



Victoria Airport Authority

**Annual General Meeting
Summary of Proceedings**

**7:00 – 8:00 pm, Thursday, 24 April 2003
Held at the Seventh Day Adventist Church Hall
9300 Willingdon Road, Sidney, BC**

ATTENDANCE

VAA Board Members:

Chair: Alan Peterson
Mel Couvelier, Gordon Denford, Peter Dolezal, Carl Kuhnke,
Mervyn Lougher-Goodey, John Nicas, Peter Parsons, Linda Petch, Bob Skene,
Geoff Young. Victoria Kuhl and Andrew MacGillivray sent regrets

Management and Staff:

Richard Paquette (CEO), Paul Connolly (Recording Secretary), Anita Kardos,
Mike Booton, Terry Stewart, Sharon Johnston.

Others In Attendance:

External Auditor: Larry Ross, KPMG
Transport Canada: Signe Clouthier, Senior Programs Officer, Pacific Region
Town of Sidney: Councillor Colin Plint, Councillor Janet Hughes
Saanich: Councillor Robert Gillespie
Federal MP: Gary Lunn.
Commissionaires: Stan Verran - (CEO), Denis Pettigrew - Local Detachment
Commander

Public Attendance: approximately 50

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

Alan Peterson, VAA Chair, welcomed all to the VAA Annual General Meeting.

5) **REPORT FROM THE VAA CHAIR – ALAN PETERSON**

- The opening ceremony of the newly expanded Terminal Building including the unveiling of two pieces of art was held November 23rd; it was well attended by the community. The building was completed “on time and on budget,” and is a credit to the VAA President and CEO, Richard Paquette, the Project Manager, Darcy Kray of Durwest Construction Management, and Architect, Tom Moore of Moore Paterson. It is a beautiful and functional facility.
- The Board was pleased with the performance of the Authority in meeting its objectives and controlling costs in a challenging and ever changing environment. Fortunately for Victoria, its position as a tourist destination plus the relative financial stability of this area gives the airport a strong base of pleasure and business travelers. Management and staff deserve much credit for the many results achieved.
- The Authority continued to play an active role in the Canadian airport community through the VAA participation in the CAC (Canadian Airports Council). The CEO was part of an airports’ task force that worked on the CAA (Canada Airports Act), consulting with the federal government as the Act took shape. The Chair said from the VAA perspective the current structure is working well in Victoria.
- As Chair of Council of Chairs, Alan Peterson also participated in deliberations on a number of issues including rent. Late in 2002 the government appointed a number of accounting firms to give an independent assessment of airport rents. The results are still uncertain and it is doubtful the issue will be dealt with during the current session of Parliament. The VAA continues to work on its own on this issue as well as with other airports through the CAC.

- The VAA, through its CEO, is also involved on a number of other issues affecting Canadian airports, including security matters, safety regulations and policing. The Chair said it is a credit to the Board and Management that the Authority is perceived by its peers as a leader in the airport community and asked to participate in and provide input on so many issues.
- The VAA is fortunate to have outstanding management team and staff whose collective hard work and dedication continue to make the VAA a success in all areas.
- VAA has a good working relationship with the Regional Office of Transport Canada and with its neighbouring municipalities. VAA is pleased with the support the Airport receives from the communities of southern Vancouver Island.
- The Chair thanked the Nominators for recommending outstanding individuals to the VAA Board of Directors. Through the Board members' collective experience, diversity of talent and common sense the Authority continues to be a successful enterprise.
- Alan Peterson concluded his remarks by saying that his term ends at the end of 2003. He said the talented Board, excellent management and dedicated staff continue to make this Airport one of which the community is proud.

6) PRESENTATION OF THE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2000 BY KPMG

Larry Ross, KPMG, External Auditor, presented the 2002 Financial Report and, went through the Statements highlighting various items. He reported that it was a challenging year; however, the Victoria Airport Authority is in good financial health to go forward.

7) REPORT FROM THE PRESIDENT AND CEO

Richard Paquette highlighted the following:

- Year 2002 in Review
- Her Majesty, Queen Elizabeth II, is welcomed to Victoria International Airport by Alan Peterson, Chair, Victoria Airport Authority, on the commencement of the Queen's Golden Jubilee Tour of Canada, October 4, 2002.
- Newly Expanded Terminal Building – a new sense of place.

- Airlines serving Victoria.
- Passenger Activity – down 4.8%
- Safety & Security
- Environment
- Air Canada protection under the CCAA in 2003 and its impact on VAA.

(A copy of the President and CEO's presentation is attached to this Summary of Proceedings.)

8) GENERAL QUESTION PERIOD

- Rick Salaga, Empress Taxi, asked if passenger traffic to / from Victoria would be adversely affected by the SARS situation. The CEO said it is still too early to tell, but it has the potential to adversely affect the aviation and tourism industries.
- Councillor Robert Gillespie said it is unacceptable that the federal government collects over \$1,000,000 in rent from one of the smallest airports, particularly at a time when passengers are resisting increased fares. He appreciates VAA's attentiveness to this issue, but he cannot understand why the government will not resolve this outstanding issue. Alan Peterson said rent has been discussed with the Minister and Deputy Minister, and was assured by the DM the issue would be resolved in the Fall of 2002. It was not to be. Then late in 2002 the government hired independent accounting firms to review airports' financial statements and out of that they were to make a recommendation to the Minister. No word yet as to those results. The Canadian Airports Council Board of Directors (of which the VAA Chair is a member) will be holding a conference call on April 28th to discuss this issue once again, as well as other issues. Transport is fully aware of VAA's position on the rent issue. The Chair remains optimistic there will be rent relief.
- Hugh Devitt commented that costs for firefighter services have the potential to escalate. The CEO said crash fire rescue is regulated by Transport Canada and the VAA is in compliance with the regulations. The VAA closely monitors the costs.
- David Olsen said it appears the focus of the Canada Airports Act is on economics rather than safety. The CEO said safety is covered by other regulations.

- David Olsen said property tax expense is significant. The CEO said the increase in 2002 came as a result of the increased assessed value of the newly expanded Terminal Building, VAA is required to pay on the increased assessed value subject to appeal. The VAA is appealing BC Assessment Authority's proposal for Year 2002 Municipal Tax Assessment. Also, North Saanich has high commercial taxation rates.
- An Air Canada Jazz employee commented that since the federal government has reduced the security tax it would be opportune for the VAA to review its AIF to provide incentive to the public to travel, particularly on short haul routes.

There were no further comments or questions.

9) CONCLUDING REMARKS

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

The Chair, Alan Peterson said the quarterly Airport Consultative Committee (ACC) meetings provide a good opportunity for the public to speak with representatives of the Authority, and to ask questions and provide comments. The next ACC is June 17, 2003 at the Mary Winspear Centre in Sidney.

Alan Peterson thanked everyone for coming.

10) ADJOURNMENT