Airport Consultative Committee

Minutes of the Meeting held at the
Mary Winspear Centre
2243 Beacon Avenue, Sidney BC
Tuesday, October 30
7:00 - 8:30 PM

Upcoming Public Meetings:

- Next Airport Consultative Committee Meeting:
  7:30 AM, Tuesday, March 12, 2013
  Victoria Marriott Inner Harbour Hotel
  728 Humboldt Street, Victoria, BC

- Victoria Airport Authority Annual Public General Meeting:
  7:00 PM, Thursday, May 9, 2013
  Mary Winspear Centre,
  2243 Beacon Avenue, Sidney, BC

Colin Smith – Committee Chair

Melinda Orlovski – Recording Secretary
**Airport Consultative Committee**

**Representative Members**

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<td>Association of Canadian Travel Agencies</td>
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<td>BC Ministry of Transportation &amp; Highways</td>
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<td>Canada Border Services Agency</td>
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<td>Canadian Aircraft Owners and Pilots Association</td>
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<td>Capital Regional District</td>
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<td>City of Victoria</td>
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<td>District of North Saanich Residents' Association</td>
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<td>Greater Victoria Chamber of Commerce</td>
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<td>Nav Canada</td>
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<td>Saanich Peninsula Chamber of Commerce</td>
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<td>Saanich Peninsula Water Commission and Waste Management Committee</td>
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<td>Sidney Business Association</td>
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<td>Sidney Ratepayers Association</td>
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<td>- Horizon Air</td>
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<td>- Pacific Coastal Airlines</td>
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<td>Air Terminal Building Tenants' Representative</td>
<td>Jose Brochez, Denis Pettigrew</td>
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<td>Airport Land Tenants' Association</td>
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<td>VAA Board Members on the Airport Consultative Committee in attendance:</td>
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<td>Colin Smith, Lindalee Brougham, Lynne Henderson, Chad Rintoul and Graeme Roberts.</td>
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<td>Other VAA Board members in attendance: Peter Bray, Glen Crawford, Jim Crowley, Bruce Knott and Mel Rinaldi.</td>
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<td>Regrets: Bob Coulter and Mel Satok.</td>
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<td>VAA Staff: Geoff Dickson, Randy Bogle, James Bogusz, Debbie Hansen, Anita Kardos, Stephanie Long, Lisa Nunn, Melinda Orlowski and Terry Stewart.</td>
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<td>Public in attendance: 40</td>
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Call to Order

Colin Smith, Vice-Chair of the Victoria Airport Authority Board of Directors, acted as the Chair of the Airport Consultative Committee (ACC) meeting, and Melinda Orlowski acted as Recording Secretary.

1. Introduction of Members Present

Colin Smith, Airport Consultative Committee Chair, welcomed the members and the public to ACC meeting. He was pleased to see so many people in attendance despite the inclement weather.

3. March 13, 2012 Airport Consultative Committee Minutes

IT WAS MOVED, SECONDED AND CARRIED TO RECEIVE THE MARCH 13, 2012 AIRPORT CONSULTATIVE COMMITTEE MINUTES.

4. Report from the VAA Board Chair

Lindalee Bruguham, Board Chair of the Victoria Airport Authority, welcomed the attendees and dignitaries to the second ACC meeting of 2012.

The Chair wished to acknowledge the following dignitaries and special guests:

- Mayor Alice Finall, District of North Saanich
- Councillor Steven Price, Town of Sidney
- Councillor Mervyn Lougher-Goodey, Town of Sidney
- Randy Humble, Chief Administrative Officer – Town of Sidney
- Councillor Carl Jensen, District of Central Saanich
- Councillor Paul Gerrard, District of Saanich
- Cary Holman, NDP Candidate – Saanich North and the Islands

Airport Consultative Committee Structure

The Airport Consultative Committee is comprised of Representative Members from local municipalities, airlines, airport land tenants and other stakeholders. The Committee meets twice a year; once in the spring and once in the fall. The meetings are an opportunity for the VAA to provide an airport update to members of the business community, airport tenants and citizens of Greater Victoria. VAA welcomes and encourages feedback from the public regarding the future growth of the airport.

VAA Board of Directors

There are 12 Board members representing nine nominating bodies on the VAA Board of Directors. Each member has a high level of knowledge and expertise encompassing a broad range of skills to complement the Board.
The 2012 Board of Directors are:

Peter Bray  
Lindalee Brougham  
Robert Coulter  
Glen Crawford  
James Crowley  
Lynna Henderson  
Druce Knott  
Mel Rinald  
R. Chad Rintoul  
Graeme Roberts  
Mel Satok  
Colin Smith  
City of Victoria  
Greater Victoria Chamber of Commerce  
Federal Government of Canada  
Corporation of the District of Saanich  
District of North Saanich  
Province of British Columbia  
Federal Government of Canada  
Town of Sidney  
District of North Saanich  
District of Central Saanich  
Town of Sidney  
Capital Regional District

The following are the Officers of the Corporation and Committee Chair positions for 2012:

Board Chair  
Lindalee Brougham

Board Vice-Chair, and Chair - Airport Consultative Committee  
Colin Smith

Board Secretary, and Chair - Governance Committee  
Mel Rinald

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](http://www.victoriaairport.com).

**Terminal Improvements**

Construction of an $8.1 million terminal improvement project is now underway. The renovation will include an expanded pre-board screening area to improve passenger processing at the security checkpoint; new retail venues both pre/post-security including expanded duty free shopping; new dining options post-security; centralization of the elevator, escalators and stairs; and enhancements to the upper passenger departure lounge which will see the addition of a new skylight to allow more natural light into the space. The project is expected to be complete in the spring of 2014.

VAA will be utilizing a variety of different media to keep the traveling public informed as construction progresses. VAA want to ensure that our guests are offered the best possible customer service experience possible when they travel.

**Runway Extension Project**

VAA continues to review the business case with respect to extending the main runway at Victoria International Airport. At 7,000 feet, Victoria the shortest runway of any major Canadian airport. The project remains within the VAA's Master Plan.
Master Plan

VAA is in the process of updating its 25-year Master Plan for the airport. The Board and Management team met for a full-day planning session in April to discuss the strategic direction for airport growth and development. VAA hopes to have the plan finalized in early 2013 and will hold an open house so the public can provide their feedback on the plan.

Board of Directors

There has been a change to the Provincial Nominee position on the Board of Directors. Christine Stoneman completed her final term on the Board of Directors on June 30, 2012. Ms. Stoneman joined the Board on July 1, 2004 and served on numerous committees during her tenure including the Steering Committee, Governance Committee, Planning and Development Committee, Audit and Finance Committee, Airport Consultative Committee and Runway Extension Task Force. Ms. Stoneman served in the capacity of Board Chair from January 1, 2009 to December 31, 2011.

On July 1, 2012, Lynne Henderson joined the Board as the new Provincial Nominee. Ms. Henderson is a director and partner of Carolyn Developments Ltd. and was a licensed realtor for 12 years. She served as Special Assistant to the Honourable David from 2001 to 2006. She is very involved in the community through her charity and society work. VAA welcomes Ms. Henderson to her first Airport Consultative Committee meeting and looks forward to her contributions on the Board.

On behalf of the Board of Directors, the Chair wished to thank everyone for attending the meeting.

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

Glen Crawford, Chair of the Audit and Finance Committee, provided an update regarding the financial position of the corporation. He was pleased to report that 2012 looks to be another positive year for the VAA. The Year 2012 financial statements will be presented at VAA's Annual Public General Meeting, which will be held on Thursday, May 9, 2013. The figures quoted in this report are the unaudited forecasted revenues and expenses for 2012.

The VAA balance sheet remains strong, with healthy working capital and a continued reduction in the level of long-term debt. Annual debt repayments of $1.8 million continue to be made; it is anticipated that the debt will be retired by January 2017.

AIF Revenues and Operations Revenue

VAA receives revenue from the following sources: the Airport Improvement Fee (AIF); operations (aviation and terminal building related fees); concessions; and rent from leased airport land. AIF revenues are used exclusively to fund capital projects and the debt associated with these projects.

VAA is proud to report that our $10.00 AIF remains one of the lowest among all Canadian airports.
VAA Operations revenues fund ongoing operations, maintenance costs and capital projects that are not eligible to be funded out of AIF revenues.

**Highlights of forecasted financial performance for 2012:**

- Revenues: $23.4 million
- Expenses (including amortization): $13.1 million
- Excess Revenue Over Expenses: $10.3 million
- Amortization of Capital Assets: $4.8 million

Excess of revenue over expenses: $5.5 million

**2012 Operations Sector**

**Revenue:**
- Landing Fees: $2.9 million
- General Terminal Charges: $2.4 million
- Concessions: $7.1 million
- Rentals: $3.0 million
- Airport Improvement Fee: $7.4 million
- Other revenue: $0.6 million

Total operations sector revenue for the year: $23.4 million

**AIF Sector:**

Approximately $7.4 million was collected in Airport Improvement Fees (AIF). At $10 the Airport Improvement Fee has remained unchanged since July 2004, which makes it one of the lowest AIFs in Canada.

**Expenses**
- Salaries and Benefits: $4.1 million
- Services, Supplies and Administration: $5.9 million
  (includes items such as security, cleaning services, insurance, landscaping)
- Rent paid to Transport Canada: $0.7 million
- Property Taxes: $0.9 million
- AIF Handling Fees: $0.5 million
- Amortization: $4.8 million
- Utilities: $0.7 million
- Interest: $0.4 million

Total operations sector expenses for 2012, excluding amortization: $17.9 million

Canada airports continue to lobbying the Federal government to reduce the amount of rent paid to Transport Canada.
Since the VAA was established in 1997, over $104 million in cumulative capital investments have been made to continually improve the airport.

Projects for 2012 include:

- Realignment of Willingdon Road
- Improvements to circulation, security and concessions
- Rehabilitation of airfield pavements
- Remediation of Roney Creek
- Improvements to the Common Use Self-Service (CUSS) kiosks
- Purchase of a new airport rapid intervention vehicle
- Storm drainage improvements
- Completion of a multi-use path around the airport for the enjoyment of the community

The Chair of the Audit and Finance Committee thanked the group for their interest.

6. Report from the VAA President and CEO

VAA President and CEO Geoff Dickson welcomed the group and recognized the VAA management and staff for their dedication and hard work.

With the assistance of a PowerPoint presentation, the CEO provided an update regarding some of the airport's recent accomplishments and upcoming projects.

Financial Update

The CEO provided an overview of the AIF comparison between Canadian airports. At $10, Victoria continues to have one of the lowest AIFs in the country compared to many other airports.

The CEO also showed a comparison of the aviation fees charged between Canadian airports. By maintaining some of the lowest operating costs to the air carriers, VAA is positioning itself to attract more aviation business. The air carriers have noted that they appreciate the lower costs.

VAA is proud to be able to execute its capital program and maintain some of the lowest aviation fees in Canada as a result having more discretionary revenue through land rent, development and concessions.

2012 Capital Program

VAA continues to make significant investments in its capital program to improve efficiency, safety and the overall customer experience. The 2012 capital program contains over 100 projects ranging that will be staged throughout the year. The following are some of the projects that have been undertaken:
➢ Rapid Intervention Fire Service Vehicle – Safety is VAA’s number one priority. A new fire service unit will be added to the fleet in 2012 to replace one of the aging fire trucks. The new vehicle is lighter, more fuel efficient and has lower operating costs but still allows VAA to meet its regulatory requirements.

On October 4, 2012, VAA held a full scale live emergency exercise simulating the crash of a passenger jet. The VAA team started preparing for the exercise almost a year in advance. Over 125 emergency service workers, airport staff and volunteers participated in the event. It allowed VAA to test its emergency response plan, with successful results.

➢ ATB Security Improvements – In order to maintain excellent security for the terminal building operations, VAA is investing $525,000 toward security improvements which will include upgrades to the CCTV and card access systems.

➢ Common Use Self-Service Improvements – In today’s airport world, the passenger is being offered more choices at check-in. VAA is adding 18 new CUSS units in order to expedite the check-in process. The new units will allow travellrs to obtain their boarding pass and tag their own bags. This is fast becoming the preferred method of check-in.

➢ Remediation of Reay Creek – The CEO wished to recognize James Bogusz, Director of Airside Operations, Technology and Environment who led the drive behind the project. Before VAA came into existence, the practices of the day resulted in historic contamination of the creek bed. Heavy metals and other pollutants found their way into the fish-bearing stream. VAA constructed a new 200 meter diversion channel to allow water to bypass the contaminated areas. The project is nearly complete with the exception of some landscaping, which will be planted in the spring.

➢ Realignment of Willingdon Road – The realignment of Willingdon Road has been completed. The road was relocated to the south of its former location, and a roundabout was added to facilitate safer traffic flow for vehicles exiting the airport. The road realignment also allows for future parking capacity.

➢ Multi-Use Bike Path – Three years ago, VAA’s former President and CEO Richard Paquette created the multi-use path along Mills Road as a community initiative. When Geoff Dickson took over as CEO, he decided the natural progression was to extend the path around the entire perimeter of the airport lands for the enjoyment of the public. Construction of the 9.3 km path is underway and is expected to be complete by August 2013. VAA recognizes the importance of giving back to the community.

Customer Service

VAA participates in the Airport Service Quality (ASQ) Customer Satisfaction Benchmarking program, which measures a wide range of customer service features in 168 airports in more than 50 countries. In the third quarter of 2012, VAA placed first in overall customer satisfaction.
Areas included the efficiency and courtesy of check-in staff, wait times, value for parking, cleanliness, thoroughness of security and ease of wayfinding. YYJ ranked Best In Class for Speed of baggage delivery. Victoria International Airport offers the right level of vibrancy with an easy and friendly customer experience.

Social Media

In 2012, VAA embraced social media and uses regularly it to provide better communication with our customers. Follow us or on our Twitter and Facebook sites:

- [Twitter](twitter.com/fly__YYJ)
- [Facebook](facebook.com/Victoria.International.Airport)

New Collective Agreement

In 2012, VAA successfully negotiated a new four-year collective agreement with its bargaining unit employees.

Annual Passenger Traffic

The CEO showed a graphic representation of the annual passenger traffic from 2003 to date. In 2007 and 2008, passenger levels stalled due to the economy; however VAA is once again seeing signs of positive growth.

Air Service Development

The CEO provided an overview of the route network currently served from Victoria. The best way to grow business is by adding new air service; VAA is in discussions with several airlines in this regard.

WestJet pioneered the concept of scheduled seasoned service to the southern markets, which has been the biggest area of growth for Victoria International Airport. Seasonal service destinations include Las Vegas, Phoenix, Honolulu, Puerto Vallarta and Cancun.

Air Canada added same-plane air service to Ottawa through Toronto, which makes Victoria the final capital-to-capital link in Air Canada's network.

WestJet and Air Canada plan to introduce new low-cost regional carriers which could present new market opportunities for Victoria. With the introduction of the new Q400 aircraft, new regional opportunities may be presented with the existing fleet being re-deployed to new destinations.
WestJet is once again offering seasonal non-stop service to Phoenix. This route is performing well with consistent load factors of 75%. VAA would like to see the Phoenix service expanded to two or three flights per week.

VAA is pleased to announce that on November 1, 2012, Sunwing Airlines will introduce new service to Los Cabos, Mexico.

The largest unserved market out of Victoria is Los Angeles, California. VAA is in discussions with a number of air carriers and remains optimistic that L.A. service will become a reality in the future.

**Extension of Runway 09/27**

The extension of the main runway 09/27 was identified as an opportunity for the VAA in its 2007 Master Plan. Since then the economic climate has slowed with airlines focusing on larger markets such as Vancouver and Toronto.

VAA continues to review the business case for the extension of the main runway by reviewing different models for runway lengths, aircraft performance and other variances. The project remains part of the Master Planning process.

**Terminal Renovation**

The CEO presented a number of slides showing the anticipated changes that are planned for the air terminal building over the coming years. In order to determine airport growth and remain viable, VAA must to anticipate where the market is going and stay in front of the demand curve.

In 2013 and 2014, a major terminal renovation will be undertaken to improve circulation, relieve congestion at the passenger screening point, provide a greater selection of food, beverage and retail offerings to the travelling public, and refresh the upper passenger departure lounge. The project is expected to be complete by the spring of 2014.

Some of the renovations will include:

- Making the upper passenger departure lounge more commensurate with the lower lounge;
- Creating a centralized elevator, escalator and stair core to improve passenger flow;
- Reconfiguring the pre-board screening area to add additional lines to speed up processing;
- Expanding the retail and duty free options post-security;
- Introducing food offerings that are more representative of the local region.
Airfield Pavements

Safe, well maintained runways are essential to successful airport operations; they are also the most expensive items to maintain. Each year VAA spends approximately $1 million on paving and patch work.

In 2014, VAA will undertake an overlay of the main runway in order to ensure the continued safety of the travelling public.

Runway Extension Project

VAA is currently reviewing the business case for a runway extension, including the performance capabilities of various aircraft types based on a number of configurations and runway lengths. VAA is taking a prudent approach to the runway extension project, which remains within its 25-year Master Plan. Plans include a west extension for the first phase, followed by an east extension in subsequent years.

Airport Parking

With the realignment of Willingdon Road, airport parking requirements over the next 20 years can easily be accommodated within the available land.

Land Tenants

Victoria International Airport is fortunate to have a diverse group of land tenants, which provides almost $3 million in annual revenue to the VAA. This diversification allows VAA to keep its terminal charges and landing fees among the lowest in Canada.

Land Development

The CEO displayed a graph outlining the various land uses at the airport including areas for general aviation, aviation reserve, commercial and light industrial areas.

In July 2012, Thrifty Foods held a Grand Opening of its new 150,000 ft² state-of-the-art warehouse and distribution centre. VAA is pleased to welcome a great community partner to the airport.

In order to accommodate the vehicle traffic going to and from the Thrifty Foods Retail Support Centre, VAA made a significant investment to improve the intersection at Mills Road and McDonald Park Road in order to accommodate the truck traffic. Additional landscaping and sidewalk improvements were also made around the area.

One of Vancouver Island’s largest construction projects is well underway at Victoria International Airport. A new 212,000 ft² hangar is being constructed for the Department of National Defence’s 443 Maritime Helicopter Squadron. The combined hangar and administration offices will house nine new Cyclone helicopters. When the new hangar is complete in 2014, the old hangar will revert back to the VAA and will create new commercial business opportunities at the airport.
Willingdon Road Business Park

The CEO showed an artist’s rendering of the proposed new Willingdon Road Business Park, highlighting what the new 40-acre business development could look like. The project will be staged over time, and architectural design is underway. VAA has set strict development guidelines encouraging environmentally progressive building standards.

CNNGo

CNNGo named Victoria International Airport as one of the ‘Ten Most Loved Airports in the World’. This type of recognition reinforces the notion that you don’t have to be the biggest to be one of the best. VAA is very proud of the airport employees who make the travel experience as easy as possible for our customers.

The CEO thanked the guests for attending this evening.

7. Call for New Business

There was no new business.

8. Questions / Comments from Committee Members and the Public

➢ Comment from Mayor Alice Finall, District of North Saanich: The improvements undertaken by the VAA to remediate Reay Creek and the construction of the new bike path around the airport have been enormous gifts to the community. Being involved in some of the discussions to accomplish these projects, it is no wonder Victoria International is one of the most loved airports.

The CEO thanked Mayor Finall for her kind comments.

➢ Question from Councillor Gerrard, District of Saanich: Other city airports have a number of affordable transportation alternatives other than taxis or shuttle buses. These services aren’t readily available at Victoria International Airport. Does VAA have a plan to expand alternate transportation such as improved bus service to the airport?

One of the CEO’s first tasks when he joined the VAA was to engage in discussions with BC Transit in an effort to improve scheduled bus service to Victoria International Airport. In the spring of 2011, bus service to the airport was tripled from 10 trips to 28 trips per day and has been in effect for over a year. VAA continues its discussions with BC Transit to improve transportation options for the customer, however the decision remains with BC Transit.
Comment from a member of the public: the person asked that the name of the Victoria International Airport be changed to the Terry Fox International Airport. She was also lobbying the Vancouver International Airport to do the same.

The CEO thanked the person for her suggestion.

Comment from a member of the public: As a ‘million mile’ flyer, Victoria International Airport is one of his favourite airports. He would appreciate seeing U.S. pre-clearance introduced. Additionally, through VAA’s public hearings around the runway extension a few years back, there was an indication that a longer runway would mean additional charter flights and more noise. The person suggested that VAA focus on markets around North America rather than Europe, and to think about a Florida market as many people travel there. He also requested that VAA assure the local community that there will be another opportunity to comment on the Runway Extension project before going ahead with the plan.

The CEO committed that the VAA would hold public consultation sessions regarding any plans for the Runway Extension project. The VAA is looking prudently at the next steps for the project, including market demand. With a longer runway, it would actually reduce the noise as the aircraft can achieve a different takeoff angle.

There are a number of opportunities for the public to learn more about the VAA’s ongoing capital projects by attending the Airport Consultative Committee meetings and the Annual Public General Meeting. All meetings are publicly advertised, and information is available on VAA’s public website: www.victoriaairport.com

9. Announcements

There are two upcoming public meetings:

Next Airport Consultative Committee Meeting:
7:30 AM, Tuesday, March 12, 2013
Victoria Marriott Inner Harbour Hotel
728 Humboldt Street, Victoria, BC

Next Annual Public General Meeting:
7:00 PM, Thursday, May 9, 2013
Mary Winspear Centre,
2243 Beacon Avenue, Sidney, BC

On behalf of the Victoria Airport Authority, Committee Chair, Colin Smith, thanked the Committee and members of the public for attending.

10. Adjournment