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Mississauga council is facing requests to pick up the legal bills for at least two parties due to appear at a judicial inquiry, a move that could increase the inquiry's \$2.5 million budget before it even gets rolling.

One request at the inquiry's opening session Monday came from Peter McCallion, the Mississauga mayor's son. The inquiry was sparked by his role negotiating a \$14.4 million purchase of land by World Class Developments Ltd. from Ontario Municipal Employees Retirement System (OMERS).

The other request for taxpayer help came from OMERS, the \$40 billion pension fund that has a minority stake in the city-owned utility Enersource. The pension fund also owns the Square One mall.

Still unknown is the status of legal fees incurred by Mayor Hazel McCallion at the inquiry. Her lawyers and the city solicitor have yet to agree if she is covered under the city's legal insurance plan.

OMERS lawyer Michael Barrack told Justice Doug Cunningham the pension fund's bid for assistance was "admittedly a unique request." He argued, however, that the burden of legal fees for an innocent party should be paid by the city, not by OMERS municipal workers.

Peter McCallion's lawyer Luisa Ritacca argued her client deserved financial help because he is a man of modest means.

Justice Cunningham said, while the final decision on legal bills rests with Mississauga council, he may make recommendations to the city on which parties deserve help.

Besides the two McCallions and OMERS, Cunningham has granted status to Enersource, supporting the prospect of a relatively narrow inquiry at the Provincial Offence Court on Burnhamthorpe Rd. W.

But inquiry lawyer Will McDowell warned "a great deal remains unknown" about the issues and the commission's focus will evolve as new information emerges.

The inquiry is now adjourned for preparatory investigative work.

It is to resume no later than March 1.

Its \$2.5 million budget compares with the original Toronto Computer Leasing Inquiry into municipal corruption, which ran for 214 days, cost \$20 million and had about 60 lawyers acting for the 22 parties.

Cunningham said his inquiry will differ from such prominent ones as the Walkerton water scandal and Air India bombing.

Those inquiries, he said, set out to determine what caused those tragedies and how they could have been prevented.

"On the other hand, we set out to examine certain transactions and relationships," he said.

"These may well be important matters, and they are certainly matters of contention."

Cunningham framed the two broad areas to be investigated:



Peter McCallion, Mayor Hazel McCallion both have status at inquiry set to resume in 2010.

KEN FAUGHT/TORONTO STAR FILE PHOTO (left), LUCAS OLENIUK/TORONTO STAR FILE PHOTO

The context, history and conduct of city business as it related to a purchase and sale of a 3.5-hectare parcel of land owned by OMERS that involved Peter McCallion and World Class Developments.

(The deal involved private meetings between Mayor McCallion, the developer and OMERS, while zoning of the land was still before council. OMERS subsequently sold the land to the city, which in turn leased it to Sheridan College.)

The circumstances surrounding an agreement that gave OMERS, a 10 per cent shareholder in Enersource, a controversial veto.