

Cost Sharing Agreement

Between:

The Corporation of the Municipality of Brockton (“Brockton”)

AND

The Corporation of the Town of Hanover (“Hanover”)

AND

The Corporation of the Municipality of West Grey (“West Grey”)

Whereas

- 1) Brockton, Hanover and West Grey (hereinafter jointly referred to as “the Municipalities”) 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”);
- 2) The Municipalities acknowledge that the Airport provides a broader regional economic and social benefit that extends beyond the ownership of individual hangars;
- 3) Section 202 of the *Municipal Act, 2001* and the Commission’s Procedural By-law authorize cooperative arrangements for municipal services and establish the Commission’s role in budget preparation and oversight;
- 4) Whereas the Commission’s Corporate By-Law outlines the process related to termination of membership;
- 5) Whereas there is an expectation that the parties agree that a goal of 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.
- 6) Whereas the Municipalities jointly deem it appropriate to enter a cost sharing agreement to operate and support the long term financial investment in capital for operation of the Airport as a joint asset.

Now Therefore the Municipalities agree as follows:

1. Airport Lands

It is agreed that the title to the lands where the Airport is situated and owned by the Airport being legally described as PT LT 64-65 CON 2 NDR BRANT PT 1, 3R6178, PT 3, 3R2214 EXCEPT PT 1 & 2, 3R4703, PT 1, 3R4937, PT 4 3R5337 T/W R265001, T/W EASEMENT OVER PT LT 65 CON 2 NDR BRANT PT 3 3R7212 AS IN BR24282; T/W EASEMENT OVER PT LT 65 CON 2 NDR BRANT PTS 1 & 2 3R4703 AS IN BR2397; BROCKTON and bearing parcel identifier number 33195-0058 (LT) hereinafter referred to as “ Airport Lands” shall remain registered to the Saugeen Municipal Airport and shall be held in trust for the parties to the Agreement.

2. Term

This Agreement shall remain in effect to align with every new Council term. This agreement commences on January 1, 2026 and ends on November 30, 2031, unless terminated earlier by unanimous written consent of the Municipalities and in accordance with the terms of the Commission Corporate By-Law. This Agreement shall be reviewed by the parties within six (6) months of the formation of a new term of Council.

3. Budget and Operating Expenses

- (a) The Commission shall prepare and propose an annual operating budget for the Airport.
- (b) Upon approval of the annual budget by the Municipalities, each Municipality shall contribute one-third (1/3) of the approved operating expenses.
- (c) Contributions shall be made in two equal installments, due on May 1 and September 1 of each year.
- (d) The 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 Brockton, West Grey and Hanover in advance of the budget approval.
- (e) Contributions outlined in item (b) of one-third (1/3) shall be effective January 1st, 2027 and for the term of the agreement and subsequent renewals with the previous cost sharing ratios from 2025 applicable for 2026.

3. Capital Investments

The Commission shall include yearly Capital requirements as part of the proposed annual budget. Capital Planning shall occur and be communicated in the following ways:

- (a) through an annual delegation in August to each member Municipality;
- (b) through the establishment of a 5 year Capital plan that outlines strategic direction and associated capital expenses;
- (c) Future growth and development plans will require specific agreements outside the scope of this Cost Sharing Agreement.

4. Municipal Services Acknowledgement

The Municipalities acknowledge that Municipal water servicing is provided by Hanover in accordance with the Water Servicing Fees By-Law and such revenues received by Hanover for this service contribute to their costs for providing water servicing. Further, the Municipalities acknowledge that the Airport is located in Brockton and as such tax revenue generated from the Airport facilities, including privately owned hangars, is received by Brockton and contributes to the cost of providing municipal services not limited to but including policing, road clearing, and road construction. It is further acknowledged that financial services related to bookkeeping and auditing may be provided by a member municipality for a yearly cost outlined in the operating budget.

5. Airport Revenues

All revenues generated through the operations of the Airport including but not limited to fuel sales, donations, lease agreements etc. are allocated to offset the yearly operating budget, and any growth on the Airport Lands or increased use of the Airport, or any income generated through investments owned by the Airport shall be directed to on-going maintenance of the assets of the Airport..

6. Budget Shortfalls

If, in any year, the Commission experiences an operating shortfall beyond the approved budget, the Municipalities agree to share equally in funding such projected shortfall, unless otherwise resolved unanimously, provided such shortfall has been identified by September of the applicable year and any shortfall exceeding \$25,000 is presented to the Municipalities for consideration.

7. New Members

If a new municipal member is admitted to participate in the Airport arrangement, such municipality shall assume an equal share of the annual operating expenses and budget shortfalls on the same terms as the existing Municipalities, and shall require that a new Cost Sharing Agreement be adopted by the Municipalities and any new municipal members. In the event the assets of the Airport or the Airport Lands are sold within one (1) year of a new municipal member participating in the Airport, the new municipal member shall not be entitled to any proceeds from the sale of the aforementioned assets or Airport Lands..

8. Withdrawal of Members

- a) Any party who withdraws as a member of the Commission shall be obligated to pay its equal share of operating the Airport for a period of twenty-four (24) months and the obligation to pay such amount shall remain owing and be binding on the party so withdrawing until paid in full.
- b) 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, and such member shall not be entitled to increase in the value of the Airport Lands or assets owned by the Airport..
- c) In the event of a 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 equally amongst the municipalities who at that time are still party to this agreement and members of the Commission.

9. Procedural By-law Compliance

This Agreement is intended to supplement, and not conflict with, the Saugeen Municipal Airport Commission Procedural By-law (By-law No. 1) and shall comply with any By-laws enacted by the Saugeen Municipal Airport Commission. In the event of any conflict, the Procedural By-law and applicable legislation shall prevail.

10. General

- (a) **Amendments** – This Agreement may be amended in writing and approved by by-law of each Municipality.
- (b) **Renewal** – This Agreement may be renewed for further terms upon written agreement of the Municipalities and in accordance with Section 2 of this Cost Sharing Agreement..
- (c) **No Derogation** – Nothing in this Agreement derogates from the statutory powers and duties of the Commission under the *Municipal Act, 2001*.
- (d) **Counterparts** – This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.
- (e) **Severability** – If any provision of this Agreement is found invalid or unenforceable by a court of competent jurisdiction, such provision shall be severed and the remainder of this Agreement shall continue in full force and effect.
- (f) **Governing Law** – This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- (g) **Notices** – Any notices required under this Cost Sharing Agreement shall be effected by sending registered mail to the Clerk appointed by each of the respective member municipalities.

Executed by the Municipalities on the dates below.

The Corporation of the Municipality of Brockton

Per:

Mayor

Clerk

Date: _____

The Corporation of the Municipality of West Grey

Per:

Mayor

Clerk

Date: _____

The Corporation of the Town of Hanover

Per:

Mayor

Clerk

Date: _____