

[Guide to Minutes](#)

These Minutes were confirmed by City Council on February 13, 2002.

[Agenda Index](#)

**MINUTES OF A SPECIAL MEETING
OF THE COUNCIL OF THE
CITY OF TORONTO**

THURSDAY, DECEMBER 20, 2001

City Council met in the Council Chamber, City Hall, Toronto.

CALL TO ORDER

S11.1 Deputy Mayor Ootes took the Chair and called the Members to order.

The meeting opened with O Canada.

NOTICE OF SPECIAL MEETING

S11.2 Deputy Mayor Ootes read the following Notice of Special Meeting:

“In accordance with §27-5 of Chapter 27 of the City of Toronto Municipal Code, the Mayor has called this Special meeting of Council for the following purposes:

- (1) to consider Report No. 11 of The Audit Committee regarding the status of litigation with MFP Financial Services;
- (2) to consider a report from outside legal counsel with respect to this matter; and
- (3) to consider and enact a confirming by-law for this Special Meeting.”

PRESENTATION OF REPORT

S11.3 Councillor Balkissoon presented the following Report for consideration by Council:

Report No. 11 of The Audit Committee,

and moved, seconded by Councillor Altobello, that Council now give consideration to such Report, which carried.

S11.4 DECLARATIONS OF INTEREST

There were no declarations of interest.

**CONSIDERATION OF REPORT
CLAUSE RELEASED OR HELD FOR FURTHER CONSIDERATION**

S11.5 **The following Clause was held by Council for further consideration:**

Report No. 11 of The Audit Committee, Clause No. 1.

**CONSIDERATION OF REPORT
CLAUSE WITH MOTIONS, VOTES, ETC.**

S11.6 **Clause No. 1 of Report No. 11 of The Audit Committee, headed “Status of Litigation with MFP Financial Services”.**

Procedural Motions:

- (a) Mayor Lastman moved that:
 - (1) the Clause be debated by Council in public session;
 - (2) he be the first speaker to the Clause after a staff presentation from the following:
 - (a) the City of Toronto’s outside legal Counsel, Mr. Alan Lenczner;
 - (b) the Chief Administrative Officer, Ms. Shirley Hoy; and

- (c) the Executive Director of Information Technology, Mr. James Ridge;
and
- (3) Members of Council be permitted to ask questions of staff at the conclusion of all of the staff presentations.
- (b) Councillor Moscoe moved that the vote on Part (1) of motion (a) by Mayor Lastman, to debate this Clause in public session, be taken prior to the staff presentations.

Votes:

Motion (b) by Councillor Moscoe carried.

Adoption of motion (a) by Mayor Lastman:

Yes - 35	
Mayor:	Lastman
Councillors:	Altobello, Ashton, Augimeri, Balkissoon, Berardinetti, Bussin, Cho, Chow, Di Giorgio, Disero, Flint, Ford, Hall, Holyday, Johnston, Jones, Korwin-Kuczynski, Layton, Li Preti, McConnell, Mihevc, Miller, Minnan-Wong, Moeser, Moscoe, Nunziata, Ootes, Pantalone, Shaw, Shiner, Silva, Soknacki, Tziretas, Walker
No - 0	

Carried, without dissent.

Procedural Motions:

- (a) Councillor Miller moved that the following confidential material distributed for consideration with this Clause be made public:
 - (1) (December 20, 2001) confidential report from the Chief Administrative Officer, entitled “Resolution of Outstanding Issues Between the City of Toronto and MFP Financial Services - Computer Leasing Contract Backgrounder”;
 - (2) (Undated) confidential document entitled “Terms of Settlement” submitted by City of Toronto external counsel, Mr. Alan Lenczner;
 - (3) (Undated) confidential document entitled “Minutes of Settlement”;

- (4) (December 20, 2001) confidential report from the Chief Administrative Officer and Acting Chief Financial Officer, entitled “Total Lease Costs Compared with Debenturing of Computer Equipment”;
 - (5) (November 29, 2001) joint report from the Chief Administrative Officer and City Auditor, addressed to the Audit Committee, entitled “Review of Computer Leasing Contract Between the City of Toronto and MFP Financial Services”;
 - (6) (December 3, 2001) joint report from the Chief Administrative Officer, the Commissioner of Corporate Services, and the City Solicitor, addressed to City Council, entitled “Potential Litigation Between Toronto and MFP Financial Services - Clause No. 11 of Report No. 10 of The Audit Committee”; and
 - (7) (December 5, 2001) report from the City Solicitor, addressed to City Council, entitled “Public Release of Information Contained in the In Camera Report of the Chief Administrative Officer and City Auditor”.
- (b) Councillor Shiner moved that the vote on the foregoing motion (a) by Councillor Miller be deferred until after the presentations from staff.

Withdrawal of Motion:

Councillor Shiner, with the permission of Council, withdrew his motion (b).

Vote:

Adoption of motion (a) by Councillor Miller:

Yes - 33	
Mayor:	Lastman
Councillors:	Altobello, Augimeri, Balkissoon, Berardinetti, Bussin, Cho, Chow, Di Giorgio, Disero, Flint, Ford, Hall, Holyday, Johnston, Jones, Korwin-Kuczynski, Layton, Li Preti, McConnell, Mihevc, Miller, Minnan-Wong, Moeser, Moscoe, Nunziata, Ootes, Pantalone, Shaw, Shiner, Soknacki, Tziretas, Walker
No - 0	

Carried, without dissent.

Presentation by Staff:

City Council heard oral presentations from the following staff in regard to the status of litigation with MFP Financial Services:

- (1) the City of Toronto's outside legal Counsel, Mr. Alan Lenczner;
- (2) the Chief Administrative Officer, Ms. Shirley Hoy;
- (3) the Director of Treasury and Financial Services, Mr. Len Brittain;
- (4) the City Auditor, Mr. Jeff Griffiths; and
- (3) the Executive Director of Information Technology, Mr. James Ridge.

Councillor Disero in the Chair.

Deputy Mayor Ootes in the Chair.

Motion:

Having regard that the Clause was submitted without recommendation:

Mayor Lastman moved that Council adopt the following recommendations:

“It is recommended that City Council:

- (1) adopt the report dated December 20, 2001, from the Chief Administrative Officer; and
- (2) request MFP to agree to giving their full co-operation to the City of Toronto's ongoing investigation and forensic audit.”

Disposition:

Council did not conclude its consideration of this matter.

OFFICIAL RECOGNITIONS:

S11.7 Presentations/Introductions/Announcements:

Mayor Lastman, during the morning session of the meeting, extended, on behalf of Council and the citizens of the City of Toronto, best wishes for a speed recovery to Officer Antonio Macias, a member of the Toronto Police Service who had been injured in the line of duty.

Councillor Nunziata, with the permission of Council, extended, on behalf of Council, the appreciation of Council to the City of Toronto staff of Emergency Medical Services, for their quick response in providing medical assistance and transporting Officer Macias by ambulance to Sunnybrook Hospital.

S11.8 MOTIONS TO VARY PROCEDURE

Waive the provisions of Chapter 27 of the City of Toronto Municipal Code related to meeting times:

Councillor Soknacki, at 7:10 p.m., moved that, in accordance with the provisions of §27-11F, Adjournment, of Chapter 27 of the City of Toronto Municipal Code, Council waive the requirement of the 7:30 p.m. adjournment, in order to conclude consideration of Clause No. 1 of Report No. 11 of The Audit Committee, headed “Status of Litigation with MFP Financial Services”, the vote upon which was taken as follows:

Yes - 18	
Mayor:	Lastman
Councillors:	Altobello, Berardinetti, Di Giorgio, Disero, Duguid, Ford, Hall, Holyday, Johnston, Kelly, Lindsay Luby, Minnan-Wong, Moeser, Nunziata, Ootes, Pantalone, Soknacki
No - 16	
Councillors:	Ashton, Augimeri, Balkissoon, Bussin, Cho, Chow, Jones, Layton, McConnell, Mihevc, Miller, Moscoe, Pitfield, Silva, Tziretas, Walker

Lost, less than two-thirds of Members present having voted in the affirmative.

Councillor Soknacki, at 7:13 p.m., moved that, in accordance with the provisions of §27-11F, Adjournment, of Chapter 27 of the City of Toronto Municipal Code, Council waive the requirement of the 7:30 p.m. adjournment, and that Council reconvene on Friday, December 21, 2001, in order to conclude consideration of Clause No. 1 of Report No. 11 of The Audit Committee, headed “Status of Litigation with MFP Financial Services”, the vote upon which was taken as follows:

Yes - 16	
Councillors:	Ashton, Berardinetti, Chow, Disero, Hall, Holyday, Johnston, Kelly, Miller, Minnan-Wong, Moeser, Nunziata, Ootes, Shaw, Silva, Soknacki
No - 20	

Mayor:	Lastman
Councillors:	Altobello, Augimeri, Balkissoon, Bussin, Cho, Di Giorgio, Duguid, Ford, Jones, Korwin-Kuczynski, Layton, Lindsay Luby, McConnell, Mihevc, Moscoe, Pantalone, Pitfield, Tziretas, Walker

Lost, less than two-thirds of Members present having voted in the affirmative.

Councillor Duguid, at 7:16 p.m., moved that, in accordance with the provisions of §27-11F, Adjournment, of Chapter 27 of the City of Toronto Municipal Code, Council waive the requirement of the 7:30 p.m. adjournment, and that Council continue in session until 9:00 p.m., in order to continue and possibly conclude consideration of Clause No. 1 of Report No. 11 of The Audit Committee, headed “Status of Litigation with MFP Financial Services”, the vote upon which was taken as follows:

Yes - 22	
Mayor:	Lastman
Councillors:	Altobello, Ashton, Berardinetti, Di Giorgio, Disero, Duguid, Ford, Hall, Holyday, Johnston, Kelly, Korwin-Kuczynski, Lindsay Luby, Minnan-Wong, Moeser, Nunziata, Ootes, Pitfield, Shaw, Soknacki, Tziretas
No - 14	
Councillors:	Augimeri, Balkissoon, Bussin, Cho, Chow, Jones, Layton, McConnell, Mihevc, Miller, Moscoe, Pantalone, Silva, Walker

Lost, less than two-thirds of Members present having voted in the affirmative.

S11.9 ATTENDANCE

December 20, 2001	2:14 p.m. to 7:18 p.m.*
Lastman	x
Altobello	x
Ashton	x
Augimeri	x
Balkissoon	x
Berardinetti	x
Bussin	x

Minutes of the Council of the City of Toronto
December 20, 2001

December 20, 2001	2:14 p.m. to 7:18 p.m.*
Cho	x
Chow	x
Di Giorgio	x
Disero	x
Duguid	x
Feldman	-
Filion	-
Flint	x
Ford	x
Hall	x
Holyday	x
Johnston	x
Jones	x
Kelly	x
Korwin-Kuczynski	x
Layton	x
Li Preti	x
Lindsay Luby	x
Mammoliti	x
McConnell	x
Mihevc	x
Milczyn	x
Miller	x
Minnan-Wong	x
Moeser	x
Moscoe	x
Nunziata	x

December 20, 2001	2:14 p.m. to 7:18 p.m.*
Ootes	x
Pantalone	x
Pitfield	x
Rae	-
Shaw	x
Shiner	x
Silva	x
Soknacki	x
Sutherland	-
Tziretas	x
Walker	x
Total	41

* Members were present for some or all of the time period indicated.

MEL LASTMAN,
Mayor

ULLI S. WATKISS,
City Clerk