

**CORPORATION OF THE CITY OF COURTENAY  
COUNCIL MEETING AGENDA**

**DATE:** January 4, 2016  
**PLACE:** City Hall Council Chambers  
**TIME:** 4:00 p.m.

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**1.00 ADOPTION OF MINUTES**

- 1. Adopt December 14, 2015 Regular Council meeting minutes

**2.00 INTRODUCTION OF LATE ITEMS**

**3.00 DELEGATIONS**

**STAFF REPORTS/PRESENTATIONS**

Pg #

**(a) CAO and Legislative Services**

**(b) Community Services**

**(c) Development Services**

**(d) Financial Services**

- 1 1. Audit Service Plan for Year Ending December 31, 2015

**(e) Engineering and Operations**

- 27 1. Statutory Right of Way for Storm Sewer over 1240 4<sup>th</sup> Street

- 41 2. WinterJam Festival – Temporary Closure of England Avenue (5<sup>th</sup> Street)

**5.00 EXTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION**

- 45 1. 5 Year review of RCMP Police Service Agreements

**6.00 INTERNAL REPORTS AND CORRESPONDENCE FOR INFORMATION**

**7.00 REPORTS/UPDATES FROM COUNCIL MEMBERS INCLUDING REPORTS FROM COMMITTEES**

**8.00 RESOLUTIONS OF COUNCIL**

**9.00 UNFINISHED BUSINESS**

**10.00 NOTICE OF MOTION**

**11.00 NEW BUSINESS**

**12.00 BYLAWS**

**13.00 ADJOURNMENT**

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**NOTE:** There is a Public Hearing scheduled for 5:00 p.m. in relation to Official Community Plan Amendment Bylaw No. 2835 (K'ómoks First Nation sewer and water services).



THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

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**To:** Council  
**From:** Chief Administrative Officer  
**Subject:** Audit Service Plan for Year Ending December 31, 2015

**File No.:** 1680-01  
**Date:** January 4, 2016

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### PURPOSE:

The purpose of this report is to receive and obtain Council approval for the Audit Service Plan for the Year Ending December 31, 2015, prepared by the firm of MNP LLP.

### POLICY ANALYSIS:

Pursuant to Section 169 of the *Community Charter*, Council appointed the firm of MNP LLP to conduct the annual municipal audit for the City of Courtenay.

The Canadian Institute of Chartered Accountants Assurance (CICA) Handbook, which sets the standards for auditing in Canada, requires that the Auditors communicate the following with Council:

- (a) the audit and non-audit services that the auditor is providing to the City and its related entities;
- (b) the level of responsibility assumed by the auditor under generally accepted auditing standards;  
and
- (c) a summary of the audit approach.

### EXECUTIVE SUMMARY:

The City's appointed auditors, Meyers Norris Penny, have now prepared and submitted the Audit Service for the year ending December 31, 2015. Communicating this plan to Council is a requirement under the Section 5751 of auditing standards set out in the CICA Assurance Handbook.

### CAO RECOMMENDATIONS:

THAT based on the January 4, 2016 staff report "Audit Service Plan for Year Ending December 31, 2015", Council approve OPTION 1 to receive the Audit Service Plan for the year ending December 31, 2015.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM  
Chief Administrative Officer

**BACKGROUND:**

As required under Section 5751 of the CICA Handbook, the City's appointed auditors prepare and communicate the annual Audit Service Plan to Council.

**DISCUSSION:**

The City's appointed auditors, Meyers Norris Penny, have prepared and submitted this year's Audit Service. Providing Council with this plan is a requirement under the auditing standards set out in the CICA Assurance Handbook.

The plan documents the overall approach and the general arrangements for the conduct of the fiscal 2015 audit. Its intent is to assist Mayor and Council in understanding both the scope of, and the approach to, the audit work. The estimated audit fees are detailed on Page 10 of the Audit Service Plan. The fees have increased over last year, as a result of additional testing that will need to occur with respect to the new Public Sector requirement of recording a Liability for Contaminated Sites (PS 3260). This is a significant but necessary requirement that must be followed.

The intent is to have MNP report to Council in early May 2016 on the results of their 2015 audit.

**ADMINISTRATIVE IMPLICATIONS:**

Preparation for the City's yearend, drafting of the 2015 financial statements, and coordinating the annual municipal audit are significant statutory work tasks for the finance division. Since some senior finance staff have recently been employed with the City and this will be their first audit review with MNP, it is expected that more time will be required in processing information and audit requests. .

The auditors were on-site for an interim audit in December, 2015 and will be commencing final audit work in mid-April.

**STRATEGIC PLAN REFERENCE:**

While not included in the City's Strategic Plan, this is a statutory component of the Corporate Work Plan.

**OFFICIAL COMMUNITY PLAN REFERENCE:**

2.1 Vision Statements: "commitment to continued excellence"  
"balance and ability to lead growth and provision of services"

**REGIONAL GROWTH STRATEGY REFERENCE:**

The City is a signatory to the Comox Valley Regional Growth Strategy, which identifies the valley as a growing region. Maintaining a sound financial position for the City is integral to being a part of the solutions for the Comox Valley.

**OPTIONS:**

OPTION 1: That Council approve proceeding with the Audit Service Plan for the Year Ending December 31, 2015, prepared by the firm of MNP LLP.

OPTION 2: That Council does not approve the 2015 Audit Service Plan.

Prepared by:



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Brian Parschauer, BA, CPA-CMA

Director of Financial Services

*Attachment:*

1. *MNP - The Corporation of the City of Courtenay, Audit Service Plan, Year Ending December 31, 2015*



**THE CORPORATION OF THE CITY OF  
COURTENAY  
AUDIT SERVICE PLAN**

Year Ending December 31, 2015

December 10, 2015

Mayor and Council  
The Corporation of the City of Courtenay  
830 Cliffe Avenue  
Courtenay, BC  
V9N 2J7

Dear Mayor and Council:

We are pleased to put forward this report for discussion of our overall strategy and general arrangements for the audit of the consolidated financial statements of the Corporation of the City of Courtenay (“the City”) for the year ended December 31, 2015. In this report, we cover those significant matters which, in our opinion, you should be aware of as Mayor and Council.

At MNP, we adhere to the highest level of integrity and professionalism. Our goal is to meet or exceed your requirements and ensure you receive outstanding service.

Our team of experienced professionals has been selected for this engagement because of their knowledge and understanding of the City. As a valued client of MNP, we look forward to working with you, your management team and employees over the course of our audit work.

We are dedicated to maintaining open channels of communication throughout this engagement. Please feel free to approach our team with any questions you may have about our upcoming audit, and to discuss any other matters that may be of interest to you.

Yours truly,

The signature is written in a cursive, handwritten style. The letters 'MNP' are large and prominent, followed by 'LLP' in a smaller, similar script.

MNP LLP  
Chartered Professional Accountants

## EXECUTIVE SUMMARY

To make strategic business decisions with confidence, your stakeholders and the Mayor and Council of the Corporation of the City of Courtenay need relevant, reliable and independently audited financial information. But that's not all. You need an audit team that can deliver insight beyond the numbers and enhance the Corporation of the City of Courtenay's strategic planning and implementation processes so you can embrace new opportunities while effectively managing risk. Our senior team members have extensive knowledge of municipalities from many years of experience. Our audit strategy takes into account the limitations and opportunities you encounter each day, allowing our recommendations to be implemented with greater ease. Committed to your success, MNP delivers meaningful, reliable financial information to not only help you fulfill your compliance obligations, but also to achieve your key strategic goals.

Our audit service plan outlines the strategy we will follow to provide the Corporation of the City of Courtenay's Mayor and Council with our independent auditors' report on the December 31, 2015 consolidated financial statements.

New public sector accounting standard 3260 *Liability for Contaminated Sites* is applicable for the year ending December 31, 2015. There are no significant changes to audit standards for the year.

We propose to use \$700,000 as overall materiality for audit planning purposes.

To meet your release requirement of final consolidated financial statements, we plan to present our audit findings to the Mayor and Council in April 2016.

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# 1. INTRODUCTION

We are pleased to continue our appointment as auditors of the Corporation of the City of Courtenay (“the City”).

Our Audit Service Plan will:

- Document the overall audit strategy and the general arrangements for the conduct of our December 31, 2015 audit
- Assist the Mayor and Council and management in understanding the approach to the December 31, 2015 audit
- Illustrate our commitment to assisting you reach your engagement objectives and to demonstrate our expertise

# 2. TOPICS FOR DISCUSSION

We are committed to providing superior client service by maintaining effective two-way communication.

Topics for discussion include, but are not limited to:

- Changes to your business operations and developments in the financial reporting and regulatory environment
- Business plans and strategies
- The management oversight process
- Fraud:
  - How could it occur?
  - Risk of fraud and misstatement?
  - Actual, suspected or alleged fraud?
- Your specific needs and expectations
- Audit Service Plan
- Any other issues and/or concerns

### 3. KEY CHANGES AND DEVELOPMENTS

Based on our knowledge of the City and our discussions with management, we have noted the recent developments set out below. Our audit strategy has been developed giving consideration to these factors.

ISSUES AND DEVELOPMENTS	SUMMARY
ENTITY SPECIFIC	There are no significant entity specific changes affecting the consolidated financial statements for the 2015 fiscal year.
REGULATORY	There are no significant regulatory changes affecting the consolidated financial statements for the 2015 fiscal year.
REPORTING: Current Accounting Standards	Liability for contaminated sites (PS 3260) - A liability for remediation of contaminated sites should be recognized when: <ul style="list-style-type: none"> <li>• An environmental standard exists;</li> <li>• The contamination exceeds the environmental standard;</li> <li>• The government is directly responsible or accepts responsibility for remediation of the contaminated site; and</li> <li>• A reasonable estimate of the amount can be made.</li> </ul>
REPORTING: Future Accounting Standards	No significant accounting standards changes for 2016 or 2017. New standards for <i>Related Party Disclosures and Assets, Contingent Assets and Contractual Rights</i> will be effective for 2018.
AUDITING STANDARDS	No changes to auditing standards for the 2015 year.

### 4. KEY RESPONSIBILITIES

Effective discharge of the respective responsibilities of management, MNP and the Mayor and Council, and maintenance of strong working relationships and open communication between MNP as auditors, the management and the Mayor and Council of the City, is directed toward a common duty to provide appropriate and adequate financial accountability, and quality financial disclosure.

#### MANAGEMENT RESPONSIBILITIES

- Preparation and fair presentation of the consolidated financial statements, including the notes thereto, in accordance with Canadian Public Sector Accounting Standards
- Initial selection of and changes to significant estimates and accounting policies

- Disclosure of sufficient information about the extent and nature of events having an effect on the City
- Provide an adequate description of the selected applicable financial reporting framework
- Safeguarding of assets
- Establishment and maintenance of policies, financial reporting systems and controls (including those designed to prevent and detect fraud and misstatement)
- Ensuring compliance with applicable legislative authorities
- Provide and make available financial records and related data, copies of all minutes of Mayor and Council meetings and committees
- Provide information relating to any known or possible non-compliance with legislative or regulatory requirements, and laws and regulations
- Provide information about all related parties and related party transactions
- Allow access to staff and management, and other business associates (i.e., lawyers, bankers) as necessary
- Provide written confirmation of representations relating to significant and/or material financial reporting items and disclosures

## MNP RESPONSIBILITIES

- Report whether the December 31, 2015 consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the City in accordance with Canadian Public Sector Accounting Standards
- Provide reasonable, but not absolute, assurance of detecting misstatements, fraud or non-compliance with laws and regulations having a material effect on the consolidated financial statements as a whole.
  - Absolute assurance cannot be provided due to inherent limitations of the audit including the possibility of intentional misstatements due to management override or collusion
- Conduct our audit in accordance with Canadian generally accepted auditing standards
- Obtain an understanding of the risk of material misstatement
  - Understand the environment
  - Evaluate internal controls (should we test internal controls, our assessments would not be sufficient to conclude on the effectiveness or efficiency of internal controls)
- Examine, on a test basis, evidence supporting the amounts and disclosures within the consolidated financial statements
- Assess the appropriateness of the accounting policies selected and their application, the significant estimates made by management, and the use of the going concern assumption

Detailed information on the Audit Process is included as Appendix B.

## MAYOR AND COUNCIL RESPONSIBILITIES

- Review and approve the consolidated financial statements
- Allocate responsibility between governance and management
- Maintain oversight of management to ensure the integrity of accounting and financial reporting systems
- Ensure that appropriate controls are in place, including those needed for monitoring risk, financial reporting, prevention and detection of fraud and misstatement, and compliance with relevant laws and regulations
- Consider the potential for management override of controls or other inappropriate influences, such as earnings management
- Prevention and detection of fraud and misstatement
- Creation and maintenance of a culture of honesty and high ethics
- Approval of policies and the monitoring of performance areas
- Provide information to assist MNP in updating its understanding of the entity and its environment, including internal control
- Provide information about the entity's objectives, strategies and related business risks that may give rise to material misstatements
- Provide information about significant communications with regulators
- Inform MNP of appropriate governance persons with whom to communicate
- Identify additional areas of concern for MNP to consider when undertaking the audit

## 5. DELIVERABLES

We are committed to providing you with the highest level of professional service. Based on our understanding of your needs and expectations, our planned service response includes:

- We will keep you informed of the effect and timing of relevant new and proposed financial reporting requirements
- We will assist you to plan for and implement relevant new financial reporting requirements
- We will communicate effectively, and in a timely manner, with the Mayor and Council. Our communications include this Audit Service Plan and, at the conclusion of our audit, the Audit Findings Report and our Management Letter
- We will attend and participate in Council meetings as appropriate
- We will assign an engagement team that understands the City, the environment in which it operates, and the accounting, tax and regulatory issues that affect your financial reporting
- We will provide ongoing business, taxation and accounting advice, including financial reporting recommendations on unusual transactions, business contracts and other business arrangements as they arise
- Upon completion of our audit, we will issue our independent auditors' report on your consolidated financial statements, prepared in accordance with Canadian public sector accounting standards



## 6. TIMETABLE

	DATE
Presentation of December 31, 2015 Audit Service Plan to the Mayor and Council	December 2015
Interim procedures	December 2015
Year-end procedures	April 2016
Draft year-end consolidated financial statements to be discussed with management	April 2016
Report of the December 31, 2015 Audit Findings to the Mayor and Council	May 2016
Mayor and Council approval for release of final year-end consolidated financial statements <ul style="list-style-type: none"><li>• Issuance of independent auditors' report</li></ul>	May 2016
Issuance of Management Letter	May 2016

## 7. INDEPENDENCE

An essential aspect of all our services to the City is an independent viewpoint, which recognizes that our responsibilities are to the Mayor and Council. While the concept of independence demands a questioning and objective attitude in conducting our audit, it also requires the absence of financial or other interests in the City. In accordance with our firm's policy and the Rules of Professional Conduct which govern our profession, neither MNP nor any of its team members assigned to the engagement nor any of its partners are permitted to have any involvement in or relationship with the City that would impair independence or give that appearance. As auditors, we subscribe to the highest standards and are required to discuss our independence with the Mayor and Council on an annual basis. We will:

- Disclose to the Mayor and Council, in writing, all relationships between MNP and the City that in our professional judgment may reasonably be thought to bear on our independence;
- Confirm in writing that, in its professional judgment, MNP is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia; and,
- Discuss our independence with the Mayor and Council.

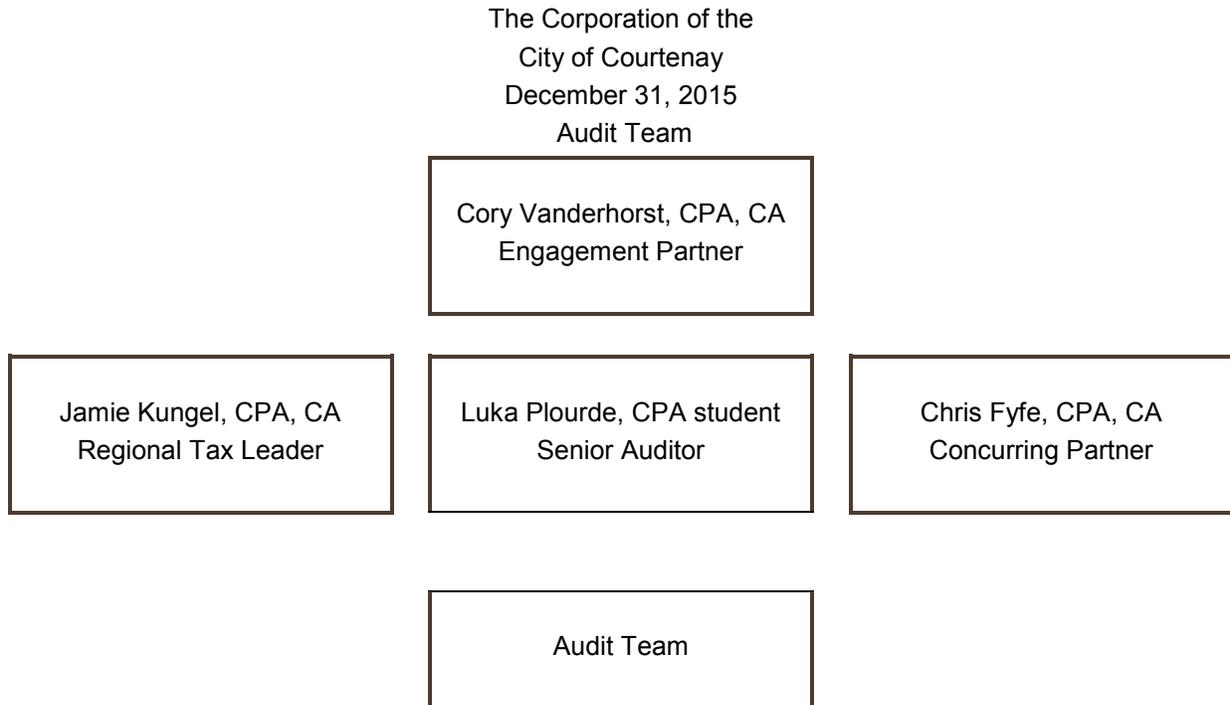
We are not aware of any relationships between our Firm and the City during the year that, in our professional judgment, may reasonably be thought to bear on our independence.

We hereby confirm that we are independent auditors with respect to the City.

During the course of the audit, we will communicate any significant new matters that come to our attention that, in our professional judgment, may reasonably be thought to bear on our independence. At the completion of our audit, we will reconfirm our independence

## 8. AUDIT TEAM AND MNP RESOURCES

In order to ensure effective communication between the Mayor and Council and our firm, we briefly outline below the key members of our audit team and the role they will play.



In order to serve you better and meet our professional responsibilities, we may find it necessary to expand our audit team to include other MNP professionals whose consultation will assist us to evaluate and resolve complex, difficult and/or contentious matters identified during the course of our audit. Additionally, reliance on specialists, including actuaries, may be necessary in order to obtain appropriate audit evidence. Any changes to the audit team will be discussed with you to ensure a seamless process and that all concerned parties' needs are met.

## 9. FEES AND ASSUMPTIONS

Our audit fees for the year-ended December 31, 2015 are estimated to be the following, exclusive of applicable taxes and travel disbursements:

	2015 ESTIMATE	2014 ACTUAL
Base fee, before disbursements and taxes	\$30,000	\$30,500
Additional cost estimate for audit of new PS 3260 Liabilities for contaminated sites, expected to be between \$3,000 and \$7,000	5,000	-
Preparation of T2 Income Tax Return (if requested)	500	500
Total estimated fees, before disbursements and taxes	\$35,500	\$31,000

Pursuant to our billing policy, we will issue interim bills as follows:

- a) On delivery of the audit service plan 50% of the estimated fee;
- b) At the start of year-end field work 25% of the estimated fee;
- c) At the completion of year-end field work 15% of the estimated fee;
- d) Upon the delivery of the final consolidated financial statements and independent auditors' report, the balance.

Our estimated audit fees above are based on our past experience and our knowledge of the City. These estimates rely on the following assumptions:

- No significant deficiencies in internal controls which cause procedures to be extended
- No major unadjusted misstatements or un-reconciled balances
- Significantly all adjusting entries are completed prior to trial balance and journal entries being provided to audit team
- All management and required staff are available as needed
- Information and working papers required, as outlined in our letter of fiscal year-end requirements, are provided in the mutually agreed form and timing
- There are no changes to the agreed upon audit timetable and reporting requirements

If any significant issues arise during the course of our audit work which indicate a possibility of increased procedures or a change in the audit timetable, these will be discussed with management by the engagement partner so a mutually agreeable solution can be reached.

# APPENDIX A: KEY CHANGES AND DEVELOPMENTS

## NEW AND PROPOSED REPORTING AND AUDITING DEVELOPMENTS

### **PS 3260 Liability for Contaminated Sites (NEW)**

In June 2010, new PS 3260 Liability for Contaminated Sites was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The Section applies to all governments and government organizations that base their accounting policies on the PSA HB. The main features of this standard are as follows:

A liability for remediation of contaminated sites should be recognized when all of the following criteria are met:

An environmental standard exists.

The contamination exceeds the environmental standard.

The government is directly responsible or accepts responsibility for remediation of the contaminated site.

A reasonable estimate of the amount can be made.

If the criteria for the recognition of a liability in PS 3200 Liabilities are met for a voluntary compliance with a non-authoritative policy or guideline, a liability may exist.

If the existence of a contamination is uncertain, still required to determine whether a liability exists and recognize where appropriate.

An assessment should be made based upon guidance in PS 3300 Contingent Liabilities if a government's responsibility for remediation of a contaminated site is uncertain.

The liability for contaminated sites is comprised of the costs directly attributable to remediation activities, net of expected recoveries, based upon the information available at the financial statement date and an estimate of the settlement amount.

The liability should be assessed at each reporting date. Any changes in the liability are to be recognized when the revisions are made.

The standard is effective for fiscal years beginning on or after April 1, 2014. Earlier adoption is encouraged.

### **PS 2200 Related Party Disclosures (NEW)**

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

### **Assets, Contingent Assets and Contractual Rights**

The Public Sector Accounting Board (PSAB) issued an Exposure Draft (ED) in August 2014, proposing to issue three new Sections: assets, contingent assets and contractual rights. The main features of the ED are as follows:

### *Assets*

Additional guidance on the definition of assets is provided.  
Disclosure of types of assets that are not recognized is required.

### *Contingent assets*

Contingent assets are defined.  
Disclosure of contingent assets is required when the occurrence of the confirming future event is likely.

### *Contractual rights*

Contractual rights are defined.  
Disclosure of contractual rights is required.

All three new Sections are proposed to be effective for fiscal periods beginning on or after April 1, 2017. Earlier application is encouraged. The new assets Section is proposed to be applied prospectively.

## **Restructuring Transactions**

The Public Sector Accounting Board (PSAB) issued an Exposure Draft (ED) in August 2014, proposing guidance on accounting for and reporting assets and liabilities transferred in restructuring transactions by both transferors and recipients. The main features of the ED are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration. Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The proposed Section will be effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged.

### **Joint Policy Statement Concerning Communications with Law Firms Regarding Claims and Possible Claims in Connection with the Preparation and Audit of Financial Statements**

In November 2014, the Auditing and Assurance Standards Board (AASB) and the JPS Review Committee of the Canadian Bar Association (CBA Committee) issued an Exposure Draft (ED) that proposes a revised “Joint Policy Statement Concerning Communications with Law Firms Regarding Claims and Possible Claims in Connection with the Preparation and Audit of Financial Statements” (the “Statement”). This Statement will replace the existing Statement issued in 1978 and AuG-46 Communication with Law Firms under New Accounting and Auditing Standards.

Fundamental proposed changes include:

Expanding the scope of the revised Statement to apply to in-house legal counsel who is acting in a legal capacity by performing a role that commonly would be performed by external legal counsel;

Providing a more detailed discussion on the legal concept of privilege;

Structuring the revised Statement to be accounting framework neutral so that it can be used regardless of the applicable financial reporting framework applied by management to evaluate the entity’s claims and possible claims; and

Updating guidance with respect to the timing of issuance of the inquiry and response letters.

The revised Statement would be effective for inquiry letters dated on or after December 1, 2016.

## **APPENDIX B: THE AUDIT PROCESS**

### **OUR PLAN**

Our overall audit strategy is risk-based and controls-oriented. Assessment and identification of risk is performed continuously throughout the audit process. We focus on the risks that have a potential impact on the financial accounting systems and subsequent financial reporting.

Our overall audit strategy does not, and is not intended to involve the authentication of documents, nor are our team members trained or expected to be experts in such authentication. Unless we have reason to believe otherwise, we accept records and documents as genuine. The subsequent discovery of a material misstatement resulting from fraud does not, in and of itself, indicate a failure to comply with Canadian generally accepted auditing standards.

### **AUDIT PROCEDURES**

To meet our responsibilities in accordance with Canadian generally accepted auditing standards, our audit examination includes:

- Obtaining an understanding of the entity and its environment, including its controls, in order to identify and assess the risk that the consolidated financial statements contain material misstatements due to fraud or misstatement;
- Assessing the adequacy of and examining, on a test basis, the key controls over significant transaction streams and over the general organizational and computer environments;
- Assessing the systems used to ensure compliance with applicable legislative and related authorities pertaining to financial reporting, revenue raising, borrowing, and investing activities;
- Examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements;
- Assessing the appropriateness and consistency of accounting principles used and their application;
- Assessing the significant estimates used by management; and,
- Assessing the entity's use of the going concern assumption in the preparation of the consolidated financial statements.

As part of our planning process, we will also undertake to inform the Mayor and Council of concerns relating to management's implementation and maintenance of controls, and the effects of any such concerns on the overall strategy and scope of the audit. These concerns might arise from the nature, extent and frequency of management's assessments of controls in place to detect fraud and misstatement, and of the risk that the consolidated financial statements may be misstated; from a failure by management to appropriately address significant deficiencies in controls identified in prior audits; and, from our evaluation of the City's control environment, and management's competence and integrity.

## OVERALL RELIANCE

In general, there are three levels of reliance that we can place on controls, or the absence thereof:

**Low/None** – where we cannot rely on controls because they are weak or absent, or where it is deemed to be more efficient to carry out a high level of direct substantive tests of transactions and balances. Audit evidence is primarily obtained through detailed verification procedures and sufficient substantive tests of details and transactions.

**Moderate** – where there are some deficiencies in systems application or procedural controls, or where it is deemed to be inefficient to test systems application controls, but where we can test and rely on the management monitoring systems in place to detect and correct material misstatements in the financial reporting systems. Testing of controls is supplemented with a moderate level of substantive tests of details and transactions.

**High** – where a high degree of control is in place in the areas of management monitoring controls AND systems application and procedural controls. Our audit work focuses on testing both management monitoring and systems application and procedural controls, and is supplemented with a low level of substantive tests of details and transactions.

For the December 31, 2015 audit, we are planning to place low/no reliance on the City's accounting systems. This level of reliance is different from the prior year (as a result of MNP adopting a new audit methodology), and will also involve some substantive tests of transactions and balances. The amount of substantive work may be reduced for cycles where there are controls in place that MNP can test and rely on.

As part of our audit work we will update our understanding of the entity and its environment, including the controls relevant to our audit of the principal transaction cycles, sufficient to identify and assess the risks of material misstatement of the consolidated financial statements resulting from fraud or misstatement. This will be accomplished through enquiries with management and others within the entity, analytical procedures and observation and inspection.

Furthermore, we will consider whether effective controls have been established to adequately respond to the risks arising from the use of IT or manual systems and test the operation of those controls to an extent sufficient to enable us to reduce our substantive work. Our review of the City's controls will not be sufficient to express an opinion as to their effectiveness or efficiency. Although we will provide the Mayor and Council with any information about significant deficiencies in internal control that have come to our attention, we may not be aware of all the significant deficiencies in internal control that do, in fact, exist.

## AUDIT MATERIALITY

Materiality is an important audit concept. It is used to assess the significance of misstatements or omissions that are identified during the audit and to determine the level of audit testing that is carried out. Specifically, a misstatement or the aggregate of all misstatements in consolidated financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures) is considered to be material if it is probable that the decision of the party relying on the consolidated financial statements, who has reasonable understanding of business and economic activities, will be changed or influenced by such a misstatement or aggregate of all misstatements. The scope of our audit work is tailored to reflect the relative size of operations of the City and our assessment of the potential for material misstatements in the City's consolidated financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures). In determining the scope, we emphasize relative audit risk and materiality, and consider a number of factors, including:

- The size, complexity, and growth of the City;
- Changes within the organization, management or accounting systems; and
- Concerns expressed by management.

Judgment is applied to determine a level of materiality appropriate to the audit of each set of consolidated financial statements. Determination of an appropriate level of materiality is affected by our perception of the financial information needs of users of the consolidated financial statements. In this context, it is reasonable to assume that users: understand that consolidated financial statements are prepared, presented and audited to levels of materiality; recognize uncertainties inherent in the measurement of amounts based on the use of estimates, judgment and consideration of future events; and make reasonable economic decisions based on the consolidated financial statements. The foregoing factors are taken into account in establishing the materiality level. **For your information, we propose to use \$700,000 as overall materiality for audit planning purposes.**

## **INHERENT LIMITATIONS IN THE AUDITING PROCESS**

An auditor cannot obtain absolute assurance that material misstatements in the consolidated financial statements will be detected due to factors such as the use of significant judgment regarding the gathering of evidence and the drawing of conclusions based on the audit evidence acquired; the use of testing of the data underlying the consolidated financial statements; inherent limitations of controls; and, the fact that much of the audit evidence available to the auditor is persuasive, rather than conclusive in nature.

Because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. While effective controls reduce the likelihood that misstatements will occur and remain undetected, they do not eliminate that possibility. Therefore, the auditor cannot guarantee that fraud, misstatements and non-compliance with laws and regulations, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards.

The likelihood of not detecting material misstatements resulting from management fraud is greater than for employee fraud, because management is in a position to manipulate records, present fraudulent information or override controls.

We will inform the appropriate level of management or the Mayor and Council with respect to identified:

- Misstatements resulting from errors, other than clearly trivial misstatements;
- Fraud, or any information obtained that indicates that fraud may exist;
- Evidence obtained that indicates non-compliance or possible non-compliance with laws and regulations, other than that considered inconsequential;
- Significant deficiencies in the design or implementation of controls to prevent and detect fraud or misstatement; and
- Related party transactions that are not in the normal course of operations and that involve significant judgments made by management concerning measurement or disclosure.

Our concern as auditors is with material misstatements, and thus, we are not responsible for the detection of misstatements that are not material to the consolidated financial statements taken as a whole.



## ABOUT MNP

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THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

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**To:** Council **File No.:** 5225-20-86790 Woods Ave/4 St. STM Sewer  
**From:** Chief Administrative Officer **Date:** January 4<sup>th</sup>, 2016  
**Subject:** Statutory Right-of-Way for Storm Sewer Over 1240 – 4<sup>th</sup> Street

---

### PURPOSE:

The purpose of this report is for Council to consider the establishment of a statutory right-of-way for storm sewer pipe over the property located at 1240 – 4<sup>th</sup> Street (Lot 7, District Lot 127, Comox District, Plan 10790).

### CAO RECOMMENDATIONS:

THAT based on the January 4<sup>th</sup>, 2016 staff report entitled “Statutory Right-of-Way for Storm Sewer Over 1240 – 4<sup>th</sup> Street,” Council approve Option 1 and establish a statutory right-of-way over 1240 – 4<sup>th</sup> Street as shown on plan EPP51196 for the purpose of storm sewer servicing, and

THAT Council authorize the Mayor and Director of Legislative Services to sign all legal plans and related documentation.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM

### BACKGROUND:

In 2011, staff was contacted by the landowners at 421 Woods Avenue who were experiencing soil subsidence in their rear yard. Through investigation, staff determined that an existing city-owned storm main was encroaching on private property and that the pipe had deteriorated to such an extent that the soils above were beginning to collapse into the pipe. An engineering design was undertaken and a capital construction project was brought forward to Council for approval during 2014 budget deliberations.

### DISCUSSION:

The 2014 approved General Capital Budget included the replacement and re-direction of the storm sewer main into the City roadway and out of the private property. The scope of the project work entailed realignment of the storm main in the alley south of 4<sup>th</sup> Street between Willemar Ave and Woods Ave. undertaken by the Public Works crew (2014); abandonment of the existing pipe within 421 Woods Ave., and re-alignment of storm main and services for 421 Woods Ave and 1240 - 4<sup>th</sup> Street by Upland Contracting (2015).

In order to maintain the service connections to the existing homes; a new common service pipe was established on 1240 – 4<sup>th</sup> Street for the benefit of this address and adjacent home at 421 Woods Ave. This pipe is considered a City storm main on private property and must be captured within a statutory right-of-way (SRW) for the benefit of the City. This SRW will permit staff to operate and maintain the pipe in perpetuity. Staff has negotiated with the property owner to compensate them for the use of the lands that the pipe occupies. This compensation formula is based on the assessed value of the land over which the SRW is required and amounts to \$1,800 in this case.

Legal agreements and documents are required to be registered on the affected property title (i.e. 1240 –4<sup>th</sup> Street) identifying the SRW. In order to facilitate this process, staff is seeking Council's approval to endorse the establishment of the SRW and for the Mayor and the Director of Legislative Services to be permitted to sign all related documentation for registration. The documents are attached to the report for Council's reference.

**FINANCIAL IMPLICATIONS:**

The design and construction of the works to retrofit this storm sewer was budgeted at \$165,000 (2014 and 2015). The final project cost was under \$135,000. The cost to establish the SRW (approximately \$4,000) including payment to the property owners and legal fees will be funded by the balance of the existing project budget.

**ADMINISTRATIVE IMPLICATIONS:**

Infrastructure renewal projects are considered statutory. Staff time to manage the project delivery and close out is considered planned work.

**ASSET MANAGEMENT IMPLICATIONS:**

This project successfully replaced the drainage infrastructure prior to a complete failure and mitigated the potential for significant liability related to private property damage. The new infrastructure installed has an estimate lifecycle expectancy of 60 years if properly maintained.

**STRATEGIC PRIORITIES REFERENCE:**

None.

**OFFICIAL COMMUNITY PLAN REFERENCE:**

None.

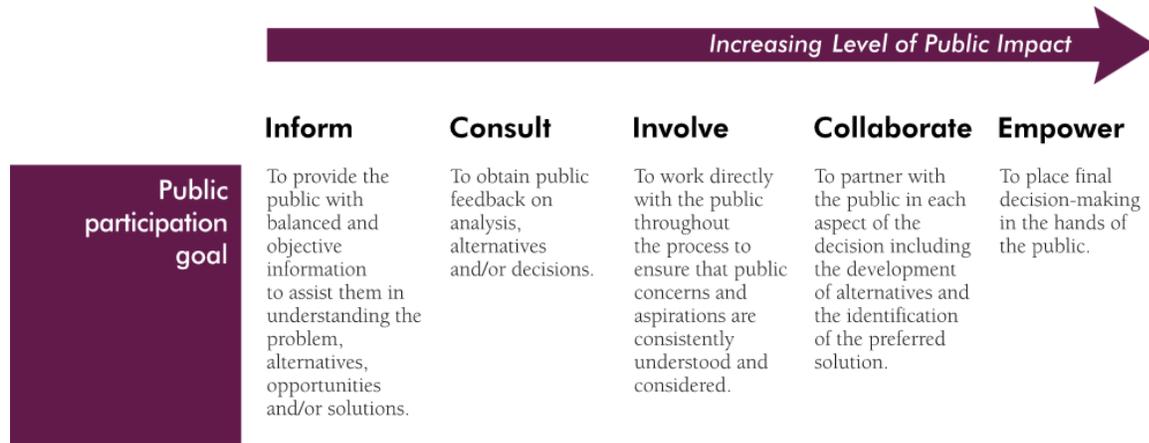
**REGIONAL GROWTH STRATEGY REFERENCE:**

None.

**CITIZEN/PUBLIC ENGAGEMENT:**

The affected homeowners were consulted and collaborated with staff over the course of the project to make sure project details were discussed for the best possible outcome. Based on the IAP2 Spectrum of Public Participation, the engagement process undertaken by staff over the course of the project aligns with involve.

[http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum\\_vertical.pdf](http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf)



**OPTIONS:**

**OPTION 1:** That Council approve the establishment of a Statutory Right of Way for storm sewer over 1240 – 4<sup>th</sup> Street based on plan EPP51196 and related agreement documents, and  
That the Mayor and Director of Legislative Services are authorized to sign all legal documentation relating to the establishment of the right-of-way. (Recommended)

**OPTION 3:** That Council direct staff to do nothing with respect to legal documentation of this pipe on private property. (Not Recommended)

Prepared by:

Craig Perry, P.Eng.  
Manager of Engineering

Lesley Hatch, P.Eng.  
Director of Engineering & Public Works

**Attachments:**

1. Attachment No. 1 : Site plan (4<sup>th</sup> Steet and Woods Avenue)
2. Attachment No. 2: SRW Plan EPP51196 and related agreement documents



**TERMS OF INSTRUMENT - PART 2**

**STATUTORY RIGHT OF WAY**

THIS AGREEMENT made the 12<sup>th</sup> day of November, 2015 is

BETWEEN:

GEORGE BRUCE ROWE & ANDREA BRUCE ROWE,  
1240 4<sup>th</sup> Street,  
Courtenay, BC V9N 1H9

(hereinafter called the "Grantors")

AND:

THE CORPORATION OF THE CITY OF COURTENAY,  
830 Cliffe Avenue  
Courtenay, BC V9N 2J7

(hereinafter called the "Grantee")

WHEREAS:

- A. The Grantors are the owners, as joint tenants, of that parcel of land situate lying and being in the City of Courtenay in the Province of British Columbia more particularly known and described as:

PID: 005-169-186

LOT 7, DISTRICT LOT 127, COMOX DISTRICT, PLAN 10790

(hereinafter called the "Lands");

- B. For the purpose of municipal storm sewer service, the Grantors have agreed to permit the construction, maintenance and alteration of any certain works and appurtenances, generally described as pipes, valves, fittings, pumps, conduits, culverts, manholes, lift station and the station equipment, facilities and appurtenances necessary or convenient for the carrying of storm water as part of the Grantee's system of storm sewer works (collectively, the "Works"), and to grant for those purposes the SRW hereinafter mentioned;
- C. This statutory right of way is necessary for the operation and maintenance of the Grantee's undertaking.

NOW THEREFORE THIS AGREEMENT WITNESSES that, pursuant to section 218 of the *Land Title Act* and in consideration of ONE DOLLAR (\$1.00) paid by the Grantee to the Grantors and other

valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

1. The Grantors hereby give and grant unto the Grantee, their successors and assigns, in perpetuity the full, free and unrestricted right, license, liberty, privilege, easement and statutory right of way (the "SRW") for the Grantee, its officers, employees, contractors and agents in common with the Grantors, at all times hereafter to enter, go, be on, pass and repass, with or without vehicles, personal property and equipment, upon, over, under and through those portions of the Lands shown outlined in heavy black on the explanatory plan of statutory right of way prepared by Michael J. Hansen, B.C.L.S., deposited in the Victoria Land Title Office under number EPP51196 (the "Right of Way Area"), a reduced paper print copy of which is attached hereto as Schedule "A", to:
  - (a) construct and install the Works upon the Right of Way Area and to remove, replace, repair, alter, maintain, clean, inspect, patrol and operate the Works from time to time in the Grantee's discretion as part of the Grantee's municipal and storm sewer service;
  - (b) have unobstructed access to and from the Right of Way Area at any and all times;
  - (c) establish grades and levels upon the Right of Way Area;
  - (d) excavate or otherwise alter the contours of the Right of Way Area and to backfill trenches on the Right of Way Area provided such excavation or alteration does not adversely affect the balance of the Grantors' Lands;
  - (e) make surveys and tests;
  - (f) remove from the Right of Way Area such structures, improvements, fixtures, fences, gates, trees, shrubs, plants, vehicles, mobile homes, storage facilities and other obstructions whatsoever as, in the Grantee's reasonable opinion, is necessary in order to construct, install, remove, repair, alter, operate, maintain, clean, inspect, patrol or replace the Works;
  - (g) temporarily store upon the Right of Way Area all vehicles, equipment, machinery, materials, or other movable property of any description necessary to construct, install, remove, repair, operate, alter, maintain, inspect, clean or replace the Works; and
  - (h) do all other things on the Right of Way Area as may be reasonably necessary, desirable or incidental to the Works.
2. The Grantors must:

- (a) not do or permit to be done anything in the Right of Way Area which in the opinion of the Grantee, acting reasonably, may interfere with, injure or impair the operating efficiency of, or obstruct access to or the use of, the Right of Way Area, the Works or the rights granted under this SRW;
  - (b) trim or, if the Grantee requires, permit the Grantee to trim or cut down any tree or other growth on the Right of Way Area which in the opinion of the Grantee constitutes or may constitute a danger, impairment or obstruction to the Works or to those using the Right of Way Area in connection with the Works;
  - (c) permit the Grantee to peaceably hold and enjoy the rights hereby granted;
  - (d) permit the Grantee to maintain and clean the surface of the Right of Way Area and do all other things in the Right of Way Area which in the reasonable opinion of the Grantee are reasonably necessary for the safe use and preservation of the Right of Way Area for the purposes of the Works and the SRW;
  - (e) not deposit or place garbage, debris or other material on the Right of Way Area;
  - (f) not place, install or construct any building, structure, mobile or manufactured home or other improvement (excepting paving and fences) on the Right of Way Area;
  - (g) not permit any building, construction, structure or other improvement to hang over the Right of Way Area, without the Grantee's written approval;
  - (h) not carry on blasting on or adjacent to the Right of Way Area without the Grantee's approval;
  - (i) at its own expense, do or cause to be done all acts necessary to grant priority to this SRW over all financial charges and encumbrances which are registered, or pending registration, against title to the Lands, in the Land Title Office, save and except those that have been approved in writing by the Grantee; and
  - (j) at its own expense, do or execute or cause to be done or executed all such further and other lawful acts, deeds, things, conveyances and assurances whatsoever for better assuring to the Grantee the rights, liberties and SRW hereby granted.
3. Nothing in this Agreement shall be held to restrict the Grantors from using the Right of Way in any manner which does not interfere with the security, efficient functioning or unobstructed access to the Works.
4. The Grantee, must in the exercise of its powers hereunder,

- (a) do all things hereby authorized to be done by it over, through, under and upon the Right of Way Area in a good and workmanlike manner so as to cause no unnecessary damage or disturbance to the Grantors, the Lands or Right of Way Area or to any improvements thereon;
- (b) not bury, without the prior written consent of the Grantors, construction debris or rubbish in excavations or backfill; and
- (c) if the Grantee removes anything placed on the Right of Way Area and in particular shrubs, plants, fences, or breaks up any asphalt or cement, it will replace and repair the same as promptly as possible after completing the work in which it is engaged so as to restore the ground and the things located thereon to their original condition, and the work shall be carried out in such a manner as to cause the least damage and inconvenience to the Grantors and the Grantee.

5. The Grantee:

- (a) is entitled to peaceably hold and enjoy the rights, liberties and SRW hereby granted without hindrance, molestation or interruption by the Grantors or any person, firm or corporation claiming by, through, under or in trust for the Grantors;
- (b) in its sole discretion may at any time remove any or all of the Works installed by the Grantee in, upon or under the Right of Way Area, all of which remain chattels and the property of the Grantee, notwithstanding that they may be annexed or affixed to the freehold;
- (c) on default by the Grantors of any of its obligations under this Agreement, may, but is not obliged to, rectify the default, provided that, except in the case of an emergency, the Grantee must first give 20 days prior notice to the Grantors specifying the default and requiring it to be remedied. The Grantors shall reimburse the Grantee for its reasonable, out of pocket expenses incurred in remedying such a default; and
- (d) despite subsection (b) above, if the Grantee abandons, releases or discharges the SRW, the Grantee is not responsible or obligated in any way to remove or pay for the cost of removal of any Works from the Right of Way Area.

6. Every obligation and covenant of the Grantors in this Agreement constitutes both a contractual obligation and a statutory right of way granted under section 218 of the *Land Title Act* in respect of the Lands and this Agreement burdens the Lands and runs with them and binds the successors in title to the Lands until discharged by an instrument in writing duly executed by the Grantee and filed at the Victoria Land Title Office. This Agreement burdens and charges all of the Lands and any parcel into which the Lands are subdivided by any means and any parcel into which the Lands are

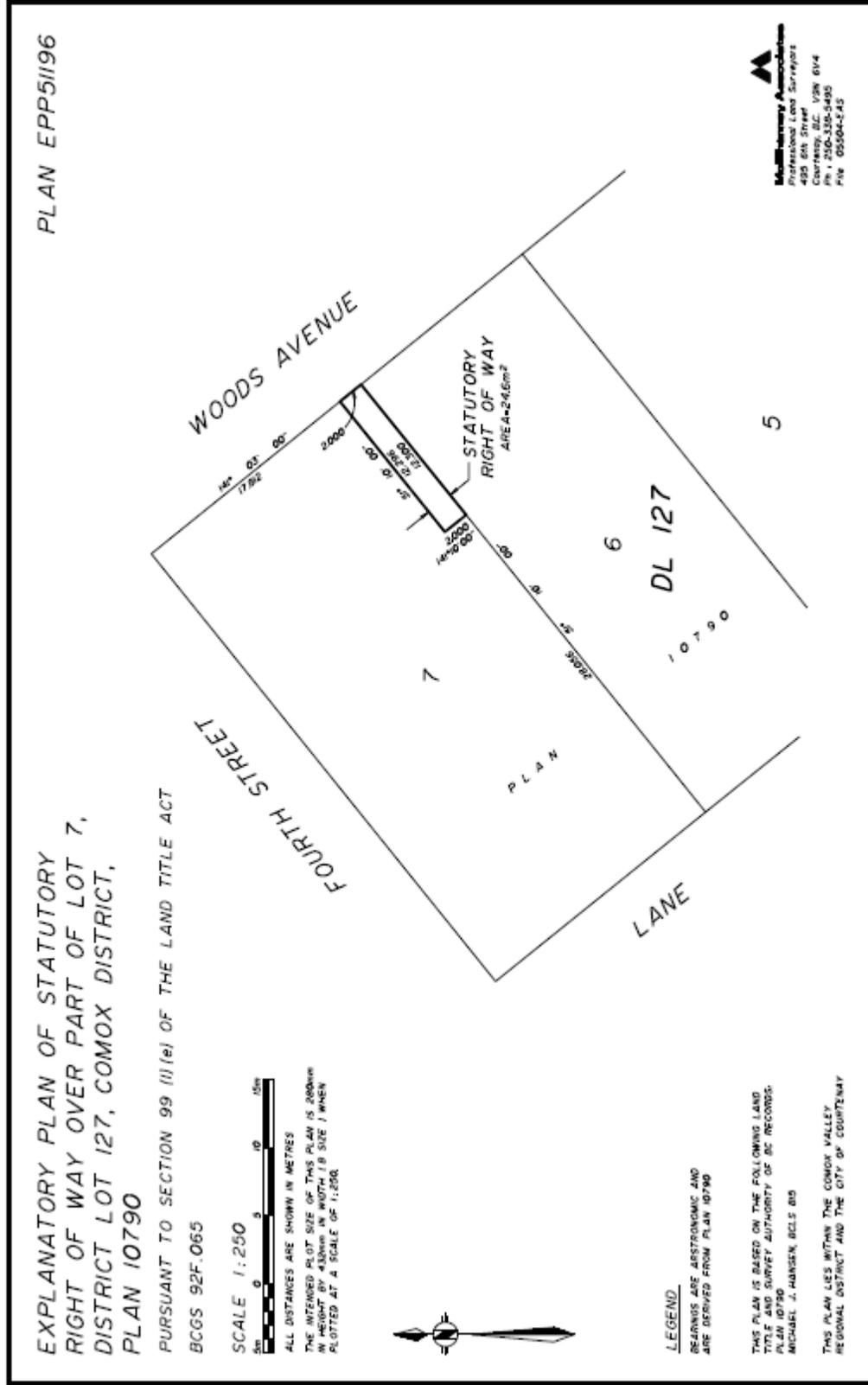
consolidated (including by removal of interior parcel boundaries) and shall be extended, at the Grantors' cost, to burden and charge any land consolidated with the Lands.

7. This Agreement does not:
  - (a) affect or limit the discretion, rights, duties or powers of the Grantee under the common law or any statute, bylaw, or other enactment;
  - (b) affect or limit the common law or any statute, bylaw or other enactment applying to the Lands; or
  - (c) relieve the Grantors from complying with the common law or any statute, bylaw or other enactment.
8. The Grantors covenant to and do hereby indemnify and save harmless the Grantee, its elected officials, officers and employees at all times from all losses, damages, actions, suits, claims, demands, costs, expenses, fees and liabilities of any nature whatsoever by whomsoever brought, made or suffered for which the Grantee is or may become liable, incur or suffer by reason of any injury to person (including death) or loss or damage to property or economic loss arising directly or indirectly from a breach or non-performance by the Grantors of their covenants or obligations in this Agreement, or arising directly or indirectly from any wrongful act, omission or negligence of the Grantors in, on, around and about the Lands, the Right of Way Area, or in any way connected to or relating to the Works.
9. Any notice to be given pursuant to this Agreement must be in writing and may be delivered personally or sent by prepaid mail. The addresses of the Grantee for the purpose of notice is the address hereinbefore set out, and the address of the Grantors is the address on record for the owner of the Lands at the Land Title Office. If notice is delivered personally, it may be left at the relevant address in the same manner as ordinary mail is left by Canada Post and is to be deemed given when delivered. If notice is mailed, it is to be deemed given 5 days after mailing by deposit at a Canada Post mailing point or office. In the case of any strike or other event causing disruption of ordinary Canada Post operations, a party giving notice must do so by personal delivery as provided in this section. Any party may at any time give notice in writing to the other of any change of address and from and after the receipt of notice the address therein specified is to be deemed to be the address of such party for the giving of notice.
10. This Agreement shall enure to the benefit of and be binding upon the parties hereto, their successors and assigns.
11. Wherever the singular or the masculine are used, the same shall be construed as meaning the plural or the feminine or the body politic or corporate where the context or the parties hereto so require.

12. If any section, subsection, sentence, clause or phrase in this Agreement is for any reason held to be invalid by the decision of a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of the Agreement.
13. This Agreement shall be governed and construed in accordance with the laws of British Columbia.
14. Wherever this Agreement creates a power or obligation of the Grantee to make a decision or to exercise any contractual right or remedy, the Grantee may do so in accordance with the provisions of this Agreement and no public law duty, whether arising from the principles of procedural fairness or the rules of natural justice, shall have any application.
15. No amendment of this Agreement is valid or binding unless in writing and executed by the parties.

IN WITNESS WHEREOF the parties have executed this Agreement on Forms C and D to which this Agreement is attached and which form part of this Agreement.

Schedule "A"



## PRIORITY AGREEMENT

WHEREAS **THE TORONTO-DOMINION BANK** (the "Chargeholder") is the holder of a mortgage (the "Charge") encumbering the lands (the "Lands") described in item 2 of the *Land Title Act* Form C attached hereto, which is registered in the Victoria Land Title Office under number **CA3133207**.

The Chargeholder, in consideration of the premises and the sum of One Dollar (\$1.00) now paid to the Chargeholder by the Transferee, hereby approves of, joins in and consents to the granting of the within Agreement and covenants and agrees that the same shall be binding upon its interest in or charge upon the Lands and shall be an encumbrance upon the Lands prior to the Charge in the same manner and to the same effect as if it had been dated and registered prior to the Charge.

IN WITNESS WHEREOF the Chargeholder has executed this Agreement on Form D to which this Agreement is attached and which forms part of this Agreement.

END OF DOCUMENT

**EXPLANATORY PLAN OF STATUTORY  
RIGHT OF WAY OVER PART OF LOT 7,  
DISTRICT LOT 127, COMOX DISTRICT,  
PLAN 10790**

**PLAN EPP51196**

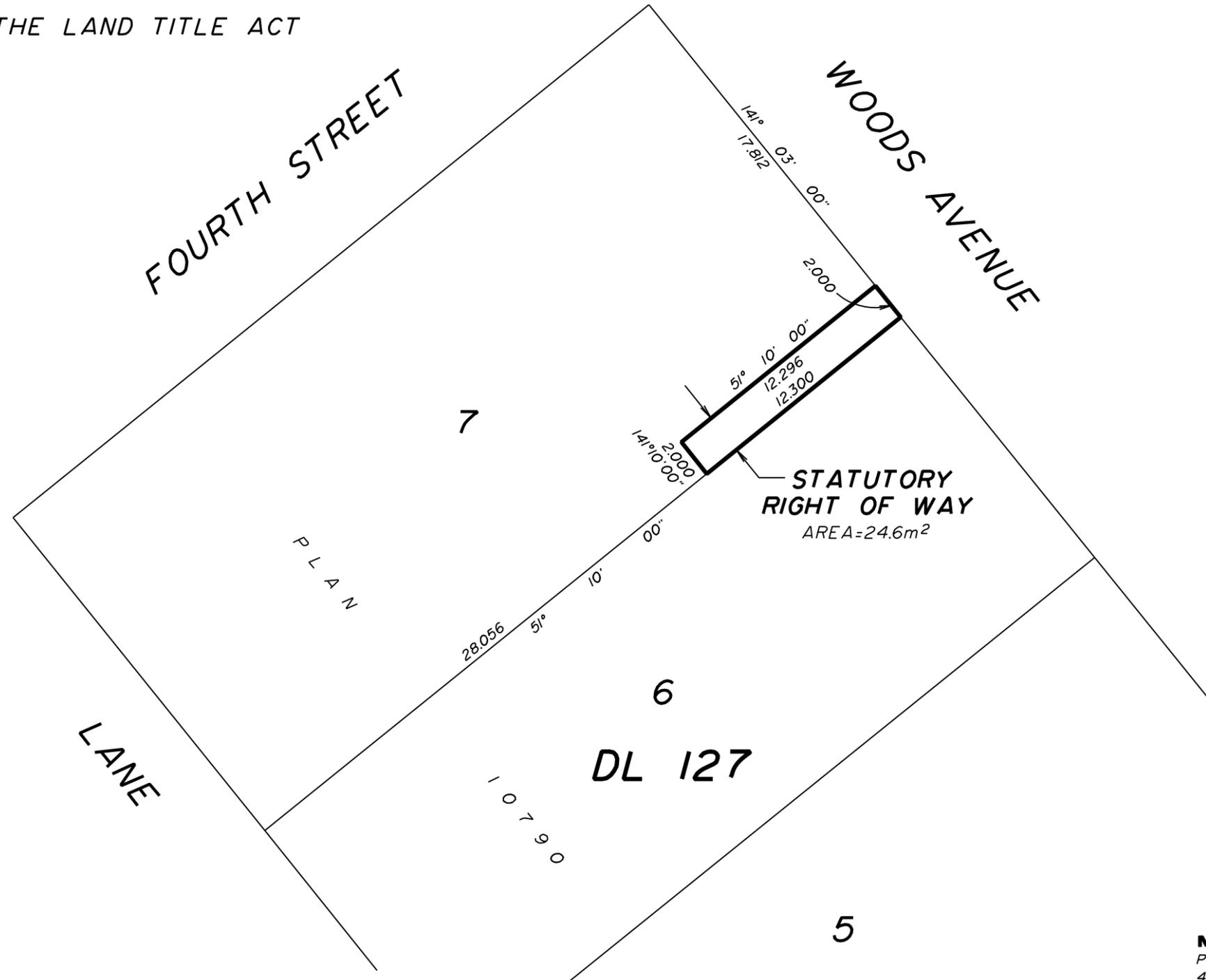
PURSUANT TO SECTION 99 (1)(e) OF THE LAND TITLE ACT  
BCGS 92F.065

SCALE 1:250



ALL DISTANCES ARE SHOWN IN METRES

THE INTENDED PLOT SIZE OF THIS PLAN IS 280mm  
IN HEIGHT BY 432mm IN WIDTH ( B SIZE ) WHEN  
PLOTTED AT A SCALE OF 1:250.



**LEGEND**

BEARINGS ARE ARSTRONOMIC AND  
ARE DERIVED FROM PLAN 10790

THIS PLAN IS BASED ON THE FOLLOWING LAND  
TITLE AND SURVEY AUTHORITY OF BC RECORDS:  
PLAN 10790  
MICHAEL J. HANSEN, BCLS 815

THIS PLAN LIES WITHIN THE COMOX VALLEY  
REGIONAL DISTRICT AND THE CITY OF COURTENAY

**McElhanney Associates**  
Professional Land Surveyors  
495 6th Street  
Courtenay, B.C. V9N 6V4  
Ph : 250-338-5495  
File 05504-EAS





## STAFF REPORT

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**To:** Council

**File No.:** 5460-08-1603

**From:** Chief Administrative Officer

**Date:** January 4, 2016

**Subject:** WinterJam Festival – Temporary Closure of England Avenue (5<sup>th</sup> St. to Lane North of 5<sup>th</sup> St.)

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### PURPOSE:

The purpose of this report is for Council to consider the temporary closure of England Avenue, between 5th Street and the lane to the north, for the purpose of the WinterJam Festival. The closure will be in effect from Thursday January 14, 2016, to noon on Monday February 1, 2016.

### CAO RECOMMENDATIONS:

THAT based on the January 4, 2016, staff report entitled, "WinterJam Festival – Temporary Closure of England Avenue (5<sup>th</sup> St. to Lane North of 5<sup>th</sup> St.)", Council approve Option 1 and permit the closure of England Avenue to be temporarily closed for the WinterJam Festival from January 14<sup>th</sup> to February 1<sup>st</sup> 2016.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM  
Chief Administrative Officer

### BACKGROUND:

The WinterJam Festival is a 17 day multi-venue music and winter sports festival taking place from Friday, January 15th, to Sunday, January 31st, 2016. The festival is sponsored by the Comox Valley Economic Development and Tourism Office, and was created with the purpose of helping to increase tourism related hotel visitation and economic activity into the Comox Valley.

### DISCUSSION:

WinterJam Festival organizers will be installing a synthetic skating rink on private property at the northwest corner of 5<sup>th</sup> Street and England Avenue to enable outdoor public skating in downtown Courtenay. In support of this initiative, the WinterJam Festival has requested a temporary road closure of England Avenue between 5th Street and the lane to the north, for 19 days. The festival intends to occupy the roadway with picnic tables for participants and temporary tents for vendors as required. This temporary closure will be for all vehicle traffic other than emergency service vehicles.

Typically staff informs Council of upcoming events resulting in temporary road closures through the memorandum Corporate Communications tool. As the WinterJam Festival will necessitate a road closure for an extended period of time, staff is seeking Council's support in advancing such a closure.

The Downtown Courtenay Business Improvement Association has given their written support for this event and the temporary road closure.

**FINANCIAL IMPLICATIONS:**

Event permits are provided by the City free of charge subject to all necessary submittals being provided in support thereof.

**ADMINISTRATIVE IMPLICATIONS:**

Staff time to process the permit and arrange for the borrowing of equipment is considered a statutory activity.

**ASSET MANAGEMENT IMPLICATIONS:**

None

**STRATEGIC PLAN REFERENCE:**

None

**OFFICIAL COMMUNITY PLAN REFERENCE:**

None

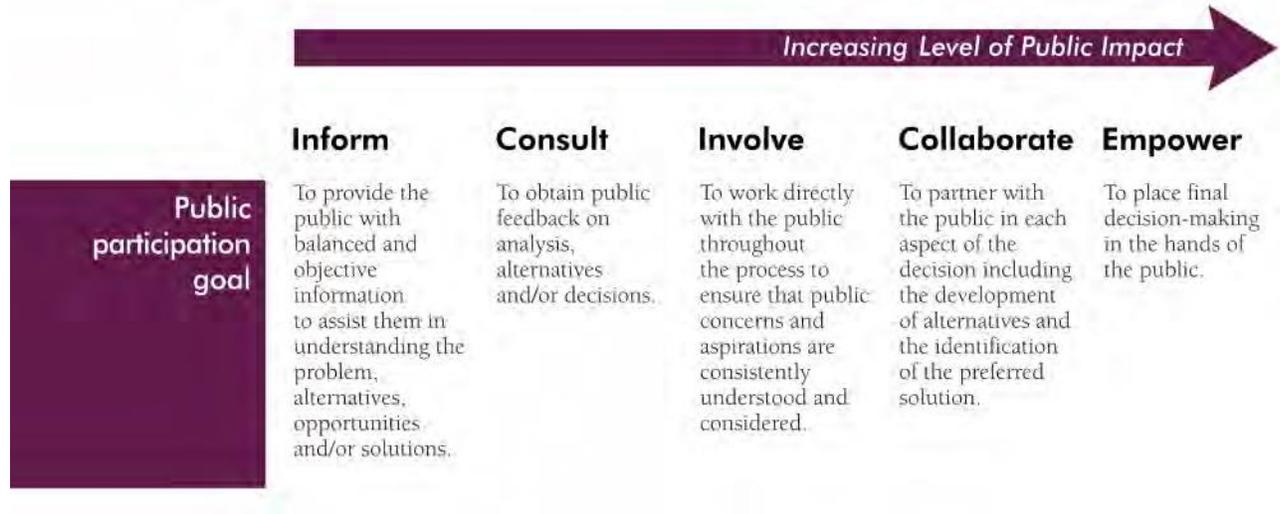
**REGIONAL GROWTH STRATEGY REFERENCE:**

None

**CITIZEN/PUBLIC ENGAGEMENT:**

There has and will continue to be public notification of the closure in advance of the event through the Downtown Courtenay Business Improvement Association and Discover Comox Valley. The public is being informed based on the IAP2 Spectrum of Public Participation:

[http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum\\_vertical.pdf](http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/imported/IAP2%20Spectrum_vertical.pdf)



**OPTIONS:**

1. THAT Council approve the temporary closure of England Avenue between 5th Street and the lane to the north of 5<sup>th</sup> Street for use by the WinterJam Festival, upon receipt of all applicable documents. (Recommended)
2. THAT Council does not approve the temporary closure of England Avenue between 5th Street and the lane to the north. (Not Recommended)

Prepared by:

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Lesley Hatch, P.Eng.  
 Director of Engineering & Public Works



December 14, 2015

UBCM Members

Attn: Mayors of Municipalities over 5,000 in Population that Receive Policing Services from the RCMP

**RE: 5-Year Review of the RCMP Police Service Agreements**

Dear Mayor,

We write to follow up on information regarding the Five Year Review of the RCMP Police Services Agreements that was included in [The Compass](#) following a meeting of the Local Government Contract Management Committee on April 30, 2015.

Article 22 of the Provincial Police Service Agreement (PPSA) provides Canada and the Provinces and Territories (P/Ts) with a Five Year Review mechanism to analyze and address any substantive issues, including financial issues, arising out of the implementation of the PPSA. The review process is intended to ensure the policing agreements meet the evolving needs of the parties, and assists to maintain their currency over the 20-year term. In accordance with Article 21.1 of the Municipal Police Unit Agreement (MPUA), amendments resulting from the review will be applicable to and binding on the MPUA.

In order for the Five Year Review process to be concluded by April 2017 as indicated in the PPSA, issues that may require attention must be received approximately 16 months in advance of that date. At this time, we would like to solicit your feedback so that we may effectively represent municipal interests to the federal order of government.

Please be advised that the Five Year Review is governed by rules that impact which issues will be included in the review; however, it is important to identify all issues as they may be addressed through other means. Two rules of particular note are:

- 1) For a matter to be included in the Five Year Review, it must be raised by and involve more than one P/T.
- 2) The National Contract Management Committee must agree on the matters to be reviewed and the intent of the review.

Thus far we have heard concerns regarding: the potential impacts of the impending new RCMP labour relations model; cost implications of the national programs (i.e. Police Dog Service Training Centre, the Cadet Training Program); clarification around the ability to provide provincially established/governed integrated teams; having stronger language related to the federal commitment to local policing; and other cost drivers.

Please note that the negotiations for Green Timbers accommodation costs, severance and the cost share for the Integrated Homicide Investigation Team are bi-lateral in nature and are proceeding separately from the Five Year Review. Issues such as DNA analysis services costs are not part of the RCMP police services agreements.

Please provide your feedback to Bhar Sihota ([bsihota@ubcm.ca](mailto:bsihota@ubcm.ca)) by January 22, 2015. We appreciate your participation and attention to this request.

Sincerely,

Councillor Sav Dhaliwal  
UBCM Past President  
Co-Chair LGCMC

Clayton Pecknold  
ADM, Ministry of Justice  
Co-Chair LGCMC