



VICTORIA AIRPORT AUTHORITY

Airport Consultative Committee

**Minutes of the Meeting held on
Tuesday, October 25, 2016
7:00 – 9:00 PM
Mary Winspear Centre
Charlie White Theatre
2243 Beacon Avenue, Sidney, BC**

Upcoming Public Meetings:

- **Spring Airport Consultative Committee Meeting:
7:30 AM, Tuesday, March 7, 2017
Downtown Location: Venue TBA**
 - **Victoria Airport Authority Annual Public General Meeting:
7:00 PM, Thursday, May 11, 2017
Mary Winspear Centre – Charlie White Theatre
2243 Beacon Avenue, Sidney, BC**
-

Representative Members

Organization

Airlines:

WestJet
Air Canada / Jazz
Horizon Air
Pacific Coastal Airlines

Airport Land Tenants Association

Air Terminal Building Tenants' Representative

Association of Canadian Travel Agencies
BC Ministry of Transportation & Infrastructure
Canada Border Services Agency
Canadian Aircraft Owners and Pilots Association
Capital Regional District

City of Victoria

Department of National Defence

District of Central Saanich

District of North Saanich

District of Oak Bay

District of Saanich

Greater Victoria Chamber of Commerce

Nav Canada

North Saanich Residents' Association

Pauquachin Band Council

Saanich Peninsula Chamber of Commerce

Saanich Peninsula Water & Wastewater Commission

Sidney Business Improvement Area Society

Sidney Ratepayers Association

Tourism Victoria

Town of Sidney

Tseycum Band Council

Representative

Regrets

Regrets

Regrets

Regrets

Regrets

Margarete Rothlisberger

Regrets

Regrets

Regrets

Regrets

Regrets

Councillor Margaret Lucas

Josh Cleary, Geoff St. Germaine

Councillor Alicia Holman

Mayor Alice Finall, Councillor Geoff Orr,

**Councillor Jack Thornburgh,
Councillor Heather Gartshore**

Regrets

Regrets

Regrets

Regrets

Regrets

Regrets

Joe Jansen, Denny Warner

Regrets

Regrets

Regrets

Regrets

Councillor Mervyn Lougher-Goodey,

Councillor Cam McLennan

Regrets

VAA Board Members on the Airport Consultative Committee in attendance:

Jim Crowley (Board Chair), Eric Donald (Committee Chair), Lynne Henderson, Marilyn Loveless, Cathie Ounsted, Colin Smith and Sharlene Smith

Other VAA Board members in attendance:

Wendy Everson, Mel Rinald and Gordon Safarik

Regrets:

Rod Dewar, Frank Leonard and Mel Rinald

VAA Management: Geoff Dickson (CEO), Randy Bogle, James Bogusz, Ken Gallant, Mike Garraway, Stephanie Long, Melinda Orlowski (Recording Secretary) and Ian West

Public in attendance: 50

1. Call to Order

The meeting was called to order by Eric Donald, 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 (ACC), recognized the local dignitaries and special guests, and thanked the members of the community for attending the meeting.

The following honoured guests were introduced:

Mayor Alice Finall, District of North Saanich
Councillor Heather Gartshore, District of North Saanich
Councillor Geoff Orr, District of North Saanich
Councillor Jack Thornburgh, District of North Saanich
Councillor Mervyn Lougher-Goodey, Town of Sidney
Councillor Cam McLennan, Town of Sidney
Councillor Alicia Holman, District of Central Saanich
Councillor Margaret Lucas, City of Victoria

The Committee Chair congratulated Mayor Finall and the District of North Saanich who were recently given an award for Community Excellence in the category of Leadership and Innovation – Agriculture at the 2016 Union of BC Municipalities Conference.

3. March 8, 2016 Airport Consultative Committee Meeting Minutes

The minutes of the March 8, 2016 Airport Consultative Committee meeting were provided to the Committee for review.

MOTION: Acceptance of the March 8, 2016 Airport Consultative Committee meeting minutes as presented.

Moved by: Eric Donald

Seconded by: Marilyn Loveless

Motion carried.

4. Report from the Chair of the Board of Directors

Jim Crowley, Chair of the Victoria Airport Authority (VAA) Board of Directors, welcomed everyone to the fall meeting of the Airport Consultative Committee.

With the assistance of a PowerPoint presentation, Mr. Crowley provided an overview of the roles and responsibilities of the VAA Board of Directors.

The Chair wished to clarify the purpose of the ACC meeting. Some members of the community were told that this would be a meeting of the Board to approve the proposed Sidney Gateway development. That is not the case.

The ACC meets twice a year to address the business of the airport. Updates are provided with respect to the Board, the VAA's financial performance and the various projects and plans for the airport.

Board of Directors

There are twelve Board members representing nine nominating bodies. The skills of the various members are considerable. A matrix representing experience in the areas of engineering, project management, law, accountancy, government, business and commerce, tourism, communications, senior executive administration, human resources and aviation are well represented.

The 2016 Board of Directors are:

Jim Crowley	Board Chair	District of North Saanich
Eric Donald	Board Vice-Chair and Chair, Airport Consultative Committee	City of Victoria
Marilyn Loveless	Board Secretary and Chair, Governance Committee	Government of Canada
Gordon Safarik	Chair, Audit & Finance Committee	District of North Saanich
Lynne Henderson	Chair, Planning & Development Committee	Province of BC
Rod Dewar	Director	Greater Victoria Chamber of Commerce
Wendy Everson	Director	Town of Sidney
Frank Leonard	Director	Government of Canada
Mel Rinald	Director	Town of Sidney
Graeme Roberts	Director	District of Central Saanich
Colin Smith	Director	Capital Regional District
Sharlene Smith	Director	District of Saanich

Biographies of all current members of the Board as well as the President and CEO are available on the VAA website at www.victoriaairport.com.

Governance Style

There are two policies in particular that address VAA's governance style:

Policy #102 refers to the responsibilities of the Board. It guides the direction of the airport and monitors the management team in order to discharge its fiduciary responsibilities.

Policy #104 refers to the Board's governance style. There is a clear distinction between the responsibilities of the Board and that of the CEO. Board members act as trustees of the corporation. Its role is to ensure that any projects are financially viable and operate within corporate policy. Board members do not interfere with operational issues. They are responsible for setting out the expectations for the Board as a whole, and for developing a vision for the future.

In recent days a significant amount of communication has been addressed to the Board regarding the proposed Sidney Gateway development. There have been wide assumptions that the Board controls the operations of the airport. This again is not accurate.

VAA is a policy and governance board; it is not an operational board. The Board's role is to guide the strategic direction of the organization and to monitor the CEO and Management team. All correspondence addressed to the Board is reviewed for information under a consent agenda.

Mission and Vision

The Victoria International Airport serves the Greater Victoria region and surrounding area, acting as an economic catalyst for the region by facilitating the movement of people, goods and ideas through flight.

The Vision and Mission statements are:

- ◆ Vision: To be the Best Airport Anywhere;
- ◆ Mission: To provide a safe, secure and efficient airport that enhances economic and social benefits for our region.

Strategic Goals

VAA's mission is built upon our six strategic goals, which help guide the decisions and actions in order to achieve success. These goals include:

- ◆ To provide a safe and secure airport
- ◆ Be a leader in environmental protection and management
- ◆ Provide exceptional facilities and customer service
- ◆ Operate in a financially responsible manner
- ◆ Attract and maintain air service; and
- ◆ Attract and retain a talented and motivated team of employees

One of the biggest issues facing airports is security. The Board Chair and CEO recently attended an international aviation conference in Montreal to be briefed on recent developments and strategies to ensure a safe and secure environment at Victoria International Airport.

VAA is a leader in environmental protection and has received numerous awards, locally, nationally and internationally recognizing its efforts.

In order to continue to provide exceptional airport facilities and keep up with growth, the lower passenger departure lounge will be expanded over the coming years.

Prudent financial management is one of the primary objectives. VAA's goal is to maintain its low aviation fees which attract air carriers, providing better service to the traveling public. At 67%, VAA generates most of its revenue from non-aviation sources which is higher than most airports.

VAA continues to maintain and attract air services. Delta Air Lines, one of the world's largest airlines, launched new air service between Victoria and Seattle in April 2016. NewLeaf Travel, a new ultra-low cost air carrier, added Victoria to its route map.

VAA has a relatively lean staff with only 41 employees, all of whom are professional and possess strong skills.

Board Education

In the last five years, there have been some dynamic changes to the aviation industry. One of the ways to keep apprised of industry trends is through ongoing Board education. In addition to site tours of the various construction projects and environmental initiatives, a number of guest speakers have been brought in to share updates. Some of the speakers have included Nav Canada, the country's civil air navigation service provider; InterVistas a leading aviation management consulting company; WestJet, which has grown to be one of Canada's leading air carriers; Air China, to discuss the growing travel market in Asia; and the CEO of the Vancouver Airport Authority to share an update regarding their current operations and plans for future growth. Vancouver International Airport served over 22 million passengers in the past year, and anticipate a 10% growth year over year. Much of Victoria's growth can be directly attributed to that of YVR.

All directors on the Board are members of the Institute of Corporate Directors, the only globally recognized director organization in Canada. ICD is a valuable resource center providing regular courses, information circulars and articles on policy updates, governance best practices, auditing tools and networking opportunities.

In September, the Board and Management team met for an all-day Enterprise Risk Management workshop. Considerable effort went into identifying the top 12 enterprise risks that the organization faces. The outcome of the session was a risk profile which is in keeping with corporate best practices. Emerging risks will continue to be tracked, rated, assessed and mitigated with periodic updates to the Board.

Corporate Governance

In March 2017, the Board will thoroughly review its corporate governance practices and policy manual. A workshop is planned that will focus on industry best practices, accountability and oversight, a review of the current policy and procedures manual, and board efficiency which is achieved through open dialogue and teamwork.

Growth

Growth at the airport is positive for the Greater Victoria region as a whole: it creates new economic opportunities, connects families and friends, and acts as a welcoming facility to the visitors to our region.

In 2014 the Board approved a new five-year strategic plan for 2015 - 2019. One very positive but challenging development is the continued growing passenger traffic. Victoria International Airport has seen 35 consecutive months of record passengers and anticipates serving 2 million passengers within the next few years.

In order to keep up with demand, the VAA continually revisits its capital program to ensure it provides a comfortable and efficient facility for travelers, airlines and airport tenants. The Board gives much consideration to the planning and financial aspects in project delivery.

Closing Remarks

In summary, Victoria International Airport continues to enjoy one of the lowest Airport Improvement Fees in the country. The VAA is committed to maintaining its low aeronautical fees while consistently delivering quality facilities and exceptional customer service.

5. Report from the Chief Financial Officer

Randy Bogle, Chief Financial Officer, presented the financial report. All figures are the current forecasted to December 31, 2016.

2016 has been a year of growth for Victoria International Airport. As noted by the Board Chair, there has been 35 months of record passenger traffic going back to November 2013. This has had a positive effect on VAA's forecasted revenue for 2016.

Revenue

The VAA has three types of revenue: aeronautical, non-aeronautical and the Airport Improvement Fee (AIF).

Non-Aeronautical Revenue consists of items such as parking, concession fees and land rents. For 2016, Non-Aeronautical revenue is expected to increase by 6% to \$13.3 million. Non-Aeronautical revenue accounts for approximately 66% of operating revenue. Victoria International Airport has one of the highest percentages of Non-Aeronautical revenue in the country.

Aeronautical Revenue consists of the fees charged for aircraft to land at YYJ and to use the terminal building for passenger enplanement and deplanement. For 2016, Aeronautical revenue is anticipated to increase by 11% to \$7.0 million. Aeronautical accounts for approximately 34% of operating revenue. VAA has strived to keep landing fees low in order to encourage new air services at YYJ.

Landing fees are based on the weight of the aircraft. The larger the gauge of aircraft, the higher the fees. These apply to all jets and turboprop aircraft. Airlines using the terminal are charged a terminal fee of \$2.15 domestic per landed seat; transborder or international terminal fees are \$3.66 per landed seat.

AIF Revenue - Effective July 1, 2015, the AIF was set at \$15 to assist in funding the long-term capital program. Funds raised from the AIF can only be used for AIF-eligible capital projects and any debt servicing related to these projects. Funds cannot be used to pay for any operating expenses. Victoria's AIF remains among the lowest in Canada. For 2016, AIF revenue is expected to be \$13.3 million.

Total forecasted revenue for 2016 is forecast to increase by \$4.4 million to **\$33.6 million**.

Expenses

Operating Expenses consist of items such as safety and security, cleaning, utilities, maintenance, salaries and benefits. Operating expenses are expected to increase by \$1.1 million to \$13.2 million.

Amortization - Under generally accepted accounting principles, the costs for capital assets is recognized over the useful life of the asset rather than as the cash paid for an asset in a particular year. For 2016, amortization is expected to increase by 8% to \$7.1 million. This is as a result of the completion of capital projects and the commencement of amortization.

Rent and Property Taxes – The VAA pays rent to the Federal government, and property taxes to the District of North Saanich and Town of Sidney. For 2016, rent and property taxes are expected to increase by 16% to \$2.4 million. The increase is primarily related to increased rent paid to the Federal government. Rent is calculated as a percentage of revenue. As revenues increase the amount of rent paid increases as well.

Interest on Long Term Debt – The VAA utilized long-term debt to fund the terminal expansion. The loan is being repaid over 10 years. For 2016, the interest paid on this debt decreased to \$52,000. Long Term Debt at year end will be \$450,000, down \$1.8 million from 2016. This debt will be fully paid off in January 2017.

Total Expenses for 2016 are currently forecast to be **\$22.7 million**, an increase of \$2.0 million over 2015.

Excess Revenue over Expenses

Excess of Revenue over expenses for 2016 is expected to be \$10.9 million, an increase of \$2.4 million over 2015. This entire amount will be reinvested back into the airport and allows the VAA to meet the demand of growing passengers.

The audited financial statements will be presented at the Annual Public General Meeting which will be held on Thursday, May 11, 2017.

6. Report from the VAA President and CEO

With the assistance of a PowerPoint presentation, President and CEO Geoff Dickson shared some of the results over the past year, focusing most of his comments on future growth.

Air Transport Research Society – Top Efficient Airport

Building on the comments from both the Board Chair and Chief Financial Officer regarding revenue growth, one of the areas the CEO is most proud of is to be identified as one of the most efficient airports in the country. The Air Transport Research Society, a global academic think-tank, analysed over 200 airports globally ranging between 1 million to 100 million passengers. Victoria International Airport was ranked best in class as the most efficient and productive airports in the country, tied with Vancouver International Airport. YYJ ranked in the top 1% of all airports in North America.

Cost efficiency remains a focus of the VAA – to provide low aviation fees and charges in order to attract and maintain air services. This is particularly important as a secondary market competing with other airports.

Awards and Recognition

Equally as important is the ability to provide exceptional quality and facilities for an exceptional customer experience. Victoria International Airport has been recognized as the Best Regional Airport in North America in 2012 and 2014, placing third in 2013 and 2015. CNN Travel named Victoria as one of the 10 Most Loved Airports in the World. Being cost efficient and providing exceptional services is difficult to do simultaneously, and this is a proud accomplishment.

Growth

VAA has seen significant growth in the past year, driven by a strong U.S. dollar. Americans are traveling to Canada in record numbers which benefits Victoria as a tourist region.

The summer months averaged between 9% - 10% growth in passenger traffic, with a 13% increase in September. While these figures are impressive, VAA anticipated a 2% - 3% increase which leads to some interesting long-term planning challenges to remain slightly ahead of the demand curve while not over investing in the facility.

It would be simple to raise aviation fees by 5% to pay for the required investments, however this would negatively impact the bottom line for tourism which is vital for economic growth. It is estimated that the economic impact of the airport on the region is around \$1 billion.

Passenger Traffic

The CEO recently visited Fort McMurray and noted that passenger traffic at Alberta airports is significantly down. Over the last five years, Victoria has seen an 8.1% increase in passenger traffic.

Air Services

Delta Air Lines launched Victoria – Seattle service in April 2016, with six flights a day linking travellers to one of the largest and fastest growing airports in North America. Once the Seattle terminal expansion is complete in 2019, Delta anticipates adding additional flights and connecting opportunities.

Pacific Coastal Airlines has added a number of new flights to Prince George and Kelowna. They have seen passenger traffic increase by 68% at Victoria, offering 14 flights a day to various destinations in the province.

On July 2, NewLeaf Travel - a travel company licensed to operate through Flair Air – commenced twice-daily service to Winnipeg, Hamilton, Kamloops and Edmonton. This new ultra-low cost service may see extremely low fares that may offer travellers a more affordable option. The company suspended operations in November to focus on their strongest performing markets over the winter, however VAA expects NewLeaf to re-commence service in the spring of 2017.

Seattle and Vancouver Hubs

Vancouver International Airport is growing exponentially, offering 80 flights a day to the US; 18 flights a day to Asia; 11 flights a day to Europe; 3 flights a day to the South Pacific; and new routes including Mexico, Dublin, Brisbane, San Jose, San Diego, Chicago, Roma and Delhi.

SeaTac is twice as large as Vancouver, serving over 42 million passengers each year, more than Toronto-Pearson. It is the fastest growing airport in the U.S. Delta Air Lines and Alaska Airlines offer 16 flights a day combined from Victoria, connecting to over 300 flights per day out of Seattle.

Non-stop service is naturally preferred, however the next best thing is seamless one-stop service from Victoria.

Multi-Phase Terminal Expansion

Growth is great for the airport, tourism and the overall economy. Without tourists, area businesses would be negatively impacted.

The CEO shared conceptual plans for a multi-phase expansion of the airport which includes an expansion of the lower passenger departure lounge.

In order to enable and facilitate growth, investments need to be made in the physical infrastructure of the airport. The expansion will see dedicated boarding gates to aircraft, expanded food and retail offerings, and a number of other features for passenger comfort. The project is expected to get underway in Q3 of 2017, with an anticipated timeline of 18 to 22 months to complete construction.

Subsequent phases will see the apron further expanded, and the addition of two more jet bridges.

The largest investment will be to expand the building to the west to double the baggage belt capacity, increase the size of the arrivals hall and position the airport for a U.S. pre-clearance facility. VAA will continue to map out the stages of investment to meet the growing demand.

Parking Lot Expansion

The future may see driverless cars and transit improvements, but in the interim VAA continues to see a demand for increased parking facilities.

In 2015, an additional 195 spaces were added. In 2016, another 325 spots are being added and currently under construction. New covered walkways connecting to the Flight Path and environmentally efficient rain gardens are part of the design.

In the master plan, the current parking plan was expected to meet demand until 2021. However with the phenomenal growth during peak travel periods, these spots are already filled to capacity. VAA prefers not to build parkades as it takes away from the scenic views.

The VAA continues to monitor the parking situation closely in order to stage capacity appropriately.

New Baggage System

The airport's entire baggage system is in the process of being replaced. A temporary baggage tent facility housing a parallel system has been operating for 14 months and will be in place until Q1 2017 when the project is complete. The upgraded CATSA system is a \$10 million project that has kept the team busy from a capital perspective.

Average Capital Additions

Historically VAA's capital program averaged \$10 million per year. Looking at the requirement investments over the next several years, the program averages \$17 million per year. The question is how to fund the airport-related projects.

AIF Comparisons – NAS Airports

In 2015, VAA took its AIF from \$10 to \$15, while still remaining among the lowest AIFs in the country. All of the revenue generated from this fee is dedicated to airport improvements. Any environmental or community initiatives such as the Flight Path are funded from discretionary non-aeronautical revenue.

The CEO heard from a member of the community to simply raise the AIF once again to generate additional revenue if needed, rather than pursue land developments. VAA prefers to maintain its low-cost position in the airport world in order to attract and maintain air services, as noted earlier.

YYJ's low aviation fees are appreciated by the air carriers which can impact their bottom line and decisions on where to operate.

Advertising Program

With respect to non-aeronautical revenue, VAA has one of the highest percentages in North America.

One of the expanded initiatives is VAA's advertising program, which was awarded to Pattison Group. A number of electronic signs have been added inside the terminal building, and a large electronic sign was installed on terminal reserve land on Willingdon Road. Revenues have essentially tripled from the former advertising program, which will allow VAA to continue to give back to the community through various initiatives and donations.

While VAA received some complaints from North Saanich residents about the sign, it provides valuable travel information regarding security wait times, commercial advertising and free community messages. VAA wants to reassure the community that this is the only sign to be added along Willingdon Road.

As a point of clarification that many people may not be aware of: Willingdon Road is a private airport road that was designed to transport people to and from the terminal building. It is not a North Saanich Road. The airport allows the general public to use this roadway as a courtesy. Accordingly, terminal reserve land remains under the discretion of the airport.

Land Development

In 1997, the Government of Canada divested itself from operating airports. The airport land zoning was established setting out how the land could be used in certain ways. This zoning has been in place for nearly 20 years.

Many airports have taken the position that the land is federally designated, which trumps municipal or provincial legislation. VAA opts not to take that approach, working collaboratively with the local municipalities. VAA has Accords and MOUs with both the Town of Sidney and the District of North Saanich. These agreements allow the VAA and the municipalities to understand each other's desires to operate for the benefit of citizens.

Proposed Sidney Gateway Development

VAA is not a developer; it is a landlord that leases parcels of land for development.

The 10 acre parcel of land located at the intersection of Beacon Avenue and Highway 17 has been publicly discussed since 2014. A number of open houses were held to solicit ideas from the community. VAA received suggestions ranging from hotels to farmer's markets to an interpretive centre to a commercial development. The one message that was very clear was not to compete with the small store fronts and boutique stores in Sidney.

The subject land, which is located in the Town of Sidney, has been zoned commercial in the Town's Official Community Plan since 1998. VAA was approached by Omicron to develop the property. A conscious decision was made to go through the municipal approval process, rather than act autonomously.

On September 12, 2016, Sidney Council voted 5-2 in favour of the required amendments for the project. VAA was pleased to hear a reasoned approach from Council with respect to the zoning and OCP changes. This was not an easy decision to make, and they faced some loud opposition from some well-intentioned and passionate members of the community through the various public meetings.

With respect to the removal of land from the Agricultural Land Reserve, there was no requirement by the VAA to follow the exclusion process through the Provincial Agricultural Land Commission. VAA could have pursued the development without engaging the municipality or hold a broad public process, however VAA wanted to demonstrate to the community that it was acting in good faith.

Over the past two years, VAA has heard from the public about fit and form for the development, as well as the potential impact any commercial development might have on the downtown core of Sidney. While some are opposed to any form of development, others welcome a new progressive development that will add prosperity to the town and attract visitors.

It should be noted that some of the arguments circulating in the community by those opposed to the development have contained inaccurate information, and sometimes outright false assertions.

While the final development permit process rests with the VAA, the preliminary design includes a grocery store, a drug store and appliance outlet, medical and insurance offices, a fitness facility, restaurants and a bank.

There remains much work to be done before this project is approved, including consultation and approval from the BC Ministry of Transportation and Infrastructure. There will be a number of adjustments needed to the roadways to accommodate the development.

Many of the people attending the ACC meeting may not agree with the development. VAA wants to assure the community that it is listening. Omicron indicated they would provide an updated proposal to the VAA within 90 days which will provide a better idea of what a potential development might encompass. If the design strays from what has been proposed over the past year, VAA may not go forward with the project. Another factor to be considered is whether the project is economically viable. VAA will weigh the decision very carefully.

As part of the MOU with the Town of Sidney, the project will once again be referred to the Town who will have 40 days to review and provide their comments. The final decision will be made by VAA, however there remains a number of steps to complete before this project proceeds, if at all. VAA anticipates a decision by the spring of 2017.

Environmental Management Plan

VAA released its new Environmental Management Plan this year. The plan is comprehensive, thorough and provides insight into the various environmental regulations and challenges faced by the airport, as well as some of the great programs the airport participates in.

VAA is very proud of the work that goes into being an environmental leader. The plan outlines the airport's approach to storm water management, sanitary source control, spill responses, glycol recovery and monitoring, alternative energy, project screening, wildlife management and a number of other initiatives.

The document is available the public website: www.victoriaairport.com.

Electric Vehicle Charging Stations

A number of electric vehicle charging stations were unveiled in 2016. Each unit has two outlets and can easily be scaled as demand grows.

Carbon Accreditation Program

Victoria International Airport was the third airport in North America to receive carbon accreditation, behind SeaTac and Montreal. This is the only recognized measure of greenhouse gas carbon output. All of the airport's groundside lighting has been transitioned to LED fixtures. To date, approximately 52 tonnes of CO2 emissions have been reduced through the Continuous Optimization Program in partnership with BC Hydro.

TenTen Creek

Historic activities on airport lands have had a negative impact on the aquatic ecosystems in TenTen Creek. A federal dump site had been located on the property in the years long before the green movement. In combination with runoff from farming operations and sediment flow, the creek was damaged with potential pollutants.

In 2013, VAA committed to improving the health of the creek. Work is underway that will see the significant improvements including a bypass and runoff secondary channel, sediment traps, bank armouring and new riparian plantings. This \$450,000 project will reduce future erosion and encourage aquatic habitat. Partners include Peninsula Streams Society, Tseycum First Nation, Kerr Wood Leidal, SLR Environmental, Watershed Ecological and Rodd Excavating.

New Glycol Remediation Facility

One of the most critical environmental initiatives is ensuring that glycol does not run off into the surrounding streams. In the newly constructed de-icing area, an innovative system was created where surface flows are diverted to a storage treatment area and captured. Two 25,000 litre storage tanks hold the glycol which can then be extracted and recycled if the concentration is appropriate, or it can be discharged to a 125,000 litre detention pond to naturally remediate before being discharged. The system is near leading edge and remotely monitored with automated alerts in case the ponds and tanks approach capacity.

Reay Creek Pond

In 2012, VAA constructed a 200 meter bypass channel to help Reay Creek heal from some of the historical contamination in the area. There have been some concerns raised by the community that airport activity over the past 10 to 15 years have contributed to increased water flows and ultimately contributed to erosion in the Reay Creek Pond area downstream.

In 2015, VAA engaged Kerr Wood Leidal to undertake a study of the pond. They concluded that while peak water flows have increased, it is unlikely that the airport contributed to the bank erosion. KWL recommended a number of steps that should be taken, and VAA will be approaching the Board for funding in the amount of \$700,000 for a project to create new detention pond. VAA believes that it is the right thing to do for the community.

Live Emergency Exercise – September 29, 2016

Safety is one of the highest priorities at the airport. As part of ongoing emergency preparedness, in September VAA held a live emergency exercise that simulated an airline crash. The exercise, which took over six months of planning, had in 160 participants from local police, fire, ambulance first responders, Coroner's office, WestJet, Commissionaires, airport staff and dozens of volunteers. The simulation tested communications, aircraft rescue and fire response, injury and casualty management, public relations and service recovery. The exercise was deemed to be a success, with a number of takeaways to refine the Emergency Response Plan. VAA will continue to prepare for any emergencies that may arise.

Water Main Break – April 13, 2016

On April 13, 2016, the water main to the terminal building ruptured causing serious disruption to airport operations. The team came together well, with the Emergency Operations Centre being activated. While there was some damage to the building, it could have been significantly worse without the quick actions and expertise of the airport staff. Much of the success can be attributed to the regular table top exercises.

Hospital Hill Commemorative Monument – Lost Airmen of the Empire

Thousands of men and women who served in the military during the war years were stationed at the Pat Bay Air Service Station. The VAA wanted to recognize those who served or gave their lives during the Second World War.

A group of citizens, led by Wally Du Temple, came together with the VAA in a working group to create the vision for a monument located at Hospital Hill. Mr. Du Temple's father was the first base commander at Pat Bay Station.

Through a competitive process, artist Illarian Gallant was selected to design the commemorative monument. The creation, 'Lost Airmen of the Empire', will see the construction of 25 twelve-foot high Cooper's hawk feathers, representing the fighting spirit and tenacity of the military; maple leaf trees representing Canada; and seating areas where visitors can reflect and appreciate those who are being honoured. Construction will be completed over the next few weeks, with a public event unveiling the monument in the spring. The monument will see the inclusion of the bricks that were preserved from the original DND Administration building.

In partnership with the District of North Saanich, a new 15-stall parking area was created by Jubilee Park.

A memorial capsule will be included in the project. All members of the public are invited to write a letter to a veteran which will be placed in the capsule. More information is available on the public website: www.victoriaairport.com.

7. Call for New Business

There was no new business.

8. Questions / Comments from Committee Members and the Public

The Committee Chair opened up the floor to questions and comments.

- **Sidney resident Adrian Kershaw wanted to applaud the Board and Management for what they have been doing. VAA has a good corporate reputation and has done a lot for the community. However, he wanted to bring the Board's attention to something from the Mission Statement, which was to focus on providing economic and social benefits to the region. Gateway, as it is currently conceived, will result in a hollowing out of the downtown core of Sidney. As a geographer, he has seen this all over Europe. He encouraged the VAA to work with Omicron to change the makeup of the retail outlets, otherwise it will have a damaging effect on Sidney.**

The Committee thanked Mr. Kershaw for his comments and suggestions.

- **A member of the public addressed her question to the CEO. She commended him for being an eloquent speaker and could listen to him for hours. With respect to Runway 03-21, the runway is configured southwest to northeast. She inquired if there are any plans to expand that particular runway, or could it potentially be made a main runway equally as long as the existing runway?**

The CEO advised that Runway 03 is the most popular runway for turboprops flying to Vancouver and Seattle as it has a short taxiway. However there are no plans to expand the runway at all, and even over time VAA may eliminate landings altogether, evolving predominantly to departures only.

- **A member of the public addressed his question to the Board Chair. He was surprised to read in the paper that Minister Bill Morneau had retained an advisory committee to consider the privatization of airports in Canada. He inquired about the Chair's position on this matter.**

The Board Chair and CEO recently attended a Council of Chairs meeting in Montreal where the topic of airport privatization was discussed. The first reaction from the Chair of the Canadian Airports Council is that any such move would be a long time off. There is a strong desire in the Prime Minister's Office and Treasury Board to go forward. If you look at any measure of the value of airports based on earnings, airports the size of Vancouver would fill a large funding gap. There are a multitude of ramifications, particularly with West Coast airports with potential First Nations land claims. The consensus by the Council of Chairs and CAC is that Canada has a superb airport system. The CAC is actively and objectively looking at the issue, however we have a model that works extremely well which sees improved airport services. The Australians adopted a private model and have seen the opposite result.

The CEO added that the genesis for the discussion came from a paper authored by the Honourable David Emerson, former cabinet minister and the first CEO of Vancouver International Airport. He was engaged by the former Conservative government to address a wide spectrum of transportation issues and devise a policy. Mr. Emerson's recommendations included a different ownership structure for Canadian airports. Privatization would de-link airports from the government. The current structure includes a private company however the land is federally owned and leased to the authorities.

Pension funds are investing in infrastructure, and someone in the government thought it was a good idea to invest in airports as a way to generate revenue. They refer to the practice as "asset recycling".

Discussions about the privatization of airports are still in early days, however the argument is that it won't benefit airports under 5 million passengers. In the long run, the challenges and impacts to customers do not outweigh the benefits of a short-term cash injection.

- **Lorne Underwood from Tsawout First Nation commended the VAA on a great presentation, its awesome staff from the front line to the office workers. He was very impressed. He recognized the small margins were growing and was not here to knock that, VAA did a good job. Mr. Underwood met with Tsawout First Nation Council and they have asked to engage with the VAA. They are currently engaged with the Prime Minister's Office, Minister of Justice, Aboriginal Affairs and a number of other federal agencies. He suggested that VAA should not be surprised to hear more from them. Tsawout First Nation would like some clarity about what happened in 1995 as their recordkeeping is not optimal. He requested a copy of the presentations this evening so he could share it with Chief and Council where the airport is going.**

The CEO said that he would be happy to meet with Tsawout First Nation and encouraged Mr. Underwood to reach out to his office.

- **Michael Bociurkiu, a writer with My Savvy Traveller, wanted to pay his compliments about the Victoria International Airport. It is one of his favourites, and he travels a lot. He appreciates the bicycle wrapping facility and the bike trail around the airport. A few weeks ago he was traveling and the security line at 6 AM was quite long. He wondered how the VAA would address that. In addition, does the VAA have plans for a wide body service (ie: 787's). He also noted that many airports around the world were named after the area they are situated. Has the VAA considered changing the name of the airport to the Sidney-North Saanich International Airport?**

The CEO shared that at a previous ACC meeting, someone suggested changing the name of Victoria International Airport to the Terry Fox Airport. VAA has not contemplated a name change.

With respect to the security lines, CATSA is the screening agent. While still part of the government, their funding has been frozen for a number of years. This is one of the top issues of frustration by the traveling public and airports.

YYJ currently has three security lines. VAA has applied to CATSA for a fourth line. VAA is also looking at new designs to increase throughput with a new CATSA Plus model, but the security screening area would need to be expanded.

As for wide body planes, that is more of a question of demand. The air carriers seem content on operating the current fleet of aircraft. The VAA will continue to engage with the air carriers on their future growth plans.

- **Norm Harding, a citizen of North Saanich, advised that he lives on McTavish Road and has a concern about light pollution from the airport. He raised this matter at a previous ACC meeting. He has been in ongoing discussions with VAA's Director of Facilities regarding the newly added apron lights which now shine into his kitchen. The new lights do not have shrouds to minimize the impact. He understands the need for security but his entire house is lit up to the point he can read a newspaper at night. This is not the way to encourage good relations with the neighbours.**

VAA Vice-President – Operations and Development addressed Mr. Harding. There are certain lighting standards that the airport must adhere to. VAA takes his concerns quite seriously and are working with an engineering firm to look at options. Once some options are available, the Director of Facilities will meet with Mr. Harding to explore solutions for the light pollution.

- **Cam Rollinson, a small business owner in West Sidney, complimented the VAA for operating a highly rated excellent airport. The Board ultimately oversees the whole operation. VAA are the number one land managers in the area. They also manage an entire transportation network because of restrictions on spaces. It was great to attend the meeting to better understand that Willingdon Road belongs to the airport. With respect to the seaplane terminal, there was a large meeting with North Saanich last year to discuss the lack of access to ramp ways. He is aware that the Province of BC operates the ramp and there is a two year lease with the VAA. With respect to improving access to Swartz Bay, rather than moving cars around the airport he suggested tunnelling under the airport to connect Canora Road and McDonald Park Road. He asked whether the Board would give consideration to this proposal. He understands the need to control and operate a transportation structure, but VAA is secondary. The main transportation provider are the ferries and roads. He asked VAA to consider improving transportation through the entire area through the construction of the tunnel because the airport is blocked off by animals, and everyone needs to drive around.**

The Board Chair advised that he recently attended an industry conference in Indianapolis which was one of the first airports designed after the 9-11 terror attacks. The airport itself is designed with the highest level of security possible. Airports are told to avoid tunnels as there are too many security issues around it. Tunnels would be an easy target by terrorists as the blast would be intensified. In addition, the cost of constructing a tunnel would be immense. VAA will not be entertaining the idea of a tunnel under the airport due to the security risk and cost implications.

- **A member of the public came to protest the new electronic sign on Willingdon Road. He said it was a cheap symbol to see right at the entrance of the airport. He has no issues with the security wait time information, but to give a talk about the environment contrasted with the sign, the VAA should be ashamed. It is a wretched billboard, he wants VAA to get rid of it.**

The gentlemen's comments were noted for the record.

- **James Finley suggested that the Gateway project was discretionary in nature. Part of his presentation to the Town of Sidney included the idea of an interpretive centre with Parks Canada that would recognize the Saanich people. He felt that the piece of property was too valuable in terms of historic and cultural significance. Camus bulbs have been planted in the region since time immemorial. He sees no evidence in airport circuits that acknowledge that it is the traditional area of the Saanich First Nations, nothing that recognizes the Garry oaks as part of the ecosystem. The proposed maple trees in the commemorative monument aren't indigenous to the region, they should be Garry oaks. Also, recognizing local persons of national importance should be a consideration. There is no mention of this at the airport.**

The CEO noted there are numerous signs located all around the Flight Path that explain the history, ecosystems and significant historical points of interest. In addition, the Eagles Landing observation lounge was specially created to feature the history of the Saanich First Nations. There are also a number of commissioned art pieces such as the totem poles at the arrivals area and salmon carvings at the baggage carousels. VAA worked with Coast Salish Master Carver Charles Elliott to acknowledge the traditional territory of the local First Nations. Eagles Landing is a wonderful place to enjoy watching the airport activity, and he encouraged Mr. Finley to visit the space.

- **A member of the public inquired when the White Spot restaurant might be reopening after the flood.**

VAA has been advised by the operators that the restaurant will be reopened late November or early December.

- **A member of the public inquired whether Runway 09-27 would be extended.**

In 2011, VAA looked at the issue of extending the 7,000 foot runway to 8,400 feet. Since then, a number of modern aircraft have entered the market. Additional research has demonstrated that nothing is to be gained by extending beyond 7,600 feet.

- **Cam Rollinson spoke once again, asking about the boat ramp and VAA's two year lease with the Province of BC. Access is still an issue for mariners on the west side of Sidney. As managers of the land, are there any updates about community access?**

VAA has no plans to grant public access to the Pat Bay Seaplane Base. With respect to the state of the contract with the Provincial government, VAA is working through the highest and best use of the facility, which includes discussions with Tseycum First Nation.

The Board Chair relayed an encounter he had years earlier between float planes and pleasure boats. He had deep concerns about mixing that type of traffic under an ILS runway. In a recent Board education session, Nav Canada explained their concerns around pleasure boats and aircraft, being the 10th busiest airport in the country. As an air traffic controller, it is a logistical nightmare to try to coordinate.

- **Cam Rollinson said that interaction between float planes and boats happen all the time, for example the Victoria Inner Harbour.**

The Victoria Inner Harbour is actively managed at a base downtown, with a Harbour Master patrolling the area. It is a completely different scenario.

- **Lorne Underwood commented on the Board of Directors. He read their biographical information and said it was a great Board. Tsawout are one of the few First Nations that are able to vote in municipal elections. As a point of observation, he suggested that it would be nice to see one of the Chiefs rotating in and out of the Board.**

The Board Chair encouraged Mr. Underwood to look at the Federal government's policy regarding federal nominees to airport boards. There are a number of renewals coming up in 2017 for VAA's two federal nominee positions, and he encouraged First Nations to apply as candidates for consideration.

There being no further questions or comments, the Committee Chair thanked everyone for attending. He appreciated the opportunity for stakeholder discussions which helps inform the future direction of the airport.

9. Announcements

There are two upcoming public meetings:

Spring Airport Consultative Committee Meeting

7:30 AM, Tuesday, March 7, 2017

Downtown Location: Venue TBA

Annual Public General Meeting:

7:00 PM, Thursday, May 11, 2017

Mary Winspear Centre – Charlie White Theatre

2243 Beacon Avenue, Sidney, BC

Both meetings will be advertised extensively in the media and on VAA's public website. 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.