

# ACCOUNTABILITY REPORT

April 1, 2018 – March 31, 2019



*Where journeys begin.*

## Message from the Chair and CEO



**Frank van Gisbergen**  
Board Chair



**Fred Bigelow, CEO**

*A Message from the Chair and CEO...*

*It is a pleasure to report on another successful fiscal year for 2018/19. We set a new record for passenger volume, including twelve consecutive months of passenger growth, allowing us to close out the year in a strong financial position.*

*Our airline partners continue to show confidence in our market by increasing capacity to major hubs, permitting better connectivity, and convenience for inbound, outbound, business and leisure travelers. Better connectivity pays dividends in many ways. It leads to increased tourism, as more people have entry to our region, facilitates increased trade for businesses and access to new markets. As tourism becomes an increasingly important economic driver, air service plays a vital role in supporting that sector.*

*Last year we reported that our traffic forecasts indicated a need to plan for terminal expansion. The pace of our growth accelerates that need, putting greater emphasis on that planning process and the importance of sound fiscal management to prepare for it. All the while staff are aggressively executing a preventative maintenance program to ensure we maintain our facilities in pristine condition. Concurrently we are investing in cost saving technologies, such as LED retrofits to reduce energy usage and costs now, and in the future.*

*We continue our commitment to improving the customer experience by working with our airline partners to improve connectivity throughout their networks. Although we have enjoyed significant increases in passenger growth, there is undoubtedly going to be a leveling of this growth in the coming months - excess demand has been absorbed, and network capacity is being reduced due to the grounding of the Max 8 aircraft, having a ripple effect into non-hub airports such as ours.*

*Our outlook remains favourable, as our passenger numbers are strong and facilities adequate to provide a high level of customer service as we approach terminal capacity. We are confident that our efforts to promote YQQ and our Airline Partner's routes as the preferred transportation portal on and off Mid-Vancouver Island will continue to be a significant driver of economic prosperity for the region.*

**Frank van Gisbergen, Board Chair**

**Fred Bigelow, CEO**

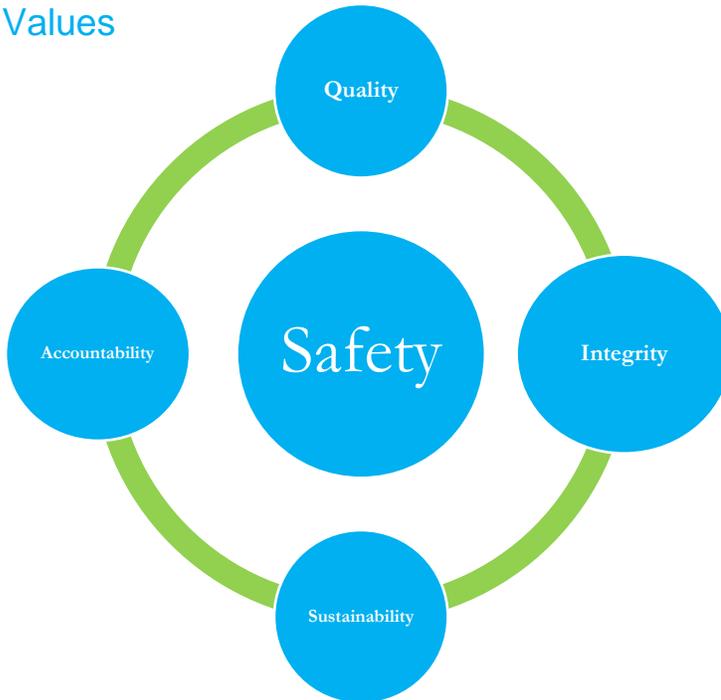
## Our Mission

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

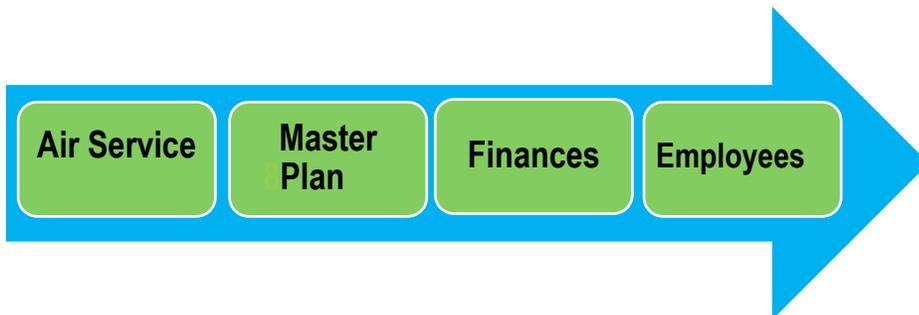
## Our Vision

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

## Our Values



## Our Goals



## Did you know...

YQQ contributes significantly to the economy of the Comox Valley. 'Direct' impact is estimated at:

- **Jobs – 589**
- **Wages – 39 m**
- **GDP – 57.7 m**
- **Economic Output - \$144 m**
- **Taxes - \$ 21 m**



Source: Canadian Airports Council

## 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><b>Identify and promote new non-stop destinations.</b></p> <ul style="list-style-type: none"> <li>✓ Capacity and frequency of service to all the major hubs increased in FY 1819, with resulting increase in total passenger numbers.</li> <li>✓ Air Canada increased capacity into YVR to five flights per day during the summer 2018, a significant increase over the prior year.</li> <li>✓ WestJet continued to serve the Calgary market with larger (737) aircraft.</li> <li>✓ Pacific Coastal removed the triangle routing via Campbell River, to provide dedicated non-stop service to Vancouver.</li> </ul>
<p><b>Investigate and promote improvements to support catchment area links.</b></p> <ul style="list-style-type: none"> <li>✓ YQQ again briefed the Municipal and Regional District Tax Committee (MRDT) providing a case for “Stay and Fly” program to divert overnight hotel stays from Richmond to Courtenay (with Sunshine Coast Travelers arriving and returning via Powell River Ferry service).</li> <li>✓ YQQ has met with shuttle and hotel providers to coordinate marketing support, (assuming cooperation of partner’s and Discover Comox Valley).</li> </ul>
<p><b>Support local (inbound) tourism efforts via joint opportunities to promote the Comox Valley</b></p> <ul style="list-style-type: none"> <li>✓ YQQ maintained memberships with Tourism Vancouver Island (TAVI), and Discover Comox Valley using co-op advertising opportunities to participate in print and online campaigns (leveraging funds from Destination BC).</li> <li>✓ Additional memberships were extended to Destination Campbell River, Parksville and Qualicum tourism, along with social media support to local accommodations, tour operators and Mt Washington to feature YQQ as a preferred point of entry to the region.</li> <li>✓ Display space at YQQ was exchanged for advertising in Nootka Sounder, The Marmot, CV Collective and Vancouver Island Visitor’s Digest (print publications).</li> </ul>
<p><b>Support YQQ’s existing routes through integrated (outbound) marketing campaigns.</b></p> <ul style="list-style-type: none"> <li>✓ Seasonal campaigns ran throughout the year using targeted online programmatic advertising, outdoor billboard, on-board posters, radio and print advertising targeting outbound travelers throughout the primary and secondary catchments to consider YQQ as an efficient and affordable alternative to ferries.</li> </ul>

## Goal 1 Continued

### Objectives to Pursue

- ✓ Analyze the new Passenger Leakage Study to identify potential new routes, or improvements to existing routes.
- ✓ Refreshed programmatic campaign to better target key outbound markets.
- ✓ Market the “Stay and Fly” campaign in Powell River/Sunshine Coast in conjunction with stakeholders.



## 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
<b>Initiate an airport Masterplan review.</b>
<ul style="list-style-type: none"><li>✓ Conducted an infrastructure needs assessment (GAP Analysis), including a building review.</li><li>✓ Tasked InterVISTAS master planning consulting group to use Air Traffic study results to propose Terminal Expansion options for the 3 to 5-year time horizon.</li><li>✓ Two initial proposal received, suggesting a broad range of size and cost options should be investigated.</li><li>✓ Identified site development requirements that formed the basis of the FY 1920 Capital and Major Maintenance Plan.</li><li>✓ Special Consideration given to projects and improvements that would remain unaffected following Terminal Expansion.</li></ul>
<b>Draft a Capital plan for recommended infrastructure improvements and life cycle replacement Costs.</b>
<ul style="list-style-type: none"><li>✓ Detailed FY 1819 Capital Plan (including major maintenance projects) completed and executed:<ul style="list-style-type: none"><li>➤ Increase parking capacity by 25%.</li><li>➤ Apron and Terminal LED lighting conversion.</li><li>➤ Fuel Tanker Truck Route expansion – allows for safer fuel truck maneuvering airside, and simultaneous operation of Aircraft Spot 1 with fueling and baggage cart operations.</li><li>➤ Glycol (de-icing fluid) control measures – new manifold and valves to allow diversion of contaminated stormwater runoff from all four main Aircraft parking spots, and better control of any runoff in the event of a hazardous material spill on the Apron.</li><li>➤ Washroom facilities added to new maintenance workshop.</li><li>➤ Increased available seating in café area by 20%.</li><li>➤ Automated the Flight Information Display screens to allow for real-time updates.</li><li>➤ Replaced the main computer server, and added a tertiary off-site backup capability.</li></ul></li></ul>
<b>Secure Tenure to Area G Groundside lands.</b>
<ul style="list-style-type: none"><li>✓ Investigated Crown disposal options for Area G, should this land be determined to be surplus to DND's needs.</li><li>✓ Received confirmation from lender that regardless of Federal disposal options to be pursued, any future borrowing would not have loan amortization tied to lease expiry (thus allowing for a reasonable repayment period, and not an accelerated repayment schedule tied to the lease expiration).</li></ul>

**Continued - Goal 2**

**Maintain a viable airport Master Plan.**

**Refresh plans for property adjacent to the airport & 1301 Knight Road**

- ✓ Awaiting completion of Town's North East Comox Storm Water Management Plan

**Objectives to Pursue**

- ✓ Take possession of adjacent property as soon as possible (pending subdivision approval by Town of Comox).
- ✓ Develop expanded parking in adjacent property as overflow, with intention to pave existing gravel parking lots once overflow parking is available.
- ✓ Complete initial InterVISTAS master Plan analysis to provide an "Architect-ready" design scheme for terminal expansion.
- ✓ Execute the FY 1920 Capital plan.



### 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.**

- ✓ Obtained the British Columbia Air Access Program (BCAAP) grant to create a Fuel Tanker Truck Route and upgrade Apron lighting with LEDs. LED lighting retrofit also triggered a significant rebate from BC Hydro.

##### **Increase non-aeronautical revenue by identifying new business opportunities.**

- ✓ New contract with national media vendor for existing and new advertising displays.
- ✓ Modest price increases in lease (renewals) and parking fees.

##### **Review aeronautical fee models and potential enhancements to maintain competitive edge.**

- ✓ Aeronautical fee comparison of key airport competitors reviewed. YQQ remains a low-cost airport for airline operators.

#### **Objectives to Pursue**

- ✓ Maintain competitive position through continuing a low-cost operating environment.
- ✓ Continue to review opportunities for non-aeronautical revenue from existing and new business opportunities.



**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
<p><b>Maintain a viable succession plan.</b></p> <ul style="list-style-type: none"> <li>✓ Two key members of the Management Team retired in FY 1819, recruiting and onboarding of replacements was staggered to minimize disruption.</li> </ul>
<p><b>Support professional development opportunities.</b></p> <ul style="list-style-type: none"> <li>✓ Selected senior staff members received direct exposure and experience executing CEO level financial responsibilities.</li> <li>✓ Admin staff member (Volunteer Coordinator) participated in Airports Council Industry (ACI), North America’s Customer Service conference</li> <li>✓ Marketing staff member participated in ACI Marketing and Communications conference.</li> <li>✓ Ops and maintenance staff members participated in Facilities and Airport managers conference.</li> </ul>
<p><b>Review compensation and benefits for similar employees in local area.</b></p> <ul style="list-style-type: none"> <li>✓ Sick leave definition amended to allow staff to take “sick time” when caring for an immediate family member.</li> <li>✓ An additional 18 hours of Compassionate leave was added as a benefit to deal with unforeseen circumstances not otherwise provided for by existing policies.</li> <li>✓ Matching RRSP benefit modified to allow staff to select between RRSP and/or TFSA contributions, allowing some staff to better position themselves for GIS payments upon retirement.</li> </ul>
Objectives to Pursue
<ul style="list-style-type: none"> <li>✓ Continued exposure of senior staff to CEO responsibilities.</li> <li>✓ Functional alignment review for Management Team – exploit talents of two new members and determine when an additional Management Team member should come aboard ahead of Terminal Expansion.</li> <li>✓ Continue professional development opportunities for staff.</li> <li>✓ Maintain employee retention by ensuring staff continue to receive competitive compensation and benefits.</li> </ul>

## Revenue/Assets Financial Performance

Revenue	2018/19	2017/18
Total Revenues	\$5,957,456	\$4,954,067
Total Expenses	\$3,733,666	\$3,367,943
Surplus	\$2,223,790	\$1,376,602
Assets	2018/19	2017/18
Operating Fund	\$1,026,261	\$799,612
Capital Assets	\$20,566,470	\$18,569,329
Net Assets	\$ 21,592,731	\$19,368,941



## Governance:

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 Direction, for making major decisions for the Commission and for overseeing management of the Commission's business and affairs.

## Comox Valley Airport Commission Structure:



## Director 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:

Five members are nominated by local governments: (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.

## Director Attendance & Committees

Director	Position	Board Meeting/7	Executive Committee/3	Audit Committee/4	Finance Committee/4	Governance Committee/4
Frank Van Gisbergen	Chair	7	3	3	4	4
Richard Clarke	Vice Chair	7	3	4		
Susan Toresdahl	Secretary & Chair Govern.	7	3	1**		4
	Treasurer & Chair Finance					
Keith Tatton		6	0		3	
Fred Bates***		3				4
Kathleen Bell***		5				1
Martin Crilly		6		4	3	
Andy Frost	Chair Audit	7		4		4
Joe Schommer		7			3*	

\*appointed \*\*optional attendance \*\*\* terms ended prior to end of Q4.

Director	Appointed	Committees
Richard Clarke	2013	Audit, Executive
Andy Frost	2014	Audit, Governance
Joe Schommer	2014	Finance
Martin Crilly	2016	Audit, Finance
Kathleen Bell	2016	Governance
<b>Comox Valley Chamber of Commerce</b>		
Keith Tatton	2013	Executive, Finance
<b>Comox Valley Economic Development Society</b>		
Frank van Gisbergen	2012	Audit, Executive Finance, Governance
<b>Comox Valley Airport Commission</b>		
Fred Bates	2014	Governance
Susan Toresdahl	2012	Executive, Governance

# 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 and Community Engagement



The airport worked in conjunction with G4S to provide families of children with autism an opportunity to become familiar with the airport security process. This was accomplished by letting families practice the steps of screening during quiet times at the airport. The anxiety of travel was reduced through the patient and caring instruction provided by our security staff.

With over 3000 volunteer hours supplied annually, CVAC sponsors social events at Christmas and in the Spring to show our appreciation for the great work our volunteer ambassadors supply. First impressions are important, and our passengers are greeted with a friendly smile, and assistance whether they are departing, or arriving – ensuring the travel experience is a pleasant one.



The Chairman of the Board, and our CEO attend events throughout the year as spokespersons for the airport, masters of ceremony, committee members and to present on the aviation industry to businesses, military and community groups.



To the left - Board Chair Frank van Gisbergen presents the CVAC sponsored - Arts Ambassador – Local Hero award.

CEO Fred Bigelow was the MC for the Comox Valley Community Foundation's Gala, provided presentations to the Sunrise Rotary and Destination Management Advisory Committee, sat on the Economic Development Advisory Committee, and Innovate 2030 Strategic Planning Committee, and regularly attended Military, Chamber, and community outreach events.

Staff and passengers alike were invited to participate in the Great Shakeout, an annual event to encourage emergency preparedness in the event of an earthquake.



## Airport Events and Community Engagement continued:



Local artist Shannon Ford was invited to hang her original work “Lions of the Ocean” now on permanent loan above arrivals.

The Airport also hosted two group art installations, in the Spring, featuring the works of the Art Alchemy Collective, and in the Fall – The Comox Valley Arts Commission, providing great exposure for the arts groups and their members.



← The CVAC Staff love to decorate, and provide great seasonal displays.

The popular local business, Hot Chocolates, sends their Rabbit Ambassador by to offer passengers sweet treats at Easter. →

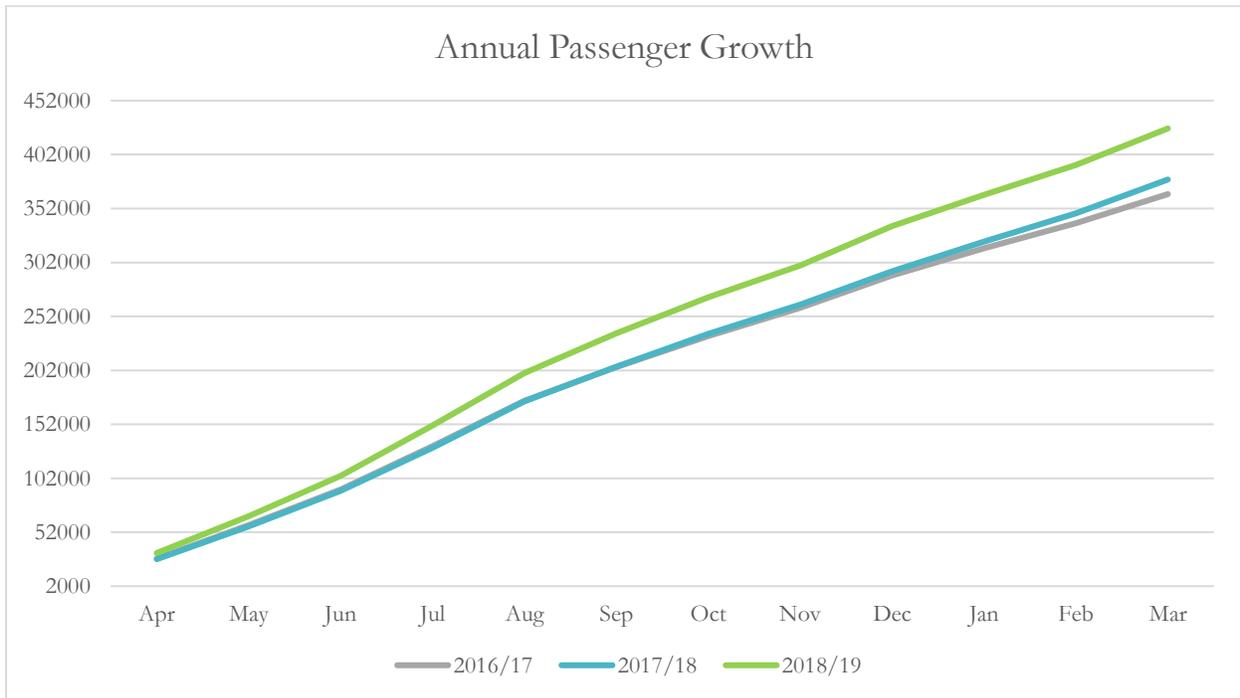
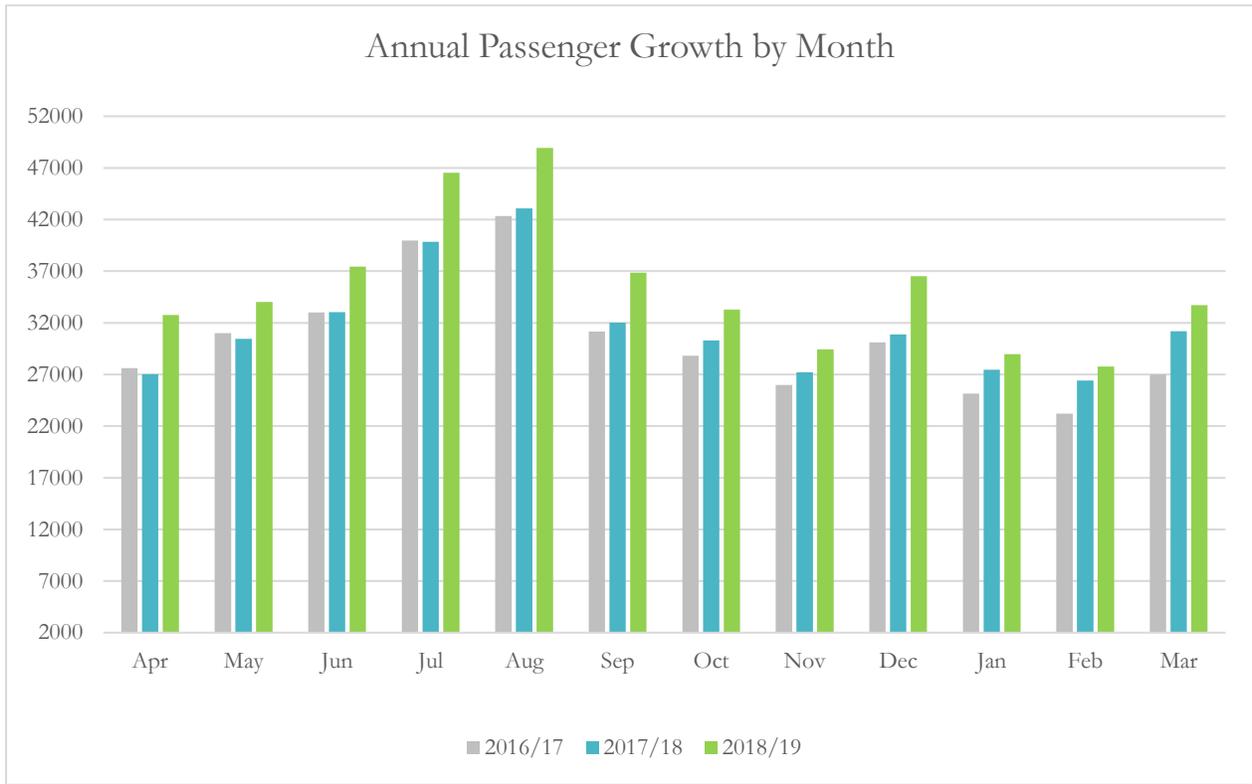


Our CEO and Operations staff work closely with 19 Wing to ensure the civilian facilities remain compliant with the DND’s operating procedures.

Last summer the CEO attended the 407 Squadron and 2<sup>nd</sup> Canadian Air Division Change of Command ceremonies. Throughout the year he briefed Wing Staff on all manner of issues affecting civilian aviation.



The charts below illustrate a record year for passenger numbers, and twelve months of consecutive growth.



## 2018/19 Year at a Glance...

**Total Pax 426,203**

**Year over year pax increase:  
12 consecutive months in FY**

**Pax traffic up:  
12.5% over 2017/18  
18% over 2016/17**

**Highest traffic month to date:  
August 2018 - 48,935 pax**

**Total Volunteer Hours:  
3,494**

