

# *Northern Ontario's Preferred Gateway*



GREATER SUDBURY AIRPORT  
ANNUAL REPORT

# 2018





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# Message from the Chair



**It is my pleasure as the Chairperson of the Sudbury Airport Community Development Corporation (SACDC) to welcome you to the Greater Sudbury Airport's 2018 Annual Report.**

Our airport had another successful year. The management team continues to focus on making the right financial decisions when it comes to capital expenditures. Moving forward with our capital projects is essential to the Greater Sudbury Airport's (GSA) goal to maintain the airport's long-term competitiveness and become Ontario's preferred northern gateway.

The trend is clear—air travel is on the rise. Sustainable growth and development to meet future demand is paramount. The Greater Sudbury Airport has been planning and developing its infrastructure and surrounding lands. To ensure that our activities and direction are in line with the wants, needs and expectations of stakeholders and airport users we have initiated the development of a new 10-year Master Plan, to be launched in 2019.

In 2018, we had to say goodbye to one of our cherished colleagues and long-serving SACDC Board member Paul Kusnierczyk who began as a director in 2014, and was later appointed by the Greater Sudbury Economic Development Corporation. We thank him for his contribution and service.

We had the opportunity to welcome two new members in 2018. We were joined by David Paquette, who was appointed by the Greater Sudbury Economic Development Corporation, and Todd Cochrane who was a citizen applicant.

I know I speak on behalf of the entire Board when I say I am excited to work with both Todd and David in support of the management team's efforts to move the Greater Sudbury Airport forward.

On behalf of the SACDC, I would like to thank the individuals who supported our airport in 2018. We are looking forward to many more great years of travelling together.

## VINCE POLLESEL

**Board Chair, Sudbury Airport Community Development Corporation**



## Message from the CEO



Thank you for another successful year!

Airport passenger traffic globally has been growing at an average rate of 4.5% during the last decade (from 2007 to 2017) despite a series of macroeconomic shocks and adverse geopolitical events. Considering robust traffic growth, many airports are near, at, or even exceeding their design capacities, causing congestion, higher costs, lower levels of service and frustrated demand. Existing airport infrastructure cannot handle expected growth. This is what the industry refers to as capacity crunch.

The Greater Sudbury Airport has had this realization. In 2018, the Greater Sudbury Airport saw passenger traffic grow by 5.7%. A positive sign given that we faced some negative service impact with WestJet stopping service at the end of October. We continue to work with Air Canada, Bearskin and Porter having strengthened their services.

Sunwing Airlines enhanced opportunities for folks to find the sun and relaxation with their added weekly service to Montego Bay, Jamaica. We look forward to growing service with Sunwing again in 2019.

The Greater Sudbury Airport understands the important role the airport plays in the community, within business, education and health.

To that end, the Sudbury Airport Community Development Corporation undertook to update and enhance the Airport's Master Plan.

**Sustainability planning and management of airports is not a new concept. That said, as airports undertake projects to enhance capacity, many are realizing quantifiable benefits - including cost savings - by incorporating sustainability into their planned activities, projects and growth plans.**

We believe that with our Master Plan approach, which included consultation with key business partners, stakeholders and the community—we will be better positioned to serve and grow responsibly.

The Greater Sudbury Airport team is excited about the opportunities ahead and look forward to developing and enhancing a sense of place in the Community.

**TODD TRIPP**

**Chief Executive Officer, Greater Sudbury Airport**



# *Our Purpose*

## **OUR VISION**

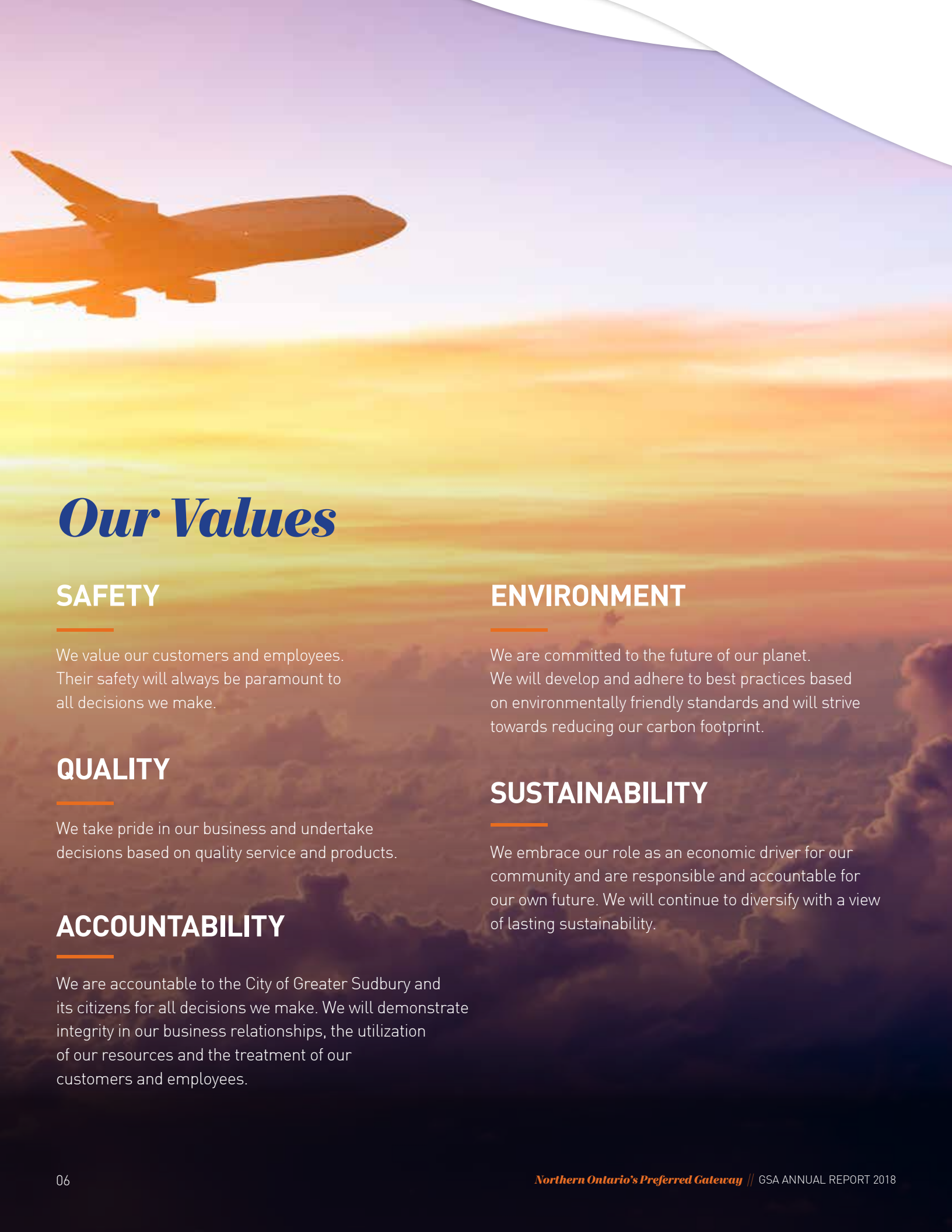
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To be Northern Ontario's preferred gateway.

## **OUR MISSION**

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To provide world class services and facilities and to stimulate the economic development of our community.



# *Our Values*

## **SAFETY**

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We value our customers and employees. Their safety will always be paramount to all decisions we make.

## **QUALITY**

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We take pride in our business and undertake decisions based on quality service and products.

## **ACCOUNTABILITY**

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We are accountable to the City of Greater Sudbury and its citizens for all decisions we make. We will demonstrate integrity in our business relationships, the utilization of our resources and the treatment of our customers and employees.

## **ENVIRONMENT**

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We are committed to the future of our planet. We will develop and adhere to best practices based on environmentally friendly standards and will strive towards reducing our carbon footprint.

## **SUSTAINABILITY**

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We embrace our role as an economic driver for our community and are responsible and accountable for our own future. We will continue to diversify with a view of lasting sustainability.

# Board of Directors



**VINCE POLLESEL**  
Chair of the Board



**CHRIS MERCER**  
Vice-Chair of the Board



**DIANE MCFARLANE**  
Treasurer of the Board



**MONIQUE FORSYTH**  
Secretary of the Board



**MIKE JAKUBO**  
City of Greater Sudbury  
Councillor, Ward 7



**AL SIZER**  
City of Greater Sudbury  
Councillor, Ward 8



**BRENT BATTISTELLI**  
Greater Sudbury  
Development Corporation  
Appointment



**DAVID PAQUETTE**  
Greater Sudbury  
Development Corporation  
Appointment



**GREG SEGUIN**  
Director



**LISE PORATTO-MASON**  
Director



**TODD COCHRANE**  
Director



**TODD TRIPP**  
Chief Executive Officer  
Greater Sudbury Airport

## 2018 Sudbury Airport Community Development Corporation Board of Directors

The Board of Directors is responsible for establishing the strategic direction and overseeing the management of the Greater Sudbury Airport's business affairs.

**The composition of the Board include;** two (2) City of Greater Sudbury Councillors, two (2) appointments from the Greater Sudbury Development Corporation (GSDC), and seven (7) citizens.

# Airport Team

**TODD TRIPP**

Chief Executive Officer

**LINDA DUBOIS**

Executive Assistant to the CEO

**JEAN-MATHIEU CHÉNIER**

Director, Marketing, Airport Excellence & Innovation

**STEPH MATHIEU**

Marketing & Communications Coordinator

**PAULETTE ETHIER**

Airport Accounting Analyst

**ROBERT TYRER**

Director of Airport Operations/Fire Chief

**PHILIP ROCCA**

Manager of Airside Operations/Deputy Fire Chief

**TIM NORWOOD**

Manager of Security & Terminal Operations

**BRIAN SITKO**

Supervisor Airfield Operations/Trainer

**MARGARET MENCZEL**

Manager of Regulatory Compliance & Safety Management Systems





# 2018 Highlights

## ARRIVALS & DEPARTURES:

# Passenger & Aircraft Statistics



**2018:** 286,260 PASSENGERS

**2017:** 271,647    **2016:** 228,962

**2015:** 228,529    **2014:** 230,233

The Greater Sudbury Airport continues to work toward improving air travel options for business, residents and visitors of Northern Ontario. Despite WestJet stopping operations at the end of the third (3rd) quarter of 2018, passenger traffic at the Greater Sudbury Airport concluded with **286,260** passengers using the airport, a 5.7% increase over 2017. The Greater Sudbury Airport has experienced an increase of 24% over a five-year period since 2014. The growth at the Sudbury Airport continues to keep pace with passenger growth within Canada and globally.



**42,223**  
**AIRCRAFT**  
**MOVEMENTS**

Total aircraft movements increased by **3,380 (8.7%)** over 2017.



# 2018 Highlights

## Winter Maintenance

### EAGLE CLAAS TRACTOR

**Eagle Claas Xerion Tractor (supplied by Team Eagle Ltd. from Campbellford, Ontario)** This impressive tractor with its 36-foot plow improved snow removal in key areas of airport property, especially air ambulance and private charter areas.



### SNOW MAULER



#### **ATI Snow Mauler and MB Cradle Broom Combination**

The brand new Snow Mauler Plow Truck with an MB Cradle Runway Sweeper has increased efficiency and reduced occupancy time for the airport taxiway and runway snow-clearing operations.

Not only does our new equipment enhance staff productivity by expediting snow removal from our airport surfaces, these innovative pieces of equipment reduce our environmental impact with improved fuel efficiency and offer enhanced situational awareness, granting our airport staff greater safety.

Our new equipment purchases were made possible by the Sudbury Airport Community Development Corporation's investment in the Airport Equipment Renewal Program. Investment in this program is vital to increasing the airport's long-term capacity expectations.

# 2018 Highlights

## A NEW WINTER ESCAPE: MONTEGO BAY, JAMAICA



**Sunwing expands operations from Sudbury with the addition of new seasonal flight service to Montego Bay, Jamaica!**

While 2018 represented Sunwing's 12th year of operation from Greater Sudbury Airport, it was the first time they have offered two different destinations for winter escapes. The move to develop the number of destinations from Sudbury was a result of consumer demand and feedback from travel agency partners in the Greater Sudbury region. Both Punta Cana, Dominican Republic and Montego Bay, Jamaica provide travellers with excellent winter escape choices.

## A PROACTIVE APPROACH: SAFETY MANAGEMENT SYSTEM (SMS)

The Greater Sudbury Airport's Safety Management System (SMS) is based on the idea that better prevention of hazards can be attained by helping to identify safety risks before they become bigger problems. Transport Canada regulations mandate the aviation industry to utilize SMS to reduce accidents and incidents through a proactive approach. Canada is a leader in aviation SMS and the Greater Sudbury Airport fully supports the SMS initiative.

Part of the restructuring in our Airport's Operations Department was the establishment of a new role, that of the Manager of Regulatory Compliance and Safety Management Systems. The new role will work with business partners and stakeholders to help improve safety and to ensure regulatory compliance. We are extremely fortunate to have hired a former SMS inspector into the new role. Airport safety is paramount; we value our employees and our customers!

## NORTHERN ONTARIO HERITAGE FUND CORPORATION: POTABLE WATER SYSTEM



Earlier this year, the Greater Sudbury Airport was approved for funding through the Northern Ontario Heritage Fund Corporation toward the investment in the rehabilitation and expansion of the Airport's potable water system. The rehabilitation includes improvements to infrastructure, modern technology, pumps and controls ensuring that Greater Sudbury Airport has the ability to meet the needs of its current and future water demand.

The potable water infrastructure project is a key element to the Airport's long-term planning for continued growth as well as its mandate to stimulate the economic development of the community by attracting enterprise and jobs to the community.

# Looking ahead to 2019

## MASTER PLAN

The Greater Sudbury Airport, in collaboration with the engineering and consulting groups Stantec, DKMA and Explorer Solutions, is working to prepare an Airport Master Plan. This plan will help guide airport advancement over the next 10 years. Part of the Master Plan will look at the full and efficient utilization of the lands, optimize aviation-related revenue and create commercial and industrial development opportunities that support our regional industries and economic development efforts.



## ***Fiscal Stability***

**\$2.16 MILLION  
OPERATING SURPLUS**

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**\$3.22 MILLION  
CAPITAL INVESTMENT**

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*“Moving forward with our capital projects is essential to the GSA’s goal to maintain the airport’s long-term competitiveness and become Ontario’s preferred northern gateway.”*





# Financial Statements

## STATEMENT OF FINANCIAL POSITION

(DECEMBER 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017)

### ASSETS

<b>CURRENT ASSETS</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
CASH	11,805	45,701
TRADE AND OTHER RECEIVABLES	2,293,848	779,606
PREPAID EXPENSES	65,420	370,011
SUPPLIES	116,662	97,893
	<b>2,487,735</b>	<b>1,293,211</b>
PROPERTY, PLANT AND EQUIPMENT	28,955,787	24,645,449
	<b>31,443,552</b>	<b>25,938,660</b>



# Financial Statements

## LIABILITIES AND SHAREHOLDERS' EQUITY

	2018 \$	2017 \$
<b>CURRENT LIABILITIES</b>		
TRADE AND OTHER PAYABLES	414,315	1,054,027
PAYABLE TO THE CITY OF GREATER SUDBURY	4,991,692	847,380
	<b>5,406,007</b>	<b>1,901,407</b>
<b>NON-CURRENT LIABILITIES</b>		
EMPLOYEE BENEFIT OBLIGATIONS	365,305	363,202
DEFERRED CAPITAL CONTRIBUTIONS	10,911,028	10,008,353
	<b>16,682,340</b>	<b>12,272,962</b>
<b>SHAREHOLDERS' EQUITY</b>		
RETAINED EARNINGS	14,748,000	13,650,679
ACCUMULATED OTHER COMPREHENSIVE INCOME	13,182	15,019
	14,761,182	13,665,698
	<b>31,443,522</b>	<b>25,938,660</b>



# Financial Statements

## STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(YEAR ENDED DECEMBER 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017)

REVENUE	2018 \$	2017 \$
PASSENGER FACILITY FEE	3,152,546	2,936,884
CAPITAL CONTRIBUTIONS	885,855	877,784
RENTALS AND CONCESSIONS	2,979,173	2,550,142
NATIONAL LANDING FEES	907,453	760,759
TERMINAL FEES	683,839	677,426
SERVICES	946,777	765,547
	<b>9,555,643</b>	<b>8,568,542</b>





# Financial Statements

EXPENSES	2018 \$	2017 \$
SALARIES, WAGES AND BENEFITS	2,698,053	2,535,885
MATERIALS	469,317	695,658
UTILITIES	563,420	514,685
POLICING AND SECURITY	419,562	374,728
CONSULTING AND OTHER PROFESSIONAL SERVICES	337,052	248,401
OTHER	832,458	1,006,396
PROPERTY TAXES	242,735	218,914
ADMINISTRATIVE CHARGES	241,118	240,503
MAINTENANCE	495,738	216,534
INSURANCE	148,676	85,006
DEPRECIATION OF PROPERTY AND EQUIPMENT	1,952,977	1,877,186
	<b>8,401,106</b>	<b>8,013,896</b>
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE UNDERNOTED</b>	1,154,537	554,646
<b>INTEREST EXPENSE</b>	(57,216)	(39,308)
	<b>1,097,321</b>	<b>515,338</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	(1,837)	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>1,095,484</b>	<b>515,338</b>

# Financial Statements

## STATEMENT OF CHANGES IN EQUITY

(YEAR ENDED DECEMBER 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017)

	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) \$	RETAINED EARNINGS \$	TOTAL \$
<b>BALANCE - JANUARY 1 , 2017</b>	<b>15,019</b>	<b>13,135,341</b>	<b>13,150,360</b>
INCOME FOR THE YEAR	-	515,338	515,338
<b>BALANCE - DECEMBER 31 , 2017</b>	<b>15,019</b>	<b>13,650,679</b>	<b>13,665,698</b>
INCOME FOR THE YEAR	-	1,097,321	1,097,321
REMEASUREMENT OF THE EMPLOYEE BENEFIT OBLIGATION	(1,837)	-	(1,837)
<b>BALANCE - DECEMBER 31, 2018</b>	<b>13,182</b>	<b>14,748,000</b>	<b>14,761,182</b>

## STATEMENT OF CASH FLOWS

(YEAR ENDED DECEMBER 31, 2018, WITH COMPARATIVE INFORMATION FOR 2017)

<b>CASH PROVIDED BY (USED IN)</b>	<b>2018 \$</b>	<b>2017 \$</b>
<b>OPERATING ACTIVITIES</b>		
COMPREHENSIVE INCOME FOR THE YEAR	1,095,484	515,338
<b>ITEMS NOT INVOLVING CASH</b>		
DEPRECIATION OF PROPERTY AND EQUIPMENT	1,952,977	1,877,186
AMORTIZATION OF DEFERRED CAPITAL CONTRIBUTIONS	(885,855)	(877,784)
NON-CASH EMPLOYEE FUTURE BENEFIT OBLIGATION EXPENSE (GAIN)	1,837	-
	<b>2,164,443</b>	<b>1,514,740</b>







# Financial Statements





	2018 \$	2017 \$
<b>CHANGES IN NON-CASH WORKING CAPITAL</b>		
TRADE AND OTHER RECEIVABLES	(1,514,242)	(262,802)
PAYABLE TO THE CITY OF GREATER SUDBURY	4,144,312	(651,190)
PREPAID EXPENSES	304,591	(327,565)
INVENTORY	(18,769)	(11,030)
TRADE AND OTHER PAYABLES	(639,712)	327,443
EMPLOYEE FUTURE BENEFITS	266	35,177
	<b>4,440,889</b>	<b>624,773</b>
<b>INVESTING ACTIVITIES</b>		
PURCHASE OF PROPERTY AND EQUIPMENT	(6,263,315)	(649,842)
	<b>(6,263,315)</b>	<b>(649,842)</b>
<b>FINANCING ACTIVITIES</b>		
CAPITAL CONTRIBUTIONS RECEIVED	1,788,530	49,526
	<b>1,788,530</b>	<b>49,526</b>
<b>INCREASE (DECREASE) IN CASH DURING THE YEAR</b>	(33,896)	24,457
<b>CASH, BEGINNING OF YEAR</b>	45,701	21,244
<b>CASH, END OF YEAR</b>	<b>11,805</b>	<b>45,701</b>



# Our Destinations

For more information about the Greater Sudbury Airport, please visit our website at [www.flysudbury.ca](http://www.flysudbury.ca)

-  [facebook.com/FlySudbury](https://facebook.com/FlySudbury)
-  [@FlySudbury](https://twitter.com/FlySudbury)
-  [Fly Sudbury](https://instagram.com/FlySudbury)
-  [youtube.com/flysudbury](https://youtube.com/flysudbury)

-  [airport@flysudbury.ca](mailto:airport@flysudbury.ca)
-  705.693.2514
-  1.855.FLY.2YSB
-  5000 Air Terminal Drive, Suite T202  
Garson, ON P3L 1V4

