment had, in fact, occurred.



Handling of Complaints Filed by EG

After the council meeting on October 6, 2025, EG filed two code of conduct complaints against the mayor. The first was about the mayor's decision not to permit EG to resume their role on council immediately following the vote to reinstate them. The second was about the mayor's decision not to consider EG's complaint concerning the deputy mayor at the same meeting.

The CAO provided advice to council that neither of EG's complaints were valid. This, the CAO argued, was because the matters at issue were rulings of the mayor that could have been appealed by members of council immediately after being made. This advice was provided by the CAO despite them having made multiple complaints against EG. The CAO's advice to council also incorrectly conflated two distinct matters, one being the ability of councillors to appeal a mayoral decision and the other being whether the mayor's action was a breach of the Code of Conduct Bylaw. On the CAO's advice, council voted not to consider either of EG's code of conduct complaints.

Resignation of EG

At the RMV's December 8, 2025, meeting, council intended to consider the conflict of interest complaint made by the mayor against EG. By that time, EG had lost faith in the ability of the mayor, council and CAO to fairly consider complaints made against or by them and believed they were being improperly targeted for removal from elected office. To that date, EG had experienced what they considered to be the following:

- A vote by council to find them in violation of the RMV's Code of Conduct Bylaw through an unfair process and the imposition of an unlawful sanction.
- Being unfairly prevented by the mayor from sitting as a councillor following a vote to reinstate them at the October 6, 2025, meeting.
- Being unfairly prevented by the mayor from responding to the conflict of interest complaint made against them at the October 6, 2025, meeting of council, despite the mayor calling for a vote during the meeting to determine whether EG was in a conflict of interest.
- Comments by the mayor suggesting that they and unspecified other(s) would continue complaining about EG, despite the unfair processes followed to-date, when stating, *"we will file another one, whatever it takes."*
- Being removed as chair of committees and prevented from attending council premises because of the allegations made by the CAO through a code of conduct complaint. This was despite no impartial investigation of the allegations having taken place, or being planned to take place in a reasonable time, either through the Code of Conduct Bylaw's investigation provisions or through a workplace harassment investigation conducted by an independent investigator.
- Having their conflict of interest complaint against the deputy mayor dismissed without explanation.
- Having their two code of conduct complaints against the mayor dismissed by council on unreasonable advice from the CAO at a time when the CAO had unresolved code of conduct and workplace harassment complaints filed against EG.



EG chose to resign prior to council considering the conflict of interest complaint against them. A second councillor resigned at the same time, while a third resigned the following morning. All three cited concerns with how code of conduct and conflict of interest complaints were handled by the mayor, the CAO and other councillors.

Despite EG's resignation, council proceeded to consider the conflict of interest complaint against them and voted to find EG in violation of the RMV's Conflict of Interest Bylaw. Council then disqualified EG from council. This was despite the MGA stating that a council member cannot be in a conflict of interest solely because of any interest they may have as a utility customer of the municipality.¹²

In a regular newsletter addressed to all residents of the RMV sent after the December 8, 2025, meeting, the mayor explained the results of the vote and wrote *"...Council's decision results in (EG) being disqualified from serving on Council or on committees in the future."* This was despite no provision existing in the MGA or the RMV's Conflict of Interest Bylaw that permits council to prohibit a disqualified councillor from running for office or sitting on a committee in the future.

Together, the actions taken against EG after the failed OmbudsPEI resolution attempt indicated to the Ombudsperson that an informal resolution was no longer possible. The Ombudsperson then began a formal investigation to determine whether findings, recommendations and a public report were necessary.

Formal Investigation

As the actions of the mayor were the focus of OmbudsPEI's formal investigation, the notice of investigation was provided to the Minister of Housing and Communities.¹³ The evidence relied upon through formal investigation was collected primarily during the informal resolution process, which involved OmbudsPEI monitoring the

RMV's actions both before and after the failed resolution attempt. OmbudsPEI had already collected hundreds of hours of recorded audio from both open and closed sessions of council, hundreds of documents and emails, meeting packages, community records and other evidence. OmbudsPEI also held interviews with the mayor, CAO and former councillors.

During the formal investigation, OmbudsPEI required the production of documents and information from the Department. This provided considerable context given the many concerns raised with the Department about matters central to OmbudsPEI's investigation.

Following the start of the formal investigation, the mayor, CAO, all of council and the RMV's municipal staff were provided with a copy of the notice of investigation. That notice and its appendices laid out, in detail, the matters under investigation and reasons for the Ombudsperson's concern. Each recipient was invited to submit any information they wished to inform the investigation, with each being invited to take part in interviews with the Ombudsperson. In total, the RMV was provided seven months to respond to the notice of investigation and to submit any information it wished to be considered by OmbudsPEI. Ultimately, only written representations were provided by the RMV through the formal investigative process.

At the conclusion of the investigation, all potentially impacted parties were provided with a draft version of this report and invited to provide final representations. This step is a requirement of the *Ombudsperson Act*,¹⁴ but also an important opportunity for all involved to fully understand the rationale behind the report's preliminary conclusions and provide meaningful final submissions. All final submissions received by OmbudsPEI were given careful consideration, leading to several important changes to the final version of the report.

¹² *Municipal Government Act*, s 96(5)(a).

¹³ *Ombudsperson Act*, RSPEI 1988, c O-5.01, s 23(1)(c)(iii), online: Government of Prince Edward Island <https://www.princeedwardisland.ca/sites/default/files/legislation/o-5-01_ombudsperson_act.pdf>.

¹⁴ *Ombudsperson Act*, s 24(4).

Investigative Analysis

OmbudsPEI recognizes the history of conflict and division within the RMV council and this report is not meant to minimize the concerns of any council members or take sides. This investigation does not make any finding that EG's conduct as a councillor was appropriate or inappropriate, nor does it determine the merits of any allegations made against them. Likewise, this report does not determine whether any person acted improperly merely by making a complaint. Rather, it examines the decisions, acts and omissions of the municipality, council and council members in receiving, assessing, deciding and acting upon complaints, including the fairness and reasonableness of advice relied upon by council.

1. The September 8, 2025, Code of Conduct Decision

All parties involved agreed that the September 8, decision by council to find EG in violation of the code of conduct was problematic. The Code of Conduct Regulations and the municipality's own bylaw make an independent third-party investigation, an opportunity for the parties to be heard, a written investigation report and council's review of that report mandatory preconditions before a vote could be taken to find EG in violation of the bylaw.¹⁵ Council appointed no investigator, received no investigation report, did not disclose all relevant material cited in the complaint and applied an unlawful, indefinite suspension on EG after voting to find them in breach of the Code of Conduct Bylaw.

¹⁵ Code of Conduct Regulations, s 2 AND Code of Conduct Bylaw, s 10.11, s 11, s 12.4(b)(i).





2. The Mayor's Refusal to Give Immediate Effect to the Rescission

On October 6, 2025, council rescinded the September 8, 2025, vote to find EG in breach of the Code of Conduct Bylaw, along with all associated sanctions. This was a result of OmbudsPEI's informal assessment and resolution attempt. The resolution passed by council contained no delayed effective time or date.

When EG attempted to return to their position on council, the mayor prevented them from doing so, claiming that reinstatement would occur at an unspecified date and only after administrative review by the CAO.

No legislative provision or bylaw authorized the mayor to postpone, suspend, or override a substantive resolution of council, nor could the CAO determine when an elected member's restored status would take effect. In this instance, the CAO was also the complainant in the underlying matter that led to EG's suspension.

3. The November 24, 2025, Workplace Restrictions

Prior to their resignation, council prohibited EG from entering the municipal office unless accompanied by a non-conflicted councillor and removed EG as chair of two municipal committees. These measures arose from the same unresolved allegations made by the CAO in their code of conduct complaint. At the same time, council deferred an investigation into the allegations to an unspecified future date.

In the Ombudsperson's view, the circumstances of this case required the municipality to appoint an impartial and independent investigator to assess the workplace harassment complaint. The complaint related precisely to the same allegations that were the subject of the code of conduct complaint process. Given the procedural unfairness and lack of independent investigation carried out during the municipality's handling of the code of conduct complaint, it would have been inappropriate for a workplace harassment complaint to be investigated by



anyone within the RMV. To meet the requirement that an investigation be "appropriate to the circumstances," as specified by the *Workplace Harassment Regulations*,¹⁶ the municipality should have ensured that the complaint was investigated by an individual who was independent of the parties and free from any actual or perceived conflict of interest. Given the history of conflict, the parties involved and the procedural deficiencies already identified in the handling of the code of conduct complaint, an independent investigator was necessary to ensure an investigation appropriate to the circumstances.

An employer may sometimes adopt proportionate, neutral and temporary measures to manage risk while a complaint of harassment is investigated. The measures taken by the RMV against EG could not be characterized as proportionate, neutral or temporary safeguards. They applied only to EG, impaired EG's ability to perform elected and committee functions, were publicly announced as though they were the result of substantiated harassment claims, had no end date and were not followed by an investigation.

¹⁶ *Occupational Health and Safety Act Workplace Harassment Regulations, EC2019-756, s 4(2), s 6*, online: Government of Prince Edward Island <https://www.princeedwardisland.ca/sites/default/files/legislation/o01-01-3-occupational_health_and_safety_act_workplace_harassment_regulations_0.pdf>

4. The December 8, 2025, Disqualification

EG resigned, effective immediately, at the outset of the December 8, 2025, meeting. Council nevertheless proceeded to vote on the new conflict of interest complaint made against EG by the mayor and purported to disqualify EG from municipal office.

Once EG resigned, he no longer held municipal office. EG therefore could not be disqualified as there was no position to disqualify him from. The statutory consequence of disqualification, in the context of a breach of the Conflict of Interest Bylaw, is the loss of a councillor's position for the remainder of their term. Conflict of interest complaints, and any subsequent disqualification as a result of a complaint, can only be applied to sitting members of Council. Disqualification, as a result of a conflict of interest complaint, does not prevent a councillor from seeking re-election or sitting on boards or committees in the future. Council therefore acted without statutory authority when it purported to disqualify EG after his resignation.

The subsequent statement made by the mayor to the residents of the RMV that EG was disqualified from serving on Council or committees "in the future," communicated a legal consequence that could not be imposed. That statement, if left publicly uncorrected before the municipal election, could also have the effect of improperly interfering in the electoral process by informing voters that they would be unable to vote for EG.



5. Code of Conduct Complaints Against the Mayor

EG submitted two code of conduct complaints against the mayor. The CAO advised council that the complaints were invalid because the mayoral rulings had not been appealed during the meetings. That analysis conflated two different processes. An appeal, as referred to by the CAO, can reverse a procedural ruling during a meeting. A code of conduct complaint addresses whether the exercise of authority, or related conduct, breaches standards of conduct. The failure to appeal did not extinguish the code of conduct complaint mechanism. The advice given to council by the CAO was unreasonable and unreasonably followed. Moreover, the CAO provided this advice while at the same time having outstanding complaints submitted against EG.

Conclusions

The events described in this report cannot reasonably be viewed as isolated procedural mistakes. Legislation and bylaws were repeatedly bypassed to hold improper votes and impose unreasonable and unlawful sanctions on EG. When some of those sanctions were rescinded in acknowledgement of their unfairness, the mayor improperly delayed the rescission from taking effect. The mayor then attempted to seek a vote to find EG in violation of the RMV's Conflict of Interest Bylaw without following the requirements of natural justice by allowing EG to address the allegations. When this was unsuccessful, the mayor stated, "we will file another one, whatever it takes." Complaints filed by EG against the mayor were then unfairly dismissed.

Disproportionate restrictions were imposed on EG in response to untested harassment allegations. No attempt was made to investigate those allegations by a neutral party, which the circumstances warranted. After EG's resignation, council purported EG to be disqualified in accordance with the MGA, however EG could not be disqualified, as he had already resigned. The mayor then publicly overstated the legal effect of the purported disqualification, which could unfairly interfere in upcoming elections.



The resulting harm on EG was cumulative. EG lost compensation, was excluded from elected office, was subjected to public allegations and was unreasonably disqualified after their resignation. The reputational damage of these actions was significant, particularly within a small rural community like the RMV.

Findings

Findings that conduct was contrary to law or unreasonable represent the Ombudsperson's opinion for the purposes of Section 27 of the *Ombudsperson Act*. They do not constitute judicial declarations or findings of civil liability, bad faith or personal misconduct.

Finding 1: Unlawful code of conduct decision

Council acted contrary to the *Municipal Government Act Code of Conduct Regulations*, the municipality's Code of Conduct Bylaw, and natural justice when it found EG in breach of the Code of Conduct Bylaw and imposed sanctions on September 8, 2025. This was done without an independent third-party investigation, full disclosure provided to EG, providing an opportunity for EG to be heard through the prescribed process or an investigator's report, all of which are required by legislation and bylaws.¹⁷ The suspension imposed on September 8, 2025, was additionally defective because it continued until a public apology was provided, creating an indefinite sanction prohibited by legislation.¹⁸ These decisions and their effects were contrary to law.

Finding 2: Unreasonable continuation of a rescinded suspension

The mayor acted unreasonably on October 6, 2025, when they prevented EG from immediately resuming their place on council following council's vote to rescind EG's suspension.

Finding 3: Unreasonable post-resignation disqualification

Council acted unreasonably on December 8, 2025, when it purported to disqualify EG after their resignation had taken effect and EG no longer held municipal office. The mayor then publicly misrepresented the legal effect of council's decision by informing residents that EG was prohibited from serving on council or committees in the future, although no such continuing prohibition was authorized by the MGA. These actions were collectively unreasonable.

Finding 4: Unreasonable workplace restrictions without independent investigation

Council acted unreasonably when it imposed substantial, one-sided and indefinite restrictions on EG. It did this while failing to undertake an independent investigation warranted by the circumstances.¹⁹ Although the RMV could adopt proportionate and temporary measures to manage an identified workplace-risk pending investigation, the measures imposed on EG were not reasonably structured, proportionate or administered as interim safeguards.

Finding 5: Unreasonable handling of complaints against the mayor

When providing advice to the municipality, the CAO conflated an appeal of a mayor's ruling with a code of conduct complaint. Council unreasonably accepted this advice and failed to follow the legislatively mandated provisions of its Code of Conduct Bylaw in response to EG's complaints. The decision not to consider these complaints was unreasonable.

¹⁷ Code of Conduct Regulations, s 2 AND Code of Conduct Bylaw, s 10.10, s 10.11, s 11.

¹⁸ Code of Conduct Regulations, 5(2)(e).

¹⁹ Workplace Harassment Regulations, s 4(2), s 6.

Recommendations

Recommendation 1: Rescind and correct the record

Council should formally rescind any motion, resolution, policy, direction or administrative notation purporting to disqualify EG from council. The minutes and official records should state that the purported disqualification had no effect.

Recommendation 2: Public correction

The Municipality should issue a public correction, explaining that EG is not prohibited by the December 8, 2025, vote of council from seeking or holding future municipal office or serving on municipal committees.

Recommendation 3: Written apology to EG

The mayor and council should provide EG with a written apology addressing each of the findings made in this report.

Recommendation 4: Public apology to residents of the RMV

The mayor and council should provide a public apology acknowledging that it failed to adhere to legal requirements and followed unfair processes when considering complaints concerning EG.

Municipal Affairs Division of the Department of Housing and Communities

OmbudsPEI did not investigate the actions or decisions of the Department. We did, however, engage it in our investigation as an involved agency of government. Through our formal investigation, OmbudsPEI required the production of information and records from the Department. The records demonstrated that the Department had extensive knowledge of internal conflict within the RMV, as well as numerous concerns that the RMV was not complying with bylaw provisions required by the MGA and its regulations.



The Department explained that it had been measured and judicious in its communications with the RMV about the matters raised to it, suggesting to the municipality that it seek legal advice on whether its actions had been lawful. The Department also explained that it encouraged voluntary conflict resolution measures between council members.

The Department advised OmbudsPEI that it was aware that the RMV had not followed required processes when hearing the original code of conduct complaint made by the CAO against EG. The Department informed the mayor and CAO on September 16, 2025, that procedural errors appeared to have occurred and recommended that legal advice be obtained by the RMV to determine whether it was acting lawfully.

The Department documented allegations that RMV staff members and councillors had resigned because of ongoing internal conflicts and that council had become consumed by code of conduct and conflict of interest disputes. The Department understood that the conflict between the mayor and EG had persisted for years and escalated significantly during 2025.

The Department explained that it arranged conflict coaching between RMV councillors. This coaching did not begin, however, until after EG had been disqualified by the RMV following their resignation and the resignation of two other councillors. As a result, by the time conflict resolution coaching took place, there was no apparent conflict to coach. The consultant's report resulting from this session noted the focus of the session was to prevent future, hypothetical conflicts.

Although the Department explained that its role is to support municipalities through advice, training and voluntary compliance measures, OmbudsPEI recognized



that the Department also has an important role to play in identifying circumstances that may warrant ministerial action under the MGA. The MGA gives the minister discretionary authority to initiate official examinations and, where the statutory requirements are met, to direct corrective action or take other measures authorized by the Act.²⁰

Where legislative non-compliance is established, the MGA authorizes the minister to take measures to compel compliance with the law.²¹ In serious circumstances, the MGA provides mechanisms for direct provincial intervention in municipal governance where a council fails to carry out its legal obligations.

As the Department can recommend ministerial action involving a municipality, the Ombudsperson asked whether the Department had ever facilitated an official examination of any municipality on PEI as contemplated by the MGA and, if so, what guided it in making that decision. The Department advised that it had never done this.

Following further consultations with OmbudsPEI, the Department recognized that it did not have a policy to help it determine when to conduct official examinations. Recognizing this gap, what transpired in the RMV and the fact that an official examination under the MGA has never been conducted on PEI, the Department committed to developing a policy to assist it with making future decisions about the use of official examinations under the MGA.

Official Examinations: The *Municipal Government Act* gives the Province authority to formally examine a municipality through an audit, inspection, inquiry, or auditor's report. As a result of an official examination, or if there is a contravention of a provision of the Act, the Minister may, by Order, direct a council (or a member of a council) to take any action the Minister considers proper in the circumstances. A supervisor, appointed by the Minister, monitors the progress of the action ordered by the Minister.

In further recognition of what transpired in the RMV, along with trends it has observed broadly across municipalities on PEI, the Department has committed to proposing an amendment to the MGA's Regulations which will allow for a procedural review of the process for when a member of council has been sanctioned under a code of conduct bylaw.

Finally, in recognition of the fact that the RMV incorrectly determined that EG could not sit on council or committees in the future, it formally communicated to the RMV's municipal electoral officer that no such prohibition exists, despite the mayor's public statements otherwise.

OmbudsPEI welcomes the steps taken by the Department and the commitments it has made in response to the concerns identified through this investigation. The Department's commitment to develop a policy governing the use of official examinations under the MGA will provide a framework for determining when provincial intervention should be considered in response to credible concerns that a municipality is acting unlawfully. Similarly, its commitment to pursue legislative and regulatory amendments to establish a process for reviewing how municipalities handle code of conduct complaints reflects the value it places on procedural fairness and accountability.

²⁰ *Municipal Government Act*, Part 8.

²¹ *Municipal Government Act*, s 219(2).

Appendix A

Partial transcript created by OmbudsPEI from the RMV's audio recording of RMV Council Meeting of Sept 2, 2025 (Public Committee of the Whole).

As confirmed with CAO, the following represents the totality of the comments referenced by the CAO in his Code of Conduct complaint (Appendix B) against EG.

Note: FPEIM stands for Federation of PEI Municipalities

Partial Transcript:

Timestamp 1:26 minutes

Mayor: So the purpose of this meeting is to allow time for the council members to review the municipality's current financial condition and develop recommendations for the September regular council meeting, which may include some operational changes, as well as amendments to our current year budget, as well as future year forecasted expenditures.

Timestamp: 45:42 minutes

Mayor: ...Okay, well, as you can see, I was ready to get a lot of input from the public, but now we're at the next item on our agenda, which is committee member input. I knew. I just knew (**EG**) would have chomping at the bit there. So I got you first,

EG: Okay,

Mayor: And I got you down for lobbying for an additional cut of the provincial taxes with the FPEIM

EG: Just a fair shake as every other province. I've said this a few times, what that looks like in every other jurisdiction except Prince Edward Island, some municipalities in Newfoundland, get (inaudible) we get less than half of anybody. So we're gonna (inaudible). Another way that, so efficiency we can, you know, this isn't a way to draw more money, but it's a way to use the money that we have better, and so this may not. You know, we spend close to 50% of our taxable income on administration, and when we as council or as committees make errors and then have to redo work, it is a waste of a very precious resource, and so we've had five times over last year that we've had to completely redo meetings. We didn't follow proper, so we follow proper procedure, then we don't. I mean, I feel from my just from an estimate, we lost over a week's worth of work staff. So we need to follow policy, even proper, so that we aren't having to redo these things. Because when you do it is double loss. Was the whole time that our staff to prepare for these meetings, and then we have to redo, and then we aren't taking care of other business, so we can be much, much more efficient. Follow proper procedure. And that's a, I think it's pretty easy thing that

Appendix A

is currently costing us all. Another thing that we could be much more active in pursuing is grants far beyond (inaudible) grants that we don't apply for, there are grants out there, and so we've talked about having a grant writer. We've talked there's a lot of funding out there. And so if we're better organized and more efficient and we can, we can find funding for a lot like, say, you're missing opportunities that are available out there, for example, along the shoreline, just a precursory look at the federal and provincial programs that were over \$1 million worth of funding, and they're both closed this year, but those are programs that you know, and sometimes there's, you know, the municipality has to put in a bid. Sometimes they don't. Sometimes there's, we're eligible for so many of these programs, and we're not even looking at. Well, so that's an efficiency, well

Mayor: The FPEIM provides a complete list. They do the scan, and we provide that's what we rely on. And that's when it comes to the municipality, for us to be able to see what's available, right? Well, if you're if you're finding something beyond our scan, then my thought is that we should be letting the FPEIM know about it.

EG: Well there's all kinds of things that aren't necessarily government, national funding. There are other innovations and projects. There's tons of stuff. And we could be way more active in looking for those, because we're a good fit for a lot of the programs, and you don't ask for it, you don't get it. So. Um, federal, provincial and and other NGO funding programs, and we're in a good position, like there's so much environmental stuff out there that we kind of climate adaptation and mitigation strategy, so we have documentation that puts us ahead of many other communities. You know, we can use that document so that we are well on our way and so that puts us at the top of a pile. A lot of the things that I will in terms, I think that is absolutely critical is that we get a procurement bylaw in as soon as possible. I think it's, I think it's a shortcoming that we've gone three years without one. I think it's a requirement.

Mayor: So just, it's not, there's no requirement for municipalities to have a procurement bylaw. But certainly that's been on the radar for our, our municipality for, as you said, for

EG: My suggestions, me, it's an absolute priority.

Mayor: It is it already happening. **(EG)**, it's on our, its on the CAO's work plan,

EG: I just throwing the suggestion that without a procurement bylaw, we don't have proper numbers to spend and without a procurement bylaw, we should be doubly vigilant about all of these expenditures, because I often don't get the information I need to make good decision. And you know, I know that under **(REDACTED)** contract, there was a stipulation where there's expenditures over \$1,000 **(REDACTED)** runs that through council, but there's

Appendix A

money being spent. I'm worried, and I don't know that's part of the problem, but I'm worried. We're not we're spending money without sufficient oversight.

Mayor: Okay, so so, so again, when you make me just, I just want to say again, when you make your comments like that, you're actually saying something that may not being true, like you're saying without sufficient oversight.

EG: I said I'm worried, maybe because I don't have the information. I mean, we don't have a procurement bylaw that is a process to do so we recently spent \$6,000 to repair the playhouse. That didn't come through Council. We didn't discuss that, and so we need to have a procurement bylaw, so we have our guidelines so are sure, because the way it is now, I'm not sure, and I'm worried about it. I don't think that's a statement or inappropriate to say, talking about finances and oversight is an important part of that.

Mayor: We're looking ahead, so we could use a procurement bylaw to ensure that we are more, we have a more effective procurement processes going forward. Absolutely, and with that Council's comfort on understanding procurement, I would...

Timestamp 1:55:20 minutes (Closing comments by Mayor)

Mayor: ...I like, I like, what happened tonight. Personally, I really appreciate it being the camaraderie, the way that we all work together, to just to get some of these ideas. I think we, if we, if we see the need for once (**CAO**) looks at this, and we come to our next council meeting, and we, he'll come, these are all ideas that I'd like a little bit of analysis, because it is stuff that we did say we want to look at. (**CAO**) I'd like to have a little bit of a commentary to this, if you wish, on some of these matters, that from your perspective, some of them are your one of them or two of them are your ideas. So you'll see they're really very good, I'm sure. And then we can see where we want to go as a council in terms of using our very, very limited resources to move them forward. And then, as I said, in the future, if we think this is a good way of, you know, spending a couple of hours together, maybe might want to do it again for the meet and greet in general. So again. Thank you very much everybody. I call for adjournment of the meeting,

CODE OF CONDUCT COMPLAINT

COMPLAINANT INFORMATION

Full Name: [REDACTED]

Position (if any): CAO

Phone Number: [REDACTED]

Address: [REDACTED]

Email : victoriamunicipaltypei@gmail.com

Signature: [REDACTED]

INCIDENT REPORT

Who Committed the Alleged Violation?

Full Name: [REDACTED]

Position: Councillor

Witness Information

Include the names, position titles, and contact information, if applicable/available, for anyone who may have observed or have information regarding the alleged violation.

Members of the Victoria's Council

[REDACTED], resident

Online resident unidentified

Details of the Alleged Violation

Provide as much detail as possible regarding the facts of the situation.

Description of the violation (section of municipal by-law violated, what was observed, who was involved, what was said or happened), including any background/context:

On September 2, 2025, a public committee of the whole Council was held at Old School between 18h30 and 20h30. The purpose of this meeting suggested by the Municipal Office at the July 14 Council meeting, was to consider new ways to finance the municipal operations. Members of the Council were participating and the public was invited.

At the invitation of Mayor [REDACTED], councillor [REDACTED] had to suggest new financial strategies to supplement the current municipal revenues. Rather than making suggestions, councillor [REDACTED] made before public a series of declarations suggesting that the Municipal Office was mismanaging the municipal funds and was

lacking in transparency. Councillor [REDACTED] also declared that the Office did not do the necessary work to get all the grants that are, according to him, available to the Municipality.

Councillor [REDACTED] did not supply any proof or evidence supporting his sayings.

The CAO chose not to argue with the councillor before the public.

The complainant considers that the behaviour of councillor [REDACTED] constitutes a direct violation of the Code of Conduct Bylaw as he tried to bully and intimidate a municipal employee before the public while this HR performance matter should be treated in a closed session. Councillor [REDACTED] actions did contribute to creating a disrespectful workplace.

Furthermore, councillor [REDACTED] behaviour attacking or reflecting negatively on the Municipality's staff, in public, is a violation of the interactions permitted between Council members and staff.

More generally, councillor [REDACTED] behaviour did violate the basic principles of the Code of conduct Bylaw and by doing so not only discredited the Municipal Office but all of Council as well as the Municipality, his actions having an obvious political purpose.

Otherwise, the complainant was informed that this pattern of behaviour from councillor [REDACTED] has been a repetitive issue with past members of personnel and is certainly linked to the high rotation rate of personnel at the Victoria Municipal Office.

The complainant cites the following articles of the Code of Conduct Bylaw that were violated during this event:

- 2.1 ethical behaviour
- 2.4 promote principles of the Code of conduct
- 2.5 treat each other with respect
- 2.7 (e) intimidation, verbal abuse
- 8.1 treat others without verbal abuse, intimidation and bullying
- 8.2 encourage public respect of the Municipality
- 8.4 unduly critical or derogatory
- 9.5 attacking or reflecting negatively on municipal staff

This intimidating discourse from councillor [REDACTED] made an impression on me as I am deeply dedicated to my work. Such comments not only discredit me publicly but are an important demobilizing factor. No sane workspace environment should include such bullying behaviour.

When and where did this situation happen (dates, times, and locations)? Date of Violation: September 2nd, 2025

Additional

Details: There were members of the public in the room as well as online.

Appendix B

Identify any evidence, if applicable, such as documentation, emails, and photos (please attach copies of any evidence): The session has been recorded and an AI summary has been provided to the Municipal Office.

INFORMAL RESOLUTION REPORT (Required Section)

An informal resolution attempt includes a conversation between the individuals involved in the complaint, and, if necessary, the Mayor.

If your complaint is unsuitable for an informal resolution attempt, please indicate that here.

Describe the steps taken to resolve the conflict:

How did the respondent react?

3/4

FOR COMPLETION BY THE MAYOR

Respondent Information (for intake reviewer's reference only):

Date Received: _____

MAYOR'S Signature: _____

Identify any evidence, if applicable, such as documentation, emails, and photos (please attach copies of any evidence):

Appendix C

Rural Municipality of Victoria

Bylaw to Provide Rules Governing Conflict of Interest for Members of Council

Schedule A – Formal Complaint Form

I, [REDACTED]

I have reason to believe that the following contents of this statement are true and correct.

I hereby request that the Council of the Rural Municipality of Victoria declare whether or not the following member of the Rural Municipality of Victoria is in a conflict of interest.

Councillor [REDACTED]

I have reason to believe that the above member is in a conflict of interest because of the following:

- *At the council meeting held on 8 September 2025, a request was made to the council by the CAO to proceed with collection actions related to overdue W&S Corporation accounts;*
- *Councillor [REDACTED] moved resolution 2025-44 for outstanding W&S Corporation fees and voted in favour of the motion;*
- *Subsequent to the meeting, I was informed by the CAO that Councillor [REDACTED] is in arrears with the accounts of the W&S Corporation;*
- *In my view, the motion to refer the matter to the W&S Corporation Board where he is the chair represents a matter of self interest in dealing with the matter on a Board that he can influence.*
- *It would appear that art 4.5 b and d of the Conflict of Interest Bylaw apply to the situation;*
- *By not declaring himself in a conflict of interest, he contravenes articles of section 6 of the bylaw;*
- *The conflict is related to his position at Council but also his position in any Council Committee or Corporation;*

Complainant

Date



PREPARED BY:



Approachable | Fair | Impartial
Approachable | Équitable | Impartial

Suite 301, 149 Kent Street | Charlottetown | PE C1A 1N5
902.288.1105 | ombudspei.ca

Photographs courtesy of Cody McEachern, OmbudsPEI Investigator and Communications Officer