



ST. JOHN'S
International Airport Authority

2019 ANNUAL REPORT





ST. JOHN'S
International Airport Authority

MESSAGES FROM THE CHAIR & CEO

A Message from the Chair



Tom Williams, Chair

As the new Chair of the St. John's International Airport Authority Board of Directors, it is my pleasure to present to you the 2019 Annual Report. While we have challenging times ahead dealing with the effects of, and recovery from COVID-19, it is encouraging to look back over the significant accomplishments that were achieved - not just last year, but over the past five years as we come to the end of our previous strategic planning period.

While we have challenging times ahead, it is encouraging to look back over the significant accomplishments that were achieved.

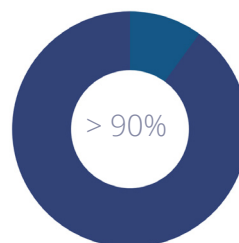
Many Accomplishments

Last year marked the final year of our five-year Strategic Business Plan. Much was accomplished during those years, and those efforts and initiatives culminated in our Airport being recognized by our passengers as the most improved airport for customer service in North America.

This accomplishment was not achieved by a single event, but through the combined effort of the entire Airport Authority team along with our airport and airline partners.

Here are a few examples of the significant achievements realized over the last five years that have contributed to and are evidence of our ability to offer an exceptional Airport experience:

- Completed the Departures expansion of the Airport Terminal Building on-time and on-budget. This expansion has added much needed operating space for our airlines, and new services and amenities for our passengers;
- Implemented a Category III Instrument Landing System that has increased our accessibility as an Airport to 99 per cent during low visibility conditions;
- Achieved overall passenger satisfaction ratings of 90 per cent by the end of 2019;



Over 90%
passenger
satisfaction
rating in
Q3 & Q4

- Added new airline services to popular and previously unserved destinations. Three destinations in Florida and two destinations in Alberta are now accessible through direct flights;
- Diversified our business such that more than half (57 per cent) of all revenue is generated through non-aeronautical sources;
- Maintained a strong financial credit rating (A1) by Moody's Investor Services;
- Strengthened and maintained strong stakeholder relations, and are repeatedly recognized as one of the top brands in the province of Newfoundland and Labrador based on independent surveys.

Thanks to the effective leadership of our former Chair Art Cheeseman and our former CEO Keith Collins, our Airport has a strong foundation from which to weather the latest storm affecting the aviation industry.

I would also like to take this opportunity to welcome Peter Avery as our new CEO. Peter may be new to this position, but he has certainly contributed significantly to the Airport Authority over the last

15 years in his role as Director of Infrastructure and Planning. In his former role, Peter led our substantial capital program that included two notable projects: the installation of the Category III Instrument Landing System, and the recent expansion of the Airport Terminal Building that was completed on-time and on-budget. Peter's experience will be invaluable as we move through our next planning horizon and navigate through a changed industry as a result of the Covid-19 pandemic.

A Plan for our Future

The recent unprecedented events related to the Covid-19 pandemic has impacted the aviation industry on a global scale. The number of people travelling on commercial airlines is a fraction of what it was a year ago, and the recovery back to 2019 passenger levels will take years. It is through these difficult times, however, that we are reminded of the essential role our Airport infrastructure plays in the economic and social well-being of our Province. While travel demand has declined below levels not experienced in more than 20 years, our Airport remains operational to ensure medevac flights continue to operate, people are repatriated to their home towns, and essential medical equipment is being delivered to our community.



The recovery of the industry and a return to 2019 passenger traffic levels will only happen with the combined efforts of all our partners and stakeholders. We are pleased to have these strong relationships with our community partners, including the City of St. John's, with whom we've recently finalized a long term Municipal Authority Agreement that reflects our mutual goal of facilitating growth within our region.

Over the last year, we developed a new Strategic Business Plan to continue to provide a high level of customer service at our Airport; to be a strong and positive reflection of our community to the world, and to be a catalyst for economic growth.

While the growth opportunities identified in the new Plan may take longer to attain in the post-pandemic environment, the outlined strategic objectives will set the course to recovery. Most importantly, safety and security will always remain our top priorities.



Challenging Times Ahead

There is no doubt that the next few years will be challenging as we navigate through a new reality and face greater fiscal constraints. I am confident in the leadership skills of the management team, led by Peter, and the Board's expertise to set the strategic direction for the organization. This leadership and expertise will lead to the economic recovery of our Airport and community.

I want to thank the past Board members who have retired over the last year for their contributions to the success of our Airport, and to welcome our new Board members.

I especially want to acknowledge all our employees, airport partners and service providers who continue to work throughout this pandemic. Thank-you for your continued dedication to the safe operations of our Airport.

Tom Williams

A Message from the CEO



Peter Avery, Chief Executive Officer

Having had the pleasure of spending the last 15 years being a part of the Airport Authority's substantial improvement and development, I am honoured to take the reins and lead the organization into its next phase of maturity.

The one constant I've learned to count on over my years with the Authority is change, and there is no question that we are now going through a pivotal period in the aviation industry. The industry outlook today is very different than it was even last July when I started in my new role as CEO. While the global pandemic we are experiencing will have a monumental impact on airlines and airports, there are still many reasons to be hopeful for our future.

When reflecting back on the last five years as we end one strategic planning period and enter a new one, we can be confident that the investments made and the accomplishments achieved have laid a strong foundation from which to build: we have up-to-date world-class facilities; a strong reputation and good relationships with our stakeholders and industry partners; and a strong leadership team with a dedicated team of employees.

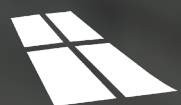
We will have challenges over the next few years as the industry slowly recovers from this latest setback. Throughout the recovery, we will stay the course in fostering excellence in what we do and how we do it, with safety and security always being top-of-mind.

We will continue to work with our airline partners to grow air access to and from our region where a strong business case exists, knowing that this will facilitate the economic recovery of our region. We will also engage with our stakeholders, industry partners, the community, and our employees to realize new opportunities and adapt to the inevitable change.

I want to thank the Board of Directors and the senior leadership team for their support. I particularly want to thank our employees who show their dedication every day, ensuring safe and secure airport operations through these uncertain times.

Peter Avery





ST. JOHN'S
International Airport Authority

WHO WE ARE

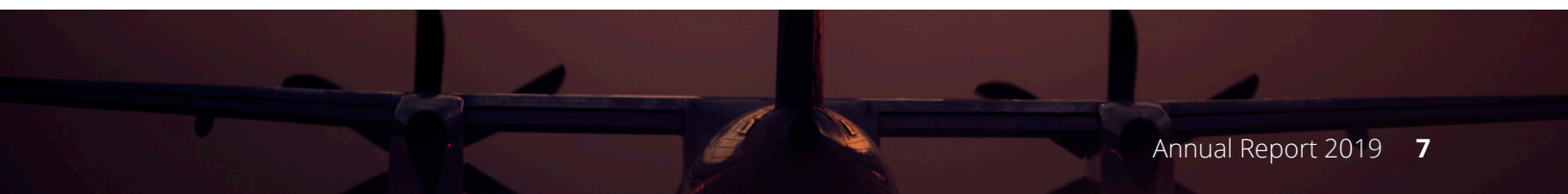


St. John's International Airport Authority is a private, not-for-profit, non-share capital corporation that exists to provide a safe and efficient transportation facility at Newfoundland and Labrador's premier transportation gateway.

We generate our own revenue, raise our own capital, pay municipal taxes, and pay rent to the Federal Government on an annual basis to operate the Airport on behalf of the community we serve. We are committed to offering an exceptional airport experience for our passengers and enhancing the economic and social well-being of our community.

We will deliver an exceptional airport experience
at Newfoundland & Labrador's premier gateway

Proudly enabling prosperity and growth





STRATEGIC PLAN



Strategic Plan

The Airport Authority's 2015-2019 Strategic Business Plan defined the airport's ideal future. The five-year plan included objectives and initiatives that served as a guiding framework to lead the Authority to its vision of providing an exceptional airport experience at our province's premier transportation gateway.

2019 was the final year of the five-year planning horizon that saw a significant number of accomplishments achieved over its time span.

The plan concluded on an extremely high note with the Airport being recognized within North America for its level of customer service, for being one of Atlantic Canada's top employers, and for achieving and maintaining one of the strongest reputations and brands within the province.



This report provides an update on the progress made in 2019 on the seven strategic objectives outlined in the Strategic Plan:

1. Outstanding Facilities
2. Exceptional Passenger Experience
3. Focused Business and Air Service Development
4. Culture of Engagement
5. Enhanced Community Partnerships and Collaboration
6. Organizational Effectiveness
7. Financial Stability

Outstanding Facilities

Objective: Deliver new, improved, and expanded Airport Terminal Building and related Airport facilities to meet 2020 demand.

The opening of the Departures Expansion (Phase One) in July 2018 offered many new services and amenities that were welcomed and appreciated by our airline partners and our passengers. Over the past year, planning for the Arrivals Expansion (Phase Two) began while effort continued to enhance the Departures area of the Terminal Building and increase the efficiency of the Airport.

Airport Terminal Building Improvements

Work continued to renovate the older area of the Departures Lounge to create a common look and feel throughout the terminal.

Following the opening of the expanded Departures area of the Airport Terminal Building, work continued to add new amenities and to renovate the older area of the Departures Lounge to create a common look and feel throughout the Terminal. The Airport Authority renovated the pre-board screening area into new concession space, and added new flooring to the original Departures Lounge area to provide a seamless transition between both sections of the Lounge.

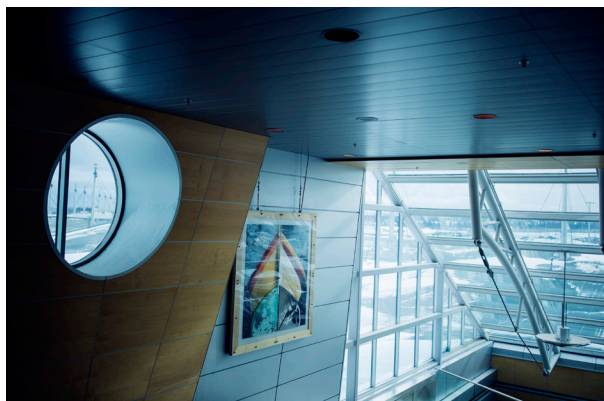


Work on the design for the Arrivals Expansion (Phase Two) of the Airport Terminal Building commenced in 2019. While this expansion is important to ensure balanced capacity between the departure and arrival operations, the recent events that have affected the travel industry has resulted in this project being suspended. The Authority will determine what, if any, new infrastructure requirements are necessary as a result of this latest setback in the industry.

Efficiency and Reliability Enhancements

Increasing the efficiency and reliability of our infrastructure continued to be an important component of our facilities management in 2019, and significant progress was made in this area.

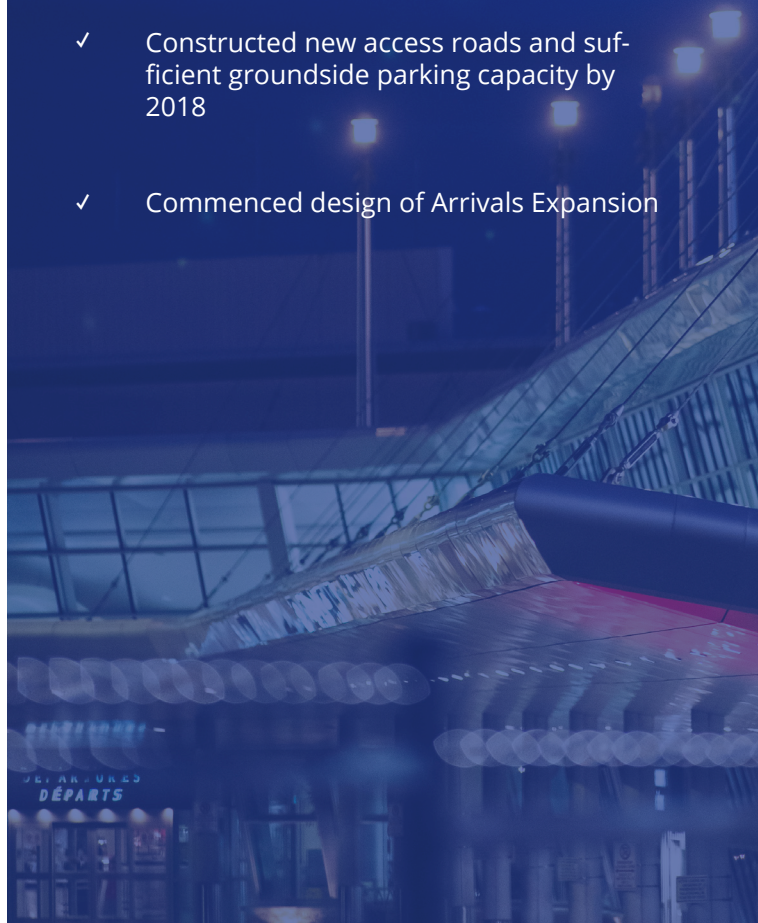
- The conversion of all lighting technology to LED, both on the airfield and in the building, continued such that 50 per cent of the airfield and 70 per cent of the Airport Terminal Building are now complete.
- Improvements and upgrades were made to the climate control system in the Airport Terminal Building, adding more energy efficient control units, reducing energy costs and improving and extending the mechanical reliability of the system.
- A new sanitation system was implemented that resulted in a reduction of waste fees.
- A permanent connection to the City of St. John's water supply was made, eliminating the need to continue to maintain and operate the diesel-powered fire pump and water reservoir. This ensures a consistent and reliable water supply to the Airport.
- A new full-time, permanent position was created and filled to begin the implementation of the Airport Authority's new Work Order and Preventive Maintenance System.



2015 - 2019 ACHIEVEMENTS

OUTSTANDING FACILITIES

- ✓ Opened Departures Expansion in July 2018 on-time and on-budget, adding new amenities and services
- ✓ CAT III ILS capable by 2016 (99% airfield accessibility during low-visibility conditions achieved)
- ✓ Rehabilitated primary runway surface, drainage, and lighting systems
- ✓ Constructed new access roads and sufficient groundside parking capacity by 2018
- ✓ Commenced design of Arrivals Expansion





Exceptional Airport Experience

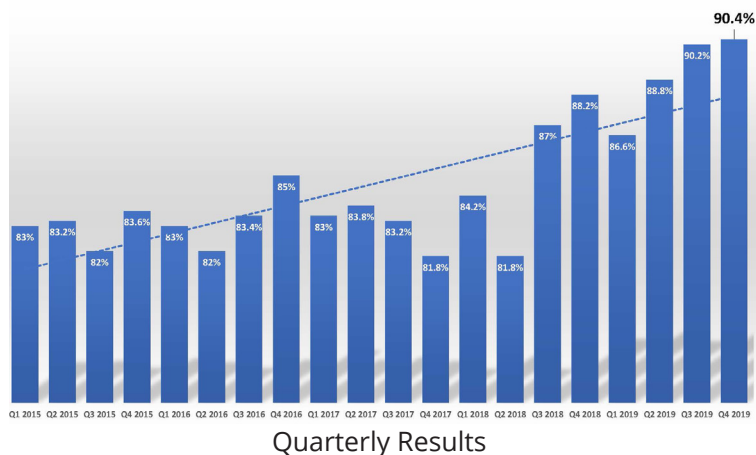
Objective: Provide an exceptional passenger experience at our Airport.

The concept of developing a facility and creating an environment that ensures an exceptional experience for passengers at our Airport is inherent in everything we do.

To measure our passengers' level of satisfaction, we participate in a year-round Airport Service Quality (ASQ) index benchmarking survey. This global research tool provides quantitative feedback on all aspects of the Airport experience and provides benchmark data from more than 300 airports worldwide.

Throughout 2019, approximately 1500 surveys were completed by departing passengers located in our Departures Lounge. Each quarter results saw continuous improvements throughout the year, resulting in a passenger satisfaction rating of 90 per cent in the third and fourth quarters, and an overall average of 89 per cent for the year.

Passenger Satisfaction Percentage



The overall passenger satisfaction rating increased from 85 per cent in 2018 to an overall average of 89 per cent for 2019.

This climb in ratings ultimately led to the St. John's International Airport being awarded the Air Service Quality Award for Most Improved Airport in North America for Customer Service. St. John's International is a first time recipient of an ASQ award, which recognizes airports worldwide that deliver the best customer experience in the opinion of their own passengers.



The significant increase in passenger satisfaction levels can be largely attributed to the recent opening of the Departures Area expansion in 2018, and the additional offerings and improvements implemented in 2019, including:

- Completion of the concessions program that added two full menu Tim Hortons located both pre- and post-security; a Freshii outlet; and a renovated Relay/George Street Duty Free store;
- Improved hours of operations for greater reliability of service for concessions;
- Implementation of an indoor taxi queue to improve the queue arrivals experience;
- Improvements to the parking lot and pay stations, including updated signage and branding.

Focused Business and Air Service Development

Objective: Pursue revenue diversification and aggressive air service development.

Air Service Development

Attracting new, and expanding airline services to the region is a core function of business for the Airport Authority. Since the Airport incorporated in 1998, there have been substantial increases in airline seat capacity and the number of destinations served. This growth is a result of increased demand for air travel to and from the province, and the efforts of the Airport Authority and its stakeholders in building business cases and supporting airlines when introducing new route offerings. In 2019, there were approximately 80 daily flights to and from 21 destinations in Canada, the US and Europe.

The last few years have been challenging as there was decreased demand for air travel as a result of the the softening Provincial economy, and global decline in aircraft capacity following the grounding of the Boeing 737 MAX aircraft. Despite this, there were some positive developments to report from 2019:

- A direct service to Fort Lauderdale was launched by WestJet, its third Florida destination from St. John's. This new seasonal service is in addition to the seasonal service to Tampa and year-round service to Orlando. This addition means all Florida destinations listed in our Top 10 destinations for the US are now being served.
- Edmonton has long been the largest unserved market from St. John's. In June 2019, WestJet filled that route when it launched a direct seasonal service.

- Based on discussions and negotiations in 2019, Swoop announced a new, seasonal daily flight between St. John's and Hamilton for a summer 2020 take-off. This will be the first Ultra Low-Cost Carrier (ULCC) for the Airport and its seventh airline partner.



In June 2019, the Airport Authority was honoured to host Canada's largest air service development conference, Altitude East, in partnership with the Atlantic Canada Opportunities Agency (ACOA) and the Government of Newfoundland and Labrador.

This was the first year the conference was hosted outside of Halifax since its inception in 1999. It was a great opportunity to showcase all the region has to offer to many of our key airline network decision makers. The conference was a great success, featuring keynote addresses from industry experts and key airline and tourism professionals, while shining a light on the unique Newfoundland travel experience.

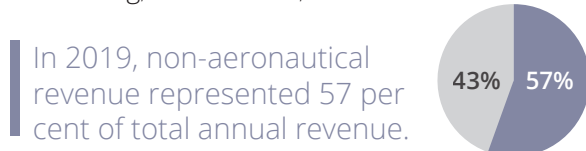


Focus on air service development will be even more critical over the next few years as demand for air travel starts to come back. There will likely be less available aircraft assets, and thus, competition among destinations to access these aircraft will be intense.

Non-aeronautical Revenue

While developing air services is pivotal to the Airport's success, significant efforts have been made to increase and diversify the revenue received from non-aeronautical sources. A diversified stream of revenue reduces dependency on fees collected from airlines and helps the Authority maintain a competitive position on airline fees to other airports.

In 2019, non-aeronautical revenue represented 57 per cent of total annual revenue received, a proportion that is much higher than the North American average of 45 per cent, and the highest the Authority has seen to-date. This level of revenue was achieved through the focused business program that generates revenue through advertising, concessions, and land leases.



The Airport Authority's new concessions program, which commenced in mid-2018, is a key contributor to the Authority's non-aeronautical revenue. Last year, the program was completed with the addition of two Tim Hortons locations and a Freshii outlet; and the opening of the renovated and rebranded Jellybean Harbour Relay store, and the Relay/George Street Duty Free store.

Sales revenues from the twelve concession outlets continued to increase in 2019 as greater choice, and preferred products were available for purchase to passengers and employees.

The advertising sales program continues to offer an attractive advertising opportunity for local and national brands, and land lease opportunities will continue to be pursued on the 250 acres of Airport land available for development.

2015 - 2019 ACHIEVEMENTS

FOCUSED BUSINESS AND AIR SERVICE DEVELOPMENT

- ✓ 1.5 million passengers annually and 21 destinations served directly by seven airlines
- ✓ Two new destination added in Florida: Tampa and Fort Lauderdale
- ✓ Increased airline seat capacity to Alberta by 19 per cent
- ✓ 18 per cent increase in non-aeronautical revenue
- ✓ Expanded concessions program to post-security locations and increased sales revenue by 10 per cent
- ✓ Leased 50 acres of land for commercial development



Culture of Engagement

Objective: Create a culture of employee engagement within the organization.

The Airport Authority recognizes the value of a strong culture of engagement for employee satisfaction and organizational effectiveness. A culture of engagement is one where communication channels and dialogue are open; there is a sense of community in the workplace; employees feel their work is meaningful, and all parties are committed to a shared and valued vision. Over the last year, the Airport Authority has continued to advance this strategic objective with new and revised initiatives.

The substantial efforts made in this area over the last five years have steered the Airport Authority into being selected as one of Atlantic Canada's Top Employers. This designation recognizes the employers in Canada's four Atlantic Provinces as leaders in their industries in offering exceptional places to work.



Last year, the Airport Authority made great strides in the areas of employment equity, diversity and inclusion by educating all employees on this topic, and completing an organization-wide Employment Equity Self-Identification Questionnaire. The Authority also introduced new Performance

Management and Career Development Programs which include goal setting and competency based evaluations for all employees. These will continue to be implemented throughout 2020.

Additionally, the Authority participated in its second Employee Engagement Survey and conducted focus groups with employees. The results and feedback from these initiatives will determine the organization's next steps with respect to its engagement strategy.

The Airport Authority continues to foster collaboration within the organization through the various inter-departmental committees, including Employee Engagement, Occupational Health and Safety and the active Labour Management Committee. These committees also ensure regular, open dialogue between union and management to address and resolve a variety of workplace issues.

2015 - 2019 ACHIEVEMENTS

CULTURE OF ENGAGEMENT

- ✓ Conducted employee engagement survey and focus groups, and implemented feedback
- ✓ Established employee working groups and new communication tools
- ✓ Developed and implemented performance management and career development programs
- ✓ Successfully negotiated a new collective agreement

Enhanced Community Partnerships & Collaboration

Objective: Enhance partnerships and collaboration with community while strengthening our brand.

As the premier transportation gateway to and from Newfoundland and Labrador, St. John's International Airport plays a significant role in the economic and social well-being of the province. The Airport Authority is committed to finding opportunities to collaborate and establish partnerships to increase air services at St. John's International Airport; enhance the passenger experience; showcase our province's unique identity and culture to visitors; and establish a sense of pride within the community for the facilities and services offered.

Last year marked the 100th anniversary of the first non-stop transatlantic flight by Alcock and Brown from St. John's to Clifden, Ireland. The Airport Authority partnered with Aviation History Newfoundland and Labrador to recognize this significant historical event and our region's role in the evolution of the aviation industry. The Airport Authority provided in-kind support in the form of Terminal Building advertising and social media presence.



AVIATION
HISTORY
NEWFOUNDLAND
AND LABRADOR

The Airport Authority also continues to meet regularly with the Air Service Development Committee, comprised of leaders in the community who help to define air service development priorities and strategy, and provide information that can be factored into an airline business case. The Authority worked with multiple stakeholders and received commitment of financial support to pursue strategic airline routes.

The Municipal Authority Agreement recently signed with the City of St. John's reflects a new relationship with the Airport Authority that is based on our mutual goal of facilitating economic growth. The agreement includes a partnership to support new air services, which will be valuable as we begin the long recovery from this pandemic. The Airport Authority also continues to work with the Provincial Government in pursuit of new air service development initiatives.

The relationship with Business and Arts Newfoundland and Labrador (BANL) continued to strengthen as well. In 2019, BANL facilitated a partnership between the Airport Authority and the St. John's International Women's Film Festival to show movies in the Departures Lounge as part of its "Films on the Go" series. The Authority continues to look for opportunities to highlight local talent and support the arts community while enhancing the experience for passengers at the Airport.

The efforts to connect with our community partners and stakeholders are evident in the strong reputation we've created. Throughout the last five years, we've consistently been recognized as having one of the highest brand ratings in the Province based on independent surveys.

2015 - 2019 ACHIEVEMENTS

ENHANCED COMMUNITY PARTNERSHIPS & COLLABORATION

- ✓ Consistently ranked among top brands in NL, based on independent surveys
- ✓ Received multi-year matching marketing funds from government to support strategic air services
- ✓ Finalized a Municipal Authority Agreement with the City of St. John's
- ✓ Created concert and movie series to promote and highlight NL artists
- ✓ Implemented first public piano in Atlantic Canada
- ✓ Partnered with The Rooms to promote the 100th anniversary of Beaumont Hamel



The Snow Wolf added to the Winter Operations fleet in 2019

Organizational Effectiveness

Objective: Improve organizational effectiveness with improvements to processes and systems.

St. John's International Airport Authority continues to improve its processes and systems in order to deliver safe, efficient, and effective services at the Airport. The Authority's improvements allow resources to be focused on areas that have the greatest impact on achieving its strategic goals. Here are some examples of new initiatives implemented over the last year:

- New equipment was added to the fleet that improved firefighting capabilities and increased the efficiency of snow clearing operations, resulting in improved on time performance for the airlines.
- A new de-icing model was implemented that features a single spray operator and collector of de-icing fluid. This new model provides the airlines with a predictable and reliable cost structure, and better operational efficiencies.
- A new software tool was introduced to effectively manage operations, including safety and security incident reporting.
- A new facilities Preventative Maintenance Program was established and implemented.
- Ticketing of vehicles in designated "no parking" areas on Airport property commenced pursuant to the Government of Canada's Contraventions Act to reduce risks associated with safety and security.

- An off-site disaster recovery IT core facility was established to ensure reliability and security of systems and operations.

In addition to these investments in time and resources that ensure the organization is equipped to meet its strategic objectives, there is consistent effort placed on refining safety and security protocols.

2015 - 2019 ACHIEVEMENTS

ORGANIZATIONAL EFFECTIVENESS

Enhanced and upgraded major systems by implementing the following:

- Time and Attendance payroll system
- Software to efficiently manage operations
- Document Management system
- IT disaster recovery core facility
- Additional and updated vehicle fleet
- New de-icing business model
- New preventative maintenance program
- Vehicle ticketing

Financial Sustainability

Objective: Ensure financial sustainability.

Since 1998, the Authority has invested more than \$336 million in infrastructure improvements.

As a private, not-for-profit, non-share capital corporation, St. John's International Airport Authority is responsible for generating its own revenue and raising its own capital funds to support the Airport's operations and its infrastructure improvement plans. All earnings generated through the operations of the Airport are reinvested back into the infrastructure and operations of the Airport.

The Airport's primary source of revenue to finance its long-term debt and credit facilities for expenses associated with capital projects is the Airport Improvement Fee (AIF).

Since the Airport Authority was incorporated in 1998, it has invested more than \$336 million in infrastructure improvements. This level of investment is substantially more than the total collected in Airport Improvement Fees over the same period. To date, the Airport has collected 63 per cent of the total invested through the Airport Improvement Fees. These investments were important to make in advance of collecting the total costs associated with them so that passengers could enjoy the improvements sooner rather than later, the Airport Authority maintained regulatory compliance, and the facilities could accommodate expanded airline services.

The Airport Authority is focused on diversifying revenue streams and identifying new sources of revenue with the goal to maintain competitiveness with other airports. This also lessens dependency on the often volatile commercial aviation industry. In 2019, 57 per cent of all revenue was received from non-aeronautical sources, a proportion that is much higher than the industry average.

The confidence in the financial management of the Airport Authority was once again validated last year when Moody's Investors Service rated the Airport Authority with an A1 (negative outlook) senior secured credit rating, a rating that is comparable to the top airports in Canada.

2015 - 2019 ACHIEVEMENTS

FINANCIAL SUSTAINABILITY

- ✓ Maintained A1 credit rating
- ✓ Secured \$26.2 million in one-time funding partnerships from governments for critical infrastructure improvements
- ✓ Diversified revenue base (57 per cent of revenue derived from non-aeronautical sources)

Senior Leadership Team



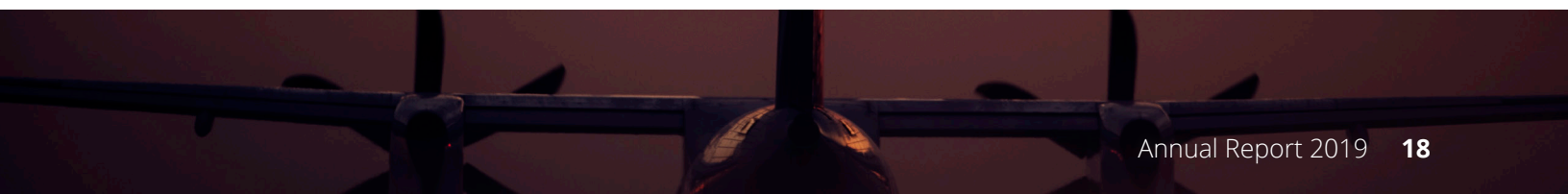


2020 - 2022 Strategic Plan

During 2019, the Airport Authority developed a new, three-year Strategic Business Plan that included an updated vision and mission statement, defined its ideal future, and established new objectives and strategic initiatives that will help ensure it reaches its goals by 2022.

While not veering too far from the previous Strategic Business Plan, this updated Plan reflects the changes in our operating environment, and recognizes the role of the Airport Authority as a community leader and facilitator for the economic growth of the region. The updated plan sets a path towards continued delivery of an exceptional airport experience at our province's premier transportation gateway.

The 2020-2022 Strategic Plan was adopted before the onset of the COVID-19 pandemic. The effect of the pandemic on our industry is significant, and the long-term impacts are uncertain. As a result, the exact targets and initiatives of the plan may change, but the Airport Authority will continue to be guided by the strategic goals outlined below.





ST. JOHN'S
International Airport Authority

BUSINESS PLAN

Business Plan Summary

2019 Actual vs. Business Plan

(shown in thousands of dollars)

	Actual	Plan	Difference	Explanation
Revenue	\$49,292	\$49,661	(\$369)	Modestly lower passenger traffic than forecasted.
Expenses (Note 1)	\$45,943	\$45,628	(\$315)	Unbudgeted removal of the pump house and runway repairs.
Capital	\$15,751	\$19,358	(\$3,607)	Certain projects were partially completed in 2019, including the new Hold Bag Screening system.

Note 1. Expenses include amortization.

Business Plan Forecast 2020-2024

(shown in thousands of dollars)

	2020	2021	2022	2023	2024
Revenue	\$16,003	\$26,413	\$33,250	\$38,000	\$47,500
Expenses (Note 1)	\$40,533	\$43,512	\$44,518	\$45,684	\$47,002
Capital (Note 2)	\$3,657	\$5,000	\$6,219	\$7,492	\$8,614

Note 1. Expenses include amortization.

Note 2. Capital includes the Hold Bag Screening system, fleet and the rehabilitation of aprons I and II.



ST. JOHN'S
International Airport Authority

CORPORATE GOVERNANCE

Corporate Governance

The St. John's International Airport Authority is a private, not-for-profit, non-share capital corporation with the mandate to provide the region with a safe and cost-efficient transportation facility that is a catalyst for economic growth. Under the provisions of a long-term Ground Lease with the Government of Canada, the Airport Authority is responsible for the management, maintenance and development of the St. John's International Airport on behalf of the community it serves.

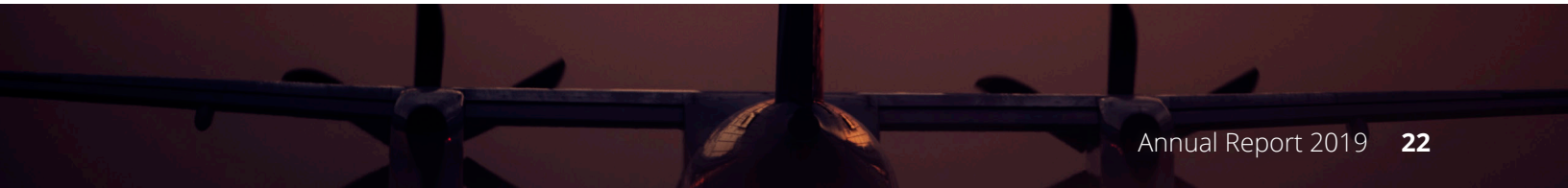
The community's interests are represented through a Board of 12 Directors, nominated by various stakeholders in the region. These Directors are appointed or nominated by the following entities:

Federal Government	2
Provincial Government	1
City of St. John's	2
St. John's Board of Trade	1
City of Mount Pearl	1
Mount Pearl Paradise Chamber of Commerce	1
Town of Conception Bay South	1
SJIAA Board of Directors	3



Board of Directors

Top Row (L-R): Tom Williams, William Malone, Peggy Coady, Darren Martin, Roger Butt, Ken Baggs
 Bottom Row (L-R): Holly Hicks, Jim Heale, Stephen Outerbridge, Andrea Marshall, Larry Pittman, Robert Gosse



Schedule of Director's Fees and Attendance for 2019

The role of the Board of Directors is to guide the strategic direction for the Airport Authority. Solid business practice, including formal strategic planning, is carried out and reviewed periodically. Directors also serve on the committees of the Board: Development; Finance and Audit; and Governance. The Board is kept informed on the day-to-day operation of the Airport through monthly financial statements and management reports. Compensation for the Directors of the Airport Authority is reviewed annually and the amounts paid to the Airport Authority's Directors during 2019 are listed below.

Board Member	Committee Membership	Board Meetings	Total
Tom Williams ¹	Board Chair	7	\$48,667
Bill Malone ²	Board Vice Chair, Member of Governance Committee	5	17,167
Darren Martin	Chair, Development Committee	7	24,000
Roger Butt	Chair, Finance & Audit Committee	7	24,500
Peggy Coady ²	Chair, Governance Committee	5	17,167
Holly Hicks	Member, Development Committee	7	18,500
Larry Pittman	Member, Development Committee	7	18,500
Robert Gosse	Member, Development Committee	7	16,500
Andrea Marshall ³	Member, Governance Committee	2	6,833
Jim Heale	Member, Finance & Audit Committee	7	18,000
Stephen Outerbridge ⁴	Member, Finance & Audit Committee	4	11,667
Ken Baggs ³	Member, Finance & Audit Committee	2	6,833
Art Cheeseman ⁵	Former Board Chair	5	33,667
Gail Carroll ⁵	Former Chair, Governance Committee	5	26,250
Jerry Byrne ⁶	Former Member, Finance & Audit Committee	2	3,500
Cathy Favre ⁷	Former Member, Governance Committee	1	1,333
Total			\$293,084

¹ Appointed to position of Board Chair, September 1, 2019

² Appointed on April 1, 2019

³ Appointed on September 1, 2019

⁴ Appointed on May 1, 2019

⁵ Retired on August 31, 2019

⁶ Retired on March 26, 2019

⁷ Retired on January 29, 2019

NOTE: A total of seven regular Board meetings were held in 2019. Special Board meetings were held throughout the period outside the regular schedule as required. Committee meetings were held throughout the period.

How We Govern

The corporate operations and the activities of the Board of Directors are guided by the National Airports Policy of 1994 – specifically the “Public Accountability Principles for Canadian Airports” and the Authority’s Operating By-Laws. The St. John’s International Airport Authority’s Operating By-Laws were amended in 2008 to incorporate the relevant elements of the Not-For-Profit Corporations Act, the proposed Canada Airports Act, as well as the best practices of corporate governance currently employed in Canada. Further amendments to the By-Laws, as required under the new Canada Not-For-Profit Corporations Act, were submitted to Transport Canada in 2014 for approval.

The By-Laws contain Conflict of Interest Guidelines and a prescribed Code of Conduct. In 2019, there were no breaches of the Conflict of Interest Guidelines by any Officer or Director of the Airport Authority.

The St. John’s International Airport Authority is committed to conducting business in a competitive fashion. All projects with a value in excess of \$75,000 (base year 1998 = 100 CPI annually adjusted) require a public tender or request for proposal. To that end, the Authority sought competitive bids on all contracts as required, with the exception of a sole sourced Boschung unit to replace a snow clearing and ice control multi-purpose unit as part of the Authority’s fleet replacement plan. Boschung is the only manufacturer of this type of multipurpose unit that presently exists in the fleet and is scheduled for replacement in 2020. Based on a unanimous vote by the Board of Directors to proceed, a down payment was made in 2019, but the Airport Authority will not be taking delivery of the unit until 2021.

