

For Immediate Release

March 16, 2009

INTEGRITY COMMISSIONER'S RULING CLEARS NPC

Niagara Falls, Ontario – The Niagara Parks Commission (NPC) is pleased with the findings handed down by the Integrity Commissioner in her review of the recent allegations made regarding the manner in which it conducts its business operations. This report confirms the position of NPC that on the matter of the Maid of the Mist lease agreement and other business dealings, Niagara Parks not only acted in good faith, but also there was never any wrongdoing or mismanagement.

“The Integrity Commissioner’s Report is a powerful signal that this Board operated appropriately and in the best interests of the Park and this Province,” stated NPC Chairman Jim Williams. The renegotiation of the Maid of the Mist’s current lease was a process that took place over two years. The Commission Board authorized these talks and were continually informed and briefed, until such time as a final agreement was reached and vote taken. As per The Niagara Parks Act, this lease was then forwarded to the Province for its approval. According to Chairman Williams, “This ruling should give local residents and the citizens of Ontario a good deal of comfort and confidence in this Board, knowing that it is operating in the best interests of the region and Province.”

As part of her ruling, the Integrity Commissioner has made two recommendations to the Government. The first, which deals with public trust and governance issues, calls on the Government to institute as it has done in the past, key accountability reviews, such as performance and procurement audits, as well as governance reviews. NPC has participated in these reviews in the past, was recognized for its efforts and actions, and now looks forward to working with the Provincial Government and Ministry on these subsequent reviews.

The second recommendation calls on the NPC Board to examine its original decision surrounding the Maid of the Mist lease agreement. NPC will comply fully with this recommendation, and will continue to apply the principles of good faith actions and sound business judgment as it undertakes these deliberations.

The Niagara Parks Commission, an Agency of the Government of Ontario since 1885, operates to preserve and enhance Niagara Falls and the Niagara River Corridor for the enjoyment of visitors, all while remaining financially self-sufficient.

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The Niagara Parks Commission

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NPC BACKGROUNDER

Integrity Commissioner Report

- In November 2004, NPC Staff met with Maid of the Mist representatives to undertake preliminary discussions regarding the potential to renew the Maid's current lease.
- By way of a Directors Report presented to the Commission's meeting of December 13, 2006, The Board was informed the current Maid of the Mist agreement did allow for renewal discussions to take place, prior to the agreement ending in November 2009.
- At the February 16, 2007 Commission meeting a Commission Report was presented and contained a recommendation that staff be authorized to conduct lease renewal discussions with Maid representatives. During the meeting, a number of lease modifications and additions were discussed, and the Board was informed that once an agreement was concluded, staff would then return to them to seek their authority to obtain Order-in-Council approval from the Provincial government.
- The Board then authorized staff to undertake these negotiations. Between February 2007 and April 2008, Commission members were asked to consider the matter and no concerns were raised.
- In January 2008, a Freedom of Information Request concerning the Maid of the Mist Lease Agreement with NPC was submitted to the Commission. The requestor indicated they were interested in the possibility of making a proposal for the operations.
- In March 2008, the Board was presented with both a written progress report and completed lease agreement for their consideration. Board members were asked to consider the matter and provide feedback to both the Chairman and General Manager, prior to their next meeting which would be held to consider the matter. Only one question was raised by a Commissioner with respect to this matter.
- On April 18, 2008, The Niagara Parks Commission Board met to review several items requiring their approval. One of the items discussed was an Amended Lease Agreement between the Parks and the Maid of the Mist Steamboat Company Limited.
- According to the Integrity Commissioner's Report, The Report to the Commission prepared for the Commissioner's consideration that day contained, "a discussion and analysis of the possibility that the NPC could consider an alternative operator or to acquire necessary assets and operate the boat tourist attraction itself...Nine of eleven Commissioners present (one absence due to illness) voted to approve the amended lease agreement.

Recommendations Made by the Integrity Commissioner

To instill public confidence in the ability of NPC, The Integrity Commissioner has requested the Ministry undertake the following:

- ❑ Governance Review of its Agencies – NPC to be first body reviewed
- ❑ Audit procurement and lease practices
- ❑ Audit recent procurement practices
- ❑ Provide guidance to facilitate accountability and sound business decisions
- ❑ Provide additional Board Governance Training

NPC thanks the Integrity Commissioner for her recommendations, and will begin work in earnest to cooperate and respond to these recommendations in concert with the Province.

In fact, NPC has been subject to many of these types of studies in the past. Examples include:

- In March 2005, the Commission, joined by representatives of the Ministry of Tourism and Ministry of Government Services, undertook a roles and responsibilities workshop to improve the overall functioning of the Board.
- Following this meeting, the Commission with the assistance of Ministry staff, examined the organizational structure of the Board and concluded that its committee structure be updated to reflect NPC's work in five key areas: Governance, Finance and Audit, Parks and Heritage, Golf, and Events. This recommendation was adopted.
- A second training session was requested by the Chairman and held on September 26, 2007, concentrating on the roles and responsibilities of an NPC Commissioner.
- With the assistance of its own Employee Advisory Committee, NPC established its own Code of Conduct in 2007, which included revised Conflict of Interest provisions for all staff and Commissioners.
- This Code was then forwarded to the Conflict of Interest Commissioner to ensure consistency with Ontario Public Service rules.
- The Commission was also the subject of a Ministry of Tourism Best Practice Review in November 2006. The purpose of the review undertaken by the Internal Audit Services Team (IAS) of the Ministry of Finance was to “develop materials for promoting Best Practices in governance and operations at each of the agencies...”
- Ten internal business processes identified for study were: Conflict of Interest; Asset Management; Procurement; Risk Management; Financial Management; Stakeholder/ Client/Customer Management; Information Technology (IT) Management; Emergency Preparedness; Human Resources (HR) Management; and Performance Management.
- Overall, the IAS Team identified only minor changes and on the whole the Commission policies were found to be up-to-date and reflective of current best practices.
- In October 2008, NPC again updated its Commission Committee structure to provide expanded oversight and governance over its operations. The revised Committee structure is now composed of the Revenue Operations Committee, the Operations Committee and Finance and Audit Committee.

The second recommendation of the Integrity Commissioner calls on the NPC Board to examine its original decision surrounding the Maid of the Mist lease agreement.

- NPC will comply fully with this recommendation, and will continue to apply the principles of good faith actions and sound business judgment as it undertakes these deliberations.