



CITY OF
ST. CATHARINES

Corporate Report

Report from Chief Administration Office, Administration

Date of Report: November 14, 2012 **Date of Meeting:** November 26, 2012

Report Number: CAO-657-2012 **File:** 35.10.10

Subject: Updates to Niagara District Airport Funding Agreement

Recommendation

That Council approve the changes to the Joint Municipal Services Board Agreement governing the maintenance and operation of the Niagara District Airport and direct staff to update the agreement with the City of Niagara Falls and the Town of Niagara-on-the-Lake; and

That the City Solicitor be directed to prepared the necessary by-law. FORTHWITH

Summary

With the departure of the City of Thorold as funding municipality of the Niagara District Airport, the joint municipal service agreement which governs the maintenance and operation of the airport requires updating.

In addition to changing the agreement to reflect Thorold's departure, additional changes have been made. These changes will clarify the roles of both the commission and the funding municipalities, and will ensure perspectives of the funding municipalities are better reflected in the decisions of the commission.

Background

The Niagara Airport Commission was established in 1959 to operate and maintain the Niagara District Airport, on behalf of neighbouring municipalities Niagara-on-the-Lake, Niagara Falls, St. Catharines and Thorold. This arrangement is part of a formal joint municipal services agreement signed by each of the funding municipalities and reviewed regularly.

Given the agreement has expired and the fact that the City of Thorold is no longer a funding municipality, an updated agreement is required.

The mayors and staff from Niagara-on-the-Lake, Niagara Falls and St. Catharines recently met to discuss the agreement and concur with the proposed changes outlined in this report.

Report

Commission reduced to nine

With withdrawal of support from the airport, a member of Thorold City Council will no longer be appointed to the Niagara District Airport Commission nor will there be a member at large appointed to the commission from Thorold. This will reduce membership by two, from 11 to 9 people.

The new commission will include one member of council for each funding municipality and six members at large: one for Niagara-on-the-Lake, two for Niagara Falls and three for St. Catharines.

Selection of the members at large will be done through a nominating committee, which will include the council representatives on the commission and members of the existing Airport Liaison Committee (ALC). The appointment of members will continue to be done by each council, as is past practice.

New makeup for liaison committee

The ALC will be made up of the mayors and chief administrative officers of each of the funding municipalities. Unlike the previous committee makeup, the ALC will no longer include the commission chairman.

The ALC will meet at least twice each year, with one of the required meetings dealing with strategic business planning and annual budgets. As part of its role in serving as a resource for the commission, the ALC will provide interpretations of the joint municipal service board agreement to the commission when required.

Budget changes limited to \$25,000

The updated agreement also provides clarity regarding changes to the airport's budget. Specifically the commission can approve changes up to \$25,000 which do not result in a deficit, with notice being provided to the ALC. Capital expenditures must be included in the commission's annual budget or receive unanimous approval from the three funding municipalities.

As in previous agreements, the commission must appoint an auditor at its first meeting of the year; however under the new agreement the auditor must be the same as that of the municipality who contributes the largest portion to the operation of the airport.

Airport to receive payments twice a year

Currently, the funding municipalities provide funding to the airport in four equal payments on the first of each January, April, July, and October. The updated agreement will change this schedule to two payments annually, representing 50 per cent of the amount owing, on both January 1 and July 1.

This change will not increase the amount paid to the airport but will assist it in managing cash flow throughout the year.

Financial Implications

There are no financial implications to the Corporation of the City of St. Catharines as a result of the recommendations of this report.

Conclusion

The municipalities of Niagara-on-the-Lake, Niagara Falls and St. Catharines recognize the importance and value of the Niagara District Airport. For this reason each has agreed to continue to financially support its operations.

The recommended changes to the joint municipal service agreement will clarify the roles of both the commission and the funding municipalities, and will ensure perspectives of the funding municipalities are better reflected in the decisions of the commission.

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