



CCRD SERVICE REPORT

To: Evangeline Hanuse, Acting CAO
CC: CCRD Board of Directors
From: Ken McIlwain, Operations Manager
Meeting Date: December 9, 2021
Subject: BELLA COOLA AIRPORT AND FACILITIES SERVICE UPDATE

Recommendation:

THAT the Board of Directors of the Central Coast Regional District receives the Bella Coola Airport and Facilities Service Report dated December 9, 2021.

Service Background:

The CCRD is responsible for provision of the Bella Coola Airport and Facilities Service to electoral areas C, D and E. Originally established under Supplementary Letters Patent as a function of the Regional District in 1972, the CCRD undertook to convert the function to a service of the CCRD through Bylaw No. 410, adopted April 12th, 2012, with electoral areas C, D and E as participants.

The Bella Coola Airport is a fully certified airport and operates under Transport Canada Civil Aviation Airport Certificate 5151 p527. The service is managed by the CCRD Operations Department with oversight from the CCRD CAO and Board of Directors. For regulatory purposes the CCRD CAO acts as the Accountable Executive and the CCRD Operations Manager is also the Airport Manager. The Operations Assistant acts as the Safety Management System Co-ordinator. A contract Airport Attendant carries out daily duties including inspections and wildlife control.

The airside infrastructure managed under the Airport and Facilities Service includes a 1280 m (4200') by 30 m (100') paved runway with two taxiways and an apron, a LL100 Av Gas fueling facility, and a baggage/freight handling area. The landside infrastructure includes a passenger terminal, five leased spaces in the passenger terminal building, lease lots, a

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parking lot, a children's play area/green space and the CCRD Winter Maintenance Facility/Office.

The airport runway, taxiways and aprons are in relatively good condition, although resurfacing will likely be required within the next decade. The airport currently supports daily scheduled air service to Vancouver International Airport – South Terminal. Prior to COVID-19, the Bella Coola Airport supplied service to approximately 11,000 passengers on an annual basis. The number of passenger movements has dropped by more than two thirds following the onset of the pandemic. Since the provincial reopening, passenger movements have recovered to about half pre-pandemic levels.

In 2016 the CCRD commissioned the development of the Bella Coola Airport Master Plan. It was completed in February of 2017. The Master Plan is a guiding document that will assist the CCRD in making operational and capital investment decisions over a 10 to 20-year time horizon.

The Master Plan addresses Aircraft Safety, Airport Capacity, Forecast Demand, Regional Planning, Revenue, Groundside Activities and Land Uses. The planning process included an analysis of existing infrastructure to help determine investment priorities. Stakeholder consultations were completed to gain insight from residents and stakeholders around opportunities and areas where improvement is desired. An Airport Land Use Plan was completed to provide a framework to guide future development at the airport over the long term (e.g., 20 years).

2021 projected revenue sources for the Bella Coola Airport service are as follows:

- Passenger User Fees - \$48,000
- Landing Fees - \$33,912
- Ground Leases - \$7,882
- Terminal Rental - \$24,953
- Fuel Surcharge - \$2,300
- LL100 Fuel Sales - \$15,000
- Provincial Basic Grant - \$3,676
- Deferred Rural Dividend and BCAAP Grants - \$32,927
- BCAAP Fuel Terminal Upgrade Project Grant - \$568,000

Quarterly [or Bi-Annual or Annual] Highlights:

- Pacific Coastal has increased schedule air service between Bella Coola and Vancouver to 5 scheduled flights a week (Sunday, Tuesday, Wed, Thursday, Saturday, Sunday).
- Scheduled passenger traffic between Bella Coola and Vancouver has increased to slightly more than half of pre-pandemic levels. In November of 2019 (pre-pandemic), there were 419 incoming and 405 outgoing passengers. For November 2021, there were 242 incoming and 251 outgoing passengers.

- In August, the Regional District entered into a funding agreement \$328,322 in grant funding through Western Diversification Canada – Regional Air Transportation Initiative for the renovation of Airport Terminal building to increase passenger capacity and improve accessibility. In order to complete the project, the regional district will need an extension to the March 31, 2022 deadline. Part of the project requires architectural design work for the front entrance and concrete work is very difficult to undertake through the winter because the local ready-mix supplier shuts down in late fall.
- Fall mowing of the airfields is complete.
- Site preparation work is complete for the new airport fueling station at the airport.
- COVID-19 measures continue to be in place at the Airport Terminal. Proof of vaccine is now required in order to fly on Pacific Coastal scheduled service to and from Vancouver. Masks are required in public areas of the terminal. A germ shield has been installed at the Pacific Coastal counter in the airport terminal. Two hand sanitizer stations have been installed near the public entrance/exit of the terminal. Decals have been placed on the floor in front of the Pacific Coastal counter to remind people to physically distance when possible. Public areas of the terminal are being deep cleaned between scheduled flights. Pacific Coastal Airlines has a separate set of procedures in place for passengers.

Grant Funded Projects Administered Under the Service:

The CCRD has received funding from the province under the BC Air Access Program (BCAAP) to complete obstacle removal at the Bella Coola Airport. Two separate grants have been awarded under BCAAP. The obstacle removal work started in 2017 and was completed in the fall/winter of 2019. The BCAAP funding was supplemented by funding from Northern Development Initiative Trust and BC Rural Dividend Fund. Most of the BCAAP funding has been expended. There was several thousand dollars remaining and this has been used for clean-up of cleared areas. The project was expected to conclude in the fall of 2021, however some more ground prep and seeding will be required in the spring.

In March of 2018, the CCRD received \$392,282 in grant funding from BC Rural Dividend Program for the Bella Coola Airport Tourism and Capacity Enhancement Project. In addition to helping with obstacle removal, the funding has paid for trail development, a play area and green spaces at the airport. Further projects to be completed with this funding include a cultural piece at the airport, lot development and further trail enhancement. The funding is currently budgeted between the Airport, Economic Development and Parks and Recreation services. The Rural Dividend funded projects were scheduled to be completed by late fall of 2020. Due to delays resulting from COVID-19, staff have submitted an

extension request to complete the planned works by December 2021. A further extension will be required in order to complete all works.

The CCRD was recently awarded funding from BC Ministry of Transportation and Infrastructure to undertake construction of a new cardlock fueling station that will better meet environmental regulations and enhance the Bella Coola Airport accessibility to aviation aircraft, as an attendant will no longer be required for fueling. The work is part of a Board led advocacy campaign to enhance regional transportation toward improved primary and emergency health outcomes through pandemic related leadership dialogue with provincial, federal, other local government and First Nation collaborators.

Feasibility Studies Authorized Under the Service:

N/A

Board Priorities - Service Specific Progress of CCRD Strategic Plan 2019 – 2022:

Objective/Priority		Relevant Strategic Goal (2019-2022)		
Transportation - Emergency Medical Evacuations*		<i>Effective Community Planning</i>		
Objective/Priority		Relevant Strategic Goal (2019-2022)		
Revenue - Bella Coola Airport: Exclusion of local governments from Canada Emergency Relief Benefit landlord/tenant relief funding		<i>Good Governance and Administration</i>		
Service Area	Priority Project	Relevant Strategic Goal	Timeline	Relevant Strategic Objectives
Bella Coola Airport	1) Return of Operations Certificate 2) Allocation of infrastructure funding through BC Air Access program*	<i>Improving Our Infrastructure</i>	2020 2020 - 2022	1) This is a non-negotiable item mandated by Transport Canada regulations, that must be met by November 2020; 2) See Page 4*

- The Airport has been awarded funding from the Ministry of Transportation and Infrastructure (MoTI) for the construction of a new self-serve fueling facility at the Bella Coola Airport. The project is funded 100% by MoTI through a BC Air Access Program funding agreement.
- The return of the Airport Certificate was achieved as per strategic priority #1 for the Bella Coola Airport.

- Accessing BC Air Access (BCAAP) funding (as per strategic priority project 2), will continue to be a challenge. Traditionally, BCAAP requires a contribution of 25% of the project cost from the CCRD. Options for securing a 25% contribution are most likely limited to the Community Works Fund, Asset Replacement Reserve or another funder such as Northern Development Initiative Trust (NDIT).

Financial/Budgetary:

Total Budget (Including confirmed grants):

Total 2021 Anticipated Revenues: \$940,779 (including confirmed grant revenues and carry forward surplus of \$23,521)

Percent total expenditures to June 7, 2021: \$287,750 or 31%

Budget (Basic Provincial Grant, User Fees/Charges, and COVID-19 Restart Grant):

Subtotal 2021 Revenues: \$316,331 (excluding special project grant revenues)

Percent total expenditures to May 6, 2021: \$239,666 or 76% (excluding special project expenditures)

Note: \$180,000 is allocated to the airport budget from the CCRD Covid-19 Safe Restart Grant to account for significant loss of revenue since 2020 due to COVID-19 related reductions in user fee revenue.

Grant Funded Special Projects

The following are 2021 Grant Funded Special Projects budgeted revenue and expenditures for BC Airport.

- 1) Special Project: BC Rural Dividend - Bella Coola Airport: Tourism and Capacity Enhancement Initiative #201802003 - RD Project Management Lot-development (502451-210)
Total 2021 Budgeted Grant Revenue: \$30,210
Total Expended: \$0.00
- 2) Special Project: Ministry of Transportation & Infrastructure - BC Air Access Program - Obstacle Removal and Certification Project at Bella Coola Airport #0670A108635
Total 2021 Budgeted Grant Revenue: \$2,717
Total Expended: \$2,717

- 3) Special Project: Ministry of Transportation & Infrastructure - BC Air Access Program – Bella Coola Airport Fueling Station
Total 2021 Budgeted Grant Revenue: \$568,000
Total Expended: \$48,084
- 4) Special Project: Western Diversification Canada - RATI – Bella Coola Airport Terminal Renovations
Total 2021 Budgeted Grant Revenue: \$0.00
Total Expended: \$0.00

Notes on Financial Variance:

The following comments apply to the 2021 budget as approved in the 2021-2025 financial plan:

- We continue to see a pandemic related reduction in scheduled passenger traffic as projected in the 2021 budgeting process.
- Fuels sales are expected to remain at about ½ of pre-pandemic levels.
- The Board approved RATI grant funding is not included in the approved 2021 financial plan as the funding was applied for and secured after the adoption of the five year financial plan. The RATI is a 97% grant funded project and the 3% contribution from the Regional District was already included in the airport budget under capital improvements.


Apportioned Administration Reflecting Time Requirements – Staff and Elected Officials:

Apportioning administrative (operational) costs to each service the CCRD operates is a requirement under the *Local Government Act* s. 379(1). The CCRD calculates apportioned administration using a two-pronged formula that considers:


- an estimate of staff time dedicated to a particular service (estimated from an average of approximate time spent the preceding year and time contemplated for the upcoming year); as well as
- an allocation of the combined total costs of Board governance, yearly audit and financial services, insurance and core administrative overhead (i.e. office space and supplies).

The total apportioned administration costs determined for CCRD's Bella Coola Airport and Facilities Service is calculated to be \$133,000 for 2021 and incorporated as such into the CCRD Five Year Financial Plan 2021-2025. The increasing costs are a consequence of elevating service needs to maintain full certification, the cost of overseeing new special

projects benefiting the service as a whole, and the cost to meet additional service needs to maintain compliant operations through the pandemic, irrespective of reduced landings.

Respectfully Submitted by: 

Ken McIlwain, RPF

Reviewed by: 

Evangeline Hanuse, Acting Chief Administrative Officer