



TOWN OF
PEACE RIVER
ALBERTA

TOWN OF PEACE RIVER Request for Decision

TO: MAYOR AND COUNCIL
PRESENTER: CAO
TOPIC: AIRPORT COMMITTEE
ATTACHMENTS:

DATE: DECEMBER 8, 2016
PREPARED BY: CAO
FILE No.:

ISSUE

According to the MGA review, municipalities under the five pillars of the Intermunicipal Collaboration Framework categories, are to enter into funding agreements. One category is Transportation, part of our transportation request is for funding operations and capital needs of the Airport. Currently, the Town receives funds from one surrounding Municipality, the County of Northern Sunrise. Council is being asked to enter into a new Airport Funding Agreement with the County of Northern Sunrise, County of Northern Lights, the MD of Peace No. 135 and the Town of Grimshaw.

BACKGROUND

The Town has been in discussions with the County of Northern Lights, the MD of Peace No. 135, the Town of Grimshaw, and the County of Northern Lights for over 8 years trying to develop an agreement that is based on the Airport being a regional asset and resource. In 2010, the above parties came to an agreement that included a funding formula based on the ability to pay.

The signing of the agreement was decided to be postponed until after the election in 2010. Unfortunately, after the election, the new council of Peace River, had decided not to enter into the agreement. This decision had cost the Town of Peace River over a million dollars in lost revenue from our surrounding Municipal units.

After the election of 2013, the new council made it one of their objectives to bring the other surrounding municipal partners back to the negotiating table and enter into a new funding agreement for the airport. On August 8th 2016, at the Town of Peace River council meeting, a Motion was passed (Motion 16-08-213), allowing the town to establish a Part "9" company called the Peace River Regional Airport Company with our four municipal partners; however, the partners agreed at the last meeting on November 29th, that the Part "9" company is no longer needed and a simple funding agreement between the partners is what is sufficient to meet the regions objectives.

The Town will need to rescind Motion 16-08-213, and move a new motion allowing administration to enter into a new agreement with the County of Northern Sunrise, County of Northern Lights, the MD of Peace No. 135 and the Town of Grimshaw based on similar principles and formula of the Part "9" Company. For a term not to exceed 7 (seven) years.

OPTION 1

Rescind Motion 16-08-213, and allow Administration to enter into an agreement with the County of Northern Sunrise, County of Northern Lights, the MD of Peace No.135 and the Town of Grimshaw based on similar principles and formula of the Part "9" Company. For a term not to exceed 7 (seven) years.

ADVANTAGES:

1. This will allow for the rest of our municipal partners to participate in funding the operational and capital costs for the Peace River Regional Airport.

DISADVANTAGES:

1. None

FINANCIAL IMPLICATIONS:

1. Peace River will be receiving 60% of the operational and capital deficits from our Municipal Partners.

OPTION 2

Rescind Motion 16-08-213, and do not enter into an agreement with our surrounding Municipal Partners.

ADVANTAGES:

1. Peace River maintains total control of the operation of the airport.

DISADVANTAGES:

1. Our regional partners will not have the ability to contribute to the funding of the airport.

FINANCIAL IMPLICATIONS:

1. The Town of Peace River residents continue to contribute to all the costs associated with the operations of the airport.

RECOMMENDATION

That Council move to Rescind Motion 16-08-213, and allow Administration to enter into an agreement with the County of Northern Sunrise, County of Northern Lights, the MD of Peace No. 135 and the Town of Grimshaw based on similar principles and formula of the Part "9" Company. For a term not to exceed 7 (seven) years.

SUBMITTED BY:


APPROVED BY: Christopher J. Parker, CAO

DATE SUBMITTED


DATE APPROVED