

IN THE MATTER OF THE TORONTO EXTERNAL CONTRACTS INQUIRY

AFFIDAVIT OF MICHAEL GARRETT

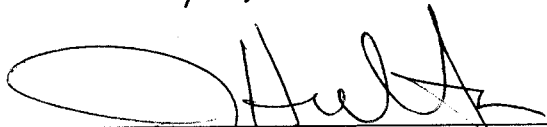
I, Michael Garrett, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am the former Chief Administrative Officer (CAO) for the City of Toronto. In her capacity of Chief Financial Officer and Treasurer, Wanda Liczyk reported to me.
2. I have been asked to review the Affidavit of Wanda Liczyk, sworn on October 14, 2004, and specifically the following statements:
 - a. In November 1997, Wanda Liczyk states that she briefed me on the status of the various areas that would be in her portfolio, including the tax system development. She also states that she advised me of the backup plan that she had in place if the TXM2000 development project was not successful. Ms. Liczyk states that I concurred that it would be a proper risk mitigation strategy to have a backup system and plan due to the very public impact of not having a properly functioning tax system. (Affidavit of Wanda Liczyk, paragraph 105)
 - b. Ms. Liczyk states that, in late June 1998 after a decision was made not to continue with the conversion of TMACS to TXM2000 in North York, she verbally advised me of the change in direction. (Affidavit of Wanda Liczyk, paragraph 137)
 - c. In October 1998, Ms. Liczyk states that she advised me of the decision to convert the other five municipalities to TMACS, and I did not raise any concerns about switching systems. (Affidavit of Wanda Liczyk, paragraph 144)
3. I do not specifically recall any of these conversations except one, although I cannot state that they did not occur. I do recall Ms. Liczyk speaking to me once about the tax system. I know that this conversation took place in my office at Metro Hall, but I am not certain of the date, though I believe that it took place in the fall of 1998.


4. In this conversation, Ms. Liczyk advised me that there was a difficulty with the performance of the tax billing system and she was switching to another system. I do not recall her providing any other details, except that Mississauga and Scarborough were part of the development process. Specifically, she did not advise me that the tax system that was being used (which I now understand to be TXM2000) was specifically selected and approved by the Transition Team. Had Ms. Liczyk provided me with this information, I would have advised her to report her recommendation to Council along with the cost of the switch, and seek Council approval.

5. At the time that Ms. Liczyk advised me that she was switching tax systems, she did not tell me that she had had a personal relationship with Michael Saunders who was one of the principals of Beacon Software: the developer of the selected tax system. In fact, at no time did Ms. Liczyk advise me that she had had a personal relationship with Mr. Saunders or that she continued to have any kind of relationship with him whatsoever. Had she told me this information, I would have directed her to take steps to ensure that she was not making or seen to be making any decisions related to Mr. Saunders or companies related or controlled by him. To do otherwise, would place Ms. Liczyk in a conflict of interest.

SWORN BEFORE ME at the ^{Town}City of
Newmarket in the Province of Ontario)
on the 4th day of November, 2004)



COMMISSIONER, ETC.
Joy L. Hulton.



MICHAEL GARRETT