

Victoria Airport Authority Annual Public General Meeting

Summary of Proceedings

Tuesday, May 13, 2025
5:00 – 7:00 PM
Mary Winspear Centre, Room 2

Attendance:

VAA Board Members

Dave Cowen, Board Chair
Kelly Bull-Tomer, Board Vice Chair
Margaret Lucas, Chair: Airport Consultative Committee
Wendy Zink, Board Secretary and Chair: Governance Committee
Simon Philp, Chair: Audit and Finance Committee
Paul Gerrard, Chair: Planning and Development Committee
Carol Brown, Chair: Human Resources Committee
Erik Djukastein, Board Director
Allan Haynes, Board Director
Sami Turki, Board Director
Paul Murray, Board Director
Catherine Holt, Board Director

VAA Management

Elizabeth M. Brown, President and CEO
Randy Bogle, VP, Finance and Administration and Chief Financial Officer
Michelle McInnis, VP Human Resources & Indigenous Affairs
Lindsay Gaunt, VP Revenue Strategy & BD
René Sheir, Vice-President, Operations

Recording Secretary

Carrie Broadstock – Executive Assistant and Corporate Secretary

Organization

Representative

Airport Land Tenants	Regrets
Air Terminal Building Tenants' Representatives	Regrets
Association of Canadian Travel Agencies	Regrets
BC Ministry of Transportation and Infrastructure	Regrets
Blue Heron Aeropark	Rob Prior
Canada Border Services Agency	Regrets
Canadian Aircraft Owners and Pilots Association	Regrets
Capital Regional District	Regrets

CIBC	Kate Carter
City of Victoria	Chris Coleman, Councillor
Department of National Defence (443 MH Squadron)	CO Matt Duhowshi
District of Central Saanich	Regrets
District of North Saanich	Sanjiv Shrivastava, Councillor
District of North Saanich	Celia Stock, Councillor
District of Saanich	Regrets
Greater Victoria Chamber of Commerce	Regrets
NAV Canada	Regrets
North Saanich Residents' Association	Regrets
Pauquachin First Nation	Regrets
Saanich-Gulf Islands Member of Parliament Office	Regrets
Saanich North and Islands Constituency Office	Regrets
Saanich Peninsula Chamber of Commerce	Regrets
Saanich Peninsula Water and Wastewater Commission	Regrets
Sidney Business Improvement Area Society	Regrets
Sidney Community Association	Regrets
Sidney North-Saanich RCMP	Regrets
Tourism Victoria/Destination Greater Victoria	Paul Nursey
Tourism Victoria/Destination Greater Victoria	James Adams
Town of Sidney	Mayor McNeil-Smith
Transport Canada	Regrets
Tsartlip First Nation	Regrets
Tsawout First Nation	Regrets
Tseycum First Nation	Regrets
WSÁNEĆ Leadership Council	Regrets

Members of the Public in attendance: 21

1. Welcome to Attendees

The Board Chair welcomed everyone to VAA's Annual Public General Meeting. The Board Chair introduced the members of the VAA Board of Directors in attendance this evening.

2. Territorial Acknowledgement

The VP HR & Indigenous Affairs respectfully acknowledged that Victoria Airport Authority (VAA) operates on the traditional and ancestral lands of the Tseycum First Nation, Pauquachin First Nation, and Tsartlip First Nation people and expressed VAA's commitment to further strengthening relationships through collaborative partnership.

3. Call to Order at 5:09 pm

Board Chair, Dave Cowen called the meeting to order.

4. Report from the Chair of the Board of Directors

The Board Chair welcomed distinguished guests, board members, public attendees and acknowledged past members of the board. A heartfelt thank you was extended to all hard-working board members, new members were welcomed and past members no longer with the board were acknowledged. A heartfelt thank you was given to Cathie Ounsted, past Board Chair and Frank Leonard, past Chair HR, whose outstanding service and contributions have made a lasting impression.

The Chair stated Victoria Airport Authority is a community asset and is here to serve its community.

The Board Chair then spoke briefly to the Canada/U.S. trade relationship. Being a regional airport which supports tourism, business travel and economic exchange, YYJ is acutely aware of how the shifts in cross border travel can make impacts to the Island. The flow of people, goods and service remains vital to Vancouver Island's economy. Victoria International Airport plays a critical role in that connectivity. VAA believes that transparency and public input are key pillars to our success. Our role is not only to operate an efficient and safe airport but also reflect the values and needs of our community. Over the past year we have undertaken a variety of public consultations initiatives led by Chair, Airport Consultative Committee, Margaret Lucas. Ranging from land use planning input to community feedback. VAA has also prioritized ongoing engagement with local first nations recognizing their connection to the land and to maintain open dialogue. The airport is a gateway to the world but must remain grounded in the community it serves. YYJ continues to thrive because of the collaborative spirit of the board, dedicated staff, our municipal, provincial and federal governments, airline partners, and most importantly our incredible community.

5. Presentation of the Financial Report for the Year Ended December 31, 2024 by the Vice President, Finance and Administration and CFO

The Vice President, Finance and Administration and CFO reported on VAA's audited financial results for the year ended December 31, 2024. VAA's 2024 Annual Report contains detailed financial statements and is available on the YYJ website under the document library.

Background

The Vice President, Finance and Administration and CFO advised that Victoria Airport Authority is a local, not-for-profit organization. The Authority has a long-term lease with the Federal Government to operate the Victoria International Airport also known by its airport code of YYJ. VAA is not a part of the federal government and in the normal course of business, it does not receive any revenue support from the federal government, and in fact, VAA's lease requires it to pay land rent to the Federal Government. In 2024, the total rent paid was in excess of \$2.7 million.

VAA has three main sources of revenue: passengers, airlines, and land leases. 90% of VAA's revenue is derived directly or indirectly from passenger and airline activities. Generally speaking, as passenger numbers increase, revenue increases, if they decrease, revenue decreases, making passenger number a key metric in determining the financial health of an airport.

In 2024 June to September was YYJ's busiest period with August passengers peaking at over 204,000, an average of 6,600 passengers/day, with total passengers this past year at 1.87 million, up 7.4% over 2023.

2024 Statement of Operations - Revenue

The Vice President, Finance and Administration and CFO advised that the additional passengers in 2024 led to increased parking and car rental revenues. This coupled with the increased revenue from restaurant and retail resulted in an overall 13% increase in concession revenue to \$15.2 million.

Aeronautical revenue consists of the fees paid by air carriers and other users of the airport in the form of landing fees to use the runways and terminal fees to use the terminal building. Increased landings and seats into YYJ resulted in an 13% increase in Aeronautical revenue to \$8.5 million

The Vice President, Finance and Administration and CFO advised that Land rent received from tenants increased by 4% to \$3.9 million.

The Airport Improvement Fee (AIF) is a fee paid by departing passengers and is included as part of the ticket price collected by airlines and remitted to the airport. AIF revenue is restricted and can only be used to fund capital projects and for related department servicing and cannot be used to fund operational purposes, such as snow removal.

In 2024, AIF fee was increased to \$25 and revenue increased by \$6.7 million to \$19.7 million.

The total revenue for 2024, totalled just under \$50 million, which is \$9.7million or 24% increase over 2023.

2024 Statement of Operations - Expenses

The Vice President, Finance and Administration and CFO advised that the majority of VAA's operations expenses are fixed and do not fluctuate much with passenger volumes. Operational expenses are all of the costs to operate the airport and include such things as: security, airfield maintenance, snow removal rent, property taxes, salaries, and utilities. For 2024, operational expenses increased to \$26.5 million.

An additional category of expenses is Amortization. Operating an airport is very capital intensive as significant and regular investments are required. The cost of capital assets is recognized over their useful life in the form of amortization. Amortization for 2024 was \$14 million.

2024 Statement of Operations – Net Gain

VAA had a net income of \$9.3 million, which was a net increase of 97% over 2023.

Capital projects in 2024 totaled \$18.5 million

Current assets of \$23.5 million, primarily cash to support the 2025 capital program

Tangible capital assets, net book value of \$125.5 million

Liabilities of \$7 million, primarily related to capital assets

Net Assets at year end, \$136 million

No debt at present.

Other Highlights

The Vice President, Finance and Administration and CFO advised that one of the metrics used to measure the financial health of a company is called the Current Ratio. It compares current assets against current liabilities to measure a company's ability to pay its upcoming operating expenses.

VAA does not currently carry any debt, and its long-term liabilities primarily consist of deferred capital contributions that will be recognized into revenue.

As a not-for-profit company, all profits stay within the airport and are ultimately re-invested into the airport in the form of capital assets to grow and maintain the facilities. As passenger traffic grows, the airport needs to grow and expand to accommodate the increased traffic.

6. Report from the President and CEO

The President and CEO greeted attendees and advised that she would be sharing some of the important accomplishments at YYJ by its team in 2024 and look at 2025.

2024 Highlights

- Organizational review and change
- W̱SÁNEĆ Nation Friendship Agreement
- Stakeholder/Partner Development
- Terminal Expansion and 5 year Capital Plan
- BC Top 100 Employer for 5th consecutive year
- Successful AIF Increase
- Regulatory: accessibility and pay equity
- Hawaii Mars Arrival
- Harbour Air and Alaska capacity increases

Passenger Numbers

Victoria International Airport experienced steady growth in passenger numbers over the years. In 2024 passengers were 1.87 million, up 5.2% ahead of budget and 7.4% ahead of 2023.

While the pandemic is over, its impacts are not, and we are not considered to be fully recovered. We would like to anticipate surpassing 2 million passengers annually and we are working hard to get there. YYJ has growth, especially during the months of August/September/October which has never been seen before.

Safe & Secure Airport

The President and CEO stated this is a VAA priority to run safe and secure and efficient and this is a part of our Mission Statement. YYJ measures safety & security by four key indicators: Foreign Object Debris – FOD, Operations Infractions, Runway Incursions, and Wildlife Strikes. In 2024 YYJ had successful Audits on Safety Management System (SMS), Airfield and Transport Canada Head Lease. VAA conducted a full-scale exercise, worked on new accessibility plan submitted to Transport Canada. As part of the accessibility plan, VAA launched the Sunflower Program, completed a Pay Equity review and completion of Land Use Plan.

The President and CEO recognized the VP Operations, Rene Sheir, who led this team along with Lars Olsson, Director, Security Terminal Operations & Passenger Experience and Mike Garraway, Manager, Safety & Regulatory Compliance and all the first responders, firefighters, for all their dedication and hard work.

2024 Capital Projects

VAA is diligent in creating a safe and secure airport along with maintaining and investing in infrastructure. In 2024 VAA invested about \$18 million dollars in the capital budget, which is significant and is not always seen by the public. The runway 09-27 RESA investment was about \$3.27 million in 2024, which is a regulatory requirement to ensure there is extra length at the end of the runway for safety in case of emergency. VAA also worked on taxiway Echo/Sierra rehabilitation coming to \$5.74 million in 2024 to ensure the taxiways are in as good as shape as the runways. Investment in the new fire truck in 2024 was \$2.2 million which is a specialized vehicle that is specifically designed.

Business Development in 2024

Business development of the airport is to create revenue that is to support the infrastructure and assist in keeping our fees low to attract airlines. VAA has 3 main sources of revenue, passengers, landing & airline fees and land development. Some of the highlights in 2024 were:

- SSP Canada takeover of F&B Contract
- Marriott Towne Suites break ground and opening 2026
- NAV Canada Air traffic control tower broke ground, expected completion 2027
- Terminal Redevelopment- solutions to pinch points of passenger traffic and flow
- Air Service Improvement- New Harbour Air Flights, Porter Airline service launched nonstop to Ottawa

VAA's New VP Revenue Strategy & Business Development is Lindsay Gaunt. She will be developing her team and will be focused on developing air service for the future.

VAA has focused on partnerships and collaborations in community engagement with Destination Greater Victoria, Greater Victoria Chamber of Commerce, adjacent communities, South Island Prosperity partnership, 'New to Canada' sponsorship, Airport Workers Day June 25, and AirportNEXT stakeholder survey to assist in determining what VAA can focus on and forming strategies.

Airport Council International (ACI) airport quality passenger survey asked selected passengers moving through YYJ their opinion. VAA is happy to announce it is a proud winner of the 2024 Airport Service Quality Award for the second time.

Environment and Sustainability

The 5-year plan just concluded. Which included 75% water diversion, continued restoration of our creeks running through the airport lands and reduction of carbon emissions. This is a community initiative which requires collaboration from all areas of the business, such as airlines. Renewable Diesel has been introduced into our fleet with partnership with Malahat fuels, gradual electrification of our fleet, landscaping contractors are fully electric and building efficiencies such as HVAC. Biodiversity plan includes pollinator garden and using the airport goats to clean out the invasive English ivy allowing native plants to grow. The President and CEO recognized the Team leader, Allison Waldick, Environmental officer and her technician, Taylor Ball.

Hawaii Mars in 2024

VAA is excited for the arrival of the Hawaii Martin Mars at the BC Aviation Museum last Fall. The pivotal stewards of this huge undertaking move was Lars Olsson, and Sandy Goodwin, Director, Planning & Engineering. The aircraft will be a highlight for the museum. The Victoria Airport

Authority remains committed to the growth of the museum and is happy to provide them with additional space to house this amazing aircraft as part of our community support.

Changes in Transborder Travel

The President and CEO spoke to the challenges in transborder travel, and VAA is monitoring closely the impact of the relations between Canada/U.S. There is an increase in domestic routes and capacity to the U.S. is looking a little soft. VAA is watching closely the impact of tariffs on the aviation industry, such as on Airlines receiving new aircraft and parts. We all need to remember that Victoria is a destination and be welcoming to all tourists. There is a likelihood that routes will shift to European markets.

VAA is watching the Canadian based airlines and has seen a drop in seats going transborder. Air Canada has seen a decline of 10% in U.S. bookings, but they have an advantage in their new joint venture with United Airline. WestJet is privately owned but has been seeing some reduction to the U.S. Porter Airlines has seen a 30% increase in connections to U.S. and VAA is hoping they switch more direct services to the domestic market.

On the Horizon

VAA is focused on rising costs and investing in team growth in people to deliver on our priorities. With our new VP Revenue Strategy & Business Development, Lindsay Gaunt is setting up new strategies that will result in revenue increase for our business. Passenger service to Victoria is an attractive market, and is an economic opportunity for the airlines.

The CEO advised VAA will soon see the conclusion of the signing WSÁNEĆ First Nation Friendship Agreement.

VAA is excited for the opportunities in development and infrastructure investments, such as the Terminal Expansion plans and potential increase in Runway length and Airfield infrastructure. The CEO advised that she is proud to lead this team and in 2024 developed our core Values: People, Excellence, Integrity and Community. CEO made note of long-time employees, Randy Bogle, VP Finance and Administration, CFO and nearly 40 years at YYJ, and noted that Jeff Peters retired. CEO Thanked the dedicated Board of Directors, noting them as significant advisors.

7. Public Comments / Questions

A member of the public emailed questions in: Movement of air cargo at YYJ has gone down over the years.

The President and CEO responded with the cargo area is a challenge because YYJ does not have the facilities but more importantly YYJ does not have the aircraft that can support cargo. YYJ sees a lot of narrow-bodied aircraft which are not designed to carry cargo. This may have a lot to do with the volume of cargo YYJ is receiving. The distribution of cargo has changed a lot with more trucks hauling, coming over on ferry for the Amazon distribution center as an example. Under the

CEO's tenure the focus so far has not been on cargo but could an opportunity to focus on as we see growth and development on the Island.

An email sent in brought the issue of growth up.

The President and CEO stated with the presentations tonight she has outlined VAA's growth and noted recovery from the Pandemic is still happening. The impact on air travel was not anticipated and also WestJet lost 17 aircraft last year due to hailstorm, but YYJ is still coming back.

The next question from an email was asking why does VAA do so little to promote and market the airport on facebook etc?

The President and CEO agreed with the question and mentioned how we can do a far better job now with the addition of Lindsay Gaunt to VAA, our new VP Revenue Strategy and Business Development. The focus will be on hiring a new communications manager who will focus on stepping up YYJ's exposure and sharing great stories. Look to see changes coming in this new year.

Next question was mentioning the Porter Airlines service of non-stop flights to YOW. CEO answer with stating that Porter Airlines just launched non stop service to Ottawa 4 x / week which VAA is very excited about.

Member of the public stood up to state how easy and beautiful the Victoria International Airport is to walk thru and go through security with such ease. He thanked the team and wanted the Board to hear that. Also, Airport trail is amazing as he rides his bike and thanked maintenance team of the trail. Next comment was the disappointment of raising rates in the parking lot double, as he understands why it was still a big shock when he arrived at airport. The last comment was on the Eagle nest area now being gone to provide offices for the VAA personnel.

The President and CEO responded to the Parking about seeing more changes to come in the future as the RFP just concluded. Parking is a significant piece of the VAA's revenue, and she appreciated the comment of understanding why the rate went up. The short term opportunity is the ocean front property (parking that is closest to the terminal entrance) and VAA needed to find creative ways to meet the needs of frequent travelers and also maximizing revenue opportunities for the airport. Regarding the Eagles nest we just ran out of office space and the amazing first nations art located there will be moved down to a more public forward-facing spots for all to enjoy. However, Ultimately the entire team will be moved out of the building as we do the terminal expansion. The most important person is the passenger and we need more space and services to ensure their comfort.

Question was put to CEO on the public transport challenge for YYJ. Has BC Transit thought of running a 30 minutes loop to drop people off?

The President and CEO stated we can all agree one of the biggest challenges we have is affordable transportation that gets us quickly from the airport to downtown. She advised that she

has had conversations with BC transit already, and they have a commission that is mandated to look at how this can be solved. However, the solution may not be through BC Transit as it may not be the best or easiest option for travelers with suitcases to be on public transit. There may be a better way to serve passengers such as a private operator for an airport express shuttle. BC Transit is still an important service at the airport as it provides affordable transportation for airport employees. The future option could be BC Transit and some sort of possible extension of an airport express.

8. Concluding Remarks

The Board Chair and CEO expressed their gratitude to participants for attending the meeting. Board Chair thanked the Board of Directors for attending, and then thanked the VAA team members for their attendance and for hosting a great reception display showcasing some of what it is we do every day.

9. Adjournment

There being no further business, the meeting was adjourned at 7:01 PM.