

# Virtual VAA Airport Consultative Committee

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## Minutes

Tuesday, October 18, 2022  
1:30 PM – 2:35 PM  
GoToWebinar

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### Upcoming Public Meetings:

#### **Spring Airport Consultative Committee Meeting**

Tuesday, March 7, 2023  
Time, Venue and Format TBA

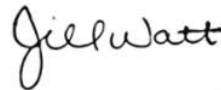
#### **Annual Public General Meeting**

Thursday May 12, 2023  
GoToWebinar



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Cathie Ounsted  
Chair, Airport Consultative Committee



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Jill Watt  
Executive Assistant and Corporate Secretary

## Representative Members in Attendance: 20

### Organization

### Representative

#### Airlines:

Air Canada / Jazz  
Air North  
Alaska Air / Horizon  
Flair Air  
Harbour Air Seaplanes  
Pacific Coastal Airlines  
Swoop Airlines  
WestJet

Jenni Isoda  
Regrets  
Regrets  
Regrets  
Randy Wright  
Regrets  
Regrets  
Regrets

#### Airport Land Tenants

Air Terminal Building Tenants' Representatives

Trevor Davis  
Joe Jansen, Terry Judge, Alan Robertson,  
Claudiu Ulinici, John Wilson

Association of Canadian Travel Agencies  
BC Ministry of Transportation and Infrastructure  
Canada Border Services Agency  
Canadian Aircraft Owners and Pilots Association  
Capital Regional District  
City of Victoria  
Department of National Defence (443 MH Squadron)  
District of Central Saanich  
District of North Saanich  
District of Saanich  
Greater Victoria Chamber of Commerce  
NAV Canada  
North Saanich Residents' Association  
Pauquachin First Nation  
Saanich-Gulf Islands Member of Parliament Office  
Saanich North and Islands Constituency Office  
Saanich Peninsula Chamber of Commerce  
Saanich Peninsula Water and Wastewater Commission  
Sidney Business Improvement Area Society  
Sidney Community Association  
Sidney North-Saanich RCMP  
Tourism Victoria  
Town of Sidney  
Transport Canada  
Tsartlip First Nation  
Tsawout First Nation  
Tseycum First Nation  
WSÁNEĆ Leadership Council

Regrets  
Regrets  
Regrets  
Regrets  
Regrets  
Ben Isitt  
Dale Arndt  
Regrets  
Regrets  
Ned Taylor  
Regrets  
Derek Stewart  
Regrets  
Regrets  
Alexa Lewis  
William Kelly  
Joseph Jansen  
Regrets  
Regrets  
Dennis Carlsen  
Andres Sanchez  
Regrets  
Councillor Chad Rintoul  
Linda Germain  
Regrets  
Regrets  
Regrets  
Joni Olsen

## Members of the Public in attendance: 13

**Airport Consultative Committee Members in attendance:** Cathie Ounsted (Committee Chair), Gordon Safarik (Board Chair), Wendy Everson, Chuck Lovallo, and Margaret Lucas.

**Other Board Members in attendance:** Carol Brown, Dave Cowen, Eric Donald, Paul Gerrard, Allan Haynes, Frank Leonard, and Wendy Zink.

**Management:** Geoff Dickson (President and CEO), Randy Bogle, Joseph Chen, Michelle Cooper, Scott Cunningham, Ken Gallant, Mike Garraway, Rod Hunchak, Matthew Logan, Adrian Nyland, David Parson, and René Sheir.

**VAA Staff in attendance:** Andrea Bailey, Sherri Brooks, Julie Dobranski, Jaspreet Grewal, Tyler Gunderson, Amber Haggstrom, Andy Hughes, Anita Kardos, Angela Moran, Siobhan O'Donnell, Sarah Venn, and Emily Windebank.

**Meeting Moderator:** Adrian Nyland

**Recording Secretary:** Jill Watt

**1. Call to Order**

The meeting was called to order by Cathie Ounsted, Chair of the Airport Consultative Committee.

**2. Territorial Acknowledgement**

The Committee Chair respectfully acknowledged that Victoria Airport Authority operates from the homeland of the WSÁNEĆ people and expressed VAA's commitment to further strengthening relationships.

**3. Recognition of the Committee Members, Representative Members, Dignitaries, and Special Guests**

The Committee Chair recognized the Committee members, Representative members, dignitaries, business leaders, and members of the public who were participating in the virtual meeting.

VAA very much appreciated their input and asked that they continue to share their perspectives, concerns, and suggestions.

**4. Motion to Receive the Minutes of the March 8, 2022 Airport Consultative Committee Meeting**

The Minutes of the March 8, 2022 Airport Consultative Committee meeting were reviewed by the Committee. There were no errors or omissions noted.

**MOTION:** Acceptance of the March 8, 2022 Airport Consultative Committee meeting minutes as presented.

**Moved by:** Cathie Ounsted

**Seconded by:** Gordon Safarik

**Motion carried.**

## 5. Report from the Chair of the Board of Directors

The Board Chair announced that this was his final Consultative Committee Meeting as his term was to expire on December 31, 2022. He expressed that his tenure on the Board was one of the most satisfying and edifying experiences of his working career. He described the staff at VAA as world-class and beyond exceptional in their abilities and performance of their duties. He also described his fellow Board members as exceptional.

Throughout his tenure there were many changes, improvements, and innovations and he noted major runway and airside upgrades, the new Lower Passenger Departure Lounge and retail innovations, and massive environmental programs initiated including the Airports Council International Carbon Accreditation, and the remediation and protection of TenTen and KELSET Creeks.

He recognized the potentially record number of awards VAA received in this time including the following:

- Being named the Best Airport in North America three times by Airports Council International
- Earning the prestigious award for most financially efficient airport in North America four times by Air Transport Research Society
- Achieving gold accessibility certification by the Rick Hansen Foundation
- Consistently being recognized as a Top BC employer
- Multiple environmental leadership and business excellence awards

He felt that YYJ's most impressive achievement was the manner in which the COVID crisis was handled. The staff at VAA, with the help of some outside health expertise, formulated protocols to mitigate the situation and determine the best way to protect both passengers and airport staff. Some of those protocols were subsequently adopted by Transport Canada as a template for other airports across Canada. He noted this was just another example of the abilities of the staff to grasp the complexities of a situation and provide superior solutions.

The Board Chair advised that the airport recently underwent a five-year audit as a requirement by Transport Canada that examined the airport operationally and on its Board governance and

protocols. After completion of the last audit five years ago, VAA received notice that they had the best governance protocols of any airport in Canada and that the bylaws and procedures could serve as a template for other airports across Canada. He was confident the results of the present audit would be similar or even superior to the results received from the last audit.

The Board Chair expressed his pride for the airport's desire to be the best community partner possible. Few people realize the extent to which the airport contributes to stakeholders on a support and financial level. While VAA is a not-for-profit organization, its profits allow VAA to provide contributions to the community, maintain facilities, and deliver exemplary service to airlines and travellers.

VAA's satisfaction surveys consistently rank YYJ at the top of airports across Canada. This is achieved while at the same time being one of the most efficient airports in North America and one of the lowest cost operations in the country. In addition, VAA has once again become debt free, a remarkable achievement for an airport in North America.

The Board Chair clarified that there is a perception among many that YYJ is funded by the federal government. With the exception of some assistance from both federal and provincial governments due to COVID-19, YYJ does not operate with government funding and is totally self-supporting.

In addition to VAA's exceptional group of employees (less than 60 full-time employees) he applauded the hundreds of people that contributed to running YYJ successfully, from airline staff, ground crews, security, cleaners, maintenance, landscapers, and many more. YYJ has been able to attract a group of tenants and contractors second to none and they all contribute to YYJ being one of the most awarded airports in North America.

In closing, the Board Chair expressed that Victoria International Airport was able to overcome any challenges it faces and remain both a leader and one of the greatest airports in the world.

He expressed his gratitude for the opportunity to serve Victoria Airport Authority.

## **6. Report from the Vice President, Finance and Administration and Chief Financial Officer**

The Vice President, Finance and Administration and CFO gave a brief presentation of VAA's forecasted financial results for the year ended December 31, 2022.

He explained that revenues earned at YYJ come from four main areas:

- Aeronautical fees, which are primarily made of landing and terminal fees charged to airlines and other users of the airport.

- Concession revenue, which is primarily made up of revenues received from parking, rental car operators, restaurants, retail, and other concessions.
- Airport Improvement Fee (AIF), which is the \$15 fee that is collected by the carriers and remitted to the airport. These revenues are restricted and can only be used for capital items and related debt financing for capital.
- Real estate revenue, which is the revenue received in the form of land rent from the tenants that occupy the airport lands.

Aeronautical, Concessions, and AIF are directly or indirectly tied to passenger activity. Real estate revenue is the only revenue area that is not related to passenger activity.

VAA's year-to-date passengers were 1.1 million which is 12 percent ahead of the budget of 980,000 passengers.

The year is forecasted to end with approximately 1.5 million passengers and 12 percent ahead of budget, which also brings the three passenger-related revenue sources ahead of budget. Although it was a positive outlook, it was noted that the budget was prepared taking into consideration the pandemic and VAA forecasted both passenger numbers and passenger related revenue to be approximately 20 percent below pre-pandemic numbers.

#### **Forecasted Revenues.**

Aeronautical revenue was forecast to be just over \$7 million (13 percent ahead of budget).

Concession revenue was forecast to be slightly under \$11 million (18 percent ahead of budget).

AIF revenue was forecast to be \$11 million (12 percent ahead of budget).

Total revenue, including real estate revenue and other revenue such as pandemic related government wage subsidies received early in 2022 totaled \$35 million and was \$4 million ahead of budget.

#### **Expenses**

Operational expenses, which include the cost to operate the airport such as security, rent to the federal government, property taxes, salaries, utilities and interest on debt, were forecasted to be on budget at \$21 million for 2022.

Amortization expenses (the cost of capital assets recognized over their useful life) was forecast to be \$12 million.

As a result of the increased revenues, VAA was forecasted to have a Net Income of \$2.5 million for 2022, compared to the \$1.8 million dollar loss that was budgeted.

### **Closing**

As reported at past meetings, when the pandemic began VAA was in a fortunate position of having a fairly large cash balance on hand and no debt which allowed VAA to weather the pandemic better than most airports in Canada. Although a lender provided financing to assist VAA in meeting obligations during the pandemic, VAA is currently debt free and looking forward to continued growth after a challenging few years.

## **6. Report from the President and Chief Executive Officer**

The President and CEO presented an update on the airport activities over the past year.

### **Most Efficient Airport in North America under 5 Million Passengers**

For the fourth time, YYJ was recognized by the Air Transport Research Society with an award for Most Efficient Airport in North America under 5 million passengers. The award is based on quantitative research that assess financial information, fees, and overall productivity. He explained that the award was a testament to the people working at YYJ and was thankful for the Board's oversight and governance. The global significance of the award was put into perspective, as other recipients included Singapore Changi Airport, Sydney Airport, Amsterdam Airport Schiphol, Zurich Airport, Stuttgart Airport, Orlando International Airport, and Detroit Airport.

During the pandemic YYJ was believed to be the only Canadian airport that did not lay off any staff during the pandemic. Although \$2 million was borrowed to provide financial security and allow for greater flexibility with contracts during the pandemic, it was paid back, and VAA anticipated a positive net income for 2022.

The President and CEO explained the challenges running an airport through 2020 and 2021 and there was finally hope in 2022 and the CEO was cautiously optimistic that risks of COVID-19 were being mitigated through vaccinations.

Multiple travel restrictions related to COVID-19 were lifted on October 1, 2022 and he felt this to be a positive step moving forward and that it was important all the lessons were learned.

### **Revenue**

The President and CEO explained that VAA's revenue in 2019 was close to \$40 million dollars. In both 2020 and 2021 it decreased to approximately \$15 million dollars equaling a lost revenue of

approximately \$50 million dollars. In 2022 it was clear that revenues were growing back, and VAA would be close to \$35 million by the end of 2022 with the EBITA being close to 40 percent. He felt that YYJ was one of on a few airports in Canada with such positive financial results for 2022.

### **Passengers**

The beginning of 2021 was down to 10 percent of 2019 passengers because of the impacts from a COVID-19 variant. By March and May, traffic increased to close to 90 percent and became as high as 96 percent in September.

In 2022, VAA was at 73 percent of 2019 passengers and was doing very well compared to other airports in Canada and was recovering faster than many. Passenger numbers in 2022 were forecasted to be 75 percent of 2019 passenger numbers, and it was anticipated to be close to 100 percent by 2023.

### **YYJ Route Network**

There was a return of sun destinations, and VAA would slowly build back up to five non-stop Mexico destinations. VAA was doing well domestically but wanted to grow Montreal service to be year-round and there was opportunity in Saskatchewan and Manitoba. There was good coverage in BC, Alberta, and Ontario and most of the larger domestic markets were served. VAA also hoped to see the US markets grow back

### **Ultra-Low-Cost Carriers (ULCCs)**

ULCCs were gaining the domestic markets in Canada growing from 5 percent in 2019 to 15 percent in 2022. VAA had secured three of the ultra-low-cost carriers and the President and CEO was confident that VAA would secure the fourth. Flair had grown to become the third largest carrier at YYJ. He noted that there were plans for the ULCCs to significantly increase their fleets to a total of 147 aircraft. This was beneficial for the Canadian consumer and Victoria was a great target market for ULCCs.

### **New Route Focus**

The President and CEO outlined route focuses including Honolulu, Mexican markets, a Caribbean destination, San Francisco, Los Angeles, Las Vegas, Phoenix, and Denver. Challenges were found with US carriers coming out of the pandemic and having a pilot shortage. He was thankful that Alaska was operating out of YYJ, although only had one flight per day due to the pilot shortage. They had the capacity to run up to four flights per day.



Domestic market focuses included Saskatoon, Regina, and Winnipeg as well as building up the Montreal and Ottawa services.

### **Moving Forward**

The next steps included looking at lessons learned from the pandemic. There were good decisions made during the pandemic and some that had a negative economic impact and there was a balance to protecting the livelihood of people. He noted that operating an airport involves managing and mitigating risks.

Revenue diversification accounted for ten percent of revenue and was attributed to land development. Although VAA was pushing land development aggressively, flights and passengers and getting back to pre-pandemic levels were the primary focuses. He noted the uncertainty of the return of the business traveler as many segments had been replaced with virtual meetings.

VAA cut costs about 27 percent over the pandemic and was gradually building back to address activity costs. VAA was mindful to budgets and keeping reasonable costs and margins to ensure that there was continued growth without putting VAA in financial risk while executing significant capital programs in the next five to ten years.

### **Canada's Pandemic Travel Policies – Lessons Learned**

Air travel was effectively shut down during the pandemic. From a safety perspective, flying is the safest way to travel because the industry has learned to mitigate risk to the lowest possible extent. The President and CEO advised that the tourism industry engaged infectious disease experts to gain a better understanding. They found that border measures put in place during the pandemic were ineffective at stopping variants of concern and effectively delayed them for only a few days. There was no evidence that pre-departure and on-arrival testing had a sizeable impact.

The President and CEO noted that air travel was one of the safest ways of travel because of the circulation airflow and exchange on aircraft. There were other methods that were effective such as community wastewater testing which is easier and more convenient. He felt it was important that all industries plan for pandemics with this magnitude and demand lessons learned documents in all facets of society.

### **Land Development**

The President and CEO outlined active developments, exclusivity agreements, and other opportunities (discussions but no certainty). Three developments were underway:

- Amazon received their occupancy permit and would be a big tax base for the Town of Sidney and revenue source for VAA.
- The Kothari hotel proposal was a Marriot gateway concept located at Highway 17 and Beacon Avenue.
- As a community partner, VAA has committed to improve the road infrastructure and transportation network with the Beacon Avenue / Galaran Road roundabout and Sterling Way realignment in a partnership the Town of Sidney and District of North Saanich. He noted the increase in construction costs and that the Town of Sidney has applied for federal funding to reduce costs. The outcome would be known in the spring.

### **Lights in the Bay**

The most visible and complicated capital project underway was the Lights in the Bay project. YYJ's busiest Runway 09, had an ODAL approach lighting system that was being upgraded to a SSALR system to increase approach allowances. The system would expand into Patricia Bay with three lighting structures and required realignment of the docks and breakwater. Work was anticipated to be complete by December 2022.

### **Terminal Plan Over 20 Years**

Passengers were forecasted to be at 1.5 million for 2022 and by 2042 growth was calculated to be between 2.5 and 4.1 million passengers. VAA was planning for this increase and mapping out the terminal building over the next 20 years with potential expansions to the east and west and eventually north.

Over the next ten years enhancements would be seen in the hold bag screening area, departure area seating, offices for tenants and carriers, and expansions in the Arrivals Hall, baggage claim area, bridges, and seating. Planning would determine when projects would start and how to keep operations running.

Roads and parking also need to keep in pace with growth and realignments, roundabouts, and additional parking spaces were planned. The President and CEO noted that construction costs per parking space was approximately \$15,000.

### **Sustainability**

The President and CEO expressed his pride for the work that VAA's Environmental Team has done such as building the Sustainability Plan. He outlined some of the environmental goals:

- Waste Management - diversion rate of 75 percent by 2025 and 90 percent by 2030.

- Green House Gas Emissions – being carbon neutral by 2030. YYJ has partnered with YVR and YLW to help BC airports to become carbon neutral by 2030.
- Ecology and Biodiversity – increase by 20 percent. Efforts on TenTen and KELSEY Creeks has seen the return of Coho salmon after 60 years.
- Water Quality and Conservation – although YYJ is one of the lowest water use airports in the country, the goal is to lower usage by another 25 percent by 2030.

### **Noise Survey**

VAA performed a noise survey in 2022 with the report anticipated in the coming weeks. Previous surveys were performed in 1999 and 2017. He noted fewer noise events in 2017 than in 1999 and attributed this to the modernization of aircraft. He expected even more of a decline in 2022.

### **YYJ Pollinator Garden**

YYJ has planted 2000 native plants for a pollinator garden and was grateful for partners who have stepped up to participate and/or help fund the garden. This initiative would increase pollination and expand biodiversity at the airport.

### **WSÁNEĆ Leadership Council (WLC)**

For the better part of a year, VAA was building on the relationship with WLC with opportunities in employment, contracting, economic benefits, and cultural exposure. He expressed it was a rewarding year. He noted YYJ welcome signs had also been printed in SENĆOŦEN language.

VAA was mindful and hopeful to get to a formal agreement with WLC in the coming months.

### **Closing**

The President and CEO reflected on his time in the air travel industry and how it was seen as the safest transportation industry. He felt this view had changed and pointed out two issues.

He felt that the aviation industry was now seen as a vector for transitioning a local epidemic to a pandemic and although not necessarily correct, it was something to be mindful of. As an industry, all the health associated health risks, however low, needed to be understood in preparation.

Climate impact was the second issue. He felt that all the good of aviation outweighed the bad; however, it was not a binary tradeoff, and the aviation industry could do both and learn to fly sustainably using electrification and sustainable aviation fuels.

He ended his presentation thanking the people at YYJ for their hard work and he looked forward to getting back to more normal times in 2023 and beyond.

**7. Call for New Business**

There was no new business.

**8. Questions / Comments from the Members of the Committee and the Public**

**Question: Is there consideration to improving public transit to the airport?**

Answer: The CEO expressed his interest in improved transportation to the airport and was told there isn't the demand. Studies suggest airports do better as a stop to another large entity beyond. However, BC Transit chooses to have non-stop to the ferries and not stop at the airport. Currently, transit to the airport is through connection at the McTavish Interchange and there is opportunity for improvement.

**Question: Following Amazon and hotel development proposals, is there consideration to improving public consultation with Sidney residents?**

Answer: The CEO expressed there was consideration to improving public consultation, although he was not certain the best time for consultation. VAA placed socialized information on the website and through displays in the airport.

VAA looks to align its approved Land Use Plan with the Town of Sidney's Official Community Plan. Proposed developments fit the approved usage.

There was more to be understood for public consultation and what type of feedback the community desired. The President and CEO expressed his openness to suggestions and ways to improve the process and move forward within the Town of Sidney Official Community Plan.

**Question: I am representing MP May as she is in Ottawa and was in Parliament this afternoon. Our Constituency Office has received much negative feedback about the Amazon project. She has asked me to raise the following question, "How will the consultative committee handle negative feedback and comments on impact on the community on the Amazon project moving forward?"**

The President and CEO pointed out that the Amazon team wanted to reach out to the west Sidney/ Galaran neighbourhood residents to thank them for their patience during construction and that they are open to hearing all the concerns and comments raised. He believed that Amazon, like VAA, wanted to be a good partner. People either embraced or opposed the project and it tended to be a divisive development, which he understood and respected. He

expressed his willingness to meet with MP May or anyone from the MP's office to discuss at any time.

**Question: Do some of the proposed projects qualify for Federal ACIP (Critical Infrastructure) and Green Plan funding to expedite some of these projects?**

Answer: Opportunities for VAA are being researched. The Lights in the Bay project did qualify for the ACIP program and \$1.45 million was received for the \$2.8 million project. VAA was trying to understand all the opportunities available, particularly for green initiatives.

**Question: I like the comments about impacts to climate action/leadership and social licensing. Where do you see the most impactful changes YYJ (airport operations) will be implementing in the near (less than 24 month) future?**

Answer: Overall, VAA's largest carbon reduction in the near future was changing boilers, heating, and building automation systems and installing new HVAC systems. YYJ had already reduced its carbon footprint by 25 percent and would reduce it a further 50 percent in the coming years. The next biggest step for VAA would be electrification. The President and CEO thought that the biggest impact will be on type of flying and noted the combined impact from the airport/airlines is 97 percent for the airlines and 3 percent for the airport. The largest opportunity was electrification of flight and sustainable aviation fuels.

**Question: Building on the question regarding transit: Does the airport take an active role with the transit authority, such as advocating for services or even sharing in costs? (Example: such as the cost sharing it undertakes in road infrastructure?) At \$15,000 a space, is there not an incentive to decrease dependence on vehicle traffic?**

Answer: The President and CEO met regularly with the BC Transit senior leadership team to highlight concerns and discuss opportunities. There has been some focus lost in the past two years and ridership decreased during the pandemic; however, it was increasing and there could be more focus placed on it. He noted that it is several hundred thousand dollars per year to provide an individual bus service.

Although VAA would look at different alternatives to parking, the President and CEO did not feel that public transit would replace automobile transportation. YYJ was seeing a higher number for parking in the current year than in the past. He was hopeful that Uber would receive a licence to operate in Greater Victoria and thought it was an opportunity.

**Question: Is vehicle traffic considered in the sustainability plans of the airport?**

Answer: No, vehicle traffic is not considered in the Sustainability Plan, although it was certainly something that VAA was mindful of. Vehicle traffic was difficult to measure overall origin and destination of the vehicle. VAA looks at the sustainability of all airport equipment, but not traffic to and from the airport.

**Question: Is the traffic study available regarding Beacon/Galaran traffic circle option? And are board meetings open to public?**

Answer: The traffic study done for the Amazon site is a public document. The engineering document for the roundabout was still to be finalized, but the President and CEO was happy to share it.

Board meetings are not open to the public; however, VAA reports out to the nominating entities several times per year such as the fall and spring Airport Consultative Committee Meeting and the Annual Public General Meeting in May.

At the conclusion of the Question-and-Answer period, the President and CEO invited the public to contact him with any questions.

**9. Announcements**

Victoria Airport Authority's upcoming public meetings:

- Tuesday, March 7, 2022 - **Fall Airport Consultative Committee Meeting**
- Thursday, May 11, 2023 - **Virtual Annual Public General Meeting**

All meetings are advertised in the local print media, on YYJ's website, social media platforms and through YYJ Airmail. All members of the public are welcome to attend.

**10. Adjournment**

The Board Chair thanked everyone for attending and adjourned the meeting.