

**MINUTES** of an Airport Advisory Committee meeting held in the Polar Room, Town Square, Fort Nelson, BC on Thursday, January 17, 2002 at 5:00 PM.

**THOSE PRESENT**

Councillor Unruh - Chair  
Director Bumstead  
Jack Cann  
Bill Moore

Director Sime - Absent Member  
Peter Villers - Absent Member

**STAFF**

Pat Bailey - Administrator  
Debbie Walker - Regional Secretary  
Randy McLean - Treasurer  
Jim Cheverie - DOP  
Jim Ogilvie - ATCO, Fort Nelson  
Airport Manager  
Sylvia Hayes - Recording Secretary

1. Call to Order A quorum being present, Chair Unruh called the meeting to order at 5:08 PM and proceeded with the business placed before it.
2. Adoption of Agenda **MOVED** by Bill Moore, **SECONDED** by Jack Cann that the agenda for the January 17, 2002 Airport Advisory Committee meeting be adopted for implementation as presented.

**CARRIED**

3. Airport Advisory Committee Minutes  
December 13, 2001 **MOVED** by Bill Moore, **SECONDED** by Jack Cann that the Airport Advisory Committee minutes dated December 13, 2001 be adopted as distributed and read, there being no errors or omissions.

**CARRIED**

New Business  
4. Traditional Lands Lease with  
BCAL - Review of Licence  
of Occupation

Regional Secretary Walker advised that BCAL has accepted the Northern Rockies Regional District's tenure offer over Crown Land and they had forwarded a Licence of Occupation lease for the Regional District to sign. She noted that there were concerns with some items in the lease and would like clarification. She requested Airport members bring forward any concerns they might have with the lease agreement before Mr. Weger was contacted.

Concerns were discussed regarding the Licence of Occupation as follows:

- ~ when BC Assets and Land Corporation met with the Town/Regional Board on November 5, 2001, it was agreed a 30 year lease would be drawn up, however this lease was only for a 10 year term

Regional Secretary Walker advised that during conversations with Ms. Pamel Dishkin from BCAL, Ms. Dishkin had indicated that if the Regional District was willing to undertake the cost of surveying all land indicated in the Licence for Occupation, BCAL might be more willing to engage in a 30 year lease with the Regional District.

- ~ clarification was required on Article 4.1 j) "not cut or remove timber on or from the Land without our prior written consent, and being granted the right under the Forest Act to harvest Crown timber on the Land"
- ~ clarification was required on Article 5.1 c) "we may make other dispositions of or over the Land"

**AIRPORT ADVISORY COMMITTEE  
JANUARY 17, 2002  
PAGE 3**

---

4. Traditional Lands Lease with BCAL - Review of Licence of Occupation (Cont'd)
- ~ would the Land Use Plan being drawn up by the Regional District and ATCO airports be adequate documentation for BCAL so the Regional District would not need permission from BCAL prior to development as per Article 7.1 - "You must not sublicense, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold in our sole discretion"
  - ~ 60 days written notice is not an adequate amount of time to cancel this agreement as per Article 8.1g)" if we require the Land for our own use or, in our opinion, it is in the public interest to cancel this Agreement and we have given you 60 days' written notice of such requirement or opinion"

5. Traditional Lands Lease with BCAL - Conference Call with Mr. Egon Weger
- Chair Unruh welcomed Mr. Weger from BCAL via conference call and asked everyone present to introduce themselves. There followed round table introductions. The following concerns were expressed regarding the BCAL Licence of Occupation with the following being noted:

- ~ when BC Assets and Land Corporation met with the Town/Regional Board on November 5, 2001, it was agreed a 30 year lease would be drawn up, however this lease was only for a 10 year term

Mr. Weger noted that to survey the entire parcel of land could be a costly endeavor for the Regional District; however, the Regional District could survey land as required for developers without the large survey expense. He noted that BCAL would like to work with Fort Nelson to meet their needs. He advised that to survey the entire parcel of land as a specified size, it could be completed only on speculations and that lots would probably have to be surveyed again in the future as development was started.

5. Traditional Lands Lease with  
BCAL - Conference Call with  
Mr. Egon Weger  
(Continued)

It was noted that in order for developers to obtain financing, they would require leases that were longer than ten years.

Mr. Weger advised that BCAL might be able to assist developers obtain financing by “breaking” certain pieces of land out of the original Licence of Occupation and giving longer leases for those parcels of land so financing would be available.

A plan for an entire subdivision (roads and services) could be developed, but would be costly and the approval process can be slow for subdivisions; therefore, a developer impatient and develop elsewhere.

Administrator Bailey noted that the Regional District is concerned that when the 10 year term was complete BCAL may not renew the Licence of Occupation.

He noted that a 30 year lease does not guarantee that the land would not return to crown property; however, he did note that he is unaware of this happening when the Licence of Occupation has been abided by.

He advised that if the Regional District were able to purchase land in the future it would be appraised as bare land, taking into consideration merchantable timber and stumpage fees. An appraiser would use current conditions to establish the potential for this land, most often it would be appraised as 20% of the land for commercial use and 80% residential with a land value being established from this figure. The results from the appraiser would be used for negotiations with the leasee and a 2<sup>nd</sup> or 3<sup>rd</sup> appraisal would be completed if needed. If the land value is under \$100,000, the 3<sup>rd</sup> appraisal would be binding.

5. Traditional Lands Lease with  
BCAL - Conference Call with  
Mr. Egon Weger  
(Continued)

Mr. Weger advised that he is unaware of the amount the federal government paid for the original airport land. It was noted that the federal government had completed a survey of the land, but the pins from the first survey have deteriorated over time and cannot be found.

Mr. Weger advised that an “evergreen” clause is found in some BCAL agreements whereby the leasee may apply to renew their licence of occupation for another 10 years after a specified term (example 5 years) and keep renewing their Licence of Occupation in this way.

Mr. Weger advised that, on occasion, a 20 year Licence of Occupation had been authorized for crown land, thereby giving more security; he feels a 20 year Licence of Occupation would be appropriate for the Northern Rockies Regional District and feels BCAL would be able to consider this option.

~ Article 4.1 j & l was discussed. “You must not cut or remove timber on or from the Land without our prior written consent, and being granted the right under the Forest Act to harvest Crown timber on the Land”

Mr. Weger advised this is a standard clause in all BCAL Licence of Occupation Agreements and it is not designed to hinder development, rather it serves as protection for BCAL if someone contacted Ministry of Forests requesting permits to cut all the timber on a large amount of Crown Land without good reason. This would enable BCAL to stop them from cutting; however, he advised that there would not be problems with cutting timber as an enticement for future development.

**AIRPORT ADVISORY COMMITTEE**  
**JANUARY 17, 2002**  
**PAGE 6**

---

5. Traditional Lands Lease with  
BCAL - Conference Call with  
Mr. Egon Weger  
(Continued)

He advised that aggregates removed for Municipal purposes would be allowed; however, if the aggregates were being sold, BCAL would want a base royalty rate. Mr. Weger was unsure of the rates but would contact Regional Secretary Walker with the required rate for the sale of aggregates.

~ Article 5.1 states "You agree with us that we may make other dispositions of or over the land."

Mr. Weger advised that this is a standard clause in all BCAL Licence of Occupation Agreements and means that BCAL could give another party licence to the same parcel of land that the Northern Rockies Regional District is using as long as the use the second party proposes is compatible with whatever the land is already being used for. It was noted that the Regional District would still have authority over the development permit; therefore, the Regional District would be able to protest development by a second party if they felt this was necessary.

~ Article 7.1 states "You must not sublicense, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold in our sole discretion."

Mr Weger advised that this is a standard clause in all BCAL agreements and is written to ensure any development on land is in agreement with the usage BCAL had intended it for.

Regional Secretary Walker advised that the Regional District is developing a Land Use Plan for the airport and inquired if BCAL would approve the Land Use Plan so it could be attached to the Licence of Occupation and serve as the written consent from BCAL without the Regional District having to contact BCAL each time a developer wanted airport land.

**AIRPORT ADVISORY COMMITTEE  
JANUARY 17, 2002  
PAGE 7**

---

5. Traditional Lands Lease with  
BCAL - Conference Call with  
Mr. Egon Weger  
(Continued)

Mr. Weger advised that he felt the Land Use Plan for the airport could be approved by BCAL and be considered "written consent".

~Article 8.1g) states "You agree with us that if we require the Land for our own use or, in our opinion, it is in the public interest to cancel this Agreement and we have given you 60 days' written notice of such requirement or opinion; this Agreement will, at our option and with or without entry, terminate and your right to use and occupy the Land will cease."

Mr. Weger advised that this is a standard clause in all BCAL agreements and has rarely been put into effect. He noted that there is little flexibility with the clauses in agreements.

Mr. Weger advised that he would contact the Fort St. John BCAL office regarding a 20 year licence of occupation agreement and the royalty rate that BCAL would charge if the Regional District sold aggregates. He advised that he would contact Regional Secretary Walker regarding the discussed changes, within one week.

Regional Secretary Walker advised that the Tenure Offer was to be returned to BCAL by February 5, 2002 and inquired if the changes discussed could be completed prior to this date. Mr. Weger advised that an extension could be given on the February 5, 2002 due date.

He advised the changes could be done either by drafting a new Licence of Occupation agreement or by signed letter from BCAL.

**AIRPORT ADVISORY COMMITTEE**  
**JANUARY 17, 2002**  
**PAGE 8**

---

5. Traditional Lands Lease with  
BCAL - Conference Call with  
Mr. Egon Weger  
(Continued)

Chair Unruh thanked Mr. Weger for his help with the Licence of Occupation.

It was noted that the Land Use Plan and Business Plan for the airport could be included with the Licence of Occupation when completed; however, once the Land Use and Business Plan are included with the Licence of Occupation, it would not be as easy to make changes to those documents.

It was noted that if BCAL would not allow a 20 year Licence of Occupation, the Regional District could apply for an extension on the Licence of Occupation every 5 years.

It was noted that with the "unrest" at BCAL, the sooner the Licence of Occupation could be signed the better.

6. Airport 2002 Budget

Treasurer McLean advised that the assessed tax value of the airport is \$364,970. He noted that for 2001 the Reserve account balances were as follows: Airport Working Funds - \$100,000; Airport future expenditures - \$215,700; Airport Machinery & Equipment Reserve - \$216,000; Grand Total - \$568,500. He advised that funds in the reserves have not been used to date. He noted that Airport Terminal Building roof repairs could be drawn from reserves.

He advised that the Airport reserves are not Statutory Reserves, therefore they do not have a designated use. (Example: if the reserves were statutory reserves and were for the Airport Terminal Building renovations, they would by law, have to be used for that purpose only)

Discussion ensued regarding the 2002 Airport Budget with the following points being made:

- ~ Under Airport Revenues - Building/Warehouse Rentals & Leases, Year 2000 \$3,550.60 - YTD 2001 \$143,873.78 includes revenue from the Public Works Canada building

**AIRPORT ADVISORY COMMITTEE**  
**JANUARY 17, 2002**  
**PAGE 9**

---

6. Airport 2002 Budget  
(Continued)

- ~ Airport Revenues - Landing Fees projected for 2002 - \$120,000; Amended Budget 2001 - \$100,000; YTD 2001 - \$142,180.66

There was concern noted that the projected landing fees for 2002 were overly optimistic; however, Airport Manager Ogilvie advised that total landing fee revenues for 2001 were \$150,000; therefore, it was agreed that projected landing fees for 2002 in the amount of \$120,000 would not be an overly optimistic goal.

- ~ Miscellaneous Airport Revenues include the charge of \$2,000 to Nav Canada for the "glide path" and equipment rental charges to the remediation crews for use of airport equipment (ex: loader)
- ~ Insurance Property/Aviation Expenses Budgeted for Year 2002 - \$9,000 and Year 2001 - \$7,000

Airport Manager Ogilvie advised that the Insurance Broker for the Airport had been contacted who indicated a 20% increase in insurance rates for the airport insurance fees.

- ~ Advertising and Promotion Expenses 2002 Budget - \$5,000; YTD 2001 - \$432.68

Airport Manager Ogilvie advised that the advertising and promotion expense had been raised due to promotion of ads and newspaper ads for the new Business Plan being developed.

- ~ Airport Building Electrical Services Expense 2002 Budget - \$6,000; YTD 2001 - \$1,053.90

Airport Manager Ogilvie advised that the cost of re-certifying the ATB fire alarm system would be approximately \$2,000 and certification for other buildings must be completed every year under the BC Fire Code

- ~ Equipment Repair for Mobile & Fixed Expenses for Budget for 2002 - \$7,000; Amended Budget 2001 - \$8,000; YTD 2001 - \$3,601.16

**AIRPORT ADVISORY COMMITTEE**  
**JANUARY 17, 2002**  
**PAGE 10**

---

6. Airport 2002 Budget  
(Continued)

Airport Manager Ogilvie noted that equipment repairs for 2001 were down significantly from 2000 because new equipment had replaced most older equipment that required more upkeep.

~ Airport Utilities: BC Hydro - River Rd Airport 7 Expense 2002 Budget - \$1,400; 2001 Amended Budget - \$1,340; YTD 2001 -\$2,230.67.

Airport Manager Ogilvie advised that the \$2 230.67 was an accounting error and would be rectified.

~ Airport Janitorial Expense 2002 Budget - \$26,000, Amended 2001 Budget \$32,000

Airport Manager Ogilvie advised that Janitorial Expenses had lowered due to new cleaning staff and the airport supplying cleaning supplies.

~ Airport Office Supplies Expense 2002 Budget - \$250; Amended Budget 2001 - \$500

~ concerns were brought forth that \$500 was too low for office supplies

Airport Manager Ogilvie advised that ATCO Airport supplies the Fort Nelson Airport with office supplies, the \$250 budgeted would be used for CARS and Flight Supplement Manuals.

~ Airport - M&S: Mobile & Fixed Equipment Expense 2002 Budget - \$38,000; 2001 Amended Budget - \$40,000; YTD 2001 - \$25,497.46

Airport Manager Ogilvie advised that this expense is high because there is some older equipment in use.

It was noted that the water treatment plant will now have bi-annual water testing and a new chlorine system would be installed during 2002.

**AIRPORT ADVISORY COMMITTEE**  
**JANUARY 17, 2002**  
**PAGE 11**

---

6. Airport 2002 Budget  
(Continued)

Airport Manager Ogilvie noted that NavCanada had negotiated a 5 year lease with the Federal Government at \$1.00/year for the air traffic control building and a \$1.00/year lease for the weather station. He noted that these leases expire in 2004 and, if renewed, would be at the standard lease rates.

The Capital Budget for the airport was discussed with the following being noted:

- ~ there is \$400, 000 budgeted for terminal building upgrades; ACAP would cover \$200,000 of the upgrades if the funding were approved
- ~ to date \$10,000 has been used out of the budget for terminal building upgrades

Airport Manager Ogilvie advised that the VOHL sweeper had started to develop problems with moisture in the air filter, however the problem was rectified quickly and no other problems have developed.

He noted that a “pre-filter” has been added to the sweeper to keep moisture from entering the 2<sup>nd</sup> filter and the engine on the machine.

It was also suggested that the SMI Sweeper could be sold for parts or at auction. Airport Manager Ogilvie noted that the sweeper would be replaced with a new sweeper for \$230,000 with the full amount being funded through ACAP.

He noted that a new tractor was needed at the airport, but this item could not be funded through ACAP.

Airport Manager Ogilvie indicated that the airport and Public Works share a line painter and a snow blower, while other equipment is utilized to capacity.

Airport Manager Ogilvie indicated that an Electronic Decelerometer had been budgeted for; he would apply to ACAP for funding for this item.

**AIRPORT ADVISORY COMMITTEE**  
**JANUARY 17, 2002**  
**PAGE 12**

---

6. Airport 2002 Budget  
(Continued)

Airport Manager Ogilvie advised that resurfacing would need to be completed by 2003 on runway 07-25 at a cost of approximately \$1.2 million. He noted that ACAP would not provide funding because this is a secondary runway and not utilized by scheduled flights.

It was noted that Peace Air utilizes this runway occasionally; however, Air Canada Regional does not as they require a 5,000 ft runway.

Airport Manager Ogilvie advised that Apron 2 needed repairs because the catch basin failed and sand is flowing into the drain. He further reported that he had applied to ACAP for funding for repairs to Runway 03-21; although he did not expect to receive notification for funding from ACAP in 2002.

Fort Nelson First Nations had applied for funding to pave 7 Km of road in 2002, so a paving company would be in Fort Nelson to complete this work. It was suggested that it may be cheaper to have the paving completed when a company is already here. (Contact ACAP)

It was mentioned that Fort Nelson may not receive ATAP funding because of the high numbers of applications and limited funds available. It was also indicated that it is unlikely funding would be received from ACAP for ATB upgrades; therefore, the upgrades could be divided into stages and allocated from the airport budget.

Airport Manager Ogilvie advised that Transport Canada requires the Low Intensity/Approach Lighting system to be upgraded to the new standard TP 312 4<sup>th</sup> addition. The current system would be reduced to 5 towers of shorter length and lower profile for easier access for maintenance and the high voltage 2400 VAC circuit and transformer would no longer be needed. The current Runway Edge Lighting system could be upgraded to High Intensity Quartz lighting reducing operating and maintenance costs.

6. Airport 2002 Budget  
(Continued)

A potential revenue source for the airport would be back lit advertising signage in the airport terminal building and renting the advertising space out Airport Manager Ogilvie advised. The cost of the signage would be determined by the size (eg: 24x36 is approx \$891 plus shipping, handling and taxes). Art work would be paid for by the business renting the sign. The signs could generate enough revenue to pay for themselves in 1 to 3 years depending on the rental rate. He noted that this project could be completed in conjunction with airport terminal building upgrades. It was noted that the ATB exit doors are a priority and upgrades need to be completed soon.

Airport Manager Ogilvie advised that fire hydrants must be replaced at the airport, there were two fire hydrant failures in 2001 and one failure that occurred prior to the airport transfer. He noted that evidence from the pre-transfer failure confirms failure of the flange and bolts underground where the column attaches to the hydrant boot. It is likely this is the cause of the recent failures as well. He noted the new fire hydrants must meet the Town and Fire Department specifications.

Airport Manager Ogilvie advised that the portion of the old firehall currently leased by Jim and Mary Ann Hart include the Flight Centre Snack Bar and two bays for equipment storage. He noted that the Harts have given up the Baggage Handling Contract for Air Canada Regional and no longer require the two bays for equipment storage and they have sub leased the space to the new operators until their lease agreement expires March 31, 2002. He noted that on expiration of the lease agreement, ATCO Airports would execute separate leases. This would require renovation to separate the two entities and provide safety and security for both tenants, present and future. The renovations would include some demolition and relocation of utilities and installation of a firewall and man doors.

**AIRPORT ADVISORY COMMITTEE**  
**JANUARY 17, 2002**  
**PAGE 14**

---

6. Airport 2002 Budget  
(Continued)

Airport Manager Ogilvie advised that development initiatives need to be put into place at the airport for future opportunities. Two areas that have potential for development are possible gravel supplies and saleable timber. Preliminary investigations for aggregates could be carried out, and if potential areas are identified, then geotechnical expertise would be needed to determine quantities and grade of aggregate. BC Forestry may have to do a timber cruise to identify saleable timber unless the information provided by BC Forestry to KPMG Consulting, who did a report for the Regional District prior to the first Referendum, is still relevant. Once the information is gathered, plans can be developed to harvest timber and develop an aggregate supply.

**MOVED** by Bill Moore, **SECONDED** by Jack Cann that the Airport 2002 Budget report be approved in principle and that it be forwarded to the Town Council/Regional District subsidiary meeting scheduled for February 3, 2002.

**CARRIED**

7. Letter from Ministry of Forests  
Re: Airport Participation Agreement  
dated December 17, 2001

It was agreed that the Ministry of Forests be advised that the terms and conditions for which the Airport Participation Agreement was made, have not been addressed and that the Airport Advisory Committee requests reconsideration regarding continued funding for the Airport.

**MOVED** by Bill Moore, **SECONDED** by Jack Cann that the letter dated December 17, 2001 from the Ministry of Forests be received for information.

**CARRIED**

**AIRPORT ADVISORY COMMITTEE  
JANUARY 17, 2002  
PAGE 15**

---

8. Next Meeting Date                      The next meeting date was established for February 21, 2002 at 5:00 PM in the Raven Room.

Airport Manager Ogilvie advised that Mr. Raman Burke from Environment Canada would be arriving in Fort Nelson in late February to provide an update on the remediation project at the Airport.

9. Adjournment                              **MOVED** by Bill Moore, **SECONDED** by Jack Cann that the Airport Advisory Committee meeting of January 17, 2002 be adjourned at 7:45 PM.

**CARRIED**

**CERTIFIED** a true and correct copy of the minutes of an Airport Advisory Committee meeting held on January 17, 2002.

---

Karen Unruh, Councillor/Chair

---

Debbie Walker, Regional Secretary

---

Sylvia Hayes, Recording Secretary