



Victoria Airport Authority

Airport Consultative Committee

**Minutes of the
Meeting Held at the
Mary Winspear Centre
Wednesday, 4 November 2009, 7:00 pm - 8:00 pm**

Next ACC Meeting:

7:30 am to 9:00 am, Tuesday, February 23, 2010

Victoria Marriott Inner Harbour Hotel – 728 Humboldt Street

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
City of Victoria
Corporation of the District of Saanich Paul Gerrard
Department of National Defence
District of Central Saanich Susan Mason
District of North Saanich Peter Chandler
District of North Saanich Residents' Association Geoff Orr
Greater Victoria Chamber of Commerce
Nav Canada
Pauquachin Band Council
Saanich Peninsula Chamber of Commerce
Saanich Peninsula Water Commission,
and Waste Management Committee
Sidney Business Association Frank Van Bree
Sidney Ratepayers Association
Tourism Victoria
Town of Sidney Steven Price
Tseycum Band Council Kristen Bell
Airlines:
WestJet
Air Canada / Jazz
Horizon Air
Pacific Coastal Airlines
Air Terminal Building Tenants Representative
Airport Land Tenants' Association

VAA Board Members on the ACC in attendance: Christine Stoneman, Peter Bray, Chad Rintoul, Peter Dolezal, Mel Couvelier, Bob Coulter and Mel Satok.

Other VAA Board members in attendance: Lindalee Brougham, Glen Crawford, Bruce Knott and Graeme Roberts.

Sent regrets: Matthew Watson and Joan Young.

VAA Staff: Richard Paquette, Randy Bogle, Ian West, Scott Cunningham, Terry Stewart and Paul Connolly.

Public in attendance: 5

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 and the public present introduced themselves.

3. Public Participation Period

The Committee Chair invited the public to comment or ask questions. Peter Bray noted there is additional time at the end of the agenda for comments / questions. There were no comments / questions at this time.

4. Approval of 5 March 2009 ACC Minutes

Moved by Peter Chandler and seconded by R. Chad Rintoul:

IT WAS MOVED, SECONDED AND CARRIED TO ADOPT THE 5 MARCH 2009 AIRPORT CONSULTATIVE COMMITTEE MINUTES.

5. Report from the VAA Board Chair

• **Board of Directors**

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

In April 2009 the Board welcomed **MEL SATOK** as the new Nominee from the Town of Sidney. He has over 40 years of diversified experience as an Architect. He was principal of his own firm for 26 years in Toronto specializing in land planning, recreational, industrial, residential and institutional projects including a number of award winning fire halls. In 1999 he located in Sidney and was very active in the community serving on the Advisory Planning Commission, Vision 2000 Committee and Local Area Plan. Mel continues as an active volunteer on a number of societies and boards as well as maintaining a Consulting Design Practice.

In July 2009 the Board welcomed **JOAN YOUNG** as the new Nominee from the Capital Regional District. She is Associate Counsel with the international law firm Lang Michener. She has been in both public and private practice during the last two decades focusing primarily in the areas of employment law, civil & commercial litigation and government law. She has significant public sector experience serving on both the policy and legal sides of the Ministry of Attorney General for eight years. Joan previously held an appointment as a Director of the Vancouver Island Multiple Sclerosis Society, as a member of the

Environmental Appeal Board and as Corporate Secretary to the Motor Carrier Commission.

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 Victoria Airport Authority's Board of Directors expire at the end of December this year. The VAA will miss their knowledge and expertise, Peter Dolezal, as Chair of the Audit & Finance Committee, and Mel Couvelier as Chair, Governance Committee. Christine Stoneman added that she will miss their input, sound advice and kind counsel.

- **Strategic Plan 2010 - 2014**

The Board reviewed and approved an updated Strategic Plan which will guide the Airport Authority's path for the next five years. The new plan is on VAA's web site for your review: www.victoriaairport.com under "About the VAA, Library".

- **McTavish Interchange**

VAA was very pleased with the official announcement made in April 2009 that the Province of British Columbia will proceed with the McTavish Interchange in funding partnership with the federal government and the Victoria Airport Authority. VAA looks forward to its completion, as it will provide safe access to and exit off the Pat Bay Highway for local residents and visitors. The Chair thanked the local Councils and the community for their support. The Province, which manages the project, has advised detailed design is well underway, preliminary construction is scheduled to start in November; with most of the work on the interchange to take place in 2010.

- **Runway Extension Project**

The Victoria Airport Authority continues its discussions with the Province and the Federal Government to be partners in construction of the extension of Victoria International Airport's main runway. VAA's Chair, Christine Stoneman, and VAA's CEO, Richard Paquette, met with the Provincial Minister of Transportation and Infrastructure, Shirley Bond, and her officials November 2, 2009 at which time the Business Case for the runway extension was presented. 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.

The Chair thanked the Greater Victoria Chamber of Commerce representatives who also met with Minister Bond in October and told her the Chamber considers Victoria International Airport's Runway Extension Project their number one priority in respect to infrastructure projects. This independent support was welcomed by the VAA and certainly helped. When Minister Bond listened to the VAA presentation she acknowledged and understood the economic benefits it would bring to the Province.

The Board Chair stated, although there is no funding commitment to date, VAA is confident the dialogue is welcomed and going well. VAA's CEO is also exploring opportunities with Ministry officials.

VAA also provided the Business Case to the Province's Select Standing Committee on Finance and Government Services.

This project is a priority for the VAA and the community; as a result VAA will continue to plan and press for governments to join VAA in a funding partnership.

- **Bike Path**

The new bike path is one of the green initiatives of the VAA. The official grand opening was held in May 2009. The celebration event was well attended by representatives of Municipal Councils and the public. The path runs the entire length of Mills Road from West Saanich Road to McDonald Park Road.

- **Eagles Landing**

The third floor observation lounge area was enhanced to create a museum atmosphere that tells the story of the history and people of airport lands. The official opening of "Eagles Landing" was held in May 2009. Christine Stoneman invites everyone to take in the exhibits as well as the artworks of Charles Elliott, Master Carver of the Coast Salish people. Charles Elliott also created the "Returning Salmon" art in the arrivals area of the Terminal Building. You can see them on the blue background above the baggage carousels. This is all part of Victoria Airport Authority's continuing expansion of its Art at the Airport Program which began in 2001.

- **Community Services Initiatives**

Victoria Airport Authority was pleased to support a number of important community service initiatives including:

- July 28, 2009 the Victoria Airport Authority donated \$5,000 to the Tsawout First Nation to assist in the rebuilding of their longhouse which was destroyed by fire July 17, 2009. Chief Allan Claxton accepted the donation in person at Victoria International Airport.
- \$1,000 to Bruce and Brenda Morris and their 3 children of the Tsartlip First Nation to help rebuild their lives after a fire completely destroyed their home October 19. They are a family of one of VAA's employees, Leonard Morris.
- \$5,000 for the Tseycum First Nation Basket Ceremony held at their longhouse June 26
- \$5,000 to help fund the Greater Victoria Development Agency

- \$5,500 Mary Winspear Theatre Sponsorship
- \$1,500 Sidney Fine Art Show
- \$1,000 Sooke Fine Art Show
- \$1,000 and an old fire truck to the BC Aviation Museum
- \$2,000 Saanich Peninsula Hospital Foundation
- Funds were also donated to the Boys and Girls Club, Cops for Cancer, Ronald McDonald House and Town Crier Statue
- VAA helped organize and provided \$7,000 in total sponsorship to attract three conferences to Victoria, including:
 - Bird & Wildlife
 - Canadian Payroll Association
 - Peninsula Streams Society

In total, year-to-date, over \$57,000 has been donated to the local community.

- **Events at YYJ**

- July 10, 2009, Victoria International Airport welcomed the Emperor and Empress of Japan.
- The arrival of the Olympic Torch at YYJ, October 30, was a great success. It was the first Canadian stop on the flight from Greece.
- November 6 Charles, the Prince of Wales, and Camilla, the Duchess of Cornwall, will arrive at YYJ and depart November 9.

- **GEM Award**

May 7, 2009 Victoria Airport Authority was presented with the GEM Award – Going the Extra Mile – from the Victoria Hospitality Award Program recognizing a company that has gone the extra mile to make visitors and local residents alike feel there is no better place to visit or come home to.

- **First Nations Cultural Ceremony**

The Tseycum and Pauquachin First Nations were very gracious hosts and accepting of the Victoria Airport Authority (VAA) into their community when representatives of the VAA attended a cultural ceremony in the Tseycum First Nation Longhouse June 26. With this new beginning, VAA looks forward to a positive working relationship in a mutually trustworthy and respectful manner.

- **Airport Consultative Committee TOR**

The Board will be reviewing the Terms of Reference for the Airport Consultative Committee to reflect the strengthened relationship between the Victoria Airport Authority and First Nations.

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

Peter Dolezal, Chair of the Audit and Finance Committee, stated he is pleased to report, that notwithstanding the economic challenges faced by the airline industry as a whole, VAA's financial position remains sound.

The Authority's Balance Sheet remains strong, with healthy working capital and a continuing reduction in the level of long-term debt. VAA's projects debt repayment of \$1.8 million in 2009 brings VAA's year end debt to \$13.05 million. VAA is on track to liquidate this debt by 2016.

As Peter Dolezal explained, VAA's AIF revenues are used exclusively to fund capital costs which are related to airline operations, air navigation and to the processing of passengers. Since the AIF was implemented in 1999, the VAA has collected \$48 million in AIF Revenue and has expended approximately \$61 million on AIF-funded projects. The difference is essentially the current long-term debt of \$13.5 million.

VAA's operations revenues on the other hand 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 \$19 million of operations revenue has been expended on operations-funded capital improvements.

Since 1997, when the Authority was created, it has invested a total of \$80 million in capital improvements.

Notwithstanding VAA's major capital expenditures over the years, VAA is extremely pleased that the \$10 AIF which remains among the lowest of Canadian airports. Many other Airports have moved to \$15 and even higher. Furthermore, VAA's landing and terminal fees are also among the lowest in the Country.

A recently released Transport Canada study of Canadian Airport Authorities for the year ended December 31, 2007 – reported that:

- VAA had the 3rd lowest expenses including interest per passenger of the 22 major airports in Canada.

- Aeronautical revenue as a percentage of total revenues at 23% was the second lowest. Keeping landing & terminal fees low encourages carriers to frequent Victoria International Airport.
- Non-Aeronautical revenues as a percentage of total revenue stood at 42.42%. This was the third highest of all 22 airports. This broad revenue diversification is a key reason why the VAA is able to maintain its low aeronautical fees.

Highlights of VAA's 2009 financial performance for the nine months ending September 30, 2009:

AIF Sector:

- AIF revenues - \$5.3 million
- Expended \$5.9 million on AIF capital projects
- Repaid \$1.35 million debt

Operations Sector:

- \$11.4 million total revenue – 2.1% over budget
- Total expenses - \$8.8 million – 0.2% under budget
- Net income - \$2.6 million - 9.3% over budget
- Operations capital projects totaled \$4.4 million

Peter Dolezal stated it is this financial strength that enables the Authority to continually enhance its role as a major economic driver for the Greater Victoria Region.

This was Peter Dolezal's last report to this Committee, as his eight year term as a Board member expires at the end of 2009. He told the Committee it was his pleasure to serve on the VAA Board of Directors and told the District of North Saanich representative at this meeting, Councillor Peter Chandler, he was grateful to be the Nominee from the District of North Saanich. He also said it was his pleasure to serve as Chair of the VAA Board's Audit and Finance Committee for the past three years.

7. Report from the VAA President and CEO

Richard Paquette, President and CEO, briefed the Committee on a number of matters:

Passenger Traffic

- In the plans for 2009 VAA forecasted zero passenger growth; the numbers are somewhat down compared to the plan. Passenger traffic on average is down 1.6%. This compares to an average decline of 8.3% at other major Canadian airports for the first half of 2009. Considering the general economic conditions this Airport is doing well.
- As VAA prepares budgets and plans for 2010 it is taking under consideration economic uncertainty the effects the new HST will have on travel demand.

New Air Services:

- United Airlines introduced double daily non-stop service to SFO, last year there was one flight a day.
- This past summer there were 4 x 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

Environment

- There were good marks from the recently completed Transport Canada environmental inspections and there were eight environmental audits of tenant operations completed.
- VAA completed final phase of the Raey Creek remediation project to remove heavy metal contamination from the bottom of the Creek.
- VAA continued its annual ivy removal project in Airport Woods in 2009, employing First Nations students.

Developments

Mills Road Business Park:

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

- Sobeys (Thrifty's) has an option over the majority of the remaining site.
- Intersection improvements at McDonald Park and Mills Roads will be funded by VAA as part of the Mills Road Business Park Development. Work is delayed until next spring because of some BC Hydro work in the area which must be completed first.

Sewage Pumpstation #2

Sewage Pumpstation #2 was replaced at a cost of \$1.3 million. This work is important for the Airport; it also handles Institute of Ocean Science, Pauquachin and Tseycum First Nations needs.

New Fire Hall / Maintenance Garage

Construction of the new Airport Fire Hall / Maintenance Garage (Airside Operations Centre) is progressing well – on time and on budget; occupancy is expected early in 2010. It'll have the seismic protection to get emergency equipment out of the Fire Hall in the event of an earthquake. The project includes an environmentally friendly geothermal system that will cut heating and cooling energy demands by half.

Terminal Building Third Floor Observation Lounge – Eagles Landing

There was a grand opening of Eagles Landing, the Airport Terminal Building's third floor observation lounge. It is a great place to relax, enjoy the artwork and story-boards depicting the history of Airport lands and to enjoy views of the airfield. We invite the public to visit Eagles Landing; it is well worth the visit. There is signage beside the elevator which directs the public to the third floor.

Two New Passenger Loading Bridges

This year VAA added two new loading bridges to the Terminal Building giving the capacity to bridge large, jet aircraft.

Long Term Plans – Parking and Roadway Improvements

Last month the VAA Board received a report and conceptual drawings from Stantec Engineering that outlined parking and terminal roadway improvements which are expected to be required over the next 30 years when the number of passengers is forecast to more than double. The plan also accommodates a parkade, improvement to bus, bicycle and pedestrian traffic, and ultimately there is a right-of-way for light rapid transit.

The CEO stated it is important to note that the plan will not determine the pace of development; there are many elements that will proceed incrementally based solely on demand by the community.

The Report is available on VAA's web site; public input is welcome.

VAA Staff Changes

The CEO reported on staff changes:

- Danita Ouellette, VAA's Manager, Corporate Services has retired after 25 years at Victoria International Airport. Her knowledge, expertise and dedication to this Airport will be greatly missed.
- Congratulations to Randy Bogle who is promoted from Controller to VAA's Chief Financial Officer.
- A search is underway to fill the Manager, Corporate Services position.

8. Call for New Business

None

9. New Business

None

10. Questions / Comments from the Committee and the Public

- The representative from the District of Saanich, Councillor Paul Gerrard, stated he is pleased with the positive relationship developed between the VAA and First Nations.
- Councillor Paul Gerrard asked if operations at YYJ will be impacted by the 2010 Olympic-Paralympic Winter Games. The CEO stated YYJ is designated as one of the Portal Airports for entry to YVR during the Winter Games. Scheduled air service at the main Terminal Building is not expected to be adversely affected by extra security checks at YYJ. CATSA (Canadian Air Transport Security Authority) will be operating remotely at the YYJ Shell Aerocentre in the East Camp to serve general aviation aircraft destined to YVR. Operational plans are in place to accommodate additional general aviation traffic.
- District of North Saanich Councillor Peter Chandler also thanked Peter Dolezal and stated North Saanich will be sorry to see Peter Dolezal leave when his eight year term as the District of North Saanich Nominee on the VAA Board of Directors comes to an end December 31, 2009. North Saanich is very proud of Peter Dolezal and appreciated the updates Council received from him on activities at Victoria International Airport.
- Councillor Peter Chandler stated North Saanich appreciates the environmental initiatives undertaken by Victoria Airport Authority, including the new cycling path at the north end of the Airport, and enquired about VAA's plans to reduce GHG (Greenhouse Gas) emissions.

VAA Director of Airside Operations and Development, Terry Stewart, stated VAA has undertaken a number of environmental initiatives. It was the first airport in Canada to partner with Transport Canada to conduct an air quality assessment. A program to reduce GHG is being implemented at the Airport. VAA created a Carbon Budget in 2009 that includes reducing water, fuel and electricity consumption by 5%. Solar panels will be installed for hot water usage. BC Hydro is conducting a lighting audit through its Power Smart Program and will be covering 60% of the cost of the conversion to power smart lighting (70% reduction in power usage) in the Terminal Building. When a VAA vehicle comes up for replacement VAA will review options in respect to hybrid vehicles.

The CEO also noted other environmental initiatives including the geothermal system for the new Airside Operations Centre (Fire Hall and Maintenance Garage) which will cut heating and cooling energy demands by half. VAA promoted a design for free flow of traffic through the new McTavish Interchange which will result in reduced emissions. The YYJ Car Rental Service Centre is located close to the Terminal Building, eliminating the need for off-airport maintenance facilities and shorter driving distances. When the taxi concession contract was awarded one of the significant elements was to give consideration to usage of hybrid vehicles. Over 70% of "Yellow Cabs" are environmentally friendly hybrid vehicles, more than any other community in Canada.

Air carriers are also involved in GHG reductions at YYJ. For example, Jazz (Air Canada) now uses an electric tug powered by an 80 volt AC electric drive system. Electric power systems are much more efficient and cleaner than IC (Internal Combustion) power systems.

Peter Dolezal, VAA's Chair of the Audit and Finance Committee noted the runway expansion project is good for the environment as passengers flying non-stop avoid additional takeoffs which would result in reduced emissions.

- Town of Sidney Councillor Steven Price thanked Mel Couvelier and stated the Town of Sidney will be sorry to see Mel Couvelier leave when his eight year term as the Town's Nominee on the VAA Board of Directors comes to an end December 31, 2009. He stated the Town is very proud of Mel's achievements and his long and distinguished career including as a member of the VAA Board of Directors.
- A local resident asked if extending the main runway would open up opportunities to fly YYJ to Asia. VAA's CEO explained it is not possible within the technical and business limitations to accommodate larger aircraft that would fly to Asia. VAA's first marketing initiatives will be for flights to London England.
- A local resident enquired about VAA's priorities in respect to capital projects; specifically those related to capacity enhancements.

VAA's CEO stated the number one priority for the VAA is the extension of the main runway. A funding proposal has been submitted to the Provincial and Federal Governments to share 1/3 each in the cost of the project, as every dollar invested in the runway project brings in needed revenue to Governments, generated as a result of an increase in jobs in vital sectors of the local economy.

The Terminal Building can handle the increased capacity. The Airport's Master Plan which forecasts activity up to 2025 defines improvements to meet demand including expansion of the parking area and realignment of Willingdon Road. As noted earlier in the meeting the VAA Board recently reviewed a long term parking and access plan for Victoria International Airport to help guide the development of the Airport over the next 30 year period. As noted, the plan can be viewed on the VAA web site www.victoriaairport.com.

The Master Plan also identifies expansion of the Terminal Building to accommodate a future US preclearance facility and a new Canadian Border Service Agency (CBSA) facility within the same area, both located in a new international wing of the Terminal Building. Plans will only be triggered by demand such as when the number of passengers through the Terminal Building reaches 2 million passengers a year, or over 200,000 travelling passengers to the US. At the moment there are approximately 115,000 departing passengers to the US.

The Master Plan is posted to the VAA web site.

- District of Central Saanich Councillor Susan Mason stated VAA is setting a good example environmentally for other Canadian airports. She applauded the VAA for its initiatives and stated she will report back to her Council on the accomplishments at the Airport. She also thanked the two retirees, Peter Dolezal and Mel Couvelier for their contribution to the Airport and the community.
- Mel Couvelier stated VAA's staff is well known and respected across Canada; their achievements are to be applauded.
- The Chair thanked the Municipal Councils for their support of the McTavish Interchange and asked that the Mayors and Councillors and the public to voice their support for the extension of the runway at Victoria International Airport.
- A local resident asked what plans are there for increased retail/food/beverage beyond security. The CEO stated as passenger traffic increases there will be increased demand for more expanded facilities beyond security. These changes will occur with when there is a need for increased capacity.
- The Committee Chair, Peter Bray, thanked the public and representatives on the Committee for attending this evening's meeting.

11. Announcements

Date and Time for the Next ACC Meeting – February 23, 2010

7:30 am to 9:00 am, Tuesday, February 23, 2010
Victoria Marriott Inner Harbour Hotel – 728 Humboldt Street
Pacific Room B

Annual Public General Meeting – May 11, 2010

The ACC Chair, Peter Bray, stated VAA is considering holding its next Annual Public General Meeting May 11, 2010 at the new Airside Operations Centre (Fire Hall / Maintenance Garage). The members will be informed.

12. Adjournment



Photo by Paul Connolly 7 January 2010