



A BOLD VISION

COMMITTED TO GROWTH

ANNUAL REPORT | 2014

BOLD VISION

The Greater Sudbury Airport has been moving forward planning and developing its infrastructure and surrounding lands since the approval of its Master Plan in 2013. The result is a bold vision for the Greater Sudbury Airport to expand the customer experience, develop general aviation and airport lands to stimulate the local and regional economies.



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MESSAGE FROM THE CHAIR



The Greater Sudbury Airport has enjoyed another strong year supported by prudent financial management and infrastructure rehabilitation. In fact, the GSA is on a mission and a large part of the vision is to provide world class service while continuing to play an important role in the local economy. 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. In this 2014 annual report, you will see that this bold vision is being realized in very tangible ways.

One of the pillars of our strategic plan has been land development and, with investment at the local, provincial and federal levels, we have achieved a great deal of success in this area. Our Threshold 30 development project on the northeast side of the airport has opened up ten (10) fully serviced lots ready for construction including the erection of a series of T-hangars; nevertheless, the most impressive project undertaken so far is the 34,000 square-foot hangar (Hangar II) currently under construction.

Hangar II will be large enough to house most aircrafts flying in and out of our airport, creating new potential for business in the years to come. Additionally, the GSA is very pleased with the MNR's choice of Sudbury as their "preferred gateway to the north" and welcomes the opportunity to continue to work with the province to strengthen aviation-related services for the people of Northeast Ontario as they expand their footprint.

The Greater Sudbury Airport benefits from the skill and energy of its staff, stakeholders, businesses and tenants. I would like to take this opportunity to recognize our Chief Executive Officer, Mr. Bob Johnston. His leadership has ensured a strong operating and capital budget that helps us achieve our bold vision and commitment to growth. I would also like to extend my appreciation to the traveling public who has opted to travel out of the Greater Sudbury Airport. We appreciate your patronage.

Finally, I would like to recognize the hard work of our staff, the vision of our Board and the unfailing support of our business partners. We can all look forward to more tangible success in the near future!

BISH BORA

A stylized, handwritten signature in white ink, appearing to read 'B. Bora'.



MESSAGE FROM THE CEO

I am pleased to report that this past year has once again yielded strong financial results with notable growth in multiple areas of our business.

Amongst the many activities and services provided by the Greater Sudbury Airport (GSA), the land development sector took top billing when it came to achieving the greatest success. Working in partnership with federal and provincial governments to leverage funding for eligible airport capital projects, the GSA undertook one of the most aggressive infrastructure renewal programs in its history. In total, more than \$13M was invested in various capital projects including the rehabilitation of primary runway 04-22 and air terminal main apron, as well as, the installation of wildlife fencing around the entire perimeter of the airport to increase safety to the traveling public and airlines alike while maintaining regulatory compliances.

Included within this investment envelope was a \$7 M contribution towards the construction of a state of the art, 34,000 square foot office/hangar facility. The new structure will be home to anchor tenant Discovery Air Fire Services and sub-tenant Northern Ontario School of Medicine. From a strategic perspective, the new hangar will be large enough to accommodate the largest aircraft (Bombardier-Q400) currently serving the GSA by Porter Airlines, and at times, Air Canada. Finally, in addition, new investment has also been robust as the Ministry of Natural Resources embarks on a three year, \$25M expansion project which will enable them to improve their service delivery model.

From a financial perspective, the GSA continues to work diligently at creating a viable business model that is sustainable in the long term. The 2014 actual surplus was \$1,223,987, approximately 10% better than the budgeted surplus. With government support for airport capital programs in decline and heavily over-subscribed, a healthy surplus is critically important to our ability to maintain and/or revitalize the airport's

infrastructure. This was never more evident than in 2014 when operating surpluses were heavily invested in our capital program.

On the horizon, infrastructure renewal will continue as a major focus throughout 2015. Several critical airport groundside projects, which include the parking lot and air terminal road network, are currently on the drawing board at the conceptual design stage and will be moving to final design and tender within 2015/2016. Included within the scope of work are capital upgrades to the "field-electrical centre" and the "water reservoir".

Each year, I go on record to praise my administrative team for their tremendous work and this year is no exception. I am especially proud of the fact that delivering exceptional customer service is now imbedded as part of our organizational culture at every level. I would like to extend my sincere appreciation to the tenants of the GSA for working collaboratively with us to raise the standards of service at our airport. Working together, we are ensuring that we deliver the most pleasurable travel

experience possible to our passengers. Finally, I would also like to take this opportunity to recognize our Board of Directors for their hard work, steadfast commitment, support and foresight as we move forward with this **Bold Vision**.

BOB JOHNSTON

OUR PURPOSE

OUR MISSION

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

OUR VISION

To be northern Ontario's preferred gateway.



CORPORATE GOVERNANCE

2014-2015

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

The composition of the Board includes; two (2) City of Greater Sudbury Councilors, two (2) appointments from the Greater Sudbury Development Corporation (GSDC), seven (7) citizen and one (1) ex-officio non-voting Director-CAO of the City of Greater Sudbury.



BISH BORA

CHAIR OF THE BOARD



LEAH MILLER

VICE CHAIR OF THE BOARD



VINCE POLLESEL

TREASURER OF THE BOARD



LISE PORATTO-MASON

SECRETARY OF THE BOARD



MONIQUE FORSYTH

DIRECTOR



PAUL KUSNIERCZYK

DIRECTOR

Greater Sudbury
Development Corporation
Appointment



MIKE JAKUBO

DIRECTOR

City of Greater Sudbury
Councilor, Ward 7



CHRIS MERCER

DIRECTOR



BRENT BATTISTELLI

DIRECTOR

Greater Sudbury
Development
Corporation Appointment



GREG SÉGUIN

DIRECTOR



AL SIZER

DIRECTOR

City of Greater Sudbury
Councillor, Ward 8



BOB JOHNSTON

EX-OFFICIO OF THE BOARD

Interim CAO
City of Greater Sudbury

MANAGEMENT **TEAM** AND AIRPORT STAFF

MANAGEMENT AND ADMINISTRATIVE TEAM

Robert Tyrer, Interim CEO

Linda Dubois, Administrative Assistant to the CEO

Shirley de Silva, Director of Business Development

Paulette Ethier, Accounts & Customer Service

Philip Rocca, Interim Manager/Fire Chief

Tim Norwood, Operations Supervisor/Deputy Fire Chief

OPERATIONS TEAM

Charles Beaudry, Airport Mechanic

Rob Colton, Airport Operations serviceperson (AFFS)

Bob Cruikshank, Airport Operations serviceperson (AFFS)

Doug Davidson, Airport Operations serviceperson (AFFS)

Dan Gaudet, Airport Operations serviceperson (AFFS)

Mike Gredner, Airport Operations serviceperson (AFFS)

Geoff Hutchison, Airport Operations serviceperson (AFFS)

Bob McKessock, Airport Operations serviceperson (AFFS)

Al Murray, Airport Operations serviceperson (AFFS)

Rob Oldridge, Airport Operations serviceperson (AFFS)

Brian Sitko, Airport Operations serviceperson (AFFS)

Alex Stevenson, Airport Operations serviceperson (AFFS)

Ryan Stuart, Airport Electrician

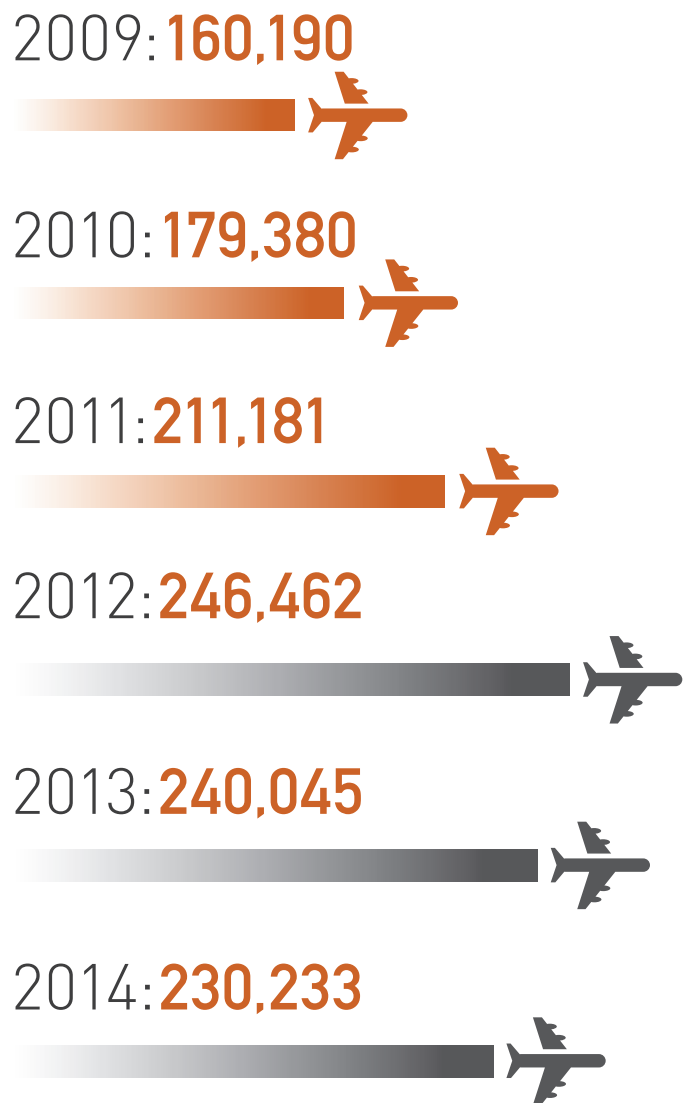


SUPERIOR AIR SERVICE

With **10,584 commercial aircraft movements** and 230,233 passenger traffic in 2014, the Greater Sudbury Airport has remained stable in its phenomenal growth since 2009. Our main service provider continues to be Air Canada providing seven direct daily flights to Toronto and beyond (M-S) and eight flights on Sunday annually. Porter Airlines is our direct link to Toronto's City Centre Airport with four daily direct flights (M-S) and up to three flights on weekends annually. Sunwing Vacations provides services to great sun destinations by offering a 12-week service during the peak tourism season.

TRAFFIC GROWTH

Commercial aviation remains the most significant source of revenue for the SACDC. Fiscal Year 2014 passenger traffic at the Greater Sudbury Airport concluded with **230,233 passengers**, a slight decrease of 4.1% reflecting a shift in Bearskin Airline's business model. Nevertheless, the Greater Sudbury Airport has experienced an increase of 43.72% over the 6-year period since 2009. Since then, a service addition has included Porter Airlines providing domestic and trans-border connectivity.



AIRPORT AT A GLANCE



230,233
PASSENGER MOVEMENTS

Total passenger movements decreased by 9812 (4.1%) over the same period ending DEC 31 / 2014, reflecting the impact of Bearskin Airlines change of business model.



10,584
COMMERCIAL AIRCRAFT MOVEMENTS

Total aircraft movements decreased by 1759 (15.3%) over the same period ending DEC 31 / 2014



5,916,706
OPERATING REVENUE

Operating revenue in 2014 was \$5,916,707. This is an increase of 3% over 2013 operating revenue of \$5,744,617. Operating expenses increased 2.4% in 2014 and the 2014 operating surplus of \$1,264,493 is a \$40,506 increase over the 2013 operating surplus of \$1,223,987. This represents a 3.3% increase. This is 10% better than the budgeted surplus for 2014 of \$1,148,470.

TOTAL CAPITAL INVESTMENT



1 2 3 4 5 6 7 8 9

\$ MILLION

CUSTOMER FOCUSED

CUSTOMER EXPERIENCE

When passengers and guests arrive at the Greater Sudbury Airport, we hope to provide them with an enjoyable experience. Therefore, we are continuously improving customer service and the range of amenities available to the public as a core value of the GSA.

2014 highlights include:

- Terminal WiFi upgrade for increased coverage and improved connection speed
- Improvement of the efficiency and reliability of our Flight Information Display System (FIDS)
- 100% response rate to all legitimate customer inquiries
- Expanded outreach to our customers via Facebook
- Additional connectivity through Porter Airlines and JetBlue networks

In 2014, the airport expanded its engagement with the community through digital media, which included posting messages and interacting on the airport's business Facebook page. The digital media audience has increased significantly and activities have been very successful in linking the airport with consumers, airlines and aviation stakeholders.

INVESTING IN SAFETY

Safety and Security are part of every aspect of the Greater Sudbury Airport operations. The GSA ensures that rigorous standards are maintained across a range of facilities, services and programs **to ensure the safety of the passengers, public and tenants.**

In 2014, the Greater Sudbury Airport successfully completed the full validation of its Safety Management System in compliance with Transport Canada. Safety Management System is a mandated documented process that provides comprehensive management of safety risks to ensure aviation safety or the safety of the public.

COMMUNITY RELATIONS

The Greater Sudbury Airport believes in a strong, vibrant and growing community and supports special events and charitable partnerships.

In 2014, we were pleased to be a partner in the Canadian Cancer Society's Second Annual Pull for Hope event held in August to raise money for the CCS's local Wheels of Hope Transportation Program that helps cancer patients with their transportation needs to and from treatment centers. With everyone's help \$19,251 was raised.

In addition, **we support numerous charities and community not-for-profit organizations** with the donation of time, expertise and money. Organizations supported in 2014 are:

- Hope Air
- Maison Vale Hospice
- Camp Quality
- Keeping them Warm
- Manuarin Annual Walk
- MS Society
- Stone Soup Kitchen Community
Emergency Fund

GREATER SUDBURY'S GATEWAY

Airports are vital national resources that play an important key role in transportation of people and goods as well as facilitating regional, national, and international commerce. As a result of aging infrastructure, the Greater Sudbury Airport's curbside appeal and functionality has been neglected. As part of our Airport Master Plan, the GSA has identified areas needing revitalization such as the airport entrance, the parking lots and entrance road system based on operational and safety issues (traveling public crossing a major road under various weather conditions, distance of the parking lots, and a system of one-way roads).

To highlight the significance of these areas, and the potential of the groundside entrance, the GSA plans to provide revitalized groundside infrastructure with improved functionality. Because of its proximity, this project ties in nicely with two other projects: (a) the expansion of field electrical center to provide backup power enhancing our emergency preparedness and (b) the rehabilitation of our pump house and water reservoir to provide a safe potable water supply with the pressure to meet the needs of the traveling public and tenants.

The development of a revitalized gateway concept is designed to be a focal point at the main entrance to the Greater Sudbury Airport. It will combine engineering designs with the sensitivity and aesthetics of a landscape designer to transform a marginalized space into a highly functional and meaningful environment complete with convenient parking lots, wide parking spaces, a car wash, green spaces, sitting areas and amenities that will create a first impression for everyone to enjoy. This initiative will further expand our commitment to a positive overall customer experience and create a lasting impression of our community.

MAKING THE **CONNECTION** WITH SOCIAL MEDIA

Walking through the Greater Sudbury Airport you would notice a diverse crowd of both business and leisure travelers. The holding room is a buzz with people on their laptop, cellphone or tablet. People are connecting with friends and family before they take off, others may be checking the final score of the Canadiens' game. This is the new age of connectivity and to each their own, but one thing is certain, we want to stay connected with the world around us. Technology and social media has made way for instantaneous communication. It keeps us up-to-date 24/7 on current events in the world and gives us access to retrieve information in a matter of seconds.

Social media is important to airports for this exact reason. The Greater Sudbury airport is increasingly seeing the tremendous value of connecting with passengers in a fast and efficient way. It allows for instant transmission of information from weather reports to new flight route announcements.

Social media has allowed for a personal connection between the airport and passenger, something quite remarkable – to communicate to the masses faster and in a controlled environment.

The Greater Sudbury Airport has an important role as a connection to the world, welcoming business and leisure travelers. There is responsibility to stay in touch with the clientele and communities we serve. It was important that we expanded our service delivery model to include access to information online. In September 2014 the Greater Sudbury Airport launched its official Facebook page. This was yet another opportunity to create a direct communication channel between our audience and the airport. Our new Facebook page allowed our team to communicate the benefits of flying from Sudbury and more importantly provide an official "check-in" for travelers to let family and friends know they were arriving or departing from the Greater Sudbury airport.

The bulk of our posts are positive news items that highlight the services and connectivity offered by the Greater Sudbury Airport. **Through the implementation of a digital media strategy, our page is tightly managed and kept active with consistent messaging that resonates with our audience.** This increases our engagement activities and creates excitement for the latest announcements made by the Greater Sudbury Airport and its tenants.

**15K**

People
Reached
On post

2,090

Clicks
On post

270

Likes
Comments
Shares
On post

322

Clicks On
Web URL
On post



Greater Sudbury Airport

Exciting news for Sudbury! Porter Airlines partnered with JetBlue Airways to connect you with more cities in North America.

Like · Comment · Share · 178 29 63

One particular post highlighted the announcement of Porter Airlines partnering with JetBlue Airways to expand their market offering. Facebook helped spread the excitement and the post generated countless 'likes' and 'shares' that reached nearly 15,000 people within 24 hours. The post included congratulatory comments and positive feedback of both the GSA and Porter Airlines. The success of this Facebook post helps showcase the effectiveness of social media in both personal and business matters.

We see the effectiveness of Facebook. We're creating new connections that go a long way in demonstrating our commitment to customer service.

ECONOMIC VITALITY AND OPERATIONS

The Greater Sudbury Airport is redefining what tomorrow's environment will be like with a \$ 13 million capital improvement plan for 2014 reflecting the follow projects:

- **HANGER II**
- **RUNWAY 04-22 REHABILITATION**
- **HARD SURFACE APRON REHABILITATION & REPAIRS**
- **VEHICLE ACQUISITION AND STORAGE EXTENSION**
- **WILDLIFE FENCING**

HANGER II

No doubt the most significant project at the Greater Sudbury Airport is the continued expansion of its commercial air side lots in the Threshold 30 development area. Specifically, **the building of a 34,000-square-foot aviation hangar** to help with the expansion of existing businesses and to attract new ones such as aircraft specialty operators, air cargo and engineering companies, such as Discovery Air and a new lab for Northern Ontario School of Medicine.



RUNWAY 04-22 REHABILITATION

The entire rehabilitation and paving of 6,600-foot Runway 04-22 included localized repairs of heaves and dips, as well as the re-establishing of the shoulders and line painting. **Construction on this project was started in 2014 and was completed on time and on budget.**



HARD SURFACE APRON REHABILITATION & REPAIRS

The rehabilitation and replacements of approximately thirty (30) cement pads including asphalt rehabilitation between the concrete pads and the terminal building, the re-leveling of existing storm drain and man hole tops. This project was completed on time and on budget.



VEHICLE ACQUISITION AND STORAGE EXTENSION

The purchase of a sand spreader and truck to ensure timely and effective wet sand spreading operations, which increases friction on runway and taxiway surfaces for the management of snow, slush and ice on runways and taxiways. The equipment will ultimately support safe airport operation for passengers, employees, medical evacuations, and fire fighting operations during winter months at the airport.



WILDLIFE FENCING

Installation of a wildlife fence along the perimeter of the airport property as an important tool in controlling mammals, especially bears, on airport runways and surrounding land.



GENERAL AVIATION

The Greater Sudbury Airport continues to support general aviation by putting in place the building blocks needed to grow and expand our Threshold 30 Land Development area. In addition to the availability of T-Hangars and the construction of Hangar II, the GSA has created an additional new tie-down area for small and private aircrafts.

Aircraft tie downs are used to minimize the possibility of aircraft movement due to high winds or propeller wash from taxiing aircraft when stored outdoors. This new area has been paved and six (6) tie-downs with plug-ins have been installed.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION (AS AT DECEMBER 31)	2014 \$	2013 \$
ASSETS		
CURRENT ASSETS		
CASH	20,285	1,300
TRADE AND OTHER RECEIVABLES	2,219,051	637,859
PREPAID EXPENSES	20,234	15,964
INVENTORY	76,240	104,240
RECEIVABLES FROM THE CITY OF GREATER SUDBURY	-	512,404
	2,335,810	1,271,767
NON CURRENT ASSETS		
PROPERTY AND EQUIPMENT	23,153,436	17,760,984
	25,489,246	19,032,751
LIABILITIES & EQUITY ATTRIBUTABLE TO THE CORPORATION		
CURRENT LIABILITIES		
TRADE AND OTHER PAYABLES	1,420,210	416,836
PAYABLE TO THE CITY OF GREATER SUDBURY	909,564	-
	2,329,774	416,836
NON-CURRENT LIABILITIES		
EMPLOYEE BENEFIT OBLIGATIONS	351,673	336,254
DEFERRED CAPITAL CONTRIBUTIONS	11,399,356	9,021,396
	14,080,803	9,774,486
EQUITY ATTRIBUTABLE TO THE CORPORATION		
RETAINED EARNINGS	11,415,141 (6,698)	9,264,260 (5,995)
ACCUMULATED OTHER COMPREHENSIVE LOSS	11,408,443	9,258,265
	25,489,246	19,032,751

STATEMENT OF INCOME AND COMPREHENSIVE INCOME (FOR THE YEAR ENDED DEC 31)	2014 \$	2013 \$
REVENUES		
SUPPLEMENTARY TERMINAL FEES	2,292,684	2,203,968
CAPITAL CONTRIBUTIONS	1,849,855	622,502
RENTALS AND CONCESSIONS	1,835,248	1,850,661
NATIONAL LANDING FEES	615,035	637,018
TERMINAL FEES	557,551	500,527
SERVICES	616,188	552,443
	7,766,561	6,367,119
OPERATING EXPENSES		
SALARIES, WAGES AND BENEFITS	2,156,174	2,096,154
POLICING AND SECURITY	374,802	347,039
MATERIALS	571,643	641,299
CONSULTING AND OTHER PROFESSIONAL SERVICES	205,764	267,985
MAINTENANCE	177,659	131,866
UTILITIES	419,411	321,491
OTHER	199,252	191,406
ADMINISTRATIVE CHARGES	217,159	211,487
INSURANCE	101,988	110,857
PROPERTY TAXES	243,905	237,703
DEPRECIATION OF PROPERTY AND EQUIPMENT	1,310,274	1,179,450
	5,978,031	5,736,737
OPERATING INCOME	1,788,530	630,382
GAIN ON SALE OF PROPERTY AND EQUIPMENT	361,523	-
INTEREST INCOME	828	5,266
NET INCOME FOR THE YEAR	2,150,881	635,648
OTHER COMPREHENSIVE INCOME (LOSS)	(703)	29,142
ITEM THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO NET INCOME - REMEASUREMENT OF THE EMPLOYEE BENEFIT OBLIGATION		
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,150,178	664,790

STATEMENT OF CHANGES IN EQUITY	RETAINED EARNINGS \$	ACCUMULATED OTHER COMPREHENSIVE LOSS \$	TOTAL \$
BALANCE			
BALANCE - JANUARY 1 , 2013	8,628,612	(35,137)	8,593,475
NET INCOME	635,648	29,142	635,648
REMEASUREMENT OF THE EMPLOYEE BENEFIT OBLIGATION	-	29,142	29,142
BALANCE - DECEMBER 31 , 2013	9,264,260	(5,995)	9,258,265
NET INCOME	2,150,881	-	2,150,881
REMEASUREMENT OF THE EMPLOYEE BENEFIT OBLIGATION	-	(703)	(703)
BALANCE - DECEMBER 31, 2014	11,415,141	(6,698)	11,408,443


STATEMENT OF CASH FLOWS (FOR THE YEAR ENDED DEC 31)	2014 \$	2013 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
NET INCOME FOR THE YEAR	2,150,881	635,648
ADJUSTMENTS FOR:		
GAIN ON SALE OF PROPERTY AND EQUIPMENT	(361,523)	-
DEPRECIATION OF PROPERTY AND EQUIPMENT	1,310,274	1,179,450
AMORTIZATION OF DEFERRED CAPITAL CONTRIBUTIONS	(1,849,855)	(622,502)
EMPLOYEE BENEFIT OBLIGATIONS	14,716	31,391
	1,264,493	1,223,987
CHANGES IN NON-CASH WORKING CAPITAL ITEMS		
TRADE AND OTHER RECEIVABLES	(1,581,192)	443,957
PAYABLE/RECEIVABLES TO THE CITY OF GREATER SUDBURY	1,421,968	(569,617)
PREPAID EXPENSES	(4,270)	26
INVENTORY	28,000	4,958
TRADE AND OTHER PAYABLES	1,003,374	(193,333)
	2,132,373	909,978
FINANCING ACTIVITIES		
CAPITAL CONTRIBUTIONS RECEIVED	4,227,815	861,170
INVESTING ACTIVITIES		
SALE OF PROPERTY AND EQUIPMENT	1,690,000	-
PURCHASE OF PROPERTY AND EQUIPMENT	(8,031,203)	(1,771,148)
	(6,341,203)	(1,771,148)
CHANGE IN CASH DURING THE YEAR	18,985	-
CASH - BEGINNING OF YEAR	1,300	1,300
CASH - END OF YEAR	20,285	1,300



FOR MORE INFORMATION ABOUT THE GREATER SUDBURY AIRPORT,
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