



The Corporation of the Municipality of Brockton, The Corporation of the Town of Hanover, and The Corporation of the Municipality of West Grey

Joint Council Meeting Minutes (Saugeen Municipal Airport)

Wednesday, April 17, 2024, 9:00 a.m.

Elmwood Community Centre, 38 Concession Road 10, Elmwood, ON N0G 1S0

Brockton Council Present: Chris Peabody, Mayor
Mitch Clark, Councillor
Tim Elphick, Councillor
Kym Hutcheon, Councillor
B. Carl Kuhnke, Councillor
Gregory J. McLean, Councillor

Brockton Council Absent: James Lang, Deputy Mayor

Brockton Staff Present: Sonya Watson, Chief Administrative Officer
Fiona Hamilton, Director of Legislative and Legal Services (Clerk)

Hanover Council Present: Sue Paterson, Mayor
Warren Dickert, Deputy Mayor
Harold Fleet, Councillor
Dave Hocking, Councillor
Carol Hudson, Councillor
Brandon Koebel, Councillor
Susan Sakal, Councillor

Hanover Staff Present: Sherri Walden, Chief Administrative Officer
Tanya Patterson, Deputy Clerk

West Grey Council Present: Kevin Eccles, Mayor
Tom Hutchinson, Deputy Mayor
Scott Foerster, Councillor
Doug Hutchinson, Councillor
Joyce Nuhn, Councillor

West Grey Council Present: Geoffrey Shea, Councillor
Doug Townsend, Councillor

West Grey Staff Present: Jamie Eckenswiller, Director of Legislative Services/
Clerk
Kerri Mighton, Interim Chief Administrative Officer

Guests Present: Dean Leifso, Chairperson
Barry Heaney, BDO Partner/Auditor

1. Acceptance of the Chairperson - Dean Leifso

Chairperson Leifso called the meeting to order at 9:02 a.m.

2. Acceptance of Agenda

Resolution

Moved By: Sue Paterson

Seconded By: Chris Peabody

That the Councils of the Municipality of Brockton, the Town of Hanover, and the Municipality of West Grey accept the Agenda for the Joint Council Meeting regarding the Saugeen Municipal Airport on April 17, 2024 as presented, and approves Dean Leifso acting as Chairperson.

Carried

3. Declaration of Pecuniary Interest and General Nature Thereof

There were no declarations of interest.

4. Financial Overview from the Auditor

Barry Heaney, Partner at BDO, provided a summary of the audited financial statements for the year ended December 31, 2022, including an overview of the debts and loans.

Mr. Heaney reviewed the total revenue of \$451,340, noting that the Municipal contribution of \$154,530 represents 1/3 of the total revenue, and noted user fee revenues for rentals, and other revenues received such as donations.

Mr. Heaney reviewed the total expenses of \$455,608, advising that \$40,362 is the amortization of tangible capital assets, or estimated depreciation of all assets (including the building and runways), and further that another major expense was the purchase of fuel at \$152,082. It was noted that the professional fees increased by approximately 3% to \$51,973 due to a legal audit, and the third largest expense was service agreements at \$112,477 which includes the management contract, and subcontracts for snow removal, and maintenance to manage operations of the facility.

Mr. Heaney reviewed the annual deficit, noting some amortization on the assets, and further reviewed the breakdown of tangible capital assets. Mr. Heaney advised that the total cost of all assets is \$3,095,472.00; however, there are depreciated costs, bringing the net carrying amount to \$754,276, being the depreciated cost of the airport. It was noted that the costs are estimated, and an appraisal may show a different value for the asset.

Mr. Heaney reviewed the long-term debt loans for a hangar and tractor, and it was noted that the two loans will be paid off in 2026, and 2030.

5. Statement from Mayors of West Grey, Brockton and Hanover

Mayor Eccles read the statement on behalf of the Council of the Municipality of West Grey, noting that privatization could open up the airport to new opportunities, and noted West-Grey looked forward to making a well-informed decision on the future of the Saugeen Municipal Airport by obtaining additional information.

Mayor Peabody read the statement on behalf of the Council of the Municipality of Brockton, outlining the preferred options for the Saugeen Municipal Airport.

Mayor Paterson read the statement on behalf of the Council of the Town of Hanover, noting the preference to have all Councils aligned, and ensure that all options are reviewed before making an informed decision.

6. General Discussion about Future Options

Councillor Hocking first advised that his comments were personal rather than representing the Town of Hanover or the Saugeen Municipal Airport Commission and went on to state his support for a publicly funded municipal airport and implementation of the Saugeen Municipal Airport (SMA) business plan. Councillor Hocking noted the challenges with varying levels of municipal support, such as budget increases that were not adopted by all municipalities. Councillor Hocking discussed the business plan and effective partnerships involved in researching the potential development of the airport. Councillor Hocking noted the positive developments at the SMA including hiring a new manager, the successful restaurant, refueling depot for emergency aircraft, the comprehensive inventory, and the Kuhl aero academy assisting individuals training for their pilot's licence.

The three Councils discussed neighbouring airports, and the impacts of privatization, noting the loss of control over the future of the facility. Councils discussed the process involved with municipalities selling their share of the airport, including providing notice and payment.

Councillor Shea noted that the airport primarily served recreational users yet is a community asset. Councillor Shea noted that the airport's potential had been discussed for several years yet those plans have not resulted in a self-sustaining funding model and the facility continued to cost taxpayer dollars to maintain the asset. Councillor Shea expressed caution on plans to fundraise for the airport, noting the requirement for taxpayer contributions to sustain the enterprise.

Mayor Peabody advised that the Municipality of Brockton was open to discussing the options for a private sale or selling to a member Municipality. Mayor Peabody and Councillor Hocking discussed the 2024 budget.

Deputy Mayor Hutchinson advocated for a vision and business plan and options for growth, suggesting the need to work with developers on that plan. Deputy Mayor Hutchinson noted the benefit in having all member Municipalities aligned in the decision for the future.

Councillor Hutcheon discussed the number of years that the Commission has advocated for the economic development of the airport without a substantial outcome, and preference to sell the airport to an external developer.

Councillor Kuhnke discussed the significant infrastructure costs expected long term. Councillor Kuhnke noted the amount of municipal funds put into the asset and explained his preference to sell to an external party who could develop the airport to its potential with private funds.

Councillor Elphick shared his opinion that the airport was underperforming as a municipal asset, but advocated for renegotiating the cost-sharing agreement prior to consideration of a sale.

Mayor Eccles noted that the municipal contributions have decreased over the years noting the continued inflation rates and cost of capital infrastructure, suggesting that the airport requires consistent municipal contributions moving forward. Mayor Eccles advised that the SMA has undergone several business plans to be revenue neutral.

Councillor Clark noted that Councils have 29 years of data to review within the financial statements and advocated the need to evaluate the asset and determine if the public benefits, whether that be through a renegotiated cost-sharing agreement, or privatization.

7. Summary of Any Additional Information to be Provided (If Applicable)

Councils inquired when the 2023 Audited Financial Statements would be available, and the benefit of having a 10-year capital forecast projection to move forward.

8. Discussion of Next Steps

Councils discussed the differences between the cost-sharing agreement and the legislation applicable to the governance of the airport. Councils discussed possible avenues for renegotiation, including the option to establish an Ad Hoc Committee by representative Councils.

Councils agreed to further review the information presented at the meeting and consult again in the future as required.

The Councils of the Municipality of Brockton, the Town of Hanover, and the Municipality of West Grey agreed to consider the potential options for the future, decide how each Council would like to proceed, and inform the remaining Councils of the decision within the next two (2) months.

9. Adjournment

Resolution

Moved By: Tom Hutchinson
Seconded By: Dave Hocking

That the Councils of the Municipality of Brockton, the Town of Hanover, and the Municipality of West Grey do now adjourn at 10:38 a.m.

Carried

The Corporation of the Municipality of Brockton

Mayor - Chris Peabody

Director of Legislative and Legal Services (Clerk) – Fiona Hamilton

The Corporation of the Town of Hanover

Mayor – Sue Paterson

Deputy Clerk – Tanya Patterson

The Corporation of the Municipality of West Grey

Mayor – Kevin Eccles

Director of Legislative Services/Clerk – Jamie Eckenswiller