



VICTORIA AIRPORT AUTHORITY

## **Annual Public General Meeting Summary of Proceedings**

**7:00 – 9:00 pm, Thursday, May 9, 2013  
Mary Winspear Centre  
2243 Beacon Avenue, Sidney, BC**

### **ATTENDANCE**

#### **VAA Board Members:**

Board Chair: Lindalee Brougham  
Board Vice-Chair: Graeme Roberts  
Board Secretary: Mel Rinald  
Chair, Audit and Finance Committee: Glen Crawford  
Chair, Planning and Development Committee: R. Chad Rintoul  
Board members: Peter Bray, Jim Crowley, Lynne Henderson, Bruce Knott,  
Mel Satok and Colin Smith  
Regrets: Bob Coulter, Suromitra Sanatani

#### **VAA Management:**

Geoff Dickson, President and Chief Executive Officer  
Randy Bogle, Chief Financial Officer  
Melinda Orłowski, Executive Assistant and Recording Secretary  
James Bogusz, Director – Airside Operations, Technology and Environment  
Terry Stewart, Director – Marketing and Community Relations  
Debbie Hansen, Manager – Corporate Services  
Stephanie Long, Manager – Finance and Accounting

#### **VAA Staff:**

Anita Kardos, Terminal Operations Officer

**Total in Attendance: 50**

## 1. CALL TO ORDER

The Victoria Airport Authority (VAA) Board Chair, Lindalee Brougham, called the VAA's Annual Public General Meeting to order.

## 2. WELCOME TO ATTENDEES

The Board Chair welcomed the public and thanked them for coming to the Annual Public General Meeting. The APGM is an opportunity for the VAA to engage in dialogue with the community.

The Board Chair recognized a number of local elected representatives and other officials to the meeting including:

- District of North Saanich:  
Councillor Celia Stock
  
- Town of Sidney:  
Councillor Mervyn Lougher-Goodey  
Councillor Kenny Podmore  
Councillor Steve Price
  
- External Auditor:  
Sang Kiet Ly, KPMG LLP Victoria

## 3. REPORT FROM THE VAA BOARD CHAIR

### VAA BOARD OF DIRECTORS

There are 13 Board members representing nine nominating bodies and one Board appointment. Each member possesses a high level of knowledge, expertise and skills that is required on the Board.

The Board of Directors for 2013 are:

- |    |                   |  |
|----|-------------------|--|
| 1. | Peter Bray        | City of Victoria                           |
| 2. | Lindalee Brougham | Greater Victoria Chamber of Commerce       |
| 3. | Bob Coulter       | Federal Government                         |
| 4. | Glen Crawford     | The Corporation of the District of Saanich |
| 5. | Jim Crowley       | District of North Saanich                  |

- |     |                    |                                 |
|-----|--------------------|---------------------------------|
| 6.  | Bruce Knott        | Federal Government              |
| 7.  | Mel Rinald         | Town of Sidney                  |
| 8.  | R. Chad Rintoul    | District of North Saanich       |
| 9.  | Graeme Roberts     | District of Central Saanich     |
| 10. | Mel Satok          | Town of Sidney                  |
| 11. | Colin Smith        | Capital Regional District (CRD) |
| 12. | Lynne Henderson    | Province of British Columbia    |
| 13. | Suromitra Sanatani | Board Appointee                 |

**The following are the Officers of the Corporation and Committee Chair positions for 2013:**

Chair	Lindalee Brougham
Vice Chair, and Chair - Airport Consultative Committee	Graeme Roberts
Secretary, and Chair - Governance Committee	Mel Rinald
Chair - Audit and Finance Committee	Glen Crawford
Chair - Planning and Development Committee	R. Chad Rintoul

Biographies of all current Directors and the President & CEO are available on the VAA's website at [www.victoriaairport.com](http://www.victoriaairport.com)

**Departing Board Member Christine Stoneman**

In 2012, the VAA said farewell to Provincial Nominee Christine Stoneman, whose term on the Board ended on June 30, 2012.

Ms. Stoneman joined the VAA Board of Directors on July 1, 2004, serving as Chair from 2009 to 2011. She sat on a number of Committees during her tenure including the Steering Committee, Governance Committee, Planning & Development Committee, Audit & Finance Committee, Airport Consultative Committee and Runway Extension Task Force. The VAA thanks Ms. Stoneman for her eight years of participation and leadership which have made a tremendous impact on the airport.

**New Board Members**

**Lynne Henderson** joined the VAA Board of Directors on July 1, 2012 as the new Provincial Nominee. Ms. Henderson is a director and partner of Carolyn Developments Ltd., a property and development company in

Victoria and was a licensed realtor for 12 years. She also served as Special Assistant to the Honourable David Anderson P.C., MP from 2001 to 2006.

Ms. Henderson's involvement in the community and philanthropic work is very extensive and include the BC Cancer Foundation, United Way, University of Victoria, Victoria Art Gallery and Victoria Symphony. Awards and special recognition include the Queen's Silver Jubilee Medal for community service, Community Leadership Award from the University of Victoria, and the Award of Merit from CFX Radio - Citizen of the Year.

Ms. Henderson is a member of the Governance Committee and the Planning and Development Committee. VAA is pleased that Ms. Henderson has joined the VAA and look forward to her experience and community spirit.

**Suromitra Sanatani** joined the VAA Board of Directors on February 1, 2013. A lawyer by profession, Ms. Sanatani began her career in litigation before transitioning from the practice of law to senior positions in the non-profit, public and private sectors. She played a pivotal role in establishing Partnerships BC, a Crown agency specializing in public-private partnerships. She is passionate about driving change within an organization that in turn benefits the social, cultural and economic development of society.

Ms. Sanatani is very active in the community and is the Vice-Chair of the Royal BC Museum Board of Directors, and a Director of the Telus Victoria Community Board. She also sits on the national panel for Responsible Conduct of Research. Past experience includes service as a council member of the Social Sciences and Humanities Research Council of Canada, as well as a Director of the Industry Training Authority.

Ms. Sanatani is a member of the Governance Committee and the Audit & Finance Committee. The VAA looks forward to her contributions on the Board.

### **Airport Updates**

The VAA is proud of its economic impact within the community. There are over 60 tenants operating on airport property and include world class companies such as Viking Air, Ramsay Machine Works, Scott Plastics, Slegg Lumber and Thrifty Foods.

The Department of National Defence is currently constructing a new building for 443 Maritime Helicopter Squadron. At 220,000 square feet, this new hangar is approximately 40,000 square feet larger than the airport terminal building.

The VAA has identified an area for a new business park and commercial centre called 'The Landing' which will increase the revenue base and create economic opportunities for the region.

The VAA is very pleased to be nearing completion of a 9.3 km multi-use bike and walking path, which is slated for completion in late September. Victoria International Airport is proud to be one of the first airports in the world to host this type of recreational facility for the enjoyment of the community, which is already being well used.

### **Terminal Improvements**

If you've had a chance to travel through Victoria International Airport in the last several months, you may have noticed some big changes are underway. Construction on the \$8.1 million dollar terminal improvement project is progressing well.

The renovations will include an expanded pre-board screening area; improvements to restaurant and retail concessions; the creation of a centralized circulation core for the elevator, escalators and stairs to make way finding easier; and improvements to the upper passenger departure lounge including the addition of a large skylight to allow for more natural light.

As construction progresses, the VAA team will be using a variety of different media to keep the traveling public informed. These initiatives include:

- Time lapse photography of construction throughout the various phases;
- An interactive three-dimensional flythrough of the terminal building;
- Updates about the renovation posted to the website and social media sites; and
- Extensive signage explaining each phase of the project.

VAA wants to ensure that our customers have the easiest possible experience when travelling through the airport.

### **Draft Master Plan**

The VAA is updating its 20 year Airport Master Plan. Many people don't realize that Victoria International Airport is like a small municipality and as such there is a need to make plans that are driven by demand.

An open house was held at the Mary Winspear Centre on March 19, 2013, where the community was invited to have their say regarding the future plans for the Victoria International Airport.

#### **4. PRESENTATION OF THE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2012**

Randy Bogle, VAA Chief Financial Officer (CFO), presented the 2012 Financial Report and went through the Financial Statements for the year ended December 31, 2012.

Representing the External Auditors at this meeting was Sang Ly, a partner with the firm KPMG LLP.

Copies of the VAA's 2012 Annual Report was distributed at this meeting. The report is available upon request and can also be accessed on the VAA website: <http://www.victoriaairport.com/library>

VAA received an unqualified external audit opinion from its Auditors, KPMG. The Independent Auditors Report can be found on page 38 of the Annual Report.

The VAA is a not-for profit corporation, and all profits generated by the Authority are reinvested in the development of the airport and the airport lands.

The CFO referenced the Statement of Operations, as reported on page 40 of the Annual Report.

The financial statements demonstrate that the VAA is in a very positive financial position with a strong balance sheet and relatively low debt.

#### **2012 Highlights**

- Net income was \$5.7 million, which was \$406,000 or 7.5% ahead of budget.
- Total passengers: 1,506,212
- \$1.8 million in debt was retired, leaving a balance of \$7.65 million at year end. The debt is due to be retired in January 2017.
- Current ratio is 2.0 : 1.0
- 2012 capital additions totaled \$6.03 million.

- Total capital investment in Victoria International Airport since transfer from Transport Canada in 1997 is \$101 million, all while maintaining its \$10 AIF which remains the lowest among all major airports in the country.

## **Revenue**

Landing fees were \$2.9 million.

General terminal charges were \$2.4 million.

Concession revenues were \$7.2 million.

Rental revenue was \$3.0 million.

Other revenue was \$0.7 million.

AIF revenue was \$7.4 million.

Total Revenue for 2012 was \$23.6 million, a \$300,000 increase over 2011.

## **Expenses**

Salaries and employee benefits totaled \$4.0 million.

Services, Supplies and Administration were \$5.8 million.

Rent paid to Transport Canada increased by \$27,000 for a total of \$723,000.

Property taxes for 2012 decreased by \$120,000 to \$888,000.

AIF administration and handling fees, which are the fees paid to the airlines to collect the AIF, were essentially unchanged at \$532,000.

Amortization expenses increased by \$483,000 to \$4.9 million.

Utilities expenses increased by \$42,000 to \$627,000 as a result of increased rates.

Interest expense decreased by almost \$74,000 to \$351,000 as the VAA's long-term debt was reduced to \$7.65 million.

Total expenses for the year were \$17.8 million, an increase of \$700,000.

**In summary:**

Total revenue increased by \$309,000 to \$23.6 million.

Expenses excluding amortization increased to \$12.9 million, leaving an excess of revenue over expenses or cash generated of \$10.7 million. This cash is available to fund capital improvements and contributions, as well as repay our long-term debt in the amount of \$1.8 million per year.

Amortization was \$4.9 million.

Excess revenue over expenses or net income was \$5.79 million.

During 2012, the VAA invested \$6 million in capital improvements to the airport and the airport lands. Since transfer, the total capital investment is in excess of \$100 million. A portion of these capital improvements are funded through the AIF. At \$10, Victoria's AIF is among the lowest in Canada. The low AIF, landing fees and terminal fees ensure that Victoria remains competitive and assists in attracting new air services.

In conclusion, the VAA continues to operate in a positive financial position. Its strong balance sheet and relatively low debt allow it to perform well in the current economy.

**5. REPORT FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER**

Geoff Dickson, President and Chief Executive Officer of the Victoria Airport Authority, shared highlights from Year 2012 and touched on some of the plans for Year 2013. A PowerPoint presentation accompanied the CEO's report (*subsequently posted to the VAA website: [www.victoriaairport.com](http://www.victoriaairport.com)*)

The CEO stated that this was an exciting time for the Victoria Airport Authority. The worst of the recession appears to be behind us, the airline industry is demonstrating more consistent profits and are now turning their attention to new markets and growth. The VAA recently completed a long-term draft Master Plan for the airport, with some significant projects on the horizon.

**Charitable Donations**

The VAA believes it is vital to be a good community partner. Many people may not be aware that the VAA supports a great number of causes. In 2012, over \$62,000 in donations and sponsorships were allocated to local and national organizations.

Over the holiday travel season, airport staff volunteered their time to provide gift wrapping services to travelers in exchange for donations to the Mustard Seed Food Bank and Victoria Hospice & Palliative Care Foundation. In lieu of a holiday greeting card, the VAA donated \$1,000 to the Mustard Seed and delivered food donations from staff.

### **Reay Creek Restoration Project**

Environmental stewardship is very important to the VAA. Reay Creek is a fish-bearing stream that runs through the airport's east industrial area, through the Town of Sidney and drains into Bazan Bay.

As part of VAA's efforts to restore the habitat and reduce the flow of historic pollutants, a new 200-meter long diversion channel was constructed to bypass contaminated areas and improve storm water quality. Working with the Town of Sidney, Peninsula Streams Society, Sidney Anglers and local volunteers, riparian habitat features have been incorporated which have created a new wetland for potential fish restoration. The VAA is very proud of this initiative, which is receiving international recognition.

### **Air Service**

The CEO recently read an article about the evolution of transportation. The economic drivers of the 18<sup>th</sup> century were seaports; the 19<sup>th</sup> century were railroads; the 20<sup>th</sup> century were highways and road works. The economic drivers of 21<sup>st</sup> century will be airports.

Connectivity is the key to prosperity. The aviation industry has a \$35 billion economic footprint, with Victoria's contribution at approximately \$500 million.

The CEO presented a slide highlighting the existing route network. Victoria International Airport has approximately 120 flights per day, serving an estimated 4,000 passengers each day, or 1.5 million passengers per year. Victoria's location is in close proximity to the major hubs of Seattle, Calgary and Vancouver. While Victoria enjoys high frequency to those cities, it also creates challenges to attract new air service as the air carriers prefer to feed their hubs. The VAA will continue to work toward attracting new destinations.

The current routes provide broad coverage throughout Canada and good growth in the sunspot markets. Victoria International Airport's existing infrastructure allows aircraft to fly non-stop anywhere in North America and the Caribbean.

In the past two years, three new air services have entered the market: same-plane service to Ottawa; non-stop seasonal service to Phoenix; and non-stop seasonal service to Los Cabos. The CEO would like to see Ottawa shifted to on a seasonal summer basis.

The CEO showed a slide of the unserved and under-served markets.

Northern British Columbia is expected to see significant economic growth in the coming years. Fort St. John and Prince George are new opportunities for Victoria, as well as increased service to Kelowna.

Winnipeg and Halifax present possible linkages for non-stop service to these hubs, to connect on to other destinations.

Markets such as London and Frankfurt are currently not under consideration by the airlines as they are waiting for the European economy to improve.

Maui and Palm Springs are highly desirable destinations and a natural fit for Victoria but for now are constrained by the lack of customs facilities at those airports. Victoria has not yet achieved the threshold of 300,000 U.S. citizens required to establish American pre-clearance facilities within our airport.

Phoenix, Denver and Salt Lake City offer good connecting points to the eastern United States.

Los Angeles is by far the largest unserved international market and is the most logical choice for non-stop service, connecting people to Disneyland, the film industry, cruise ships and inbound tourism. The VAA is working hard on achieving this market.

### **Air Carriers**

There have been a number of interesting developments in the airline industry. While it seems expensive to fly, when adjusted for inflation today's fares have decreased by 50% in the last 30 years, as have the costs to air carriers.

Air Canada created Rouge, a new low-cost carrier which will give them a greater ability to offer discounted fares on leisure markets.

WestJet has taken a bold step forward to grow their service. The company's low-cost strategy of having a single type of 737 aircraft excluded them from many markets. With the introduction of the new Q400 aircraft, this allows WestJet to operate into new markets.

In June WestJet launched its new regional carrier, Encore, offering new service between Victoria and Vancouver, carrying on with same-plane service to Fort St. John. This new air service benefits passengers by creating more competition in the market. The market can only grow as Encore evolves and will connect travelers to WestJet's extensive code-share partners.

### **Draft Master Plan**

Victoria International Airport saw growth in every quarter of 2012, serving just over 1.5 million passengers. VAA expects to see growth to 2 million passengers by 2020.

In order to plan for the future, the VAA has turned toward evolving the airport to meet the projected demand. Considerations include passenger check-in, parking capacity, baggage capacity, seating, aircraft parking and concessions. There is a certain science to master planning: you want to be slightly ahead of the curve while spending financial resources prudently.

The CEO showed a slide of the noise exposure forecasts as it stands today and what can be expected in the future. The overall noise contours are virtually identical with the main reason being attributed to more efficient, quieter aircraft as the older fleet are retired.

Until recently, VAA had been planning for more jet service which meant more bridges. With the recent introduction of the Q400 aircraft by both Air Canada and WestJet, there is a shift from bridge-loading to tarmac-loading which will impact the terminal design.

Technology will play a significant part of our terminal design. Future trends include blue tooth passenger tracking that will tell travellers how long they can expect to be in line for. Biometrics and preferred traveller programs will change how people are processed at the security screening checkpoint.

Self-service passenger check-in kiosks and bag tagging provide travelers with automated options when they arrive at the airport.

Airports are making changes to their design, which include the introduction of soft seating for greater comfort.

More and more businesses see airports as desirable locations to base their businesses due to the ease of accessibility for their customers, as well as the prestige associated with an airport city. Airports are becoming destinations unto themselves, combining green space and interesting

design features to attract visitors and tenants. Airport communities continue to be an economic generator for the community.

## **Revenue**

The VAA has a number revenue sources to draw from: the Airport Improvement Fee (AIF); concessions; land rentals and aviation fees.

It should be noted that the AIF and aviation fees at Victoria International Airport are among the lowest in the country. The VAA's preference is to grow discretionary revenue and expand land rentals before raising the costs to our airline partners and passengers. This strategy has been appreciated by the air carriers and allows for future growth opportunities.

## **Air Terminal Expansion**

Looking at the existing facility, there are three possible directions for the terminal to expand: west - to add bridges, baggage belts, a larger international arrivals hall and eventually a U.S. pre-clearance facility; north - to expand the lower passenger departures area, and to accommodate more turboprop aircraft; and east – for expanded check-in area and space in the long term for the development of an airport hotel.

The pre-board screening area is being expand to accommodate up to five screening lines to speed passenger processing times. There will be a new seating area to allow passengers to re-vest once they clear security.

VAA will offer improved food and retail concessions post-security.

LS Retail will feature a greater selection of local products such as Rogers Chocolates and Sitka clothing, as well as improved duty-free offerings.

The upper departures are will see the addition of a new skylight to introduce more natural light into the space.

Soft seating will be added to provide a more comfortable place for travellers to wait for their flights, with an improved view from the upper level.

The iconic Spinnakers restaurant will join the airport as its new restaurant post-security. A specially crafted beer called 'Departures' will be featured at this location. The restaurant is expected to be open in the fall of 2013.

In order to provide better flow between the upper and lower passenger departure lounges, a new circulation core consolidating the elevator, escalators and stairs will be added.

To instill a sense of place, the colour palette for the terminal renovation was inspired by Emily Carr's painting 'At Beacon Hill Park - The Wheatfield'.

The CEO showed a video simulation of what the terminal renovation will look like upon completion.

### **Airfield Development Plan**

The VAA will be expanding capacity for aircraft parking to deal with congestion on the apron.

A overlay project to strengthen the main runway will take place in 2014. The overlay will provide another 20 years of life and at the same time allow heavier aircraft to use the runway.

The existing 7,000 foot main runway enables service to destinations within North America, Mexico and the Caribbean. Ideally a 10,000 foot runway would ensure there are no restrictions, however Victoria is land constrained.

The runway extension project has been the source of discussion for a number of years. A number of years ago, the VAA put together a business plan and presented it to both the Federal and Provincial governments. Due to competing priorities, both levels of government were unable to enter into a partnership with the VAA.

After further analysis of the various aircraft capabilities and seating configurations, VAA reviewed options for both an east extension, west extension and a combined of both. VAA concluded that a 600 foot west extension would allow non-stop service to Europe. An east extension would have almost double the cost as a west extension and be significantly more complicated to construct.

The VAA has had engaged in discussions with a number of air carriers to explore the European and Asian markets. At this time there is no plan to include Victoria as a new destination, so a runway extension has been included within the Master Plan as a future opportunity, with a target date of 2017.

### **Parking**

Willington Road was recently re-aligned and shifted to the south to create a safer exit from the terminal building. This created extra capacity for parking which will be revisited in the future should additional space be required.

## **Land Development**

Space has been identified for new commercial developments along Willingdon Road and near the Beacon Avenue intersection. The developments are expected to attract high-end aviation centric tenants, following strict environmentally sustainable building guidelines.

## **Airport Service Quality Awards**

In 2012, Airports Council International named Victoria International Airport the Best Airport for Customer Service in North America carrying up to two million passengers.

This award is a testament to the ongoing dedication by airport employees who strive every day to go above and beyond the call of duty to provide exceptional customer service. It is an honour to receive such international recognition.

The CEO concluded his presentation and opened up the floor to questions from the public.

## **6. QUESTION PERIOD**

### **Comment / Question:**

**A member of the public asked about the replacement of the tree in the rotunda area in the terminal building.**

The old tree had to be replaced due to flooding issues. A new Norfolk pine is slated to be installed within the next few weeks.

**A member of the public voiced his concern about the carbon emissions from half-full aircraft. He asked about the need for a runway extension, which was raised at an open house hosted by Green Party leader Elizabeth May. The participants at that gathering saw no need for a runway extension as we are not a hub market.**

The CEO advised that one of his first jobs in the airline industry was as a route planner for Europe. After reviewing the latest economic information for a UK-Victoria route, he concluded that most scheduled carriers do not have an appetite to start flying here. It would likely translate into seasonal charter service operating only half of the year. The VAA will engage in a more fulsome discussion with the community as we get nearer to the 2017 timeline.

**A member of the public was concerned that with the construction of the new 443 Maritime Helicopter Squadron facility and expansion of their fleet, there would be increased flight operations and noise. The community would like the opportunity to provide the military with their input, including concerns around the increased traffic and costs to the residents of North Saanich.**

Complaints about military activity are routinely forwarded to the VAA for discussion at the Noise Management Committee meetings, which are held twice a year. The Department of National Defence is a 24-hour operation and is exempt from the usual aviation restrictions. The VAA has no jurisdiction or control over military operations. The helicopter squadron has a complaint line that the public can call to voice their concerns. Alternately, VAA has a form on their website that the public can submit, for referral to the military.

With respect to increased road traffic, VAA funded \$400,000 worth of improvements to the intersection at Mills Road and McDonald Park Road to accommodate additional vehicle traffic.

For the new Willingdon Road business park, it is anticipated that 90% of the traffic will access the development from the McTavish rather than the secondary roads in North Saanich. These secondary roads are maintained by the VAA as part of the airport lands.

The VAA continues to work with the District of North Saanich to improve the road network.

**A member of the public who is also a pilot noted that many European airports have viewing areas where the public can observe aircraft arrive and depart, many with coffee bars and restaurants. He challenged the VAA to think outside the box for future revenue opportunities.**

As VAA evolves The Flight Path (multi-use bike and walking trail), a number of viewing areas will be added. VAA plans to invest in picnic tables and other amenities to make these areas attractive and comfortable so the public can watch aircraft activity.

**A member of the public noted that many Canadians are choosing to fly out of the U.S. due to excessive taxes and high fares in Canada.**

Transborder leakage has been an area of discussion by Canadian airports for a number of years. A national aviation strategy hasn't been developed by the Federal government since the 1980s. The Canadian user-pay model

has been positive in terms of growing airports; most airlines are operating with full passenger loads.

The U.S. model is different from Canada as it is highly subsidized by the American government. However due to government funding cutbacks, many U.S. airports are falling behind in their infrastructure investments. The Americans are starting to look at Canada as the preferred model. The biggest difference between the two countries is the base price; Canadian carriers have on average 30% higher fares.

**A member of the public commented that she is a frequent user of the airport. She has seen enormous improvement in the look and feel of the terminal. She fully supports a runway extension to encourage more non-stop flights into Victoria rather than spending several hours waiting to connect through Vancouver or Seattle. She encouraged VAA to pursue a runway extension in a cost-effective manner as it will improve tourism opportunities for Victoria.**

The CEO thanked the person for her comments.

**Another member of the public echoed the former citizen's comments, saying that Victoria needs a runway extension. Airports such as Kelowna, Prince George and Nanaimo all have longer runways than a Provincial capital city, with 350,000 residents and is the 10<sup>th</sup> busiest airport in Canada.**

Kelowna Airport received funding to attract more tourists to the Big White Ski resort. Nanaimo operates under a different model due to the lower number of passengers that use the airport. VAA is looking to expand its runway only when it's the right time and as resources allow.

**A third member of the public echoed the need for a runway extension. He noted that with every year construction is delayed, the price will increase. He also encouraged more land development space to be devoted solely to the aviation industry rather than heavy industry.**

The CEO thanked the person for his comments.

**A member of the public commended the VAA for building the new path around the airport. He agreed with the earlier comments to have observation areas for visitors to the airport. One of the nice aspects of coming to the airport is being entertained by the aircraft activity.**

The CEO advised that many people may not be aware that there is an observation lounge located on the third floor of the terminal building called Eagles Landing. The lounge features a good vantage point to view aircraft activity, with comfortable chairs, tables and a historic display of the area First Nations. All members of the public are welcome.

**A member of the public advised that he too supports a runway extension from a safety perspective.**

Most pilots agree that longer runways are safer. Additionally, a longer runway would result in less noise as it allows for a longer take-off profile.

**A member of the public commended the VAA for keeping their aviation fees and AIF low. However, he suggested that an easy way to generate extra revenue to fund the runway extension would be to increase the AIF by \$5.**

The Board has challenged management to deliver its capital program under the current level of AIF funding. There may come a point in the future where the fee will need to be increased, however at this time our AIF remains unchanged.

## **7. ADJOURNMENT**

This concluded the Victoria Airport Authority Annual Public General Meeting at which time the Financial Statements and 2012 Annual Report were presented.

The Board and CEO thanked the public for attending, and for their interest in the Victoria International Airport.