



Victoria Airport Authority

Airport Consultative Committee

**Minutes of the
Meeting Held at the
Victoria Marriott Inner Harbour Hotel – 728 Humboldt Street
Tuesday Morning, March 8, 2011, 7:30 am - 8:30 am**

Upcoming Public Meetings:

- **VAA Annual Public General Meeting**

7:00 PM, Thursday, May 12, 2011

Mary Winspear Centre,

2243 Beacon Avenue, Sidney, BC (just off the Pat Bay Highway)

- **Next Airport Consultative Committee Meeting**

7:00 PM, Tuesday, November 1, 2011

Mary Winspear Centre,

2243 Beacon Avenue, Sidney, BC (just off the Pat Bay Highway)

Paul Connolly – Committee Secretary

Peter Bray –Committee Chair

Representative Members

Association of Canadian Travel Agencies	
BC Ministry of Transportation & Highways	
Canada Border Services Agency	
Canadian Aircraft Owners and Pilots Association	
Capital Regional District	Christopher Causton
City of Victoria	
Corporation of the District of Saanich	Paul Gerrard
Department of National Defence	
District of Central Saanich	
District of North Saanich	
District of North Saanich Residents' Association	
Greater Victoria Chamber of Commerce	Sasha Angus
Nav Canada	
Pauquachin Band Council	
Saanich Peninsula Chamber of Commerce	Joe Jansen (Wilson Trans.)
Saanich Peninsula Water Commission, and Waste Management Committee	
Sidney Business Association	
Sidney Ratepayers Association	
Tourism Victoria	Helen Welch Judy Campbell Deidre Campbell Steven Price Jeannette Hughes Mervyn Lougher-Goodey
Town of Sidney	
Tseycum Band Council	
Airlines:	
WestJet	Christine Beveridge Ali Wanless
Air Canada / Jazz	
Horizon Air	
Pacific Coastal Airlines	
Air Terminal Building Tenants' Representative	
Airport Land Tenants' Association	Mike Sudul (Osler Systems)

VAA Board Members on the ACC in attendance: Christine Stoneman, Peter Bray, Lindalee Brougham, Chad Rintoul, Bob Coulter and Colin Smith.

Other VAA Board members in attendance: Jim Crowley, Mel Rinald and Graeme Roberts.

Sent regrets: Glen Crawford, Bruce Knott, Mel Satok and Matthew Watson.

VAA Staff: Geoff Dickson, Randy Bogle, Scott Cunningham, James Bogusz, Debbie Hansen, Ian West, Terry Stewart, Rick Robertson, Melinda Orlowski and Paul Connolly.

Public in attendance: 18

1. Call to Order

Peter Bray, Vice Chair of the Victoria Airport Authority Board, acted as the Chair of this Committee meeting, and Paul Connolly acted as Recording Secretary.

2. Introduction of Members Present

Peter Bray, Airport Consultative Committee Chair, welcomed the members and the public to the Airport Consultative Committee meeting.

3. Approval of October 19, 2010 ACC Minutes

IT WAS MOVED, SECONDED AND CARRIED TO ADOPT THE OCTOBER 19, 2010 AIRPORT CONSULTATIVE COMMITTEE MINUTES.

4. Report from the VAA Board Chair

The VAA Board Chair, Christine Stoneman, welcome the attendees to the Airport Consultative Committee (ACC) meeting.

President and CEO

There have been a couple of major changes since the last ACC meeting in October 2010.

Christine Stoneman stated the Board of Directors of the Victoria Airport Authority, VAA staff and friends of Richard Paquette said a heartfelt goodbye to Richard Paquette in early January 2011. Richard Paquette decided to retire from the VAA after 12 years as the VAA President and CEO. He earned the respect of the Board, the community and the aviation industry.

The Board began the search for a new President and Chief Executive Officer last summer. As it turned out there were a number of strong candidates who applied.

The Board Chair welcomed the successful candidate for the position of President and CEO, Geoff Dickson, to this, his first, Airport Consultative Committee meeting. Geoff Dickson became President and Chief Executive Officer of the Victoria Airport Authority in January 2011. He is responsible for the strategic planning, operations and financial performance of Victoria International Airport.

Geoff Dickson has over twenty five years experience in the airline and marine transportation industries with a background in marketing, business development, operations, customer service and finance, and is a graduate of the University of British Columbia Sauder School of Business.

Christine Stoneman stated the Board looks forward to working with Geoff Dickson over the next few years.

VAA Board of Directors

There are 13 Board members from the community on the VAA Board of Directors. Each member has a high level of knowledge and expertise as well as unique set of skills and experiences to complement the VAA Board of Directors.

The following are the VAA Officers of the Corporation and Committee Chair positions for 2011:

Chair	Christine Stoneman
Vice Chair, & Chair, Airport Consultative Committee	Peter Bray
Secretary, & Chair, Governance Committee	Lindalee Brougham
Chair, Audit and Finance Committee	Glen Crawford
Chair, Planning and Development Committee	Chad Rintoul

Biographies of all current members of the VAA Board, and the President and CEO are on the VAA website at www.victoriaairport.com.

McTavish Interchange

Construction of the McTavish Interchange on the Pat Bay Highway is well under way for substantial completion by June 2011. The new northbound interchange route leading to the Airport is anticipated to be open in April 2011; the new southbound route leading from the Airport to the Highway is anticipated to be ready by the end of June 2011.

March 7 officials from the BC Ministry of Transportation and Infrastructure took the VAA Board on a tour of the construction site. Although there will be a learning curve for the public to the use of roundabouts, the Interchange will improve road safety and efficiency not only for visitors to the Region but the surrounding communities, the District of North Saanich and the Town of Sidney.

VAA is also looking forward to having a new BC Transit Exchange at the McTavish Interchange. VAA is currently reviewing options and costs to provide one half hourly transit connections from the Airport Terminal Building to BC Transit's Exchange at the McTavish Interchange. The Interchange includes a separate bicycle / pedestrian overpass away from traffic for safer access to / from the Airport; it connects to the bicycle trail on Lochside Drive.

Runway Extension Project

The runway extension design is complete. All it takes is a funding partnership commitment from the Province and the Federal Government. The runway extension project is the number one priority of the VAA Board. In her last year as Board Chair, Christine Stoneman stated she will continue to work with the VAA Board of Directors, the public and business communities to encourage the two senior levels of government to be funding partners, so the runway extension can proceed.

One of the top four BC Liberal Leadership Candidates, Mike de Jong, was at the Airport January 20 to confirm his commitment to support a Provincial funding partnership to build the runway extension. Once Premier Christy Clark has appointed her new cabinet, VAA will contact whoever is the new Minister of Transportation and Infrastructure.

Once funding is in place VAA can then immediately put the shovel in the ground and begin the journey to non-stop service to Europe. Accessible and efficient transportation are critical to the success of tourism and businesses including the high technology industry. They are vitally important to the Region's and Province's economic future.

5. Report from the Chair of the Audit and Finance Committee

Glen Crawford, Chair of the Audit and Finance Committee, sent his regrets as being unable to attend this meeting.

The Vice Chair of the Audit and Finance Committee, Mel Rinald, stated Victoria Airport Authority (VAA) is pleased to report that 2010 is turning out to be another positive financial year for the VAA.

Year 2010 financial statement audit will be wrapped up soon; the financial statements will be presented at VAA's Annual Public General Meeting which will be held at the Mary Winspear Centre in Sidney at 7:00 PM, Thursday, May 12, 2011. The figures quoted in this report are the preliminary, unaudited results to December 31, 2010.

The VAA balance sheet remains strong, with healthy working capital and a continuing reduction in the level of long-term debt. Debt repayments of \$1.8 million were made in 2010 to bring VAA's debt down to \$11.25 million, which is on track to be liquidated in January 2017.

There are four main streams of revenue for the VAA: AIF, Operations (aviation and terminal building related fees), concessions and rent from leased airport land.

AIF Revenues and Operations Revenue

Airport Improvement Fee (AIF) revenues are used exclusively to fund capital projects and the debt associated with these projects. Since the AIF was implemented in 1999, the VAA has collected \$61 million in AIF Revenue and has expended approximately \$71 million on AIF-funded projects, financing costs and handling fees paid to the airlines that collect the AIF. The difference between the revenue collected and AIF costs incurred is essentially the long-term debt of \$11.25 million less cash on hand.

VAA Operations revenues must not only fund ongoing operations and maintenance costs, but also all other capital projects which are not eligible to be funded out of AIF revenues. Since the airport was transferred from Transport Canada to the Victoria Airport Authority in 1997, the VAA has expended approximately \$27 million of Operations revenue on Operations-funded capital improvements.

Since 1997, including both AIF and non AIF revenue, VAA has invested approximately \$100 million in Victoria International Airport.

The VAA is proud to report that the \$10.00 AIF is among the lowest of all airports in Canada.

Highlights of forecasted financial performance for 2010:

AIF Sector:

\$6.9 million in net AIF fees collected.

\$4.2 million spent on AIF capital projects (incl. financing costs), \$1 million of this relates to VAA's 2010 contribution toward the Pat Bay Highway / McTavish Interchange. The final \$2 million of the total VAA \$3 million contribution will be due on completion of the project in 2011.

\$1.8 million debt was repaid.

Operations Sector:

Revenue

Aircraft related revenue for 2010 was \$5.4 million, a 1% increase over 2009.

Concession revenue declined by (2.7%) to \$6.9 million for 2010. VAA did not raise parking fees to offset the additional tax upon the introduction of the HST. The VAA has absorbed the 7% increase within its current rate structure.

Land rental income increased by 2.7% to \$2.5 million.

Total operations revenue for the year was \$15.1 million (0.3%) less than 2009.

Expenses

Total expenses excluding amortization for 2010 were \$11.3 million, a 2.3% increase over 2009.

Year-end revenue over expenses before amortization was \$3.8 million. This was used to fund Operations Capital projects which totaled \$1.2 million in 2010.

Net Income

Year-end Net Income after amortization for 2010 was \$2.5 million.

6. Report from the VAA President and CEO

VAA's new VAA President and CEO, Geoff Dickson, stated he is proud to be a part of such a successful airport. He is looking forward to the challenges and opportunities ahead. He stated the airport will continue to be a good neighbour and environmental steward.

With the assistance of a PowerPoint presentation Geoff Dickson briefed the Committee on a number of matters:

Passenger Traffic

The number of passengers is the critical driver of most of the revenue. Passenger traffic as at the end of the end of Year 2010 was down by (1.2%). In light of the economic recession Victoria International Airport passenger traffic was relatively stable.

There were more passengers than ever in January 2011, an overall increase of 1.6% over 2010. It is difficult to determine at this point if the trend will continue toward an increase in passengers. Year 2011 Budget is based on 0% passenger increase.

There is growth in seasonal international travel with non-stop flights to Las Vegas, Honolulu, Puerto Vallarta and Cancun.

WestJet and American Airlines recently announced a code-share agreement. The CEO stated it is good news for Victoria International Airport (YYJ), as it has the potential to enhance VAA's marketing program to obtain additional non-stop service to other US cities such as Los Angeles.

Customer Service

YYJ was recognized by its peers, Airport Revenue News, as the 2010 winner of the North American Airport with the Best Customer Service in the Small Airport Category. It is recognition of all people working at YYJ providing courteous service to passengers every day.

The Airport Council International 2010 Airport Service Quality Survey reflects well on VAA. It surveyed 154 airports in 50 countries in 36 service-related categories. YYJ ranks 18th in overall passenger satisfaction.

In December 2010 VAA, in partnership with BOLDstreet wireless internet, introduced free WiFi in the air terminal building. As this was a constant request from the public, it could increase YYJ's customer satisfaction standing in the 2011 survey.

The CEO showed a graph outlining revenue sources for the VAA including: AIF, landing fees, terminal fees, concessions and land rents. Opportunities for material revenue growth are land leases, and concessions.

A comparison chart of Canadian airports in the CEO's presentation showed VAA's AIF (Airport Improvement Fee) at \$10 is one of the lowest in Canada.

Where does VAA go from here?

The CEO stated VAA is in a solid financial position with opportunities to grow revenue and expand services.

In 2011 VAA will realign Willingdon Road in anticipation of future parking requirements. The design includes a bike path, transit access, and a cell-phone-parking area for approximately 10 cars so vehicles do not need to continually loop around the parking ring road while they wait for a passenger, as well as a roundabout at the Terminal Building Exit Road and Willingdon Road.

VAA is also planning improvements within the terminal building:

A reconfiguration of the preboard screening (PBS) area and retail areas. Design work will be undertaken in 2011 and construction in 2012. The current PBS area is insufficient to handle future growth. Delays in passenger screening lead to congestion in the concourse area. The plan is to see PBS and retail switch places. Retail will be located in a larger airside space.

As CBSA (Canada Border Services Agency) personnel will be acting as both immigration officers and custom officers there is a need to reconfigure the CBSA area. The number of primary inspection lines will increase from three to four; this will help remedy congestion and speed of throughput. There will also be additional space for secondary inspection. Design and construction of this project will be completed in 2011.

The core software for the FIDS (Flight Information Display System) will be replaced in 2011. The old software installed in the initial phase of the terminal building expansion is obsolete for today's customer service requirements. Some of the smaller screens will be replaced with larger screens to accommodate some of the new features of the FIDS.

In the long term VAA will look to extending the arrivals baggage carousels out to the west; additional passenger loading bridges out to the north end of the main apron (aircraft parking area) and increase holdroom space.

Runways and taxiways are the backbone of a successful airport operation. As a result of wear and tear, rehabilitative paving will be undertaken on specific areas of the airfield in 2011.

In 2011 VAA will replace existing non-standard Runway 27 lights with new approved approach lighting. The system installed in the 1970's has been rendered obsolete by regulation and is also at the end of its life-cycle. In order to install a full length system of 13 groups of lights, three of the lights will be located in the Town of Sidney. To help reduce the visual impact to the neighbourhood the lights will be positioned on top of 30 foot green poles and the lights themselves will be provided with shielding to minimize the downward component of the light. The lights in Sidney are flashing lights and typically only operated during inclement weather or at pilot request. The work in Sidney will take three weeks beginning the second week of April.

In 2011 VAA is replacing a fifteen year-old fire truck with a new Rosenbauer fire truck to comply with current regulation. The \$850,000 fire truck comes complete with a high-reach extendable turret.

To ensure VAA can safely deal with all season conditions on airside VAA has purchased additional runway surface maintenance equipment including a tow-behind high speed runway sweeper and a new truck to pull the sweeper.

Land Use

The CEO showed a graph outlining land uses at the airport including areas for General Aviation, aviation reserve, as well as commercial and light industrial areas. Going forward the plan is to create a bike path system around the perimeter of the airport.

Thrifty Foods – Sobeys Inc.

Sobey's ground breaking ceremony for a new \$31 million distribution centre in the Mills Road Business Park was held in November 2010. Construction is anticipated to begin summer 2011. The project includes a number of green initiatives including waste recycling, heat capture and energy use monitoring.

Mills Road / McDonald Park Intersection

VAA will contribute 100% of the cost, \$300K, of the widening and re-laning of the Mills Road / McDonald Park intersection to ensure adequate infrastructure is in place for new airport developments and truck traffic. Construction is anticipated to start in May 2011.

443 Maritime Helicopter Squadron New Hangar

The Federal Government recently approved a new hangar development at YYJ for 443 Maritime Helicopter Squadron. It will house nine new Cyclone helicopters in the West Camp of the airport. The project is scheduled to be completed in 2014.

Environment Initiatives

There are a number of environmental initiatives including: a solar hot water unit installed to pre-heat water for the terminal building; new high efficiency lighting in the terminal building in partnership with BC Hydro, and rainwater management through aesthetically pleasing shrubs and trees.

Air Service

Victoria International Airport is not a hub airport; it is a destination airport.

The CEO stated he would like to see a link to Capital Cities such as flights out of YYJ to Ottawa. He'll promote a Victoria/Toronto/Ottawa flight to the airlines. Once the market to Ottawa is established it could be de-linked from Toronto. He will also work with WestJet to gain year-round service to Toronto, as is presently done by Air Canada. Los Angeles is another destination to market for non-stop service out of YYJ. As for Europe, it would be a challenge for the scheduled carriers to service the YYJ/Europe service; initially it will likely be serviced by charter carriers.

Detailed design for the main runway extension is complete. The project is ready to move forward once a funding partnership with the two senior levels of government is in place.

In conclusion, the CEO stated it is the goal of the VAA to be the best airport anywhere; it is not about being big but making it a better experience for airport customers.

7. Call for New Business

None

8. New Business

None

9. Questions / Comments from Committee Members and the Public

- How Tourism Victoria can help the VAA

The VAA President and CEO, Geoff Dickson, stated he appreciates Tourism Victoria's interest in the airport and their support of the runway extension project.

Tourism Victoria can help VAA when it puts together a Business Case and package when marketing new destination opportunities to the air carriers.

➤ Greater Victoria Harbour Authority

The VAA Board Chair, Christine Stoneman, stated she and VAA's CEO, Geoff Dickson, attended a roundtable event in January 2011 which was hosted by the Federal Minister of Transport, Infrastructure and Communities, Chuck Strahl at the offices of the Great Victoria Chamber of Commerce. Also in attendance were Tourism Victoria, Greater Victoria Harbour Authority, BC Ferries and a couple of Municipal Mayors. The meeting was to obtain feedback on infrastructure investment.

There are new opportunities to work together with the Greater Victoria Harbour Authority to promote travel either by cruise line business and / or air travel. Many benefit from new connectivity including the cruise ship industry.

➤ Noise and the proposed runway extension

The President and CEO stated operating schedules of air carriers going to Europe are dependent upon availability of time slots at European airports.

Noise impacts of departures over the Town of Sidney could be less with the runway extension because a longer runway allows pilots to take off using less thrust and / or be higher up when over populated areas off the runway. Also, new generation aircraft have reduced noise impact. Noise impacts are still the same with landing because the current thresholds / landing points remain in place.

➤ Steven Price, Councillor Town of Sidney

Councillor Steven Price stated VAA is a great example of a good neighbour. He looks forward to an excellent working relationship with VAA's new CEO.

➤ The Committee Chair, Peter Bray, thanked the public and representatives on the Committee for attending this early morning meeting, and for their interest in the Airport.

10. Announcements

- VAA's Annual Public General Meeting
7:00 pm, Thursday, May 12, 2011
Mary Winspear Centre, Sidney

Next Airport Consultative Committee Meeting
7:00 pm, Tuesday, November 1, 2011
Mary Winspear Centre, Sidney

11. Adjournment