



**Victoria Airport Authority**

**Annual General Meeting  
Summary of Proceedings**

**7:00 – 8:10 pm, Tuesday, 3 May 2005  
Held at the Mary Winspear Centre at Sanscha  
2243 Beacon Avenue, Sidney, BC**

**ATTENDANCE**

**VAA Board Members:**

Chair: Linda Petch

Haji Charania, Mel Couvelier, Gordon Denford, Peter Dolezal, Victoria Kuhl,  
Mervyn Lougher-Goodey, Peter Parsons and Geoff Young.

Bob Skene, Christine Stoneman, Wayne Tremblay and Matthew Watson sent  
regrets

**Management and Staff:**

Richard Paquette (President and Chief Executive Officer),  
Paul Connolly (Recording Secretary), Anita Kardos, Randy Bogle,  
Mike Booton, Ian West, Vincent Miller, Terry Stewart, Sharon Johnston.

**Total Attendance:** approximately 50

- 1) CALL TO ORDER**
- 2) WELCOME TO ATTENDEES**
- 3) WELCOME TO ELECTED OFFICIALS, TRANSPORT CANADA,  
SPEAKERS, GUESTS AND OTHERS**

Linda Petch, VAA Chair, welcomed everyone to the Annual General  
Meeting of the Victoria Airport Authority including:

- Councillor Colin Plint - Town of Sidney
- Transport Canada - Signe Clouthier, Senior Programs Officer, Pacific Region
- External Auditor - Larry Ross, KPMG LLP Victoria
- Richard Paquette – President and Chief Executive Officer of the Victoria Airport Authority
- CIBC - John Webber - Director Commercial Banking B.C.

#### 4. INTRODUCTION TO BOARD OF DIRECTORS

The Chair presented the Victoria Airport Authority Year 2004 Board of Directors:

	<b>Director / Nominee</b>	<b>Nominator</b>	<b>New Board Member in 2004</b>
1.	Mervyn Lougher-Goodey	Town of Sidney	
2.	Peter Parsons	District of Central Saanich	
3.	Bob Skene	Greater Victoria Chamber of Commerce	
4.	Gordon Denford	Federal Government	
5.	Victoria Kuhl	Capital Regional District (CRD)	
6.	Haji Charania	The Corporation of the District of Saanich	New
7.	Mel Couvelier	Town of Sidney	
8.	Peter Dolezal	District of North Saanich	
9.	Christine Stoneman	Province of British Columbia	New
10.	Wayne Tremblay	District of North Saanich	New
11.	Matthew Watson	Federal Government	New
12.	Geoff Young	City of Victoria	

## 5) **REPORT FROM THE VAA CHAIR – LINDA PETCH**

The Chair, Linda Petch, reported:

### I **Review of 2004**

Victoria International Airport served a record 1,249,976 passengers in 2004.

VAA has embarked on the final phase of the Terminal Building Expansion, scheduled for completion May 2006.

### I **Strategic Planning**

The Board held a Strategic Planning Session and set five-year goals.

The emphasis remains on providing our customers with safe and secure, high quality and cost effective airport services together with facilities that enhance the social and economic well being of the Region the VAA serves (Strategic Plan is outlined in the 2004 Annual Report).

### I **The On-Going Rent Issue**

VAA continues to work through the Canadian Airports Council to advocate for improved rent structure.

The VAA Board of Directors struck a Rent Task Force to develop a comprehensive strategy that includes mobilizing local support and lobbying at the Federal level.

VAA gave a presentation to an all Party House of Commons Standing Committee on Transport April 14, 2005.

As of May 3, 2005 Victoria was still the only small airport paying rent.

*(Note: Subsequent to the May 3, 2005 VAA AGM the Federal Minister of Transport May 9, 2005 outlined a new rent formula. In 2010, when this new rent formula is fully implemented, Victoria will have a long-term predictable rent formula and will be treated the same as other comparable communities.*

*The VAA has made the point since 1998 that the rent paid by the Authority to the federal government is not equitable and fair compared to other airports of similar size.*

*Under the rent formula announced May 9, 2005 the VAA will achieve equity in 2010. Under the existing lease, Transport Canada estimates that the VAA would have paid \$1,800,000 in 2010 versus \$400,000 under the new formula.)*

## **I Commitment to Good Management**

The VAA Board remains committed to solid financial and operational management of the Airport.

The Board recognizes the outstanding work of the VAA CEO, Richard Paquette, who provides leadership and is well respected at both the national and international level.

The Board thanks the managers and staff of the VAA for their dedication and hard work, and to Paul Connolly a special thanks for keeping the Board informed and organized.

## **I Commitment to Good Relationships with Stakeholders**

The VAA continues to have strong working relationships with its neighbouring municipalities, its business partners, its tenants and with Transport Canada. The Board knows these relationships are fundamental to the success of the VAA and is committed to maintaining them.

Under the guidance of the Art at the Airport Committee, the Authority is also reaching out to the arts community, giving local artists and organizations the opportunity to display their work on a rotating basis.

The VAA sponsored an artist for the Orcas in the City Project to benefit the British Columbia Lions Society for Children with Disabilities and Easter Seal Operations. A young, student artist, Jacylin Jeffries, a student at Belmont Secondary School, was selected. She created an Orca called "Reflection," an interactive piece with the whale covered in reflective glass. It sold at a gala auction for \$15,500.

## **I 2005 Status Report of the Auditor General's Report to the House of Commons**

The Auditor General of Canada commented favourably on the VAA, noting in particular VAA's accountability to the public, in particular the VAA website.

The Chair invited the public to take the opportunity to visit the VAA Web Site – [www.victoriaairport.com](http://www.victoriaairport.com). It is an outstanding website with useful information such as the VAA Master Plan, Five Year Performance Review Report, Annual Reports, Airport Consultative Committee minutes, etc.

## **I Chair's Concluding Remarks**

The Chair said it is a privilege to serve on the VAA Board of Directors and to serve the community.

## **6) PRESENTATION OF THE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2004 BY KPMG**

Larry Ross, KPMG, External Auditor, presented the 2004 Financial Report and went through the Financial Statements highlighting various items – the 2004 Annual Report was distributed at this meeting and also posted to the VAA website.

### **a. Statement of Operations**

#### **Revenue**

Revenue increased by approximately 12% over 2003 (\$9,672,755 vs \$8,604,057), primarily a reflection of an increase in the number of passengers, parking charges and revenue from concessions.

AIF revenue is up over 2003 (\$5,144,812 vs \$3,465,384) primarily a reflection of an increase in passenger traffic, and effective July 1, 2004 the AIF was increased from \$8.00 to \$10.00.

Total revenue is up to \$14,817,567 vs \$12,069,441 in 2003.

#### **Expenses**

Expenses declined despite an increase in passenger traffic (\$9,907,209 vs \$10,066,758 in 2003).

Rent payment to the Federal Government is 11% of expenditures.

Property tax is down because of VAA's successful assessment appeal.

Excess Revenue Over Expenses is \$4,910,368 in 2004 vs \$2,002,683 in 2003.

## **b. Statement of Financial Position – Balance Sheet**

Accounts Receivable was higher this year because of the pre-approved government grant of \$700,000 from CATSA (Canadian Air Transport Security Authority) for the Departures Areas of the Expansion Program.

Capital Assets are up primarily because of major construction in the departures area during 2004.

Current Accounts Payable and Accrued Liabilities are up to \$1,986,267, a reflection of construction activity on the Expansion Program.

Net assets internally restricted for capital purposes – Note 8 to the Financial Statements: in 2004, VAA's Board of Directors internally restricted \$1,500,000 to be held for future capital asset expenditure requirements. This amount is not available for any other purpose without approval by the Board of Directors.

Larry Ross reported VAA's Financial Position keeps getting better.

## **7) REPORT FROM THE PRESIDENT AND CEO**

Richard Paquette, VAA President and CEO, highlighted Year 2004 in Review and Year 2005 Priorities – report attached to this AGM Summary of Proceedings.

## **8) GENERAL QUESTION PERIOD**

### **Parking**

Mr. Hugh Devitt asked if a parking structure is in the plans?

The Chair stated the Board of Directors is currently in the discussion phase for the expansion of the public parking lots.

### **WestJet's Boeing 737-200's Aircraft**

Mr. Edwards, North Saanich, referred to correspondence over the past few years about WestJet's B737-200's. He stated hush kits on the aircraft are not effective in reducing the level of noise and is looking for answers about WestJet's plans to phase out their B737-200's.

The VAA CEO acknowledged the aircraft is noisy, and stated the type of aircraft air carriers are permitted to operate is regulated by Transport Canada, and the Boeing 737-200's are in compliance. However, high fuel

costs experienced throughout the aviation industry are a deterrent to air carriers to hold onto older generation aircraft as they are now less economical to operate. The CEO stated although WestJet has a program to phase in newer generation aircraft they have not given a firm commitment when all their B737-200's will be replaced. It is a decision for WestJet to make.

### **The Authority, and Transport Canada**

A gentleman asked who does the Authority report to?

The Chair explained the Authority is a legal entity incorporated under Part II of the Canada Corporations Act as a non-share capital, not-for-profit corporation and subscribes to the Public Accountability Principles for Canadian Airport Authorities. The Principles detail guidelines for matters such as composition and qualifications for members of the Board of Directors, Code of Conduct for Directors, Officers, and Senior Employees of the Corporation, requirements for audits, etc. The Victoria Airport Authority took over operation of Victoria International Airport from Transport Canada April 1, 1997, under a 60 year lease with an option to extend for a further 20 years. There are 13 Board members representing nine nominating bodies (listed above under item 4). Transport Canada undertakes a number of audits including safety, security and environment.

### **Public Access to Meetings**

A gentleman asked what is the arrangement that permits public access to the AGM, to ask questions and make comments?

The Chair stated the Authority's General Operating Bylaws which are included in the Board's Policy and Procedures Manual are posted to the VAA website: [www.victoriaairport.com](http://www.victoriaairport.com). Under the terms of the lease with the federal government the VAA is required to hold an annual public meeting where an Annual Report shall be presented. A reasonable opportunity to the public shall be given for the asking of questions and expressing of views. The VAA also holds two Airport Consultative Committee (ACC) meetings each year with a public participation period (February and October – the next ACC is at 8:30 am, Tuesday, 18 October at the Mary Winspear Centre at Sanscha – the same venue as this AGM). Meeting dates and times as well as minutes are posted to the VAA website. VAA also established an Environmental Advisory Committee and a Noise Management Committee with public representation on the Committees. As part of its effort to ensure accountability and transparency the VAA created an accountability section on its website.

## **Use of Runways**

A gentleman asked who keeps the statistics on runway activity?

The Chair explained Nav Canada is responsible for the operation of Control Towers across Canada and they keep the statistics.

## **Floatplanes**

A woman stated the Authority does an excellent job maintaining and operating the airport. She asked who is responsible for the noise issues, in particular the floatplanes flying over the Peninsula.

The CEO explained that under the terms of the lease with the federal government the Authority is responsible for dealing with noise complaints within ten nautical miles from the Airport. Any violation of any regulation under the Aeronautics Act is reported to Transport Canada. The Authority established a Noise Management Committee which includes public representation.

With respect to floatplane flight paths over residential areas of the Saanich Peninsula, the flights originate / terminate at Vancouver / Victoria harbours. Safety concerns resulting from several reported conflicts between aircraft arriving / departing Victoria International Airport (VIA) and floatplanes flying through the take-off / landing zones from / to VIA compelled Transport Canada and Nav Canada to have those flights diverted over the centre of the Airport well clear of the Airport's approach and departure paths. The new routes are safer and there have been no more reported conflicts.

At the April 28, 2005 Noise Management Committee meeting, also attended by public representative from Dean Park and Central Saanich, it was acknowledged new routes over residential areas have resulted in noise complaints from residents. The Control Tower (Nav Canada) has been able to make some minor adjustments to the routes, weather and traffic permitting, to reduce noise impact on the community. It was noted as well that because of the Airport's proximity to Vancouver Airport and United States airspace planners are severely restricted to flexibility with route locations. Members of the Noise Management Committee continue to explore all possibilities to mitigate the impact over residential areas.

## **Economic Impact of the Airport**

Mr. Colin Plint stated the Airport has a positive economic impact on Southern Vancouver Island both in terms of direct and indirect employment.

He asked if there was any information available to the public to inform them about the beneficial impact of the Airport on the community?

The CEO said a comprehensive Economic Impact Study was published in January 2005 and is available on the VAA website at [www.victoriaairport.com](http://www.victoriaairport.com). Victoria International Airport is an important economic driver for Southern Vancouver Island, generating approximately \$441 million in gross revenues and sustaining an estimated 3000 person years of employment during 2003.

### **Architect**

A lady asked who is the architect for the newly expanded Terminal Building?

The architects are Moore Paterson Architects, Victoria, B.C.

### **Passenger Increases and Requirement for Further Expansion**

Lieutenant Colonel Donald Leblanc, 443 Squadron, asked if the expansion underway will be able to accommodate a greater influx of passengers leading up to 2010 Winter Olympic Games.

The CEO stated that the VAA projects passenger growth over the next few years to be approximately 3 to 4%. The VAA can respond if there is greater passenger growth than originally projected.

### **Compliments to VAA**

Mr. Hugh Devitt commented he had many years of airport management experience in Canada. He stated he has closely watched the evolution of Victoria International Airport, and it is his opinion the Victoria Airport Authority manages and operates the Airport effectively and competently, and has with a very qualified, experienced CEO.

### **Baggage Screening**

A gentleman asked why is this Airport not screening baggage as passenger check-in for a flight?

The CEO explained the Authority is not responsible for baggage screening at Airports. It is CATSA (Canadian Air Transport Security Authority). Established on April 1, 2002, CATSA, a Crown corporation regulated by Transport Canada, was the centerpiece of the Canadian government's response to the events of 9/11. CATSA is responsible for key aviation security services including: pre-board screening of passengers and their

carry-on belongings; and for screening checked-baggage, including the acquisition, deployment, installation and maintenance of Explosive Detection Systems (EDS) equipment. Some checked-baggage is being screened now. Canadian airports are moving quickly with implementation of 100% hold baggage screening (HBS) and will be going live with HBS over the course of a number of weeks with final implementation of the program across Canada by the end of 2005. There is a five level screening process, all of which will be done out of view, behind the check-in counters.

### **Art at the Airport**

The Chair said she received an email from an individual who intensely objected to the choice of artwork displayed in the Rotunda, and the individual questioned the credentials of those who selected the piece.

The Chair explained the process for the selection of artwork at the Airport.

**Tier One** - the display of major commissioned artworks is chosen through a fair competitive process

Membership of the Art at the Airport Committee consists of three members of the VAA Board - including the Board Chair, the Terminal Building Architect, and two members of the community who are competent and experienced in the arts. The CEO is a non-voting member of the Committee. A maximum of 1/2 of 1% of the capital budget for Terminal Building expansion is allotted to public art.

The selection is a three step process. Step One - artists residing on Vancouver Island and the Gulf Islands were invited to submit Expressions of Interest consisting of a statement of interest and artistic qualifications, including a resume and descriptions, slides and/or photographs of former work. The artists were told the selected works of art will celebrate the spirit of life and engage the public imagination. The expectation is that the works will function on three levels: formal, expressive and symbolic. The works will also have universal appeal and be public scale in scope.

A public information meeting was held to explain the concept for public art.

Step Two - the Committee vetted the Expressions of Interest received from 150 artists for the passenger holdroom and the Rotunda, and invited 30 to submit concept proposals consisting of a short, written statement of their concept. Step Three - the Committee then short-listed three candidates for each of the two spaces. One was then chosen for each space.

The artwork for the holdroom (“Genesis”) was well received. The artwork chosen for the Rotunda created more discussion. The Chair said she defends the decision for the Rotunda’s artwork (“Roulette”) particularly the concept of filling the volume of space and lightness of movement. The artist reported that after exhaustive testing the “unduloid” did not meet his expectations, the vinyl object was too permeable to air. At the invitation of the Board the artist proposed a non-inflated artwork. The new artwork, tensegrity, (still called “Roulette”) is lighter and airier and is still consistent with the original concept.

Victoria Kuhl is the current Chair of the Art at the Airport Committee, and leads the process to choose the next commissioned artwork for the expanded Departures Area (check-in area of the Terminal Building). A similar process to the other two spaces is being followed. The Authority invited Expressions of Interest, received approximately 70 responses and invited 19 to submit concept proposals which will be reviewed in June, 2005. At that point one artist will be selected to undertake the artwork for the departures phase of the expansion program.

**Tier Two** is the display on a rotating basis of art from groups and organizations in the region. Clearly defined criteria will ensure high quality displays.

There were no further questions or comments.

## **9) CONCLUDING REMARKS**

This concluded the Annual General Meeting at which time the Financial Statements and the 2004 Annual Report were presented.

The VAA Chair, Linda Petch, thanked everyone for their interest and for coming to the AGM.

## **10) ADJOURNMENT**