

City Staff Report

Original signed by: City Manager Johnson

Report Date: November 29, 2021
Meeting Date: December 7, 2021

To: City Manager
From: Director of Community Services
Subject: Central Mountain Air - Fee Waiver

Purpose

The purpose of this report is to obtain Council approval to extend the waiving of passenger fees and lease fees for Central Mountain Air until March 31, 2022 to support the return and expansion of scheduled flight service at the Quesnel Regional Airport.

Summary

- Central Mountain Air (CMA) suspended scheduled flight service to Quesnel April 9, 2020 – June 28, 2021 as a result of the COVID-19 pandemic.
- At the June 15, 2021 Council meeting, Council passed a resolution to waive passenger fees for Central Mountain Air and extend the waiving of lease fees for their space in the terminal building until December 28, 2021 in order to ensure that essential travel services were available to the community during the COVID-19 pandemic.
- Revenue losses at the airport have been offset by grant funding; initially from the Province's COVID-19 Safe Restart Program provided to Local Government and more recently from two airport specific programs, the Provincial COVID Airport Relief Fund and Federal Regional Airport Transportation Initiative (RATI).
- In 2021 the City received \$360,000 under the Provincial Airport Relief Fund and the City has been approved for up to \$326,518 under the RATI program to support airport operating expenses and lost revenue due to the COVID-19 pandemic.
- RATI funding is specifically intended to assist airports in re-establishing or expanding air service that was discontinued or reduced as a result of COVID-19.
- The RATI program will cover expenses until March 31, 2022 including staff costs, janitorial services, COVID safety features, the provision of 'underwing' services, and marketing expenses.
- While air travel has resumed and flights have been increased for the month of December, Central Mountain Air reports that their operations in Quesnel are not yet breaking-even and they are not yet generating positive margins when forecasting into 2022.
- Commercial scheduled flight service is critical for the long term sustainability of both the airport and the community, making it reasonable for the City to consider any and all options available to ensure that the re-establishment of scheduled flights during the COVID-19 pandemic is successful, including the temporary waiving of fees.



- The loss of revenue from waiving fees can be offset by grant funding that has been provided expressly for this purpose. The RATI grant will cover expenses until March 31, 2022.

Recommendation

THAT COUNCIL agrees to extend the waiving of passenger fees and lease fees for Central Mountain Air at the Quesnel Regional Airport until March 31, 2022 as a means to ensure that essential travel services are available to the community during the COVID-19 pandemic.

City Policy

- Quesnel Regional Airport Strategic Plan (2021-2022)

Financial Impact

- Waiving passenger fees will result in unrealized revenue however these expenditures will be offset by RATI funding.
- Unrealized revenue for the lease of space for three months is approximately \$6,400.
- Unrealized revenue for passenger fees for the first three months of 2022 is estimated to be approximately \$36,500.