

## BRIEF TO MAYOR & WARDENS

JANUARY 2023

From: GREG SHAY, Acting G M

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It has been slightly over one year since I was charged with the YQI file on an “Acting” basis. I have had great, regular and supportive interaction with our Board; but there has been no direct communication between myself and the councils of the partners (MODY, TOY, MOA.)

We are approaching another fiscal year (April 1/23) which necessitates another round of budget deliberations amongst our team within YQI. From that develops an “ask” of the partners for continued operational (and sometimes capital) funding support.

Leading up to this exercise the Board thought it would be helpful to share some of our successes and positive highlights at YQI as we continue to slowly and incrementally move into the much desired “Right-sizing” posture and improve our financial and operational performance.

Following are some highlights of positive measures realized at YQI over the past year, in no particular order:

- Finalized and renewed PSAC contract with our union staff with a financially positive outcome considering today’s CPI environment.
- We’ve had our ceiling limits lowered to the 250’ +/- range which broadens the window of opportunity for landings.
- We have revised our tariff schedule for landing and ramp fees to better reflect market conditions and improve revenue yield. (This was instituted just prior to my arrival.)
- We have concluded engineering investigations and laid plans to isolate the surplus former Scotia Prince building from the rest of the complex which will allow the Board to make an actionable decision on the demise of this long vacant and surplus structure.
- We’ve stabilized the margins on Avgas sales.
- We’ve created a dedicated “Pilot’s lounge” to improve the comfort and privacy of pilots waiting to continue with their assignments, an early step towards raising our level of service to the most important segment of our client base.
- We have extricated ourselves from the long suffering ITP contract with Irving Oil and we have entered into a fuel supply relationship with World Fuel Services (WFS), this gives us the opportunity to sell Jet A at contracted and retail prices. This opportunity has great potential to deliver substantive revenues in the form of increased margins from Jet A sales volumes. For example, with this new arrangement our per litre margin has risen from .15c/litre to anywhere between .60c - .90c/l. (WFS recently won a supply contract with DND and TC for Jet A supply which is providing immediate benefit to YQI.)
- Following on the WFS Jet A relationship, they have a worldwide network of FBO’s and lots of marketing/branding horsepower. We hope to leverage this going forward.
- We are negotiating a new 3 year contract with NavCan to supply weather observation services at much improved contract rates for YQI.

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- We have invested some time and energy into baseline energy consumption analyses and have submitted an application, on invitation, to the Sustainable Communities Challenge Fund (SCCF). This project will allow us to do a deep dive into our energy consumption and deliver renewable energy technology options to consider for investment, which will have the effect of translating into huge financial savings in energy and heating costs as well as ghg emissions reductions.
  - Aircraft movements are up 6% Y-T-D vs the same period last year and are working their way back to pre-pandemic levels.
  - We are in the process of tweaking our line service work schedules to provide a longer operational service day to clients, besides the longer operational day, this will improve their productivity without negatively impacting overall labour costs.
  - We will be signing an MOU with Congres Mondial 2024 who has chosen the YQI site to host its marquee one day, all day event, as part of its week long celebrations in August 2024.
  - I want to be very careful about managing expectations and raising false hope, but I will share that we are in discussions with several private sector operators with interest in YQI as a base for several different business lines; including, tourism, flight schools and research. I share this with some trepidation, but I think it's important that all of us understand that cost cutting and operational rationalization on such a physically huge and complex operation can only go so far, **new business is ultimately what will keep YQI operating**. I am deeply aware of this and work towards this end on behalf of YQI almost every day.