



SAUGEEN MUNICIPAL AIRPORT

THE SAUGEEN MUNICIPAL AIRPORT COMMISSION SPECIAL MEETING MINUTES

Wednesday, November 25, 2020, 1:30 p.m.

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

Commissioners Absent: Kelani Stam, Secretary

Guests: Filomena McDonald, Airport Manager
Catherine McKay, Recording Secretary
Christine Walker, Director of Corporate Services/Treasurer, Town of Hanover

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 1:35 p.m.

2. Approval of the Agenda

Motion Moved by D. Hocking

Seconded by M. Hanif

That the agenda for November 25, 2020 be accepted as circulated.

Carried

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

None declared.

4. Delegations

There were no delegations.

5. Financial/Budget Reports

The Chair introduced Christine Walker to the Commissioners. The Airport Manager (APM) presented the draft budget to the Commission and the following points were made on the accounts as noted.

Revenue

Sales Diesel Fuel – It is not clear how revenue came from sales of diesel as SMA has no licence to sell diesel fuel and uses it only for its own equipment. This amount should be zero.

Sales – Aircraft Jet A, Sales – Aircraft 100LL & Sales – Aircraft Oil – To remain unchanged. If revenues for aircraft fuel increase, the corresponding expense must be adjusted accordingly.

Fees – Tie Down – To be reduced to \$700.00. Includes grass parking. There was an error in the monthly statements.

Fees – Access – There is one case where a donation is made in lieu of payment of access fees. This situation has been “grandfathered” from the past. SMA is not a registered charitable organization and no charitable receipt is given.

6. In Camera

Motion Moved by J. Zeinstra

Seconded by M. Hanif

That the Commission convene in closed session at 1:58 p.m. to discuss an identifiable individual.

Carried

Reconvene in Open Session

Motion Moved by T. Hutchison

Seconded by J. Zeinstra

That the Commission reconvene in open session at 2:15 p.m.

Carried

Motion Moved by M. Hanif

Seconded by D. Hocking

That all clients with older Access Agreements be given the choice of paying the previous fee or signing a new Access Agreement with a fee of \$400 per year plus an annual increase of 2%.

Carried

5. Financial/Budget Reports (cont'd)

Fees – Access – To be reduced from \$2,800 to \$2,400.

Misc. Fees – Consists of \$2,200 for snow removal from the Town of Hanover, \$500 in donations and \$300 miscellaneous.

Rentals – Rooms – To remain at \$1,000.

Rentals – Kitchen – To be decreased to \$2,000. Revenue will depend on the specific arrangements with the restaurant operator.

Lease – Hangars – To be increased to \$12,200.

Rentals – Hangars – To be increased to \$22,000. The Commission will consider this issue further at its December meeting.

Rentals – Farmland – To be decreased to \$15,000. Discussion took place on farmland as a source of revenue. To realize a good return, crops need to be fertilized which is an expense item. Using the farmland for parking for the Snowbirds would likely bring in more revenue than using it as farmland, but is weather dependent.

Bank Interest – To remain the same.

Municipal Contributions – In 2019, this was \$138,373 and in 2018 it was \$135,661. The increase from 2019 to 2020 was 10%. Christine Walker noted that another increase of 10% will be required depending on the shortfall, if any, between revenues and expenses.

Expenses

Supplies – Office – To be reduced to \$500 and \$1,000 to be put into reserves as a cushion for IT. At other airports, the Manager has a jacket or hat with “Airport Manager” on it, so people know who the Manager is. It was suggested that such an expense would be better in Misc. Expenses. Hats and jackets could be part of the Airport’s branding and sold at a profit. Christine Walker suggested that such an item would be better in the Advertising & Promotions account which has a budget of \$2,000. The APM noted that it is apparently not clear to visitors where the office is and she has put up signs. She noted that although there are signs to the Pilot Lounge, people often ask for directions to it.

Purchases – Aircraft Jet A, Purchases – Aircraft 100LL & Purchases – Oil – To remain unchanged.

Purchases Diesel – To remain at \$7,000 although it might increase with increased tractor use.

Misc. Expenses (Unbudgeted) – To remain unchanged.

Service Agreements – \$2,500 for minute taking services is to be added to this account. Includes the salary of the APM. An in camera discussion will take place to review funding for 2021.

Memberships – To remain at \$700.

Telephone – To remain at \$1,500.

Internet – To remain at \$1,200.

Web Maintenance – To be increased to \$1,500. The web site is in need of revamping and the APM is taking related courses.

Advertising & Promotions – SMA and COPA should work together for the Snowbirds demonstration, and it was pointed out that last time a committee was established that raised about \$28,000 from municipalities and communities, and in 2021, some of the funds could come from the private sector. It was noted that COPA could approach the three municipalities separate from the Commission. Jack Zeinstra agreed with this and noted that more revenue should have been generated last time. If the COVID situation improves and the weather is good, parking revenue should be in the range of \$40 – 50,000.

The APM would like to increase the amount to \$5,000 to purchase signs as well as hats and shirts to be sold. The hats and shirts would bring in offsetting revenue and so the revenue account Misc Fees should be increased to \$5,000.

For the last Snowbirds exhibition, it was estimated that \$15,000 came from the three municipalities and Brockton and Bruce County gave in the range of \$5 – 7,000. Since the Snowbirds will be staying in Waterloo if they visit in 2021, the hotel room costs will be less. It was suggested that the costs for the visit should be covered in part by a 10% increase in the municipal contribution, with 5% going to operations and 5% to COPA. The Chair suggested that no decision be made on the issue until SMA knows for sure in December if the Snowbirds will visit.

Services – Audit – To be increased to \$5,000.

Legal Services – To be increased to \$7,500. There is \$12,869.92 in a reserve for legal fees and as of the meeting date, legal fees totaled \$16,588.65.

Services – RNAV Maintenance – To be increased to \$3,000. Christine Walker does not have the contract with RNAV, which should be with the airport. She also noted that there is \$16,656.39 in a reserve for runway.

Maintenance – Grounds – This account will be split into “Grounds” and “Farming” which Christine Walker said can be done. The amount for Farming will be \$7,000 for seed and fertilizer and for Grounds it will be \$5,000. Discussion occurred about the waste management contract to empty the bins. Hangar owners pay \$5 per month to put garbage in the bins and a lot of oil containers are put into the bins meant for paper only. The APM is to get back to the Commission regarding the cost of emptying the bins.

Maintenance – SMA Building/Shop – This account will be separated into “Building” and “Shop”. Current expenses total \$4,246. \$6,000 is to be budgeted for Shop and \$2,000 for Building.

Maintenance – Runways – To be increased to \$15,000 to cover crack sealing and repainting. The runway is the one asset that makes the airport and it is important that it be maintained. Crack sealing should be done every year and so should be budgeted for every year and the markers and lights need to be maintained as well.

Maintenance – Equipment – To remain at \$10,000.

Insurance – To be increased to \$11,500. The Chair explained the issue of SMA plowing a road owned by the Town of Hanover for \$2,200, but that it does not have insurance for its equipment to be operated on public roads. Moe Hanif said that the SMA should focus on its core business rather than snow clearing which could be an area of liability. If there are liability issues, they would come back on SMA and the municipalities which are often perceived as having deep pockets. The cost of insurance exceeds the revenue and so it was suggested that the revenue is not sufficient to support the activity and that SMA should not be clearing snow. The APM said

that it is necessary to clarify the boundaries of SMA property versus public property. The issue should be decided before it snows and the Chair will advise Brockton and Councillor Hocking will notify Hanover.

Action Item – Chair to advise Brockton and Hanover re cessation of snow clearing.

Utilities – The amount for gas should be reduced due to the restaurant and the building being closed. Hydro for the terminal is to be reduced to \$7,000. Hydro for the hanger for which rent of \$1,200 per month is received is to remain the same.

Property Taxes – To be reduced to \$20,000. Christine Walker noted that SMA got \$9,500 back on its property taxes.

Service Charges – Bank and Global – To be reduced to \$7,000. Current charges amount to \$5,820.

Interest Expense – To remain unchanged.

The APM noted that the budget does not include the cost of a new fuel terminal/pod which will be expensive.

Given the above changes in the budget, the municipal contribution would increase by 23%. Christine Walker agreed to update the budget based on the above decisions and the Commission will review the adjusted budget at its meeting of December 16, 2020. One option to reduce the municipal contribution would be to take funds from the reserves for runways and legal. If \$8,000 came from reserves (\$5,000 from Runways and \$3,000 from Legal), this would amount to an increase of \$26,500 (\$11,130 for Brockton, \$8,215 for Hanover and \$7,155 for West Grey). It was noted that the Snowbirds exhibition will bring in revenue. The Chair noted that some of the municipalities' businesses and residents may have trouble paying their property taxes due to the pandemic.

Tom Hutchinson suggested that the Commission should have a list of things to be done, not just a list of the money. As the West Grey representative on the Commission, he will need to get the attention of Council with an explanation of why the money is needed and the success stories that have come out of the SMA. The Chair noted that the Commission has tangible assets that the municipalities can take pride in such as the terminal building, runways and hangars.

Moe Hanif noted that SMA should have a plan and a budget for asset management.

Jack Zeinstra said that the Snowbirds exhibition will require seed money and the revenue generated by the event should cover that, but there is no guarantee. Separate accounts should be kept for the Snowbirds event with a donation coming from COPA to SMA after the event.

The Chair noted that past Commission budgets were on the meagre side and it was agreed that the budget should be complete and straightforward. It was agreed that the APM is to prepare list of projects for 2021.

The Commission thanked Christine Walker for her assistance. The APM thanked the Commissioners for the flowers sent to her.

Adjournment

Motion Moved by T. Hutchinson
That the Commission adjourn at 4:17 p.m..

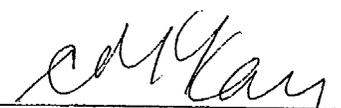
Seconded by M. Hanif

Carried

Next Meeting: Wednesday, December 16, 2020 at 1:30 p.m.



Dan Gieruszak, Chair



Catherine McKay, Recording Secretary

These minutes are considered to be in draft form until signed by the Chair and the Recording Secretary.