

Date February 27, 2020
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Subject Columbia Valley Airport Funding Request

REQUEST

The Columbia Valley Airport Society has requested interim funding of \$60,000 per year in 2020 and 2021.

OPTIONS

1. THAT operational funding of up to \$60,000 be provided to the Columbia Valley Airport Society in 2020 and 2021 from the Columbia Valley Economic Development Service, subject to the following conditions being completed to the satisfaction of the RDEK by August 14, 2020:
 - An Annual General Meeting be held with audited 2019 financials;
 - Directors and Officers liability insurance be purchased;
 - Election of a new Board and Officers that represent the Columbia Valley geographically;
 - Development of a skills matrix to recruit qualified board members to assure proper oversight of the Society;
 - Registration of updated bylaws, including bylaws that prevent any single entity, business, corporation, or not for project organization from holding a majority of the votes on the Society Board;
 - Fully costed business plan be prepared; and
 - An operations/procedures review and work plan to support the business plan be prepared;and further, that the grant be included in the 2020-2024 Financial Plan.
2. THAT Discretionary Grants in Aid be provided to the Columbia Valley Airport Society to support operations of the Columbia Valley Airport in 2020 and 2021 in the following amounts:

Electoral Area F	\$ _____
Electoral Area G	\$ _____

subject to the following conditions being completed to the satisfaction of the RDEK by August 14, 2020: (see Option 1)

and further, that the grant be included in the 2020–2024 Financial Plan.
3. THAT the request from the Columbia Valley Airport Society for a grant to support operations of the Columbia Valley Airport be denied.
4. THAT the establishment of a Columbia Valley Airport Service to provide annual operational funding to the Columbia Valley Airport be referred to the next priority setting process.

RECOMMENDATION

Options 1 and 4

BACKGROUND/ANALYSIS

The Columbia Valley (CV) Airport is located at Fairmont Hot Springs and has been operated by the CV Airport Society (CVAS) with funding from Fairmont Hot Springs Resort (FHSR) since 1986 (the funding for 2019 was \$180,000). FHSR has given notice that they will cease funding the annual operations effective March 31, 2020.

The CV Airport is comprised of a 6,000' asphalt runway that is 100' wide. There is an adjacent terminal building that is located on FHSR owned lands.

The airport is used for tourism and industry purposes as well as medical evacuation flights, search and rescue flights and has acted as a base for fighting forest fires. A statistical report of usage has not been provided, but the RDEK received a verbal report that there were 30 medical evacuation flights out of the CV Airport in 2019.

The RDEK funded a consulting contract with Granite River Consulting to establish a governance model for the Columbia Valley Airport Society and to create a business plan, specifically identifying funding partners with a goal toward long term stability. The contract will be funded out of Electoral Area F Economic Development Service.

The CVAS attended the February 13, 2020 Columbia Valley Services Committee meeting as a delegation requesting support to continue operating the airport. The CV Services Committee considered the request and referred the item to staff to prepare a report on funding options.

SPECIFIC CONSIDERATIONS

Financial – Budget

The 2020 – 2024 Draft Financial Plan does not currently include funding of the \$60,000 grant request from CVAS. Any decision made at the March 5, 2020 CV Services Committee meeting will be included in the Financial Plan being presented to Board March 6.

Financial – Service and Apportionment Options

Funding to the CVAS could be provided under the Columbia Valley Economic Development service. Alternatively, funding could be provided through the Discretionary Grants in Aid (DGIA) service or the Economic Development Services for Electoral Areas F and G, leaving the CV Municipalities to fund their portion through their respective operating budgets. If funding is to be provided on a longer-term basis, an Airport Funding service should be established.

The CV Economic Development Service is apportioned by the number of class 6 properties in each jurisdiction. The DGIA and Electoral Area Economic Development Service calculations could be apportioned based on converted assessment or population and then taxed based on converted assessment for each jurisdiction. In all service options, the budget would need to be updated for the amount granted. A summary of options and cost per jurisdiction/average household is as follows:

CV Economic Development Service

Jurisdiction	# Class 6 Properties	Allocation	Cost Per Avg Residential \$354,000
Invermere	218	\$ 18,167	\$ 5.60
Radium	116	9,667	7.40
Canal Flats	34	2,833	6.10
Area F	300	25,000	3.30
Area G	52	4,333	3.90

Apportioned by Assessment or Population

Jurisdiction	Allocation by Assessment	Cost Per Avg Residential \$354,000	Allocation by Population	Cost Per Avg. Residential \$354,000
Invermere	\$ 14,037	\$ 4.40	\$ 21,457	\$ 6.70
Radium	5,731	4.40	4,910	3.70
Canal Flats	2,019	4.40	4,227	9.10
Area F	33,380	4.40	20,154	2.60
Area G	4,833	4.40	9,251	8.30

Attachment