

# City of Parksville

PO Box 1390, 100 E. Jensen Avenue, Parksville, BC V9P 2H3  
Telephone: (250) 248-6144 Fax: (250) 248-6650  
[www.parksville.ca](http://www.parksville.ca)

## **COUNCIL MEETING AGENDA**

**MONDAY, AUGUST 17, 2009 - 6:00 P.M.**

### **1. ADOPTION OF MINUTES**

- a) of the special meeting of Council held August 5, 2009 - Pages 1 to 4

***Recommendation: THAT the minutes of the special meeting of Council held August 5, 2009 be adopted.***

### **2. APPROVAL OF AGENDA**

### **3. PRESENTATIONS**

### **4. DELEGATIONS**

- a) Mark McGorman - McGorman MacLean, Chartered Accountants - Presentation of 2008 Audited Financial Statements

### **5. UNFINISHED BUSINESS**

### **6. CORRESPONDENCE**

- a) Regional District of Nanaimo - Northern Community Sewer LSA Boundary Amendment Bylaw No. 889.52 - Pages 5 to 7  
*This bylaw proposes to include one property within the Surfside Sewer LSA into the Northern Community Sewer Local Service Area.*

***Recommendation: THAT the Council of the City of Parksville consents to the adoption of "Northern Community Sewer LSA Boundary Amendment Bylaw No. 889.52", and the Regional District be notified accordingly.***

### **7. DISCUSSION RELATED TO DELEGATIONS OR CORRESPONDENCE**

## 8. REPORTS

### a) Committee of the Whole - August 5, 2009 - Pages 8 to 9

- (1) Director of Community Planning - Endorsement of Water Awareness Program  
*Endorsement and implementation of the AquaStar Water Awareness Program will create an awareness of the importance of water and how to use an acceptable amount.*

**Recommendation: THAT the report from the Director of Community Planning dated July 20, 2009 entitled "Endorsement of Water Awareness Program" be received;  
AND THAT the AquaStar Water Awareness Program be endorsed;  
AND FURTHER THAT staff be directed to proceed with the AquaStar Water Awareness Program implementation.**

- (2) Director of Community Planning - Zoning Amendment Application - 451, 461 and 465 Hirst Avenue West  
*This is a follow up report for a rezoning application that, if approved, would facilitate a 41 unit multifamily development consisting of three duplexes and two apartment buildings.*

**Recommendation: THAT the report from the Director of Community Planning dated July 23, 2009 entitled "Follow-up Report – Zoning Amendment Application - 451, 461 and 465 Hirst Avenue West" be tabled to the September 14, 2009 Committee of the Whole meeting.**

- (3) Director of Community Planning - Development Permit Application – 1152 Franklin's Gull Road  
*Consideration of issuing a development permit for a two storey mix of industrial and office for Forbes Industrial Contractors and a single residential apartment.*

**Recommendation: THAT the report from the Director of Community Planning dated July 21, 2009 entitled "Development Permit Application – 1152 Franklin's Gull Road" be received;  
AND THAT a development permit be issued to 0851465 B.C. Ltd. Inc. No. BC0851465 to permit a two storey mixed industrial office building which includes a single residential apartment, office space and related site improvements on Lot 9, Block 564, Nanoose District, Plan VIP79328 [1152 Franklin's Gull Road].**

- (4) Director of Community Planning - Development Permit Application - 105 Island Highway East  
*Consideration of issuing a development permit to permit the demolition of original campground residence and office and to move the sales office and display suite (from the Beach Club) onto the area that the old building occupied.*

**Recommendation: THAT the report from the Director of Community Planning dated July 21, 2009 entitled "Development Permit Application - 105 Island Highway East" be received;  
AND THAT a development permit be issued to Pacific Beach Investments Ltd. Inc. No. 343239 to permit the demolition of the original campground residence and office and to move the sales office and display suite (from the Beach Club) onto the area that the old building occupied on Lot 1,**

***District Lot 13, Nanoose District and Part of the bed of the Strait of Georgia, Nanaimo District, Plan VIP77092 [105 Island Highway East].***

- (5) Director of Community Planning - Revisions to the Sustainable Community Builder Checklist and New Accessible Community Builder Checklist  
*Follow up after referring the Accessible Community Builder Checklist to the Measuring Up Committee and ODCA for comment.*

***Recommendation: THAT the report from the Director of Community Planning dated June 25, 2009 entitled "Follow-up Report - Revisions to Sustainable Community Builder Checklist and New Accessible Community Builder Checklist" be received;  
AND THAT the revised Sustainable Community Builder Checklist and a new Accessible Community Builder Checklist attached to the report from the Director of Community Planning dated June 25, 2009, be approved.***

- (6) Director of Finance - Water Rate Structure and Rate Review  
*As part of the City's new Water Awareness Initiative and in response to ratepayers concerns regarding our current water rate system, staff have reviewed the water rates and propose a new water rate system.*

***Recommendation: THAT the report from the Director of Finance dated July 29, 2009 entitled "Water Rate Structure and Rate Review" be tabled to the August 17, 2009 Council Meeting.***

- (7) Director of Community Planning - Transportation Plan - Jensen Avenue Connector  
*Consideration of change of scope for Transportation Plan and timing of the Jensen Avenue Connector completion.*

***Recommendation: THAT the report from the Director of Community Planning dated July 13, 2009 entitled "Consideration of Change of Scope for Transportation Plan and Timing of the Jensen Avenue Connector Completion" be received;  
AND THAT staff be authorized to award an additional scope of work to Boulevard Transportation Group in accordance with the Draft Terms of Reference attached to the report from the Director of Community Planning dated July 13, 2009 in the amount of \$21,400.00 (plus tax) to consider a one-way option for Highway 19A;  
AND FURTHER THAT staff be directed to withhold the tender process for the Jensen Avenue Connector construction until after the additional work by Boulevard Transportation Group is completed.***

- b) Director of Finance - Appointment of Municipal Auditor- Pages 10 to 14  
*Under the Community Charter the City is required to appoint an auditor to conduct the annual financial audit of the City's financial statements. The City's purchasing policy impacts the auditor appointment as it requires a selective proposal call process for expenditures of this magnitude. In order to ensure auditor continuity, it is recommended that the City's current auditors be appointed for the 2009 audit and future auditors are appointed for a 3-5 year term commencing with the audit of the 2010 financial statements after a selective proposal call process has been undertaken.*

***Recommendation: THAT the report from the Director of Finance dated August 10, 2009 entitled "Appointment of Municipal Auditor" and the correspondence***

**from McGorman MacLean, Chartered Accountants, dated March 6, 2009, be received;  
AND THAT McGorman MacLean, Chartered Accountants be appointed as the City's auditors for a period of one year commencing July 1, 2009;  
AND THAT a Selective Call process be undertaken in 2010 to solicit bids for audit services for 2010-2012 prior to the appointment of the auditor for 2010.**

- c) Director of Finance – Quarterly Budget Report (verbal)

9. BYLAWS

10. NEW BUSINESS

11. NOTICE OF MOTION

12. SPECIAL BUSINESS (Closed/In Camera)

13. ADJOURNMENT

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# TO BE ADOPTED



**CITY OF PARKSVILLE**

**August 5, 2009**

Minutes of the special meeting of Council held in the Civic and Technology Centre, 100 E. Jensen Avenue, Parksville, BC, on Wednesday, August 5, 2009 at 8:10 p.m.

**PRESENT:** His Worship Mayor E. F. Mayne

Councillors: C. R. Burger  
A. Greir  
M. Lefebvre  
T. C. Patterson  
S. E. Powell  
C. J. Powell-Davidson

Staff: F. Manson, Chief Administrative Officer  
L. Butterworth, Director of Finance  
G. Jackson, Director of Community Planning  
A. Metcalf, Manager of Operations  
M. Squire, Manager of Engineering  
A. Haywood, Recording Secretary

1. **ADOPTION OF MINUTES**

Patterson - Lefebvre  
09-190 THAT the minutes of the special meeting of Council held July 15, 2009 be adopted. CARRIED.

2. **APPROVAL OF AGENDA**

Lefebvre - Powell-Davidson  
09-191 THAT the August 5, 2009 Special Council meeting agenda be approved. CARRIED.

3. **PRESENTATIONS** - Nil

4. **DELEGATIONS** - Nil

5. **UNFINISHED BUSINESS** - Nil

6. **CORRESPONDENCE**

a) **Regional District of Nanaimo - Northern Community Sewer LS Apportionment Amendment Bylaw No. 889.50**

Lefebvre - Burger  
09-192 THAT the Council of the City of Parksville consents to the adoption of "Northern Community Sewer LS Apportionment Amendment Bylaw No. 889.50", and the Regional District be notified accordingly. CARRIED.

7. **DISCUSSION RELATED TO DELEGATIONS OR CORRESPONDENCE** - Nil

8. REPORTS

a) Manager of Operations - Funding for the Deconstruction of the Buildings at 114 Jensen Avenue West

09-193 Greir - Lefebvre  
THAT the report from the Manager of Operations dated July 9, 2009 entitled "Funding for the Deconstruction of the Buildings at 114 Jensen Avenue West" be received;  
AND THAT staff are authorized to proceed with the deconstruction of the buildings located at 114 Jensen Avenue West;  
AND FURTHER THAT staff be directed to prepare the appropriate land sale reserve expenditure bylaw. CARRIED.

b) Director of Community Planning - Unsightly Lots

09-194 Lefebvre - Greir  
THAT the reports from the Director of Community Planning dated July 21, 2009 be received;  
AND THAT the following recommendations be approved:

(1) Director of Community Planning - Unsightly Lot - 33 Ponderosa Drive

THAT the report from the Director of Community Planning dated July 21, 2009 entitled "Unsightly Lot – 33 Ponderosa Drive" be received.

(2) Director of Community Planning - Unsightly Lot - 28 Ponderosa Drive

THAT the report from the Director of Community Planning dated July 21, 2009 entitled "Unsightly Lot – 28 Ponderosa Drive" be received.

(3) Director of Community Planning - Unsightly Lot - 424 Rosewood Close

THAT the report from the Director of Community Planning dated July 21, 2009 entitled "Unsightly Lot – 424 Rosewood Close" be received.

(4) Director of Community Planning - Unsightly Lot - 813 Island Highway West

THAT the report from the Director of Community Planning dated July 21, 2009 entitled "Unsightly Lot – 813 Island Highway West" be received;  
AND THAT if Council is not satisfied with the explanation, or if there is no explanation from the property owner of Lot "C", District Lot 74, Nanoose District, Plan VIP60116 [813 Island Highway West], Council may direct staff to proceed with direct enforcement by giving the owner and/or occupier written notice of ten (10) days from the date of this Council meeting to clean up the property themselves;

AND THAT the notice advises of specific clean up requirements, indicate the specific area requested to be cleaned up and the consequences if the requested work is not completed;

AND FURTHER THAT at the expiration of the ten (10) days following delivery of the notice, if clean up has not been completed, either City staff or a private contractor shall undertake the specified clean up and expenses incurred shall be listed with an invoice directed to the registered owner. If such expenses are not paid by the end of the current year, the cost will be added to the property taxes pursuant to Sections 64 and 258 of the Community Charter.

(5) **Director of Community Planning - Unsightly Lots - 41 Lots**

THAT the report from the Director of Community Planning dated July 20, 2009 entitled "Unsightly Lots – 2, 5, 6, 7, 8 Joshua Tree Place, 604, 600, 596, 592, 588, 584, 580, 572, 568, 564, 560, 556, 552, 599, 579 Sandlewood Drive, 383, 387, 391, 395, 399 Kingsley Street, 359, 348, 352, 356, 367, 363 Hackberry Place, 21, 24, 30, 37 Ponderosa Drive, and 400, 408, 412, 416, 420, 421 Rosewood Close" be received;

AND THAT if Council is not satisfied with the explanation, or if there is no explanation from the property owner of 604, 600, 596, 592, 588, 584, 580, 572, 568, 564, 560, 556, 552, 599, 579 Sandlewood Drive, 383, 387, 391, 395, 399 Kingsley Street, 359, 348, 352, 356, 367, 363 Hackberry Place, 21, 24, 30, 37 Ponderosa Drive, and 400, 408, 412, 416, 420, 421 Rosewood Close, Council may direct staff to proceed with direct enforcement by giving the owner and/or occupier written notice of ten (10) days from the date of this Council meeting to clean up the properties themselves;

AND THAT the notice advises of specific clean up requirements, indicate the specific area requested to be cleaned up and the consequences if the requested work is not completed;

AND FURTHER THAT at the expiration of the ten (10) days following delivery of the notice, if clean up has not been completed, either City staff or a private contractor shall undertake the specified clean up and expenses incurred shall be listed with an invoice directed to the registered owner. If such expenses are not paid by the end of the current year, the cost will be added to the property taxes pursuant to Sections 64 and 258 of the Community Charter.

CARRIED.

c) **Manager of Operations - 2008 Annual Water Report**

Powell - Burger

09-195 THAT the report from the Manager of Operations dated July 20, 2009 entitled "2008 Annual Water Report" be received by Council for information and published on the City's website. CARRIED.

d) **Executive Assistant - Vancouver Island Young Music Festival Special Event Application**

Powell - Burger

09-196 THAT the report from the Executive Assistant dated July 23, 2009 entitled "Vancouver Island Young Music Festival Special Event Application" be received;

AND THAT Rough Diamonds Creative Arts Society be granted permission to hold the "Vancouver Island Young Music Festival" special event at the Picnic Shelter located in the Parksville Community Park on Sunday, August 30, 2009 from 12:00 p.m. until 11:00 p.m.;

AND THAT the approval be granted on condition that the organizers adhere to the signed Terms and Conditions form signed July 16, 2009 attached to the report from the Executive Assistant dated July 23, 2009 entitled "Vancouver Island Young Music Festival Special Event Application". CARRIED.

**9. BYLAWS**

a) **"Development Cost Charges Waiver Bylaw for Eligible Developments, 2009, No. 1448"**

09-197 Greir - Lefebvre  
THAT "Development Cost Charges Waiver Bylaw for Eligible Developments, 2009, No. 1448" be adopted. CARRIED.

b) **"Five Year Financial Plan Amendment Bylaw, 2009 - 2013, No. 1451.2"**

09-198 Lefebvre - Powell  
THAT "Five Year Financial Plan Amendment Bylaw, 2009 - 2013, No. 1451.2" be adopted. CARRIED.

**10. NEW BUSINESS - Nil**

**11. NOTICE OF MOTION - Nil**

**12. SPECIAL BUSINESS - Nil**

09-199 Patterson - Lefebvre  
That Pursuant to Sections 90 (1) (e) and (g) of the *Community Charter* Council proceed to a closed meeting to consider items relating to legal and land matters. CARRIED.

Time 8:47 p.m.

Council reconvened at 8:56 p.m.

**13. ADJOURNMENT**

It was moved by Councillor Burger and seconded by Councillor Lefebvre that the meeting adjourn. CARRIED.

The meeting adjourned at 8:56 p.m.

Certified Correct.

\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Corporate Officer





AGENDA  
COUNCIL  
AUG 17 2009  
DATE

RECEIVED  
AUG 10 2009  
ADMINISTRATION  
CITY OF PARKSVILLE

July 29, 2009

City of Parksville  
PO Box 1390  
Parksville, BC  
V9P 2H3

Attention: Fred Manson

Dear Mr. Manson:

Re: Northern Community Sewer LSA Boundary Amendment Bylaw No. 889.52

The Board at its regular meeting of July 28, 2009 introduced and read three times the above noted amendment bylaw (copy attached). This bylaw proposes to include one property within the Surfside Sewer LSA into the Northern Community Sewer LSA. As part of the approval process the District requires the City's consent to this bylaw.

It would be appreciated if your Council would endorse the following resolution:

MOVED \_\_\_\_\_, SECONDED \_\_\_\_\_, that the Council of the City of Parksville consents to the adoption of "Regional District of Nanaimo Northern Community Sewer Local Service Area Boundary Amendment Bylaw No. 889.52, 2009" and FURTHER that the Regional District be notified accordingly.

Would you please return your consent to us following your next Council meeting.

If you have any questions, please do not hesitate to contact this office.

Sincerely,

Maureen Pearse  
Sr. Mgr. of Corporate Administration

MMP:nat

Attachments

6300 Hammond Bay Rd.  
Nanaimo, B.C.  
V9T 6N2

Ph: (250)390-4111  
Toll Free: 1-877-607-4111  
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RDN Website: www.rdn.bc.ca

**REGIONAL DISTRICT OF NANAIMO**

**BYLAW NO. 889.52**

**A BYLAW TO AMEND THE BOUNDARIES  
OF THE NORTHERN COMMUNITY  
SEWER LOCAL SERVICE AREA**

WHEREAS the Board has enacted the "Regional District of Nanaimo Northern Community Sewer Local Service Conversion Bylaw No. 889, 1993", as amended, which establishes the Northern Community Sewer Local Service Area;

AND WHEREAS the Board wishes to amend Schedule 'C' to include the property legally described as follows:

Lot 6, District Lot 9, Newcastle Land District, Plan 11816;

AND WHEREAS the Board has obtained the consent of at least two thirds of the participants;

NOW THEREFORE the Board of the Regional District of Nanaimo, in open meeting assembled, enacts as follows:

1. This bylaw may be cited as "Northern Community Sewer Service Area Boundary Amendment Bylaw No. 889.52, 2009".
2. Schedules 'C' and 'E' attached to and forming a part of Bylaw No. 889 are hereby deleted and replaced with Schedules 'C' and 'E' attached to and forming part of this bylaw.

Introduced and read three times this 28th day of July, 2009.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
SR. MGR., CORPORATE ADMINISTRATION



August 6, 2009

**REPORT TO: MAYOR AND COUNCIL**  
**FROM: COMMITTEE OF THE WHOLE**  
**SUBJECT: AUGUST 5, 2009 MEETING RECOMMENDATION**

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The following items were considered by the Committee of the Whole at its special meeting held Wednesday, August 5, 2009:

**RECOMMENDATIONS**

**(1) Director of Community Planning - Endorsement of Water Awareness Program**

**THAT** the report from the Director of Community Planning dated July 20, 2009 entitled "Endorsement of Water Awareness Program" be received;  
**AND THAT** the AquaStar Water Awareness Program be endorsed;  
**AND FURTHER THAT** staff be directed to proceed with the AquaStar Water Awareness Program implementation.

**(2) Director of Community Planning - Zoning Amendment Application - 451, 461 and 465 Hirst Avenue West**

**THAT** the report from the Director of Community Planning dated July 23, 2009 entitled "Follow-up Report – Zoning Amendment Application - 451, 461 and 465 Hirst Avenue West" be tabled to the September 14, 2009 Committee of the Whole meeting.

**(3) Director of Community Planning - Development Permit Application – 1152 Franklin's Gull Road**

**THAT** the report from the Director of Community Planning dated July 21, 2009 entitled "Development Permit Application – 1152 Franklin's Gull Road" be received;  
**AND THAT** a development permit be issued to 0851465 B.C. Ltd. Inc. No. BC0851465 to permit a two storey mixed industrial office building which includes a single residential apartment, office space and related site improvements on Lot 9, Block 564, Nanoose District, Plan VIP79328 [1152 Franklin's Gull Road].

**(4) Director of Community Planning - Development Permit Application - 105 Island Highway East**

**THAT** the report from the Director of Community Planning dated July 21, 2009 entitled "Development Permit Application - 105 Island Highway East" be received;  
**AND THAT** a development permit be issued to Pacific Beach Investments Ltd. Inc. No. 343239 to permit the demolition of the original campground residence and office and to move the sales office and display suite (from the Beach Club) onto the area that the old building occupied on Lot 1, District Lot 13, Nanoose District and Part of the bed of the Strait of Georgia, Nanaimo District, Plan VIP77092 [105 Island Highway East].

(5) **Director of Community Planning - Revisions to the Sustainable Community Builder Checklist and New Accessible Community Builder Checklist**

**THAT** the report from the Director of Community Planning dated June 25, 2009 entitled "Follow-up Report - Revisions to Sustainable Community Builder Checklist and New Accessible Community Builder Checklist" be received;

**AND THAT** the revised Sustainable Community Builder Checklist and a new Accessible Community Builder Checklist attached to the report from the Director of Community Planning dated June 25, 2009, be approved.

(6) **Director of Finance - Water Rate Structure and Rate Review**

**THAT** the report from the Director of Finance dated July 29, 2009 entitled "Water Rate Structure and Rate Review" be tabled to the August 17, 2009 Council Meeting.

(7) **Director of Community Planning - Transportation Plan - Jensen Avenue Connector**

**THAT** the report from the Director of Community Planning dated July 13, 2009 entitled "Consideration of Change of Scope for Transportation Plan and Timing of the Jensen Avenue Connector Completion" be received;

**AND THAT** staff be authorized to award an additional scope of work to Boulevard Transportation Group in accordance with the Draft Terms of Reference attached to the report from the Director of Community Planning dated July 13, 2009 in the amount of \$21,400.00 (plus tax) to consider a one-way option for Highway 19A;

**AND FURTHER THAT** staff be directed to withhold the tender process for the Jensen Avenue Connector construction until after the additional work by Boulevard Transportation Group is completed.



MAYOR ED MAYNE, Chair  
COMMITTEE OF THE WHOLE



August 10, 2009

**MEMO TO: FRED MANSON, CHIEF ADMINISTRATIVE OFFICER**  
**FROM: LUCKY BUTTERWORTH, DIRECTOR OF FINANCE**  
**SUBJECT: APPOINTMENT OF MUNICIPAL AUDITOR**

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**ISSUE:**

Appointment of Auditors to provide audit services for the City's annual municipal audit and Arrowsmith Water Service audit.

**EXECUTIVE SUMMARY:**

Under the Community Charter the City is required to appoint an auditor to conduct the annual financial audit of the City's financial statements.

The City's purchasing policy impacts the auditor appointment as it requires a selective proposal call process for expenditures of this magnitude.

In order to ensure auditor continuity, it is recommended that the City current auditor's be appointed for the 2009 audit and future auditors are appointed for a 3-5 year term commencing with the audit of the 2010 financial statements after a selective proposal call process has been undertaken.

**REFERENCES:**

*Correspondence from McGorman MacLean dated March 6, 2009*  
*Community Charter s. 169 (Municipal Auditor)*  
*City of Parksville Purchasing Policy No. 6.14*

**BACKGROUND:**

Legislation states that Council must appoint an auditor for the municipality. A municipal auditor has the duty to conduct the examinations necessary to prepare the required financial reports on an annual basis. Typically an auditor is appointed for a period of 3-5 years before reappointment is required.

Our current Auditor has been the municipality's auditor for many years and appointments have not been carried out on a consistent basis.

The City's purchasing policy requires that a selective proposal call be made to qualified audit firms for services over \$20,000. The City's audit services have cost between \$20-30,000 over the last several years, so a competitive bid process is required for the audit services.

City staff are currently preparing for the transition to comply with the new requirements of PSAB 3150 (Capital Asset accounting and amortization) and our current auditors have been assisting with a review of our policy to ensure it meets the PSAB requirements.

**OPTIONS:**

1. Accept the March 6, 2009 Terms of Engagement as Auditors from McGorman MacLean, Chartered Accountants and appoint McGorman MacLean, Chartered Accountants as the municipal auditor for a one to five year period.
2. Undertake a Selective Proposal call to obtain auditor service fee proposals from our existing and other qualified accounting firms for a 3-5 year period.

**ANALYSIS:**

Option 1: Under *Community Charter* s. 169, the City is required to appoint an auditor. McGorman MacLean, Chartered Accountants are a local firm and have been this municipality's auditors for over 20 years. They have done an excellent service for the City and are familiar with the municipal staff and records retained by the City. Reappointment of our current auditors will allow for continuity with our preparations for PSAB 3150 and should reduce the audit cost of the implementation because McGorman MacLean has audited the past capital expenditures that will make up the capital asset accounts already.

On the negative side, if McGorman MacLean are appointed as auditors without a selective proposal or RFP process, then council will not be following the purchasing policy. It is also possible that a proposal call could result in a lower audit fee, but that is not known with any certainty.

Option 2: The benefits of this option mainly relates to the following of the purchasing policy and giving others a chance to bid for our audit services. There is also a possibility for a fee reduction through the bid process, but there is no certainty to that.

The disadvantages to this option are magnified for the 2009 audit because of the requirement for PSAB 3150 to be fully implemented in our 2009 financial statements. This is an extensive process and our current auditors have been involved with a review and advice on our capital asset policy as well as the historical audit of our existing capital assets. If another firm were the successful bidders, this could lead to a delay in our PSAB implementation due to the magnitude of the exercise. Another consideration is that McGorman MacLean are a local firm, and a bid process could result in a low bid from a non local audit firm.

**SUSTAINABILITY/ENVIRONMENTAL IMPLICATIONS: N/A**

**FINANCIAL IMPACT:**

The current annual cost of the City's audit is between \$20-\$30,000. These funds are budgeted for on an annual basis. If we move forward with a Selective Call process, there would be some staff time required to put together the terms of reference and receive and evaluate the proposals. If we were to go forward with a Request for Proposal (RFP), the advertising costs would run between \$500 - \$700 and staff time would be required to prepare the RFP and to review the proposals received. These costs could be recovered if a significantly lower bid was received that met the municipality's requirements. The staff time lost however, could not be recovered and would pull staff time from other large projects currently in progress.

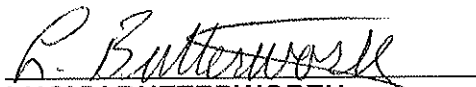
**STAFF RECOMMENDATION**

**THAT** the report from the Director of Finance dated August 10, 2009 entitled "Appointment of Municipal Auditor" and the correspondence from McGorman MacLean, Chartered Accountants, dated March 6, 2009, be received;

**AND THAT** McGorman MacLean, Chartered Accountants be appointed as the City's auditors for a period of one year commencing July 1, 2009;

**AND THAT** a Selective Call process be undertaken in 2010 to solicit bids for audit services for 2010-2012 prior to the appointment of the auditor for 2010.

Respectfully submitted,



**LUCKY BUTTERWORTH**  
Director of Finance

Attachments

**CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:**



**FRED C. MANSON, CGA**  
Chief Administrative Officer



Our File: M-172

March 6, 2009

City of Parksville  
PO Box 1390  
Parksville, BC  
V9P 2H3

Dear Sirs:

As a result of our conversations with you we are summarizing our understanding of the terms of our engagement as auditors of the City of Parksville on an ongoing basis.

1. Services

- (a) As auditors our function is to report to council whether or not the annual financial statements present fairly the financial position, the results of operations and the changes in cash resources of the City of Parksville in accordance with Canadian generally accepted accounting principles. To meet this obligation, and to comply with Canadian generally accepted auditing standards, our audit will include an examination of the accounting system, internal controls and related data to the extent considered necessary to enable us to express an opinion on the annual financial statements. Our evaluation of the reliability of the accounting system and internal controls will determine the extent of our auditing procedures.
- (b) We wish to point out that the financial statements are the responsibility of management whether or not we are involved in the preparation of those statements.
- (c) Our examination is not designed to identify, and cannot necessarily be expected to disclose fraud or other irregularities. If, during the course of our audit, these were discovered, they would be reported to you.
- (d) We will suggest improvements in the internal control system, which we believe, would be desirable and practicable.
- (e) The liability of McGorman MacLean to the City of Parksville for a claim related to professional services provided pursuant to this agreement in either contract or tort is limited to the extent that such liability is covered by errors and omissions insurance in effect from time to time including the deductible therein, which is available to indemnify McGorman MacLean at the time the claim is made.

2. Representation Letter

As part of our audit, a letter of representation will be requested from management confirming (a) certain representations made orally during our audit that are not reflected in the town's books of account or other records covering such matters as the existence of pledged assets, commitments, litigation or contingencies; and (b) certain other representations implicit in the books and records maintained by the town such as completeness of minutes relating to council meetings and the completeness of accounting records.

3. Fees

Fees will be determined on the basis of time spent at our standard billing rates and will be billed periodically as work progresses on this engagement. Any disbursements will be added to the billing. The firm's standard payment terms require payment in full within 30 days of the date each account is rendered. Accounts unpaid after that date will bear interest at the rate of 2% per month (24% per annum), or such other amount of interest as the firm may advise, from the date the account is rendered until it is fully paid.

4. Other Services

We are, of course, also available to assist as you may request with a wide range of services beyond those outlined above regarding financial, accounting, tax and other matters. If other services are required, we will confirm them with you as they arise.

The arrangements outlined in this letter will continue in effect from year to year while we continue to act as auditors for the town unless changed by either you or us. If the foregoing is in accordance with your understanding of the services we will provide, please acknowledge your agreement by signing the duplicate of this letter in the space provided below and return it to us.

We very much appreciate the opportunity to be of service to you.

Yours very truly,

**McGorman MacLean**



Mark McGorman  
Partner

The services and terms set out are as agreed.

\_\_\_\_\_ (signature)

\_\_\_\_\_ (title)

\_\_\_\_\_ (date)