



VICTORIA AIRPORT AUTHORITY

## **Airport Consultative Committee**

**Minutes of the Meeting held on  
Tuesday, October 28, 2014  
7:00 – 8:30 PM  
Mary Winspear Centre  
2243 Beacon Avenue, Sidney, BC  
Activity Room 2**

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### **Upcoming Public Meetings:**

- **Next Airport Consultative Committee Meeting:  
7:00 AM, Tuesday, March 10, 2015  
Delta Ocean Pointe Resort & Spa – Arbutus A Room  
45 Songhees Road, Victoria, BC**
  - **Victoria Airport Authority Annual Public General Meeting:  
Thursday, May 7, 2015  
Sidney Pier Hotel & Spa – Sallas Room  
9805 Seaport Place, Sidney, BC**
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## Representative Members

<u>Organization</u>	<u>Representative</u>
Association of Canadian Travel Agencies	-
BC Ministry of Transportation & Highways	-
Canada Border Services Agency	-
Canadian Aircraft Owners and Pilots Association	-
Capital Regional District	-
City of Victoria	-
Corporation of the District of Oak Bay	-
Corporation of the District of Saanich	-
Department of National Defence	-
District of Central Saanich	-
District of North Saanich	-
District of North Saanich Residents' Association	-
Greater Victoria Chamber of Commerce	-
Nav Canada	-
Pauquachin Band Council	-
<b>Saanich Peninsula Chamber of Commerce</b>	<b>Joe Jansen</b>
Saanich Peninsula Water Commission & Waste Management Committee	-
Sidney Business Association	-
Sidney Ratepayers Association	-
<b>Tourism Victoria</b>	<b>Paul Nursey</b>
<b>Town of Sidney</b>	<b>Councillor Kenny Podmore, Councillor Steve Price</b>
Tseycum Band Council	-
Airlines:	
WestJet	-
Air Canada / Jazz	-
Horizon Air	-
Pacific Coastal Airlines	-
<b>Air Terminal Building Tenants' Representative</b>	<b>Jose Brochez, Jim Williams, Bill Bennett</b>
Airport Land Tenants Association	-

### **VAA Board Members on the Airport Consultative Committee in attendance:**

Lindalee Brougham (Board Chair), Mel Rinald (Committee Chair), Bob Coulter (Committee Vice-Chair), Lynne Henderson, Bruce Knott and Colin Smith

### **Other VAA Board members in attendance:**

Jim Crowley, Graeme Roberts, Gordon Safarik

Regrets: Glen Crawford, Suromitra Sanatani and Mel Satok

**VAA Management:** Geoff Dickson, Randy Bogle, James Bogusz, Scott Cunningham, Ken Gallant  
Stephanie Long, Melinda Orlowski and Ian West

### **Special Guests:**

Gary Holman, MLA - Saanich North and the Islands  
Kenny Podmore, Councillor – Town of Sidney  
Steve Price, Councillor – Town of Sidney  
Laura Parker, Constituency Assistant to Elizabeth May, Member of Parliament for Saanich-Gulf Islands

**Public in attendance: 40**

**1. Call to Order**

The meeting was called to order. Mel Rinald acted as the Chair of the Airport Consultative Committee; Melinda Orłowski acted as Recording Secretary.

**2. Introduction of Members of the Committee, Dignitaries and Special Guests**

The Committee Chair welcomed the members of the Airport Consultative Committee, the business community and members of the public. He then recognized the local dignitaries and special guests in attendance.

**3. Motion to Receive the March 11, 2014 Airport Consultative Committee Minutes**

**IT WAS MOVED, SECONDED AND CARRIED TO RECEIVE THE MARCH 11, 2014 AIRPORT CONSULTATIVE COMMITTEE MEETING MINUTES.**

**4. Report from the Chair of the Board of Directors**

Lindalee Brougham, Board Chair of the Victoria Airport Authority (VAA) welcomed everyone to the fall Airport Consultative Committee meeting.

The Committee is comprised of Representative Members from local municipalities, airlines, airport land tenants and other stakeholders. These Representative Members come from varied business, cultural and community backgrounds, and it is important that their input is received.

The Committee meets twice a year; once in the spring and once in the fall and provides the VAA with a chance to connect and engage in dialogue with the community. VAA welcomes and encourages feedback from the public when making decisions on the future direction of the airport.

**VAA Board of Directors**

The VAA Board of Directors is currently comprised of 12 Board members representing nine nominating bodies and one Board appointment. Each member has a high level of knowledge and expertise encompassing a broad range of skills to complement the Board. The Board members for 2014 are:

Lindalee Brougham	Greater Victoria Chamber of Commerce
Robert Coulter	Federal Government of Canada
Glen Crawford	Corporation of the District of Saanich
James Crowley	District of North Saanich
Lynne Henderson	Province of British Columbia
Bruce Knott	Federal Government of Canada
Mel Rinald	Town of Sidney
Graeme Roberts	District of Central Saanich
Gordon Safarik	District of North Saanich
Suromitra Sanatani	VAA Board Appointment
Mel Satok	Town of Sidney
Colin Smith	Capital Regional District
Vacant – In Process	City of Victoria

The following are the Officers of the Corporation and Committee Chair positions for 2014:

Board Chair, and Ex Officio - all Committees	Lindalee Brougham
Board Vice-Chair, and Chair - Airport Consultative Committee	Mel Rinald
Board Secretary, and Chair - Governance Committee	Jim Crowley
Chair - Audit and Finance Committee	Glen Crawford
Chair - Planning and Development Committee	Lynne Henderson

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).

### **New Board Member**

In February 2014, VAA welcomed Gordon Safarik to the Board of Directors. Mr. Safarik is nominated by the District of North Saanich. He is a member of the Governance Committee and Planning and Development Committee.

A long-time resident of North Saanich, Mr. Safarik has an extensive background in business, tourism and transportation-related industries. His experience in dealing with all levels of government will greatly benefit the Board, and we look forward to his contributions.

### **Departing Board Members**

#### **Peter Bray – Nominated by the City of Victoria**

VAA said farewell to Peter Bray, whose eight year term on the Board expired on March 31, 2014.

Mr. Bray joined the VAA on April 1, 2006 and served on the Steering Committee, Governance Committee, Audit and Finance Committee, and the Airport Consultative Committee. Mr. Bray also served as Board Vice-Chair from 2009 to 2011. Mr. Bray held a number of board positions on local and national organizations including the Financial Management Institute of Canada, the Victoria Jazz Society and the Literary Arts Festival Society of Victoria. His departure will be a significant loss for the airport, and we thank him for his many contributions.

VAA continues to work with the City of Victoria regarding the replacement of their nominee on the Board.

#### **Robert Coulter – Appointed by the Government of Canada**

After serving eight years on the Board, Bob Coulter's final term expires on December 31, 2014. Mr. Coulter joined the VAA on January 1, 2007 and currently sits on the Planning and Development Committee and Airport Consultative Committee. His past service includes the Audit and Finance Committee and Runway Extension Task Force. Mr. Coulter is a senior airline captain and he brings specialized industry expertise to the position. The Board will miss his valuable insight relating to aviation matters.

The replacement of Mr. Coulter is currently in progress, and VAA expects the Government of Canada to identify his replacement in the coming months.

### **Glen Crawford – Nominated by the District of Saanich**

Another Board member whose eight year term expires on December 31, 2014 is Glen Crawford. Mr. Crawford joined the VAA on January 1, 2007 and has been the Chair of the Audit and Finance Committee since 2010. During Mr. Crawford's tenure, he served on the Steering Committee, Governance Committee, Audit and Finance Committee, Airport Consultative Committee and Runway Extension Task Force. His strong finance background was an important piece to have at the table, and his contributions are appreciated.

### **Bruce Knott – Appointed by the Government of Canada**

Bruce Knott's final term on the Board ends on December 31, 2014 after serving for eight years. Mr. Knott joined the VAA on January 1, 2007, bringing with him significant development and business experience. Mr. Knott served on the Audit and Finance Committee, Airport Consultative Committee, Governance Committee, Planning and Development Committee and Runway Extension Task Force. Mr. Knott continues his work as a consultant and expert on northern economic development opportunities, and we wish him well in his future endeavours.

The Government of Canada is currently working with the VAA to identify Mr. Knott's replacement on the Board.

### **Lindalee Brougham – Nominated by the Greater Victoria Chamber of Commerce**

The Chair noted that this would be her final public meeting, as her eight year term on the Board ends on December 31, 2014. Having been Chair for the past three years, Ms. Brougham said that it has been a pleasure and a privilege to be part of the Victoria Airport Authority. Being part of such a vibrant and evolving organization has been an exciting opportunity for which she is grateful.

### **Airport Updates**

2014 is turning out to be another exceptional year for the Victoria Airport Authority. Overall passenger numbers have surpassed all prior records and on track for another all-time high for passenger numbers. The financial situation at the airport continues to be strong, and Victoria International Airport continues to be one of the lowest cost airports in the country. The CEO will touch more on this during his presentation.

The role of the Board is to provide strategic guidance and oversight to management in order to ensure fiscal responsibility, exceptional customer service, environmental stewardship and strong community relations. The Board's objective is to see Victoria International Airport become one of the best airports in the world.

## **Terminal Improvements**

VAA is pleased to see the completion of its \$8.1 million terminal improvement project which commenced in 2012. The project saw the addition of new food services, improved retail and duty-free options, a new centralized circulation core and updated furnishings. The project's objective was to improve the customer's overall travel experience. The CEO will expand on the project later in the meeting.

## **Community**

The VAA continues to support a variety of great causes throughout the region. Management and staff work tirelessly to be good community partners and accomplish this through a variety of ways including giving presentations to social clubs, facilitating tours, meeting with stakeholders, and participating in community and charity events. VAA recognizes the importance of giving back to our community and is committed to do so whenever possible.

## **Concluding Remarks**

On behalf of the Board of Directors, Ms. Brougham thanked the Committee members and the public for attending the meeting. Their continued interest, support and feedback is important to the VAA, and it is appreciated. It has been an immense privilege to serve on the Board and she is certain that the good work will continue.

## **5. Report from the Vice-Chair of the Audit and Finance Committee**

Glen Crawford, Chair of the Audit and Finance Committee, provided a brief overview of the financial results of the corporation. The Year 2014 financial statements will be presented at the VAA's Annual Public General Meeting on May 7, 2015.

The VAA is pleased to report that 2014 is on track to be another positive year. The balance sheet remains strong, its annual debt repayments of \$1.8 million continue, and it is anticipated that VAA's debt will be fully retired by 2017.

From a financial perspective, VAA must be efficient in its day-to-day operations while raising sufficient revenue to support its capital expenditures. The Board's role is to ensure that management works within fiscally responsible parameters.

## **AIF Revenues and Operations Revenue**

VAA receives revenue from the following sources: the Airport Improvement Fee (AIF); Operations (aviation and terminal related fees); Concessions; and Rent (from leased airport land). AIF revenues are used exclusively to fund capital costs which are related to airline operations and passengers, as well as the debt associated to these projects. Operations revenue funds ongoing operations and maintenance costs, as well as all other capital projects that are not eligible for funding out of AIF revenues.

### **Highlights of financial performance for 2014:**

Revenues: \$25.9million  
Expenses (excluding amortization): \$13.7 million  
Excess Revenue Over Expenses before amortization: \$12.2 million  
Amortization of Capital Assets: \$5.7 million  
Excess of revenue over expenses: \$6.5 million

Revenues are made up of the following categories:

Aeronautical Revenue: \$6.2 million  
Concessions: \$8.2 million  
Rentals: \$3.1 million  
Airport Improvement Fee: \$7.9 million  
Other revenue: \$0.5 million

Total 2014 forecasted revenue: **\$25.9 million**

Expenses are made up of the following categories:

Services, Supplies and Administration: \$3.7 million  
(includes items such as cleaning services, insurance, landscaping)  
Security and Terminal Services: \$2.4 million  
Amortization: \$5.7 million  
Salaries and Benefits: \$4.4 million  
Property Taxes: \$0.9 million  
Rent paid to Transport Canada: \$0.8 million  
Utilities: \$0.7 million  
AIF Administration and Handling Fees: \$0.6 million  
Interest: \$0.2 million

Total 2014 forecasted expenses: **\$19.4 million**

VAA continues to invest in the assets of the airport. In 2014, VAA invested approximately \$14.9 million in capital improvements. Some of the projects for 2014 included:

- Air terminal building renovations
- Climate control doors for the air terminal building
- Airfield power modernization improvements
- Overlay or Runway 09-27
- Security improvements
- Rehabilitation of airside pavement
- Improvements to the passenger boarding bridges
- Replacement of terminal boiler system

Since the VAA was established in 1997, over \$120 million in cumulative capital investments have been made in order to continually improve the Victoria International Airport. The \$10 AIF and terminal fees remain among the lowest of all Canadian airports.

VAA continues to operate in a fiscally responsible manner while delivering a robust capital program and planning for the future.

## **6. Report from the VAA President and CEO**

With the assistance of a PowerPoint presentation, President and CEO Geoff Dickson reviewed some of the highlights, challenges and opportunities for the Victoria Airport Authority.

### **Organizational Updates**

In 2014, the VAA said farewell to Terry Stewart, Director of Marketing and Community Relations, who retired in June after 30 years in the industry. His community relations and land development portfolios were assigned to James Bogusz, Vice-President of Operations and Development.

VAA also recruited a new Director of Operations and Safety from Charlottetown Airport, Ken Gallant. VAA is very fortunate to have someone of Ken's calibre join the team. He is very community minded so when asked to participate in the ALS Ice Bucket Challenge, he was happy to oblige.

### **Ice Bucket Challenge**

The CEO showed a brief video of VAA's Ice Bucket Challenge. VAA donated \$1,000 toward the cause and endured a creative and thorough soaking using one of the airport fire trucks.

### **Community**

Supporting the community is very important to the VAA. To date, over \$43,000 has been donated to a variety of important causes.

VAA is pleased to see more and more people using the Flight Path every day. We encourage everyone to come out and enjoy this unique 9.3 km recreational trail, taking in some of the informational signs that encompass the path. A new interactive tour is available on the airport's public website.

VAA held a grand opening celebration in May to commemorate the completion of The Flight Path and to mark the 75<sup>th</sup> Anniversary of the airport. It was an enjoyable low-key community event.

VAA was proud to be involved in the Glow As You Go Campaign, a safety initiative by outgoing Sidney Councillor Kenny Podmore. VAA's team handed out glow in the dark armbands as they enjoy the outdoors.

### **Low Cost Airport**

In terms of VAA's sources of revenue to fund capital expenditures, Victoria has one of the lowest Airport Improvement Fees (AIF) of all Canadian airports in the National Airport System. YYJ also has the lowest cost per enplaned passenger of the 12 major Canadian airports studied.

The Air Transport Research Society conducted a global academic study through the University of British Columbia and Professor Tae Oum of the Sauder School of Business. The study looked at costs per enplaned passenger at 177 global airports. Victoria had the lowest cost in Canada.

VAA also ranked among the highest percentage of revenue generated from non-aeronautical sources such as land rentals and concessions. VAA will continue to focus on deriving other of income to keep fees low to attract air service, while executing its capital program in a fiscally responsible manner.

### **2014 Capital Projects**

In 2014, VAA undertook two major capital projects.

#### Overlay of Runway 09-27

The resurfacing of Runway 09-27 was a complex project that saw the paving of an active runway. While well maintained, the main runway was last resurfaced over 20 years ago. This project involved two years of planning and coordination with engineers, airlines, contractors, security and airport staff. Each night a section of runway 110m long and 60m wide was paved, including transition surfaces of 8m. Each night there were 76 workers, 72 pieces of equipment and 1,400 tonnes of asphalt in play.

This \$7.1 million project was a great success, and the team should be commended for a job well done. VAA is grateful to the air carriers for their flexibility and cooperation throughout construction.

#### Terminal Building Improvements

The \$8.1 million terminal improvement project commenced in 2012 and is nearing completion. A new circulation core was added to improve flow from the upper passenger lounge to the lower level; an expanded area screening doubled the physical space and moved the queuing lines out of the main corridor, with a new area for re-vesting. The iconic Spinnakers restaurant was introduced to the airport, and improved retail offerings were added. VAA expanded its business centres providing comfortable and convenient work spaces for business people on the go. New seating and flooring were installed throughout the terminal, and climate control doors were added for greater comfort and temperature control.

### **Aviation Updates**

YYJ had another great year from a passenger volume perspective. The airlines are performing well, seeing record load factors. Passenger traffic has begun to consistently grow again, and Victoria International Airport is expected to surpass 1.6 million passengers in 2014. Each month in 2014 saw record numbers of travellers.

Victoria is a non-hub coastal feeder airport near three large hubs: Seattle, Vancouver and Calgary, primarily serving destination markets and sunspots.

A number of same-plane one-stop services have been added by the carriers. Fort St. John was added last year by WestJet Encore in anticipation of northern growth.

WestJet added Las Vegas as a year-round market. Pacific Coastal Airlines will be introducing non-stop service to Prince George in January 2015.

WestJet Encore has been a great success for YYJ. The service allows the carrier to enter into new markets, with three flights daily to Vancouver. It is anticipated that this market will grow over time.

VAA continues to engage in discussions with Rouge, Air Canada's low cost subsidiary.

There are two ultra-low cost start-up airlines: Canada Jetlines and Jet Naked, both of whom VAA have been in extensive discussions with.

Looking at YYJ's unserved markets, VAA would like to build on domestic markets and add two new U.S. destinations: Los Angeles and Denver.

### **The Future**

Airport technology has evolved significantly over the past number of years and will impact the way people travel. Self-service options include web check-in, mobile check in, electronic boarding cards, common use check-in units, self-bag drop and automated border clearance. As the airport is developed, VAA must be mindful of these technologies. YYJ is very well positioned for the future.

### **Apron and Terminal Expansion**

The most immediate need identified at Victoria International Airport is to expand "airplane parking lots" – expanding apron space. YYJ currently has room to park 12 aircraft overnight. While expanding the apron is a costly undertaking, it is essential to remain competitive in the market.

A graphic demonstrated the phases of both the terminal and the apron expansions. The first addition will see an expanded apron and terminal building to the north to add more loading gates and increase physical capacity for aircraft. The taxiways will be widened and two new overnight aircraft parking stands will be constructed.

### **Parking**

With growing demand comes the need for more vehicle parking. In 2011, VAA realigned and moved Willingdon Road to the south with a view to improve safety and to create more capacity. Additional parking spaces will be added in 2016.

### **Land Development**

Non-aviation revenue plays an important role in keeping costs low, and one of these sources is land development. VAA has a number of opportunities: a 40 acre parcel along Willingdon Road, the development of the old Department of National Defence site which will return to the VAA once 443 Squadron takes occupancy of its new headquarters, and a parcel near the intersection of Beacon Avenue and Highway 17 in partnership with the Town of Sidney.

VAA has been working closely with a stakeholder group to create a new monument from the bricks of the former DND Administration Building 11, honouring the role the military has played at the airport.

VAA held a number of open houses to consult with the community regarding the potential development at Beacon Avenue and Highway 17. VAA in no way wishes to compete with the downtown Sidney businesses and continues to welcome feedback from the community. The next steps are to undertake a traffic study, then apply to Sidney Council for amendments to the zoning and Official Community Plan.

### **Customer Service Initiatives**

VAA has undertaken small initiatives that distinguish it from other airports. Along with completing The Flight Path, new countdown clocks – time indicators linked to CATSA's database – have been added to inform passengers of wait times at security screening. A dump sink has been installed for those who forgot to empty their liquids prior to security screening, and post-security water bottle refill stations have been added for convenience. Parking attendants are on hand in the short-term lot to assist travellers and provide change, and complimentary water bottles are handed out to passengers exiting the long-term lot as a thank you.

### **CEO's Closing Remarks**

In closing, 2014 has been another great year for the Victoria Airport Authority. Our vision continues to strive to be the best airport anywhere. VAA looks forward to meeting the challenges and opportunities in the coming years.

## **7. Call for New Business**

There was no new business.

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

- **Bruce Coleman, a retired RCMP Officer, addressed the Committee. He spoke about his desire to establish a presence of full-time police officers at the airport to ensure it is a secure facility. Mr. Coleman provided some information about his background in law enforcement, and he highlighted some of the possible threats from terrorists and criminals. He understood that funding was withdrawn by the federal government but pressed VAA to increase its AIF to fund this initiative. He requested that the Board of Directors revisit its decision of not having a dedicated police presence at YYJ to ensure travellers don't require bullet proof vests to use its facilities. The current police response from Sidney-North Saanich RCMP is inadequate in his opinion.**

The CEO thanked Mr. Coleman for his comments and referenced his lengthy telephone discussion with him earlier in the year.

By way of background, after the terror attacks in 2001, the federal government provided funding for an increased police presence at airports. VAA received approximately \$200,000 each year to subsidize four part-time retired RCMP officers.

When the program ended and funding was withdrawn, VAA and Transport Canada conducted risk assessments to evaluate the needs at Victoria International Airport. The federal government has not mandated a police presence at certain airports, one of which is Victoria International Airport. VAA has undertaken analysis of the impacts of the departure of the funded police presence; there has been no change to incidents, threats or response time by the local RCMP. Based on the risk assessments by both the federal government and VAA's internal security personnel, it is comfortable with the current level of police service from the Sidney-North Saanich RCMP.

The Board Chair added that the members performed their due diligence after the federal funding was withdrawn. The Board was satisfied with the plan; VAA has returned to the arrangements that were in place for many years prior to the 9-11 attacks.

- **Marie Roszko, owner of a small business in Sidney, expressed her concern about the proposed business development in Sidney and how it could affect existing businesses. She felt another shopping centre was not needed, suggesting the development could focus around technology.**

VAA has clearly heard the concerns of the Sidney business owners and will work with the community, business owners and Town of Sidney before proceeding with any development. The project is merely in the concept stage. VAA continues to welcome comments and ideas from members of the business community and public.

**There were no further comments or questions from the public or Committee members.**

## **9. Announcements**

There are two upcoming public meetings:

### **Next Airport Consultative Committee Meeting:**

7:30 AM, Tuesday, March 10, 2015

Delta Ocean Pointe Resort & Spa – Arbutus A Room

45 Songhees Road, Victoria, BC

### **Annual Public General Meeting**

Thursday, May 7, 2015

Sidney Pier Hotel & Spa – Sallas Room

9805 Seaport Place, Sidney, BC

All members of the public are welcome to attend.

## **10. Adjournment**

The Committee Chair thanked the members and the public for attending the meeting, and for their support of the Victoria International Airport. There being no further business, the meeting was adjourned.