

Report to Council

Report Title:	Saugeen Municipal Airport Cost Sharing Agreement		
Prepared By:	Sonya Watson, Chief Administrative Officer		
Department:	Administration		
Date:	December 9, 2025		
Report Number:	CAO2025-15	File Number:	C11AD, L04
Attachments:	SMA Cost Sharing Agreement		

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number CAO2025-15 - Saugeen Municipal Airport Cost Sharing Agreement, prepared by Sonya Watson, Chief Administrative Officer and in so doing supports the Agreement coming forward for passage by By-Law.

Report:

Background:

The Saugeen Municipal Airport is a joint asset of Brockton, Hanover and West Grey (hereinafter jointly referred to as “the Municipalities”). Who jointly support the ongoing operation of, and capital investment in, the Saugeen Municipal Airport (the “Airport”) as a regional facility under the oversight of the Saugeen Municipal Airport Commission (the “Commission”). Throughout this term of Council there have been extensive efforts by Council, staff and the Commission to review various aspects of the Airport operations, assets and governance to ensure the effective, efficient, financial sustainability of the airport with a priority focus on legislative compliance and transparency. As a result, in 2024 a new Corporate By-Law and Procedural By-Law were adopted by the member Municipalities. The remaining area of priority was a comprehensive review of the 2005 cost sharing agreement.

Council approved Mayor Peabody, Sonya Watson, and Councillor Kuhnke, as Brockton’s representatives to meet with parties from Hanover and West Grey to establish a new cost-sharing agreement. Brockton Council proposed that the Commission consider an equal division of costs among the three municipal partners. The rationale behind this suggestion was grounded in principles of fairness, administrative simplicity, and the need for a timely resolution. An equal cost-share model would ensure that all partners contribute equally to the continued operation and capital costs and development of the airport, fostering a spirit of shared responsibility and collaboration.

Moreover, an evenly distributed model would simplify the administrative process, reducing the need for complex calculations or prolonged negotiations based on variable criteria. It was proposed that this structure would help expedite the finalization of a revised agreement, ensuring continued support for the airport's strategic objectives.

Analysis:

I am pleased to present the updated Saugeen Municipal Airport Cost Sharing Agreement for Council's consideration. The agreement aligns with Brockton's proposal that each Municipal member would contribute one-third (1/3) of the approved operating expenses yearly. The cost sharing component of this agreement will become effective following the term of Council- January 1, 2027. Highlights of the agreement are presented below and clearly outline the joint priorities of all the Municipalities.

- Acknowledgment that the Airport provides a broader regional economic and social benefit that extends beyond the ownership of individual hangars.
- A goal that the Airport is to become financially self-sustaining such that the Municipalities would no longer directly subsidize the operations and capital investment of the Airport.
- Annual operating for the Airport shall not increase by any amount greater than 3% from the previous years budget unless there are extraordinary circumstances that shall be presented to Municipalities in advance of the budget approval.
- Establishment of a 5-year Capital plan that outlines strategic direction and associated capital expenses
- Acknowledgement of revenues received by Municipalities related to utility servicing, tax revenues, bookkeeping etc. to establish a joint understanding.
- Consideration of admitting new members, withdrawal of members and the sale of the asset.
- Recognition that there may be future agreements required related to economic development plans and/or development potential.

I must acknowledge the work of Fiona Hamilton, Director of Legislative and Legal Services in supporting all of the Corporate governance elements advancing and for drafting and revising the new Cost-Sharing Agreement. We are in a more favorable position related to the governance structure, transparency and accountability with meeting structure and now a clear cost sharing agreement as we look to the future for this joint asset. We are pleased to work with our neighbouring Municipal partners to establish this cost sharing agreement for the joint benefit of all. We bring this forward for Council's consideration and adoption by By-Law.

Strategic Action Plan Checklist:

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

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|-----------------------------------------------------------------------------------------|-----|
| • 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 new agreement provides clarity on the cost-sharing arrangement. The 2026 budget remains status quo at \$73,201, and the shift to a one-third cost-sharing model beginning in 2027 will result in a reduction to Brockton's annual contribution to the Saugeen Municipal Airport.

Estimated Reduction: Based on the 2026 approved budget of \$73,201, the one-third equalized contribution model is expected to reduce Brockton's annual share by up to \$15,000 (pending confirmation of the final 2027 airport budget and apportionment calculation).

Reviewed By:



Trish Serratore, Chief Financial Officer

Respectfully Submitted by:



Sonya Watson, Chief Administrative Officer