Agenda – Council – March 20, 2013

Report – Executive Policy Committee – March 6, 2013

Item No. 3 Memorandum of Understanding with respect to Participation in Manitoba Business Links between the Province of Manitoba and the City of Winnipeg

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 6, 2013, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the City of Winnipeg enter into a Memorandum of Understanding with the Province of Manitoba with respect to Winnipeg's Participation with Manitoba Business Links for the adoption of the National Business Number as its identifier for businesses.

2. That the Chief Financial Officer be delegated the authority to negotiate and approve the terms and conditions of the Memorandum of Understanding with the Province of Manitoba with respect to Winnipeg's participation in Business Links as outlined in this Report, subject to such terms and conditions as may be determined by the Director of Legal Services and City Solicitor to be necessary to adequately protect the interests of the City.

3. That the Chief Financial Officer be delegated the authority to amend the Memorandum of Understanding to change the list of City of Winnipeg programs or systems involved as well as the laws and regulations governing the participating programs, subject to such terms and conditions as may be determined by the Director of Legal Services and City Solicitor to be necessary to adequately protect the interests of the City.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Executive Policy Committee – March 6, 2013

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 6, 2013, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: **Memorandum of Understanding With Respect To Participation in Manitoba Business Links between The Province Of Manitoba and The City Of Winnipeg**

Critical Path: **EPC-Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
P Olafson Corporate Controller	Mike Ruta	Mike Ruta	D. Joshi COO

RECOMMENDATIONS

1. That the City of Winnipeg enter into a Memorandum of Understanding with the Province of Manitoba with respect to Winnipeg's Participation with Manitoba Business Links for the adoption of the National Business Number as its identifier for businesses.

2. That the Chief Financial Officer be delegated the authority to negotiate and approve the terms and conditions of the Memorandum of Understanding with the Province of Manitoba with respect to Winnipeg's participation in Business Links as outlined in this Report, subject to such terms and conditions as may be determined by the City Solicitor to be necessary to adequately protect the interests of the City.

3. That the Chief Financial Officer be delegated the authority to amend the Memorandum of Understanding to change the list of City of Winnipeg programs or systems involved as well as the laws and regulations governing the participating programs, subject to such terms and conditions as may be determined by the City Solicitor to be necessary to adequately protect the interests of the City.

4. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required for all Memorandums of Understanding entered into by the City of Winnipeg.

IMPLICATIONS OF THE RECOMMENDATIONS

- Winnipeg will be the first Municipality in Canada to adopt the business number which will reduce red tape for businesses by making it easier to work with the City of Winnipeg. This satisfies recommendation 6.1 of the Red Tape Commission Report.
- Through a single window, a business can electronically register for multi-jurisdictional programs, or report a change of business address or phone number to different programs, making it easier to do business in Winnipeg.

- In November of 2011 a business case, which would allow the sharing of data by creating a shared information hub, was approved by the Chief Financial Officer and the Director of Corporate Support Services. The first components of this project will include:
    - Enabling the primary information systems in the City of Winnipeg which deal with the businesses to transparently and seamlessly share business identity information.
    - Facilitating the exchange of business identity and registration information between the City of Winnipeg, the Province of Manitoba and the Canada Revenue Agency.

- Over the past year, a project team has been focused on developing the City's data and reporting requirement which includes building a data warehouse that can accommodate the information flowing between many sources.
- The use of the business number at the City is a multi-year project. The Assessment and Taxation Department's Tax System (MANTA) has been selected as the first legacy data source that will utilize the business number, integrating with the City's data warehouse. The Property, Planning and Development and Community Services Departments' Permit and Licensing System (AMANDA) has been chosen to be the second system. Other city systems will be reviewed to determine if they should be added in the future.

- The Memorandum of Understanding specifies the following items:

    - The MOU provides the City with the ability to access the business information contained in the Province of Manitoba (Manitoba Business Links) Hub and automatic notification of changes to a business' information. The use of this information is restricted to the city programs identified in the MOU.
    - The MOU specifies that the originating party will retain ownership of proprietary information or intellectual property generated as a result of this agreement.
    - The MOU will commit the City to paying 20% of the total technical and administrative costs of operating the Manitoba Business Links system to a maximum of $100,000 annually in each of the first three years of Winnipeg's participation and will be renegotiated for the subsequent years. In the event other participants that are not part of the Provincial Government join the system, this arrangement will be revisited with a view to reducing the City's contribution.
    - The MOU will commit the City to, at its own cost, do all things necessary to remain compatible with the Manitoba Business Links (MBL) Hub as a result of technological changes implemented by MBL.
    - The MOU will commit both parties to exercise best efforts to ensure the integrity of the data shared but does not commit either party to guarantee data integrity. The province is not liable for any claims, losses, injuries, expenses or damages to the City or its Clients arising directly or indirectly out of the City's participation in the MBL Program or caused by use of or failure of the MBL Application, unless caused by gross negligent acts or omissions by the Province.
    - Either party can terminate the MOU following an unremedied breach of the terms or conditions by the other party. The MOU can be terminated without cause by giving eighteen (18) months written notice.
    - The specific City of Winnipeg programs involved are Business Taxes (Assessment and Taxation Department), Licenses (Community Services Department) and Permits (Property, Planning and Development Department).
    - Current City policies and procedures satisfy the security standards required in the MOU to be a participating program.

HISTORY

- The national business number is a unique, nine-digit number that identifies a business and is assigned by the Canada Revenue Agency. Each program area uses the same root nine-digit number to uniquely identify its program accounts, establishing a common business identity across departments and levels of government.
- As electronic government programs continue to develop, the business number can support self-service using the Internet. Through a single window, a business could electronically register for multi-jurisdictional programs, or report a change of business address or phone number to different programs, making it easier to do business in Winnipeg and Manitoba.
- Businesses in Manitoba started using the number in 1995 for federal programs such as the GST and payroll deductions. In 2002, the province invested more than $6.4 million in the database and network infrastructure that connects participating Manitoba programs and the Canada Revenue Agency, allowing the sharing of business identification information.
- In 2003, the province began providing the business number to businesses upon registration at the Companies Office and the Manitoba Finance taxation division.
- In June 2005 the Red Tape Commission Report was issued. This report states in Recommendation 6.1 “Negotiate with the federal and provincial governments to develop a single business account and registry model around the federal-provincial business number, now used as the single Manitoba business number. This would allow City businesses to register, update basic information and hold accounts with all three governments using a single account number.” This project satisfies this recommendation.
- At the July 20th, 2005 meeting, Council adopted the Executive Policy Committee recommendation that the Mayor and Chief Administrative Officer be authorized to develop proposals to use the Manitoba business number system to register, track and identify City of Winnipeg businesses and business accounts, and to negotiate directly with the Government of Manitoba and the Government of Canada to achieve this goal.
- In 2007 a letter of intent between the Province of Manitoba and the City of Winnipeg was signed in order to establish a framework, pending a formal Memorandum of Understanding, by which the business and formal requirements as well as the technology architecture necessary for Winnipeg's participation in Manitoba Business Links and the use of the Business Number could be developed, maintained, and administered.
- At the September 26th, 2007 meeting Council adopted the Executive Policy Committee recommendation that the Winnipeg Public Service be authorized to do all things necessary to execute the Letter of Intent between the Province of Manitoba and City of Winnipeg with respect to standardized business numbers and that the necessary funding be referred to the Operating Budget process for consideration.
- In 2009, the federal government amended legislation to allow municipalities to adopt the business number.
- Over the last three years, the City has participated on the numerous steering committees organized by the Manitoba Business Links and is a participating partner in Access Manitoba for registering new businesses in Winnipeg. AccessManitoba was launched on December 5, 2011 and provides businesses accessing the Province’s AccessManitoba website with links to the City’s Business Service website and BizPal website.

- In August, 2011, Manitoba Business Links expressed interest in having the City of Winnipeg participate in discussions with Canada Revenue Agency on using the Business Number to allow City businesses to register and update basic information, holding accounts with all three governments using their single account number (the business number).
- In December, 2011 a joint committee between the province and the city was established. The City is committed to working together with all levels of government to achieve this goal.

FINANCIAL IMPACT

Financial Impact Statement

Date: February 20, 2013

Project Name:

First Year of Program **2013**

Winnipeg's Participation with Manitoba Business Links for the adoption of the National Business Number as its identifier for businesses.

	2013	2014	2015	2016	2017
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 66,667	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 66,667	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Less: Existing Budget Amounts	66,667	100,000	100,000	100,000	100,000
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Comment(s):

1) $50,000 of the expenditures in 2013 will be met from funds set aside specifically for this project. The balance $16,667 will be covered through a combination of extra revenues realized and cost savings.

"Original signed by"
Radhika Abeysekera
Manager of Finance - Campus Depts.
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with: Legal Services Department.

SUBMITTED BY

Department: Corporate Finance Department
Division: Corporate Controllers Division
Prepared by: P Olafson
Date: February 22, 2013