



Victoria Airport Authority

Airport Consultative Committee

**Minutes of the
Meeting Held at the
Victoria Marriott Inner Harbour Hotel – 728 Humboldt Street
Tuesday Morning, February 23, 2010, 7:30 am - 8:50 am**

Upcoming Public Meetings:

- **VAA Annual Public General Meeting**

**7:00 pm, Tuesday Evening, May 11, 2010
Airside Operations Centre (new Airport Fire Hall / Maintenance Garage)
Victoria International Airport**

- **Airport Consultative Committee Meeting**

**7:00 pm, Tuesday Evening, October 19, 2010
Mary Winspear Centre,
2243 Beacon Avenue, Sidney, BC (just off the Pat Bay Highway)**

Paul Connolly – Committee Secretary

Peter Bray – ACC 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	
Town of Sidney	Steven Price
Tseycum Band Council	
Airlines:	
WestJet	Beau Cook and Heather Young
Air Canada / Jazz	
Horizon Air	
Pacific Coastal Airlines	
Air Terminal Building Tenants' Representative	Paul Homewood (Budget)
Airport Land Tenants' Association	

VAA Board Members on the ACC in attendance: Christine Stoneman, Peter Bray, Glen Crawford, Jim Crowley, Mel Rinald and Mel Satok.

Other VAA Board members in attendance: Bruce Knott, Graeme Roberts and Joan Young.

Sent regrets: Lindalee Brougham, Bob Coulter, Chad Rintoul and Matthew Watson.

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

Public in attendance: 13

1. Call to Order

Peter Bray, Vice Chair of the Victoria Airport Authority Board, acted as the Chair of the 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. Each Member of the Committee present introduced themselves.

3. Approval of November 4, 2009 ACC Minutes

IT WAS MOVED, SECONDED AND CARRIED TO ADOPT THE NOVEMBER 4, 2009 AIRPORT CONSULTATIVE COMMITTEE MINUTES.

4. Report from the VAA Board Chair

Board of Directors

The VAA Board Chair, Christine Stoneman, reported there are a number of changes on the Victoria Airport Authority Board (VAA) of Directors:

Peter Dolezal's final term as the Nominee from the District of North Saanich and Mel Couvelier's final term as the Nominee from the Town of Sidney on the VAA's Board of Directors expired at the end of December 2009. Victoria Kuhl's final term as the Nominee from the CRD expired in July 2009. We thank each of them for their leadership on the Board and invaluable contribution in establishing the direction for the successes at Victoria International Airport.

The Board welcomed Mel Satok as a new Nominee from the Town of Sidney in April 2009 and Joan Young as the new Nominee from the CRD in July 2009.

In February 2010 the Board welcomed Jim Crowley as a new Nominee from the District of North Saanich and Mel Rinald as a new Nominee from the Town of Sidney.

The following are the Officers of the Corporation and Committee Chair positions for 2010:

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 Directors are on the VAA Web Site at www.victoriaairport.com.

VAA Strategic Plan

The VAA Board reviewed and approved an updated Strategic Plan which will guide the Airport Authority's path for the next five years (2010 – 2014). In keeping with VAA's Green Initiatives the Strategic Plan was not printed out. It is posted on VAA's web site, for your review: www.victoriaairport.com.

McTavish Interchange on the Pat Bay Highway

The Government of Canada and the Province of British Columbia each contributed \$10.5 million and the Victoria Airport Authority \$3 million toward the funding of the \$24 million Highway 17 / McTavish Road Interchange to improve road safety and transportation efficiency for local residents, visitors and motorists travelling along Highway 17. Construction which is managed by the Province started at the end of November 2009. Traffic headed toward the Airport is now detoured up McTavish Road to new traffic signal lights, right onto East Saanich Road to the roundabout and on to Willingdon Road towards the Terminal Building. Detour signage is in place to assist drivers.

The Board Chair thanked the local Councils and the community for their support. VAA looks forward to completion of the interchange by the end of March 2011

Runway Extension Project

Unfortunately the proposed extension to Victoria International Airport's main runway did not receive a funding partnership commitment from the two senior levels of government in 2009. In 2010, VAA will continue to refine the project design, market the opportunity to target airlines, and continue discussions with Provincial and Federal Governments. The extension will permit non-stop flights to Europe, and will offer the community significant economic stimulus in terms of tourism, jobs and tax revenue for governments.

Community Relations

VAA maintains a comprehensive public communications program through these Airport Consultative Committee meetings and VAA's Annual Public General Meeting which will be held this year the evening of Tuesday, May 11 at the new VAA Fire Hall / Maintenance Garage (Airport Operations Centre) on the west side of the Airport.

As well VAA holds Environmental Committee and Noise Management Committee meetings, and publishes the On Approach Airport Magazine, participates in community events and charities, speaking engagements, has membership and involvement in community organizations including Tourism Victoria, the Greater Victoria Economic Development Agency, Chambers of Commerce as well maintaining a very comprehensive public web site www.victoriaairport.com

First Nations Cultural Ceremony

Representative of the VAA were invited by the Tseycum and Pauquachin First Nations to attend a cultural ceremony in the Tseycum First Nation Longhouse in June 2009. First Nations were very gracious hosts and accepting of the VAA into their community.

Flower Count

The Board Chair stated VAA is hosting the Flower Count Launch Festivities which will take place in the Terminal Building's Arrival Rotunda, February 25 starting at 10:00 am. You will see Mayors and Councillors from nine municipalities competing in a flower arranging competition.

The Flower Count is sponsored and organized by Regional Chambers of Commerce, Butchart Gardens and Tourism Victoria to bolster community pride and increase awareness of Greater Victoria as a mild climate destination.

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

Glen Crawford, Chair of the Audit and Finance Committee stated Victoria Airport Authority (VAA) is pleased to report that 2009 was another positive financial year for the VAA.

The VAA balance sheet remains strong, with healthy working capital and a reduction in the level of long-term debt. In 2009, debt repayments of \$1.8 million brought VAA's debt down to \$13.05 million which is expected to be liquidated in January 2017.

Glen Crawford explained there are two sources of revenue for the VAA: AIF Revenues and Operations Revenue.

Airport Improvement Fee (AIF) Revenues are used exclusively to fund capital costs which are related to airline operations and passengers. Since the AIF was implemented in 1999, the VAA has collected \$54 million in AIF Revenue and has expended approximately \$66 million on AIF-funded projects and financing costs. The difference between the revenue collected and costs incurred is essentially the long-term debt of \$13.05 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 such as parking lot expansions, vehicles and equipment, sewage and water system upgrades, etc. Since the airport was transferred from Transport Canada to the Victoria Airport Authority in 1997, approximately \$26 million of Operations Revenue has been expended on Operations-funded capital improvements.

The VAA is proud to report that the \$10.00 AIF is among the lowest of all airports in Canada. Landing and terminal fees are also among the lowest in the Country and there have been no increases to aeronautical fees for 2009 or 2010.

External Auditors, KPMG, are in the process of completing their financial audit of the VAA; the results will be posted in the 2009 Annual Report to be presented at the VAA Annual Public General Meeting, May 11, 2010 – everyone is welcome to attend.

Highlights of 2009 financial performance to December 31, 2009:

AIF SECTOR:

\$7.0 million net AIF collected

\$7.7 million spent on AIF capital projects (incl. financing costs)

\$1.8 million debt was repaid

OPERATIONS SECTOR:

\$15 million total Revenue

\$12.0 million total Expenses (including Depreciation)

Year-end net income of \$3 million (11.2% over 2008) was expended on Operations Capital projects totaling \$5.5 million

6. Report from the VAA President and CEO

With the assistance of a PowerPoint presentation Richard Paquette, VAA President and CEO, briefed the Committee on a number of matters:

Passenger Traffic

Although 2009 was a year of challenges for the aviation industry during the economic slowdown, there was only a slight decline in the number of passengers flying into and out of Victoria International Airport by less than 1% at -0.4% in 2009. YYJ (Victoria International Airport) continues to be the ninth busiest airport in Canada; numbers of passengers exceeded 1,500,000. The number of passengers destined to the US in 2009 was 17% of total passengers compared to 12% in 2000.

Air Services:

- United Airlines introduced twice daily non-stop service to SFO, last year there was one flight a day.
- This past summer there were 4 daily non-stops to YYZ (Toronto).

Line-up of Seasonal Services:

WestJet

- 3 x weekly to LAS (Las Vegas)
- 1 x weekly to Honolulu
- 1 x weekly to Cancun
- 1 x weekly to Puerto Vallarta

Transat Holiday (Using CanJet B737-800)

- 1 x weekly to Puerto Vallarta
- 1 x weekly to Cancun

VAA is working on marketing air service improvements to

- London England
- Toronto, year-round, two times daily non-stop service

Long Term Plans - Parking and Terminal Roadway Improvements

In October 2009 the VAA Board received a Report and Conceptual Design for Parking and Terminal Building Roadway Improvements which are expected to be required to meet anticipated demand incrementally over the next 30 years – including a parkade, additional paved parking spots, roadway realignment, improvements to bus service, bicycle and pedestrian access routes, as well as a dedicated right-of-way for light rail. Passenger growth is anticipated to be on average 3% a year to a total of 3.4 million passengers 30 years out. The report outlining requirements can be reviewed on VAA's web site:

www.victoriaairport.com. The CEO stated the plan will not determine the pace of development; there are elements that will proceed incrementally based solely on demand by the community.

New Fire Hall / Maintenance Garage (Airside Operations Centre)

Construction of the new Airport Fire Hall / Maintenance Garage (Airside Operations Centre) was completed on schedule. The fire fighters and maintenance crew are currently moving into the new AOC. The AOC meets current building code seismic requirements reducing the risk to personnel and protecting key operational equipment. The project includes an environmentally friendly geothermal system that will reduce heating and cooling energy demands.

Environment

VAA's Carbon Budget includes reducing water, fuel and electricity consumption by 5% in 2010. Solar panels will be installed in 2010 for hot water usage in the Terminal Building. BC Hydro conducted a lighting audit through its Power Smart Program and will be covering 60% of the cost of the conversion to power smart lighting in 2010 resulting in reduction in power usage in the Terminal Building. VAA also supported the replacement of Jazz Airline's diesel powered tugs with electronically powered units.

2.5 KM Bike Path

Cyclists and pedestrians are now enjoying the new 2.5 kilometer bicycle / walking path which was constructed by the VAA and officially opened in 2009 at the north side of the Airport.

Terminal Building Third Floor Observation Lounge – Eagles Landing

Eagles Landing, the Airport Terminal Building's third floor observation lounge, was officially opened in 2009. It is a great place to relax, enjoy the artwork by Coast Salish Artist, Charles Elliott, and story-boards depicting the history of Airport lands and to enjoy views of the airfield. VAA invites the public to visit Eagles Landing; as it is well worth the visit. There is signage which directs the public to the third floor.

Two New Passenger Loading Bridges

In 2009 VAA added two new loading bridges to the Terminal Building increasing capacity to bridge large jet aircraft.

Developments

Mills Road Business Park:

- Slegg lumber wall board & truss plant completed.
- Distribution Centre for Central Island Distribution completed.
- Distribution Centre for Pacific Express completed.

Viking Air

Viking Air's new Production Plant which accommodates the production of parts for the new DHC-6 Series 400 Twin Otter is complete.

First Nations

When construction starts on any development VAA works with First Nation's representatives to ensure there is no disturbance to possible archaeological sites.

2009 GEM Award

In 2009 VAA was presented with the GEM Award – Going the Extra Mile – from the Victoria Hospitality Award Program recognizing the Airport and the companies that operate at YYJ for going the extra mile to make visitors and local residents alike feel there is no better place to visit or come home to.

Distinguished Visitors and Special Events at YYJ in 2009

- Visit by Japanese Emperor Hirohito and Empress Michiko in July 2009
- Arrival of Winter Games Olympic Flame from Greece, October 30, 2009
- Visit by Charles, Prince of Wales, and Camilla, Duchess of Cornwall in November 2009

2010 Capital Plan - \$8.3 Million

- Completion of New Fire Hall and Maintenance Garage – Airside Operations Centre.
- Detailed design for the main runway extension project.
- Resurface short term parking lot and pave overflow gravel parking lot.
- Preliminary design for the realignment of Willingdon Road and multi-year parking expansions.
- Approach lighting system on Runway 27 and Runway Guard Lights.
- Rehabilitate airfield pavements.
- Energy reduction in the Terminal Building including solar heating for the Terminal Building hot water system, and high efficiency lighting.
- Purchase new fire truck.
- Purchase additional winter runway surface maintenance equipment.

Public Transit

Users of public transit expressed a concern with low frequency of bus service. VAA and BC Transit continue to discuss what can be done to increase service and ridership to / from Victoria International Airport by visitors and employees.

7. Call for New Business

None

8. New Business

None

9. Questions / Comments from Committee Members and the Public

- Town of Sidney Councillor Steven Price thanked the VAA for the informative presentation.
- Councillor Price stated there is an ongoing issue with Geese in the Town of Sidney. The Town is a member of the Peninsula Agricultural Commission (PAC). It is an Advisory Committee whose mandate is to advise the Municipalities of Central Saanich, North Saanich, Saanich and Sidney on matters involving agriculture.

The VAA CEO, Richard Paquette, stated Geese are a safety hazard around airports. The Airport Authority agreed to work with the PAC to adopt a plan to manage and reduce the hazards posed by the Geese on the Peninsula.

Before the 1940's Canada Geese in BC were mainly migratory; however, during the 1960's and '70's humans released mixtures of Geese on Vancouver Island for the benefit of hunters. The large birds eventually migrated to areas where hunting was not permitted and there are no known predators; as a result Geese populations increased.

Rick Robertson, VAA's Manager, Safety and Emergency Services, who has been attending recent PAC meetings as a representative of the aviation industry, explained Victoria Airport Authority has a Wildlife Management Plan to reduce the hazard posed to aircraft by birds including discouraging nesting on airport lands.

- Councillor Paul Gerrard, in reference to comments made that the runway extension project has not received funding from the senior levels of government, asked if the VAA has an alternate plan to proceed with the runway project.

Richard Paquette stated the VAA Chair, Christine Stoneman, and he met with the Provincial Minister of Transportation and Infrastructure, Shirley Bond. She is knowledgeable about the project and appreciates the economic value the project would have for the community. The project has also been discussed with the local Federal Minister, Gary Lunn, who also supports it, and, if the runway was extended, understands how valuable the service to London England would be to the community.

Christine Stoneman stated, although governments are facing difficult economic challenges, VAA can help by providing funding options to governments, including a phased approach of the infrastructure investment to fit within government programs, as suggested by Minister Bond. The extension of the main runway at Victoria International Airport would provide benefits to the community by providing a direct transportation link from Victoria to Europe attracting international visitors and investors to the area.

- In response to a question from the public, the VAA CEO stated the Winter Olympics are not having a significant operational impact at YYJ (Victoria International Airport). VAA is one of the designated Portal Airports for entry to YVR (Vancouver International Airport). CATSA (Canadian Air Transport Security Authority) are operating a temporary remote site at the YYJ Shell Aerocentre in the East Camp of the Airport to serve general aviation aircraft destined to YVR. Scheduled air service at the main Terminal Building is not adversely affected by the extra security checks in the East Camp. There is less traffic than originally expected because additional Portal Airports were added to the list throughout southern BC and US Airports.

The CEO stated there is a benefit to the region as a result of the Olympics in that celebrities and media did come to Victoria and are spreading the word about the wonderful scenery, places and people of Victoria and Vancouver Island. The exposure to the World as a result of the Olympics is expected to generate increased tourism to the area in the long term.

- A member of the public commented that she is very pleased with the aesthetics and quiet atmosphere in the Terminal Building which is further enhanced by the artwork displayed throughout the building. She finds staff at the Airport very helpful and positive in their approach to its customers. She complimented VAA on a job well done and hopes the quiet atmosphere continues, as she finds the place calming and not overwhelming as other airports tend to be.

- A comment was made by a member of the public that American airports enjoy a cost advantage as they are not subject to the same rent charges and taxes that are applied to Canadian Airports. US airports near the border with Canada are using this as a competitive advantage. For example, travellers in Victoria go to Seattle and in Toronto they go through Buffalo, New York to obtain lower fares as a result of lower costs. He asked, does the VAA see the Federal Government reducing taxes paid by Airport Authorities?

The CEO explained Canada's current airport rent policy is based on a formula:

Gross Revenue	Rent Paid
On the first \$5 million	0%
On the next \$5 million	1%
On the next \$15 million	5%
On the next \$75 million	8%
On the next \$150 million	10%
On any amount over \$250 million	12%

The VAA will pay approximately \$675,000 in rent to the federal government in 2010. The federal government counts all revenue for the purpose of calculating rent due including funds required for debt servicing and the Airport Improvement Fee used for capital requirements. Rent as well as the Federal Aviation Fuel Excise Tax and Air Travellers Security Charge clearly put Canadian airports in a competitive disadvantage. American airports also have access to billions of dollars through their federal government funding subsidies.

Come July 1, 2010 the HST will increase the cost of air travel.

VAA also paid approximately \$913,000 in property taxes in 2009 to the two local municipalities. Property taxes will likely increase even higher in 2010 with the completion of the new Airport's Airside Operations Centre (Fire Hall / Maintenance Garage).

- Mayor Christopher Causton, representing the CRD on this Committee, complimented the VAA for holding an Airport Consultative Committee in the downtown area. He also stated he appreciates improvements to food and beverage services and enhanced décor and signage in the Terminal Building.
- Mayor Christopher Causton is Chair, Victoria Regional Transit Commission and Vice Chair, BC Transit stated:
 - It is only 20 minutes from YVR Airport to downtown Vancouver using the new Canada Line skytrain. Translink Bus #620 connects Tsawwassen Ferry Terminal with the new Canada Line Skytrain.
 - Ottawa Carleton's public transit system, OC Transpo, connects Ottawa Airport to downtown Ottawa every 15 minutes via a Transitway.

- Victoria Regional bus service on the Pat Bay Highway currently stops every 15 minutes at the McTavish Park and Ride. The new McTavish Park and Ride at will be built considerably larger. He suggested VAA work with him on developing options for regular “shuttle” service connecting the Park and Ride and the Airport’s Terminal Building (ATB), perhaps every 20 minutes, to encourage greater usage of public transit to the Airport.

Richard Paquette stated VAA has been working with Victoria Regional Transit Commission officials to improve service to the Airport and would welcome discussions with Christopher Causton to work on a direct link from the Park and Ride to the Airport.

- In response to a question about taxi service from the Airport, the CEO stated Yellow Cabs has an exclusive contract with the VAA. They are provided curb side access to passengers at the Arrivals Area. Most airports in Canada have similar type contracts. The public still has the option to arrange pickup by any taxi company.
- In response to a question about marketing plans to attract airlines to fly to London, England, VAA’s CEO stated VAA has discussed opportunities with charter airlines. The proposal is for a step-by-step process: start on a seasonal basis, then year-round direct flights, and then non-stop service between YYJ and London, England.
- A comment was made from the public to encourage more non-stop flights by WestJet to southern destinations.
- The Committee Chair, Peter Bray, thanked the public and representatives on the Committee for attending this morning’s meeting, and for their interest in the Airport, comments and questions.

10. Announcements

VAA Annual Public General Meeting – May 11, 2010

The ACC Chair, Peter Bray, stated VAA is going to hold the VAA Annual Public General Meeting Tuesday evening, May 11, 2010 at the new Airport Airside Operations Centre (Fire Hall / Maintenance Garage). The members and the public will be kept informed of the details.

Date and Time for the Next ACC Meeting – October 19, 2010

7:00 pm, Tuesday, October 19, 2010
Mary Winspear Centre, 2243 Beacon Avenue, Sidney, BC

11. Adjournment