

PRSC LAND DEVELOPMENTS LTD

# Politicians land in conflict of interest

Stewart Alsgard and Sandi Tremblay separate roles as members of council and directors of PRSC

L A U R A W A L Z  
PEAK EDITOR

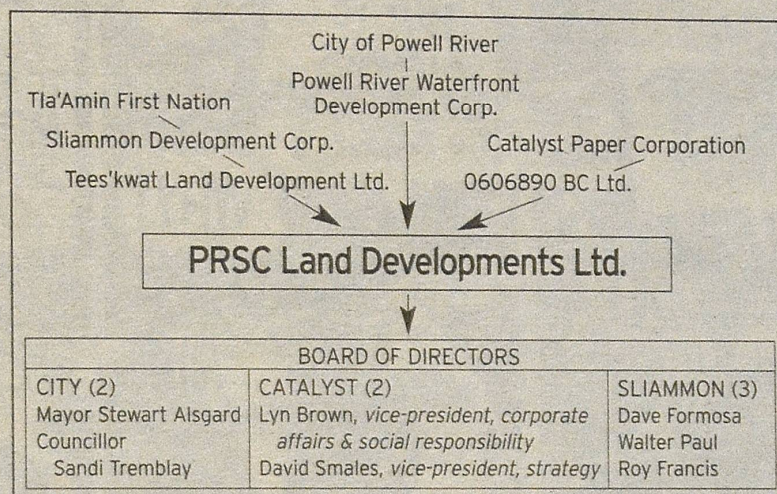
Elected officials who sit on the board of directors of a new development company will not be able to discuss or vote on any issues involving that company.

Both Mayor Stewart Alsgard and Councillor Sandi Tremblay are directors of PRSC Land Developments Ltd., a limited partnership formed to sell and develop about 325 hectares (805 acres) of land that is surplus to the operations of the Powell River paper mill, owned by Catalyst Paper Corporation. (See illustration accompanying this article for a breakdown of PRSC's structure.)

Alsgard has received legal advice and has spoken to the city's chief administrative officer, Stan Westby, and the city clerk, Marie Claxton, about the guidelines the lawyers have provided.

BC's *Community Charter* defines two areas where elected officials can have a conflict of interest. One is when a member of council has a direct or indirect pecuniary interest in the matter.

There is no pecuniary conflict of interest, said Westby, because directors do not receive any compensation or honorarium. "There are no personal shares that are



held by any of the directors," he said. "There's no remuneration to the directors and at this point I don't believe they even have their expenses covered."

The charter states the other instance occurs when a member of council has "another interest in the matter that constitutes a conflict of interest," which, Claxton said, is defined legally as bias.

When Alsgard and Tremblay are acting as directors of PRSC, they have a duty to take action in the company's best interest, Claxton explained. "Also, when they are members of council they are required to make their decisions in the community's interest. There may be a perception that they may have a conflict of interest as far as holding both titles."

Since there is the perception of conflict, Alsgard and Tremblay will not participate

in meetings where anything to do with PRSC is discussed, including applications for rezoning, variance permits, development permits, subdivision or servicing.

"With conflict of interest and bias, not only will they not participate, but under the charter, they are not permitted to try and influence any other members of council," Claxton said.

There may be a perception that council will "rubber stamp" any application from PRSC, Claxton added. "That's not the case. Council knows what their duty is."

Additionally, Claxton said, her job and Westby's job is to "make sure that they keep that and that we don't have that perception out there."

Westby, who has been involved in the negotiations leading up to the formation of the limited partnership, said he has had to sever all his ties with the company as

well. "My interests have to be devoted solely to the city, to support mayor and council and work with the citizens of Powell River," he said. "PRSC is simply treated as any other business enterprise or developer in the community.

The administration department and the clerk's office supports mayor and council, Claxton said, and staff is not involved in Alsgard's and Tremblay's role as directors of PRSC. "We look after mayor and council business," she said. "We do not take messages for Stewart Alsgard, director of PRSC. People are told if they want to contact either Stewart or Sandi Tremblay as directors, they have to do that through the registered office."

Both Westby and Alsgard said that the PRSC board may be reviewing board membership. The objective, said Alsgard, was to get the concept into a working, functioning entity. "As to its directors and their longevity in there, that's a matter, when the board sits down for its proper meeting, a review of who the directors are will perhaps be an agenda discussion."

That first meeting is scheduled for the near future, said Alsgard.

