

2016 ACCOUNTABILITY REPORT

(APRIL 1, 2015 - MARCH 31, 2016)



MESSAGE FROM THE CHAIR AND CEO

With the arrival of Air Canada to the Comox Valley and an investment in additional capacity from WestJet, we expected growth in 2015 but we are pleased to report our passenger numbers far exceeded our estimates.

YQQ served about 351,000 passengers last year, an impressive 10 percent increase over the previous year. This surpassed our previous record of 328,000 guests and is a cause for celebration among those who work each day to make our operation successful - from the airlines, to the security screeners, to the baggage handlers, our concessions and our operations staff. There are a lot of moving parts that must come together to run our terminal smoothly and we take pride in each and every one of those relationships. With a special emphasis on our partnership with 19 Wing Comox. From working together at the Comox Air Show to get passengers to their planes on time, to the outstanding emergency response services the Wing provides on our ramp, we are ever grateful for the ongoing support of our operation from CFB Comox.

The growth story for our terminal has been simply remarkable; with 90 per cent more passengers utilizing the new building since it first opened its doors in 2004. Our success is thanks to those who came together to make the funding of our terminal building possible. Our airport exists because of the contributions made over a decade ago by CVAC staff, the board of directors, 19 Wing Comox and the taxpayers of the Comox Valley. Each day we aspire to make the best decisions that we can to ensure this organization stays financially viable and continues to make a positive economic contribution to our community in the years to come.

In keeping with that spirit, the Board of Directors recently updated YQQ's five year strategic plan and these new goals and objectives will be reported

on in this report. We will be reviewing our capital requirements and updating our Master Plan in the year ahead, to ensure our infrastructure requirements are planned for. In doing so, we will keep to our roots and ensure we do not design or overbuild for our needs. This commitment, while not overly flashy or exciting, will ensure that we can keep our terminal fees competitive and avoid passing unnecessary costs onto our travellers.

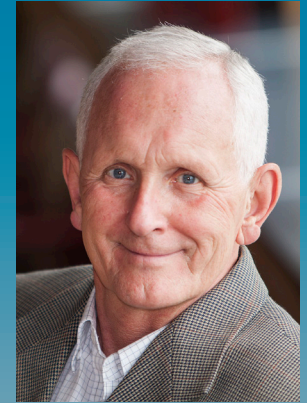
As we look forward to 2016, we anticipate stable passenger numbers thanks to established capacity with Air Canada and WestJet. We will continue our efforts to fill these planes and keep these routes viable, along with those of Pacific Coastal Airlines and Central Mountain Air. We will also work to identify any routes that are underserved at our airport.

It is with great pleasure that we look forward to another successful year at YQQ.

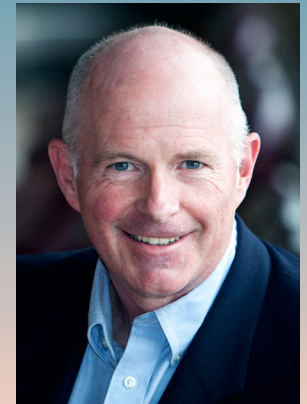
Sincerely,

Frank van Gisbergen
Chair of the Board

Fred Bigelow
Chief Executive Officer



Frank van Gisbergen
Chair of the Board



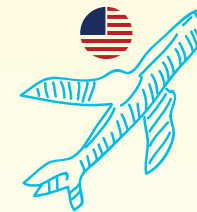
Fred Bigelow
Chief Executive Officer

COMOX
VALLEY
AIRPORT

YQQ

OUR VISION

The Comox Valley Airport is the aviation gateway of the North Island.

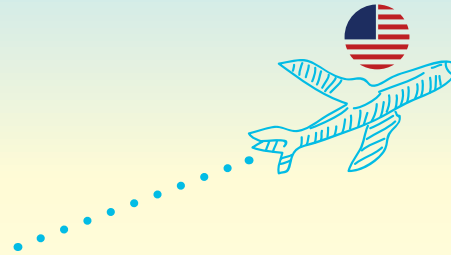


FLY NON-STOP TO CALGARY, EDMONTON AND
VANCOUVER TO ACCESS NUMEROUS DOMESTIC
CONNECTIONS



OUR MISSION

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



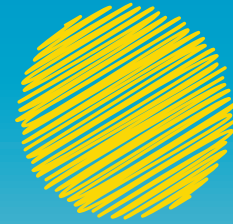
START YOUR TRIP AT THE COMOX VALLEY AIRPORT AND THEN CONVENIENTLY CONNECT TO DESTINATIONS IN ASIA, AUSTRALIA, SOUTH AMERICA, EUROPE AND NORTH AMERICA WITH AIR CANADA AND WESTJET.



VALUES



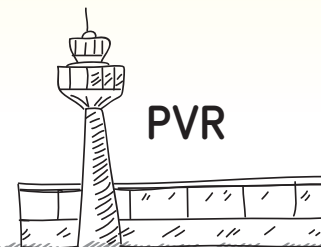
OUR GOALS



Air Service • Finances • Master Plan • Employees



FROM COMOX FLY NON-STOP TO MEXICO



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 conduct a market study to determine which routes are viable options for YQQ under current economic conditions.



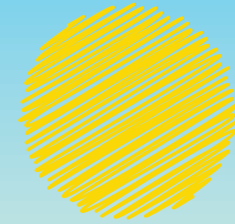
FROM COMOX FLY VIA CALGARY EDMONTON OR VANCOUVER TO LONDON



YXU



ACHIEVEMENTS - GOAL 1

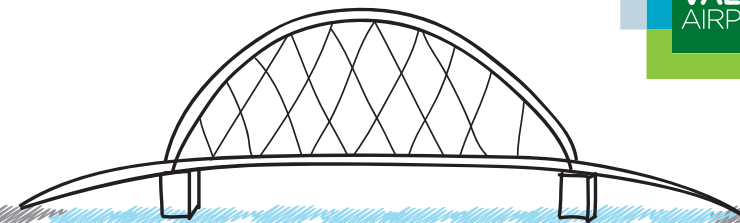


Objectives Underway or Completed

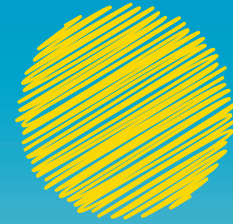
- 1 Identify and promote new non-stop destinations.**
 - Continued to pitch a seasonal non-stop sunspot charter from YQQ to target carriers.
- 2 Identify and promote schedule improvements for existing carriers to feed YYC and YVR hubs.**
 - Launched a new twice-daily service to Vancouver with Air Canada in May 2015, opening up 30 connections for Comox passengers including Seattle, Los Angeles, London, Beijing and Shanghai.
 - Worked with Air Canada and our community partners to implement a marketing campaign (print, television, radio, online) to inform passengers about the new service.

- Additional daily service to Calgary with WestJet Encore began in January 2015, providing scheduling improvements by adding more frequency to WestJet's Calgary hub from Comox.
- This added capacity opened up more than 14 additional WestJet connections for YQQ passengers, including sunspot destinations like Varadero, Orlando and Fort Lauderdale.

FROM COMOX FLY VIA CALGARY TO GLASGOW



ACHIEVEMENTS - GOAL 1



Objectives Underway or Completed

3 Support local tourism efforts by identifying and participating in joint opportunities that promote the Comox Valley to YQQ's inbound tourist market.

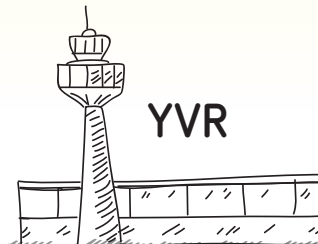
- Worked with the Comox Valley Economic Development Society (CVEDS) to support the BC Shellfish Festival in the Comox Valley.
- Supported CVEDS and other community stakeholders on a joint funding application to Destination BC for Comox Valley marketing initiatives.
- Participated in Tourism Vancouver Island co-op advertising initiatives promoting tourism on the Island.
- Implemented a comprehensive inbound marketing program including: tourist guides, magazines, advertising on BC Ferries and a targeted social media strategy.

4 Support and strengthen YQQ's existing routes through integrated marketing campaigns aimed at the local outbound market.

- Implemented a television and online advertising campaign outlining the real costs of discount airfare and why it makes sense to start your journey from YQQ.
- Implemented a social media campaign that highlighted 12 sunspot destinations to escape winter with WestJet and the Comox Valley Airport.



FROM COMOX FLY TO VANCOUVER AND CONNECT
TO US TRANSBORDER FLIGHTS

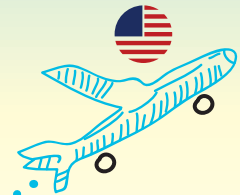
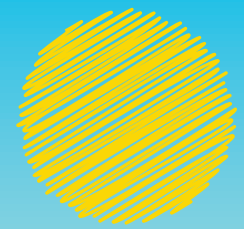


ACHIEVEMENTS - GOAL 1

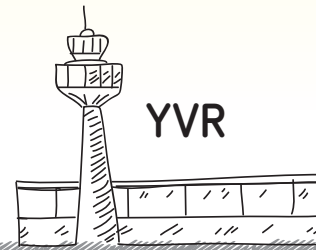
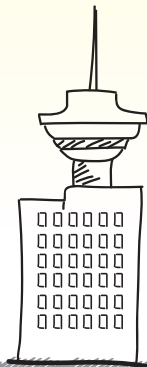
Objectives to Pursue

1 Strengthen transportation linkages by exploring opportunities with key service providers in order to establish the airport as an intermodal hub.

- Investigate and promote improvements to support catchment area links with BC Ferries to connect with current and future air service.
- Investigate and promote improvements to bus and shuttle schedules to connect with current and future air service



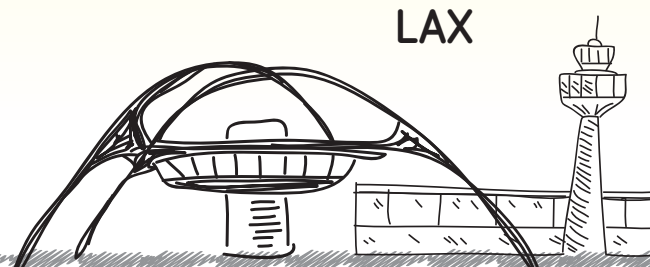
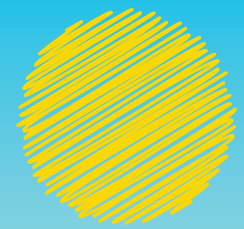
CONNECTING IS EASY



ACHIEVEMENTS - 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.



ACHIEVEMENTS - GOAL 2

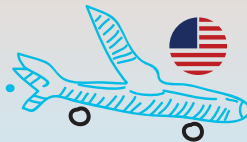
Objectives Underway or Completed

1 Initiate an airport Master Plan review

- Preliminary infrastructure needs assessment is complete, including a building review.
- Plans complete and budgets approved for:
 - Construction of a new maintenance workshop
 - Apron repairs and resurfacing
 - Airside Ground Support Equipment area construction

2 Refresh plans for 1301 Knight Road.

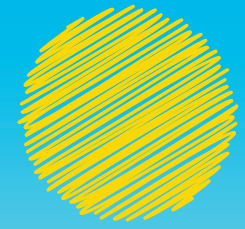
- Overflow staff parking lot complete.
- Overflow/long-term parking and commercial development options under review.



FROM COMOX FLY DIRECT TO VANCOUVER AND CONNECT TO MAUI

OGG





ACHIEVEMENTS - GOAL 2

Objectives to Pursue

- 1 Identify site development requirements upon completion of infrastructure needs assessment.
- 2 Draft a capital plan for recommended infrastructure improvements and life cycle replacement costs.
- 3 Refresh plans for adjacent airport land.
 - Complete purchase of adjacent lot.
 - Produce a staged Development Permit application.
- 4 Secure long term tenure to terminal lands currently under lease from DND.



FLY DIRECT FROM COMOX TO CALGARY

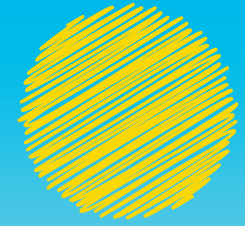
YYC



ACHIEVEMENTS - 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.



CONNECT IN CALGARY TO MONTREAL



ACHIEVEMENTS - GOAL 3

Objectives Underway or Completed

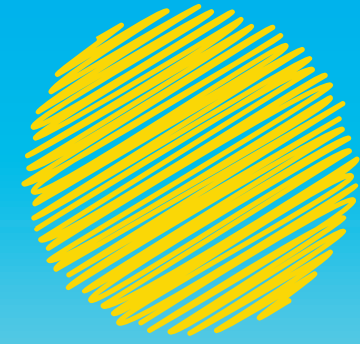
- 1 Maintain an on-going advocacy campaign to secure available funding for capital improvements.
 - BC Air Access Program funding application for 2016 capital projects complete.
- 2 Review aeronautical fee models and develop potential enhancements to maintain competitive edge.
 - Review against peer airports complete. YQQ maintains its advantage over the competition with its current fee structure.
- 3 Develop Investment Policy for Reserve Funds.
 - The Commission's investment policy was revised, resulting in the doubling of returns on reserve funds.

Objectives to Pursue

- 1 Increase non-aeronautical revenue by identifying new business opportunities.



ACHIEVEMENTS - GOAL 4



Attract and retain a talented and motivated team of employees

The Comox Valley Airport Commission understands its most valuable assets are the people it employs. We will retain our workforce by providing quality pay and benefits and encouraging 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.



ACHIEVEMENTS - GOAL 4

Objectives Underway or Completed

- 1 Identify necessary improvements to employee compensation and benefits and initiate the process to see them adopted.**
 - Replaced existing, employer financed health and benefits and disability insurance packages at a significantly lower cost.
 - Initiated an employer funded RSP program for all employees with an optional employee match option.
 - Transferred savings from benefits and insurance packages to increase RSP employer matching limits.
- 2 Support professional development opportunities.**
 - 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.
- 3 Ensure all employees receive written performance feedback at least annually.**
 - All employees participated in an annual review in 2015.
- 4 Maintain a viable succession plan.**
 - Hired a Deputy Operations Manager to provide redundancy for the Operations Manager and Facilities Manager.





ACHIEVEMENTS - GOAL 4

Objectives to Pursue

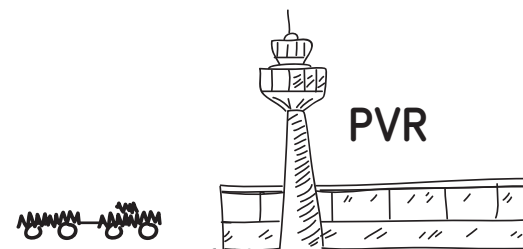
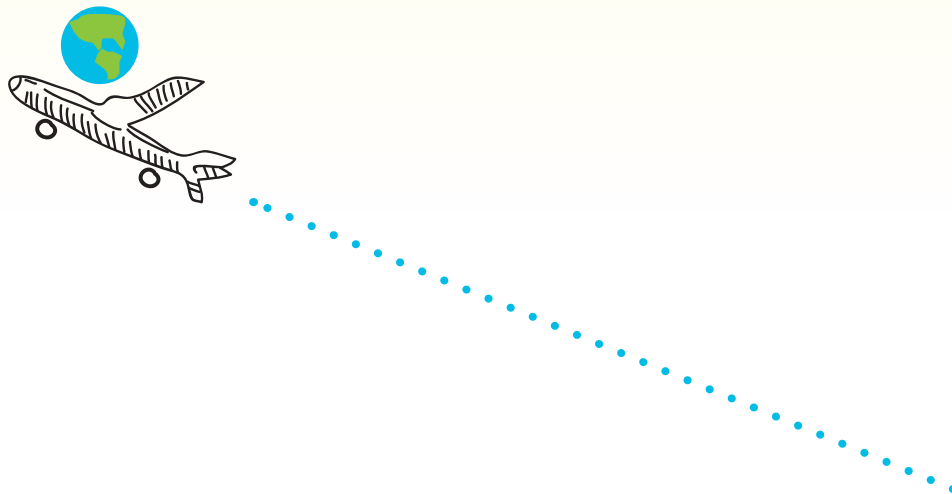
- 1 Review employee compensation and benefits package to ensure it remains competitive.

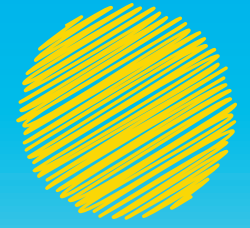




AWARDS

The Comox Valley Airport fuel team safely delivered 2.5 million litres of jet fuel in 2015. The YQQ fuel team received the Double Platinum Goal Zero Award for the third year in a row, along with a Shell Aviation Operational Excellence Award.





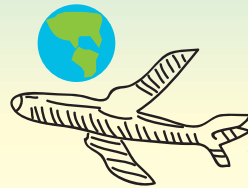
IMPROVEMENTS

- The Passport Parking pay by mobile phone application was implemented to simplify the parking payment process and improve the customer experience at YQQ.
- A new in-terminal Wifi system was installed to support more users and higher internet speeds.








STAY TUNED FOR:

- More public parking spaces.
- Improved television screens in the departures area.
- New electronic advertising screens in the arrivals area.
- More backlit spaces in the arrivals area.



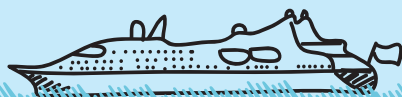
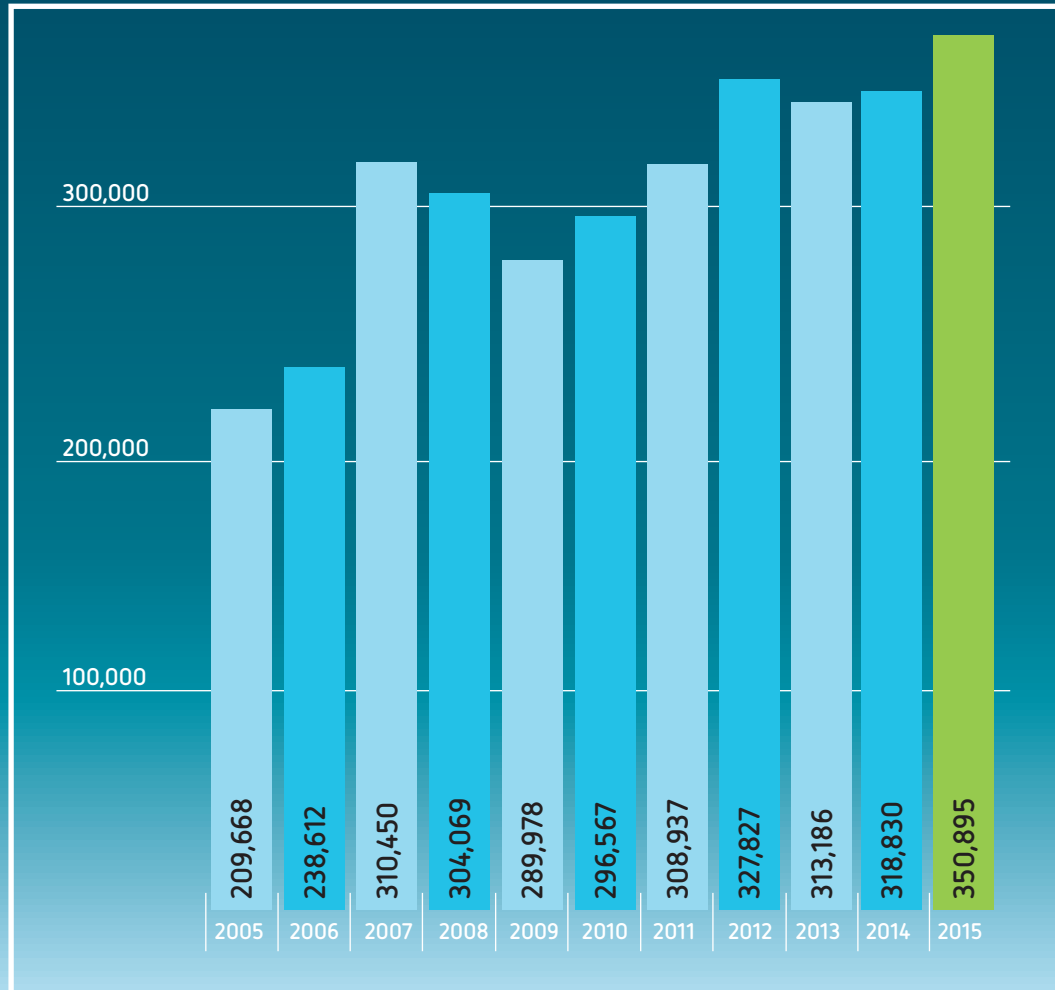


DID YOU KNOW?

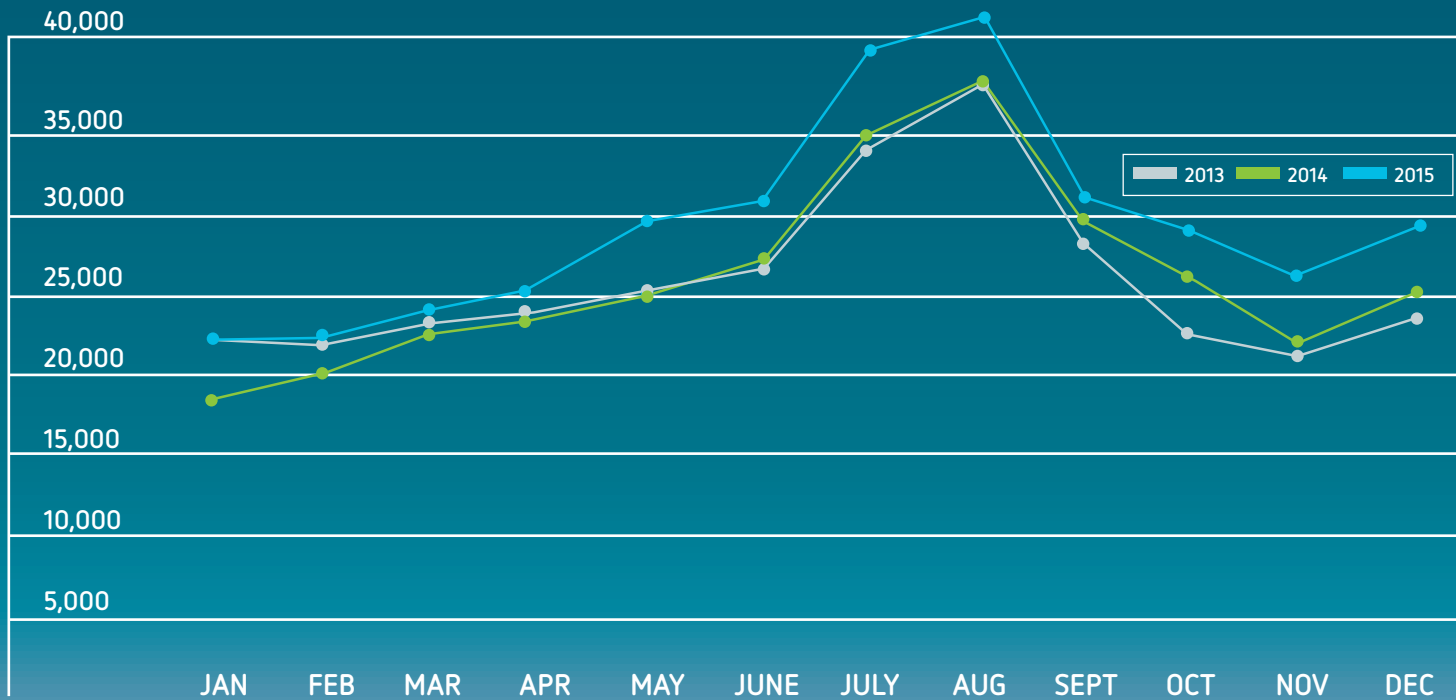
-  There were no major accidents, personal injuries or spills at YQQ in 2015.
-  The Comox Valley Airport works with local community aid organizations to provide opportunities for individuals with special needs to gain work experience at the airport.
-  The Comox Valley Airport conducts hands-on school tours for pre-school and elementary students.
-  The Comox Valley Airport donated over \$6,000 to local charities in 2015 including: Hope Air, You Are Not Alone, (YANA) the Comox Valley Food Bank, the Children's Health Foundation of Vancouver Island and the Coldest Night of the Year.
-  The Comox Valley Airport organizes emergency response exercises with 19 Wing Comox, the RCMP, the Comox Fire Department, local hospitals, the BC Ambulance Service, the Comox Valley Emergency Response Program and our airlines.



ANNUAL PASSENGER TRENDS



MONTHLY PASSENGER TRENDS



GOVERNANCE

Comox Valley Airport Commission Structure

Accountability Framework

- Certificate of Continuance
- By-Laws
- Strategic Plan
- Accountability Plan
- Financial Audit



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.



2015/16 CVAC Board Members from left to right:
Back Row - Andy Frost, Jay Oddleifson, Keith Tatton, Fred Bigelow, Fred Bates, Joe Schommer
Front Row - Richard Clarke, Susan Toresdahl, Frank van Gisbergen, Linda Oprica

Meeting Attendance

Director	Position	Board Meeting /11	Executive Committee /4	Audit Committee /1	Finance Committee /3	Governance Committee /7
Frank van Gisbergen	Chair	10	4	1	3	6
Richard Clarke	Vice-Chair	11	4	1	3	
Jay Oddleifson*	Chair, Audit	9		1	3	
Keith Tatton	Treasurer	7	3		3	
Susan Toresdahl	Secretary	9	4			7
Fred Bates	Director	11	1			7
Martin Crilly**	Director	2				1
Andy Frost***	Director	11		1	3	
Linda Oprica	Director	11		1		5
Joe Schommer	Director	7				7

* Term ended February 2016

** Appointed February 2016

*** Appointed as Audit Chair in February 2016

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	\$5,251
Andy Frost	2014	Audit, Finance	\$4,000
Jay Oddleifson	2007	Audit, Finance	\$3,567
Linda Oprica	2007		\$4,000
Joe Schommer	2014	Governance	\$4,000
Martin Crilly**	2016	Governance	\$407
Comox Valley Chamber of Commerce			
Keith Tatton	2013	Executive, Finance	\$5,251
Comox Valley Economic Development Society			
Frank van Gisbergen	2012	Audit, Executive, Finance, Governance	\$9,500
Comox Valley Airport Commission			
Fred Bates	2012	Governance	\$4,000
Susan Toresdahl	2012	Executive, Governance	\$9,000

* Director Oddleifson's term ended february 2016.

** Director Crilly replaced Director Oddleifson in February 2016.



REVENUE



Financial Performance

	2014/15	2015/16
Total Revenue	\$4,014,631	\$4,336,424
Total Expense	\$3,197,706	\$3,285,231
Net Surplus	\$816,925	\$1,051,193



ASSETS



NET Assets:
 \$16.7 Million



Operating Fund
 \$687,005

Capital Asset Fund
 \$16 Million

Assets

	2014/15	2015/16
Operating Fund	\$299,490	\$687,005
Capital Assets	\$15,347,260	\$16,010,938
NET Assets	\$15,646,750	\$16,697,943

CONTACT

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