

THIS OPERATING AGREEMENT, made in triplicate as of this **18th day of March, 2015**.

BETWEEN:

**CITY OF GREATER SUDBURY**

(hereinafter called the "City")

-and-

**SUDBURY AIRPORT COMMUNITY  
DEVELOPMENT CORPORATION**

(hereinafter called the "SACDC")

**WHEREAS** the City is a municipal corporation;

**AND WHEREAS** the SACDC was created as a community development corporation pursuant to s.112.2 of the former *Municipal Act*, R.S.O. 1990, c. M. 45, and Part III of the *Corporations Act*, R.S.O. 1990, c. C.38;

**AND WHEREAS** the mandate of the SACDC is to promote community economic development in the City of Greater Sudbury with the co-operation and participation of the community by encouraging, facilitating and supporting community strategic planning and increasing self reliance, investment and job creation within the community through the development and enhancement of the Greater Sudbury Airport (the "Mandate").

**AND WHEREAS** the SACDC is vital and essential to the safe and effective operation of the Greater Sudbury Airport and is therefore a federal undertaking;

**AND WHEREAS** the City maintains the majority of votes of the SACDC and wishes to assist the SACDC;

**AND WHEREAS** the City and the SACDC were authorized to enter into an agreement dated December 12, 2002 under By-law 2002-6A and under a Board Resolution on January 31<sup>st</sup>, 2002, respectively;

**AND WHEREAS** the City and the SACDC wish to enter into a new agreement to update their respective rights and obligations;

**NOW THEREFORE IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES AGREE AS FOLLOWS:**

**Staffing**

1. The City shall continue to employ a distinct group of unionized and non-union City staff at the SACDC who are vital and essential to the functioning of the latter's operations and, as such, said staff are subject to the Canada Labour Code and other related federal legislation.

2. The City shall recover 100% of associated costs of employment including but not limited to salaries, benefits and pension costs for these staff members from SACDC, thereby realizing no impact on the municipal tax levy.
3. Said staff members shall be subject to and accountable to comply with the terms and conditions of employment as specified in their respective letters of employment, the City's Employee Handbook, relevant collective agreement(s), various Human Resources policies and employment related by-laws.(4). The Chief Executive Officer of SACDC shall have responsibilities over said staff members equivalent to the authority of a City General Manager over municipal employees, as described in the City's Employee Handbook.
4. In the event that SACDC requires additional staffing from the City, the City will require a recommendation to that effect from the SACDC's Board and if the additional staffing would result in an increase in full-time positions, it will also be necessary to obtain City Council approval
5. Where a substantive human resources issue arises, the Chief Executive Officer of the SACDC shall advise the City's Chief Administrative Officer at the earliest opportunity.
6. The Chief Executive Officer of SACDC shall be subject to the terms and conditions set out in his/her contract of employment with the SACDC Board.

**Provision of Administrative Services**

7. The City shall provide to SACDC, on a cost recovery basis, services such as, but not limited to:
  - a. legal services, unless this could create an actual or potential conflict of interest with the City;
  - b. financial services, including but not limited to:
    - i. accounting,
    - ii. accounts payable,
    - iii. payroll,
    - iv. accounts receivable and
    - v. budgeting;
  - c. internal audit services;
  - d. purchasing services
  - e. human resources services, including labour relations and health and safety;
  - f. information technology services; and
  - g. insurance coverage and risk management,

as the City, in its sole discretion, determines to be necessary or appropriate for the SACDC to operate.

8. The City shall calculate the cost recovery of items 7.b.ii., 7.b.iii., 7.b.iv., 7.b.v., 7.e., 7.f. and 7.g. in accordance with OMBI methodology for the allocation of Program Support Costs while the remaining items will be recovered from the SACDC based on a reasonable estimate of actual costs incurred by the City to provide the services.
9. The City will provide said services in accordance with City bylaws, policies unless authorized by the SACDC Board.
10. In the event that the SACDC chooses at any time not to receive one or more of the services listed above, a Resolution of the SACDC Board to that effect must be provided to the City.

#### **Insurance Coverage**

11. The City shall include the SACDC and its Directors as additional named insured under its comprehensive insurance policies.
12. The SACDC shall cause its directors and volunteers to co-operate fully with the City's insurance adjusters and Counsel appointed by the insurers in the preparation for and conduct of any legal proceeding.

#### **Compliance with Municipal By-laws and Policies**

13. Subject to the SACDC's obligations under Agreements with Transport Canada, NAV Canada, the *Aeronautics Act* and any other federal and provincial statutes and regulations which apply to airport operations, the SACDC shall be bound by all applicable municipal Bylaws and financial policies including, but not limited to, the Purchasing Bylaw and the Remuneration Bylaw. Those Bylaws and policies shall be read with such changes as may be reasonably required to apply to the SACDC.
14. Notwithstanding s. 5(1) above, nothing herein shall prevent the SACDC from adopting a policy which may be more stringent or rigorous than a policy implemented by the City.

#### **Records and Information**

15. SACDC shall co-operate with the City to implement and maintain such systems, provide such information and keep such records in such form, as may be required from time to time by the City.

#### **Provision of Agendas and Minutes**

16. The SACDC shall prepare an agenda for and minutes of each meeting of the Board of Directors of the SACDC and shall provide a copy of each to the City Clerk, in a timely manner.

#### **17. MFIPPA Freedom of Information and Privacy Legislation**

The SACDC shall comply with all federal and provincial freedom of information and privacy legislation as applicable and, for purposes of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56, shall delegate to the City Clerk the powers and duties of the head.

**MCIA**

18. Members of the Board or its Committees shall be subject to the provisions of the Municipal Conflict of Interest Act, R.S.O. 1990, c. M.50.

**Compliance with Federal Legislation**

19. The SACDC shall comply with all applicable federal legislation, including but not limited to, the Official Languages Act and the Canada Labour Code.

**Administration of Agreement**

20. This Agreement shall be administered by the President of the Board of the SACDC on behalf of the SACDC and by the City's Chief Administrative Officer on behalf of the City.

**Term**

21. This Agreement shall come into effect as of the date indicated at the top of this agreement and continue in effect until terminated.
22. Either party may terminate this Agreement at any time upon giving at least one hundred and twenty (120) days written notice to the other party without reason or cause and without liability, cost or penalty. Notice shall be sent by personal delivery, facsimile transmission or by ordinary prepaid mail.
23. Notices by mail shall be deemed to have been received on the fourth business day after the date of mailing.
24. Notices by personal delivery or by fax shall be deemed to have been received at the time of delivery or transmission, if sent between the hours of 8:30 a.m. and 4:00 p.m. on Monday to Friday inclusive, unless such day is a holiday, and otherwise, on the next following day between Monday and Friday inclusive.
25. Notices to the parties shall be sent to the following addresses:

**City:**

City of Greater Sudbury  
200 Brady Street  
Box 5000, Station A  
Greater Sudbury, ON P3A 5P3  
Attention: Chief Administrative Officer  
Fax: (705) 673-1651

**SACDC:**

Greater Sudbury Airport  
5000 Air Terminal Drive, Suite T202  
Garson, ON P3L 1V4  
Attention: Chief Executive Officer  
Fax: (705) 693-2937

26. The parties may designate in writing to each other a change of address at any time.

**Relationship**

27. Nothing in this Agreement shall be read or construed as conferring upon the SACDC, its officers or directors the status of employee or agent of, or partner or joint venture with the City.
28. The SACDC will not assign this Agreement, or any part thereof, without the prior written approval of the City, which approval may be withheld by the City in its sole discretion or may be given subject to such terms and conditions as the City may impose.

**Entire Agreement**

29. This agreement embodies the entire Agreement and supercedes any other understanding or agreement, collateral, oral or otherwise, existing between the parties at the date of execution.

**Interpretation**

30. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

**Effect**

31. This agreement shall be binding upon the parties, their successors and permitted assigns.

*[signature page follows]*

IN WITNESS WHEREOF the parties hereto sign by their duly authorized signing officers.

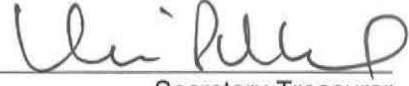
**CITY OF GREATER SUDBURY**

  
Chief Administrative Officer

  
City Clerk

**SUDBURY AIRPORT COMMUNITY  
DEVELOPMENT CORPORATION**

  
President

  
Secretary-Treasurer