

Accountability Report

April 1, 2016 – March 31, 2017



Where journeys begin.

Message from the Chair and CEO



Frank van Gisbergen
Board Chair



Fred Bigelow, CEO

The winter of 2016/17 was undoubtedly one of the worst weather periods this community has ever experienced and one that will remain in our memory for many years to come. The adverse weather served as a clear demonstration of the strong relationship that exists between the Comox Valley Airport and 19 Wing. CVAC and the entire community owe a debt of gratitude to 19 Wing for their tremendous support in keeping our Airport open, operational and safe. The response from 19 Wing throughout the bad weather days was immediate, effective and most appreciated. It was remarkable that, during the hardest hit period, no flight cancellations were attributable to runway conditions or to the aircraft maneuvering areas! The advantages of working with 19 Wing was even more evident, as many neighboring airports were unable to manage the extreme conditions. We have always known we could count on the support of 19 Wing, but the total effort this winter truly stands out!

It was another record year for passenger growth at YQQ. An increase of 5.1% was logged for the 2016 calendar year as 368,733 people travelled through the airport - a 19% increase over the past five years. In contrast, our fiscal year (April 1, 2016 – March 31, 2017) reported a lesser increase of 1.1%, a direct reflection of the continued impact of the downturn in Alberta, and the particularly hard-hit resource sector.

The aviation industry is dynamic, ever-changing, and can be somewhat of a roller coaster ride, as was evidenced in February when Central Mountain Air announced its decision to cease scheduled service at YQQ. This came as a major disappointment after having CMA serve our Airport for over twenty years. Thankfully, both Air Canada and Pacific Coastal Airlines saw an opportunity in our market and reacted by increasing their YVR service.

Our community is indeed fortunate to enjoy the current magnitude of air service at YQQ. Strategically we have the nation's two largest airlines providing service to three major Canadian hubs, offering endless options and the ability to tap into their comprehensive global networks.

As the airline industry adjusts to its markets, our efforts at YQQ focus on keeping our airlines profitable through filling their planes and feeding their networks to allow them to retain and/or grow service. The ability for travellers to access central Vancouver Island with easy connections to and from the world is a huge catalyst to the economic growth of our community. We recognize our role as an integral part of the potential growth and endeavor to support a sustainable, robust economy by providing easy access to the Comox Valley and encouraging the rest of the world to experience it.

Frank van Gisbergen, Board Chair

Fred Bigelow, CEO

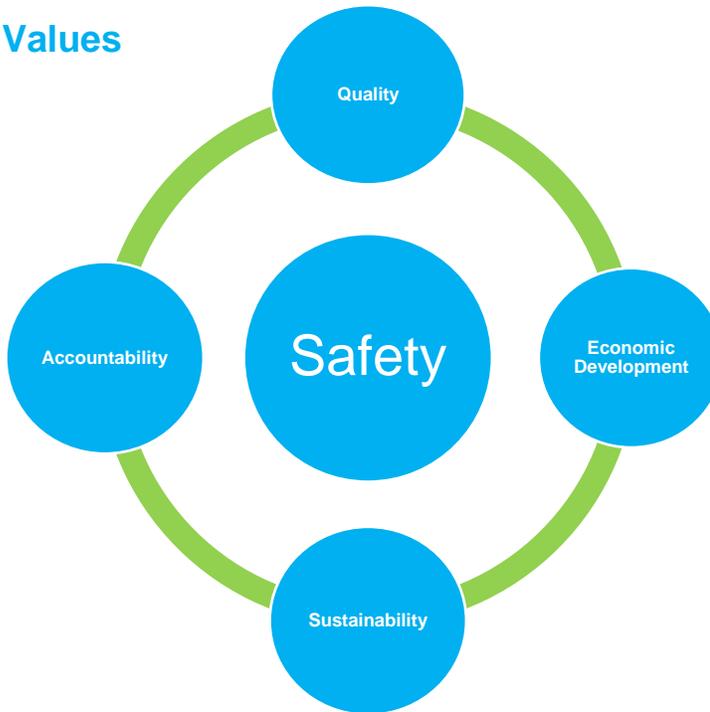
Our Mission

Provide safe and efficient air service facilities and enable the economic development of the Comox Valley

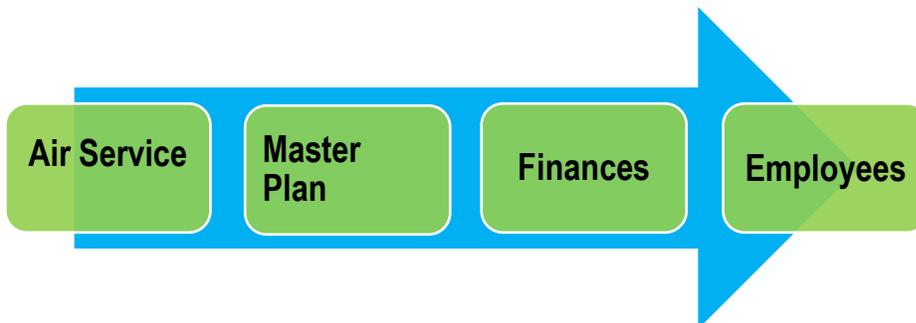
Our Vision

The Comox Valley Airport is the aviation gateway to the North Island

Our Values



Our Goals



A word from our customers...

Dec. 27, 2016

Best little airport on VI and in fact possibly one of the best I've been to anywhere. Maintained immaculately, very friendly staff...parking is very inexpensive and luggage is delivered fast!!

Oct. 18, 2016

The staff were all friendly and professional; a nice clean place and well run.

Nov 25, 2016

Love the Comox Airport, very helpful and friendly and the airport is very clean!

Feb 28, 2017

A very nice and clean facility. The people serving there were very friendly also!!

March 23, 2017

5 a.m. and everything runs smooth as clockwork. Good job everyone.

Feb 3, 2017

I fly out of YQQ a few times a month for work, nice clean airport, and friendly staff.

Feb 16, 2017

Small but sweet. Awesome customer service with a great coffee shop. Clean as well. Thank you.

Achievements

Goal 1 Expand air services to new destinations and enhance services (passengers and cargo) to current destinations.

The Comox Valley Airport is focused on expanding destinations for its passengers by working with its existing carriers to improve connections at hub airports like Calgary and Vancouver. The Commission will continue to seek an additional non-stop charter service to a sunspot destination and will use market study data to determine which routes are viable options for YQQ under current economic conditions.

Objectives Underway or Completed
<p>Identify and promote new non-stop destinations</p> <ul style="list-style-type: none"> ✓ Ongoing discussions with airlines through headquarter visits and air service development conferences to strengthen relationships and strategically discuss future air service opportunities ✓ Alkan Air commenced bi-weekly charter service in May, 2016, transporting crew changes to Yukon destination
<p>Identify and promote schedule improvements for existing carriers to feed YYC and YVR hubs.</p> <ul style="list-style-type: none"> ✓ YQQ was successful in having Air Canada and Pacific Coastal fill the void left by the exit of CMA, resulting in increased service to YVR on a key overnight connection that affords ideal late evening returns from, and early morning connections to YVR
<p>Support local tourism efforts by identifying and participating in joint opportunities that promote the Comox Valley to YQQ's inbound tourist market</p> <ul style="list-style-type: none"> ✓ Worked with the Comox Valley Economic Development Society (CVEDS) to support the BC Shellfish Festival in the Comox Valley ✓ Supported CVEDS and other community stakeholders on a joint Destination BC funding application for Comox Valley marketing initiatives ✓ Participated in Tourism Vancouver Island co-op advertising initiatives promoting tourism on the Island
<p>Support and strengthen YQQ's existing routes through integrated marketing campaigns aimed at the local outbound market</p> <ul style="list-style-type: none"> ✓ Redrafted the "Real Cost Campaign" to strengthen catchment area passengers' understanding of the real costs of travelling to mainland airports for lower ticket prices ✓ 2013-2016 50% increase in trans-border traffic ✓ Hosted community Air Canada luncheon
Objectives to Pursue
<p>Strengthen transportation linkages by exploring opportunities with key service providers in order to establish the airport as an intermodal hub</p> <ul style="list-style-type: none"> ✓ Although there are limited opportunities to match BC Transit schedules with shifting air carrier arrival and departure times, we shall endeavor to promote maximum use of private shuttle from the outer reaches of the catchment area
<p>Investigate and promote improvement to support catchment area links through BC Ferries to connect with current or planned air service</p> <ul style="list-style-type: none"> ✓ We continue to investigate 'Stay & Fly' options with local hotels to bring value added services to travellers from a distance (with a focus on Powell River passengers)

Goal 2 **Maintain a viable Airport Master Plan.**

The Comox Valley Airport Commission understands it has an important role to play in making air travel affordable for our passengers. We are committed to providing our guests and tenants with the facilities they need, at a price that keeps our fees low and competitive. Our Master Plan review is intended to identify which infrastructure improvements are necessary so that we can plan accordingly, without overdesigning or overbuilding.

Objectives Underway or Completed
<p>Initiate an airport Master Plan review</p> <ul style="list-style-type: none"> ✓ Preliminary infrastructure needs assessment is complete, including a building review
<p>Plans complete and budgets approved for</p> <ul style="list-style-type: none"> ✓ Construction of a new maintenance workshop underway ✓ Major apron repair and resurfacing is complete ✓ Airside Ground Support Equipment area construction is underway
<p>Draft a capital plan for recommended infrastructure improvements and life cycle replacement costs</p> <ul style="list-style-type: none"> ✓ Completed review of life-cycle costs for all mechanical systems and equipment ✓ Major Maintenance and Long-Term Capital plan completed for next five years, with cash flow and borrowing requirements incorporated into the modelling tool
<p>Refresh plans for 1301 Knight Road</p> <ul style="list-style-type: none"> ✓ Executed contingency parking plan for Christmas of 2016, all travellers were accommodated ✓ Overflow staff parking lot design completed and awaiting approval from Town of Comox (in preparation for Christmas 2017)
Objectives to Pursue
<p>Identify site development requirements upon completion of infrastructure needs assessment</p> <ul style="list-style-type: none"> ✓ Parking needs identified for near term (to FY 21/22) ✓ Master Plan requirements for Terminal expansion need to be verified
<p>Refresh plans for adjacent airport land</p> <ul style="list-style-type: none"> ✓ Ownership of adjacent property awaiting subdivision approval by Town of Comox ✓ Staged development plan to be completed
<p>Secure long-term tenure to terminal lands currently under lease from DND</p> <ul style="list-style-type: none"> ✓ Lease renewal terms (either early, or on current lease expiry in 2028) to be verified

Goal 3 Remain financially viable and competitive.

We demonstrate accountability and integrity in the conduct of our business and we recognize the sustainability of our business hinges on financially sound practices.

Objectives Underway or Completed
Maintain an on-going advocacy campaign to secure available funding for capital improvements <ul style="list-style-type: none">✓ BC Air Access Program funding application for 2016 capital projects complete, secured 50% funding of Apron Repair
Review aeronautical fee models and develop potential enhancements to maintain competitive edge <ul style="list-style-type: none">✓ Review against peer airports complete. YQQ maintains its advantage over the competition with its current fee structure
Develop Investment Policy for Reserve Funds <ul style="list-style-type: none">✓ The Commission's investment policy was revised, resulting in the doubling of returns on reserve funds✓ Cash reserve accumulations and investment returns incorporated into long term cash flow model
Increase non-aeronautical revenue by identifying new business opportunities <ul style="list-style-type: none">✓ Realized increase in non-aeronautical revenues (as a percentage of total revenues) of 8% since FY 14/15, and 2% above FY 15/16✓ Additional interior advertising opportunities generated with placement of 'A' frame signs on baggage carousel
Objectives to Pursue
Increase non-aeronautical revenue by identifying new business opportunities <ul style="list-style-type: none">✓ Benchmark interior advertising revenue potential and seek competitive bidders to exploit same

Goal 4 Attract and retain a talented and motivated team of employees.

The Comox Valley Airport Commission understands its biggest assets are the people it employs. We will retain our workforce by providing quality pay and benefits and investing in their professional development. Investing in the heart of our organization will ensure that YQQ continues to make a lasting impression on all of those who do business with us.

Objectives Underway or Completed
Support professional development opportunities <ul style="list-style-type: none">✓ 3rd consecutive year we have received the Shell Operational Excellence “Double Platinum Goal Zero” Award. The award is based on Health and Safety, Training, Operations, Sales and Leadership✓ Service Dog training was provided to improve awareness of service animals and the individuals that rely on them✓ Monthly training sessions for non-Management staff ranging from first aid to biohazard response were implemented, with many staff members also attending safety, anti-discrimination and supervisory skills workshops✓ Management staff and team leaders participated in individual professional development opportunities ranging from air service development, safety, security and fuel training✓ CVAC HR Manual was completed providing reference resource for employees
Ensure all employees receive written performance feedback at least annually <ul style="list-style-type: none">✓ Annual appraisals complete
Ensure employee compensation and benefits package remains competitive <ul style="list-style-type: none">✓ Review complete for Operations and Maintenance staff✓ Our staff receive comparable compensation relative to similar private corporations✓ YQQ staff compensation exceeds the ‘Living Wage’ calculation for the Comox Valley✓ Staff turnover remains exceptionally low.
Objectives to Pursue
Maintain a viable succession plan <ul style="list-style-type: none">✓ Complete an internal succession planning assessment and identify professional development requirements for potential candidates.

Fixed Wing SAR Training Centre Awarded to 19 Wing Comox

In December, the Government of Canada announced Comox was selected as the advanced training and simulation centre, part of the [Fixed Wing Search and Rescue Replacement \(FWSAR\) Project](#) contract awarded to Airbus Defence & Space.

The selection is a result of a successful, collaborative effort between [CVAC](#) and [Comox Valley Economic Development Society \(CVEDS\)](#). From that partnership, a working group undertook a multi-year campaign to pursue the contract. In addition to drafting a report outlining why Comox was the logical site choice, feedback was also provided to the DND procurement team that led to changes to the Request for Proposals, ultimately in favour of 19 Wing Comox.



Airbus C295 Aircraft



The economic impact of this award is significant. Aside from the construction and ongoing maintenance and operation of the facility, it will bring high paying, full-time jobs for the air and ground crew instructors. Further, all of these students will not only complete their training here (and spend their off hours enjoying what the Valley has to offer), they will also have to

return to Comox regularly to complete ongoing proficiency training. No doubt, many will be encouraged to have family members join them during these visits to spend extra time vacationing in the area. In the long-term it will bring new technical employment to the Comox Valley.

Financial Performance

Revenue	2016/17	2015/16
Total Revenues	\$ 4,722,338	\$ 4,336,424
Total Expenses	\$ 3,427,942	\$ 3,285,231
Surplus	\$ 1,294,396	\$ 1,051,193

Assets	2016/17	2015/16
Operating Fund	\$ 1,606,694	\$ 687,005
Capital Assets	\$ 16,385,645	\$ 16,010,938
NET Assets	\$ 17,992,339	\$ 16,697,943

Governance:

The property and business of the Comox Valley Airport Commission is governed by a nine-member Board of Directors responsible for establishing strategic direction, for making major decisions for the Commission and for overseeing management of the Commission's business and affairs.

Individuals with strong skills and experience in organizational governance are sought in the recruitment of the directors. A full description of the selection criteria applicable to board appointments, including statutory qualifications, personal attributes and competencies can be found on the airport website at www.comoxairport.com.

Comox Valley Airport Commission Structure:



The Comox Valley Airport Commission's board of directors is broadly representative of the Comox Valley community and is comprised of nine directors, nominated as follows:

- Five members are nominated by local government (City of Courtenay, Town of Comox, Village of Cumberland and Comox Valley Regional District). At least one member must reside in Courtenay; at least one must reside in Comox;
- One member is nominated by the Comox Valley Chamber of Commerce;
- One member is nominated by Comox Valley Economic Development Society;
- Two members are appointed by the Board.

Board of Directors:

The property and business of the Comox Valley Airport Commission is governed by the Board of Directors. The Board of Directors is responsible for establishing the Strategic Plan, making major decisions for the Commission and overseeing the management of the Commission's business and affairs.

Director Meeting Attendance (2016/17)

*term ended Nov/16 **appointed Nov/16 ***optional attendance

Director	Position	Board Meeting/9	Executive Committee/4	Audit Committee/3	Finance Committee/6	Governance Committee/4
Frank Van Gisbergen	Chair	8	4	3	6	3
Richard Clarke	Vice-Chair	9	4	2	2***	
Andy Frost	Chair, Audit	9		3	5	
Keith Tatton	Treasurer	6	3	2	5	
Susan Toresdahl	Secretary	9	3	1	1***	4
Fred Bates	Director	8	2***	2	1***	1
Martin Crilly	Director	8		2	6	3
Linda Oprica*	Past-Chair	4	1	1		
Joe Schommer	Director	8	3***	1	1***	4
Kathleen Bell**	Director	3	1***			

Director Compensation and Nomination

The Comox Valley Airport Commission's Board of Directors is broadly representative of the Comox Valley community and is comprised of nine directors nominated as follows:

Director	Appointed	Committees	Compensation
Local Governments			
Richard Clarke	2013	Audit, Executive	\$5,328.75
Andy Frost	2014	Audit Chair, Finance	\$4,060.00
Linda Oprica*	2007	(retired)	\$4,175.00
Joe Schommer	2014	Governance	\$4,060.00
Martin Crilly	2016	Finance	\$3,466.59
Kathleen Bell **	2016	Governance	\$ 510.00
Comox Valley Chamber of Commerce			
Keith Tatton	2013	Executive, Finance Chair	\$5,328.75
Comox Valley Economic Development Society			
Frank van Gisbergen	2012	Executive (ex-officio on all committees)	\$9,642.50
Comox Valley Airport Commission			
Fred Bates	2014	Governance	\$4,060.00
Susan Toresdahl	2012	Executive, Governance Chair	\$9,142.50

*Director Oprica's term ended in November 2016

**Director Bell replaced Director Oprica in November 2016

CVAC Board of Directors



Andy Frost



Frank van Gisbergen



Fred Bates



Susan Toresdahl



Richard Clarke



Keith Tatton



Joe Schommer



Martin Crilly



Kathleen Bell

Airport Events & Community Engagement

- ✓ **Stained Glass Window Display:** The stained-glass window display surrounding the airport entrance was completed with the installation of the tenth and final window. The legacy piece, aptly named “The History of Flight”, was created by local artist Jan Lindstrom as a tribute to aviation in our community. It tells the story of some of the airplanes flown and stationed here in the Comox Valley, as well as the progress of the area.



- ✓ **Emergency Response Training:** CVAC & 19Wing Comox conducted a mass casualty exercise in October, 2016 with extensive support from the local emergency responders and their supporting agencies. Almost two years of preparation, plus the support of over 130 volunteers, created a highly realistic scenario providing valuable training to everyone involved.



- ✓ **CVAC Volunteer Program:** The YQQ volunteer program has grown to approximately fifty individuals dedicating their time each week. Many of the group have been with the program since its inception in 2001. These individuals serve as ambassadors, bringing their strong sense of community spirit and hospitality to the Airport.

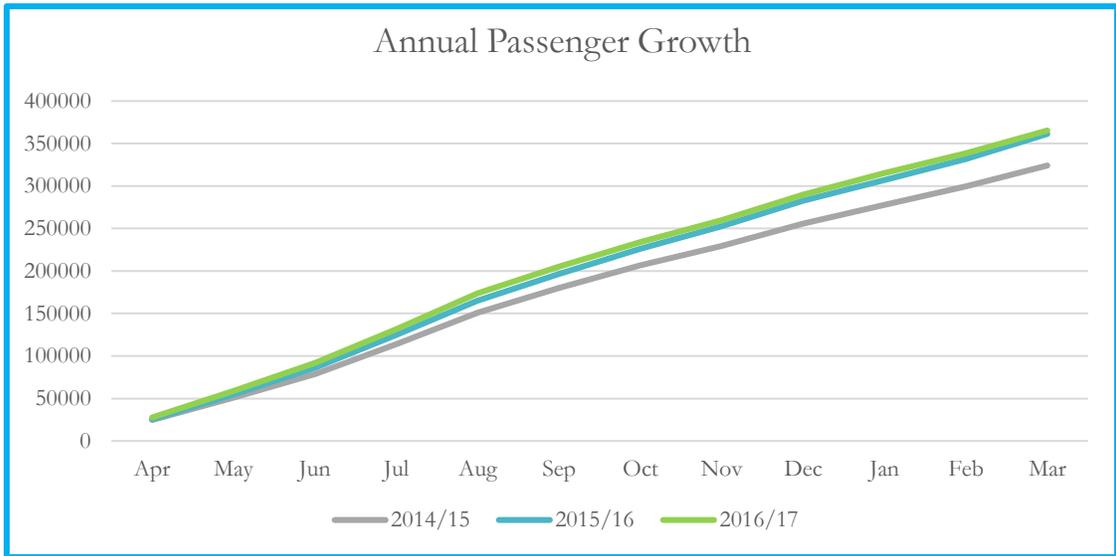
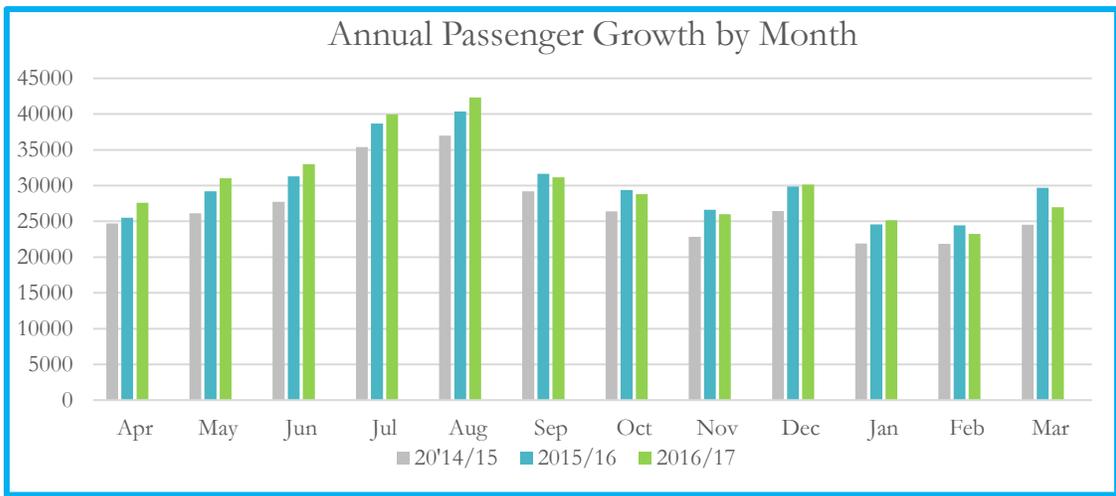


- ✓ **Art at the Airport:** Two separate art programs are featured during the year. The Public Art and Culture Exhibition, entitled "The Elements", ran for six months from November 2016 to May 2017. The featured Summer Program, “Alchemy at the Airport, is on display from May, 2017 - November. Both programs showcase the creative talents of local artists while enhancing the passenger experience.



- ✓ **School Tour Program:** YQQ is helping to increase awareness among students in the Comox Valley about the airport and its operations through its school tour program. Tours are designed for students in kindergarten through grade three, with special shorter versions of the tour available for pre-school aged students from three to five years. Numerous tours were conducted over the course of the past year.





Comox Valley Airport

It's the best way on and off Vancouver Island.
No ferries.
No crowds.
No hassles.

Daily flights with **endless possibilities.**

Comox Valley Airport provides easy access to so many interesting experiences and activities, **right near by.**

Where journeys begin.