



Victoria Airport Authority

Airport Consultative Committee

**Minutes of the
Meeting Held at the
Mary Winspear Centre at Sanscha
Tuesday, 19 October 2004, 8:30 – 9:10 AM**

NOTE: MEETINGS START AT 8:30 AM

**Next Meeting: 08:30 AM, Tuesday, 22 February 2005
Mary Winspear Centre at Sanscha
(2243 Beacon Avenue, Sidney – Corner of Beacon & Pat Pay Highway)**

Paul Connolly – Secretary

Mervyn Lougher-Goodey – ACC Chair

Representative Members

Air Canada Jazz	absent
Air Terminal Building Tenants' Representative	absent
Association of Canadian Travel Agencies	absent
BC Ministry of Transportation & Highways	absent
Canadian Aircraft Owners and Pilots Association	absent
Canada Customs and Revenue Agency	absent
Capital Regional District	absent
Central Saanich Municipality	absent
City of Victoria	absent
Department of National Defence	absent
District of North Saanich	absent
District of North Saanich Residents' Association	Graham Ross
Greater Victoria Chamber of Commerce	Bruce Carter
Horizon Air	absent
Nav Canada	absent
Pacific Coastal Airlines	absent
Pauquachin Band Council	absent
Saanich Municipality	absent
Saanich Peninsula Chamber of Commerce	absent
Saanich Peninsula Water Commission	absent
Sidney Business Association	Nick Coates
Sidney Ratepayers Association	absent
SRS Airlines Services - Charter Airlines	absent
Tseycum Band Council	absent
Tourism Victoria	Lorne Whyte
Town of Sidney	absent
Victoria Airport Tenants' Association	Mike Sudul
WestJet	absent

VAA Board Members In Attendance

*Linda Petch, *Mervyn Lougher-Goodey, *Peter Parsons, * Bob Skene,
*Gordon Denford, *Haji Charania, * Christine Stoneman, *Wayne Tremblay,
*Matthew Watson, Mel Couvelier, Peter Dolezal, and Geoff Young.

Victoria Kuhl sent regrets

VAA Staff: Richard Paquette, Danita Ouellette, Randy Bogle, Vincent Miller, Ian West,
Mike Booton, and Terry Stewart.

*Board members on the ACC.

1 member of the public in attendance

1. Call to Order

Mervyn Lougher-Goodey, Vice Chair of the Victoria Airport Authority, acted as the Chair of the meeting, and Paul Connolly acted as Recording Secretary.

2. Introduction of Members Present

Mervyn Lougher-Goodey, 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

No questions or comments

4. Approval of 22 June 2004 Minutes

IT WAS MOVED, SECONDED AND CARRIED TO ADOPT THE 22 JUNE 2004 AIRPORT CONSULTATIVE COMMITTEE MINUTES.

5. Report from the VAA Chair

- **Strategic Plan 2005 - 2009**

The VAA Chair, Linda Petch, reported the VAA Strategic Plan 2005 – 2009 was approved at the 27 September Board meeting. Linda Petch advised the members present would be given a copy of the Strategic Plan.

- **Rent Issue**

The new Minister of Transport, Jean-C. Lapierre, in reply to the VAA Chair's letter, wrote the comprehensive review of the government's current policy respecting the rent paid by airport authorities is complete. The next step in the review process involves Cabinet direction.

Valerie Dufour, Transport Canada Special Advisor to Assistant Deputy Minister on Policy, indicated to the VAA it is the Minister's intention to link rent reduction with new airport legislation, likely a watered down version of the originally proposed Canada Airports Act for airports that pay rent.

The issue of linking rent to new legislation arose out of issues related to the bigger airports. The indication is new legislation will focus mainly on

governance, accountability and transparency issues. ATAC (Air Transport Association of Canada) is lobbying for an appeal structure for aviation fees and charges. Draft legislation is expected by the end of the year. Victoria Airport is the biggest of the small airports. Whether Victoria will be considered the smallest of the big airports will depend on the passenger threshold chosen by the government.

The Minister has been invited to the CAC (Canadian Airports Council) meeting in Ottawa in early December, and it is hoped he will attend to discuss this issue.

A question was asked, in the event Transport does agree to a reduction in rent would that be translated into savings for airlines? The CEO, Richard Paquette, stated airports have differing views on this issue; however, the Minister is expecting most of the savings would be passed along to the airlines.

Copies of VAA Chair's October 1, 2004 letter to the Prime Minister on the rent issue and letter dated October 7 from Minister of Transport provided to the Committee.

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

The Chair of the Audit and Finance Committee, Bob Skene, reported on the financial period ended 31 August 2004 – (Unaudited Statements of Income and Expenses for the Operations and AIF Sectors provided to the Committee members for their review).

The Financial situation is positive in the Operations Sector, net income is \$341,000; higher than budgeted primarily attributed to an increase in passenger traffic with a resultant increase in revenue.

In the AIF (Airport Improvement Fee) Sector, year-to-date collected AIF revenue is \$3,483,000, project expenses \$2,535,000. Debt is \$12.5 million and is being paid down by the AIF.

7. Report from the VAA President and CEO

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

▪ **Environment**

- Consultant engaged for an Independent Risk Assessment Review of VAA's Environmental Plan
- Royal Roads University Study for engineered wetland and settling ponds to filter stormwater runoff from VAA lands presented to stakeholders.
- VAA has expanded its program of Water Quality Monitoring to obtain quantifiable data on water quality.
- Environmental inspections completed at five tenant facilities, no environmental concerns were noted.
- Willingdon Road bike lanes completed.

▪ **Air Service Update**

Year-to-date (30 September 2004) passengers are up 7.5%. This year-over-year growth will moderate by year end because of the 15% increase recorded in the last quarter of 2003. Forecast for 2004 is a 5% increase over 2003.

WestJet – Toronto / Victoria non stop service ends 30 October.

Charters:

Harmony – weekly to Honolulu December 14, 2004 - March 25, 2005.

Conquest Vacations (Skyservice) – twice weekly to Las Vegas
November 4, 2004 to April 1, 2005.

Air Transat Holidays (WestJet)

Puerto Vallarta	weekly December 18, 2004 - March 26, 2005
Varadero (1 stop Calgary)	weekly December 17, 2004 - April 1, 2005
Cancun (1 stop Calgary)	weekly December 19, 2004 - April 3, 2005

Air Canada Jazz – will introduce 50 seat RJ service to Calgary three times a day starting in November.

▪ **Air Terminal Building Update – Departures Phase**

- Expansion Project on budget, \$12.1 million. This will be reduced by a rebate from CATSA (Canadian Air Transport Security Authority) for the improvements necessary to accommodate CATSA's checked baggage screening equipment.
- Addition will be completed in January 2005. Air Canada operations will move into new space, along with Pacific Coastal, Hawk Air and Airspeed.
- Next phase will see the existing Air Canada space shut down for extensive redevelopment to incorporate CATSA equipment. WestJet and Horizon Air as well as CATSA to move to this space when completed before the end of 2005.
- Final piece is the redevelopment of space now occupied by WestJet and scheduled for completion the first quarter 2006.

▪ **Tenant Developments**

• **Pacific Sky Adventures / Viking Air Production Plant**

Pacific Sky Adventures lease signed 29 July 2004. Construction of Viking Air Production Plant is being managed by Clark Builders of Edmonton. The new plant's designs and drawings are still under development. Tenders have closed for the deconstruction of Viking's wartime hangar for the revenue value of the old growth fir timbers and sheeting. Once the hangar is taken down, construction will begin on the new plant.

Designs for the Executive Hangar and FBO are progressing. This work is being managed by ZAS Architects in Toronto. PCL of Vancouver has been hired as the construction management team for this project.

• **West Sidney Business Park**

Lease signed 29 July 2004, tenders for construction closed 16 September, construction expected to begin late October 2004.

Questions on CEO Report

In response to a question about the Royal Roads University Study, Manager Marketing and Development, Terry Stewart, stated the purpose of the study was to recommend a program to control pollutants entering the Creek from VAA agricultural lands.

8. Call for New Business

None

9. New Business

None

10. Questions / Comments

- Graham Ross brought to the Committee's notice the October 6, 2004 article in the Peninsula News Review titled: Airport is Setting the Pace for Safety. He complimented the CEO for taking a positive and proactive approach to safety management.
- Graham Ross related his recent travelling experience through Victoria Airport. He complimented security saying they are thorough and polite.
- Lorne Whyte, President and CEO, Tourism Victoria, stated he and the VAA CEO, Richard Paquette, met and are continuing discussions on long haul traffic. He noted there is limited interest by airlines to commit to additional long haul destinations primarily because of their financial circumstances. There is also the additional burden of high fuel costs. The recent influx of provincial funds into the tourism sector will help with Tourism Victoria's marketing programs aimed at assisting airlines market longer haul flights.
- Bruce Carter, CEO, Greater Victoria Chamber of Commerce, stated the Chamber continues to support airport rent reduction. The Chamber passed a resolution recommending the federal government lower airport rents and develop an equitable sustainable rent structure. They have an ongoing lobbying effort on this issue.

11. Announcements

- **Next ACC Meeting**

The date for the next Airport Consultative Committee meeting is, Tuesday, 22 February 2005, **8:30** am at the Mary Winspear Centre at Sanscha.

12. Adjournment