



SAUGEEN

MUNICIPAL AIRPORT

APPROVED

Thursday, April 11, 2019 10:00 a.m.
Board Room | Saugeen Municipal Airport

PRESENT: Dan Gieruszak, Rebecca Hergert, Dave Hocking, Dave Schmidt, Rob Olds, Kelani Stam, Stephen Rouse, Susan Kirkpatrick, April Marshall

GUESTS: Dave Kennedy

- CALL TO ORDER

D. Gieruszak opened the meeting at 10:00 am and welcomed attendees.

- **APPROVAL OF AGENDA**

MOTION by **REBECCA HERGERT / KELANI STAM**

THAT the Agenda of April 11th, 2019 Special Meeting be approved as printed and circulated.

CARRIED

- **Declaration of Pecuniary Interest** -nil

The Auditor's Report 2018, was presented by Heather McDonald from Baker Tilly.

Ms. McDonald advised of noticeable revenue losses including:

- Snowbirds was not included in the donation, because the revenue was actually realized in 2017 and only carried over as not spent.
- Last action plan monies, was received 2 years ago, not received for 2018. This specific amount was not all spent in 2017, resulting in some carryover to 2018. Monies that are received, not budgeted and not spent, are sent to reserves, 2017 unused action plan money was not completely used in 2017, thus sent to reserve. The reserve was spent in 2018. Some as capital, and some as operating. That was revenue for 2017 not 2018.
- Net Expenses of \$56,000.00, as a deficit. Some money went into repairs and maintenance. New laneway, water main repairs, all part of the action money, SMA hanger electrical upgrades, and also spent on driveway.
- Opening Balance for 2018 was \$45,000.00, ending year balance at \$15,130.00. Surplus has decreased by \$30,000.00 year over year attributable to:
 - Water main break and repair in 2018.
 - Extra property tax expense for the SMA hanger, commercial total taxes \$12,000.00.
 - The airport revenues including donations and fuel sales were significantly decreased from prior year.
- Net financial debt, end of year (\$135,631) take out the debt of the loans that we are repaying. This includes capital and operating accumulated deficit.
- The Auditor concluded that the expenses exceeded revenue, because we are heavy in

debt regarding the SMA hanger and tractor loans. As well, operations are more than revenue. Potentially the Commission could sell assets off to realize more revenue, however the Commission still needs to operate the airport (tractor).

- The price of the rent should be reviewed to cover the costs associated with the SMA hanger. Review this financial decision at an upcoming meeting.
- 5-year historical budget, did not include the two loan payments, for the SMA hanger purchase and the tractor for snow removal. Those loan payment numbers have not been included in prior year budgets.
- Fuel sales and gross profit margin have declined in the past year.
- Moving forward the Commission should maintain a healthy reserve.

At 2018 year end, we have an accumulated deficit. This doesn't include the tangible capital assets. Of the accumulated deficit, the deficit was created in:

2016: \$24,800.0

2017: \$8,000

2018: \$56,985.00

- Net Financial Deficit total approximately, \$135,000.00, including cumulative annual deficits of approximately \$95,000.00. Still \$15,000.00 in reserves and general operating budget. Deficits have been accumulating into a negative situation. At the previous rate, by the end of 2019, the airport would be in a negative operating situation.
- There was a significant reduction in Jet gas sales compared to 2017. This was attributed to the Snowbirds (8-10,000 litres- \$15,000.00) fuel purchases that contributed to fuel sales in prior years.
- Auditor advises that in the future, more revenue needs to be realized at the airport. The Commission was advised to spend money on capital improvements. The Commission was cautioned that the deferral of equipment maintenance and capital maintenance can cause serious problems.

Report Letter from the Auditor will be sent to the Commission, later this afternoon.

There were no recommendations for policy changes to the current System Notes from Auditor, as utilized by Susan regarding bookkeeping processes. Send copy to the Commission.

Financial report, budget, cheque list, balance sheet, profit and loss sheet, A/R or A/P, variance report will be provided monthly, on Friday prior to Commission's regular monthly meeting.

Questions regarding the Audit. Was there a separate audit committee? No.

Approval of financials, and approval of the auditor for 2018. These items will be placed on April 17, 2019 agenda.

MOTION The Commission hereby approves the Banking Resolution to amend the signing officers at Meridian Bank.

DAVE HOCKING/ KELANI STAM this amends signing officers to be Dave Hocking, Dave Schmidt and Kelani Stam as signing authority. **CARRIED**

Manager's Report will be prepared for the April 17th meeting.

Economic Development Initiatives-

- April Marshall spoke about the upcoming third economic development joint meeting taking place on April 25th, 2019 4:00 p.m. - 8:00 p.m. at the Saugeen Municipal Airport. Further discussion regarding business partnerships, marketing and other stakeholders ensued.

Ontario Ministry of Agriculture, Farms and Rural Affairs to deliver Community Economic Development 101 at this upcoming meeting. Dinner provided and please RSVP to April Marshall. D. Gieruszak will bring the Commission's update to this meeting. Circulate the invite.

- Draft Strategic Plan and update at April 17th meeting to be shared and receive information and comment from stakeholders.
- Recently, the federal and provincial government have announced grant opportunities that include airports and infrastructure- health and safety as being the top focus. If the airport makes an application, and said application goes through the municipality, then the municipality may not be eligible for other grants under the same funding stream. Health Emergency planning. The airport or seaports have a good chance, under the disaster relief area. Apply for grants. In the future a joint application by the airport may be supported from the municipalities. Kelani has the designation of Canadian Registered Safety Professional (CRSP). April and Kelani will discuss the application in greater detail, and report back.
- Stephen will check into federal, provincial grant opportunities and report back April 17, 2019. Brockton works with an organization to investigate grant application. The possibility of one joint application- CAO may have applied under that program. Stephen to send out specific details regarding these financial revenue streams, to ensure eligibility with grant.
- April Marshall provided an update with Bruce Power that she had this week, stating that they were very responsive. Further details of who when where and why people travel are to be presented. There are people that would use this airport throughout the Bruce Nuclear expansion. NEXT STEP, make a feature sheet and send it to Bruce Power. Partner with other airports in the area, so that collectively we are marketing to Bruce Nuclear, this also equally assist all regional airports. Provide feature sheet to April Marshall, who will keep fostering this business connection. Once reviewed by the Commission, present this to Bruce Power. Reach out to all subcontractors, this has not been coordinated between the airports regarding all flight opportunities, include the link to book flights. Stephen to send the feature sheet to April Marshall, and the Commission.
- Saugeen Municipal Airport should have an exclusive Agreement with Great Lakes Helicopters to fly out of SMA. Agreement to be reviewed by Commission prior to final draft by May 31, 2019.
- Hanover Sights and Sounds on July 27, 2019 will be offering helicopter rides from the SMA. Tickets will be sold online, downtown Hanover and at the Saugeen Municipal Airport Terminal. There will be a shuttle from downtown Hanover to the airport. There will be a static airplane display, discussion with COPA regarding this event, and airport promotions.

New Business

Moved by **DAVID HOCKING / DAVE SCHMIDT**

THAT the Letter of Engagement for Baker Tilly to perform the 2018 Audit be signed.

CARRIED

That the Power Workers Union 2019 grant applications for monies be applied for as the deadline is May 3, 2019. April and Kelani to work together, to apply for funding grant. Application may be applying for update to the fuel farm, emergency, Orange medivac.

Moved by **DAVID SCHMIDT/ REBECCA HERGERT**

THAT a letter from the manager be sent to the restaurant operator advising that the Commission will be accepting monthly payment by certified cheque or email money transfer.

CARRIED

The Commission confirmed that all delegations are to submit in writing, to the airport manager, four days prior to meeting, including what the topic of the delegation will be.

A letter was presented by Susan regarding the fuel discount. This letter was presented from Ron to Future Air. Stephen will investigate how many pilots received this letter, and have discussions with his staff about correspondence.

Specifications for a used computer, possibly supplied by West Grey, will be supplied by Stephen to Rebecca.

A future meeting with the owner of Future Air regarding review of airport usage and rental/lease agreement. Stephen noted there was correspondence with Future Air in the fall of 2018. Stephen will circulate. Stephen to coordinate Flight School attending as May, 2019 delegation.

MOTION by **DAVE HOCKING/ KELANI STAM** for Adjournment at 12:36 p.m. **CARRIED**