

HALIFAX INTERNATIONAL AIRPORT AUTHORITY  
2021 ANNUAL REPORT

# RISE

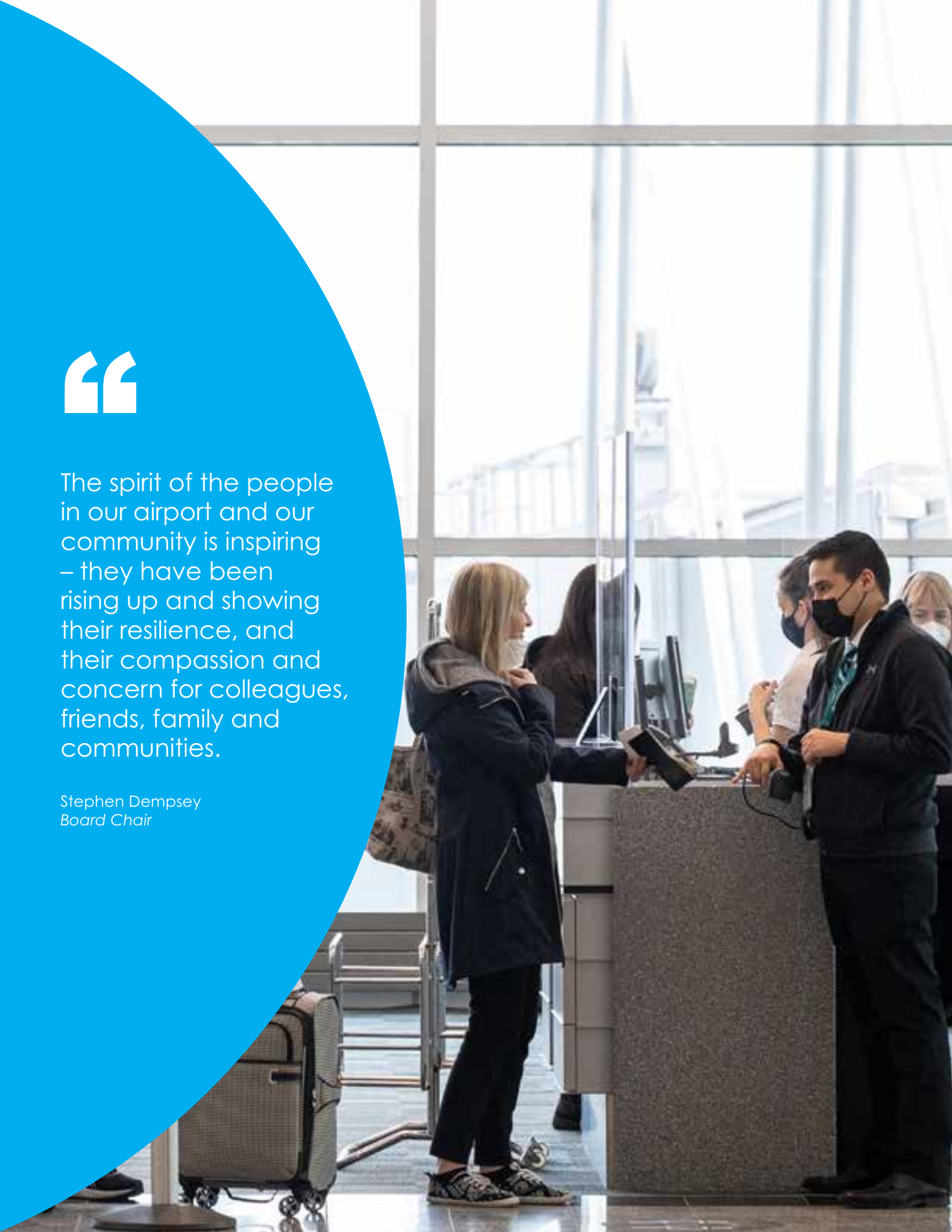


HalifaxStanfield



The spirit of the people in our airport and our community is inspiring – they have been rising up and showing their resilience, and their compassion and concern for colleagues, friends, family and communities.

Stephen Dempsey  
*Board Chair*



# Introduction

Many anticipated that when we turned the calendar on 2020, we would also turn the page on the COVID-19 pandemic. Yet, what we experienced in the first two quarters of 2021 was an even bigger challenge to our industry, our resilience and our vision for the future.

With just two airlines travelling to four destinations during the first few months of the year and passenger volumes at levels last seen a half century ago, Halifax Stanfield was eerily quiet. We were humbled. And yet, even though we had no certainty of what was to come, our hope remained intact, as did our belief in each other.

With those assets in hand, we made the choice to forge ahead together, doing what was possible within our control. We started talking. We listened, discussed, reflected, dreamed, and made plans. What we realized, above all, is that it's our people who matter most – our team, our partners, our communities.

We know that when we put people first – proactively introducing arrivals COVID-19 testing, safely welcoming Afghan refugees, supporting and amplifying diverse voices or installing mobility assistance supports – it's a game changer for our airport, our industry, and our region.

This year, we invested time and energy into doing the right thing for our people. We know there's still a long way to go, but by putting people first, we know we'll become stronger, meet challenges with ingenuity, access exciting opportunities and make our vision a reality.

**Together, we will rise.**



## MESSAGE FROM THE CHAIR

### Stephen Dempsey

The pandemic has changed so many things in our lives. In a time of such turmoil, one constant is the tenacity of those I've encountered as Board Chair of Halifax International Airport Authority (HIAA). Coming from our greatest high, setting new passenger records in 2018, to the lows we have seen over the last two years, the team at HIAA, our board members, and partners have remained steadfast, resilient, and positive about the future.

On behalf of my colleagues on the board, I would like to first thank our President & CEO, Joyce Carter for her courage, integrity and commitment to recovery and improvement for HIAA. Joyce, her leadership team and every person who works for or at Halifax Stanfield are

essential to our comeback story as an airport. The board has been inspired by the strength and determination throughout the organization.

Our integrity and respect for the people who bring Halifax Stanfield to life, and our partnerships with organizations that have helped sculpt the aviation industry, and our communities, haven't wavered – they've only strengthened. I believe that resolve comes, in part, from the will and determination of those who have come before us. Nova Scotians are familiar with rising from crises, which have shaped who we are today.

Halifax Stanfield has been able to move forward by working cohesively and treating one another with empathy and not as a statistic in the context of COVID-19 or passenger traffic reduction. By continuing to envision a brighter future, and knowing we will get through this, we've had many positive things to talk about this year. We are excited by the opportunity to welcome more people and once again share this special place with others from around the world.

Knowing that we are part of something bigger, and that good times will come again, deeply resonates with me in how to characterize this pandemic. It's a challenge sometimes not to get pulled into the depths and use that grit to come together and build something special. We've done this at HIAA by being open, compassionate, and professional. That's who we are.

At times, some have said 2021 felt like a groundhog year, experiencing the same things as 2020 all over again, and at times, perhaps even worse. But there have also been many

highlights and, as a board, we've led with optimism and hope, understanding our ultimate responsibility is to guide and govern as we move forward as an organization.

This has been a clear role for our board of directors – to show leadership – by dealing with our business and financial challenges head on, prioritizing the health and safety of our community, colleagues, and those around us, and rallying everyone toward the same objectives. This clarity of purpose shone through in our board supporting Halifax Stanfield's leadership team on a new strategic plan that will chart the course for our recovery.

We've remained responsive to our community, particularly around the pandemic. Throughout the ups and downs, we have always been ready to support the necessary restrictions that will lead us to a safe recovery. We have embraced and modeled those restrictions as a board.

As we step back from the crisis and think beyond safety, my number one objective, and where I see my greatest responsibility as board chair, is around diversity, equity and inclusion. My focus is on strengthening our board by adding more visible reflections, as well as experiences and beliefs around the table. We are engaging with diverse community members to understand how we interact, learning about their unique challenges and how we can be open to change and innovation.

The board feels a sense of urgency for change. It is not easy, and it will take longer than we would like. We are focused on putting the conditions in place that will allow change to happen and are well structured and suited to the environment. We are taking deliberate actions to make changes. We want to do this

thoughtfully, so it becomes who we are as an organization – one that is committed to being a place where everyone feels welcome and included.

Living on Canada's East Coast, we are among the first in the country to see the sun rise. As we see the early possibilities, others can look to us for inspiration and leadership. We see that as part of our role at HIAA. As an organization, we are well aware of our challenges and the current reality of our situation. Yet, we remain confident about where we are going – getting back to connecting our region to the world, welcoming diverse people and perspectives, and helping people build their businesses by transporting their products around the globe.

I want to thank each of my board colleagues for their commitment and resolve to return our airport to where it was before the pandemic, and beyond. Our board members are all citizens of this region and customers of the airport. For us, that translates into a keen sense of pride and ownership, and I believe that is felt by everyone who travels through Halifax Stanfield. That is the reason we continue to punch well above our weight – when we are all invested in building something together, we are unstoppable.

You, too, are likely an owner in this enterprise. What you see in this report reflects the very best of our airport as we see it today. The numbers are important, but they do not convey the wonderful future that lies before us. We have a bright future, and we invite you to come along with us on the journey.





## MESSAGE FROM THE PRESIDENT & CEO

### Joyce Carter

This year's Annual Report provides a unique opportunity to reflect on the previous year, which has been especially important these last two years. We, as a community, have experienced something I certainly never anticipated. Yet, while we continue to navigate the challenges posed by the pandemic, 2021 has left us with a sense of optimism at Halifax Stanfield.

I have been moved by the way our people have risen to the occasion. They've showed up consistently – both virtually and in person – with integrity and courage, to make HIAA a safe, positive, and hopeful place to be, allowing us to believe that a better future awaits us.

This year, as we turned a corner on the acute nature of the crisis, we made a conscious decision to focus on our community: reconnecting families

and friends, becoming a leader for COVID-19 prevention and testing, and having conversations on diversity, equity, and inclusion. We're ready to understand what we can do to make things better for everyone.

We've sought out opportunities to make a tangible difference. We knew that vaccines would be a game-changer. In June, we successfully implemented on-site COVID-19 testing at the airport and created opportunities for our team members to get vaccinated. We want to do everything possible to keep our airport and community safe.

There have been many hills and valleys on the path to restart and recovery, and we were responsive, nimble and prepared throughout. When vaccination rates rose, and travel restrictions lifted last summer, our industry saw what recovery could look like.

In December, when the Omicron variant hit and created another hill to climb, we continued to have hope. There is something about being in the valley, looking to the future: it often offers a clear sky. And this view of what might be possible inspired us to start thinking big, to a future without limits.

The pandemic meant we could step back and re-evaluate. I'm so proud of how we have collaborated, revisiting our vision, our values and our mission, to redefine our future. The results for Halifax Stanfield are a new 20-year airport master plan, a new five-year strategic plan and an annual business plan, all to take effect in 2022.

Our people stepped up to the plate with enthusiasm and positivity – exploring different scenarios, wondering what our airport might be, and reflecting on how we can contribute to our community, our region and our industry. This support allowed me to speak to the

community and our stakeholders with confidence – to let them know that we see a path forward. Our future is bright. We have a plan. We have a highly dedicated, skilled, and wonderful team at HIAA which is ready. And we want to attract more people to our industry and see it grow again, when the time is right.

What came out of our conversations was that the health and wellbeing of our people is essential. I want every one of our employees to know that they are cared for and belong. They are indispensable to our sustainability and our success. We are making strides to ensure diversity and inclusion are priorities from the very top of the organization, starting with our board of directors. We want to make sure we are truly representative of our community.

By working together, we can better understand how we can make the greatest impact in our community and beyond. I've always said, we are the present-day Pier 21, a truly welcoming place for new immigrants. In fact, one of the highlights of the year was when HIAA and its partners were able to safely welcome 270 Afghan refugees to our province. That day reaffirmed what we knew all along - what we do matters.

It is important for everyone to feel like they belong at Halifax Stanfield, without barriers to accessibility. Our flags welcome people in Mi'kmaq, we are improving curbside assistance, and we are having conversations with a wide variety of communities to understand and fulfill their needs. Stay tuned for more initiatives as we strive to do better.

Recently, I completed a two-year tenure as Chair of the Canadian Airports Council (CAC). It gave me a reserved seat at the table to talk about these things openly with industry members from around the world. We're still listening to, and learning from, one another as we continue to

innovate, recover, and grow. Together, we are doing things differently and taking steps that might not have been possible before COVID-19.

One of the initiatives I wanted to accelerate when I became CAC Chair was the very important work of women in aviation, especially in leadership roles. Of course, the pandemic, which took hold two months into my CAC leadership position, impacted that work, yet I'm optimistic that it will continue with others at the helm. For me, it will never stop. I'm so proud of the amazing women leaders we have at HIAA and the role models we now have in leadership positions at airports across the country. They are an inspiration to many current and future members of our industry.

The lessons of 2021 made me realize that we're in this together. We care about each other. We care about this sector and our business. And we care about our people and our community.

On behalf of the organization, I would like to thank Valerie Seager for her years of service at HIAA. As Vice President of Legal and Regulatory Affairs, and Corporate Secretary, Valerie's work has been instrumental to our success.

Thank you to all our employees, who have gone above and beyond to make Halifax Stanfield such a special place. Together, we've taken on challenges with courage, made important steps towards recovery and are rising to meet our future. Our team – employees, board members, partners, and stakeholders – are motivated now, more than ever to improve and grow, so Halifax Stanfield is a place where you're proud to welcome your friends and family.



# Safety



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I am really proud of the resilience of our team, and our whole organization. The way we have successfully managed through COVID-19 has set us up well to accept the future opportunities that will be presented to us.

Jane Scott  
Senior Manager,  
Emergency Response &  
Airside Services



## Safety First: Emergency Response and Airside Services

This year, HIAA's Emergency Response and Airside Services team, which includes airfield maintenance, fleet maintenance, aircraft rescue and other essential personnel, continued to go above and beyond to maintain exceptional attention to detail and safety for all passengers, crew and airport employees. Always at the ready to respond to any arising medical or aircraft emergency, or clear the runways in inclement weather, this team has once again proved its

ability and willingness to rise to the occasion.

In spite of HIAA's challenging financial situation, strategic investments were made in 2021 to ensure the ongoing safe operation of Halifax Stanfield, including continued replacement of aging roof systems in the terminal, as well as the restoration of deteriorating pavements on sections of Runway 14-32 and on Taxiways A and G.



In addition to maintaining training, keeping runways operational and available for flights during challenging conditions, dealing with a wide variety of medical calls, and ensuring diligent and accurate reporting for our operational partners, the team implemented the new Global Reporting Format (GRF) in August 2021, which entails new methods for assessing and reporting runway surface conditions.

“We were one of the leading airports to implement GRF within Canada,” says HIAA’s

Senior Manager, Emergency Response & Airside Services, Jane Scott. “Our people were ready and well prepared, conducting testing for Transport Canada and launching the initiative.”

The team also augmented and updated new training modules for airfield maintenance employees to ensure the delivery of GRF. She credits her whole team, including co-managers of airside services at HIAA, Will Sutherland and Josh Kolstee, with the accomplishment.



"It was a big lift to educate our employees and work with stakeholders to ensure knowledge and objectives aligned," says Josh. "Working with vendors and regulators in the preliminary testing of GRF allowed for a successful launch and implementation."

The team proved yet again that they can rise above any challenge that comes their way, continuing to diligently negotiate through the COVID-19 pandemic, often without knowing what to expect from one day to the next. To succeed, they remained focused on their goals, working and maintaining a consistent standard of operations to ensure the airport stayed on course.

"One of our big priorities as a team is to be very collaborative, and this is especially important when we make changes, or adjust processes," says Jane. "We need to learn from our people and have conversations with those who are doing the work. They are the experts, and they are critical to our success."

The team also adapted to many new technical functions in 2021, including managing a new proactive approach to obstacle limitation surfaces (OLS). "Through a pilot project with a lidar technology, we have new and improved ways to manage remediation of the area around the airfield," says Josh. "The light air technology bounces off the treetops to pinpoint any trees before they grow to heights that could affect safe operation of the airfield. It really helps us to mitigate any potential future obstacle penetrations."

Though the challenges were much more difficult this year, **everyone did a little extra and pulled together** to make it happen.

"My highest priority the past year has been the safety of our employees," says Jane. "We want their on-site work environment to be as comfortable and safe as we can possibly make it. They impress me every day and have showed their incredible resilience time and again. It's my hope that they feel valued and realize even more how important and appreciated they are within the organization and beyond."



## Community Safety

In 2021, the Halifax Stanfield campus continued to prioritize the health and well-being of its people and the larger community.

Halifax Stanfield took a leadership role in community safety this year, working with government to introduce arrivals COVID-19 testing, ensuring mask mandates were clear and consistent throughout the airport and, once vaccines were available, implementing a vaccination policy, all while ensuring the ongoing operation of the airport.

“The team stepped up and did absolutely everything they could to ensure our people were safe in a global pandemic.” says Joyce Carter, President & CEO, HIAA. “I am so grateful for that.”

To uphold COVID-19 public health restrictions and manage the many waves of the virus, the board and employees continued working remotely where they could, conducting meetings virtually, and even now, are working harder than ever to provide exceptional service for community members.

Employees who were required to attend the airport for their shifts, worked diligently to protect travellers and each other and ensure that people were not only safe, but also had confidence in the airport journey, from check in, to security, to baggage handling, to safe arrival.

“Everything we did in 2021, under such pressure and limited resources, has really set us up for 2022 and beyond,” says Joyce. “I can’t thank our team enough. They came to work with such a positive attitude, despite so much uncertainty. We got through it by everyone working together. I’m looking forward to the future and seeing our business thrive and grow again. I can’t wait!”

“

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Joyce Carter  
President & CEO



# Customer Service

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How everyone at HIAA has managed through this pandemic, it reminds me of Lewis Hamilton's motto: Still I rise.

Dimitri Dimitriou  
Station Manager,  
Executive Aviation



## Porter Gets Up and On Its Way

With COVID-19 public health restrictions making travel, at times, impossible for most passengers, airlines were forced to lay many people off in 2020 and, in the case of Porter Airlines, temporarily suspend all flights. In 2021, the company found itself regaining momentum, on the road to recovery and a brighter future.

Dimitri Dimitriou was working as a Customer Service Lead with Porter at Halifax Stanfield in March 2020 when he was laid off. “I loved working with Porter,” he says. “It is such a great team. That was a tough time, but I managed to find work as a carpenter.”

It was in June 2021 when Dimitri found his opportunity to return to the industry he loves, as Station Manager for Executive Aviation, supporting Porter Airlines in a completely different role.

When Dimitri first started back, the airport was a very different place than the one he had left, with very low passenger volumes. But as Porter returned to service in early September with domestic flights to and from Halifax Stanfield, things began to come back to life in the airport.

“It was strange to come back, almost to a ghost town, in an entirely new role, with a new company,” says Dimitri. “It was a steep learning curve with challenges I had never dealt with before. I was checking ID’s, but also checking vaccination certificates, making sure staff were vaccinated, ensuring there were enough PPE supplies, and more. It was a lot of training; we held a large recruiting session in April and May for our start up, and more training sessions heading into the Holiday season.”

It was a gradual return, but in the fall there was a sudden uptick in passengers, with many flights and airlines coming back, including international services, which was very important to him personally.

"I'm from the UK and it was very hard to be away from family for so long," Dimitri said. "I worry about my parents, but I was able to see them in September and managed to make my dad's 70th birthday. This has been a tough time for so many – a lot of people lost their jobs. It's so great to see old friends at Porter again. It's thanks to them that I was hired into this new job."

Now that it has returned to service, Porter has announced a significant plan for growth going forward. The airline will launch its jet service in 2022, as the first North American customer for the Embraer E195-E2. It has ordered 80 jets that will fly out of Toronto Pearson, Ottawa, Montreal, Halifax, and some U.S. and Caribbean destinations.

"I'm working hard to live up to this new opportunity as station manager," says Dimitri. "The way I've risen to the occasion, the way Porter has come back even stronger and how everyone at HIAA has managed through this pandemic, it reminds me of Lewis Hamilton's motto: Still I rise."

## Some Halifax Stanfield Tenants Rally Through a Difficult Time

The past two years have been extremely difficult for the hospitality and retail industries, and tenants at the airport were especially hard hit. Yet, even amidst ever-changing public health restrictions, capacity issues and staff shortages, some Halifax Stanfield tenants continued to rally, and see a bright future ahead.





It was amazing to see how quickly some of our tenants adapted to new situations, remaining open in spite of such challenging obstacles and even adjusting their business models, where possible.

Jamie Dwyer  
Airport Experience Manager

“Halifax Stanfield tenants who were able to persevere were incredibly resilient and that was a highlight of the year for me,” says HIAA’s Airport Experience Manager, Jamie Dwyer. “It was amazing to see how quickly they adapted to new situations, remaining open in spite of such challenging obstacles and even adjusting their business models, where possible.”

Retailer Liquid Assets, which offers products from Nova Scotia’s handcrafted beverage alcohol artisans, is a great example, managing to stay open throughout the lockdowns, and finding a new revenue stream by offering online sales and deliveries in the local area.

**For much of 2021, most of the restaurants in the airport were closed, while several, including The Firkin & Flyer, A&W, Tim Hortons, Connected Coffee, Booster Juice, and Subway remained open for those who needed to travel and for airport employees.**

The Firkin & Flyer, which also runs Connected Coffee, mitigated the challenges of public health restrictions by adjusting its hours of operation and expanding its dining room to accommodate physical distancing when they were allowed to open, even when just a small fraction of normal passenger volumes were moving through the airport.

“My role changed in a big way at the height of the pandemic,” says General Manager, James Ruddock.

“I was bartender, kitchen help and server, all in one.

The optimism of the passengers and getting to hear their personal stories, seeing families who hadn’t been together for two years or were meeting babies for the first time, those things were so hopeful and exciting, and really helped me get through when things were so quiet.”



"We went into 2021 hopeful that the pandemic was coming to an end, and believing we could start rocking and rolling," says Firkin Group of Pubs President, Larry Isaacs. "It went on much longer than we expected, and it was truly demoralizing in the early part of the year. We did our best to provide something to eat and drink for those who needed or wanted to travel and hung on to keep our staff employed."

As some Halifax Stanfield tenants were, unfortunately, forced to permanently close during the year, The Firkin & Flyer managed to find a little light in the darkness.

As the year unfolded, Firkin stepped up to take over other concession space leases to become one of the larger food and beverage partners at Halifax Stanfield. Larry is excited about the opportunity ahead of his company, which will open and operate a total of six locations at Halifax Stanfield over the next two years, as travel confidence returns and passenger volumes increase.

A Mexican restaurant is planned to open in 2022, along with a second, Connected Coffee located in Arrivals in May; the Crispy Leaf will re-open

in 2022, and a pre-security Halifax fare pub will round out the complement. Along with The Firkin & Flyer and Connected Coffee, all locations will focus on locally-sourced produce and products, such as baked goods and coffee beans from Two If By Sea Café and Anchored Coffee.

Towards the end of 2021, more tenants were able to re-open and services like the St. John Ambulance Therapy Dog Program volunteers returned. Ahead of the Omicron variant, there began to be more optimism about what was possible for the future.

"I believe there's an opportunity for Halifax to offer an unexpected and enjoyable experience for travellers," Larry says. "We want a traveller's holiday to begin as soon as they arrive at the airport, by enjoying fantastic local food, music and a celebratory atmosphere. Stay tuned. There are big things ahead!"

Jamie and her team feel very positive about the future of business development at the airport. "It will take time," she says. "But we have really risen above the fog. We can now see what is possible for the future."





## Air Service and Routes

As HIAA headed into 2021, there was anticipation of the start of recovery for air service, particularly in the first two quarters of the year. When that didn't happen, due to the ongoing challenges of the pandemic, airlines once again had to adjust their expectations, revisit their goals and shorten the time periods for their forecasting.

Air Canada and WestJet continued to support our region throughout the pandemic with domestic flight options to and from Halifax that provided connections to their entire network. "The toughest days of the pandemic in terms of volume and number of destinations were in Q1 2021," says Chris de Man, Manager, Air Service Development at HIAA. "We had just two airlines travelling to four destinations, but as we headed into summer and the Atlantic bubble ended, we finally started to see a bump in air capacity and travel demand."

As the year progressed, the team began to see month over month improvement compared to earlier in the year, with more stability in flight schedules, and daily and monthly passenger volumes.

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We have an opportunity to rebuild a network that will better support our people and our economic growth in the region. That is a powerful thing!”

Chris de Man  
Manager, Air Service Development



Visiting friends and relatives (VFR) and domestic leisure travel returned somewhat through the summer, and Swoop and Flair resumed service into Halifax Stanfield quite successfully with increasing domestic demand.

In September, international flights started to slowly return to Halifax Stanfield, with the re-introduction of Condor's Frankfurt service. Between September and November, inbound German leisure traffic improved even beyond Condor's original expectations. Porter Airlines, which had temporarily ceased all operations due to the pandemic, also resumed services with the first arrival in Halifax on September 13, 2021.

During this period, it was difficult to predict, and thus plan for, passenger demand levels. Where travellers would traditionally book their trips with a three- to five-month horizon, and even longer for international travel, people were now

booking and travelling anywhere from just a week in advance to six weeks out. Airlines were constantly shifting and adjusting to meet the demand and optimizing their flights to meet the new expectations.

For 2022, it is projected that there will be significant recovery in the domestic and international market segments to and from Halifax Stanfield. There will be a slower recovery in the U.S. Transborder segment, as U.S. based carriers continue to navigate through labour shortages that are affecting the number of available aircraft they are able to fly in the near term. However, with the strong history of connecting the U.S. and Canada to and from our market, significant interest from U.S. carriers to serve Halifax, and the addition of some new U.S. destinations, we are confident options for non-stop flights to the U.S. from Halifax Stanfield will grow in 2023.



“It became very hard for our carriers to predict what would happen as we moved through the year,” says Chris. “What was evident is that historical data sets that our partners – such as airlines, the airport and tourism agencies – had previously used for forecasting were no longer valid. Airlines were trying to optimize and schedule enough capacity, without running empty planes or leaving lost opportunities and revenue on the table. We were asking, what trends can we take from July for August and from August for September?”

During this volatile period, airline schedule changes became common, with many passengers seeing their flights moved or cancelled at the last minute. In response to the significant changes, some carriers worked to change their business strategy and the markets they were pursuing. For example, carriers who had once relied on business travel as a mainstay of their strategy, had to adjust their plans, and inter-regional flying schedules were adjusted across the country.

**Throughout this period of change, HIAA’s strategy was to consistently coordinate and communicate with airlines and community stakeholders to keep abreast of the changes and share them, so that all stakeholders understood the current Federal and Provincial requirements.**

“The industry has changed considerably,” says Chris. “Through the pandemic, many aircraft were parked. We saw a lot of delays and cancellations on deliveries. How the airlines are structured and their fleet mix, that has all changed. As we advance through the stages of recovery, we will get back to pre-pandemic levels, but the route map may look different. There are new opportunities and new pairings.

For example, Air Canada has announced for 2022 a non-stop service to Vancouver from Halifax. Eurowings Discover, a new carrier for Halifax, will be coming in 2022. There is a changing dynamic – it’s exciting and offers new possibilities.”

With the population in Nova Scotia now exceeding one million residents, due to domestic immigration, HIAA anticipates further changes to market demands. Industry forecasts anticipate a four-to-five-year recovery in passenger volumes, with a slower pace of post-recovery growth. From aircraft being retired, to the changes in business travel, to the recent labour challenges, the industry is rebuilding from a global perspective.

“Capacity will continue to grow, and new opportunities will continue to present,” says Chris. “We have an opportunity to rebuild a network that will better support our community and economic growth in the region. That is a powerful thing!”



# Sustainability



We are building a stronger and more unified organization, coming out of these trying times stronger than we were. We are looking forward to a better future for HIAA and for all Nova Scotians.

Melissa Lee  
*Environmental Program Specialist*



As part of a global industry, HIAA has a responsibility to help manage the environmental, economic and social impacts of aviation. In 2021, the organization renewed its commitment to these important obligations and created its Sustainability Committee, with a mandate to lead the integration of sustainability measures throughout all aspects of the airport's management and operations.

## Committing to Sustainability

Of course, COVID-19 has had a devastating effect on the industry, yet it has also offered an opportunity. As highlighted by Airports Council International, being a sustainable airport operator means being resilient and contributing to more cohesive societies, making them better equipped to withstand future environmental, economic or social pressures in a fast-changing world.

Recognized as a key priority through its five-year strategic plan consultation sessions in 2021, HIAA increased its focus on sustainability, including ways it can address social concerns, create financial stability and enhance its governance.

"This is such important work for our city, our region and the aviation industry," says Mike Rantala, Director of Safety, Security & Environment at HIAA. "We are excited to have support throughout the organization, with dedicated time and resources provided by senior management to do this well."

Melissa Lee, HIAA's Environmental Program Specialist, who has led the Sustainability Committee through its early stages, has been gratified to see enthusiastic commitment from the board to senior management and employees at all levels. "It's been a great thing to see everyone so engaged and putting sustainability thinking into how we move forward as an organization," she says. "We had an overwhelmingly positive response from across HIAA, with many employees putting their names forward for these volunteer positions. As a result, we have a variety of expert opinions on all aspects of operations."



HIAA retained a consultant to engage with the public, government, passengers, airlines and many others, to help understand and share the needs of all stakeholders. In alignment with HIAA defined priorities, this work will form the basis of a sustainability framework.

“This has been a really helpful exercise,” says Melissa. “We are supporting one another in achieving our goals.”

Some of the top priorities shared by HIAA and stakeholders include environmental objectives, such as **climate change mitigation and adaptation, and decarbonization.**

Examples of social priorities include occupational health and safety, human rights and accessibility. Governance priorities range from asset management to emergency preparedness, cyber security and pandemic preparedness. HIAA is also one of many airports around the world that is committed to moving towards

net zero carbon emissions and long-term sustainability for the industry.

“We want to continue evolving,” says Mike. “It’s important that we balance all these priorities with financial sustainability – so we move at the right pace, doing the right work at the right time for a healthy approach to operating and prioritizing for decades to come.”

The sustainability framework will be finalized in 2022 and include initiatives, targets and performance indicators that align with departmental plans and corporate strategies, with a goal of beginning implementation of activities in 2023.

“It’s so important that everyone has a say in this plan,” says Melissa. “It’s a very collaborative process to make sure we hear all perspectives and varying viewpoints. We are building a stronger and more unified organization, coming out of these trying times stronger than we were. We are looking forward to a better future for HIAA and for all Nova Scotians.”



## Road to Recovery: 2022-2026 Strategic Plan

As the province managed the second, third and fourth waves of the pandemic in 2021, HIAA made the most of a difficult situation, using this opportunity to consult with its partners and stakeholders and develop its 2022-2026 strategic plan.

“We decided there was no better time for planning,” says HIAA Vice President, Finance & Chief Financial Officer, Paul Brigley. “We wanted to digest what industry stakeholders were predicting, think our way through the recovery and discuss what it could look like coming out of the pandemic, so we could chart a course back to growth.”

Last year, with the longer-term impacts of the pandemic in mind, HIAA went through the process of creating a new 20-year Airport Master Plan, developed a 10-year capital and financial

plan and spent time trying to narrow down the priority focus areas for the critical recovery period over the next five years through its strategic planning process.

Specifically, the team explored how to best deliver on the expectations of the community by collaborating with the broader airport campus, that has employed approximately 5,000 people, less than 200 of whom are direct HIAA employees. They sought a more enhanced focus on people, prioritizing inclusiveness and sustainability, developed a new vision and mission, and worked to redefine core employee values, starting with People Matter.

“Sustainability is the filter that overlays everything in this strategy,” said Paul. “None of our priorities are achievable without it. We want to be well-resourced financially for the long term, cognizant of the direction of industry and our community’s expectations from an environmental perspective.”



This year was very much about realizing that there is life after a pandemic. We have developed a roadmap that reflects the hope and confidence we have for the full recovery of our airport and our industry.

Paul Brigley  
Vice President, Finance &  
Chief Financial Officer





And we want to be truly inclusive and reflective of our community. Sustainability is the lens that will be applied to everything we do over the course of the strategic plan period."

The aviation industry acknowledges that business will be more competitive than ever coming out of the pandemic. Success will require a high degree of awareness of both the organization's value proposition to its partners and the community's expectations.

"We wanted the tent to be as big as it possibly could, inviting input from all community members, especially equity-seeking groups, such as the Indigenous community," says Paul. "We knew it was important to listen and learn how we could make our new plan as inclusive as possible, and the engagement isn't over – ongoing connections with our communities is built into our plan. As a result, I feel confident that the plan we have created is very reflective of our whole community."

With sustainability in mind, the new 2022-2026 Strategic Plan is focused on stabilizing and diversifying revenue streams. As an example, cargo has been a bright spot for growth and will continue to be an important element of the road to recovery. The organization's investment plans over the next few years reflect the importance of critical infrastructure to support that growth.

The pandemic posed the largest financial challenge the airport has faced in its history. Through the strategic plan, the priority will be on putting resources where they are most needed – first and foremost, to **maintain adherence to safety and regulatory requirements and to support and provide service to all partners who rely on the airport.**

Above all, the new strategic plan is focused on people, prioritizing an organization that reflects the community in which it operates, gives employees and senior management a safe and rewarding work environment and operates as an employer of choice in the region. The document outlines goals, metrics and initiatives for each of its new five strategic priorities: Champion People and Community; Reinforce Our Foundation; Chart New Territory; Lead a Sustainable Future; and Advance the Stanfield Experience.

"This year was very much about realizing that there is light at the end of the tunnel for our industry," says Paul. "This is a very optimistic document, that reflects the hope and confidence we have for the full recovery of our airport and our industry. And with this roadmap to guide us, we are very well placed to recover strongly."



## Investing in Sustainable Practices and Processes

Identified as a strategic priority for HIAA through its 2021 community consultations, several important initiatives were launched throughout the organization to move towards environmental, economic and social sustainability.



“When it comes to our people, we are putting some foundational pieces in place to make sure they are supported to be safe, healthy and successful,” says Mike Christie, Vice President, Human Resources at HIAA. “Towards that end, we have hired a diversity, equity and inclusion consultant with lived experience to advise us on how to become a more inclusive organization.”

This work will include a full-scale effort to review all HIAA policies, procedures and practices. The organization has begun the work to recruit with diversity more actively in mind, starting with the board of directors.

The organization also made further steps toward gender pay equity this year, ensuring alignment with new regulations that came into effect in 2021.



HIAA has a genuine commitment to making change and being more reflective of our community – through our policies, outreach, hiring practices and training.

Mike Christie  
Vice President, Human Resources

Mental health has also been a significant focus, with enthusiastic participation from employees and leaders from across the organization. The HIAA Sunshine Committee, tasked with helping to reduce the stigma of mental illness inside the organization, has been very active in encouraging open and respectful conversations, starting with the senior leadership team, who are talking about their own personal experiences.

The Sunshine Committee has been reviewing the factors that result in a mentally healthy workplace, as described by the federal government's "national standard". For example, flowing from that review, HIAA is working to improve employee recognition, recognized as a key element that contributes to well-being at work.



From a financial and human resources perspective, HIAA continued implementation of the Connections ERP Program, which saw the introduction of new Oracle modules in February 2021 to support core human resources, financial, and procurement functionalities. Program integration through HIAA's financial planning and tracking system launched in August, in time for the 2022 planning cycle.



As an organization, we rose to the challenge to invest in our future, and it will bring many efficiencies going forward.

Jorge Perez  
Manager of Operations  
Business Planning



“It is such a helpful tool,” says Jorge Perez, Manager of Operations Business Planning at HIAA. “It touches everyone and helps to integrate all our work – from finance, to accounting and capital analysis, to procurement and human resources. It will take extra steps out of many of our processes, saving us weeks of time and reams of paper. In the past, many of these steps were done by hand and reviewed line by line, such as the review, approval and communication of purchase orders.”

**With the new system, a manager can create a PO, have it approved, have oversight by procurement and communicate to the vendor in the same day.**

The remaining phases of the program are expected to rollout by the end of 2022.

“We had many challenges in rolling out the first phases of the program during the pandemic,” says Jorge. “Virtual training was difficult for such a complex program, and we had to navigate employee changes during this time. But it has all been worth it. This is so great for our financial and environmental sustainability. As an organization, we rose to the challenge to invest in our future, and it will bring many efficiencies going forward.”

# Innovation



We are looking at other products and opportunities that will help us accelerate the growth of our regional economy. It's a big part of why we exist – in support of our communities.

Marie Manning  
Vice President Business  
Development &  
Chief Commercial Officer

## A Lift in Air Cargo

Halifax Stanfield saw increases in overall cargo volume and value in 2021 compared to 2020, supported by strong exports and the higher price of lobster. The team has used their time wisely this past year to better understand how to build on these recent successes and grow the potential of air cargo in Halifax.

“Air cargo has supported our collective fight against COVID-19 through deliveries of PPE and vaccines, maintained local jobs through exports of Nova Scotia products and aided our communities through efficient transport of e-commerce orders,” says Joyce Carter, President & CEO at HIAA. “It has also been a great revenue stream for HIAA and will be a significant opportunity for growth as we move towards economic recovery.”

In 2021, Halifax Stanfield processed 34,769 metric tonnes of cargo, up 5.4 per cent from 2020, transported by 12 airlines. The value of exports in 2021 was \$496 million CAD, up 6.4 per cent from the previous year, due largely to increased seafood exports, particularly live lobster. Other top exports included medical equipment and aerospace-related parts.



The HIAA team has been engaged with stakeholders, including freight forwarders, cargo airlines, ground handlers, and others, to better understand how to support and grow Nova Scotia's potential in air cargo. Working through a partnership with Nova Scotia Business Inc., Atlantic Canada Opportunities Agency, and consultants from InterVISTAS, HIAA undertook a detailed cargo study to explore opportunities for enhanced import and export activity.





A great step forward was the recent completion of the new Halifax Stanfield Air Cargo Logistics Park (ACLP), providing more cargo warehouse space and freighter aircraft parking aprons, and soon, expanded cold storage capabilities. Two tenants, Cargojet - which supports couriers, such as Purolator, Amazon, and DHL - and First Catch Fisheries, will begin operations in the new building in 2022.

Cargojet will expand its Halifax operations by four times with its move into the new ACLP building. First Catch will benefit from specialized storage in the new building, with a cold room that can house fresh seafood shipments built on pallets, with less potential risk to the product, and a specialized lobster holding facility that uses filtered water. Funding for the ACLP project was provided through the Federal Government's National Trade Corridors Fund, the Government of Nova Scotia and HIAA.

"Going through Halifax can save cargo airlines a lot of time," said Marie Manning, Vice President Business Development and Chief Commercial Officer. "With less traffic congestion, we can get the product on the aircraft sooner, to arrive in Europe or Asia much more efficiently. That means

higher-quality, fresher products, and less waste. The cargo study will also help us understand how to best promote the services offered by Halifax Stanfield and learn about other products that can be exported and imported that make better financial sense for partners in the supply chain."

To service these flights at any time of day, the ACLP added five new cargo aircraft parking aprons at Halifax Stanfield, for a total of eight. That additional flexibility, coupled with Halifax's strategic location, offers an enormous opportunity to promote air cargo and support technical stops to industry partners from across Canada and the United States.

"Cargo has definitely been a bright spot for us during the pandemic," says Marie. "Airlines are appreciating our strategic advantages, and there is so much more potential going forward. This investment was the right thing to do but was only made possible with the valuable input of our stakeholders and funding from the federal and provincial governments. We are looking at other products and opportunities that will help us accelerate the growth of our regional economy. It's a big part of why we exist - in support of our communities."

## Innovating Through COVID-19

With its commitment to upholding pandemic restrictions, after the first year of the pandemic HIAA began to take a more proactive, community-focused approach.

Remaining vigilant to the health and safety of its passengers, employees, airport workers and visitors, the organization rose above and beyond expectations to help to better manage the virus in the province and keep people safe.

After a collaborative internal effort to prove it could successfully manage COVID-19 testing effectively and efficiently, HIAA received the green light from the Province of Nova Scotia that testing at the airport would get underway in 2021.

A key objective for the project was to limit time for passengers having to stand in line for testing. The modelling program used by HIAA's Planning & Infrastructure team is an innovative tool developed to simplify the way passengers interact with the airport, easing the burden of line-ups and bottlenecks and helping to take the stress out of travelling.

"With the scenario analysis that we do in planning, we can understand what works for acceptable wait times, so it's least disruptive to passengers," says Dean Bouchard, Director, Planning & Infrastructure at HIAA. "That helped us decide that eight was an ideal number of testing stations. And, as we managed minimal disruption for domestic passengers, it made it relatively easy to implement a program to address the Federal government requirements for international travellers."

To support the testing program, the team coordinated with the Province to distribute two take-home rapid tests to every passenger arriving in Halifax.

"There were a lot of tests put in people's hands," says Dean. "We are very much a part of our community, and we are proud that we were able to help people feel safe. Through this work we were also contributing to our industry's economic recovery by improving confidence in leisure and business travel."

The rollout of the testing program was adjusted multiple times during the year in support of changing restrictions and the ongoing evolution of the pandemic.



We are very much a part of our community, and we are proud that we were able to help people feel safer. We are also contributing to our economy by improving confidence in leisure and business travel.

Dean Bouchard  
Director, Planning & Infrastructure

# Community

Domestic/International Departures  
Départs – Vols intérieurs/internationaux

“

We supported and helped each other to stretch ourselves and do things differently for the sake of our people and our community.

Mike Rantala  
Director, Safety,  
Security & Environment



## Ensuring Safe Operations: Riding the Waves of COVID-19

Despite the exhaustion working through the prolonged pandemic, HIAA's operations team ensured service excellence remained a priority for passengers, airlines and many other stakeholders, while delivering on some very important initiatives in 2021.

In response to rising COVID-19 cases last spring, the Province of Nova Scotia shut down all non-essential travel in April and May, designating just four valid reasons for any person to be travelling to the province. Those who arrived and didn't meet one of those criteria were booked into a hotel or on a return flight home. The HIAA operations team were there to support travellers through every challenge.

"Spring 2021 was the absolute quietest period of the whole pandemic," says Tara Vidito, Senior Manager, Operations at HIAA. "I visit many areas of the terminal building daily as part of my job, and the echo as I walked through the almost silent terminal building was disheartening."



Tara's team of 11, including duty managers and the airport service centre coordinators, available 24/7, kept things running smoothly through every wave of the pandemic, continuing to welcome passengers, support COVID-19 testing and assist partners in large scale operations. They are essential to the successful continuation of all airport operations, large and small. Working on a rotation of shifts, the work can include triaging work orders, responding to a snowstorm, coordinating gate assignments, responding to flight diversions for medical or mechanical reasons, supporting airlines with a variety of needs or helping a passenger who may be experiencing a challenge.

Operations employees managed the re-entry of several airlines and ground handlers, who needed help returning to operation after two years. They worked diligently for months, with stakeholders and partners, including Hockey Canada, to facilitate the arrival of players for the World Women's Hockey Championship, which was cancelled due to the pandemic on the day the first flight was scheduled to arrive.





A highlight for 2021 was welcoming 270 Afghan refugees from Kosovo to Nova Scotia.

Tara Vidito  
Senior Manager,  
Operations



The team oversaw over 1,000 travellers arriving to attend the Halifax International Security Forum in November, managing all their needs. The group also worked with Canada Border Services Agency (CBSA) to process and support the arrival of temporary foreign workers, with varying requirements, and worked to bring the U.S. Preclearance facility back online, to be ready whenever the cross-border market returned.

“A highlight for 2021 was welcoming 270 Afghan refugees from Kosovo to Nova Scotia,” says Tara. “Many of them were small children, who coloured and played soccer as they waited patiently to be processed by CBSA. Seeing them so happy after everything they had been through, how resilient they were, was inspiring for me personally and everyone involved.”

Employees coordinated arrangements for the Afghan refugee flight with both the provincial and federal governments, and worked with many partners across the board, such as CBSA, Emergency Health Services and Public Health, to help all stakeholders understand how the airport functions and make their arrival as seamless as possible.

“The Canada border testing strategy was another huge lift for us,” says Tara, “shifting from random testing to testing all international arriving

passengers and ensuring that everyone was fully vaccinated. We were constantly upsizing and downsizing, coordinating and safely supporting operations from check in to baggage claim during the changing requirements, while also managing hundreds of scheduling changes from the airlines.”

Omicron posed its own problems for employees. With contact tracing requirements and rising cases, many people in key support roles were off work or having to isolate. The team also worked to support passengers who were left in limbo due to cancelled flights right before the Holiday season.

**“We just keep persevering.” says Tara.  
“Our people are my priority.”**

“It was important to me to be on-site to support them through all the challenges we faced. I wanted to be here with them to see it all the way through. I got to see all the changes and appreciate all the important moments – onsite testing, welcoming the Afghan refugee flight and receiving temporary foreign workers. If I hadn't been here and fully engaged, I would have missed these moments and there was always a moment that made it worthwhile.”

## Stay Connected Campaign

HIAA's Public Affairs and Marketing team was recognized as a leader in the industry for its award-winning 2021 multi-media campaign, Stay Connected.

The campaign, launched in June 2021, won the 2021 Airports Council International-North America award for Best Overall Marketing Program (Medium-Sized Airports). The award recognizes the quality of work, abundance of talent, and creativity within the marketing, communications and customer experience fields of the airport industry.

“Our main objective was to positively impact airlines and tenants through increased passenger traffic; to show people it's safe and remind them why they might want to travel but also, hopefully,

provide more business for our airport partners,” says Scott Singer, Marketing Analyst at HIAA.

Running from June 24 to August 22 as a follow-up to HIAA's Stay Healthy campaign, the Stay Connected campaign sought to communicate the next phase of messaging as restrictions began to loosen going into the summer of 2021, encouraging confidence in travel and the airport process. Channels included social media, digital display, print, and billboards both inside and outside the airport.

“It was a big challenge to ensure we got the right messaging out at the right time,” says Scott.

“We wanted to let people know we were ready when they chose to travel, while being very respectful of public health



“

Seeing our campaign result in positive increases in the travel industry gave us a great deal of hope.

Scott Singer  
Marketing Analyst

directives and responsive to changing restrictions. We had to change our approach and timing several times. The project really speaks to our effort to carefully navigate the strange space we have been living and working in."

The campaign featured a heartfelt video, reminding people of how it feels to be reunited with loved ones, while clearly demonstrating new safety measures. Data from industry sources, including Narrative Research, had identified that visiting friends and relatives (VFR) would be the first segment of travel to recover, so the team chose to target the VFR and leisure traveller, from ages 25 to 65, based on historical survey data. Primary and secondary audiences consisted of the local community in Halifax and Nova Scotians.

Local production company, New Brooklyn Media shot the video and photography, while the HIAA team managed a limited budget by producing billboard and digital in house. The campaign was monitored by Rose Wagner Media, with engagement and public health directives informing responsive adjustments, as needed.

**The majority of HIAA's campaign channels achieved results at or above industry benchmarks and the campaign contributed to a 46% increase in originating passengers compared to the same period in 2020. The overall departing load factor for airlines increased by 16 points.**

"It was refreshing to promote travel, after communicating only health and safety measures for such a long time," says Scott. "Seeing our campaign result in positive community reactions and increases in travel activity gave us a great deal of hope."



## Meaningful Connections with Community

The HIAA Community Outreach Program supports partners, events and initiatives, finding meaningful and innovative ways to strengthen connections and give back to the community. Due to the ongoing challenges of the pandemic, the program was paused for a second year in 2021, yet employees persevered, finding creative ways to continue to support community members.

“In 2021, we channelled our passion for the program into considering how we could still be a good partner, all while respecting public health restrictions and being unable to support the community through financial donations as we have done in the past,” says Leah Batstone, Communications & Marketing Advisor at HIAA.



“

We have all stepped up through this challenging time to be there for our community and support one another in new ways. Caring for each other through the challenge – that has made all the difference.

Leah Batstone  
Communications &  
Marketing Advisor

“For instance, we continued connecting with diverse communities by exploring new ways to better engage with them locally, ensuring we put our best foot forward when it came to outreach, communications, and supporting and amplifying voices.”

During Black History Month in February, HIAA's Equity and Inclusion Committee sought best practices and advice from the Black community to continue to support Black Lives Matter, provide opportunities for learning, and share stories and resources with employees and management.



The lessons of 2021 made me realize that we're in this together. We care about this sector and our business. And we care about our people and our community.

Joyce Carter  
President & CEO

In place of an International Women's Day Breakfast, usually an annual in-person initiative at the airport, HIAA developed and shared a video, with a message from President & CEO, Joyce Carter.

"That was one example of our clear commitment to support women and help them develop and grow into their leadership," says Leah. "Joyce cares deeply about supporting women to help them thrive in this industry, which is great to see as a young woman in the early stages of my career."



In May, the committee hosted a Halifax Pride lunch and learn with Executive Director, Adam Reid. Adam generously answered questions about how the airport can be more welcoming to the 2SLGBTQ+ community and inspired participants to learn about Pride's focus, beyond the annual parade. With restrictions in place, the committee was unable to host a Pride event this year but continued its painted rainbow crosswalks to show support and encouraged employees to add their gender pronouns in their email signatures.

On September 30, the first annual marking of Truth & Reconciliation Day in Canada, the team illuminated the sign outside the airport in orange, and flags were lowered to half-mast to honour the children who died in residential schools. Digital signs around the airport



recognized the importance of the day and employees were encouraged to wear orange to show their respect.

HIAA is committed to ensuring the airport is an open, accessible and welcoming place for everyone. To mark Mi'kmaq History Month, flags saying 'Pjilasi' (welcome in Mi'kmaq) were installed outside the airport— a first step in a plan to improve Indigenous placemaking efforts, including art installations and other initiatives, that will continue to create a sense of place for people, so they know and appreciate they are in Mi'kma'ki.

In 2021, HIAA also worked towards new accessible transportation standards for airports. This included the addition of new pet relief areas in the Domestic/International and Transborder departures areas. HIAA improved accessibility assistance for people who need a hand when arriving at the airport. The Ground Transportation, Planning & Infrastructure and Operations teams worked together to install mobility assistance buttons in key areas along the curb and inside

the terminal, so anyone who needs it can easily call to access a wheelchair and receive assistance with check in.

“We have all stepped up through this challenging time to be there for our community and support one another in new ways,” says Leah. “Caring for each other through the many challenges has made all the difference.”



# Air Service Summary 2021

## Scheduled Passenger Services

Halifax Stanfield, like many airports around the world, continued to be significantly impacted due to the global COVID-19 pandemic. Given the drastic decline in global air traffic demand, and changing travel restrictions, air service offerings and frequencies varied throughout the year. At the slowest point of flight activity in 2021, Halifax Stanfield was connected to just four destinations in Canada, with as few as nine daily flights.

Below is an overview of all the destinations served and air carriers, both passenger and cargo, that operated in some capacity at Halifax Stanfield in 2021.

## Destinations

### 17 Domestic Destinations

Calgary, AB  
Charlottetown, PE  
Deer Lake, NL  
Edmonton, AB  
Gander, NL  
Goose Bay, NL  
Hamilton, ON  
Kitchener-Waterloo, ON  
Moncton, NB  
Montréal, QC  
Ottawa, ON  
Saint John, NB  
St. John's, NL  
Sydney, NS  
Toronto-City Centre, ON  
Toronto-Pearson, ON  
Vancouver, BC

### 3 Transborder Destinations

Orlando, Florida  
Orlando Sanford, Florida  
Tampa, Florida

### 4 International Destinations

Cancun, Mexico  
Frankfurt, Germany  
Punta Cana, Dominican Republic  
St. Pierre, St. Pierre et Miquelon

## Scheduled & Charter Air Carriers

### 12 Passenger Carriers

Air Canada  
Air Canada Rouge  
Air Saint-Pierre  
Condor Flugdienst  
Flair  
Jazz  
PAL Airlines  
Porter Airlines  
Sky Regional  
Swoop  
WestJet  
WestJet Encore

### 12 Cargo Carriers

Air Canada  
Air Saint-Pierre  
ASL Airlines Belgium  
Atlas Air  
British Airways  
Cargojet  
EVAS  
FedEX  
Korean Air Cargo  
Sky Lease Cargo  
Western Global Airlines  
WestJet



# Business Strategies

The five-year strategic plan, covering the period 2017-2021, is designed to provide a blueprint for HIAA to move towards its vision for the airport.

From that overarching plan, an annual business plan is developed each calendar year. This is the final year of the plan's implementation period.

The COVID-19 pandemic continues to have a significant impact on HIAA's business and thus its ability to achieve the five-year targets set out in the 2017-2021 plan. A new five-year strategic plan was developed in 2021, to guide HIAA's pandemic recovery and growth.

In 2021, HIAA predominantly focused on safety and regulatory initiatives, pandemic response, recovery planning, and expense reduction. An overview of corporate activities in 2021 relating to the strategic priorities and foundation elements as described in the strategic plan and annual business plan are as follows.



## Air Service Development

**OBJECTIVE:** Continued service expansion as Atlantic Canada's gateway hub



Although our industry experienced a drastic decline in demand caused by COVID-19 and associated travel restrictions, Halifax Stanfield's passenger traffic increased by 8 per cent in 2021 with 1,076,458 passengers served compared to 995,426 in 2020. This is a 74 per cent decrease from 4,188,443 in 2019. The aviation industry continues to be significantly impacted by COVID-19 and air service recovery will take several years; however, Halifax Stanfield remains committed to its hub development and expansion strategy. Given our size, prime geographic location on Canada's East Coast and globally recognized focus on customer service, we are well-positioned for recovery and growth over the next few years. This will allow Halifax Stanfield to play a significant role in the recovery of tourism, trade, investment, and immigration throughout the region.

HIAA was pleased to see its first regularly scheduled international passenger service resume in September with a seasonal connection to

Frankfurt, Germany, and the U.S. preclearance facility reopen in December for the first time in 20 months with the resumption of regularly scheduled transborder service to Florida. PAL Airlines began scheduled passenger operations from our airport providing much needed connectivity within Atlantic Canada. All of these events provided a sense of optimism for increasing activity levels.

In alignment with the recovery trajectory for the global aviation industry, our planning activities anticipate the domestic travel market will strengthen in 2022 as provincial health and safety measures ease, as witnessed in parts of 2021 when travel restrictions and quarantine requirements were lifted. Recovery is expected to be initiated by leisure travelers to domestic markets, followed by demand to/from transborder and international destinations in the months to follow as pandemic restrictions are eased in our region, country and around the world.

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## Cargo Service Development

**OBJECTIVE:** Facilitate cargo service expansion to support regional economic development



Cargo remains a strong sector for Halifax Stanfield, however, it too was negatively impacted by the pandemic. Cargo volume processed in 2021 totaled 34,769 metric tonnes. This is an increase of 5.4 per cent from the 32,985 metric tonnes processed in 2020. It is worth noting this is a decrease of 15 per cent compared to 2019, which was a record year with 41,129 metric tonnes processed.

The airport saw additional technical stops by cargo carriers travelling between the north-eastern United States to destinations in Europe and Asia, steady cargo flight volumes and demand for Nova Scotia exports such as live lobster, along with dozens of cargo flights importing raw materials for a local business. In 2021, total exports were valued at \$496 million, up from \$467 million in 2020.

Live lobsters accounted for \$293 million in export value and 12,757 metric tonnes, once again, making it our top export in both value and volume.

The new Air Cargo Logistics Park (ACLP) continued to advance with the construction of new aircraft aprons and the cargo warehouse facility reaching completion. The cargo facility was released to two tenants, Cargojet Airlines and First Catch Fisheries Ltd and is anticipated to be fully operational in mid-2022. This new cargo facility will significantly increase cargo build and storage capacity at Halifax Stanfield and will include specialized seafood holding areas. The five additional cargo aircraft parking aprons

provided by this new development have given cargo operators more scheduling flexibility and with new cold chain capabilities, the benefits of the cargo park are already being demonstrated for the community.

Nova Scotia Business Inc (NSBI) and the Atlantic Canada Opportunities Agency (ACOA) commissioned InterVISTAS Consulting to develop an air cargo market study for Nova Scotia. The objective of this study was to assess and analyze Nova Scotia's air cargo market and identify strategic opportunities that can inform the development of a comprehensive air cargo strategy and marketing plan by HIAA.

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## Non-Aeronautical Revenue Development

**OBJECTIVE:** Use an entrepreneurial approach to diversify products and services in support of air service development



COVID-19 resulted in both temporary and permanent closures of numerous food, beverage, and retail outlets within the terminal building. At the end of 2021, 50 per cent of terminal businesses remained closed.

The pandemic has provided us with the opportunity to reassess and rebuild our concessions program, which was developed over a multi-year period, to meet the needs of our passengers. We have taken this opportunity to ensure we have the right concepts and services, incorporating industry-leading health protocols

and touchless technologies where possible as we work with our concessions partners to build back services in accordance with the rate of passenger recovery volumes.

Moving forward, we will grow and sustain revenue that is not completely dependent on passenger volumes, which will enable us to maintain our competitive position in our marketplace. We remain committed to focusing on local concepts and creating a sense of place that is representative of the diversity of our region.



## Maximizing Airport Efficiency

**OBJECTIVE:** Use innovation to drive continuous improvement and cost containment

HIAA's operating cost per enplaned passenger was significantly higher compared to pre-pandemic. In 2021, the cost per enplaned passenger was \$69.18, compared to \$78.34 in 2020. This modest improvement compared to 2020 is still dramatically higher than the result of \$29.43 reported in 2019, highlighting the dramatic impact of the 74 per cent reduction in total passengers compared to pre-pandemic activity.

In spite of the negative impacts COVID-19 had on HIAA's planned operating and capital investments, several initiatives took place in 2021 to deliver on regulatory requirements and enhance airport efficiency.

To reduce energy consumption, a new LED lighting system was installed on the terminal apron. In response to COVID-19, arrivals testing was a key initiative that was introduced in June. HIAA provided significant support, including the physical space, expertise in passenger flow and set-up, personnel to assist with registration, public communications, and general logistical support. The footprint and operational nature

of the testing facility was adjusted several times throughout the year in response to changing provincial and federal border entry requirements, with a focus on ensuring the health and safety of passengers, employees, and community members.

A significant amount of time was also invested in the Connections Program, a strategic Enterprise Resource Planning (ERP) initiative that will improve productivity, collaboration, and foster innovation across our corporate administrative functions within Finance, Procurement and Human Resources. The project, which began in late 2019, will be completed over multiple years due to the magnitude of the project and to accommodate budget constraints.

We were the first Canadian airport to complete the new Global Reporting Format System rolled out nationally, demonstrating the organization's commitment to safe airfield operations and our role as the region's largest international airport, serving passenger and cargo airlines from around the globe.

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## Safety, Security and Environmental Excellence

**OBJECTIVE:** Integrate safety, security, and environmental excellence in all aspects of the airport's business and operations



A broad-based sustainability framework was initiated in 2021. HIAA has actively participated in Airports Council International's Airport Carbon Accreditation program since 2016 and continues to reduce the carbon footprint at Halifax Stanfield while developing strategies to support a long-

term carbon reduction goal. Level 2 of the Airport Carbon Accreditation was maintained in 2021.

A number of safety and security initiatives were completed in 2021 including: joining Airports Council International's Airport Health

Accreditation in 2020 and renewing that accreditation in 2021; continuously improving our crisis management and business continuity program through training/awareness; developing crisis management plans and conducting desktop/practical exercises; safety initiatives were completed to engage employees and recognize efforts to further support enhancement of our safety culture, the result was 97 per cent of employees said HIAA was a safe place to work during the annual employee engagement survey; and, we continued to develop a security management system (SeMS), which increases awareness and allows for preventive and continuous improvements. A new contract was signed with Paladin Security, to provide pre-screening and access control for terminal and airside security as well as mobile patrol support for the entire airport property.

Business continuity and cyber risk management are an integral aspect of our safety culture and airport operations. Throughout 2021, we continued to enhance our security and risk management program by implementing off-site backup of our critical systems, improving detection and monitoring capabilities of our technology infrastructure for our remote workforce, and adding additional authentication policies and procedures for employees, vendors, and service providers. Cyber security and data governance continue to be top priorities for HIAA, and we are committed to evolving our risk mitigation program with the advancements of the changing threat landscape.

## Professional Excellence

**OBJECTIVE:** Optimize employee engagement and performance



It was another tough year for all employees as we continued to deal with the impacts of pandemic. New COVID-19 variants, changing travel restrictions, and evolving safety protocols continued to challenge HIAA. These changes had to be met with lower staffing levels and fewer resources than had been available in the past.

A remote work policy was developed and deployed in 2021. This policy will be reviewed as needed to ensure its success.

In alignment with federal requirements, we developed and rolled out a vaccination mandate for all HIAA employees and a policy for tenants, contractors and service providers operating at Halifax Stanfield. We are proud to have 100 per cent of our employees and partners on site vaccinated against COVID-19.

We were pleased that employees remained engaged throughout the many challenges faced in 2021. Our annual employee engagement survey had a strong participation rate of 79 per cent, and 85 per cent of employees agreed or strongly agreed that they would recommend HIAA as a place to work. This demonstrates the resilience and commitment of the entire team, of whom we are very proud.

An equity and inclusion consultant was selected to provide critical advice and guidance to HIAA in 2022.

Human Resource processes were updated as part of the Connections Program, with the goal of making them more efficient for all employees. Payroll, pension and position budgeting processes were updated and improved in 2021.

## Customer-First Culture

**OBJECTIVE:** Strengthen our culture of superior service



Customer satisfaction and experience continue to be a priority at Halifax Stanfield. In 2021, we were proud to renew our Level 1 for the Airports Council International Customer Experience Accreditation program, highlighting the focus we have put on inclusion and accessibility for all at the airport.

COVID-19 led to the tough decision to suspend many of our customer service and community outreach programs including our globally recognized volunteer programs and the Airport Service Quality (ASQ) customer satisfaction surveys. Although our volunteer host program

remained suspended throughout 2021, we were pleased to re-offer our St. John Ambulance Therapy Dog volunteer program for several weeks on a reduced schedule, as health and safety measures allowed. This program gives our passengers a sense of calm, which during the pandemic, has proven to be very helpful and appreciated by our passengers who are navigating many changes in air travel. We are rebuilding and relaunching our customer service programs in the future, to ensure we continue with our world-renowned service expectations and protect the health and well-being of our travellers and employees.

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## Facility Development

**OBJECTIVE:** Develop airport infrastructure and services to efficiently support growth and enhance customer experience



COVID-19 led to significantly reduced capital investments in 2021, with a focus on completing work in progress and addressing safety and regulatory initiatives. As part of HIAA's approved capital program, \$11.1 million was invested in the restoration and improvement of the airport's infrastructure in 2021. This included continued work to replace aging roof systems in the terminal; the restoration of deteriorating pavements on sections of Runway 14-32 and on

Taxiways A and G; and construction of the Air Cargo Logistics Park (ACLP) was completed.

Development of the new 20-Year Airport Master Plan was completed in 2021, after being suspended in 2020 due to the uncertain recovery from the COVID-19 pandemic. The new plan provides a roadmap for Halifax Stanfield's development that guides facility investment decisions on emerging requirements.

# 2021 Financial Overview

For the second year in a row, the ongoing COVID-19 pandemic continued to depress travel demand and revenues, and financial losses continued as ongoing efforts to reduce operating expenses could not match the overall business decline.

The extension of the pandemic into a second full year and the resulting financial losses placed enormous strain on HIAA's available liquidity. In December 2020, HIAA completed a bondholder solicitation process which waived compliance requirements out to December 31, 2022, with financial covenants included in the Master Trust Indenture agreement, which protects bondholders' interests, and enabled the issuance of additional debt to mitigate liquidity risk. On May 3, 2021, HIAA completed a \$150 million private placement bond issue, which has provided sufficient capital to maintain operations and critical capital investment requirements until financial sustainability is re-established.

Total revenue in 2021 was \$48.2 million, up \$6.9 million from 2020 as additional government support and airport improvement fee revenue growth offset further declines in core operating revenue. Excluding airport improvement fees and government assistance, HIAA's revenue was \$27.7 million, compared to \$31.5 million in 2020. While passenger volumes improved marginally from 995,426 to 1,076,458, 2021 featured lower passenger seat capacity in our market and further reductions in concession revenues as HIAA continued to support the financial sustainability of its terminal partners and ensure the eventual recovery of the concession program.

While core operating revenue declined year over year, the improvement in overall passenger volume and an increased fee for 2021 saw airport improvement fee revenue grow by \$5.1 million compared to 2020. And, HIAA was pleased to receive \$5.6 million in assistance from the federal government under the Airport Relief Fund program in 2021 to support critical operating costs.

While total revenue reflected a modest improvement over the results in 2020, total revenue for 2021 was still only 42 per cent of pre-pandemic levels and only 37 per cent of pre-pandemic levels if government assistance is excluded. A second consecutive year of significantly depressed revenues highlights the dramatic impact of the pandemic on travel demand and reflects the scale of recovery needed in the next few years.

Total expenses for 2021 were \$84.0 million, up from \$81.1 million in 2020. HIAA rose to the challenge yet again and found ways to contain operating costs during periods of low activity.

Core operating expenses were down \$2.7 million compared to 2020, and ground lease rent costs, which were forgiven by the federal government for part of 2020 and all of 2021, also declined by \$0.3 million. However, this success in cost containment was offset by a decrease in benefits received under the Canada Emergency Wage Subsidy (CEWS) program of \$1.3 million, a \$1.2 million increase in amortization costs and most significantly, a \$3.5 million increase in interest on long-term debt reflecting the increase in long-term bond debt.

## 2021 Financial Overview

HIAA reported a gain related to its defined benefit pension plan of \$0.9 million in 2021, which represented a \$1.2 million improvement compared to 2020.

Together, the combined impact of year over year changes in revenue, expenses and defined benefit pension accounting resulted in a \$5.1 million reduction in HIAA's reported net loss, to \$34.9 million compared to \$40.0 million in 2020.

As financial net losses continued in 2021, HIAA also took steps to reduce capital expenditures and restrict new initiatives to necessary

investments to maintain the safe and efficient operation of the airport. In 2021, capital expenditures totalled \$11.1 million, well down from the \$22.9 million reported in 2020.

HIAA has taken the steps required to continue to safely operate and provide necessary service to the community as the industry recovers and airport activity returns to a financially sustainable level. Long-term prospects for the airport sector remain strong and HIAA is focused on recovery, ready to serve our community, our industry partners, and airport businesses when travel activity begins to rise again.

## Five-Year Financial Forecast

The following chart highlights HIAA's recent financial performance and the potential outlook over the next five years. Material uncertainty remains as to when a recovery in travel activity will begin and the pace of that recovery as the Canadian passenger aviation network looks to rebuild and return to pre-pandemic activity levels.

Year	ACTUAL			FORECAST*				
	2019	2020	2021	2022	2023	2024	2025	2026
<i>All amounts in \$000's</i>								
Total Revenue	114,375	41,347	48,212	88,950	101,221	124,530	133,231	141,087
Operating Expenses	61,642	38,992	37,233	65,582	67,758	68,841	71,429	73,721
Capital Expenditures	35,090	22,948	11,084	29,393	38,426	34,396	33,393	34,450
Rent Payable to Canada	8,449	347	--	6,067	7,156	9,546	10,437	11,259

\*Forecast figures are uncertain and subject to change

\*\* Total Revenue includes AIF net of collection charge



# Financial Statements

## Independent Auditors' Report

To the Directors of:

### Halifax International Airport Authority

#### Opinion

We have audited the consolidated financial statements of Halifax International Airport Authority (the "Authority"), which comprise the consolidated balance sheet as at December 31, 2021, and the consolidated statements of operations and changes in equity and consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Halifax International Airport Authority as at December 31, 2021, and the results of its consolidated operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance

with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern

basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Halifax, Canada  
March 25, 2022

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants

# Consolidated Balance Sheet

As at December 31

[in thousands of dollars]	2021 \$	2020 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents [note 4]	115,277	22,250
Accounts receivable	6,333	6,022
Inventories	1,395	1,129
Prepaid expenses	1,481	2,533
<b>Total current assets</b>	<b>124,486</b>	<b>31,934</b>
Capital assets, net [note 4 and 5]	393,027	410,320
Deposits in trust [note 6]	10,185	7,427
Accrued benefit asset [note 9]	5,443	4,515
	<b>533,141</b>	<b>454,196</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	18,708	18,818
Deferred revenue and government assistance [note 4]	18,315	21,045
<b>Total current liabilities</b>	<b>37,023</b>	<b>39,863</b>
Long term debt [note 6]	433,060	316,538
Security deposits	1,412	1,237
<b>Total liabilities</b>	<b>471,495</b>	<b>357,638</b>
<b>Net assets</b>	<b>61,646</b>	<b>96,558</b>
	<b>533,141</b>	<b>454,196</b>

Implications of COVID-19 [note 2]

Commitments [note 8]

Contingencies [note 12]

See accompanying notes

On behalf of the Board:



Director



Director

# Consolidated Statement of Operations and Changes in Equity

Year ended December 31

[in thousands of dollars]	2021 \$	2020 \$
<b>REVENUE</b>		
Terminal and passenger security fees	5,114	7,020
Parking	3,691	4,822
Concessions	5,779	7,104
Landing fees	6,627	6,222
Rental	4,753	4,852
Interest [note 7]	749	481
Other	959	1,024
	27,672	31,525
Airport improvement fees [note 7]	14,968	9,822
Government assistance [note 4]	5,572	-
	48,212	41,347
<b>EXPENSES</b>		
Salaries, wages and benefits [note 4]	17,914	16,808
Amortization	27,808	26,564
Materials, services and supplies	14,551	15,993
Interest on long-term debt [note 6 and 7]	19,011	15,526
Ground lease rent [note 4]	-	347
General and administrative	3,103	4,180
Property taxes	1,665	1,663
	84,052	81,081
<b>Net loss before pension plan gain (loss)</b>	(35,840)	(39,734)
Defined benefit pension plan gain (loss) [note 9]	928	(271)
<b>Net loss</b>	(34,912)	(40,005)
Net assets, beginning of the year	96,558	136,563
<b>Net assets, end of year</b>	61,646	96,558

See accompanying notes

# Consolidated Statement of Cash Flows

Year ended December 31

[in thousands of dollars]	2021 \$	2020 \$
<b>OPERATING ACTIVITIES</b>		
Net loss	(34,912)	(40,005)
Add items not affecting cash		
Amortization	27,808	26,564
Accrued benefit asset	(928)	(16)
Net change in non-cash working capital balances related to operations	(1,582)	1,712
<b>Cash used in operating activities</b>	<b>(9,614)</b>	<b>(11,745)</b>
<b>FINANCING ACTIVITIES</b>		
(Repayment) drawings on credit facilities, net	(33,000)	33,000
Proceeds of bond issue	150,000	-
Bond issue costs	(516)	-
Deposits in trust	(2,759)	-
<b>Cash provided by financing activities</b>	<b>113,725</b>	<b>33,000</b>
<b>INVESTING ACTIVITIES</b>		
Expenditures on capital assets (note 4)	(11,084)	(22,948)
<b>Cash used in investing activities</b>	<b>(11,084)</b>	<b>(22,948)</b>
Net increase (decrease) in cash during the year	93,027	(1,693)
Cash and cash equivalents, beginning of the year	22,250	23,943
<b>Cash and cash equivalents, end of year</b>	<b>115,277</b>	<b>22,250</b>

See accompanying notes

# Consolidated Notes to Financial Statements

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[Tabular amounts are in thousands of dollars]  
December 31, 2021

## 1. GENERAL

Halifax International Airport Authority [the "Authority" or "HIAA"] was incorporated on November 23, 1995 as a corporation without share capital under Part II of the Canada Corporations Act. On February 1, 2000, the Authority signed a 60-year ground lease with Transport Canada and assumed responsibility for the management, operation and development of the Halifax Robert L. Stanfield International Airport [the "Airport" or "HSIA"]. In 2014, the Authority was granted an extension of the lease for an additional 20 years, extending the lease to January 31, 2080. The net income or loss for the year is retained and reinvested in airport operations and development.

HSIA is a world-class airport accelerating the growth of our communities by connecting people and goods to the world. The airport is the largest airport in Atlantic Canada, and the region's gateway to the world.

The Authority is governed by a Board of Directors whose members are nominated by the Halifax Regional Municipality, the Province of Nova Scotia and the Government of Canada, as well as the Halifax Chamber of Commerce. The nominated members can also appoint additional members who represent the interests of the community.

The Authority is exempt from federal and provincial income taxes, federal large corporation's tax, and Nova Scotia capital tax.

The Authority has one wholly owned subsidiary, Halifax Stanfield Services Inc. ["HSSI"]. HSSI provides aviation services to third parties.

## 2. IMPLICATIONS OF COVID-19 ON OUR BUSINESS

The aviation sector, including airport operators such as the Authority, has been dramatically impacted by the emergence and continuation of the COVID-19 pandemic. Demand for air travel has been substantially reduced and since the pandemic was declared in March 2020, HIAA's passenger volumes have averaged 19% of pre-pandemic levels.

The Authority has implemented several protocols to increase the safety and well-being of airport workers and the traveling public, including enhanced cleaning and sanitation measures, public health signage, employee remote working policies and procedures, reduced public access and strict facemask policies. The Authority has also worked closely with provincial health authorities to implement passenger screening procedures required to help educate and inform the public about provincial restrictions for arriving passengers.

The financial impact of the pandemic has been significant for the Authority; revenues increased \$6.9 million compared to the prior year but remain approximately 58% below pre-pandemic levels. Operational measures to reduce expenses have been implemented throughout the period of the pandemic, including facility consolidation, energy saving measures, staffing adjustments and adjusted maintenance activities. The Authority reduced annual expenses, excluding amortization and interest charges, by \$24.4 million or 40% compared to pre-pandemic expenses. Included in these expense reductions were benefits from two government assistance programs implemented

## Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2021

by the Government of Canada. The Canada Emergency Wage Subsidy ["CEWS"] program was utilized by the Authority and generated \$4.6 million in assistance (2020 - \$5.9 million). In addition, Ground Lease Rent was waived for the year reducing operating expenses by \$2.7 million (2020 – \$1.7 million). The Authority received \$5.6 million in funding from the federal Airport Relief Fund program to support operations and also received a funding commitment of up to \$14.7 million under the federal Airport Critical Infrastructure program to support critical ongoing infrastructure investment. While cost reduction initiatives and additional funding received were significant, they have not matched the reductions in revenues resulting in material financial losses that can be expected to continue until such time as passenger activity returns closer to pre-pandemic levels.

The Authority has taken steps to ensure adequate liquidity is available to maintain operational capabilities and continue necessary capital investments. In December 2020 the Authority obtained waivers from its bondholders for the breach of covenants up to the year ended December 31, 2022. Additionally, the Authority raised capital with a \$150 million private placement bond issue in May 2021. The Authority continues to have access to its existing credit facility.

The Authority remains confident in its ability to continue operations during the temporary disruption in air travel demand and return to financially sustainable operations. The Authority has access to adequate liquidity support over the next year and beyond in order to continue its mission of accelerating the growth of communities by connecting people and goods to the world.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Authority's consolidated financial statements have been prepared in accordance with Part II of the Chartered Professional Accountants ["CPA"] of Canada Handbook – Accounting Standards for Private Enterprises ("ASPE"), which sets out generally accepted accounting principles ("GAAP") for non-publicly accountable enterprises in Canada and include the significant accounting policies described hereafter.

#### Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates. Items subject to significant management judgment and estimates include indicators of impairment, capital assets useful lives, allowances for bad debt, and defined benefits obligation.

#### Principles of consolidation

The financial statements include the accounts of the Authority and its wholly-owned subsidiary HSSI. All inter-company balances and transactions have been eliminated on consolidation.

#### Cash and cash equivalents

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, and restricted cash are presented under cash and cash equivalents. Cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of

# Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2021

change in value. An investment normally qualifies as a cash equivalent when it has a short maturity of approximately three months or less from the date of acquisition. Restricted cash relates to funding received from the Province of Nova Scotia to support air service growth [note 4].

## Government assistance

Amounts received or receivable from the federal Airport Relief Fund program were recognized as revenue. Amounts received or receivable resulting from government programs for capital development are reflected as reductions of the cost of the assets to which they relate when the Authority becomes eligible to accrue them, provided there is reasonable assurance the benefits will be realized. Assistance for future air service support are applied to the related expenditure as the related air service activity is realized in accordance with agreed terms and conditions. Assistance received to cover current period expenses is applied to the related expenditures.

## Inventories

Inventories consist of materials, parts and supplies and are stated at the lower of cost, determined on an average cost basis, and net realizable value.

## Ground lease

The ground lease with Transport Canada is accounted for as an operating lease.

## Capital assets

Capital assets are recorded at cost, including interest on funds borrowed for capital purposes, net of contributions and government assistance, and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer hardware and software	20% – 33%
Leasehold improvements	2.5% – 10%
Machinery, equipment, furniture and fixtures	5% – 20%
Vehicles	5% – 17%

Construction in progress is recorded at cost and is transferred to leasehold improvements when the projects are complete, and the assets are placed into service.

## Impairment

The Authority tests long-lived assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

## Long-term debt

Long-term debt is initially measured at fair value, net of transaction costs and financing fees. It is subsequently measured at amortized cost. Transaction costs and financing fees are amortized over the term of the debt.

## Revenue recognition

Landing fees, terminal fees, parking revenue and passenger security fees are recognized as the airport facilities are utilized. Concession revenue is recognized on the accrual basis and calculated using agreed percentages of reported concessionaire sales, with specified minimum guarantees where applicable. Rental revenue is recognized over the terms of the respective



## Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2021

leases, licenses and permits. Airport improvement fees ["AIF"] are recognized when originating departing passengers board their aircraft as reported by the airlines.

As a consequence of the COVID-19 pandemic, rent concessions were made with tenants during the period up to December 31, 2021. Concessions offered were equivalent to total payments required under the original lease contracts for specified periods of time. During the year, the Authority has deferred a total of \$0.3 million [2020 - \$0.8 million] in rent and license payments owing from tenants resulting from these concessions.

### Employee benefit plans

The Authority sponsors a pension plan on behalf of its employees, which has defined benefit and defined contribution components. In valuing pension obligations for its defined benefit component, the Authority uses the accrued benefit actuarial method prorated on services and best estimate assumptions. Pension plan assets are valued at current market values. Defined contribution component amounts are expensed as incurred.

Actuarial gains and losses are recognized in full in the period in which they occur. Current service cost and the interest cost on the accrued benefit obligation are included in the results of the Statements of Operations and Changes in Equity.

### Financial instruments

The Authority's financial instruments consist of cash and cash equivalents, accounts receivable, deposits in trust, accounts payable and accrued liabilities and long-term debt. Accounts receivable are accounted for at amortized cost. Cash and cash equivalents and the Debt Service Reserve Fund are recorded at fair value with realized and

unrealized gains and losses reported in earnings in the period during which they arise. Accounts payable and accrued liabilities and long-term debt are accounted for at amortized cost with gains and losses reported in earnings in the period during which they arise. The Authority has no held-to-maturity or available-for-sale financial assets.

Transaction costs are capitalized and added to the cost of financial assets and liabilities not classified as held-for-trading.

## 4. GOVERNMENT ASSISTANCE

Cash includes \$17.5 million [2020 – \$17.5 million] remaining from funds received in 2018 and 2020 from the Province of Nova Scotia to support air service growth initiatives. The funding is available for use at HIAA's sole discretion to support new service opportunities that meet pre-defined criteria. The funds must be committed by December 31, 2024 and fully discharged by March 31, 2027.

The federal government provided \$5.6 million [2020 – \$nil] from the federal Airport Relief Fund program to assist with airport operations in 2021, which is included in Government Assistance Revenue for the year.

During the year, \$4.6 million [2020 – \$5.9 million] was applied to salaries, wages and benefits.

During the year, \$10.2 million [2020 – \$10.1 million] of government contributions were received or receivable that were applied to capital assets. The contributions relate to capital development.

In addition, ground lease rent was fully waived for the year.

## Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2021

### 5. CAPITAL ASSETS

Capital assets consist of the following:

	Cost \$	2021 Accumulated Amortization \$	Net Book Value \$	2020 Net Book Value \$
Computer hardware and software	26,985	20,045	6,940	6,218
Leasehold improvements	577,574	244,074	333,500	355,716
Machinery, equipment, furniture and fixtures	24,258	17,492	6,766	8,362
Vehicles	19,566	13,887	5,679	6,940
Construction in progress	40,142	-	40,142	33,084
	688,525	295,498	393,027	410,320

### 6. LONG-TERM DEBT

Long-term debt consists of the following:

	2021 \$	2020 \$
CIBC Credit facilities	-	33,000
5.503%, non-amortizing Series A Revenue Bonds due July 19, 2041. Interest payable semi-annually in arrears on January 19 and July 19 of each year until maturity, which commenced on January 19, 2007.	150,000	150,000
4.888%, non-amortizing Series C Revenue Bonds due November 15, 2050. Interest payable semi-annually in arrears on May 15 and November 15 of each year until maturity, which commenced on May 15, 2011.	135,000	135,000
3.678%, non-amortizing Series D Revenue Bonds due May 3, 2051. Interest payable semi-annually in arrears on May 3 and November 3 of each year until maturity, which commenced on November 3, 2021.	150,000	-
	435,000	318,000
Less transaction costs, net of accumulated amortization	1,940	1,462
	433,060	316,538

## Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2021

### Bond issues

In July 2006, the Authority completed its inaugural \$150.0 million Revenue Bond issue. The \$150.0 million 5.503% Series A Revenue Bonds are due on July 19, 2041. In November 2010, the Authority completed a \$135.0 million Revenue Bond issue. The \$135.0 million 4.888% Series C Revenue Bonds are due on November 15, 2050. In May 2021, the Authority completed a third Revenue Bond issue of \$150 million. The \$150 million 3.678% Series D Revenue Bonds are due November 3, 2051.

The net proceeds from these offerings were used to finance the capital plan and for general corporate purposes. These purposes included repaying existing bank indebtedness and funding of the Debt Service Reserve Fund. The bonds are direct obligations of the Authority ranking pari passu with all other indebtedness issued under the Master Trust Indenture.

### Credit facilities

The Authority has authorized credit facilities with the Canadian Imperial Bank of Commerce, which provide the Authority with a combined availability of \$94.5 million, comprised of a \$72.0 million Capex facility and a \$22.5 million revolving operating and letter of credit facility. These facilities are secured under the Master Trust Indenture and are available by way of overdraft, prime rates loans, or bankers' acceptances.

As at December 31, 2021 an amount of \$11.3 million [2020 – \$22.5 million] of the operating and letter of credit facility had been committed, with \$nil [2020 – \$6.5 million] advanced as a prime rate loan, \$2.1 million [2020 - \$2.1 million] designated to pension plan funding regulations and \$9.2 million [2020 –\$13.9 million] designated

to the Operating and Maintenance Reserve Fund. As at December 31, 2021 an amount \$nil [2020 – \$26.5 million] of the Capex facility had been committed.

### Reserve funds

Pursuant to the terms of the Master Trust Indenture, the Authority is required to establish and maintain with a trustee a Debt Service Reserve Fund. The balance within this fund must be equal to at least 50% of annual bond debt service costs. As at December 31, 2021, the Debt Service Reserve Fund included \$10.2 million [2020 – \$7.4 million] in interest-bearing deposits held in trust. These trust funds are held for the benefit of bondholders for use in accordance with the terms of the Master Trust Indenture.

The Authority is also required to maintain an Operating and Maintenance Reserve Fund. The balance in the Operating and Maintenance Reserve Fund must be equal to at least 25% of certain defined operating and maintenance expenses for the previous fiscal year. Approximately \$8.5 million [2021 - \$9.2 million] will be required to fund the Operating and Maintenance Reserve Fund in 2022. The Operating and Maintenance Reserve Fund may be satisfied by cash, letters of credit, or the undrawn availability under a committed credit facility.

## 7. AIRPORT IMPROVEMENT FEES

The AIF revenue is used to fund the cost of the Authority's capital program and related financing costs, along with debt and operational surpluses. The AIF rate at December 31, 2021

# Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2021

was \$35 [2020 – \$28] and the Intra-Provincial rate was \$22 [2020 – \$15] and applies to each departing enplaned passenger. The AIF are collected by the air carriers for a fee of 7% under an agreement between the Authority, the Air Transport Association of Canada, and the air carriers serving the Airport. Under the agreement, AIF revenue may only be used to pay for the capital and related financing costs as jointly agreed with air carriers operating at the Airport.

A summary of the AIF collected and capital and related financing expenditures are as follows:

	2021	2020
	\$	\$
<b>AIF revenue, net:</b>		
AIF revenue	16,023	10,609
AIF collection costs	(1,055)	(787)
	14,968	9,822
Interest on surplus funds	749	481
<b>Net funds received</b>	15,717	10,303
Capital expenditures funded by AIF	10,551	22,948
Interest expense funded by AIF	19,011	15,526
	29,562	38,474
Excess of expenditures over AIF revenue	(13,845)	(28,171)
Excess of expenditures over AIF revenue, beginning of year	(388,426)	(360,255)
<b>Excess of expenditures over AIF revenue, end of year</b>	(402,271)	(388,426)

From January 1, 2001 to December 31, 2021, the cumulative capital expenditures funded by AIF totaled \$881.7 million [2020 – \$852.1 million] and exceeded the cumulative AIF revenue by \$402.3 million [2020 – \$388.4 million].

## 8. COMMITMENTS

### Transfer agreement

Effective February 1, 2000, the Authority signed a 60-year ground lease with Transport Canada which provides for the Authority to lease the Airport. A 20-year extension was granted in 2014, extending the lease to January 31, 2080. Unless otherwise extended, the Authority is obligated to return control of the Airport to Transport Canada. Lease payments are based on a percentage of gross revenue on a progressive scale. Due to implications of COVID-19 as described in note 2, rent payments owing to Transport Canada for the period January 1, 2021 to December 31, 2021 were waived.

The estimated lease obligations over the next five years are approximately as follows:

	\$
2022	6,067
2023	7,156
2024	9,546
2025	10,437
2026	11,259

## Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]

December 31, 2021

### Long-term debt – bond issues

The interest payable over the next five years on the Authority's Series A, C and D Revenue Bonds is as follows:

	\$
2022	20,370
2023	20,370
2024	20,370
2025	20,370
2026	20,370

### Construction in progress

As at December 31, 2021, the Authority had outstanding contractual construction commitments amounting to approximately \$7.1 million [2020 – \$8.5 million].

## 9. PENSION PLAN

The Authority sponsors a pension plan [the "Plan"] on behalf of its employees, which has defined benefit and defined contribution components. An actuarial valuation has been prepared as at December 31 for both funding and measurement purposes. The responsibility for governance of the Plan including overseeing aspects of the Plan such as investment decisions lies with the Authority through a Pension Committee. The Pension Committee in turn has appointed experienced independent experts such as investment advisors, investment managers, actuaries and custodians for assets.

The Authority has adopted various policies in respect to the Plan:

- Plan assets are valued at fair value for the purpose of calculating the expected return on the Plan assets.
- At December 31, 2021, the plan assets were invested in various pooled funds.
- Due to the nature of the benefit promise, the Authority's defined benefit obligation cannot be accurately predicted. Gains and losses arise because of changes in assumptions and from experience differing from what has been assumed. Under CICA Handbook section 3462, these gains and losses are recognized immediately in the Statements of Operations and Equity.
- Differences in the actual investment return on plan assets and the return using the discount rate are recognized immediately in the Statements of Operations and Changes in Equity.
- The last actuarial valuation for funding purposes was prepared as at December 31, 2021. The next scheduled actuarial valuation for funding purposes will be performed as at December 31, 2022.
- The Authority uses a December 31 measurement date.

The following table provides information concerning the assets, accrued benefit obligation, funded status and pension assets of the Plan as at December 31:

	2021 \$	2020 \$
Plan assets	26,333	25,997
Accrued benefit obligation	(20,890)	(21,482)
	5,443	4,515

## Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2021

The following table provides information concerning the components of the pension gain (loss):

	2021	2020
	\$	\$
Employers' current service cost	(498)	(556)
Interest cost on accrued benefit obligation	(650)	(651)
Expected return on the assets	778	816
	(370)	(391)
Actuarial gain (loss) on accrued benefit obligation	1,588	(2,168)
Difference between expected and actual return on assets	(290)	1,556
Settlement premium (cost)	-	732
<b>Pension gain (loss)</b>	<b>928</b>	<b>(271)</b>

The significant actuarial assumptions adopted in measuring the Authority's accrued pension benefits, using the funding valuation basis, are as follows:

	2021	2020
	%	%
Discount rate – year end benefit obligation	3.25	3.00
Discount rate – net benefit expense	3.00	3.50
Rate of compensation increase	3.25	3.25

Other information related to the Authority's defined benefit component is as follows:

	2021	2020
	\$	\$
Employer's contribution	-	287
Employees' contributions	75	95
Benefits paid	227	506

	2021	2020
	%	%
Equity securities	27	24
Fixed income securities	68	71
Real estate securities	5	5
	100	100

Pension expense amounted to \$1.0 million [2020 – \$1.1 million] for the defined contribution component for which the pension expense is equal to the contributions made by the Authority to the Plan during the year.

## Consolidated Notes to Financial Statements

[Tabular amounts are in thousands of dollars]  
December 31, 2021

### 10. CAPITAL RISK MANAGEMENT

The Authority is a corporation without share capital and, accordingly, is funded through operating revenue, AIF revenue, reserve funds, the debt capital markets and its bank credit facility. Aeronautical charges are set each year to cover the projected operating costs, after consideration of the projected air traffic and passenger activity and non-aeronautical revenue. Any funds generated by the Authority are used to cover costs within its mandate. The Authority's objective for managing capital is to acquire and maintain sufficient capital to safely and effectively manage the Airport's operations. The Authority aims to manage capital to deliver world-class facilities and services to the travelling public. The capital managed by the Authority is composed of long-term debt. As at December 31, 2021, the balance outstanding, excluding any current portion, amounts to \$435.0 million [2020 – \$318.0 million].

The Authority's indebtedness is secured under the Master Trust Indenture and supplemented from time to time with established common security and a set of common covenants by the Authority for the benefit of its lenders. The covenants that the Authority must meet include two specific coverage tests for operating expenses and debt service payments. The gross debt service covenant states that the total revenue, including the revenue account balance at the beginning of the year, must at least cover operating expenses, including interest and principal payments. The debt service covenant states that the net revenue for that specific year must be at least 1.25 times the total interest and principal payments for that year.

Effective December 31, 2020 the Master Trust Indenture was amended to temporarily suspend the Authority's requirement to comply with these covenants for the years ended December 31, 2020, 2021 and 2022.

In accordance with the Master Trust Indenture, two reserve funds must also be maintained: a Debt Service Reserve Fund and an Operating and Maintenance Reserve Fund.

### 11. FINANCIAL INSTRUMENTS

#### Fair value

The Authority's financial instruments consist of cash and cash equivalents, accounts receivable, deposits in trust, accounts payable and accrued liabilities and long-term debt. The difference between the carrying values and the fair market values of the financial instruments, excluding long-term debt, are not material due to their short-term maturities. The fair value of the Revenue Bonds as at December 31, 2021 is approximately \$543 million.

#### Risk management

The Authority is exposed to a number of risks as a result of the financial instruments on its balance sheet that can affect its operating performance. These risks include interest rate risk, liquidity risk, credit risk, and concentration risk. The Authority's financial instruments are not subject to foreign exchange risk or other price risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority is subject to interest rate risk relating to its Debt Service Reserve Fund and

# Consolidated Notes to Financial Statements

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[Tabular amounts are in thousands of dollars]  
December 31, 2021

credit facilities. The Authority manages its interest rate risk through the use of fixed-rate financing where applicable.

The Authority has entered into fixed-rate long-term debt and, accordingly, the impact of interest rate fluctuations has no effect on interest payments until such time as this debt is to be refinanced.

However, changes in prevailing benchmark interest rates and credit spreads may impact the fair value of this debt.

The Authority's most significant exposure to interest rate risk relates to its credit facilities. The Authority's Capex facility, which is in place for the financing of near-term construction costs related to the Authority's Capital Program, is subject to floating interest rates. Management believes that the impact of interest rate fluctuations on construction costs is not material.

The Authority's Debt Service Reserve Fund is subject to changes in interest rates. Management believes that the impact of interest rate fluctuations on the Debt Service Reserve Fund is not representative of the Authority's exposure to interest rate risk as interest income is not essential to the Authority's operations. These funds are intended for reinvestment in airport operations and development, and not for purposes of generating interest income.

If interest rates had been 50 basis points [0.50%] higher or lower and all other variables were held constant, including timing of expenditures related to the Authority's capital expenditure programs, the Authority's earnings for the year would not have been significantly impacted.

## **Liquidity risk**

The Authority manages its liquidity risk by maintaining adequate cash and credit facilities, by updating and reviewing multi-year cash flow projections on a regular and as-needed basis, and by matching its long-term financing arrangements with its cash flow needs. The Authority has ready access to sufficient financing as well as committed lines of credit through credit facilities with a major Canadian bank. The future annual payment requirements of the Authority's obligations under its long-term debt are described in note 8.

## **Credit and concentration risks**

The Authority is subject to credit risk through its accounts receivable, which consist primarily of current aeronautical fees and AIF owing from air carriers. The Authority performs ongoing credit valuations of receivable balances and maintains an allowance for potential credit losses. The Authority's right under the *Airport Transfer (Miscellaneous Matters) Act* to seize and detain aircraft until outstanding aeronautical fees are paid mitigates the risk of credit losses. The majority of the Authority's accounts receivable are paid when they are due.

A significant portion of the Authority's revenue, and resulting receivable balances, are derived from air carriers. The Authority derives approximately 37.5% [2020 – 44%] of its landing fee and terminal fee revenue from Air Canada and its affiliates. Management believes, however, that the Authority's long-term exposure to any single airline is mitigated by the fact that approximately 80% of the passenger traffic through the Airport is origin and destination traffic and therefore other carriers are likely to absorb the traffic of any carrier that ceases operations.



# Consolidated Notes to Financial Statements

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[Tabular amounts are in thousands of dollars]  
December 31, 2021

In addition, the Authority's unfettered ability to increase its rates and charges mitigates the impact of these risks.

## 12. CONTINGENCIES

The Authority may, from time to time, be involved in legal proceedings, claims and litigation that arise in the ordinary course of business and may enter into agreements that provide contingent support for new business. The Authority believes any liabilities arising from these matters would not reasonably be expected to have a material adverse effect on its financial position.

## 13. COMPARATIVE FIGURES

Comparative figures have been adjusted to conform to changes in the current year presentation.

# Corporate Governance

Halifax International Airport Authority (Airport Authority) is governed by a Board of Directors consisting of a maximum of 14 directors nominated by the following entities:

<b>NOMINATOR</b>	<b>NUMBER OF DIRECTORS</b>
Government of Canada	2
Province of Nova Scotia	1
Halifax Regional Municipality	4
Halifax Chamber of Commerce	3
Airport Authority Board of Directors	4

Generally, a director may serve no more than a total of nine years. However, at any given time, by a vote of the Board, one director's term can be extended for three years, to a maximum total of 12 years. The Board regularly reviews the skills and experience of its board members to ensure the appropriate competencies are represented on the Board.

The Board has overall responsibility for the stewardship of the Airport Authority, overseeing governance and strategic direction. The Board also oversees management, who are responsible for the day-to-day conduct of the business, with the fundamental objective of ensuring that the Airport Authority meets its obligations and operates in a safe, efficient and responsible manner. The Board meets as often as is required to carry out its responsibilities and maintains three standing committees, which are accountable to the Board: Audit Committee, chaired by Ann MacKenzie; Capital Projects Committee, chaired by John Fitzpatrick; and Governance Committee, chaired by Rob Batherson. The purpose of each Committee is as follows:

## Audit Committee

The Audit Committee's responsibilities include (i) approving the Airport Authority's quarterly unaudited financial statements and reviewing the annual audited financial statements; (ii) monitoring the integrity of the Airport Authority's financial reporting process and internal control system regarding financial reporting; and (iii) monitoring the independence and performance of the Airport Authority's external auditors. The Audit Committee acts in an advisory capacity to the Board except for approving the quarterly unaudited financial statements and the annual audit plan.

## Capital Projects Committee

The Capital Projects Committee's responsibilities include (i) approving and reviewing the 10-Year Capital and Financial Plan and all proposed major capital projects; and (ii) monitoring the progress and results of approved projects against pre-established measures and targets.

## Governance Committee

The Governance Committee assists the Board by providing a focus on governance that is intended to enhance the Board's performance as well as add value and support to the Airport Authority in achieving its corporate objectives. As part of this mandate, the Governance Committee leads the Board nomination process and receives reports and makes recommendations on a variety of governance matters including (i) the Board Governance Framework, consisting of the Board Governance Policy and accompanying

plans/programs; (ii) Board composition and effectiveness; (iii) the terms of reference for each Board committee; and (iv) functions pertaining to the President and Chief Executive Officer (CEO) position, including performance review and succession planning.

The Airport Authority has adopted conflict of interest guidelines to govern the conduct of, and the disclosure and avoidance of conflicts of interest for, all officers and directors. These disclosures are updated as required.

During 2021, the Governance Committee of the Board reported that there were no breaches of the conflict of interest guidelines by any officer or director of the Airport Authority.

<b>Board of Directors Compensation</b>	<b>(\$)*</b>
Chair: S. Dempsey	56,000
D. Bastow	13,120
R. Batherson	19,080
P. Boulter	13,840
J. Fiander	13,120
J. Fitzpatrick	18,120
D. Holland	13,120
A. MacKenzie	18,120
A. MacLean	15,520
M. Martel	10,440
B. Nycum	13,120
S. Porter	15,520

*\*For 2021, the Board approved a reduction in the remuneration for directors by 20 per cent as a result of the financial impact of COVID-19 on the Airport Authority.*

## Executive Compensation

The salary range for the President & CEO and for the Vice Presidents of the Airport Authority during 2021 was \$165,000 to \$350,000.

## Contracts in excess of \$120,253

In accordance with its lease with Transport Canada, the Airport Authority is required to report all contracts in excess of \$120,253 (\$75,000 in 1994 dollars adjusted by the Consumer Price Index) that were entered into during the year and that were not awarded on the basis of a public competitive process.

In 2021, the Airport Authority did not enter into any such contracts.

# Corporate Governance

## Board of Directors



**Stephen Dempsey**

**CHAIR**

Retired Corporate Executive

**Nominator and Date Appointed:**  
Halifax Regional Municipality  
May 2011

**Meeting Attendance\***  
Board (Chair) 9/9  
*\*\*Committees: Audit, Capital Projects, Governance*



**Doug Bastow**

**DIRECTOR**

Retired Airline Executive  
Retired Airline Pilot

**Nominator and Date Appointed:**  
Airport Authority  
September 2016

**Meeting Attendance\***  
Board 8/9  
Capital Projects Committee 4/4



**Robert Batherson**

**DIRECTOR**

Principal, Harbourview Public Affairs

**Nominator and Date Appointed:**  
Halifax Regional Municipality  
July 2013

**Meeting Attendance\***  
Board 9/9  
Governance Committee (Chair) 6/6



**Pernille Fischer Boulter**

**DIRECTOR**

President & CEO, Kisserup International Trade  
Roots Inc.

**Nominator and Date Appointed:**  
Federal Government  
May 2019

**Meeting Attendance\***  
Board 9/9  
Governance Committee 6/6

*\*Ratio equals number of meetings attended / number of meetings eligible to attend. Excludes Annual Public Meeting.*

*\*\*As Chair, Mr. Dempsey's attendance at these committee meetings is discretionary and therefore, the above table does not reflect his attendance at other Committee meetings.*

## Board of Directors



**Joe Fiander**

**DIRECTOR**

Entrepreneur

**Nominator and Date Appointed:**  
Federal Government  
May 2019

**Meeting Attendance\***

Board	9/9
Audit Committee	5/5



**John Fitzpatrick**

**DIRECTOR**

QC, Partner, BOYNECLARKE LLP

**Nominator and Date Appointed:**  
Halifax Regional Municipality  
July 2014

**Meeting Attendance\***

Board	9/9
Capital Projects Committee (Chair)	4/4



**Daniel Holland**

**DIRECTOR**

Chief Executive Officer,  
Community Foundation of NS

**Nominator and Date Appointed:**  
Halifax Regional Municipality  
January 2017

**Meeting Attendance\***

Board	9/9
Audit Committee	5/5



**Ann MacKenzie**

**DIRECTOR**

Retired Corporate Executive

**Nominator and Date Appointed:**  
Airport Authority  
March 2015

**Meeting Attendance\***

Board	9/9
Audit Committee (Chair)	5/5

\*Ratio equals number of meetings attended / number of meetings eligible to attend. Excludes Annual Public Meeting.

# Corporate Governance

## Board of Directors



**Ann MacLean**

**DIRECTOR**

Former Mayor of New Glasgow  
Retired Senior Administrator

**Nominator and Date Appointed:**  
Province of Nova Scotia  
February 2015

**Meeting Attendance\***

Board	9/9
Audit Committee	5/5
Governance Committee	6/6



**Benjamin Nycum**

**DIRECTOR**

CEO, William Nycum & Associates Ltd

**Nominator and Date Appointed:**  
Halifax Chamber of Commerce  
March 2018

**Meeting Attendance\***

Board	9/9
Capital Projects Committee	4/4



**Matthew Martel**

**DIRECTOR**

Chief Operating Officer, Black Business Initiative

**Nominator and Date Appointed:**  
Halifax Chamber of Commerce  
January 2021

**Meeting Attendance\***

Board	9/9
Governance Committee	6/6



**Sherry Porter**

**DIRECTOR**

Retired Corporate Executive

**Nominator and Date Appointed:**  
Halifax Chamber of Commerce  
March 2015

**Meeting Attendance\***

Board	9/9
Capital Projects Committee	4/4
Governance Committee	6/6

\*Ratio equals number of meetings attended / number of meetings eligible to attend. Excludes Annual Public Meeting.

# Our People

Troy Appleby, Todd Ball, Ken Bayers, Rhonda Brassard, Tim Bull, Joyce Carter, Sherrie Clow, Ron Conway, Wayne DeCoste, Ed Dempsey, Derek Forrest, Jack Weir, Richard Wyatt, Tim Zinck, Bill Crosman, Jane Scott, William Turple, Kevin Boutilier, Rick Boutilier, Chris Collier, Doug Eisan, Tim Fisher, Rick Gooding, Roxanne Hilchie, Kevin Mosher, Jim Moulton, Rob Silver, William Wellwood, Arnold Wood, Marcel Laforest, Dan Pride, Tom Winsor, Rachael Robinson, Joey MacPherson, Paul Dalrymple, Carol Mackie, Steve Bezanson, Jennifer Delorey Lyon, Tom Murray, Leigh Robinson, Milly Walker, Stephanie Gorman, Terry Hilchey, Paul Hood, Jamie Wilkins, Stephen Fudge, David Brown, Shawn Delong, Anita Chisholm, Joey Young, Jeff MacMillan, Mark Urquhart, Paul Baxter, Todd Hickey, Peter Khattar, Mike Walker, Jonathon Heffernan, Thomas Antonio, Daniel Chandler, Danny Chaplin, Peter Hilton, Brian Thomas, Carl Brown, Robert Hewitt, Ruth Stoddard, Tim Leeman, Alan Carragher, Michael Samson, Nicole Burchell-Isenor, Sandi Nicholson, Matthew McDonald, Doug Meek, Kris Stevens, James Tanswell, Jamie Dwyer, Scott Baines, Michael Rantala, Karen Murphy, Dean Bouchard, Todd D'Arcy, Craig Singer, Darin Clarke, Tara Vidito, Don Mattinson, Rob Miller, Scott Singer, Keith Gurschick, Danny Kennedy, Cory Teed, Paul Chisholm, Taras Chemerys, Steven Clarke, Chris Cartwright, Laurie Brown, Mark Fletcher, Sheila Williams, Daniel Archibald, Alex Lyall, Jo-Anne McLean, Mel Thomas, Paul McLaughlin, Rachel Griffiths, Matthew Flynn, Dustin Drew, Kyle Mohler, Mike Christie, Paul Brigley, Jaime Cayaoyao, Jeff Hauser, Kathryn Langridge, Craig Paul, Glenda Gillam, Joel Christie, Chris Waugh, Nadine Allen, Paula Fisher, Shane Boutilier, Jaan Soosaar, Glen Boone, Myles Swain, Scott Robertson, Claude Cunningham, Josh Kolstee, Erika Triff, Hayley Boutilier, Brodie MacNevin, Deb Aucoin, Melissa Lee, Derek Fraser, Melissa Upton, Jason Howie, Ryan Bowman, Don Welton, Craig Henman, Michael Hanson, Greg Bruce, Meaghan Ramsay, Brian Gillette, Jeff Rhyno, Mike Eakins, Scott White, Brandon Dearman, Chris Bresowar, Jeremy Newton, Shawn Hicks, Kathy Temple, Chris de Man, Sarah Livingstone, Melissa MacDonald, Will Sutherland, Chad Manuel, Steve Bradshaw, Alexa Taggart, Leah Batstone, Tiffany Chase, Jorge Perez, Daniel Jennings, Craig Cormier, Leanna Anderson, Jessica Bailey, Andrea Landry, Mark Amos, Melissa Nguyen, Andrew Bowman, Amanda Smees, Victor Cadoret, Sheri Murphy, Jeff Bowman, Robert Rose, Allan MacDonald, Cindy Tran, Marie Manning, Curtis Bailey, David Wright, Margaret MacInnis, Amy Gibson, Justin Hennigar, Jess Hobin, Jessica Gregory, Ryan Schwindt, Roger Preeper, Brandon Kernick, Blayne Humphreys, Tyler Bowman, Tim McCurdy, Jason Burke, John Barr, Kevin Lyghtle, Randall Barbrick, Dean Letto, Kim Oakley, Valerie Seager, Tony McMillen, Kaushel Chauhan, Mike Johnston, Kelly Corbett, Andrew Edwards, Burton Wright, Brian LeBlanc, Rob Kelly, David MacKinnon, Tonya McLellan



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