



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management Division

TO:	Chair and Members Airport Sub-Committee
COMMITTEE DATE:	March 29, 2019
SUBJECT/REPORT NO:	Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation regarding the John C. Munro Hamilton International Airport (PED19082) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY:	Tony Sergi Senior Director, Growth Management Division Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

That Report PED19082 respecting the 2018 Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation regarding the John C. Munro Hamilton International Airport be received for information.

EXECUTIVE SUMMARY

The City's external Auditor, KPMG, has been authorized by Council to conduct an audit on the annual percentage rent computation in the Lease Agreement with TradePort International Corporation (TIC) for the operation of the John C. Munro Hamilton International Airport (HIA). The Auditor conducted the audit and review in accordance with the standards of the Canadian Institute of Chartered Accountants. It is the Auditor's opinion that as of December 31, 2018, TIC was in compliance with the criteria established by the relevant sections of the Lease Agreement for the annual percentage rent computation. The annual total rent paid to the City of Hamilton in 2018 was \$596,416.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

KPMG, the City's Auditor, has been retained to conduct the annual audit of TIC including the annual rent payments to the City of Hamilton. The work commenced upon completion of the 2018 year-end financial statements of TIC in the first quarter of 2019. The audit and review is now complete and the final report is attached (see Appendix "A" to Report PED19082) for the consideration of the Airport Sub-Committee and Council, and for further direction, if necessary.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

- Head Lease between the City of Hamilton and TradePort International Corporation; and,
- 2016 – 2025 Corporate Strategic Plan.

RELEVANT CONSULTATION

- TradePort International Corporation.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Staff has reviewed the Terms of Reference for the work conducted by KPMG. Staff is of the opinion that the Auditor has completed the task in accordance with our view of what is contained in the Terms of Reference, the Lease Agreement and the direction of the Airport Sub-Committee and Council.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” – KPMG Statement of Rent – TradePort International Corporation

GP:as