

Report to Council

Report Title:	Saugeen Municipal Airport Considerations for Future of Service		
Prepared By:	Fiona Hamilton, Director of Legislative and Legal Services (Clerk)		
Department:	Clerk's		
Date:	November 14, 2023		
Report Number:	CLK2023-24	File Number:	C11CL
Attachments:	Map of Airport Lands Visioning Session Presentation Map of Potentially Developable Area Saugeen Municipal Airport Business Plan October 31, 2023 Financial Reports		

Recommendation:

That the Council of the Municipality of Brockton hereby approves Report Number CLK2023-24 – Saugeen Municipal Airport Considerations for Future of Service, prepared by Fiona Hamilton, Director of Legislative and Legal Services (Clerk) for information and further authorizes proceeding with Option

Report:

Background:

The Saugeen Municipal Airport (“SMA”) is a corporation governed by the Corporations Act, R.S.O 1990, c. C.38 and a local board for the Municipality of Brockton, the Municipality of West Grey and the Town of Hanover. The airport site is located just off Highway 4 within the geographic boundaries of the Municipality of Brockton and has been in operation since 1990. The link to the Airport website can be found [here](#).

The SMA is operated by a Board of Directors referred to as the Commission consisting of three representatives appointed by the member municipalities and two pilot-at-large directors. As the SMA is also a local board of the member municipalities, the Commission must comply with all the accountability and transparency rules in the *Municipal Act, 2001*, as well as the governance and voting provisions from the *Corporations Act*. The SMA By-laws have directed that the three member municipalities must approve the budget annually, with a cost-sharing agreement from 2005 directing that Brockton would contribute 42.07%, the Municipality of West Grey 26.74% and the Town of Hanover 31.19%. The SMA recently had the governing by-laws reviewed and updated and it is anticipated that those by-laws will be brought forward for consideration and approval by the three respective municipal councils in the future.

Historically the member municipalities have provided the largest revenue source to fund the operation of the SMA. As municipalities struggle with a delayed property reassessment cycle, rising interest rates, inflationary pressures and infrastructure renewal constraints, it is important to evaluate all services being provided to ensure they serve all residents in the best manner possible. This report will provide information and factors for Council when considering options related to the future of the SMA.

Analysis:

The SMA is the registered owner of the property located at 34 Saugeen Airport Road, which is approximately 254 acres (with about 56 acres used for growing hay) with an MPAC assessed value of \$3,500,000. There are *eighteen (18) hangars* currently owned by the SMA and leased out to individuals for an annual cost per sq. ft. fee (*subject to annual CPI increases*), with another two (2) hangars privately owned on airport land for a 10 year lease. These last two hangars were built in 2021. There are also an additional approximately 9 privately owned hangars on separate parcels and these individuals pay an annual access fee to use the SMA runway and ancillary spaces. In addition, there is a waiting list of approximately 6 individuals that would be interested in renting hangars from the SMA if any were available.

The SMA also allows recreational pilots from other airports fly in to the facility to park and refuel their airplanes. The SMA Airport Manager's Report from September 23-October 3, 2023 stated that there were 178+ visits recorded during business hours for the month of September alone. The SMA is a Transport Canada registered airport and is a port of entry for the Canada Border Services Agency's CANPASS-Private aircraft program.

In addition to these private, recreational users, the SMA is also used by commercial and medical flights. It was noted that local timber and utility companies use the facility, and the infrastructure would support the types of aircraft that are frequently used by businesses. The facility is also used by medical flight providers such SkyCare and Ornge. The SMA was recently designated as the alternate site for ORNGE as the Walkerton helipad is inoperable for a period until upgrades have been completed. The ability to ensure seamless medical flight services to our residents is of critical importance. These commercial and medical flights will often purchase fuel at the airport and also pay a landing fee of \$150.00.

One of the most prominent business operating from the SMA is the Kuhl Aero Academy which offers sightseeing tours of the area (including the Greenock Swamp and the Saugeen River) and a busy flight school. The Kuhl Aero Academy has 16 students in ground school and is at full capacity for in air instruction. The SMA has also held events to introduce recreational flying to kids, with a COPA for kid's event and a kid's fly day.

Residents can also visit the restaurant at the SMA, The Landing Gear Diner open Wednesday-Sunday from 8 am to 4 p.m. which has an excellent reputation and is available for catering and events.

Over the past year, the SMA has also held a number of visioning sessions to consider opportunities to promote the economic development and additional revenue sources with the goal of having financially self-sustainable operations. Some of these ideas involve severing some areas of land with frontage along Highway 4, and promotion of the facility as "Regional Airport" to attract pilots from larger centres. A summary of these sessions has been prepared by Brockton's Community Development Coordinator and attached to this report,

along with the presentation from those sessions and a map of lands owned by the SMA that could potentially be developable.

While there are many possibilities identified for future promotion and expansion of the SMA, it should be noted that historically the SMA has been staffed by only a contract General Manager position (with the restaurant business being operated and owned separately). The General Manager is responsible for an extremely large number of tasks, from snow clearing and daily inspection of the runway, collecting landing fees for commercial flights, creating reports for meetings of the Commissioners, oversight of the social media pages, and assisting with ensuring compliance with Transport Canada regulations. The overall amount and breadth of tasks required of this position make it difficult to focus on larger strategic initiatives. To realize the airport's full potential, additional staffing requirements and a strong retention plan may need to be considered in the future.

Over the past few years, the operation of the airport has been funded from hangar leases, access fees, some landing fees, farmland rental, fuel sales, fundraising and the municipal contributions. The 2023 budget projected revenue of \$60,000, although only \$19,856.00 has been raised up to October 31, 2023. *Another \$19,000 has been committed for 2024.* The SMA has underspent on property development, runway and grounds maintenance and some wages such that there is currently approximately a \$10,000.00 surplus showing on the Financial Statement as of October 31, 2023 (attached for reference). It should be noted, however, that the SMA owes Brockton \$36,178.63 for the tractor and \$54,649.36 to Meridian Credit Union for the hangar construction. *The loan to Brockton will be paid off in 2026 and the hangar loan paid off in 2030.* The Municipality of Brockton received \$50,388.51 in tax revenue from the Saugeen Municipal Airport property and the surrounding hangar properties in 2023.

The past few budget years have been challenging for the SMA as there were significant unbudgeted legal expenses and upgrades to the fuel system that resulted in a deficit at the end of 2022. As the SMA has operated on a very lean budget with no reserve funds for many years, it was difficult to overcome these unbudgeted expenses. While the runway and main hangar building appear to be in good shape, the SMA does not currently have a long-term asset management or capital replacement plan, and no reserves set aside for upgrades that may be needed.

While a main goal of the SMA may be to become financially self-sustaining aside from the municipal contributions, it is clear that it will take some time for that goal to be accomplished. Furthermore, additional investment may be needed to maximize the airport's potential to become a "Regional Airport" in the form of a larger staffing complement and added infrastructure (building additional hangars or walking trails). With these factors in mind, there are two options for Council to consider:

Option 1- Propose a Sale of the SMA as an Airport

This option would involve the Municipality of Brockton confirming its preference for a sale and asking the Municipality of West Grey and the Town of Hanover to proceed in that manner with the proceeds of any sale to be split according to the Cost-Sharing Agreement currently in place. The proposal would be to secure a buyer that would continue to operate an airport from the lands to support the existing uses, especially the medical flights. If the municipalities jointly agreed to a sale, the proposal would be to secure the services of a qualified commercial realtor to properly market and oversee the sale process. Any Agreement of Purchase and

Sale to be considered by the municipalities could include an Option to Purchase clause whereby the municipalities could purchase the lands back at a set percentage if the facility did not continue to operate as an airport.

It should be noted that alternate uses of the SMA property may be limited by the zoning and also the servicing. There are no municipal sanitary sewers available to the hangars or the property, and the water services is provided by the Town of Hanover, such that a Municipal Servicing Agreement would be required for any other types of development.

It is difficult to predict what an appropriate sale price would be for the SMA, but it should be noted that the Wiarton Airport sold in 2021 for \$2.6 million and the Billy Bishop Airport in Owen Sound was recently listed for sale at \$3.7 million, although it is not known what the result of the listing was.

Option 2 – Propose a Revised Cost Sharing Formula

If Brockton Council decides not to proceed with a sale, the next option would be to ask the Municipality of West-Grey and the Town of Hanover to finalize the by-law that have been reviewed and review the cost-sharing formula outlined in the 2005 agreement that has not been updated since potentially 2012 (despite the stipulation that it should be reviewed every five years) and potentially negotiate an entirely new agreement to provide more clarity and the potential for hangars to be rented by individuals that do not reside in West Grey, Hanover or Brockton.

If a new cost-sharing arrangement is to be negotiated, Brockton should be prepared to increase the SMA budgets over the next few years to support the creation of a reserve fund and to support the strategic initiatives that will establish the SMA as a financially self-sufficient Regional Airport.

Strategic Action Plan Checklist:

What aspect of the Brockton Strategic Action Plan does the content/recommendations in this report help advance?

- | | |
|---|-----|
| • Recommendations help move the Municipality closer to its Vision | Yes |
| • Recommendations contribute to achieving Heritage, Culture, and Community | Yes |
| • Recommendations contribute to achieving Quality of Life | Yes |
| • Recommendations contribute to achieving Land Use Planning and the Natural Environment | Yes |
| • Recommendations contribute to achieving Economic Development | Yes |
| • Recommendations contribute to achieving Municipal Governance | Yes |

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

The Municipality of Brockton contributed \$64,903 to the Saugeen Municipal Airport in 2023 and 2022, however it should be noted that the SMA requested a 10% increase for the 2023 budget which was not approved by Brockton Council. The request for the 2024 Municipal Contribution is not available at this time.

Reviewed By:



Trish Serratore, Chief Financial Officer

Respectfully Submitted by:



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

Reviewed By:



Sonya Watson, Chief Administrative Officer

Saugeen Airport



Airport Update – Economic Development and Visioning Sessions

The Airport Commission has held two “visioning sessions” this year, the most recent on Nov. 8, 2023, with economic development staff from Brockton, Hanover and West Grey, plus commission members and pilots, to forge a strategic plan that will pull the airport out of debt and make it financially self-sustaining, without ongoing municipal contributions.

The sessions were led by Grey County Economic Development, with Think Canada in attendance. Think Canada has worked with the county on various projects, including development plans for the Warton Airport before it was sold.

The commission was presented with a map of potential developable areas within the airport’s boundaries (see attached). The map is preliminary and was created with input from Bruce County planning staff. It shows 3 potential development parcels, including a 16-acre parcel in the south east quadrant of the property, which could be used for a variety of airport-related industries.

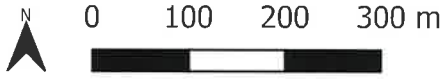
The commission has asked for concept drawings to be created, showing the scale and type of development that could take place there. A cost and revenue analysis will also be created, aligned with the concept plan. The aim will be to create a common vision that all parties can support, that includes full cost recovery in airport operations and full use of the asset to maximum economic impact.

Other ideas were also discussed, including creating more hangars, airport “condos,” and using the airport as an emergency command centre.

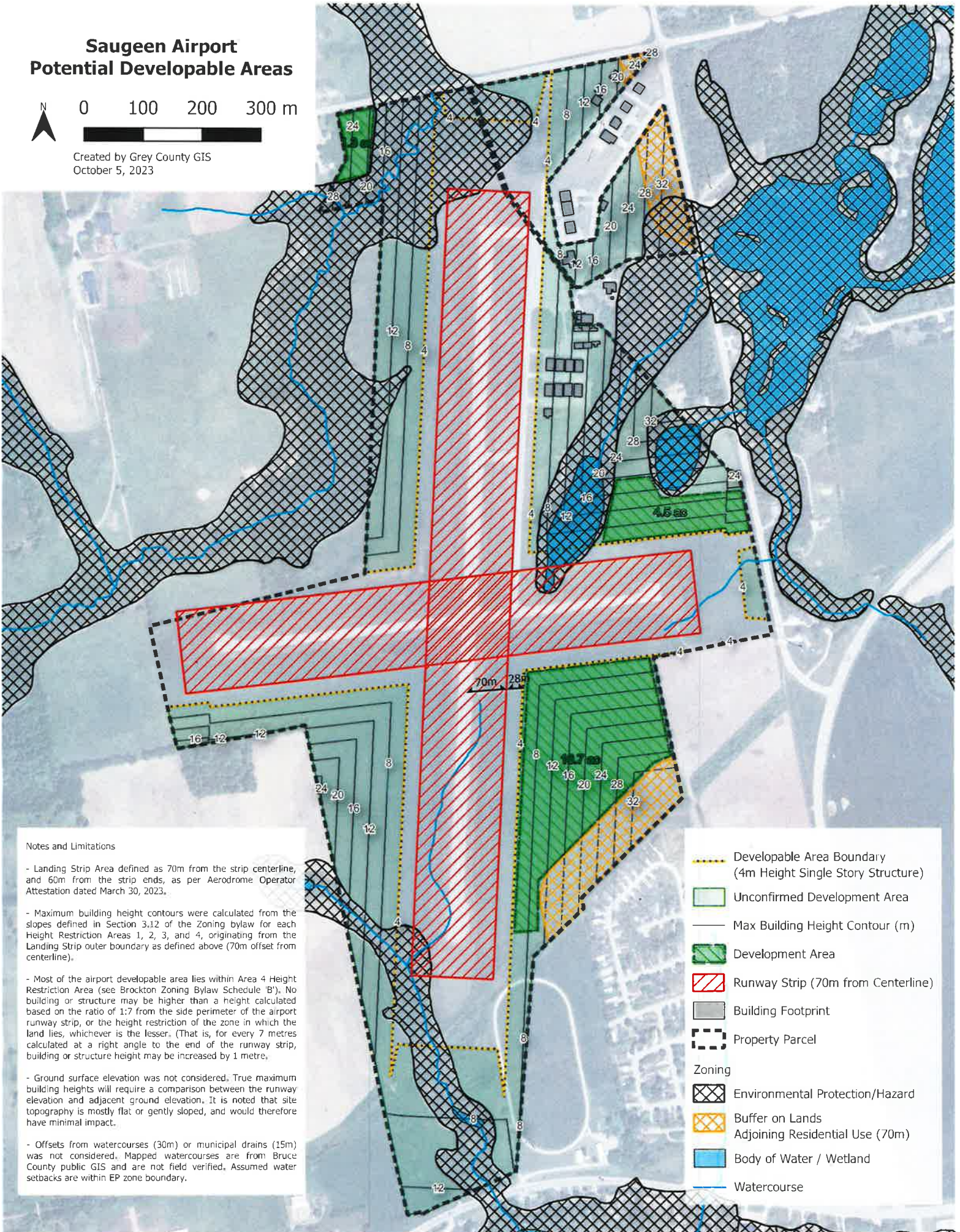
There was consensus at the meeting that we need to fully understand the airport and its potential as a municipal and community asset, and to take an aggressive growth approach to developing this to its fullest.

Full presentation attached.

Saugeen Airport Potential Developable Areas



Created by Grey County GIS
October 5, 2023



Notes and Limitations

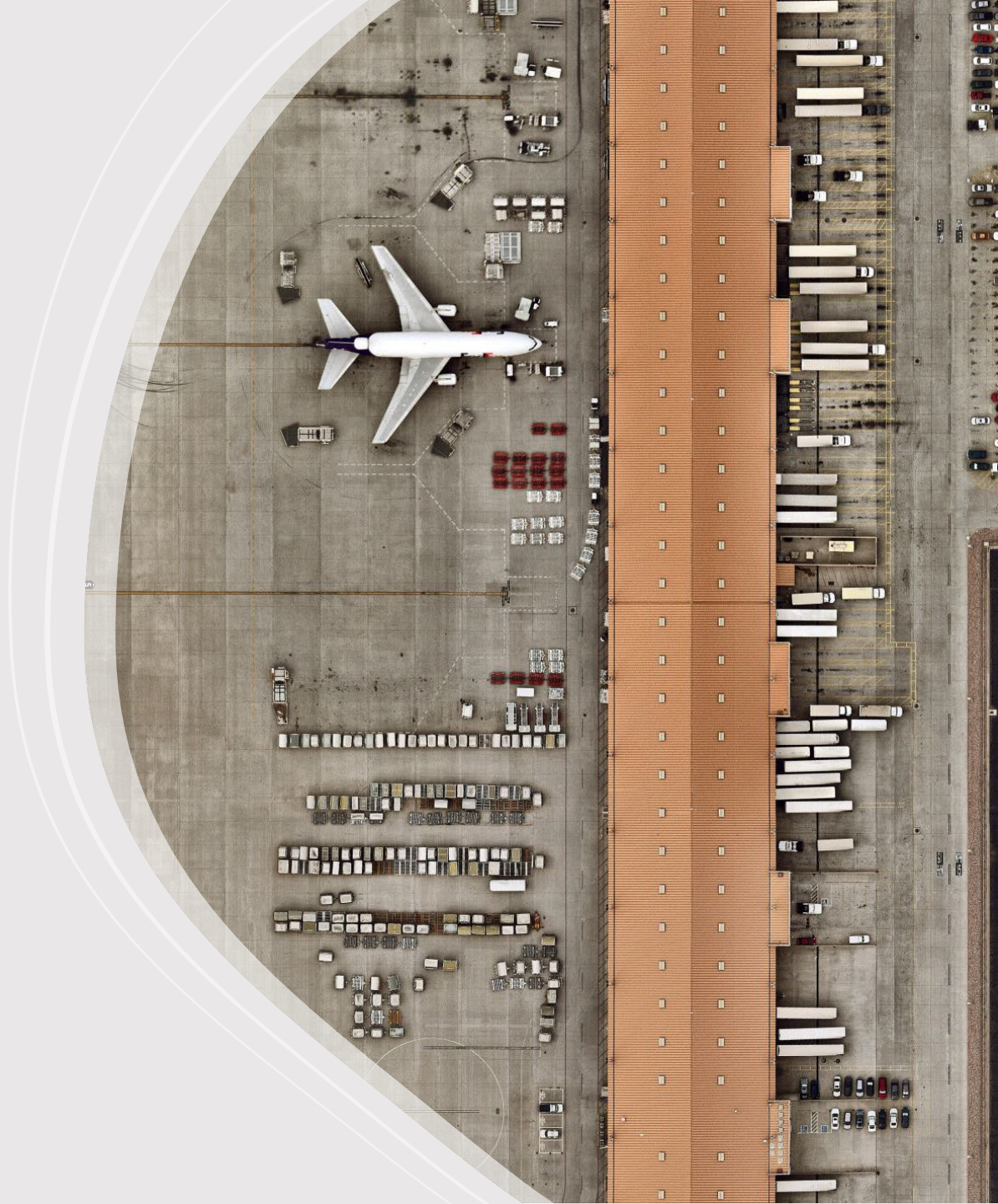
- Landing Strip Area defined as 70m from the strip centerline, and 60m from the strip ends, as per Aerodrome Operator Attestation dated March 30, 2023.
- Maximum building height contours were calculated from the slopes defined in Section 3.12 of the Zoning bylaw for each Height Restriction Areas 1, 2, 3, and 4, originating from the Landing Strip outer boundary as defined above (70m offset from centerline).
- Most of the airport developable area lies within Area 4 Height Restriction Area (see Brockton Zoning Bylaw Schedule 'B'). No building or structure may be higher than a height calculated based on the ratio of 1:7 from the side perimeter of the airport runway strip, or the height restriction of the zone in which the land lies, whichever is the lesser. (That is, for every 7 metres calculated at a right angle to the end of the runway strip, building or structure height may be increased by 1 metre.
- Ground surface elevation was not considered. True maximum building heights will require a comparison between the runway elevation and adjacent ground elevation. It is noted that site topography is mostly flat or gently sloped, and would therefore have minimal impact.
- Offsets from watercourses (30m) or municipal drains (15m) was not considered. Mapped watercourses are from Bruce County public GIS and are not field verified. Assumed water setbacks are within EP zone boundary.

- Developable Area Boundary (4m Height Single Story Structure)
- Unconfirmed Development Area
- Max Building Height Contour (m)
- Development Area
- ▨ Runway Strip (70m from Centerline)
- Building Footprint
- Property Parcel
- Zoning
- ▨ Environmental Protection/Hazard
- ▨ Buffer on Lands Adjoining Residential Use (70m)
- Body of Water / Wetland
- Watercourse

Hay 4.

Saugeen Municipal Airport

- Understanding the Asset
- Ideas / Comments
- Next Steps
- Nov. 8, 2023



Today's Discussion

- Previous Discussion
 - Currently airport operates at a loss and receives municipal financial support
 - Vision - airport becomes financially self sustaining and a significant contributor to the regional economy
 - Airport located near tourism assets and set in a rural communities, has manufacturing and close to regional centers
 - Terminal facilities with restaurant well maintained
 - Significant municipal infrastructure within airport boundaries
 - Operating deficit is significant, requires business development strategy focused on increasing revenues
 - Question – what lands are developable? What is involved?

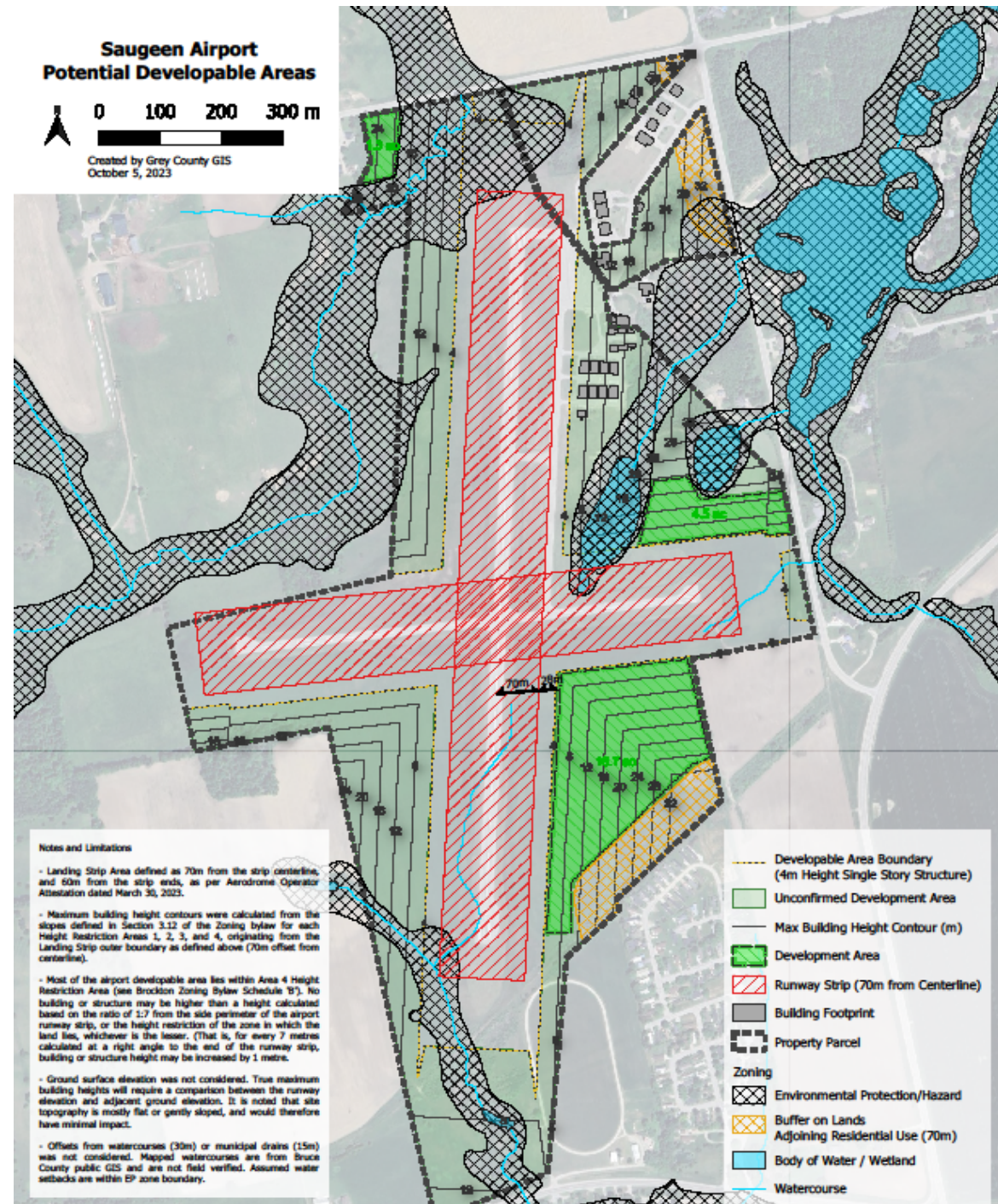
Development Areas

Map outlines airport set backs and natural hazards – needs to be confirmed.

Height restriction – each line represents 4m or one story of building

Parcels with potential development

- 1) 1.3 acre parcel
- 2) 4.5 acre parcel
- 3) 16.7 acre parcel
- 4) Area around terminal building





Permitted Uses - Zoning

- Attracting more airport related uses improves financial viability
- Permitted Uses
 - Airport service maintenance
 - Hangers
 - Industrial dry uses
 - Offices within terminal building
 - Flight School
 - Open Storage
 - Restaurant
- New uses – drones, food processing, data center, site seeing, hotel, condo hangers
- Does it support vision



Next Steps – Development Plans

- Need a conceptual development plan that layout entrances, roads, buildings and parking lots,
- Answers the questions
 - how many more hangers around terminal building
 - How large a warehouse can be built?



Financial Analysis

- Based on conceptual plan, what are the financial impacts
- What are the phases of development?
- Infrastructure needs and costs (roads, services, gas, hydro)
- Lease or sell land, what are the rates and terms?
- Due diligence to speak intelligently with investors



Talk to Investors / Developers

- Gauge investors interest in broader conceptual plan
- Identify investors barriers or pain points, needs, questions?
- Refine conceptual plan and financial model
- Identify decision making process / approval process
- Develop promotional package
- Go to market, be ready to negotiate



Saugeen Municipal Airport Business Plan

34 Saugeen Airport Road, RR#1, Walkerton ON N0G 2V0

Mission Statement

To build on the human and capital resources of the Saugeen Municipal Airport, as a Cultural and Economic hub of the Brockton, Hanover and West Grey Region.

Volunteer Support

The culture of volunteer support at CYHS has the following significant dates:

- 1952 2600 feet of land cleared to create two grass runways.
- 1965 Flight school begins with 23 student pilots.
- 1970 Fundraisers support airport development \$8,000+
- 1979 Flying club established & Cessna 150 purchased.
- 1980 Club house, meeting room and snack shop constructed.
- 1990 Interforest purchases adjacent farm to expand runway.
- 1990 Saugeen Business Development Corporation Partnership of municipalities, pilots and businesses leads to provincial funding & paved runways.
- 1991 Official opening as Saugeen Municipal Airport and first jet arrives.
- 1994 – New terminal building – 42 years of volunteer commitment to community.
- 1997 Snowbirds Air Show
- 2000 Host Snowbirds for Port Elgin (Saugeen Shores Airshow)
- 2015 National Aerobatic Competition.
- 2017 Snowbirds Air Show – 40,000 viewers
- 2020 Hanover Flying Club-Hope Air Fundraiser approx. \$7000.00 raised
- 2021 Hanover Flying Club-Hope Air Fundraiser approx. \$8000 raised

Annual Events

- Culture Day
- COPA 4 Kids
- Hope Air Barbeque



Methodology

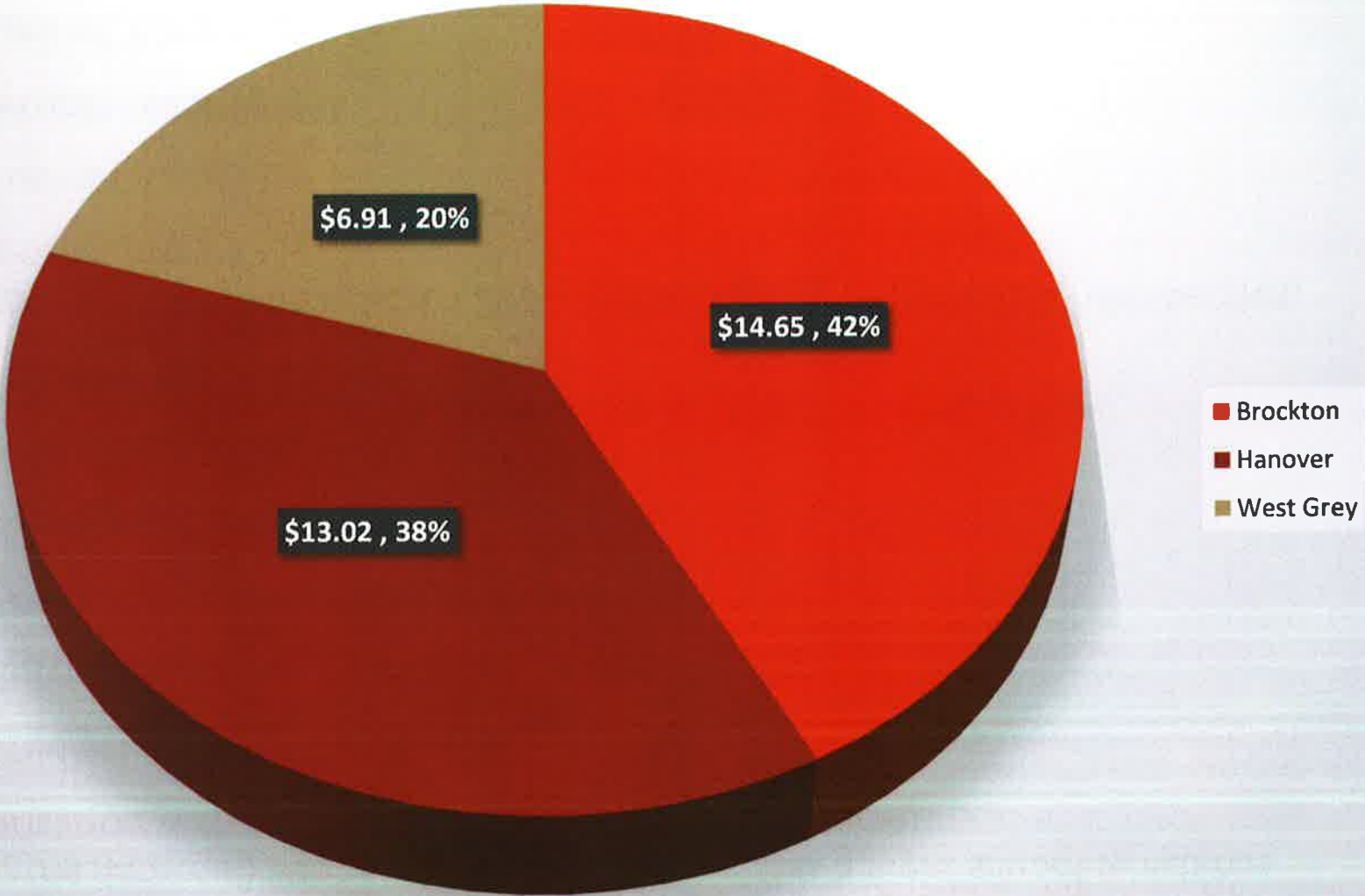
Views: In 2021 a committee was formed to prepare a Business Plan. During the preparation of the plan, a consultative approach was taken engaging with pilots and stakeholders including the three Municipalities that share the ownership of this asset.

Beliefs: The Commission believes that the Regional Airport has exceptional growth potential. With the privatization of other airports in our region, this has created a huge interest in our asset from both pilots with hangar builds to developers looking at other commercial and residential development opportunities.

Possible/Target Revenue Streams cont'd.

1. Development fee for hangars and home hangars. Currently this review/consultation is provided at no charge by SMA.
2. Hangar owners build at their own cost and lease the land (\$.35/sq ft) on which the hangar sits plus a five-foot perimeter around the hangar.
3. SMA owns six hangars and rents them to pilots. Current rents are lower than lease rates.
4. Any activity that increases flights to and from SMA will generate higher levels of fuel sales.
5. Aviation schools pay rent for office and classroom space, as well as purchase large amounts of fuel.
6. Each plane housed at SMA pays an annual Access Fee permitting planes to use roads to access taxi and runways.
7. Availability of the restaurant drives air traffic from across the Province, as well as enhancing the viewing experience for local constituents. The level of rent paid by the restaurant is dependant on air traffic as well as walk in business.
8. Revenue is subject to market demand, with higher revenue crops tending to require higher expenses and higher risk.
9. Large aircraft that tend to be commercial or institutional (not recreational aircraft) pay a landing fee.
10. SMA annually receives contributions, however there has never been a coordinated long-term campaign to ensure ongoing funding.
11. Historically, SMA has preferred to lease land for hangars rather than sell land for hangar construction, however with growing demand for home hangars, lot sales could generate significant capital for reinvestment in revenue streams.
12. Air shows / conferences: Air shows attract the general public while conferences focus on targeted interests within the aviation community.
13. Future Ventures with business possibilities and partnerships is something the Airport is looking into to assist with the growth of the Airport's future needs.
14. The airport plans on increasing grass tie down areas along the apron. Currently aircrafts can park on the apron overnight, however, we currently only have three tie down spots along the edge of the apron. Pilots have to bring their own tie down hooks to secure aircraft if the three spots are rented. The increase of tie downs in this area will assist with days of inclement weather.
15. Historically, the boardroom and dining room have been rented out for events. The airport plans on increasing rentals for gatherings, including outdoor camping.
16. A large part of the Airport's funding, stems from Municipal Contributions, with the following breakdown:
Brockton-42.07%, Hanover-31.19%, West Grey-26.74%

2022 \$ Per Household



SWOT Analysis

Opportunity (external)

1. Demand for hangars, home hangars, RV, boat and car storage.
2. High worldwide demand for aviation jobs with pilots, mechanics retiring.
3. Fly in hotel / aviation education centre.
4. Uncertainty, fear other airports closing/change of hands.
5. Overburdened city airports-businesses relocating.
6. Small steps toward next level certification.
7. Proven fly in camping / RV model.
8. Available land for walking/hiking trails.





Threat (external) Some threats affecting Saugeen Municipal Airport are:

1. Not having a plan in place for future infrastructure.
2. Municipalities, with their long term asset plan, and
3. Four year threat of commission members changing over.

Property Development



Mapping depicts the following:

-  **Approximate outline of airport property of 253 acres.**
-  **Current crop land of approximately 56 acres, planted in hay.**
-  **Future Development Sites:** propose site levy fees of \$5000.00 per hangar build site. Natural gas is expected to extend to the south end of the airport. Natural gas is a transition fuel to alternate energy. One of the most promising forms of energy for aviation is hydrogen. With an abundance of land, and hangar roof tops the airport is in an ideal position, as the cost of solar panels comes down, to establish a small-scale green hydrogen plant. Hydrogen can be used to fuel hangar heating systems, and hydrogen-based fuel cells. This technology is available now, and the Airport has the roof tops and ground space to accommodate solar panels.
-  **Saugeen Valley Conservation Authority Land** The Regional Airport has some lands that are NE (Natural Environment) and we work closely with the SVCA on this portion of the land to ensure the quality of the environment is maintained and that the ecosystem is protected. We also pay close attention to the Source Drinking Water Protection.

Environmental Aspects

Noise Pollution

Flight paths over the Airport follow right hand circuits on RWY 19 and RWY 09. Left hand circuits are followed through over RWY 27 and 01. These circuit patterns help alleviate the stress of noise over populated areas, such as the lake homes.

Projects

Hydrogen aircraft builds with universities, colleges, businesses, secondary schools and the Launch Pad as partners.

Airport Grounds

The Airport grounds are filled with green space and farmland. Some of the land is under authority by the SVCA. These outdoor spaces are currently underutilized by our three communities. Demand for walking and cross-country ski trails, will continue to increase as our communities grow.

Helping with Climate Change

Future hangar builds / Airport developments could incorporate solar panels or other alternative energy. Parking lot area for car plug ins, is something the Airport is looking into. Alternate energy use and generation such as hydrogen for heating and aviation fuel are possibilities.

Appendix

- Saugeen Municipal Airport Strategic Planning Session Report (A summary of the activities, insights and recommendations for future growth.) October 18, 2018.
- The **International Civil Aviation Organization**, ICAO has many different activities to improve the policies and standards of the international aviation industry. In this way, they develop standards, monitor compliance with operations, conduct surveys and analyses, offer assistance to create aviation capacity through activities in conjunction with members and stakeholders.

ICAO's tasks range from publishing the Standard and Recommend Practices (SARP) and Procedures for Air Navigation Services (PANS) to conducting investigations to improve civil aviation, aeronautical engineering and safety regulations.

General Ledger
Annual Department Budget vs. Actual Comparison Report
 Fiscal Year Ending: DEC 31,2023 - From Period 1 To Period 10 Ending OCT 31,2023

Account	Description	Period	Previous Year Total		Current Year To Date			Budget Pct Used
			Actual	Budget	Period	Actual	Budget	
Fund: 71 Saugeen Municipal Airport								
Category: 3???								
3800 Saugeen Municipal Airport								
Revenue								
71-3800-0518	Donations	0.00	2,813.00	60,000.00	0.00	19,856.55	60,000.00	33.09
71-3800-0559	Sales - Diesel Fuel	0.00	0.00	0.00	0.00	0.00	0.00	0.00
71-3800-0560	Sales - Aircraft Jet A	4,598.81	49,787.20	24,000.00	3,156.64	31,752.02	45,000.00	70.56
71-3800-0561	Sales - Aircraft 100LL	10,363.62	145,403.88	125,000.00	12,885.59	117,221.28	140,000.00	83.73
71-3800-0562	Sales - Aircraft Oil	0.00	203.00	100.00	0.00	55.65	100.00	55.65
71-3800-0563	Fees - Tie Down	90.00	1,255.00	700.00	50.00	200.00	500.00	40.00
71-3800-0564	Fees - Commercial Landing	150.00	375.00	900.00	300.00	3,300.00	1,000.00	330.00
71-3800-0565	Fees - Access	0.00	2,805.74	2,400.00	0.00	2,197.95	2,100.00	104.66
71-3800-0579	Misc Fees	0.00	19,592.09	12,700.00	4.15	22,188.42	12,700.00	174.71
71-3800-0610	Rentals - Rooms	0.00	5,049.65	3,300.00	212.00	3,038.75	5,000.00	60.78
71-3800-0611	Rentals - Kitchen	442.50	5,122.51	5,400.00	442.50	4,425.00	5,000.00	88.50
71-3800-0741	Lease - Hangars	0.00	13,953.68	13,600.00	0.00	16,221.44	17,000.00	95.42
71-3800-0742	Rentals - Hangars	5,583.60	19,100.40	22,000.00	1,068.00	17,088.00	22,000.00	77.67
71-3800-0747	Rentals - Farmland	635.01	30,607.96	20,000.00	3,846.80	16,395.24	25,000.00	65.58
71-3800-0881	A/R Penalty/Interest Charges	(0.01)	(81.82)	170.00	2.12	52.73	100.00	52.73
71-3800-0922	Bank Interest	144.61	822.31	400.00	12.14	757.50	500.00	151.50
71-3800-0934	Transfer from Reserves	0.00	10,063.69	0.00	0.00	14,429.36	14,400.00	100.20
71-3800-0945	Municipal Contributions	0.00	154,530.00	154,530.00	0.00	154,530.00	154,500.00	100.02
71-3800-0999	Proceeds on TCA Disposals	0.00	0.00	0.00	0.00	3,214.53	0.00	0.00
Total Revenue		22,008.14	461,403.29	445,200.00	21,979.94	426,924.42	504,900.00	84.56
Expense								
71-3800-2130	Supplies - Office	79.00	1,703.30	1,900.00	57.95	611.69	1,400.00	43.69
71-3800-2415	Purchases - Aircraft Jet A	0.00	30,948.16	19,000.00	5,813.75	25,155.31	30,000.00	83.85
71-3800-2416	Purchases - Aircraft 100LL	15,391.80	112,872.12	100,000.00	13,889.74	104,909.45	110,000.00	95.37
71-3800-2417	Purchases - Oil	0.00	127.75	0.00	0.00	0.00	0.00	0.00
71-3800-2418	Purchases - Diesel	0.00	8,134.31	6,000.00	0.00	4,779.70	7,000.00	68.28
71-3800-3005	Misc. Expenses	280.95	1,103.15	500.00	23.26	2,511.52	500.00	502.30
71-3800-3008	Service Agreements	8,961.54	112,477.21	113,500.00	9,124.02	92,054.08	124,100.00	74.18
71-3800-3128	Memberships	0.00	0.00	500.00	0.00	155.00	0.00	0.00
71-3800-3212	Telephone	139.13	1,417.00	1,500.00	0.00	1,125.29	1,000.00	112.53
71-3800-3213	Internet	84.94	899.69	1,100.00	59.90	522.60	1,000.00	52.26

General Ledger

Annual Department Budget vs. Actual Comparison Report

Fiscal Year Ending: DEC 31,2023 - From Period 1 To Period 10 Ending OCT 31,2023

Account	Description	Period	Previous Year Total		Current Year To Date			Budget Pct Used
			Actual	Budget	Period	Actual	Budget	
71-3800-3214	Web Maintenance	1,435.00	3,618.82	1,500.00	180.00	2,124.98	1,500.00	141.67
71-3800-3234	Advertising & Promotions	(4,033.18)	229.73	600.00	0.00	1,632.50	2,000.00	81.63
71-3800-3300	Services - Bookkeeping	0.00	11,000.00	11,000.00	0.00	11,200.00	11,200.00	100.00
71-3800-3310	Services - Audit	0.00	6,179.25	5,500.00	0.00	7,466.43	6,200.00	120.43
71-3800-3311	Legal Services	0.00	25,887.50	15,000.00	1,092.00	5,388.00	9,000.00	59.87
71-3800-3312	Services - RNAV Maintenance	0.00	9,500.00	5,000.00	0.00	3,500.00	3,500.00	100.00
71-3800-3316	Consultant Fees	0.00	8,905.92	0.00	0.00	0.00	0.00	0.00
71-3800-3400	Maintenance - Grounds	876.52	3,020.66	3,000.00	0.00	4,189.04	9,800.00	42.75
71-3800-3405	Maintenance - Farmlands	0.00	5,409.31	5,100.00	0.00	0.00	5,500.00	0.00
71-3800-3410	Maintenance - SMA Building	608.98	2,236.61	2,000.00	0.00	1,423.56	3,000.00	47.45
71-3800-3411	Maintenance - Runways	0.00	1,107.60	15,000.00	0.00	0.00	20,000.00	0.00
71-3800-3413	Maintenance - Equipment	0.00	8,546.94	5,000.00	0.00	3,135.88	8,000.00	39.20
71-3800-3415	Maintenance - SMA Shop	0.00	890.01	1,300.00	0.00	186.99	2,500.00	7.48
71-3800-3627	Property Development	0.00	0.00	22,000.00	0.00	0.00	20,000.00	0.00
71-3800-3710	Insurance	0.00	12,471.84	13,000.00	0.00	12,849.84	13,000.00	98.84
71-3800-3712	Utilities - Water	0.00	383.45	400.00	14.28	182.36	400.00	45.59
71-3800-3713	Utilities - Gas - Terminal (0616)	163.11	1,738.58	3,000.00	39.82	580.99	2,200.00	26.41
71-3800-3714	Utilities - Gas - Garage (7504)	22.70	1,515.49	1,000.00	23.55	1,023.33	1,300.00	78.72
71-3800-3715	Utilities - Gas - Hangar (8140)	24.20	2,397.60	1,600.00	68.55	936.00	2,000.00	46.80
71-3800-3716	Utilities - Hydro Terminal (64112)	434.42	5,124.23	4,800.00	(511.18)	1,192.53	4,000.00	29.81
71-3800-3717	Utilities - Hydro Hangar (15965)	105.09	1,722.02	1,300.00	0.00	1,402.57	1,500.00	93.50
71-3800-3726	Property Taxes	0.00	19,247.77	19,000.00	0.00	18,092.66	19,300.00	93.74
71-3800-4110	Service Charges - Bank and Global	1,224.12	10,497.44	7,300.00	787.86	5,986.40	8,000.00	74.83
71-3800-4220	Interest Expense - Hangar & Tractor	395.81	3,932.12	3,100.00	411.49	4,263.37	4,800.00	88.82
71-3800-4410	Cashier (Over)/Short	0.00	0.10	0.00	0.10	0.45	0.00	0.00
71-3800-5210	Tangible Capital Asset - Purchases	711.00	49,000.00	13,000.00	0.00	38,250.00	7,000.00	546.43
71-3800-5213	Transfer to Reserve	0.00	0.00	22,000.00	0.00	43,107.33	44,200.00	97.53
71-3800-5230	Principal Payments on Loan	937.90	19,698.58	19,700.00	1,674.63	16,649.17	20,000.00	83.25
71-3800-6000	Amortization Expense - TCA	0.00	40,361.36	0.00	0.00	0.00	0.00	0.00
71-3800-6100	Change in Investment of Capital Ass	0.00	(40,361.36)	0.00	0.00	0.00	0.00	0.00
Total Expense		27,843.03	483,944.26	445,200.00	32,749.72	416,589.02	504,900.00	82.51
Dept Excess Revenue Over (Under) Expenditures		(5,834.89)	(22,540.97)	0.00	(10,769.78)	10,335.40	0.00	0.00
Category Excess Revenue Over (Under) Expenditures		(5,834.89)	(22,540.97)	0.00	(10,769.78)	10,335.40	0.00	0.00

General Ledger

Annual Department Budget vs. Actual Comparison Report

Fiscal Year Ending: DEC 31,2023 - From Period 1 To Period 10 Ending OCT 31,2023

Account	Description	Period	Previous Year Total		Current Year To Date			Budget Pct Used
			Actual	Budget	Period	Actual	Budget	
REPORT SUMMARY								
71-3800	Saugeen Municipal Airport	22,008.14	461,403.29	445,200.00	21,979.94	426,924.42	504,900.00	84.56
Fund 71 Total Revenue		22,008.14	461,403.29	445,200.00	21,979.94	426,924.42	504,900.00	84.56
71-3800	Saugeen Municipal Airport	27,843.03	483,944.26	445,200.00	32,749.72	416,589.02	504,900.00	82.51
Fund 71 Total Expenditure		27,843.03	483,944.26	445,200.00	32,749.72	416,589.02	504,900.00	82.51
Fund 71 Excess Revenue Over (Under) Expenditures		(5,834.89)	(22,540.97)	0.00	(10,769.78)	10,335.40	0.00	0.00
Report Total Revenue		22,008.14	461,403.29	445,200.00	21,979.94	426,924.42	504,900.00	84.56
Report Total Expenditure		27,843.03	483,944.26	445,200.00	32,749.72	416,589.02	504,900.00	82.51
Report Excess Revenue Over (Under) Expenditures		(5,834.89)	(22,540.97)	0.00	(10,769.78)	10,335.40	0.00	0.00

General Ledger

Balance Sheet for Period Ending 2023-10-31

Account	Description	Current Yr. Balance
71	Saugeen Municipal Airport	
71-0000-0011	Main Operating Bank Account	12,401.46
71-0001-0001	Petty Cash	200.00
71-0001-0007	Meridian Membership Shares	1.00
71-0003-0013	HST Collected	(13,708.38)
71-0003-0014	HST Federal Rebate	8,581.35
71-0003-0015	HST Provincial Rebate	13,730.04
71-0003-0021	Accounts Receivable	3,035.78
71-0012-0455	Inventory - Jet A	5,273.15
71-0012-0456	Inventory - 100L	14,446.26
71-0012-0458	Inventory - Merchandise for Resale	2,435.94
71-0029-6420	Capital - Land/Land Improvements	429,022.00
71-0029-6421	Land Improvements - Accumulated Amortization	(10,869.55)
71-0029-6430	Capital - Buildings	456,353.00
71-0029-6431	Buildings - Accumulated Amortization	(267,823.94)
71-0029-6440	Capital - Equipment & Machinery	238,031.00
71-0029-6441	Equipment & Machinery - Accumulated Amortization	(143,657.50)
71-0029-6480	Capital - Infrastructure	2,021,065.72
71-0029-6481	Infrastructure - Accumulated Amortization	(1,967,842.91)
TOTAL ASSETS		800,674.42
71-0133-0150	Accrued Expenses	17,400.00
71-0134-0061	Prepayments on Fuel Accounts (Def Rev)	18,661.20
71-0135-0080	Loan - Hangar (Meridian)	54,649.36
71-0135-0081	Loan - Tractor (Brockton)	36,178.63
71-0160-0149	Amounts to be Recovered - Long Term Debt	(90,827.99)
71-0199-9998	Investment in TCA's	754,277.82
TOTAL LIABILITIES		790,339.02
Excess Revenue over (under) Expenditures		10,335.40
Total Fund Balance		10,335.40
Total Liabilities and Fund Balance		800,674.42

THE CORPORATION OF THE MUNICIPALITY OF BROCKTON

BY-LAW #2005-57

BEING A BY-LAW TO APPROVE AND AUTHORIZE THE EXECUTION OF AN AGREEMENT BETWEEN THE MUNICIPALITY OF BROCKTON, MUNICIPALITY OF ARRAN-ELDERSLIE, MUNICIPALITY OF WEST GREY AND TOWN OF HANOVER, CONCERNING THE SAUGEEN MUNICIPAL AIRPORT.

WHEREAS the Municipal Act 2001, S.O. 2001, c25, as amended, Section 70, authorizes a council of a municipality to pass a by-law for establishing, operating, maintaining and improving an airport;

AND WHEREAS Section 202, of the said Municipal Act authorizes municipalities to pass by-laws for entering into agreements to establish a joint municipal service board for fulfilling, executing or completing at their joint expense and for their joint benefit any service within the jurisdiction of the council;

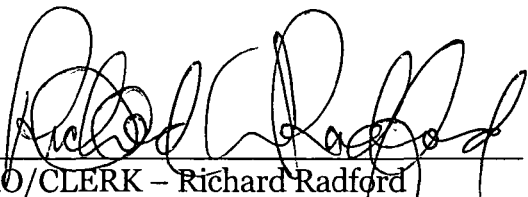
NOW THEREFORE the Council of the Corporation of the Municipality of Brockton **ENACTS AS FOLLOWS:**

1. That the Saugeen Municipal Airport Agreement between the Municipality of Brockton, Municipality of Arran-Elderslie, Municipality of West Grey and Town of Hanover, attached hereto as Schedule "A-1", and forming part of this by-law, is hereby approved.
2. That the Mayor and CAO/Clerk are hereby authorized to sign and seal the said Agreement.
3. That this by-law shall come into full force and effect on the date of passing.

READ A FIRST AND SECOND TIME THIS 11th DAY OF July, 2005.



MAYOR – Charlie Bagnato

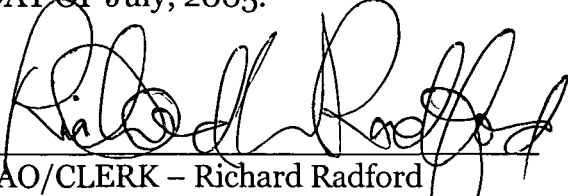


CAO/CLERK – Richard Radford

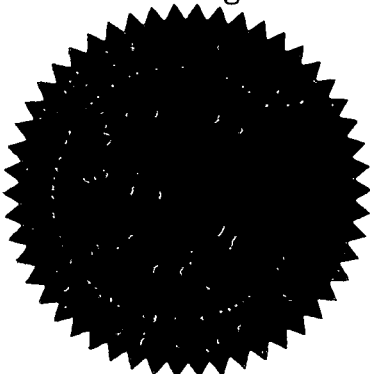
READ A THIRD AND FINAL TIME THIS 11th DAY OF July, 2005.



MAYOR – Charlie Bagnato



CAO/CLERK – Richard Radford



SCHEDULE 'A'

BETWEEN:

**THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE
(hereinafter called "Arran-Elderslie")**

-and –

**THE CORPORATION OF THE MUNICIPALITY OF BROCKTON
(hereinafter called "Brockton")**

-and –

**THE CORPORATION OF THE TOWN OF HANOVER
(hereinafter called "Hanover")**

-and -

**THE CORPORATION OF THE MUNICIPALITY OF WEST GREY
(hereinafter called "West Grey")**

RECITALS

WHEREAS the Municipal Act 2001, S.O. 2001, c.25, as amended, Section 70, authorizes a council of a municipality to pass a by-law for establishing, operating, maintaining and improving of an airport.

AND WHEREAS Section 202, of the said Municipal Act authorizes municipalities to pass by-laws for entering into agreements to establish a joint municipal service board for fulfilling, executing or completing at their joint expense and for their joint benefit any service within the jurisdiction of the council.

AND WHEREAS by Letters Patent dated October 11, 1990 which are attached as Schedule "A" to this agreement Saugeen Municipal Airport (the "Corporation") was incorporated as a corporation without share capital for the purpose of providing and operating a regional airport to serve the southern Grey and Bruce County, Ontario region.

AND WHEREAS the applicants for incorporation were all members of the municipal council of the parties hereto.

AND WHEREAS land had been acquired in the former Township of Brant, now in the Municipality of Brockton and an aerodrome (*hereafter referred to as the "Airport"*) had been established and is operating therein.

AND WHEREAS funds to establish the airport were contributed by all of the parties and the Government of Canada and the Province of Ontario.

AND WHEREAS the parties wish to enter into this agreement to provide for the continued operation and management of the Corporation and the Airport.

AND WHEREAS the Corporation will enact By-Law No.1 in the form attached as Schedule "B" to this agreement providing that each of the parties hereto shall appoint members to a Board of Commissioners of the Corporation.

NOW THEREFORE this agreement witnesseth that the parties hereto in consideration of the premises and the mutual covenants and agreements hereinafter contained and expressed, MUTUALLY COVENANT AND AGREE as follows:

ESTABLISHMENT OF AIRPORT

1. The parties hereto agree that they have jointly established an airport in the Municipality of Brockton on lands located on Part Lot 62, 63 & 64, Concession 1 & 2, North Durham Road, Municipality of Brockton, County of Bruce and hereinafter called the Airport Lands.
2. The parties agree that the Airport is established in compliance with the Canadian Aviation Regulations.

ESTABLISHMENT OF COMMISSION

3. That management of the Airport shall be entrusted to the Board of Commissioners of the Corporation which shall be composed of the members of the Corporation and shall hereinafter be referred to as the "Commission" for the purposes of this agreement. The members of the Commission shall be appointed by and represent the parties in accordance with the membership provisions of By-Law No.1 of the Corporation attached as Schedule "B" hereto and forming part of this agreement and the parties agree to ensure that the membership of the Commission will remain as provided for in the by-laws.

AIRPORT LANDS

4. The Commission shall be responsible for the operation, maintenance, improvement, control and management of the Airport including the Airport Lands and the Airport's related business activities.
5. It is agreed that the title to the Airport Lands shall be registered to the said Corporation and shall be held in trust for the parties to the Agreement.

COST SHARING

6. a) Effective January 1, 2006, it is agreed that the cost of operating the Airport, which include but are not limited to, all operating costs and general maintenance costs associated with the operation of the Airport and the Airport Lands as well as any necessary capital improvements to the Airport and the Airport Lands, shall be allocated to the parties in 2006, 2007, 2008 and 2009 in the following proportion.

Brockton	40.05%
Hanover	29.70%
West Grey	25.20%
Arran-Elderslie	5.05%

b) For the calendar year 2005 (January 1 to December 31), the cost sharing ratios shall be allocated to the parties in the following proportion:

Brockton	35.475%
Hanover	34.10%
West Grey	25.50%
Arran-Elderslie	4.925%

c) Please refer to Schedule C - to this agreement, which outlines the supporting calculations for the above-noted proportions for each party.

d) The above-noted proportions to be allocated to each party will apply until December 31, 2009. The formulae noted in attached Schedule C- to this agreement, will be reviewed commencing on May 1, 2009 and any adjustments from that review will take effect on January 1, 2010. Subsequent reviews of the attached formula outlined in Schedule C - to this agreement will be conducted every five years thereafter.

e) Should costs arise from actions or occurrences which predate this agreement, the Cost sharing agreement in place at the time of the occurrence shall apply.

7. It is agreed between the parties hereto that further monies and additional funds for maintenance, administration, operation and contingencies as may be required and determined by the Commission shall be authorized by the councils of the municipalities, parties hereto on an annual budgetary basis with each annual requirement to be contributed by the municipalities, parties hereto in the same proportions as set out in paragraph 6.

8. The Commission shall make application for all available operating grants available from all Government and other agencies and such grants as may be available shall be taken into account in the preparation of the Commission's budget from year to year along with any other revenues obtainable by the Commission. The Commission shall submit its budget to each member municipality for approval no later than February 28th of each year.

(a) Approval of the annual budget of the Airport by the parties to this agreement must occur no later than May 31st of each year

(b) The parties hereto agree that they will pay to the Commission, the amount of their apportionment as calculated in accordance with paragraph 6 and the related Schedule "C" to this agreement, upon the acceptance of the Commission's budget and further will remit any additional monies as assessed by the Commission and approved by the parties hereto, in accordance with paragraph 6 and the related schedules to this agreement. The apportionment of each municipality shall be paid to the Commission in two equal installments, on or before May 1st and September 1st of each budget year. Interest will be charged to the defaulting party or parties on the unpaid portion of its apportionment remaining after the due date in any year, at the rate the Commission would be required to borrow money at the relevant time whether or not the Commission is actually required to borrow such monies.

(c) The Commission does not have authority to spend beyond the limits established within the annual budget approved by the parties to this agreement. Whenever extraordinary capital improvements and related items are required, that would extend the Commission's liability beyond that which is budgeted for in the current year, these items will require separate approval(s) by the partner municipalities along with a detailed analysis of the projects(s).

ADDITION OF NEW PARTIES

9. If any other municipality not already a party to this agreement at the date of its execution desires to subsequently join and participate in the airport undertaking and thereby become a member of the said Corporation they may apply in writing to the Commission, and their acceptance and cost sharing proportion, shall be subject to the approval of the parties to this agreement. If a Recorded Vote is called, the vote will be taken according to Schedule "B" By-law No.1 Section 7

WITHDRAWAL OF PARTIES

10. (a) No municipality, being a party to this agreement shall withdraw as a member of the Commission without first giving notice of its intention to withdraw, in writing to the Commission and no withdrawal shall be effective until the first day following twenty-four months from the withdrawal notice (i.e. notice to withdraw on May 1/05, then the withdrawal would take effect May 1/07). Notice shall be provided by letter to the attention of the Chairman of the Commission and mailed to the head office of the Corporation

(b) Any party who withdraws as a member of the Commission shall be obligated to pay its proportionate share of operating the Airport, until the effective date of withdrawal and the obligation to pay such amount shall remain owing and be binding on the party so withdrawing until paid in full.

(c) Any party who withdraws as a member of the Commission shall not be entitled to a return of any monies paid to the Commission in respect of the operation of the Airport whether paid in respect of a capital or operating expense.

(d) In the event a party withdraws as a member of the Commission, the other parties remaining as members shall share in the proportionate cost of the departed member in the proportion that is equal to the proportion of the expenses which they are now paying as agreed in paragraph 6.

(e) In the event of the sale or other disposition of the assets of the Corporation or the dissolution of the Corporation, the net proceeds remaining after payment of all outstanding liabilities of the Corporation shall be divided among the municipalities who at that time are still party to this agreement as amended, in the proportions as may be agreed in the operating agreement for the Commission in force at the time.

AUTHORITY OF COMMISSION

11. The Commission shall be entrusted with the control and management of the Airport and Airport Lands as hereinbefore provided and shall have the further right to:

(a) Take all steps necessary to generate revenues and obtain funding including all applications to obtain grants;

(b) To make recommendations to the parties for the construction of additional buildings or facilities as same may be required from time to time;

(c) To make recommendations to the parties to provide facilities or other aeronautical devices as may be from time to time required as matters of expediency or safety, or as may be required from time to time by Canadian Aviation Regulations;

(d) To supervise the operation, maintenance, improvement and control of the said airport in accordance with the regulations of Transport Canada and the Canadian Aviation Regulations The sum to be expended annually in accordance with the proportions in Section 6, and according to a procurement by-law that meets provincial guidelines for municipalities;

(e) The Commission may establish rules and regulations not inconsistent with the provisions of this agreement for the conduct of its meetings and for the management of the said airport and for the furtherance of the projects authorized hereunder. Such rules may be amended and changed from time to time within the discretion of the members of the Commission.

(f) To be responsible for all public relations involving the contributing municipalities regarding the airport facilities and an airport;

(g) To enter into agreements with any party for the use of the airport facilities including the lease of lands or the buildings owned by it or for any other fees or charges as may be set from time to time by the commission;

(h) If further monies grants or other revenues in addition to those approved by participating municipalities are received, a revised budget shall be approved by the participating municipalities, prior to the spending of such sums.

Audited Financial Statements

13 (a) The Commission shall choose the Auditors of the Airport who shall be qualified as a Chartered Accountant or Certified General Accountant for the Province of Ontario; the process to choose the Auditors will meet the Ontario Municipal Act.

(b). The Commission shall submit to each party hereto, an audited financial statement accounting for the expenditures incurred for the previous operating year, prepared by a Chartered Accountant or Certified General Accountant to be retained by the Commission, and delivered no later than June 30th in each year.

ARBITRATION

14. The parties agree that if any dispute arises in connection with any of the provisions herein contained between any of the parties hereto that such disputes shall be resolved by binding arbitration pursuant to the provisions of the Arbitrations Act of Ontario, S.O. 1991, Chapter 17 as amended (hereafter the " Arbitration Act"). Upon the consent of the parties involved in the dispute the matter may be referred to the Ontario Municipal Board for hearing and determination in accordance with paragraph (i) of Section 54 (j) of The Ontario Municipal Board Act. If one of the parties does not consent to the matter being referred to the Ontario Municipal Board ("OMB") for arbitration or the OMB refuses to Act as arbitrator of the dispute, the parties shall by agreement select an arbitrator. If an agreement cannot be reached on the naming of a arbitrator, then an arbitrator shall be appointed by a Judge of the Ontario Superior Court of Justice or as provided for in the Arbitration Act.

BINDING

The parties hereto agree that this agreement shall be binding on the parties, and their respective successors and assigns.

THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE

Per: Don L. Oswald,
Mayor

Clerk [Signature]

THE CORPORATION OF THE MUNICIPALITY OF BROCKTON

Per: Bagnato
Mayor

Clerk [Signature]

THE CORPORATION OF THE TOWN OF HANOVER

Per: [Signature]
Mayor

Clerk [Signature]

THE CORPORATION OF THE MUNICIPALITY OF WEST GREY

Per: Delton Becken
Mayor

Clerk [Signature]

Continued

5. The applicants who are to be the first directors of the corporation are:

Lawrence Richard Copeland

R.R. #4, Mount Forest, Ontario
NOG 2LO

James William Bolden

6 Lynwood Place, Walkerton, Ontario
NOG 2VO

6 The objects for which the corporation is incorporated are:
Objets pour lesquels l'association est constituée:

- (a) To provide and operate a regional airport to serve the southern, Grey and Bruce County, Ontario region.

7. The special provisions are/Dispositions particulières:




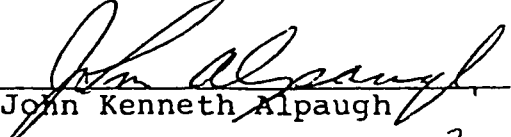

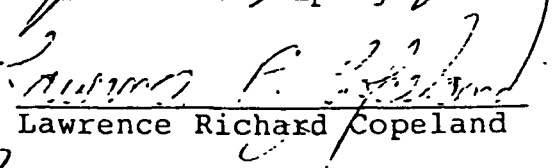

- (a) For the objects aforesaid, to accept donations, gifts, legacies and bequests.

the names and residence addresses of the applicants and
Noms et adresses personnelles des requérants

Name in full, including all first, middle names Nom et prénoms au complet	Residence address, giving Street & No or RR No & Municipality or Post Office and Postal Code Adresse personnelle y compris la rue et le numéro ou la RR et le numéro et la municipalité ou le bureau de poste et le code postal	Calling (occupation) Profession
Bruce Samuel French	R.R.#1 Elmwood, Ontario NOG 1S0	Retired
Lorne Henry Mullen	R.R.#3 Hanover, Ontario N4N 3B9	Doctor (Radiologis)
Norman Ross Thompson	150 Albert Street Durham, Ontario NOG 1R0	Buyer- Interforest
John Kenneth Alpaugh	XXXXXXXXXXXXXXXXXXXX Lot 27, XXXXXXXXXX Concession 13, Township of Elderslie	Dead Stock Remova
Beverley Charles Strucke	571 - 12th Street Hanover, Ontario N4N 1W5	Salesman- Hanover Kitchens
Lawrence Richard Copeland	R.R.#4 Mount Forest, Ontario NOG 2L0	Farmer School Bus Dr.
James William Bolden	6 Lynwood Place Walkerton, Ontario NOG 2V0	Mayor of Walkert Postal Clerk

This application is executed in duplicate.
Cette requête est faite en double exemplaire.

Signatures of applicants/Signature des requérants

 Bruce Samuel French	 Lorne Henry Mullen
 Norman Ross Thompson	 John Kenneth Alpaugh
 Beverley Charles Strucke	 Lawrence Richard Copeland
 James William Bolden	

SCHEDULE 'B'

BY-LAW NO.1

A By-law relating generally to the transaction
of the affairs of Saugeen Municipal Airport Corporation.

BE IT ENACTED as a by-law of Saugeen Municipal Airport Corporation (hereafter referred to as the Corporation) as follows:

HEAD OFFICE

1. The head office of the Corporation is located at R.R, #1, Walkerton, Ontario.

SEAL

2. The Commissioners of the Corporation, have by resolution, adopted a corporate seal.

BOARD OF COMMISSIONERS

3. The affairs of the Corporation shall be managed by a Board of Commissioners, not to exceed 7 or be less than five, and at the time of their appointment according to section 17 of this by-law No.1 shall be a member of the Corporation. Each commissioner shall hold office until the first annual meeting after they are appointed according to section 17 of this by-law No.1 or until their successor has been duly qualified according to section 17 of this by-law No.1

VACANCIES, BOARD OF COMMISSIONERS

4. (a)A vacancy in one or more of the municipal appointees must be filled according to article 17.c) to complete the balance of that municipality's term of appointment.

(b)A vacancy in one of the members at large can be filled by the municipal appointees to complete that member at large's term, or if the remaining members agree, such vacancy shall be filled at the next annual meeting of the commissioners at which the commissioners for the ensuing year are elected

QUORUM AND MEETINGS, BOARD OF COMMISSIONERS

5. A majority of the Commissioners shall form a quorum for the transaction of business. Except as otherwise required by law, the Board of Commissioners may hold its meetings at such place or places as it may from time to time determine. No formal notice of any such meeting shall be necessary if all the directors are present, or if those absent have signified their consent to the meeting being held in their absence. Commissioners' meetings may be formally called by the Chair or the Vice-Chair or by the Secretary on direction in writing of two Commissioners. Notice of such meeting shall be delivered, telephoned or transmitted to each Commissioners not less than five business days before the meeting is to take place or shall be mailed to each director not less than five days before the meeting is to take place. The statutory declaration of the Secretary or Chair that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The Board may appoint a day or days in any month or months for regular meetings at an hour to be named and of such regular meeting no notice need be sent. A Board meeting may also be held, without notice, immediately following the annual meeting of the corporation. The Commissioners may consider or transact any business either special or general at any meeting of the board. In the case of emergencies meetings will be called at the discretion of the Chair or by two Commissioners

ERRORS IN NOTICE, BOARD OF COMMISSIONERS

6. No error or omission in giving such notice of a meeting of directors shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting and any director may at any time waive notice of any such meeting and may ratify and approve of any or all proceedings taken or had thereat.

VOTING, BOARD OF COMMISSIONERS

7. (a) For all matters, except when a RECORDED VOTE has been requested by a member of the Board, questions arising at any meeting of Commissioners shall be decided by a majority of votes. All votes at such meeting shall be taken by ballot if so demanded by any Commissioner present, but if no demand be made, the vote shall be taken in the usual way by assent or dissent. A declaration by the Chairman that a resolution has been carried and any entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. In the absence of the Chair his duties may be performed by the Vice-Chair or such other director as the Commission may from time to time appoint for the purpose.

- (b) For matters when a RECORDED VOTE has been requested by a member of the board, the following weighting will be applied: Brockton, Hanover and West Grey will be credited with 4 votes each, while Arran-Elderslie will get credit for 2 votes and members at large 1 vote each.

POWERS

8. The Commissioners of the Corporation shall administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do. Without in any way derogating from the foregoing, the Commissioners are expressly empowered, from time to time, to purchase, lease or otherwise acquire, alienate, sell, exchange or otherwise dispose of shares, stocks, rights, warrants, options and other securities, lands, buildings and other property movable or immovable, real or personal, or any right of interest therein owned by the Corporation, for such consideration and upon such terms and conditions as they may deem advisable.

REMUNERATION OF COMMISSIONERS

9. a) Remuneration of Municipal Appointees will be determined by their respective Municipalities.
- b) No remuneration will be paid by Saugeen Municipal Airport.
- c) Members at large will be compensated for mileage, and other expenses that may be required from time to time, with the mileage rate to be set by the Board of Commissioners.

OFFICERS OF CORPORATION

10. There shall be a Chair, a Vice-Chair a Secretary and a Treasurer or in lieu of a Secretary and Treasurer, a Secretary-Treasurer and such other officers as the Board of Commissioners may determine by by-law from time to time. One person may hold more than one office except the offices of Chair and Vice-Chair. The Chair and Vice-Chair shall be elected by the Board of Commissioners from among their number at the first meeting of the Board after the annual election of such Board Commissioners, provided that in default of such election the then incumbents, being member of the Board, shall hold office until their successors are elected.

DUTIES OF Chair AND VICE- Chair

11. The Chair shall, when present, preside at all meetings of the members of the Corporation and of the Board of Commissioners. The Chair shall also be charged with the general management and supervision of the affairs and operations of the Corporation. The Chair with the Secretary or other officer appointed by the Board for the purpose shall sign all by-laws and membership certificates and other necessary documents. During the absence or inability of the Chair, his duties and powers may be exercised by the Vice- Chair and if the Vice- Chair or such other director as the Board may from time to time appoint for the purpose, exercises any such duty or power, the absence or inability of the Chair shall be presumed with reference thereto.

DUTIES OF SECRETARY

12. The Secretary shall be ex officio clerk of the Board of Commissioners. The Secretary shall attend all meetings of the Board of Commissioners and record all facts and minutes of all proceedings in the books kept for that purpose. The Secretary shall give all notices required to be given to members and to Commissioners. The Secretary shall be the custodian of the seal of the Corporation and all books, papers, records, correspondence, contracts and other documents belonging to the Corporation which he shall deliver up only when authorized by a resolution of the Board of Commissioners to do so and he shall perform such other duties as may from time to time be determined by the Board of Commissioners.

DUTIES OF TREASURER

13. The Treasurer, or person performing the usual duties of a Treasurer, shall keep full and accurate accounts of all receipts and disbursements of the Corporation in proper books of account and shall deposit all moneys or other valuable effects in the name and to the credit of the Corporation in such banks or banks as may from time to time be designated by the Board of Commissioners. The Treasurer shall disburse the funds of the Corporation under the direction of the Board of Commissioners, taking proper vouchers therefore and shall render to the Board of Commissioners at the regular meetings thereof or whenever required of the Treasurer, an account of all his transactions as Treasurer, and of the financial position of the Corporation. He shall also perform such other duties as may from time to time be determined by the Board of Commissioners.

DUTIES OF OTHER OFFICERS

14. The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board of Commissioners requires of them.

EXECUTION OF DOCUMENTS

15. Deeds, transfers, licenses, contracts and engagements on behalf of the Corporation shall be signed by either the Chair or Vice-Chair and by the Secretary, and the Secretary shall affix the seal of the Corporation to such instruments as require the same.

Contracts in the Ordinary course of the Corporation's operations may be entered into on behalf of the Corporation by the Chair, Vice-Chair, Treasurer or by any person authorized by the Board.

The Chair, Vice- Chair, the Commissioners, Secretary or Treasurer, or anyone of them, or any person or persons from time to time designated by the Board of Commissioners may transfer any and all shares, bonds or other securities from time to time standing in the name of the Corporation in its individual or any other capacity of as trustee or otherwise and may accept in the name and on behalf of the Corporation transfers of shares, bonds or other securities from time to time transferred to the Corporation, and may affix the corporate seal to any such transfers or acceptances of transfers, and may make, execute and deliver under the corporate seal any and all instruments in writing' necessary or proper for such purposes, including the appointment of an attorney or attorneys to make or accept transfers of shares bonds or other securities on the books of any company or corporation.

Notwithstanding any provisions to the contrary contained in the by-laws of the Corporation, the Board of Commissioners may at any time by resolution direct the manner in which, and the person or persons by whom, any particular instrument, contract or obligations of the Corporation may or shall be executed.

BOOKS AND RECORDS

16. The Commissioners shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly kept.

MEMBERSHIP

17. (a) The number of members of the Corporation shall not exceed 7.
- (b) The first members of the Corporation shall be the Municipalities for the incorporation of the Saugeen Municipal Airport.
- (c) The municipal Council of each of the Municipality of West Grey, Town of Hanover, Municipality of Brockton, and Municipality of Arran-Elderslie shall each be entitled to appoint one member from their respective municipal council for a term which will coincide with the term of each municipal council, and there shall be approved and appointed at all times members to ensure one member by each of the said municipalities. The approval of such member shall be by resolution of the council of the said municipality, filed with the Secretary of the Corporation.
- (d) In addition there may be up to a maximum of 3 further members, admitted to the Corporation, provided such members must be elected by a majority of those members appointed by the municipalities herein before referred to. Members at large will be appointed for a two year term, and may be appointed for multiple terms.
- (e) The 4 municipal appointees herein before referred to shall:
- a) Determine by motion at a regularly scheduled meeting of the board of Commissioners the number of additional members to be appointed to represent members at large, and
 - b) Determine the method of inviting and choosing applicants for the additional members at large
- (f) Members of the Corporation, except those appointed at a meeting held for the purpose of organizing the said Corporation, as set out hereinbefore, shall be appointed members of the Corporation, to coincide with the term of their council. All members of the Corporation whose term of membership expires shall be eligible to be reappointed in the Corporation, but the appointment of those members of the Corporation who shall be approved by the municipal council of the municipality of whose member in the Corporation they are deemed to be, shall be appointed as hereinbefore set out and provided.

ANNUAL AND OTHER MEETINGS OF MEMBERS

18. a) The annual or any other general meeting of the members shall be held at the head office of the Corporation or elsewhere in Ontario as the Board of Commissioners may determine and on such day as the said Commissioners shall appoint. At every annual meeting, in addition to any other business that may be transacted, the report of the Commissioners, the financial statement and the report of the auditors shall be presented and a Board of Commissioners elected and auditors appointed for the ensuing year. The members may consider and transact any business either special or general without any notice thereof at any meeting of the members, except for the annual General meeting which will be limited to items included with the agenda circulated earlier. The Board of Commissioners or the Chair or Vice-Chair shall have power to call at any time a general meeting of the members of the Corporation. Notice of time and place of every such meeting shall be given to each member by sending the notice by prepaid mail or telegraph, ten days before the time fixed for the holding of such meeting; provided that any meetings of members may be held at any time and place without such notice if all the members of the Corporation are present thereat or represented by proxy duly appointed, and at such meeting any business may be transacted which the Corporation at annual or general meetings may transact.
- b) Approved minutes will be posted on the bulletin board at the Saugeen Municipal Airport and sent to the municipalities.

ERROR OR OMISSION IN NOTICE

19. No error or omission in giving notice of any annual or general meeting of any adjourned meeting, whether annual or general, of the members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For the purpose of sending notice to any member, director or officer for any meeting or otherwise, the address of any member, director or officer shall be his last address recorded on the books of the Corporation.

QUORUM OF MEMBERS

20. A quorum for the transaction of business at any meeting of members shall consist of more than 50% of the Commissioners.

FINANCIAL YEAR

21. The fiscal year of the Corporation shall terminate on the 31st day of December in each year.

CHEQUES, ETC.

22. All cheques, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by two Commissioners and in such manner as shall from time to time be determined by resolution of the Board of Commissioners and any one (1) of such officers or agents may alone endorse notes and drafts for collection on account of - the Corporation through its bankers, and endorse notes and cheques for deposit with the Corporation's bankers for the credit of the Corporation, or the same may be endorsed "for collection" or "for deposit" with the bankers of the Corporation by using the Corporation's rubber stamp for the purpose. Anyone of such officers or agents so appointed may arrange, settle, balance and certify all books and accounts between the Corporation and the Corporation's bankers and may receive all paid cheques and vouchers and sign all bank's forms or settlement of balance and release or verification slips.

DEPOSIT OR SECURITIES FOR SAFEKEEPING

23. The securities of the Corporation shall be deposited for safekeeping with one or more bankers, trust companies or other financial institutions to be selected by the Board of Commissioners. Any and all securities so deposited may be withdrawn from time to time only upon the written order of the Corporation signed by such officer or officers, agent or agents of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Board of Commissioners and such authority may be general or confined to specific instances. The institutions which may be so selected as custodians by the Board of Commissioners shall be fully protected in acting in accordance with the direction of the Board of Commissioners and shall in no event be liable for the due application of the securities so withdrawn from deposit of the proceeds thereof.

NOTICE

24. Any notice (which term includes any communication or document) to be given, sent delivered or served pursuant to the Letters Patent, the by-laws or otherwise to a member, Commissioners, officer or auditor shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid air or

ordinary mail, or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or at the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary-Treasurer may change or cause to be changed the recorded address of any member, director, officer or auditor in accordance with any information believed by him to be reliable.

BORROWING

25. The Commissioners may from time to time within the approved annual budget or municipally approved long term commitments:
- a) borrow money on the credit of the Corporation; or
 - b) issue, sell or pledge securities of the Corporation; or
 - c) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure and securities or any money borrowed, or other debts, or any other obligation or liability of the Corporation.

The Commissioners must request approval from municipal partners for any new undertakings beyond Saugeen Municipal Airport approved annual budgets or previously-approved long-term commitments

From time to time the Commissioners may authorize any officer of the Corporation or any other person to make arrangements with reference to the moneys borrowed or to be borrowed as aforesaid and as to the terms and conditions of the loan thereof, and as to the securities to be given therefore, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any monies borrowed or remaining due by the Corporation as the Commissioners may authorize, and generally to manage, transact and settle the borrowing of money by the Corporation.

INTERPRETATION

26. In these by-laws and in all other by-laws of the Corporation hereafter passed unless the context otherwise requires, words importing the singular number of the masculine gender shall include the plural number or feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

Passed by the Board of Commissioners and sealed with the corporate seal this day
of , 2005.

SCHEDULE – C

FORMULA FOR COST SHARING BY MUNICIPAL PARTNERS

Reference = 6.a) Effective January 1, 2006

The allocation of cost identified in paragraph 6.a) of the Agreement are arrived at Using the following formula, which will be reviewed commencing on May 1, 2009. And every five years thereafter:

Hangar Occupancy:

Residence of owner of airplanes that occupy individual hangars at the Airport (as per the current 2004 listing of airplane owners' residences), which equals:

Brockton	= 50.1 %
Hanover	= 21.4 %
West Grey	= 21.4%
Arran-Elderslie	= 7.1 %

Location:

The location of the Airport Lands when compared to the proximity Of each municipal partner:

Brockton	= 30%
Hanover	= 38%
West Grey	= 29%
Arran-Elderslie	= 3 %

Weighting Factors:

The following factors will be applied to the above-noted percentages:
50 % X Hangar Occupancy
50 % X Location

Formula for Sharing of Costs, effective January 1, 2006

Municipality	Hangar Occupancy X 50%	Location X 50%	Total
Brockton	25.05%	15.00%	40.05%
Hanover	10.70%	19.00%	29.70%
West Grey	10.70%	14.50%	25.20%
Arran-Elderslie	3.55%	1.50%	5.05%

SCHEDULE – C (Continued)

Reference = 6.b) for the calendar year 2005 (January 1 to December 31)

For the calendar year 2005, the cost sharing formula for costs outlined in Item 6.a) of the Agreement will apply for 2005 only, and is outlined as follows:

50 % of the 2004 sharing ratios as follows:

Brockton	.5 X 30.9%
Hanover	.5 X 38.5%
West Grey	.5 X 25.8%
Arran-Elderslie	.5 X 4.8%

And

50 % of the sharing ratios effective January 1, 2006, and noted above

Brockton	.5 X 40.05%
Hanover	.5 X 29.70%
West Grey	.5 X 25.20%
Arran-Elderslie	.5 X 5.05%

=

The Sharing ratios for 2005 (adding the above two calculations- 50% X 2004
And 50% X 2006)

Brockton	35.475 %
Hanover	34.100 %
West Grey	25.500 %
Arran-Elderslie	4.925 %

BY-LAW NO. 2

A by-law relating generally to the
transaction of the business and
affairs of

**Saugeen Municipal Airport
(the "Corporation")**

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DRAFT

BE IT ENACTED as a by-law of the Corporation as follows:

SECTION 1 – GENERAL

1.01 Definitions

In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:

- (a) "**Act**" means the **Ontario Corporations Act, R.S.O. 1990, c. C.38** including the Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;
- (b) "**articles**" means the letters patent, the supplementary letters patent, the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation;
- (c) "**Board**" means the Board of commissioners of the Corporation;
- (d) "**by-law**" means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;
- (e) "**chair**" means the chair of the Board;
- (f) "**commissioner**" means a director of the Board;
- (g) "**Corporation**" means the corporation that has passed these by-laws under the Act or that is deemed to have passed these by-laws under the Act;
- (h) "**director**" means an individual occupying the position of the director of the Corporation by whatever name they are called;
- (i) "**ex-officio commissioner**" means an ex-officio director; an individual occupying the position of commissioner by virtue of their office;
- (j) "**member**" means a member of the Corporation;
- (k) "**members**" means the collective membership of the Corporation;
- (l) "**meeting of members**" includes an annual meeting of members or a special meeting of members; "**special meeting of members**" includes a special meeting of all members entitled to vote at an annual meeting of members;
- (m) "**Municipal Act**" means the Ontario *Municipal Act, 2001*, S.O. 2001, c.25, including the

Commented [SR1]: This has been modified.

Commented [SR2]: This term has been modified to include letters patent and supplementary letters patent.

Commented [SR3]: This definition has been added.

Commented [SR4]: This definition has been added.

Regulations made pursuant to the Act, and any statute or regulations that may be substituted, as amended from time to time;

(n) **“officer”** means an officer of the Corporation; and

(o) **“Regulations”** means the regulations made under the Act or the Municipal Act, as amended, restated or in effect from time to time.

Commented [SR5]: This definition has been modified to include the Municipal Act.

1.02 Interpretation

In the interpretation of the by-laws, words in the singular include the plural and vice-versa, words in one gender include all genders, and "person" includes an individual, body corporate, partnership, trust and unincorporated organization.

Other than as specified in 1.01 above, words and expressions defined in the Act have the same meanings when used in the by-laws.

1.03 Severability

The invalidity or unenforceability of any provision of these by-laws shall not affect the validity or enforceability of the remaining provisions of the by-laws. If any of the provisions contained in the by-laws are inconsistent with those contained in the articles or the Act, the provisions contained in the articles or the Act, as the case may be, shall prevail.

1.04 Corporate Seal

The Corporation may have a corporate seal in the form approved from time to time by the Board. If a corporate seal is approved by the Board, the secretary of the Corporation shall be the custodian of the corporate seal.

1.05 Execution of Documents

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by the chair or vice-chair and by the secretary. Contracts in the ordinary course of the Corporation's operations requiring execution may be signed by the chair, vice-chair, treasurer or by any person authorized by the Board. In addition, the Board may from time to time direct the manner in which and the person or persons by whom a particular document or type of document shall be executed. Any person authorized to sign any document may affix the corporate seal (if any) to the document. Any commissioner or officer may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof.

1.06 Financial Year End

In accordance with the Municipal Act, the financial year end of the Corporation shall be December 31st in each year.

Commented [SR6]: This has been added.

1.07 Banking Arrangements

The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the Board may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by those officers or other persons as the Board may designate, appoint or authorize from time to time by resolution.

1.08 Appointment of Auditors

The members shall at each annual meeting of members appoint an auditor or auditors to hold office until the next annual meeting of members, provided that the commissioners may fill any casual vacancy in the office of auditor. The remuneration of the auditor shall be fixed by the Board of commissioners.

1.09 Head Office

The head office of the Corporation shall be in the Municipality of Brockton, in the Province of Ontario, or, at such other location as the Board may determine from time to time.

SECTION 2 – MEMBERS

2.01 Membership Conditions

Subject to the articles, there shall be one class of members in the Corporation. The Municipality of West Grey, Town of Hanover, and Municipality of Brockton shall each be admitted as a voting member of the Corporation without further action or formality. Each member shall be entitled to receive notice of, attend and vote at all meetings of the members of the Corporation.

Commented [SR7]: Note that membership in the corporation has been revised to include the 3 founding municipalities only. This means that 3 municipalities will maintain control of the corporation and elect the Board of Commissioners. No additional members may be added to the Corporation. This is permitted by the Municipal Act, Regulation 599/06, s 1.

2.02 Termination of Membership

A membership in the Corporation is terminated when:

- a. a member fails to maintain any qualifications for membership described in the articles or by-laws;
- b. the member resigns by delivering a written resignation to the chair of the Board of the Corporation in which case such resignation shall be effective on the date specified in the resignation; or
- c. the Corporation is liquidated or dissolved under the Act.

Commented [SR8]: Note that any language allowing members to terminate the membership of other members has been removed.

Commented [SR9]: Given that the municipalities are the members, language related to a member passing away or being dissolved has been removed.

Subject to the articles, upon any termination of membership, the rights of the member, including

any rights in the property of the Corporation, automatically cease to exist. The member will not be entitled to any compensation upon termination.

SECTION 3 - MEETINGS OF MEMBERS

3.01 Notice of Meeting of Members

Subject to the Act, not less than twenty-one (21) days written notice of any annual or special members' meeting shall be given in the manner specified in the Act to each member and to the auditor or person appointed to conduct a review engagement. Notice of any meeting where special business will be transacted must contain sufficient information to permit the members to form a reasoned judgment on the decision to be taken.

The Corporation's procedural by-law shall provide for public notice of meetings.

3.02 Persons Entitled to be Present

The persons entitled to vote at the meeting of members, the commissioners and the auditors of the Corporation (or the person who has been appointed to conduct a review engagement, if any) and such other persons who are entitled or required under any provision of the Act, articles or by-laws of the Corporation shall be present at the meeting.

In accordance with the *Municipal Act*, a meeting of members shall be open to the public, subject to certain exceptions as provided by the *Municipal Act*.

3.03 Chair of the Meeting

In the event that the chair and the vice-chair of the Board are absent, the members who are present and entitled to vote at the meeting shall choose one of the members to chair the meeting.

3.04 Quorum

A quorum for the transaction of business at a meeting of members is a majority of the members entitled to vote at the meeting. A quorum must be present throughout the meeting in order for the members to proceed with the business of the meeting.

3.05 Voting of Members

Business arising at any members' meeting shall be decided by a majority of votes unless otherwise required by the Act or the by-law provided that:

- a. Each member shall be entitled to one vote at any meeting;
- b. Votes shall be taken by a show of hands among all members present and the chair of the meeting, if a member, shall have a vote;
- c. An abstention shall not be considered a vote cast;

Commented [SR10]: Note that this section applies to meetings of the representatives of the 3 municipalities, as members of the corporation, such as the Annual Meeting of Members or a special meeting of members.

Commented [SR11]: This is required in accordance with s. 161(1) of the Ontario Corporations Act ("OCA").

Commented [SR12]: This has been added in accordance with s. 238 (2.1) of the Municipal Act, 2001.

Commented [SR13]: This section has been modified in accordance with the Municipal Act.

Commented [SR14]: This has been added.

Commented [SR15]: This section has been simplified to state that the members (i.e. the representatives of the 3 municipalities) should choose one amongst themselves to chair the meeting of members.

Commented [SR16]: Note that a majority refers to 2 out of 3 municipalities. You may wish all municipalities to be in attendance for an Annual meeting or special meeting of members.

Commented [SR17]: "Present in person" has been removed. This means that for a meeting of members i.e. a meeting of the 3 municipalities, the representatives of the municipalities could attend either in person, by telephone or electronically. Proxy voting is not permitted in this by-law.

- d. Before or after a show of hands has been taken on any question, the chair of the meeting may require, or any member may demand, a written ballot. A written ballot so required or demanded shall be taken in such manner as the chair of the meeting shall direct;
- e. If there is a tie vote, the chair of the meeting shall require a written ballot, and shall not have a second or casting vote. If there is a tie vote upon written ballot, the motion is lost; and
- f. Whenever a vote by show of hands is taken on a question, unless a written ballot is required or demanded, a declaration by the chair of the meeting that a resolution has been carried or lost and an entry to that effect in the minutes shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

3.06 Participation by Electronic Means

Participation at any meeting of members may be by telephonic, electronic or other communication facility.

3.07 Virtual Meetings

Any meeting of members may be held entirely by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

3.08 Annual Meeting of Members

The annual meeting of members shall be held on a day and at a place within Ontario fixed by the Board. An annual meeting of members must be called no later than fifteen (15) months after the preceding annual meeting of members.

An annual meeting of members shall be held for the transaction of the following business:

- a. Approval of the Minutes of the previous annual meeting of members;
- b. Receiving reports of the activities of the Corporation during the previous year, the Annual Financial Statement and the Audit Report;
- c. The appointment of auditors for the current year;
- d. The election of commissioners;
- e. Transaction of any other business, either special or general which is pertinent to the interests of the membership and which may properly come before the annual meeting of members with at least ten (10) days notice before the meeting.

The commissioners shall make available a copy of the approved financial statements, auditor's report or review engagement report and other financial information required by the by-laws or

articles to the members at least twenty-one (21) days before the annual meeting.

Commented [SR18]: This has been added in accordance with s. 161(2) of the OCA.

3.09 Special Meetings

The Board, chair or vice-chair may call a special meeting of the members. The Board shall call a special meeting on written requisition of members, of not less than one-tenth (1/10) of the members entitled to vote at a meeting of members, for any purpose connected with the affairs of the Corporation that does not fall within the exceptions listed in the Act or is otherwise inconsistent with the Act, within twenty-one (21) days from the date of the deposit of the requisition.

Commented [SR19]: This is a requirement in accordance with s. 295 of the OCA.

3.10 Adjournments

The chair may, with the majority consent of any members' meeting, adjourn the same from time to time and no notice of such adjournment need be given to the members, unless the meeting is adjourned by one or more adjournments for an aggregate of 30 days or more. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

SECTION 4 – COMMISSIONERS

4.01 Board of Commissioners

The Board shall consist of five (5) to seven (7) commissioners. The representatives of the members shall be appointed as ex-officio commissioners.

Commented [SR20]: The number of commissioners (directors) has been added here.

4.02 Nomination to the Board

Nominations made for the election of commissioners must be made in accordance with the nomination procedure prescribed by the Board from time to time and must be received at the head office of the Corporation at least twenty-one (21) days prior to the annual meeting of members.

Commented [SR21]: This has been added. This means that the representatives of the members (i.e. the 3 municipalities) will automatically be appointed to the Board. The remaining commissioners will be elected to the Board by the members (i.e. the 3 municipalities.)

4.03 Election and Term

Subject to the articles, the members will elect the commissioners at the first meeting of members and at each succeeding meeting at which an election of commissioners is required. The term of office of each commissioner is four (4) years. Each commissioner shall be eligible to serve for a maximum of two (2) consecutive terms. After a period of one (1) year's absence, a commissioner may be eligible for re-election.

Commented [SR22]: Note that this section applies to both council members and members at large. We may want to include a separate term for each.

4.04 Vacancies

The office of a commissioner shall be vacated immediately:

Commented [SR23]: This has been revised. Note that there is no maximum number of years for a director's term in the OCA.

Commented [SR24]: This section has been revised in accordance with the OCA.

- a. if the commissioner resigns office by written notice to the Corporation, which resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later;
- b. if the commissioner dies;
- c. if the commissioner becomes bankrupt; or
- d. if, at a meeting of the members, a resolution is passed by at least two-thirds (2/3) of the votes cast by the members removing the commissioner before the expiration of the commissioner's term of office.

4.05 Filling Vacancies

A vacancy on the Board shall be filled as follows:

- a. a quorum of commissioners may fill a vacancy among the commissioners, for the remainder of the term by the commissioners then in office;
- b. if there is not a quorum of commissioners, the commissioners in office shall, without delay, call a special meeting of members to fill the vacancy and, if there are no commissioners in office, the meeting may be called by any member.

4.06 Remuneration of Commissioners

The commissioners shall serve as such without remuneration and no commissioner shall directly or indirectly receive any profit from occupying the position of commissioner, provided that commissioners may be reimbursed for reasonable expenses they incur in the performance of their commissioners' duties.

SECTION 5 – MEETING OF COMMISSIONERS

5.01 Regular Meetings

The Board may appoint a day or days in any month or months for regular meetings of the Board at any time and any place on notice as required by this by-law. A copy of any resolution of the Board fixing the place and time of such regular meetings of the Board shall be sent to each commissioner forthwith after being passed.

In accordance with the *Municipal Act*, a regular meeting of the Board shall be open to the public, subject to certain exceptions as provided by the *Municipal Act*.

5.02 Special Meetings

The chair, vice-chair or if two (2) commissioners so request in writing, may call a special meeting of the Board, at any time and any place on notice as required by this by-law.

Commented [SR25]: Note that this section has been simplified in accordance with the OCA s.288 (2) and (3). It allows the commissioners to fill a vacancy on the Board.

Commented [SR26]: Note that this section (section 5) applies to meetings of the Board of Commissioners only. It does not apply to meetings of members (i.e. the 3 municipalities), as outlined in section 3 of this by-law.

Commented [SR27]: This has been added.

In accordance with the *Municipal Act*, a special meeting of the Board shall be open to the public, subject to certain exceptions as provided by the *Municipal Act*.

Commented [SR28]: This has been added.

5.03 Notice of Meeting

Notice of the time and place for the holding of a regular meeting of the Board shall be given to every commissioner of the Corporation not less than five (5) five days before the time when the meeting is to be held.

Notice of the time and place for the holding of a special meeting of the Board shall be given to every commissioner of the Corporation not less than two (2) two days before the time when the meeting is to be held.

Commented [SR29]: Language related to a commissioner's meeting being held without notice has been removed.

The Corporation's procedural by-law shall provide for public notice of meetings.

Commented [SR30]: This has been added in accordance with s 238 (2.1) of the Municipal Act, 2001.

5.04 Waiver of Notice

No error or omission in giving notice for a meeting of the Board shall invalidate such meeting or invalidate or make void any proceedings of the meeting and any commissioner may at any time waive notice of a meeting of the Board and may ratify and approve of any or all proceedings of the meeting. Attendance of a commissioner at a Board meeting is a waiver of notice of the meeting, except if the commissioner attends for the express purpose of objecting to the transaction of business on the grounds that the meeting was not lawfully called.

5.05 Quorum

A quorum for transaction of business at any meeting of commissioners shall be a majority of the commissioners.

Commented [SR31]: Would you like to include language here where some of the commissioners in attendance must be representatives of the municipalities?

5.06 Chair

The chair shall preside at Board meetings. In the absence of the chair, the vice-chair shall preside at Board meetings. In the absence of the chair or vice-chair, the commissioners present shall choose one of their number to act as the chair.

5.07 Voting

At all meetings of the Board, every question or motion shall be decided by a majority of the votes cast on the question. Each commissioner shall be entitled to one vote. In the event of an equality of votes, the chair shall not have a second or casting vote and the motion is lost.

5.08 Committees

The Board may from time to time appoint any committee or other advisory body, as it deems

necessary or appropriate for such purposes and, subject to the Act, with such powers as the Board shall see fit. Any such committee may formulate its own rules of procedure, subject to such regulations or directions as the Board may from time to time make. Any committee member may be removed by resolution of the Board.

5.09 Participation by Electronic Means

A commissioner may participate in a meeting of the Board by telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other, and a commissioner participating in such a meeting by such means is deemed to be present at the meeting.

SECTION 6-- OFFICERS

6.01 Officers

The Board shall appoint from amongst the commissioners a chair and appoint any other person to be vice-chair, secretary and treasurer at its first meeting following the annual meeting of members of the Corporation. The office of secretary and treasurer may be held by the same person. The Board may appoint such other officers and agents as it deems necessary, and who shall have the authority and shall perform such duties as the Board may prescribe from time to time.

6.02 Duties of the Airport Manager

The Airport Manager of the Corporation shall be appointed by the Board. The Airport Manager shall be responsible to the Board for the direction and management of the affairs and undertakings of the Corporation within the limitations of the mission statement and policies of the Corporation. All staff members shall be under the direction of and be responsible to the Airport Manager.

6.03 Vacancy in Office

In the absence of a written agreement to the contrary, the Board of commissioners may remove, whether for cause or without cause, any officer of the Corporation. Unless so removed, an officer shall hold office until the earlier of:

- a. the officer's successor being appointed,
- b. the officer's resignation,
- c. such officer ceasing to be a commissioner (if a necessary qualification of appointment) or
- d. such officer's death.

If the office of any officer of the Corporation shall be or become vacant, the commissioners may, by ordinary resolution, appoint a person to fill such vacancy.

SECTION 7 – INDEMNITIES TO COMMISSIONERS AND OTHERS

7.01 Indemnification of Commissioners and Officers

Every commissioner and officer of the Corporation, and their heirs, executors and administrators, and estate and effects, respectively, may, with the consent of the Corporation, given at any meeting of the members, from time to time and at all times, be indemnified and saved harmless out of the funds of the company, from and against:

Commented [SR32]: This language is from s.80 of the OCA.

- a. all costs, charges and expenses whatsoever that they sustain or incur in or about any action, suit or proceeding that is brought, commenced or prosecuted against them, for or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by them, in or about the execution of the duties of their office; and
- b. all other costs, charges and expenses that they sustain or incur in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by their own wilful neglect or default.

7.02 Insurance

The Board shall cause to be purchased and maintained as it considers advisable and necessary insurance coverage to ensure that commissioners and officers will be indemnified and saved harmless in accordance with this by-law, except where any liability relates to the person's failure to act honestly and in good faith with a view to the best interests of the Corporation. The premiums for such insurance coverage shall be paid from the funds of the Corporation.

Commented [SR33]: This has been added in accordance with s. 283(5) of the OCA.

SECTION 8 - NOTICES

8.01 Method of Giving Notices

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the by-laws or otherwise to a member, commissioner, officer or to the auditor or person who has been appointed to conduct a review engagement shall be sufficiently given:

- a. if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Corporation or in the case of notice to a commissioner to the latest address as shown in the last notice that was sent by the Corporation; or
- b. if mailed to such person at such person's recorded address by prepaid ordinary or air mail; or
- c. if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch.

The secretary may change or cause to be changed the recorded address of any member, commissioner, officer, or auditor or person who has been appointed to conduct a review engagement in accordance with any information believed by the secretary to be reliable. The declaration by the secretary that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any commissioner or officer of the Corporation to any notice or other document to be given by the Corporation may be written, stamped, type-written or printed or partly written, stamped, type-written or printed.

8.02 Omissions and Errors

The accidental omission to give any notice to any member, commissioner, officer, auditor or person who has been appointed to conduct a review engagement, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the by-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

SECTION 9 – CONFLICT OF INTEREST

9.01 Conflict of Interest

A commissioner or officer who is in any way directly or indirectly interested in a contract or transaction, or proposed contract or transaction, with the Corporation shall make the disclosure required by the Act and the *Municipal Conflict of Interest Act, R.S.O. 1990, c. M. 50*. Except as provided by the Act or the *Municipal Conflict of Interest Act, R.S.O. 1990, c. M. 50*, no such commissioner shall attend any part of a meeting of commissioners or vote on any resolution to approve any such contract or transaction.

Commented [SR34]: The *Municipal Conflict of Interest Act, R.S.O. 1990, c. M. 50* has been added here.

SECTION 10 - DISPUTE RESOLUTION

10.01 Dispute Resolution Mechanism

In the event that a dispute or controversy among members, commissioners, officers, committee members or volunteers of the Corporation arising out of or related to the articles or by-laws, or out of any aspect of the operations of the Corporation is not resolved in private meetings between the parties, then without prejudice to or in any other way derogating from the rights of the members, commissioners, officers, committee members, employees or volunteers of the Corporation as set out in the articles, by-laws or the Act, and as an alternative to such person instituting a law suit or legal action, such dispute or controversy shall be settled by a process of dispute resolution as follows:

- a. the dispute or controversy shall be settled by mediation, and in the event that the dispute or controversy is not resolved, then:
- b. the dispute or controversy shall be settled by arbitration before a single arbitrator, in accordance with the *Arbitration Act, 1991* (Ontario) or as otherwise agreed upon by the parties to the dispute. All proceedings relating to arbitration shall be kept confidential, and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law. All costs of the arbitrator shall be borne by such parties as may be determined by the arbitrator.

Commented [SR35]: Note that mediation has been added here, as a step prior to arbitration.

SECTION 11 - EFFECTIVE DATE

11.01 Effective Date

Subject to matters requiring a special resolution, this by-law shall be effective when made by the Board. All previous by-laws of the Corporation are repealed as of the coming into force of this by-law.

CERTIFIED to be By-Law No. 2 of the Corporation, as enacted by the commissioners of the Corporation by resolution on the XX day of MONTH, 202X and confirmed by the members of the Corporation on the XX day of MONTH, 202X.

NAME

Board Chair
Saugeen Municipal Airport

NAME

Commissioner/Officer
Saugeen Municipal Airport