

MINUTES OF THE REGULAR FINANCE / POLICY COMMITTEE OF THE WHOLE MEETING  
HELD IN THE BOARD ROOM, CITY HALL,  
ON MONDAY, 2006-JUL-24 COMMENCING AT 4:32 P.M.

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PRESENT: Mayor G. R. Korpan, Chair

Members: Councillor M. D. Brennan  
Councillor J. D. Cameron  
Councillor W. J. Holdom  
Councillor L. D. McNabb  
Councillor C. S. Manhas  
Councillor L. J. Sherry  
Councillor M. W. Unger

Absent: Councillor Bestwick

Staff:	G. D. Berry	E. C. Swabey
	A. C. Kenning	P. Thorkelsson
	A. W. Laidlaw	I. Howat
	B. E. Clemens	K. Ferland
	K. M. MacKenzie	K. King
	Chief R. Lambert	

1. CALL THE OPEN MEETING TO ORDER:

The Regular Finance / Policy Committee Of The Whole Meeting was called to order at 4:32 p.m.

2. ADOPTION OF MINUTES:

- (a) Minutes of the Regular Finance / Policy Committee of the Whole Meeting held in the Board Room, City Hall on Monday, 2006-MAY-01 at 4:30 p.m.

It was moved and seconded that the Minutes be adopted as circulated. The motion carried unanimously.

3. STAFF REPORTS:

CORPORATE SERVICES

(a) Competition Council Report on Major Industry Taxation

The BC Competition Council has produced a report that recommends that local governments reduce the amount of property taxes charged to major industry tax payers (more specifically, to the pulp and paper industry). If municipalities fail to take action, the report recommends that the Province impose a tax rate cap, or take similar action to restrict local governments' ability to tax major industry.

The Union of British Columbia Municipalities (UBCM) has produced a response to this report, concluding that:

1. there was no consultation or fact gathering from local governments;
2. the report lacks clarity, contains errors, and is imprecise in its conclusions; and,
3. there is an appearance of bias and a failure to look at the wider context.

Staff agrees with the conclusions in the UBCM memo. The *Community Charter* promises consultation with local government on important issues, and it is clear that absolutely no consultation took place during the formulation of the recommendations by the Competition Council.

Further, municipalities view the imposition of a rate cap as a restriction of the local government autonomy guaranteed by the *Charter*. In spite of promises made during the development of the *Charter*, municipalities have a limited range of possible revenue sources. Placing restrictions on the ability to set tax rates will reduce municipal revenue options.

Recommendation: That Council write to the Province indicating the need for consultation on this issue prior to the Province taking any action.

It was moved and seconded that Council write to the Province and the MLA's representing Nanaimo, indicating the need for consultation on this issue prior to the Province taking any action. The motion carried unanimously.

(b) Contract for Upgrade of SAP System

The City purchased SAP software for use as its Enterprise Resource Software in 2001. Sylogist Ltd. is SAP's Western Canadian partner for clients of the City's size. Sylogist Ltd. provided the majority of technical and functional consulting for the implementation of SAP in 2002. Sylogist Ltd. has also provided the vast majority of all technical and functional consulting for all maintenance and enhancements to SAP since the implementation. When Council approved the purchase of SAP in 2001 it was known that the software would require a major upgrade every five years in accordance with SAP's maintenance schedule. This has been allowed for in the Five-Year Financial Plan.

This system upgrade requires highly skilled SAP technical and functional consulting with knowledge not only of SAP Municipal client installations and its fund accounting complexities, but also specific knowledge of the City's installation, as each installation is unique. Sylogist Ltd. is the only company that has intimate knowledge of the City's SAP system and is therefore the only company that can perform this upgrade.

The City has and continues to seek other companies that target the medium sized municipal SAP market so that it has options when engaging consultants for functional support including upgrades. Although the City has had some success finding alternatives for smaller projects, there are currently no other suitable candidates for providing technical and functional support for a project such as upgrading the City's SAP system at this time.

Recommendation: That Council approve the contract for the 2006 SAP Upgrade to Sylogist Ltd. for an expected cost of \$311,340.

It was moved and seconded that the recommendation be adopted. The motion carried unanimously.

4. ADJOURNMENT:

It was moved and seconded at 4:42 p.m. that the meeting terminate. The motion carried unanimously.

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CHAIR

CERTIFIED CORRECT:

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DIRECTOR,  
LEGISLATIVE SERVICES