

Clause embodied in Report No. 4 of the Audit Committee, as adopted by the Council of the City of Toronto at its meeting held on April 16, 17 and 18, 2002.

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**MFP Financial Services Equipment Leases -
Status of Litigation and Funding Issue
in the Public Inquiry**

(City Council on April 16, 17 and 18, 2002, amended this Clause by striking out the recommendation of the Audit Committee and inserting in lieu thereof the following:

“It is recommended that:

- (1) Recommendation No. (1) embodied in the joint confidential dated April 10, 2002, from the City Solicitor, the Commissioner of Corporate Services and the Chief Administrative Officer, be received; and*
- (2) Recommendation No. (2) embodied in such report be referred to the Chief Administrative Officer to be included in the further report regarding the public inquiry;*

such joint report to remain confidential in its entirety, in accordance with the provisions of the Municipal Act, having regard that it contains information which is subject to solicitor-client privilege.”)

The Audit Committee recommends that the joint confidential report (April 10, 2002) from Chief Administrative Officer, Commissioner of Corporate Services and the City Solicitor, submitted to Council under separate cover, be adopted; and further that, in accordance with the Municipal Act, discussions pertaining to this report be held in camera, as the report deals with the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

The Audit Committee reports, for the information of Council, having requested the Chief Administrative Officer, the Commissioner of Corporate Services and the City Solicitor to report directly to Council on the precise amount the City would no longer be obligated to pay to Oracle, and the contractual obligations, if the relevant provisions of the contract were to be invoked.

(City Council at its meeting on April 16, 17 and 18, 2002, had before it, during consideration of the foregoing Clause, the following confidential documents, such documents to remain confidential in their entirety, in accordance with the provisions of the Municipal Act, given that they contain information which concerns the security of the property of the municipality or is subject to solicitor/client privilege:

- (i) *a joint report date April 10, 2002, from the City Solicitor, the Commissioner of Corporate Services and the Chief Administrative Officer;*
- (ii) *a joint report dated April 17, 2002, from the Chief Administrative Officer, the Commissioner of Corporate Services and the City Solicitor; and*
- (iii) *(undated) copy of the Oracle contract.)*

(Councillor Ootes, at the meeting of Council held on April 16, 17 and 18, 2002, declared an interest in the foregoing Clause, in that he has shares in Clarica Life Insurance Company.)