



Victoria Airport Authority

Airport Consultative Committee

**Minutes of the
Meeting Held at the
Mary Winspear Centre at Sanscha
Tuesday, 22 February, 8:30 – 9:20 AM**

**NOTE: AGM - 7:00 PM, TUESDAY, 3 MAY
MARY WINSPEAR CENTRE AT SANSCHA**

**Next ACC Meeting: 08:30 AM, Tuesday, 18 October 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	absent
Greater Victoria Chamber of Commerce	Bryan Dreilich
Horizon Air	absent
Nav Canada	absent
Pacific Coastal Airlines	absent
Pauquachin Band Council	absent
Saanich Municipality	Robert Gillespie
Saanich Peninsula Chamber of Commerce	absent
Saanich Peninsula Water Commission	absent
Sidney Business Association	absent
Sidney Ratepayers Association	absent
SRS Airlines Services - Charter Airlines	absent
Tseycum Band Council	absent
Tourism Victoria	absent
Town of Sidney	Colin Plint
Victoria Airport Tenants' Association	Mike Sudul
WestJet	absent

VAA Board Members In Attendance

*Mervyn Lougher-Goodey, *Peter Parsons, * Bob Skene, Haji Charania and Christine Stoneman.

*Linda Petch, *Gordon Denford, Mel Couvelier, Peter Dolezal, Wayne Tremblay, Victoria Kuhl, Matthew Watson and Geoff Young sent regrets

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

*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

Barry Hinderks, Canora Road, Sidney, said he was at the meeting today on behalf of a few residents in his neighbourhood to address their concerns about safety. He stated there were numerous civil helicopter circuit training operations over their residential area in the past few months. The most recent incident was Sunday, 20 February when a Robinson training helicopter was seen flying low, approximately 200 feet above their homes. When he called the Control Tower the Supervisor told Mr. Hinderks the Airport Authority has designated this area for training operations. Mr. Hinderks was not pleased with comments from the Control Tower. He wants to know what can be done.

The question was referred to Terry Stewart, VAA Manager Marketing and Development. Mr. Stewart stated the Control Tower's information is erroneous, and conducting circuit training over a residential community is inappropriate. Mr. Stewart said he would contact the Control Tower and talk further with Mr. Hinderks on this matter.

4. Approval of 19 October 2004 Minutes

IT WAS MOVED, SECONDED AND CARRIED TO ADOPT THE 19 OCTOBER 2004 AIRPORT CONSULTATIVE COMMITTEE MINUTES.

5. Report from the VAA Chair

Linda Petch, VAA Chair, sent regrets. The ACC Chair, Mervyn Lougher-Goodey, read the Board Chair's report to the Committee:

In December, Transport Minister Jean C. Lapierre requested the Department of Finance to impose a short-term freeze on airport rents while a long-range solution was worked out. Minister of Finance, Ralph Goodale, rejected it. From VAA's perspective it would only have been a token to show action, and not have solved Victoria's long-term problem.

Mel Couvelier, VAA Board member, met with Minister of Industry, David Emerson. December 3, 2004. The Minister then met with officials in Ottawa and reported back there is general agreement within Transport Canada that Victoria's rent is iniquitous.

The CAC called on the federal government to eliminate or drastically reduce airport rent in the February 23, 2005 Federal Budget. Transport Canada officials emphasize that rent is a financial issue that is expected to be addressed in the Federal Budget. One of the prevailing rumours is the Budget will take a global approach to rent, i.e. one figure for all airport rent, lower than the amount that would have been expected according to current lease agreements - the details of which airport pays how much will have to be determined by Transport Canada with recommendations from airports. The CAC's position is that Victoria should not pay rent, that rent be divided among the eight largest airports and that no small airports should pay. *(Subsequent to this meeting – rent was not dealt with in the Federal Budget.)*

The Chair's Report quoted some rent statistics:

- Aeroport de Quebec – \$400,000 as of 01/01/05
- Calgary – rent increases by 108% as of 01/01/06
- Edmonton – rent increases from \$4 million to \$26 million as of 01/01/06
- Ottawa - pays as much rent as Halifax, Edmonton, Winnipeg combined
- Vancouver -70% of food and beverage "participation rent" kicks-in 01/01/06

The federal Standing Committee on Transport (SCOT), a multi-party Committee of the House of Commons, has decided to tour Canada to study airport operations, specifically: security, rent, governance and viability of small airports. VAA has invited SCOT to tour Victoria International Airport but the final SCOT schedule has yet to be confirmed. *(Subsequent to this meeting, SCOT plans to tour Western Canada the week of April 11.)*

VAA is expecting to present a brief to SCOT with a focus on rent and governance. As part of the VAA Communication Plan, VAA is contacting the municipal governments, CRD, Chamber of Commerce and Tourism Victoria to submit briefs to SCOT.

CAC Terms of Reference for Council of Chairs

Linda Petch is a member of a Task Force named by Reg Milley, the Chair of the Canadian Airports Council, to draft Terms of Reference for the Council of Chairs. The objective is to articulate the political and policy role the Chairs play as opposed to the more operational role of the CEOs. The Task Force is also looking at enlarging the role of the Council of Chairs to providing educational opportunities for Chairs and directors.

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 for the year ended 31 December 2004 (Preliminary Unaudited Statements of Income and Expenses for the Operations and AIF Sectors, and Balance Sheet). The External Auditors, KPMG, are proceeding with their on-site audit.

The Chair of the Audit and Finance Committee complimented the CEO, Richard Paquette, and Manager Finance and Human Resources, Danita Ouellette, and Randy Bogle, Financial Analyst, for sound financial management during 2004.

In the Operations Sector, revenue for 2004 is up by \$1 million; costs were held at 2003 level. 2004 Net Income is \$562K, with a conservative estimate of \$98K Net Income projected for 2005.

In the AIF (Airport Improvement Fee) Sector net cash is the same as 2003. This sector is in good financial shape.

The Balance Sheet shows a positive working capital position primarily because of good financial management.

7. Report from the VAA President and CEO

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

ENVIRONMENTAL UPDATE

- Over the last 10 years there has been great improvement in the quality of the water entering Reay Creek from Airport lands. Much of the development in the East Camp dates back to WW II. All floor drains in hangars are now connected to sanitary sewer. All lines that were improperly connected have been corrected. There is regular monitoring of tenant activity, and VAA has an active program of source control in cooperation with the CRD. Last year there was major investment in reducing ground water infiltration into the sanitary sewer. This year there will be a major upgrade to the pump house with all redundancies including

a backup electrical system. In total there has been \$¼ million investment to prevent sanitary overflow into Reay Creek.

- The VAA was very upset with the Fish Kill in Reay Creek October 27, 2004. It was co-incidental with a major storm event. VAA monitors water quality going into Creek. Elevated levels of cadmium were detected; the cause of the fish kill has not been conclusively identified, it is under investigation by Environment Canada, Fisheries and Oceans. VAA has engaged its own consultant to see if the source can be found, and Royal Roads students are working on the problem. Cadmium have returned to very low levels, but VAA is still determined to do what can be done to prevent a recurrence of large spikes

AIR SERVICE UPDATE

- 2004 passengers 1,250,000 - best year ever, up 5.7% from 2003

NEW SERVICE

- WestJet added a flight going to Kelowna and on to Toronto
- Jetsgo introduced 5 x week service to Edmonton and on to Toronto
- Hawk Air withdrew from Victoria
- Conquest Vacations twice weekly service to Los Vegas cancelled early – lack of demand

AIR SERVICE OUTLOOK FOR 2005

- Stiff competition among domestic carriers
- High fuel cost, declining revenue
- WestJet to replace 737-200's with new aircraft 737-700's
- Limited increase in capacity in 2005
- Industry experts say the current low fares are great for travelers but current situation not sustainable for the airlines.

TENANT DEVELOPMENTS

- Discussions underway with Car Rental Companies respecting Quick Turn Service Centres close to the Terminal Building

2005 CAPITAL PROGRAM

Significant projects of interest to this Committee:

- ❑ Continue with the expansion to the Air Terminal Building
- ❑ Partner with North Saanich and BC Ministry of Transportation for improvements to Willingdon Road and East Saanich intersections
- ❑ Improved fuel and glycol facilities for airlines
- ❑ Main Terminal Building Apron Lighting
- ❑ Rehabilitation of airfield pavements
- ❑ Upgrade sanitary pump facility in East Camp
- ❑ Design for expansion of public parking and car rental service facility
- ❑ Runway edge lighting (02/20 & 13/31)
- ❑ End of 2005 VAA will have invested \$37.5 million in improvements to YYJ

AIR TERMINAL BUILDING UPDATE

- Expansion project still on budget \$12.1 – but tight
- All major tendering complete
- New departures area now open: Air Canada, Jazz, Jetsgo, Pacific Coastal, Airspeed in new space
- Old space at east end of building shut down for redevelopment
- WestJet, Horizon Air and CATSA HBS space to be completed before end of 2005
- This space will match the new departures area
- Final phase will be completed in May 2006, which will complete this Terminal Expansion Project
- VAA has called for proposals for public art in the new space with a budget of \$55,000. It is a three-stage selection process managed by Art at the Airport Committee chaired by Director, Victoria Kuhl. First stage of Expressions of Interest closes April 1, 2005

8. Call for New Business

None

9. New Business

None

10. Questions / Comments

- Councillor Bob Gillespie, District of Saanich, noted the rent issue has been ongoing for the past eight years, and the federal government has been saying for the past few years they are close to resolving the issue while VAA continues to pay over a \$1 million a year in rent with escalating payments over the coming years.

Christine Stoneman noted Tourism Victoria is totally behind VAA's initiative and continues to participate in the struggle on the rent issue. Other municipalities have also sent letters to the Standing Committee on Transport expressing their views on the subject. Councillor Gillespie said letters are good, but the federal government has not resolved the issue. Councillor Gillespie suggested if the upcoming federal budget does not address the rent issue then pressure should be brought to bear on the minority government by talking to the opposition parties.

The ACC Chair, Mervyn Lougher-Goodey, noted even the Auditor General of Canada has stated rent distribution is inequitable.

- Tony Whittall, Sidney Ratepayers Association, sent his regrets about not being able to attend the meeting today. He had a question about aquifer and Reay Creek. The ACC Chair referred the question to Terry Stewart who will contact Mr. Whittall.

11. Announcements

- **VAA AGM, 7:00 PM**, Tuesday, 3 May
Mary Winspear Centre at Sanscha
- **Next ACC Meeting**

The date for the next Airport Consultative Committee meeting is, Tuesday, 18 October 2005, **8:30 am** at the Mary Winspear Centre at Sanscha.

12. Adjournment