



SAUGEEN MUNICIPAL AIRPORT

THE SAUGEEN MUNICIPAL AIRPORT COMMISSION REGULAR MONTHLY MEETING MINUTES

Wednesday, December 16, 2020, 1:30 p.m.

Commissioners Present: Dan Gieruszak, Chair
Dave Hocking, Vice Chair
Kelani Stam, Secretary
Moe Hanif
Tom Hutchinson
Bill Roseborough
Jack Zeinstra

Commissioners Absent: None

Guests: Filomena McDonald, Airport Manager
Catherine McKay, Recording Secretary
Christine Walker, Director of Corporate
Services/Treasurer, Town of Hanover
Paulette Peirol, Community Development
Co-ordinator, Municipality of Brockton
Sidney Smith

The meeting was conducted by videoconference in light of the COVID-19 pandemic.

1. Call to Order

The Chair called the meeting to order at 1:30 p.m.

2. Approval of the Agenda

Motion Moved by B. Roseborough

Seconded by J. Zeinstra

That the agenda for December 16, 2020 be amended to include an In Camera Session to review an item of a legal nature and relating to an identifiable individual and that the agenda be accepted as amended.

Carried

3. Disclosure of Pecuniary Interest and Declaration of Conflict of Interest

None declared.

4. Delegations

There were no delegations.

5. Approval of November 18 and November 25, 2020 Minutes

Motion Moved by D. Hocking

Seconded by T. Hutchinson

That the minutes of the November 18 and November 25, 2020 meetings of the Commission be approved as circulated.

Carried

6. Action Item Update from Minutes

There were no action item updates from the minutes.

7. Correspondence Requiring Action

There was no correspondence requiring action.

8. Public Notification

There were no public notifications.

9. Budget Review: 2021

The Commission reviewed the draft budget from its November 25, 2020 meeting. The Chair noted that some changes can be made to the budget including in tax, gas and hydro recovery. If it remained unchanged, it would result in a shortfall of \$15,600 requiring an increase in municipal contributions from \$150,000 to

\$165,000, a 10% increase to each municipality, although in dollar terms the increase is relatively small. The Chair noted that the budget increase from 2019 to 2020 was 8%. He asked for comments and the following points were made in the discussion.

- Dave Hocking said that the Commission should take a deep look at the overall budget. Municipalities are in tough times and Commissioners represent the taxpayers of the municipalities which own the airport. Revenue sources are fairly fixed, since the main source of revenue is municipal contributions. New areas for revenue generation should be explored such as the farmland and fuel, particularly since the restaurant is not active. If more people are not attracted to the airport to increase fuel sales, the airport will have to rely on farmland for revenue. A yearly event is needed to generate revenue. Expenses are going up faster than revenue and it is important to maintain the airport which should not continue to rely on the municipalities to cover shortfalls. He noted that reserves should be kept for the future, and perhaps the loans should be repaid.
- The Chair agreed that an annual event would generate revenue, but would also incur expenses. As for the loans on equipment and property, they will have to be replaced in the future and are an on-going expense. He said that reserves are there for a “rainy day” and COVID constitutes a “rainy day”.
- Dave Hocking cited the Launch Pad in Hanover which receives \$100,000 in taxpayer funds and leverages those funds into \$500,000 as a result of obtaining grants. He suggested the Commission explore the area of grants and submit applications. There is a Rural Economic Development Fund and April Marshall and Paulette Peirol would have details. The Chair noted that he has discussed the issue of grants with the APM, in particular grants from the Federation of Canadian Municipalities relating to asset management plans.
- Tom Hutchinson agreed with the points made by Dave Hocking, noting that 2020 was a tough year, and the grass may not be greener in 2021 which may be a long haul. There are increasing demands on municipalities and perhaps funds should be taken from reserves to ease the pressure.
- Christine Walker noted that the budget shows \$8,000 being taken from reserves, \$5,000 for runway and \$3,000 for legal service which would leave \$24,600 in reserves. The Chair suggested that the \$3,000 transfer for legal services be reduced to \$2,500 and the budgeted amount for legal services be reduced to \$2,500 from \$7,500.
- The APM informed the Commission that she had met with Jack Zeinstra regarding the Snowbirds and the budget, and is comfortable with the changes. In addition she recommended the following:
 - There is a lot of oil in stock and so oil purchases can be reduced to \$500 from \$1,500.
 - Advertising and promotions be reduced from \$5,000 to \$2,500
 - Gas for the terminal be reduced to \$3,000 from \$4,000
 - Hydro for the terminal be reduced to \$5,000 from \$7,000 and hydro for the hanger from \$15,000 to \$12,000
 - Property taxes for 2020 were \$18,467 and should be set at \$19,000 for 2021. Christine Walker noted that the property taxes are just under \$18,900 and assessments are not changing in 2021, so the taxes will not change.
 - Insurance costs will increase 15 - 20% and so the amount for insurance should increase to \$13,300.
- These changes result in savings of \$5,800 and Christine Walker informed the Commission that this would leave a shortfall of \$5,100.
- Moe Hanif suggested that the APM shop around for insurance, and the Chair asked that quotes be obtained. Jack Zeinstra suggested leaving the budgeted amount for insurance as is to see if a better price can be obtained. He noted that COPA uses the Magnes Group for its insurance.
- Bill Roseborough suggested that the APM could check with Hydro One to see if there are any savings on Hydro, like there are for Hanover residents whose hydro costs will go down \$60 on average per year. The APM said that she had checked with Enbridge re the gas costs, but not yet with Hydro One.
- Dave Hocking asked the APM to review the maintenance budgets and the Chair asked if the full \$15,000 would be required for runways in 2021. The APM said that the crack sealing needs to be finished and with the Snowbirds coming, the repainting needs to be done. There are fees which will come due such as RNAV and she is not comfortable reducing funds budgeted for runways, which includes lights.
- Tom Hutchinson noted that the Commission had a full discussion on the runway issue at its last meeting and suggested keeping with the plan put forward by the APM. He does not believe it is wise to take funds

from this item. Moe Hanif agreed, noting that the runway is the airport's major asset. He referred to a memo on garbage disposal and the Chair suggested that this item be tabled for later in the meeting.

- The Chair suggested taking \$6,500 from reserves for runway maintenance, leaving \$10,000, and keeping the expenses the same.
- Dave Hocking asked whether the amounts for maintenance for farmlands and equipment could be reduced to accommodate the shortfall. The APM noted that the amount for farmlands is based on seeding and fertilizing the crops for a better yield. Also, the maintenance of equipment is important as it is used for runaway and other maintenance and expenses can be significant, as recently seen in the \$3,000 expense on tires for the tractor. She said she cannot see a way to reduce these amounts. Various suggestions were made including reducing the maintenance budgets by \$1,500 and taking that amount from reserves in the future if needed, reducing the budget for equipment maintenance from \$10,000 to \$8,500, and taking \$1,500 from the runway reserve which would leave about \$10,000. Moe Hanif agreed that reserves are for a "rainy day" and need to be used wisely. He agreed that they should be used in the current circumstances.
- It was agreed to reduce equipment maintenance to \$8,500 from \$10,000, change the transfer from reserves to \$8,200, keep runway maintenance at \$15,000 with \$6,500 of that coming from reserves. Christine Walker noted that these changes mean an increase of 1%, \$630 Brockton, \$465 Hanover, \$405 West Grey, bringing the total contribution in 2021 to \$63,630 by Brockton, \$46,965 by Hanover and \$40,905 by West Grey.
- The APM noted that in 2021 there will be additional costs related to the new hangar build including paving of taxiways to be done in the spring or summer. The cost of this work is not yet known. Bill Roseborough suggested using reserve funds for this purpose.
- Jack Zeinstra said that the amount the municipalities are asked to contribute should be kept to a minimum, a 2% increase would be reasonable, and it is to be expected that some funds from reserves would be used each year. As for the paving, new hangars bring in new revenue which comes in every year, not just in the year in which the paving is done.
- Tom Hutchinson asked if there were any grants for the Snowbirds event. The Chair suggested reducing the advertising and promotions budget by the amount required for the Snowbirds and when the time comes, a request to the municipalities be made for that amount.
- Jack Zeinstra said that the sooner work begins on organizing the Snowbirds event, the better. He spoke to Capt. Temple a few days ago and believes that \$15,000 would cover start-up costs for the event, which of course is weather permitting. The APM suggesting leaving the advertising and promotions amount at \$1,400 since there will be revenue generated by the Snowbirds event to cover the costs of advertising it. The Chair added that the reserves could be drawn down this year, which could be noted next year in the event that an increased contribution is required.
- Tom Hutchinson said that it is worthwhile to explain to the municipalities what the Commission is doing with its budget and that next year, it may need some help. He believes Councils will be open to this as they too are working in the interests of their citizens. The Chair asked about a motion for a zero percent increase and Tom Hutchinson said that a zero increase could compound into a problem for 2022 which is an election year. It was suggested that the Commission see the budget in draft and meet again if necessary. The Chair said he would like approval in principle today so as to be able to give Brockton the amount of its contribution in advance of its budget meeting.
- Jack Zeinstra said he agreed with the budget and asked when the Commission would know if it has money for the Snowbirds. He said that \$15,000 would be enough to cover the event. The Chair suggested that the request for the money for the Snowbirds be made at the same time as the budget and that it be shared equally three ways amongst the municipalities.
- Tom Hutchinson asked if it would be possible for each municipality to contribute \$500 to the runway maintenance cost which would be a very small increase. The Chair noted that the budget for runways is \$15,000. Christine Walker pointed out that the Commission is bound by the agreement with the municipalities and therefore could not have \$500 from each which would be contrary to the agreement.
- Discussion occurred about setting the budget for Advertising and Promotions at \$2,100 and the transfer from reserves at \$8,200 which would result in municipal contributions being set at \$151,500 which equals a 1% increase.
- The Chair clarified that the advertising and promotion for the Snowbirds is separate from the amounts in the budget.

- Christine Walker agreed to send the updated budget information to the APM who will forward it to Commissioners.
- The Chair thanked Christine Walker and her staff for their assistance with the budget.

Motion Moved by T. Hutchinson

Seconded by M. Hanif

That the Commission approve the 2021 budget at a 1% increase over 2020.

Carried

10. December 16 Reports

A. Financial Reports

The Commissioners reviewed the financial reports.

B. APM's Report

The Chair noted the increased Facebook activity. The APM informed the Commission that the oil analysis for the tractor showed that everything was normal in terms of wear, contamination, and fluid condition. She said it is important to stay with one kind of oil and recommended that the analysis be done three times per year. The cost is \$42.

Dave Hocking was absent from the meeting from 2:40 p.m. to 2:51 due to an internet service interruption. The Chair updated him on the motion on the budget and the proposed request for \$15,000 from the municipalities, noting that this would be one time funding for the benefit of the municipalities and it is not contemplated that these funds will be repaid. Dave Hocking noted that the amounts for donations in Hanover's budget are down due to the financial pressures on municipalities.

Motion Moved by M. Hanif

Seconded by B. Roseborough

That direction be provided to the APM from the Commission to reinstate the 1.25%, monthly late charge on all airport invoices commencing in January 2021.

Carried

C. COPA 54 Update

The Chair raised the issue of whether the \$15,000 for the Snowbirds event could be shared equally by the municipalities or whether it would have to be shared according to the agreement. Tom Hutchinson supported a three way sharing and suggested that corporate sponsorships be obtained as well. Jack Zeinstra hopes that the event will bring a return of more than the \$15,000.

Motion Moved by T. Hutchison

Seconded by B. Roseborough

That the Commission work with COPA54 to ask the municipalities for one time funding of \$15,000 in support of the Snowbirds event, to be split equally three ways.

Carried

Motion Moved by B. Roseborough

Seconded by K. Stam

That the Commission receive the December 16, 2020 financial reports, the APM's report and the COPA 54 Update as information items.

Carried

11. In Camera

Motion Moved by B. Roseborough

Seconded by M. Hanif

That the Commission convene in closed session at 2:55 p.m. to review an item of a legal nature and an item pertaining to an identifiable individual.

Carried

The APM, the Recording Secretary and Paulette Peirol remained for the in camera portion.

Motion Moved by D. Hocking
That the Commission reconvene in open session at 3:10 p.m.
Carried

Seconded by T. Hutchinson

12. New Business

A. Revised Municipal Agreement

The Chair suggested that the Commission review the agreement on a monthly basis. He agreed to circulate the agreement and identify points to be discussed at the next meeting.

The Chair noted that the Town of Hanover and the Municipality of West Grey would like to receive minutes of Commission meetings as soon as possible. It was agreed that the Recording Secretary will send draft minutes to the Chair on the Monday after the meeting and to the municipalities on Tuesday. Minutes are not signed until after they have been approved by the Commission at its subsequent meeting and a footer on each page states that they are draft until signed.

The Commission discussed various aspects of garbage and recycling collection, including the possibility of removing the bins since garbage may be left by those not using the airport, installing cameras and locking the bins. Getting rid of the bins was suggested, but the APM does not feel it should be part of her job to take garbage to the dump in her personal vehicle. At one time, there was apparently a \$5 monthly charge for garbage, but the APM said she has not been able to determine out where that money went. She said the fee for garbage and cardboard is \$132 a month and agreed to call Miller Waste to clarify a few items. It was agreed that the garbage bin would be locked and a sign installed noting that the area is monitored by camera.

Dave Hocking reminded the Commission to be aware of the pandemic in connection with the Snowbirds and to be sure to keep Dr. Arra, the Medical Officer of Health, informed about the event.

13. Adjournment

Motion Moved by D. Hocking

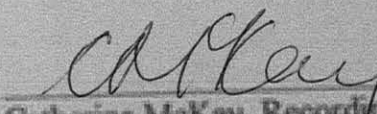
That the Commission adjourn at 3:38 p.m.

Carried

Seconded by T. Hutchinson

Next Meeting: Wednesday, January 13, 2021 at 1:30 p.m.


Dan Gieruszak, Chair


Catherine McKay, Recording Secretary