

Airport Advisory Committee

AGENDA



Thursday, April 25, 2019

9:00 am

Airport Administration Boardroom

Kelowna International Airport

1-5533 Airport Way

Kelowna, BC

	Pages
1. Call to Order	
2. Introductions	
2.1 Members	2 - 3
2.2 Purpose of the AAC & Terms of Reference	4 - 6
3. Confirmation of Minutes	7 - 11
Approve Minutes of the Meeting of October 5, 2018.	
4. Group Photo	
5. Reports	
5.1 Okanagan Gateway Study	12 - 19
5.2 Air Service Development Strategy	20 - 46
5.3 Soaring Beyond 2.5 Million Passengers Program Update	47 - 59
5.4 East Lands Development	60 - 61
5.5 Fiscal Update	62 - 67
6. Questions & Wrap Up	
7. Termination of Meeting	



YLW

Kelowna International Airport

Airport Advisory Committee Meeting

April 25, 2019

Agenda

- ▶ Call to order, welcome and introductions
 - ▶ Purpose of AAC, Terms of Reference
- ▶ Adoption of previous minutes
- ▶ Group Photo
- ▶ Okanagan Gateway Transportation Study
- ▶ Air Service Development Strategy
- ▶ Soaring Beyond 2.5 Million Passengers AIF Program
- ▶ East Lands Development
- ▶ Fiscal Update
- ▶ Questions



YLW

Kelowna International Airport

Purpose of AAC, Terms of Reference

Purpose of the AAC

- ▶ The AAC was formed to facilitate participation from local government, business and community interests within the Airport catchment area on Airport development matters. The AAC reviews, reports and advises Council on matters concerning the long-term development of the Airport.

Terms of Reference

- ▶ Objective
- ▶ Scope of Work
- ▶ Membership
- ▶ Appointments & Term
- ▶ Chair
- ▶ Meeting Procedures
- ▶ Reporting to Council



Airport Advisory Committee

Minutes

Date: Friday, October 5, 2018
Location: Airport Administration Boardroom
Kelowna International Airport
1-5533 Airport Way
Kelowna, BC

Committee Members Present: Chair, Mayor Colin Basran*, City of Kelowna
Councillor Luke Stack*, City of Kelowna
Walter Gray*, Kelowna City at Large
Andre Blanleil, Kelowna City at Large
Meryle Corbett, Aviation Industry Representative
Mayor Akbal Mund, City of Vernon
Councillor Peter Scheirbeck, District of Peachland
Chair Gail Given, Regional District of Central Okanagan
Corie Griffiths, Economic Development Commission
Norm Lecavalier, Greater Westside Board of Trade
Councillor Fernanda Alexander, Westbank First Nations
Carmen Sparg, Kelowna Chamber of Commerce
Thom Killingsworth, Tourism Kelowna
Vicki Brown, 3BP Solutions

Committee Members Absent: Mayor James Baker, District of Lake Country
Mayor Nancy Cooper, City of Salmon Arm
Jaron Chasca, Greater Vernon Chamber of Commerce
Councillor Rick de Jong, City of West Kelowna
Erick Thompson, Summerland Chamber of Commerce
Mayor Andrew Jakubeit, City of Penticton

Staff Present: City Manager, Doug Gilchrist
Airport Director, Sam Samaddar
Senior Airport Operations Manager, Phillip Elchitz
Senior Airport Development Manager, Ed Stephens
Senior Airport Finance & Corporate Services Manager, Shayne Drydal
Acting Legislative Services Supervisor, Sandi Horning

*denotes partial attendance

1. Call to Order, Welcome & Introductions

Acting Chair Given called the meeting to order at 9:09 am and welcomed everyone in attendance.

The Acting Chair noted that this will be the last Airport Advisory Committee Meeting for this Council term. Introductions were conducted.

Chair, Mayor Colin Basran, and Committee Member, Walter Gray, joined the meeting at 9:12 a.m.

The Acting Chair made reference to some significant accomplishments for the Kelowna International Airport.

The Chair took over as chair of the meeting from the Acting Chair at 9:14 a.m.

Committee Member, Councillor Luke Stack, joined the meeting at 9:14 a.m.

2. Confirmation of Minutes

Moved by Corie Griffiths/Seconded by Mayor Akbal Mund

THAT the Minutes of the February 1, 2018 Airport Advisory Committee meeting be adopted.

Carried

3. Reports

3.1 2018 Year to Date Overview

Airport Development Manager:

- Displayed a PowerPoint presentation providing an overview of the 2018 Year to Date.
- Responded to questions from the Committee members.
- Noted that YLW is the fastest growing airport in Canada.
- Advised that Airport Staff is in discussions with United Airlines and Delta Airlines regarding bringing back their service to YLW.

Airport Director:

- Responded to questions from the Committee members regarding the potential of the 787 aircraft flying out of YLW.

Airport Finance & Corporate Services Manager:

- Displayed a PowerPoint presentation providing the financial overview of the 2018 Year to Date.
- Responded to questions from the Committee members.
- Confirmed that the 'debt' is only related to the AIF program.

3.2 Airport Improvement Fee (AIF) Program Background

Senior Airport Development Manager:

- Displayed a PowerPoint presentation summarizing the Capital Program Development.
- Provided an overview of the 2045 Master Plan.

3.3 Drive to 1.6M Passengers and Flight to 2020 AIF Programs

Senior Airport Development Manager:

- Displayed a PowerPoint presentation summarizing the Drive to 1.6M Passengers and Flight to 2020 AIF Programs.

3.4 Soaring Beyond 2.5M Passenger AIF Program

- 3.4.1 Schedule
- 3.4.2 Implementation Plan
- 3.4.3 Major Projects
- 3.4.4 Implementation Timeline
- 3.4.5 Terminal Building Expansion
- 3.4.6 Financial Implications

Senior Airport Development Manager:

- Displayed a PowerPoint presentation summarizing the Soaring Beyond 2.5M Passenger AIF Program.
- Spoke to the Runway Safety Areas, Airfield Pavement Rehabilitation, Apron Expansion, Hazardous Material Secondary Capture and Terminal Expansion.
- Spoke to the Terminal Access and Landside Improvements.
- Provided an overview of the schedule for the Soaring Beyond 2.5M Passengers Project.
- Provided an overview of the implementation plan.
- Provided further details with respect to the major projects and implementation timeline.
- Provided further details regarding the Terminal Building Expansion.
- Advised that there is a plan to double the size of the departures room, create a larger pre-board screening area and introduce new technology for pre-board screening.
- Advised that there is also a plan to widen the corridor and construct a bridge at the north end to assist with the arrival of passengers, as well as locating a commercial receiving area at the south end of the terminal building.
- Advised that Phase 2 will be dealing with the domestic arrivals and baggage delivery.
- Responded to questions from the Committee members.

Airport Director:

- Responded to questions from the Committee members regarding the airport's domestic services.
- Noted that YLW will be a domestic airport for the foreseeable future; therefore, the focus is on domestic services.
- Spoke to the challenges with dealing with arriving international flights and how the air terminal building expansion may be able to address some of those challenges.

Senior Airport Operations Manager:

- Responded to questions from the Committee members regarding the potential for expanding the shuttle services as the parking areas expand.

Airport Director:

- Spoke to the parking challenges and demands that are increasing at the airport.
- The number of parking products currently at the airport is quite small and Staff will be looking at expanding the parking technology as people use them.
- Staff are looking at UBER, when it is allowed in BC, as a transportation source that will not impact the airport parking situation.
- Responded to questions regarding the new technologies that CATSA is implementing and whether that will affect the airport financially. Staff is currently in discussions with the Federal Government to address some of the financial implications.
- Responded to questions from the Committee members regarding how the airport expansion will affect 'connecting traffic'. There is an opportunity to grow the 'connecting traffic' and Staff will be ensuring that the expansion takes this into account.

Senior Airport Finance & Corporate Services Manager:

- Displayed a PowerPoint presentation and spoke to the financial implications of the Soaring Beyond 2.5M Passenger AIF Program.

Airport Director:

- Responded to questions from the Committee members regarding leveraging Federal programs, such as grants. Advised that typically, if you are a national airport, the Federal Government says that you cannot apply for grants.
- Spoke to the proposed AIF Program and the other fees that are charged by the Airport. If the proposal is put on hold, it could cause a negative economic and/or financial benefit.
- Confirmed that Staff have considered the regulatory impacts that could potentially affect the Program and advised that there are enough contingency reserves to offset any regulatory financial impacts.

Senior Airport Development Manager:

- Made comment regarding the 'Spring Travel Event' that was hosted at the Airport.
- Displayed a PowerPoint Presentation and spoke to the Beyond Program - 2029+.

Moved by Walter Gray/Seconded by Mayor Akbal Mund

THAT the Airport Advisory Committee supports, in principle, the proposed Soaring Beyond 2.5M Passenger AIF Program as presented to the Airport Advisory Committee on October 5, 2018;

AND THAT the Airport Advisory Committee supports obtaining the approval of Kelowna City Council for the amendment to the Airport Fees and Charges Bylaw No. 7982 to increase the Airport Improvement Fee to \$25.00 per departing passenger, effective March 1, 2019, as presented to the Airport Advisory Committee on October 5, 2018.

Carried

4. Questions & Wrap Up

The Chair distributed gifts to the Committee members and the Airport Director thanked everyone for their participation.

5. Termination of Meeting

The Chair thanked everyone for attending and provided closing comments.

The Chair declared the meeting terminated at 10:44 a.m.

Chair Gail Given, Acting Chair

Mayor Colin Basran, Chair

/slh

DRAFT



Okanagan Gateway Transportation Study





Transportation Planning Initiatives

- Regional Transportation Plan, *Connecting Our Region*
- Transportation Master Plan, *Our Kelowna As We Move*
- Okanagan Gateway Transportation Study

Key Question

*"What are the strategic, **prioritized investments** (policies, programs, and capital projects) that will be needed over the **next 20 years** to achieve our communities **visions and goals for transportation?**"*



Regional Transportation Plan

Working Collaboratively as a Region



Transportation Master Plan Vision

"Kelowna will be a city with vibrant urban centres where people and places are conveniently connected by diverse transportation options that help us transition from our car-centric culture"



Okanagan Gateway Transportation Study - Project Partners



Bringing together key organizations who are significant drivers to regional growth and that are also infrastructure owners who can collaboratively influence key decisions.

Okanagan Gateway Transportation Study

Objectives

To identify a future 2040 multi-modal transportation network for the study area that includes a prioritized list of transportation infrastructure projects, policies and programs to service future growth while driving behavioural change towards more sustainable transportation options

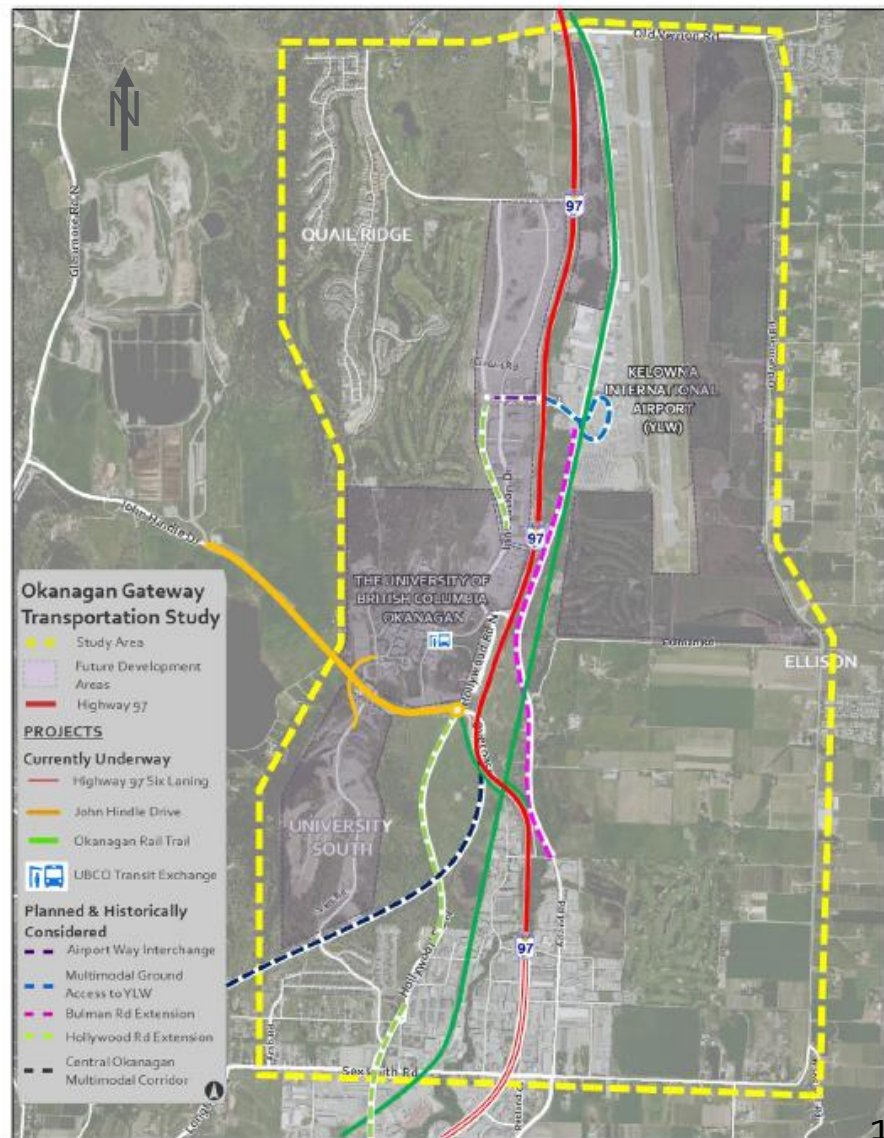
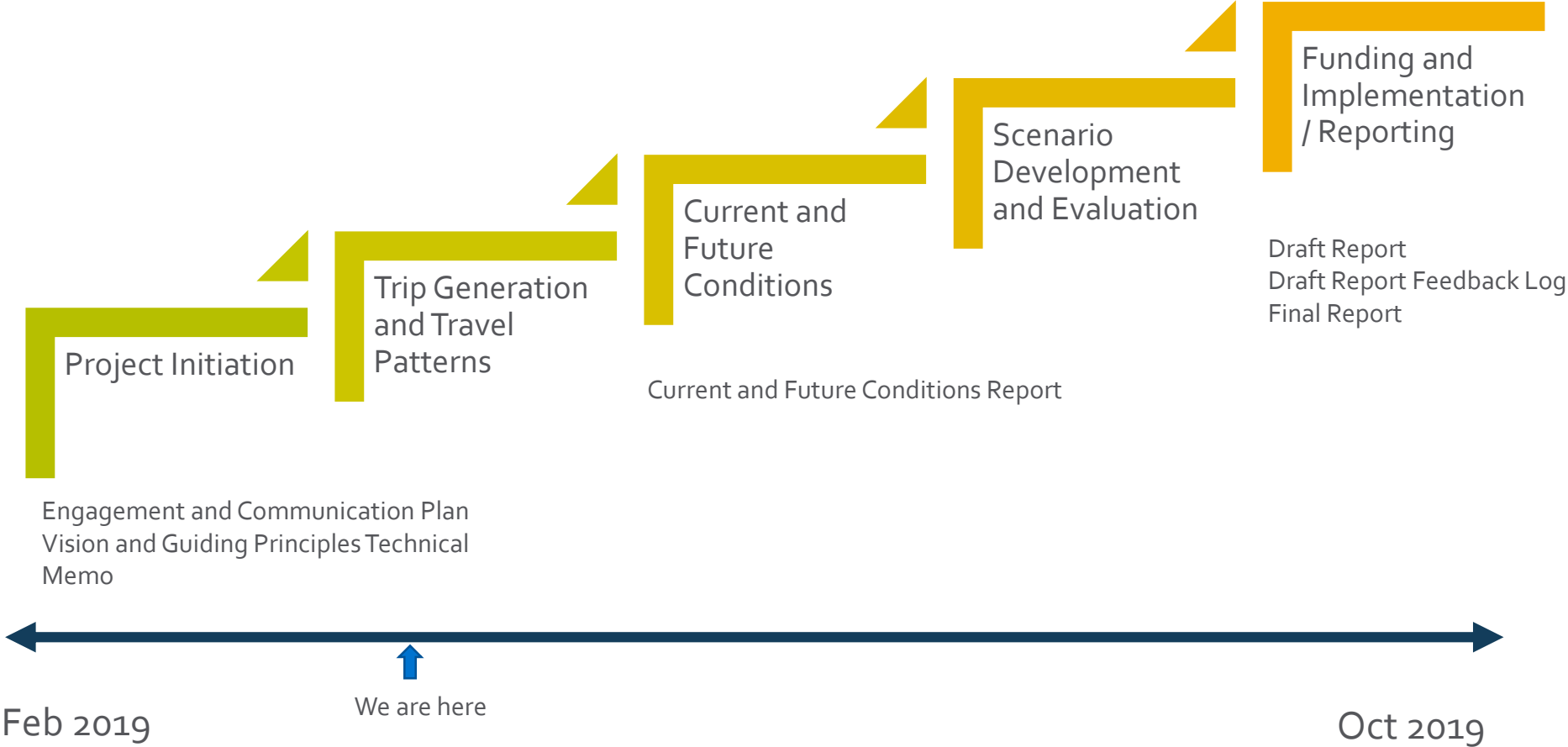


Figure 1 - Okanagan Gateway Transportation Study Area

Okanagan Gateway Transportation Study





YLW

Kelowna International Airport

A large commercial airplane is shown in flight, banking to the left. The background features a vast, flat landscape with a line of trees and distant mountains under a sky filled with soft, white clouds. The overall scene is captured in a cinematic, slightly desaturated style.

Air Service Development Strategy

Your Link to the World



YLW

Kelowna International Airport

ylw.kelowna.ca





Y L W

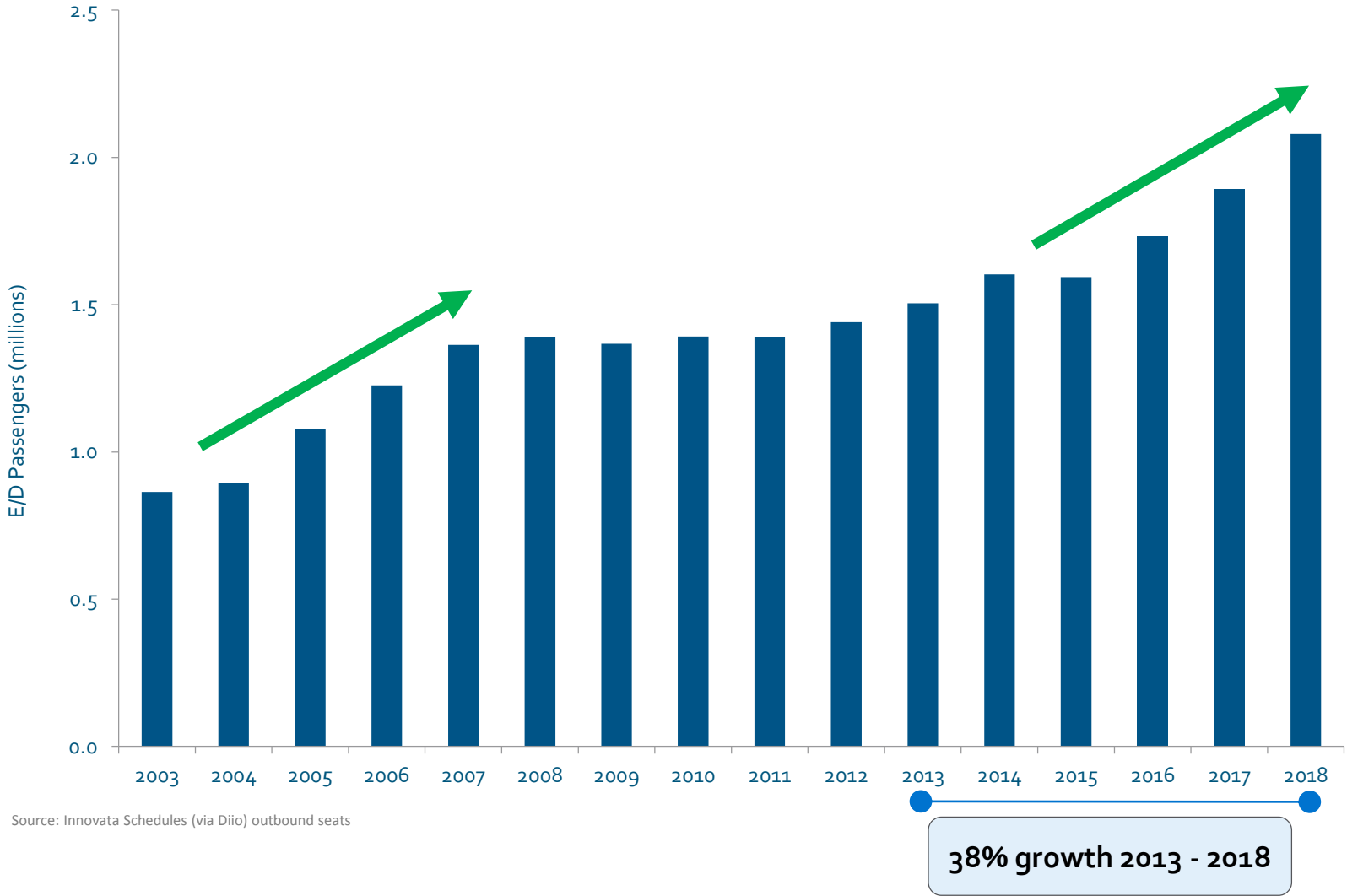
Kelowna International Airport



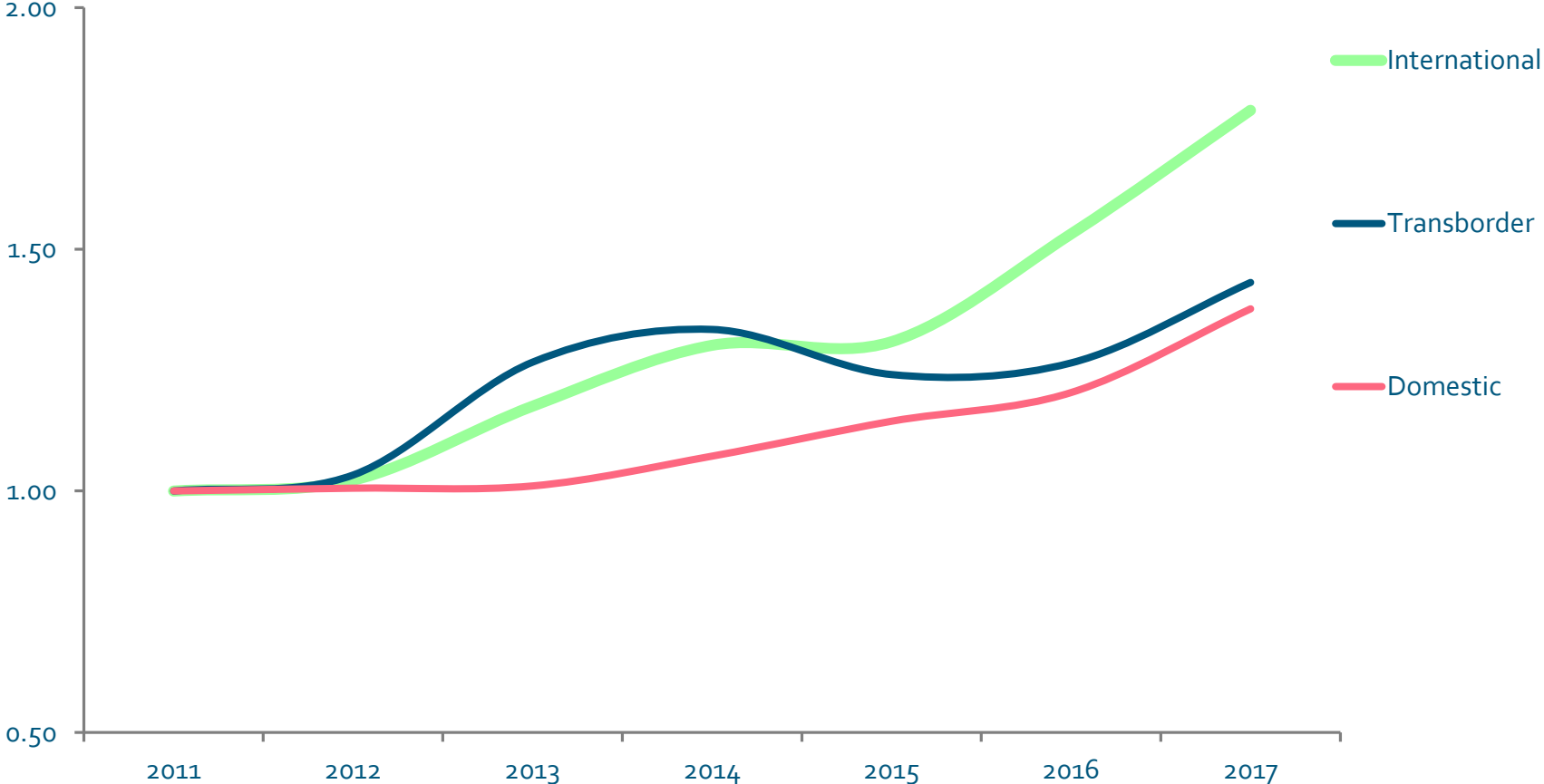
2 MILLION PASSENGERS

10th busiest airport in Canada

YLW passenger traffic grew by 10% in 2018



Growth in all sectors



YLW passenger traffic is up 3.4% in 2019

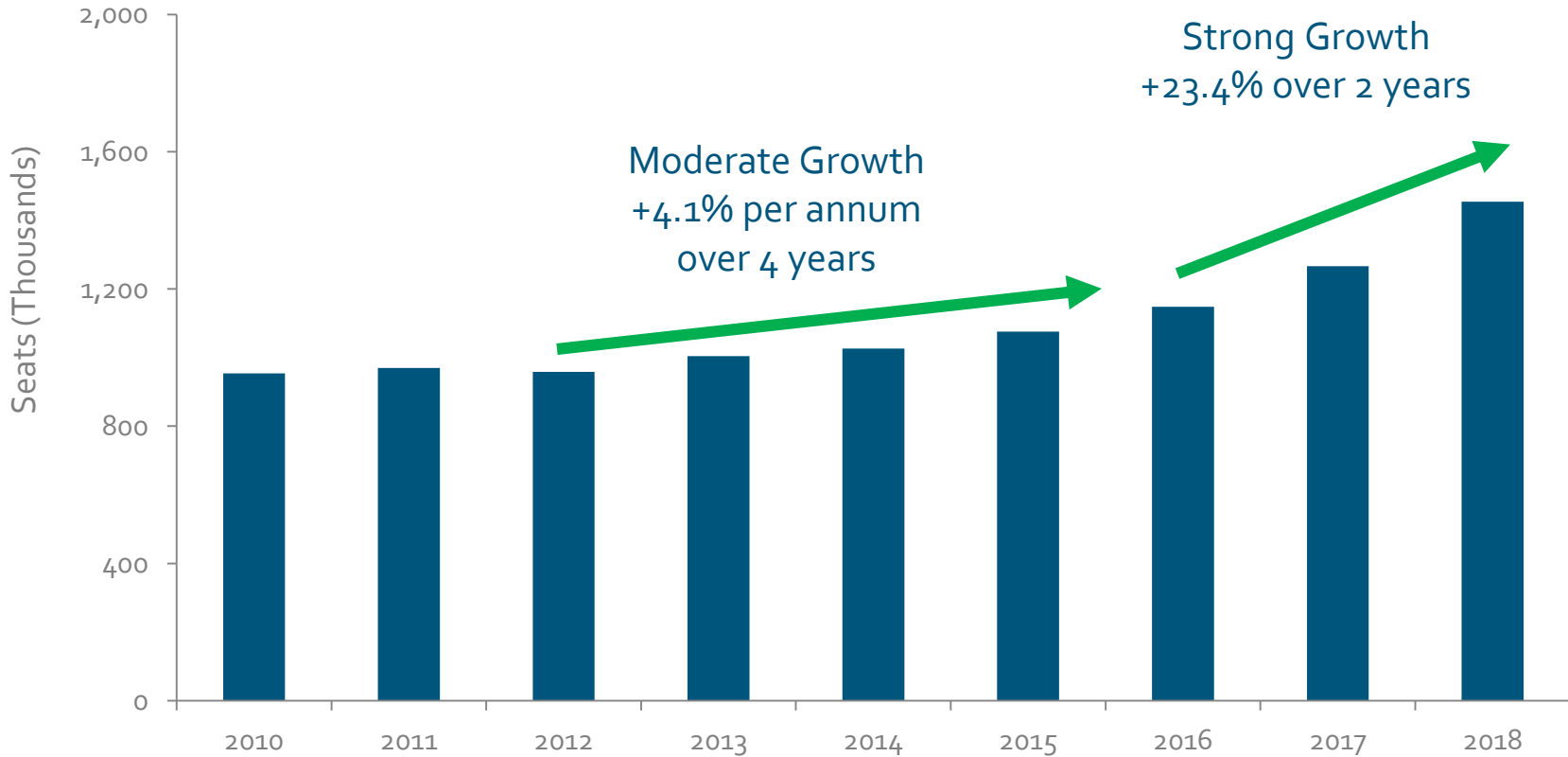
Monthly Difference (2019 to 2018)				
Month	2019	2018	Diff	% Diff
January	181,729	176,389	5,340	3.03%
February	179,039	173,940	5,099	2.93%
March	193,715	185,796	7,919	4.26%

YTD Difference (2019 to 2018)				
Month	2019	2018	Diff	% Diff
January	181,729	176,389	5,340	3.03%
February	360,768	350,329	10,439	2.98%
March	554,483	536,125	18,358	3.42%



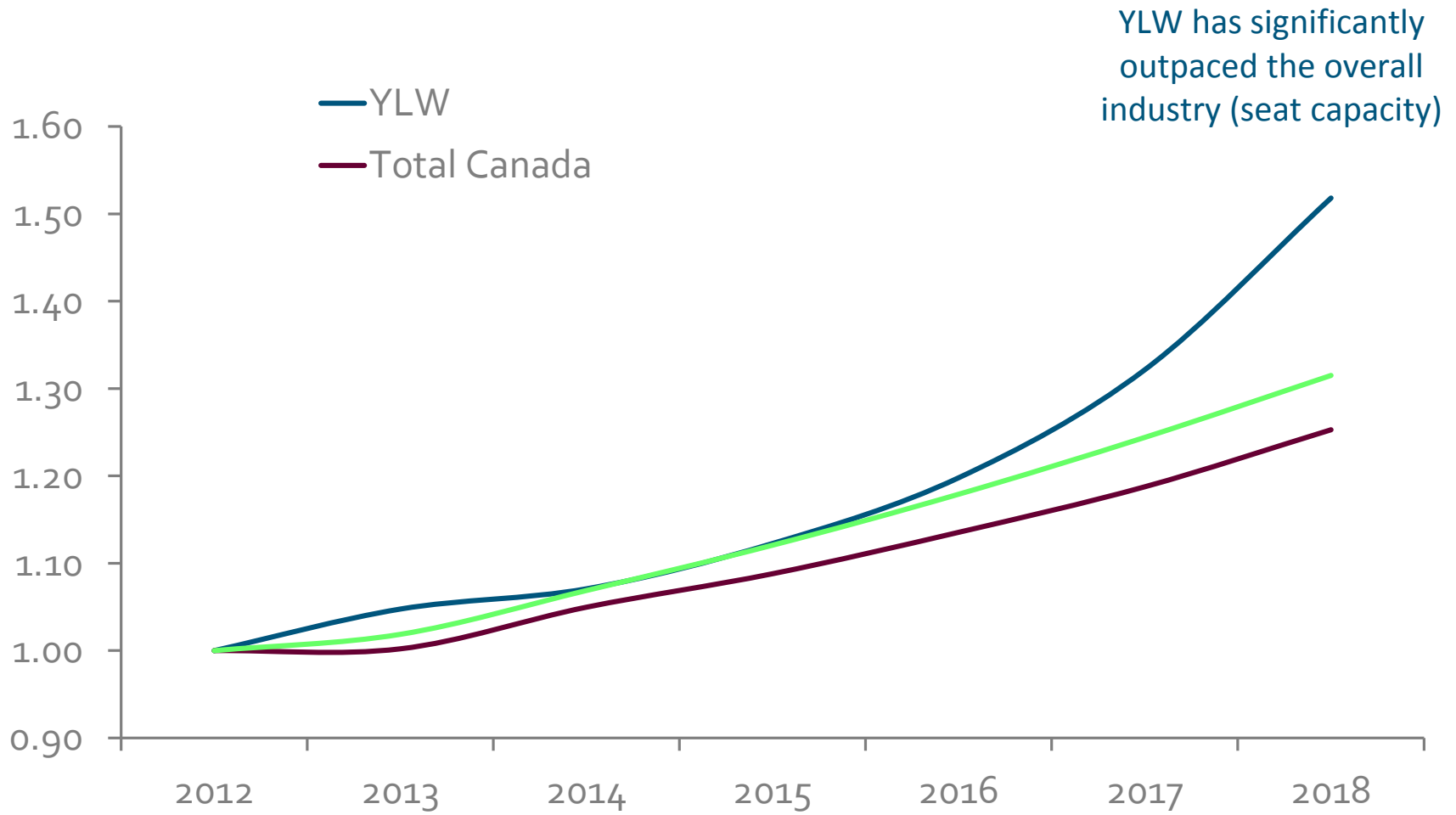
YLW seat capacity grew by 14.85% in 2018

Annual Outbound Seat Capacity



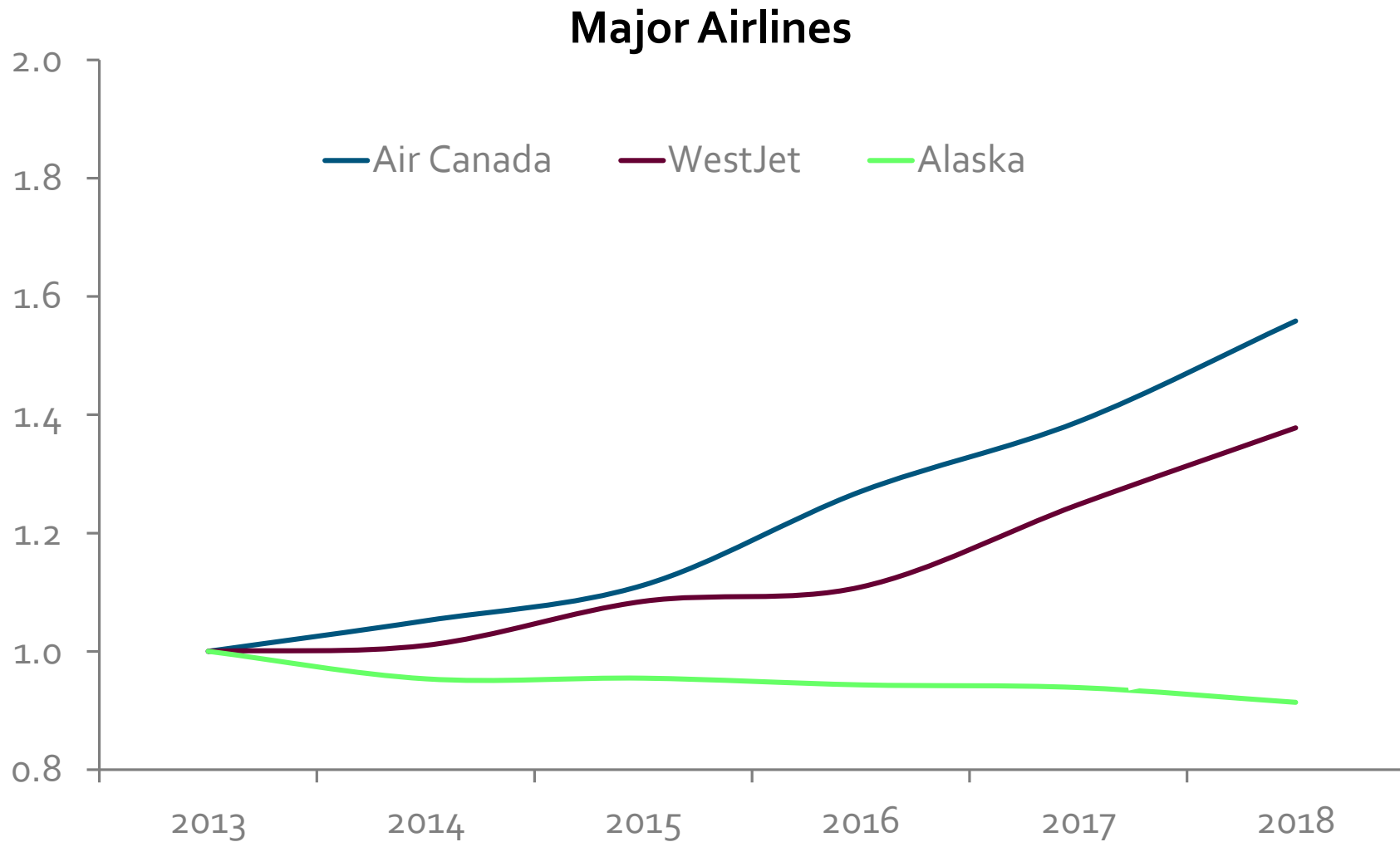
Source: Innovata Schedules (via Diio) outbound seats

YLW has out paced other airports in Canada



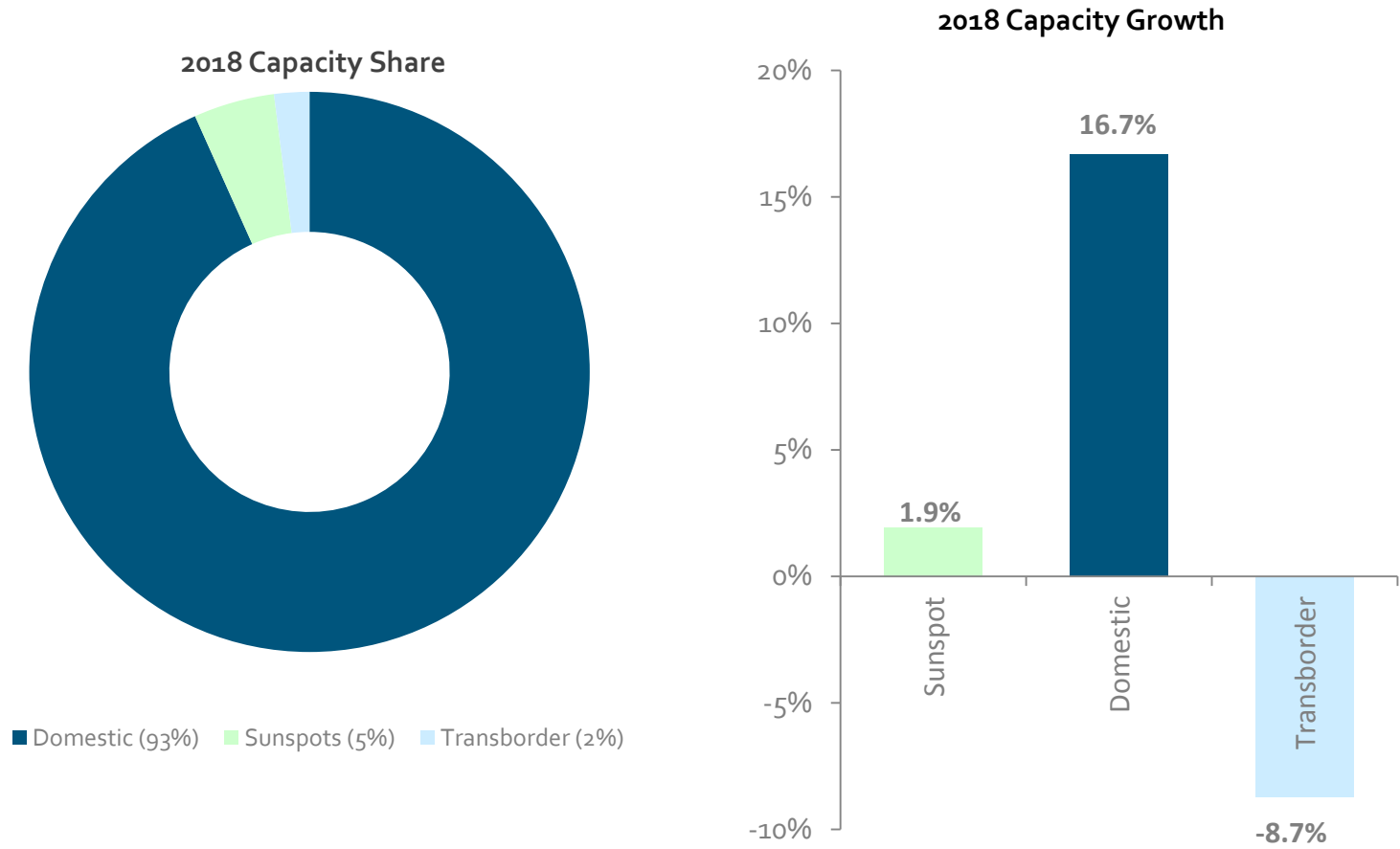
Source: Innovata Schedules (via Diio) outbound seats

Five year growth by airline



Source: Innovata Schedules (via Diio) outbound seats.
Note: Does not include sun charter service or Flair service (initiated in 2017).

Almost all capacity growth is domestic

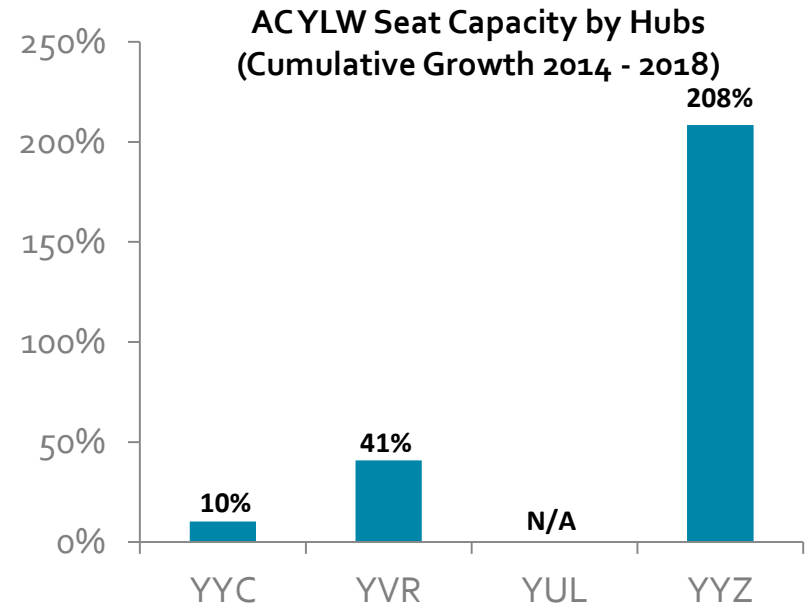
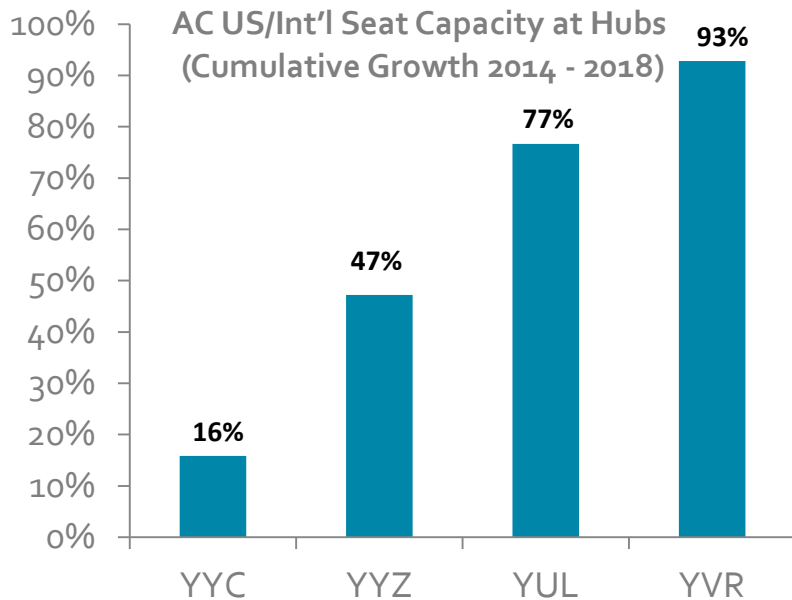


Source: Innovata Schedules (via Diio) outbound seats

A photograph of an airplane's wing and tail section, viewed from a high angle. The wing is white with dark panels and a small black circle near the fuselage. The tail is dark. The background is a bright, hazy sky with soft, white clouds, suggesting a sunrise or sunset. A semi-transparent blue vertical bar is on the left side of the image.

Air Canada & WestJet Update

Main focus has been on int'l growth at hubs



Source: Innovata Schedules (via Dii)

Note: * Announced on Air Canada's website, growth measured using outbound seat capacity

Strong performance driven by efficiency gains

Efficiency gains have been supported by aircraft decisions:

787 Dreamliner (8 & 9 variants)

- Longer range and 20% more fuel efficient than older aircraft
- Used for international expansion
- 35 aircraft operating (27 – 900 & 8 – 800), with 2 more being delivered in 2019

737 MAX (8 & 9 variants)*

- Flight range increased by 640 km and fuel efficiency increased by 10% cost savings
- Used in major North American markets
- European markets (Bordeaux)
- * **Out of service until Q4 2019**

A220

- Allows for longer range service to smaller markets that were previously not financially feasible
- 45 aircraft that will replace Embraer and Airbus narrow-body aircraft, delivery start in Q4 2019



The long-term business model is evolving

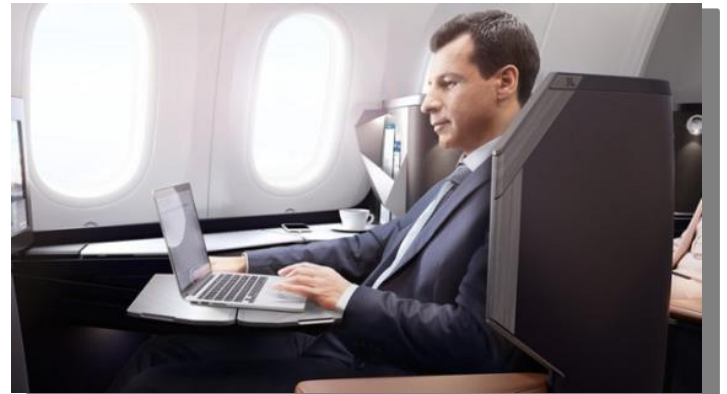


Hub and Spoke

- Encore – Fleet of 47 Q400 aircraft
- Link – fleet of Saab 340B aircraft operated by Pacific Coastal Airlines
- Expanding internationally – have ordered 10 - 787 Dreamliner's that start service in April 2019 and have announced a joint venture with Delta

Full Service Product

- New business class – offered on the 787 with lie flat seating
- Premium product for 737 (2x2 seating)
- Rewards program – targeting high value customers and premium travelers
- Focus on corporate bookings



New Europe from Calgary



Dublin - YLW

Start Date: 1 June

Frequency: 3x/week

Paris - YLW

Start Date: 17 May

Frequency: 4x/week

London - YLW

Start Date: 28 April

Frequency: 7x/week

These flights connect well to existing YLW-YYC services.

There are good opportunities

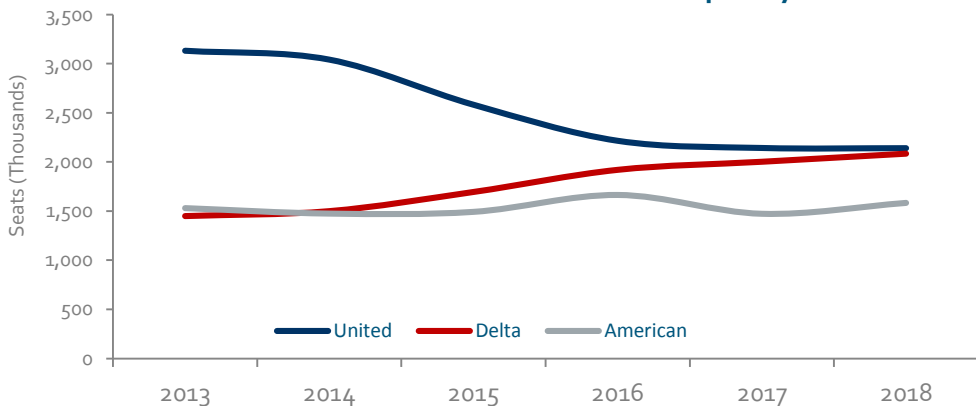




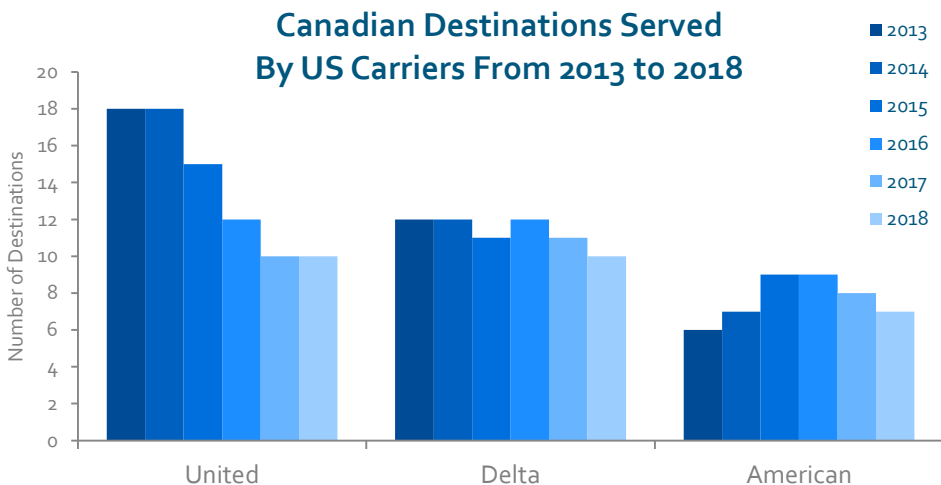
US Carriers Update

US carriers have reduced Canada service

US Carriers' Transborder Seat Capacity



Canadian Destinations Served By US Carriers From 2013 to 2018



Key Points

- Overall capacity has decreased from peak to current.
- United and Delta have decreased the number of Canadian stations they serve.
- Recent example is YYJ loss of SFO and Seattle service.



Source: Innovata Schedules (via Diio).



ULCC
Update

Swoop continues to grow quickly

- Launched by WestJet in June 2018, Swoop provides low-cost point-to-point service
- Announced YLW-YWG and YLW-LAS summer 2019 seasonal service
 - Currently operating with 6 737-800NGs that were transferred from WestJet mainline
 - 4 additional aircraft to be transferred by summer 2019
 - Targeting 40% cheaper fares
 - Currently focused on a handful of bigger markets (YHM, YHZ, YEG, YXX, YWG)



Flair continues to grow

- Currently operating YLW - Edmonton
- Growing from 4x to 5x weekly flights



New market entrants



- Recently announced that they plan to launch in 2019 as a ULCC
- Currently working with investor group, including Claridge Inc., Stephenson Management Inc., and Indigo Partners
- Indigo Partners has extensive experience starting ULCCs (Spirit Airlines, Tiger Airways)
- No launch date confirmed at this point



- Announced YLW will be one of their launch cities.
- Planning to launch in December 2019, some funding has been secured.
- Will operate with Airbus A320 aircraft.
- Appointed new CEO (from VivaAerobus)
- Planned route map focuses on having bases at Hamilton and Abbotsford





Other Initiatives

Charter Carriers



- Operating Cancun and Puerto Vallarta
- YLW currently marketing sun destinations



- Operating Varadero, Cancun and Cabo

US & International Carriers

Alaska



Regional Carriers



- Whitehorse service



- Prince George service



- Victoria and Cranbrook service

Your Link to the World



YLOW

Kelowna International Airport

ylw.kelowna.ca



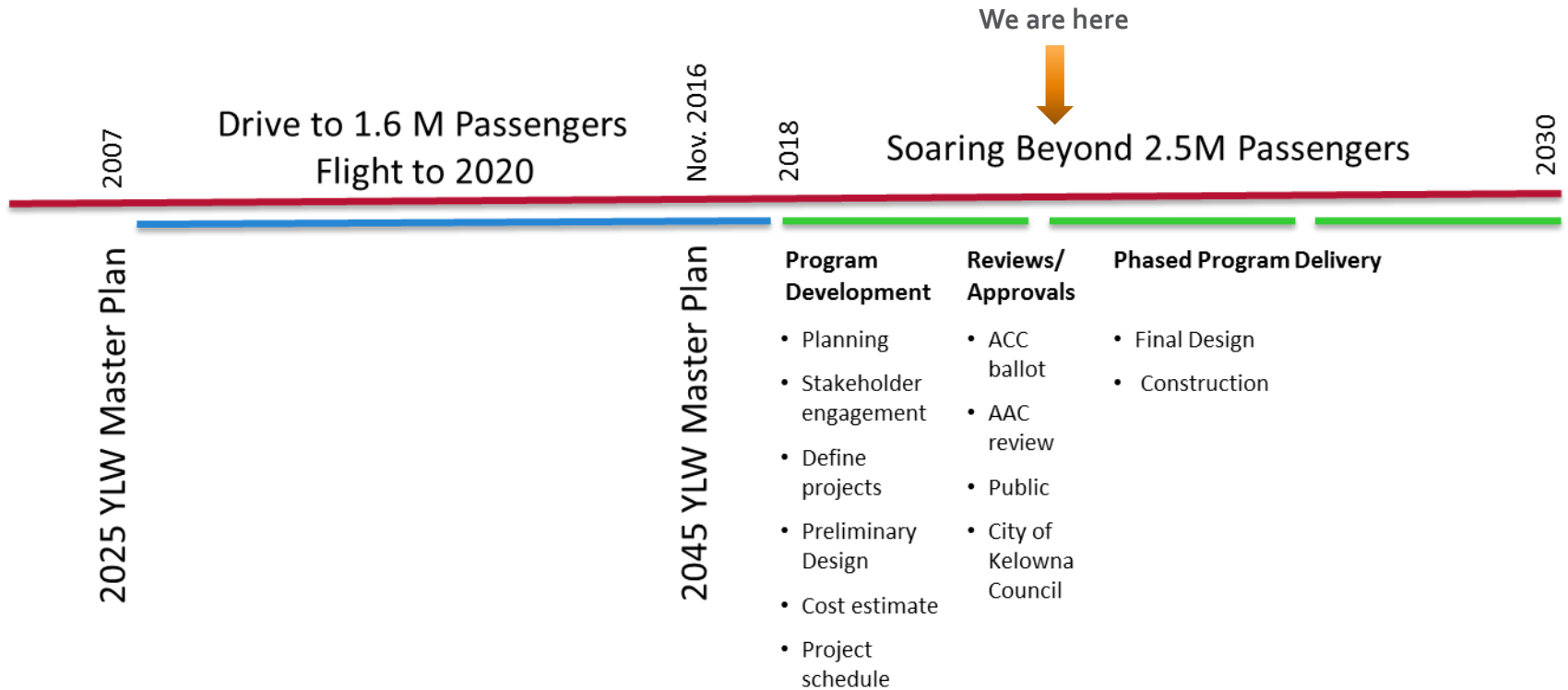


YLW

Kelowna International Airport

Soaring Beyond 2.5 M Passengers AIF Program

Soaring Beyond 2.5 Million Passenger AIF Program



Soaring Beyond 2.5 Million Passenger AIF Program

Project	Cost (Millions)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Terminal Expansion - Phase 1	50.2	Design	Construction	Construction	Construction							
Runway End Safety Area	7.8	Design	Construction	Construction								
Terminal Expansion - North Bridge	4.2		Design	Construction								
Self-Serve Baggage Drop	1.6		Design	Construction	Construction	Construction						
Loading Bridges	3.0			Design	Construction					Design	Construction	
Apron Expansion	16.6			Design	Construction	Construction	Construction	Construction				
Combined Operations Building	10.4			Design	Construction	Construction	Construction					
CUTE/CUSS	2.8			Design	Construction							
Terminal Expansion - Phase 2	33.4					Design	Construction	Construction				
Airside Pavement Rehabilitation	41.8	Construction	Construction	Construction	Construction	Construction	Construction	Construction	Construction	Construction	Construction	Construction
Airside Equipment	11.2	Construction	Construction	Construction	Construction	Construction	Construction	Construction	Construction	Construction	Construction	Construction
Total	183.0											

Legend

- Design
- Construction

Soaring Beyond 2.5M Passenger AIF Program

- ▶ Current Infrastructure
 - ▶ Reaching operational capacity
 - ▶ Significant rehabilitation required

Departures



Pre-board screening



Arrivals



Soaring Beyond 2.5 Million Passenger AIF Program

CURRENT PHASES IN DESIGN:

PHASE 1 Expand Departures Holdroom and Pre-board Screening to the south of the existing terminal.

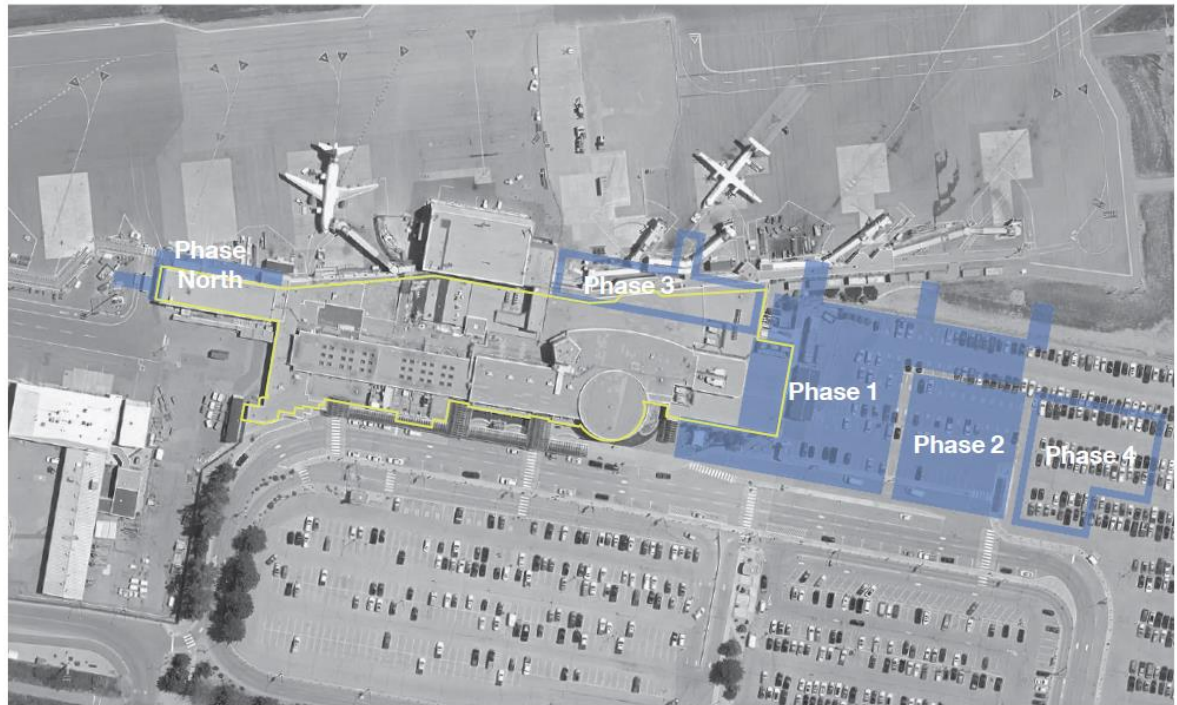
PHASE NORTH Reconfigure the Airside Corridor at the north end.

PHASE 2 Relocate Domestic Arrivals to the south end of the terminal. Renovate the existing Arrivals area to accommodate a larger International Arrivals area and CBSA Facility.

FUTURE PHASES:

PHASE 3 Renovate and expand the existing Departures Holdroom to the north.

PHASE 4 Relocate the International Arrivals area and CBSA Facility to the south of the terminal.



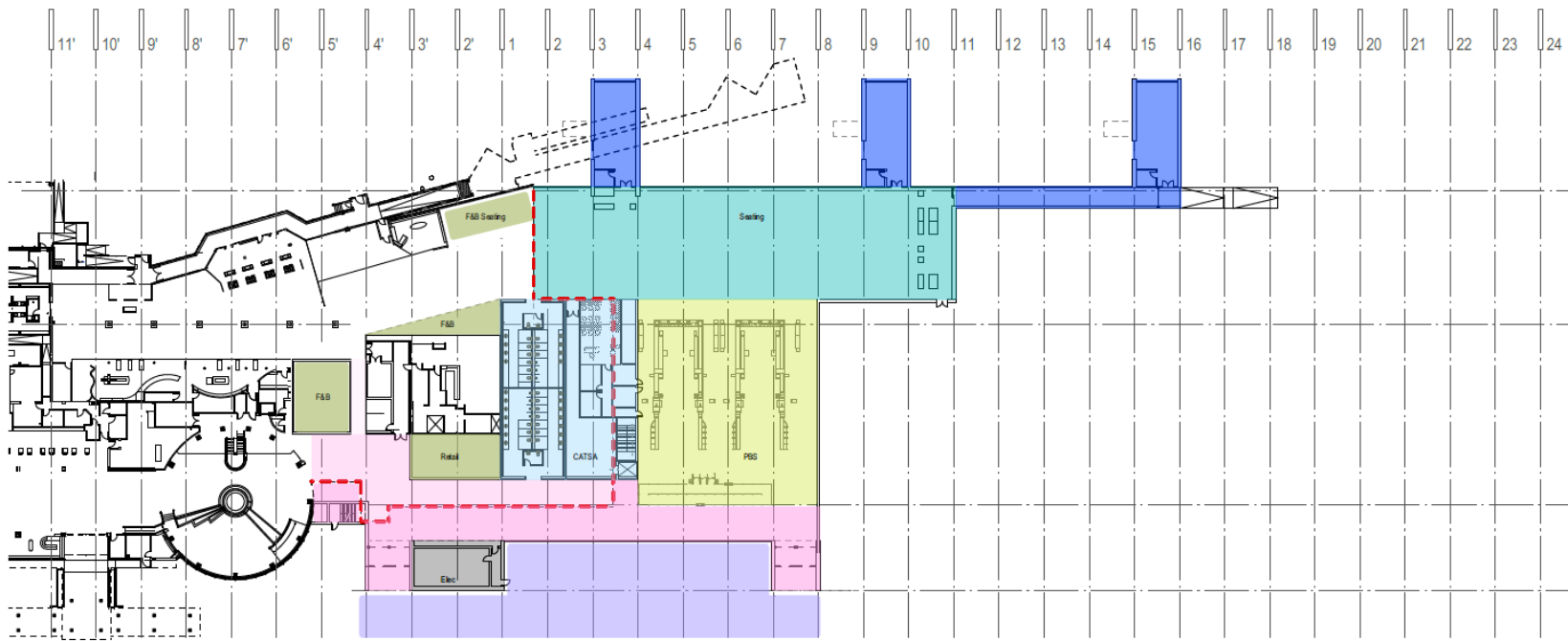
Soaring Beyond 2.5M Passenger AIF Program

- ▶ Terminal Expansion – Phase 1 (\$50.2 million)
 - ▶ 2020 – commencement of construction
 - ▶ 2022 – completion of construction
 - ▶ Issues being addressed
 - ▶ Departures lounge – increase operational capacity
 - ▶ Pre-board screening – reduction in wait times
 - ▶ Way finding - first step in elimination of airside corridor
 - ▶ Walking distances – first step in reduction
 - ▶ Food and beverage – greater selection

Soaring Beyond 2.5 Million Passengers

► Terminal Expansion – Phase 1 (\$50.2 million)

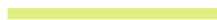
01 ATB - PHASE 1 Main Floor Plan - South End



Holdroom Addition - 1,250 sm



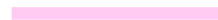
PBS Addition - 965 sm



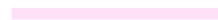
Fixed Links - 540 sm



Landside Concourse Addition - 590sm



Landside Concourse Renovation - 310 sm



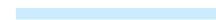
Canopy Addition



F&B - 335 sm



Support & Storage - 650 sm



Mech/Elec I.T. - 120 sm



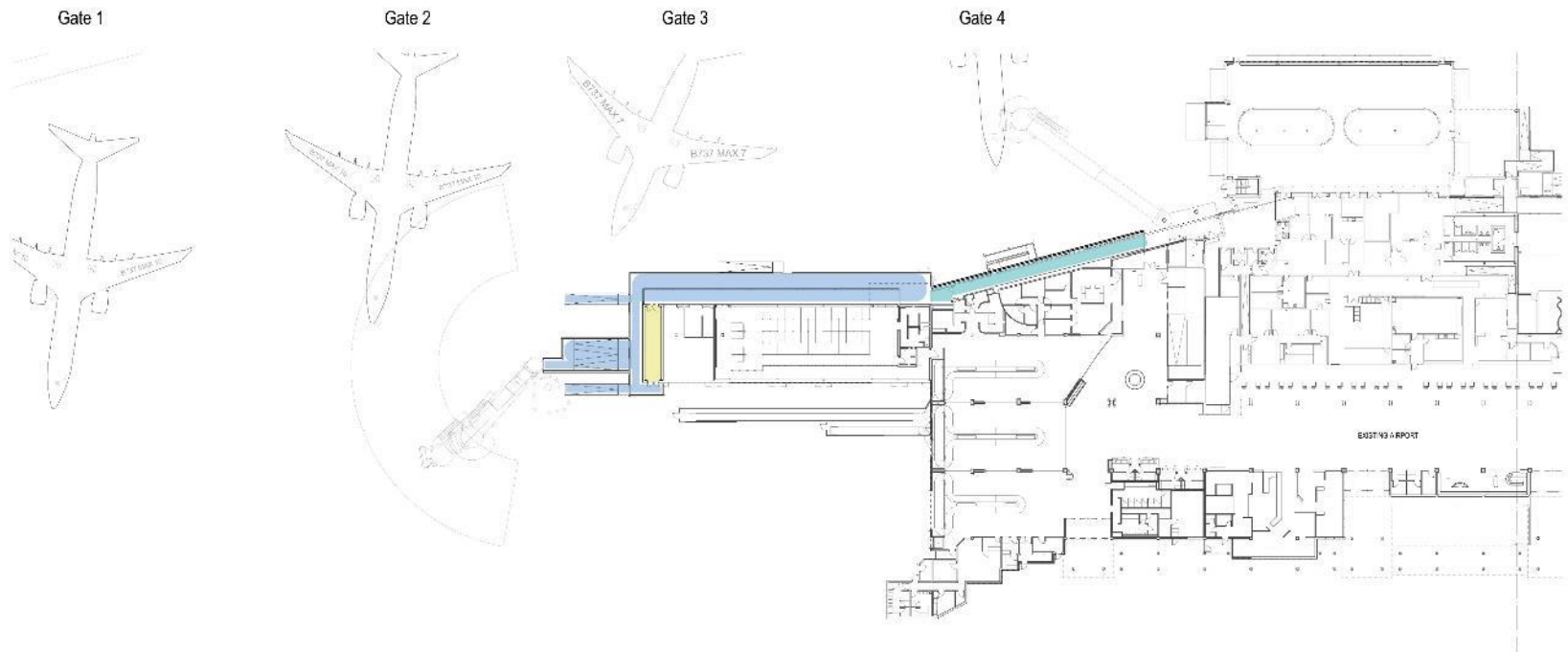
Soaring Beyond 2.5 Million Passengers

- ▶ Terminal Expansion – North Bridge (\$4.2 million)
 - ▶ 2021 – commencement and completion of construction
 - ▶ Issues being addressed
 - ▶ Simultaneous domestic and international arrivals - mitigation of operational constraints

Soaring Beyond 2.5 Million Passengers

► Terminal Expansion – North Bridge (\$4.2 million)

01 ATB - PHASE NORTH Main Floor Plan - North End



Airside Corridor Renovation - 118 sm

PIL Renovation - 38 sm

Circulation Corridors - 380 sm

Total New Construction Area: 380 sm

Total Renovation Area: 156 sm

Line of Existing Building



KELOWNA INTERNATIONAL AIRPORT

Air Terminal Building

YLW ATB CONSULTANTS MEETING - JULY 5, 2018

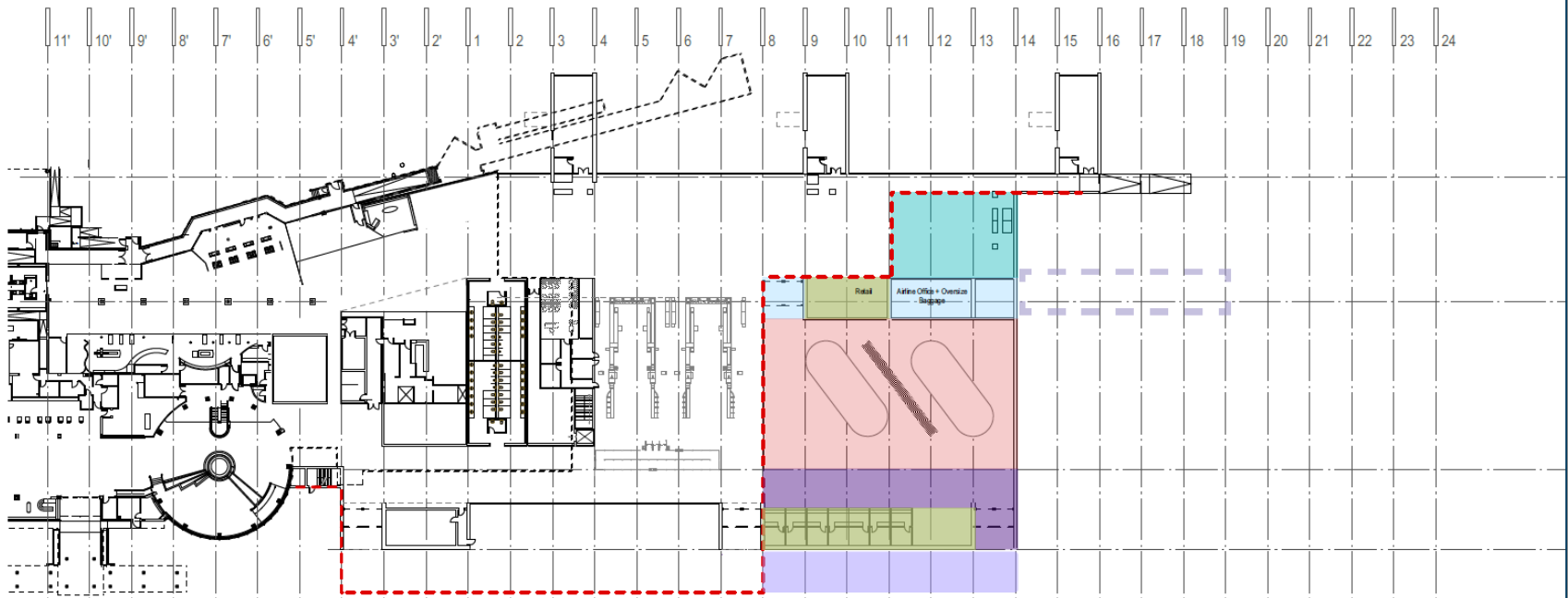
Soaring Beyond 2.5 Million Passengers

- ▶ Terminal Expansion – Phase 2 (\$33.4 million)
 - ▶ 2024 – commencement of construction
 - ▶ 2025 – completion of construction
 - ▶ Issues being addressed
 - ▶ Arrivals and baggage carousels – increase in operational capacity
 - ▶ Improved way finding – second step in elimination of airside corridor
 - ▶ Walking distances - second step in reduction

Soaring Beyond 2.5 Million Passengers

► Terminal Expansion – Phase 2 (\$33.4 million)

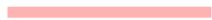
01 ATB - PHASE 2 Main Floor Plan - South End



Holdroom Addition - 320 sm



Domestic Baggage - 1150 sm



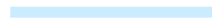
Canopy Addition



Arrivals Meet & Greet - 360 sm



Support & Storage - 215 sm



Concession - 365 sm



Additional Airside Canopy for In-bound Baggage Induction Belts - 260 sm



KELOWNA INTERNATIONAL AIRPORT

Air Terminal Building

REVISED VE STRATEGIES - SEPT. 11, 2018

Soaring Beyond 2.5 Million Passenger AIF Program



Departures Lounge looking South

Soaring Beyond 2.5 Million Passenger AIF Program

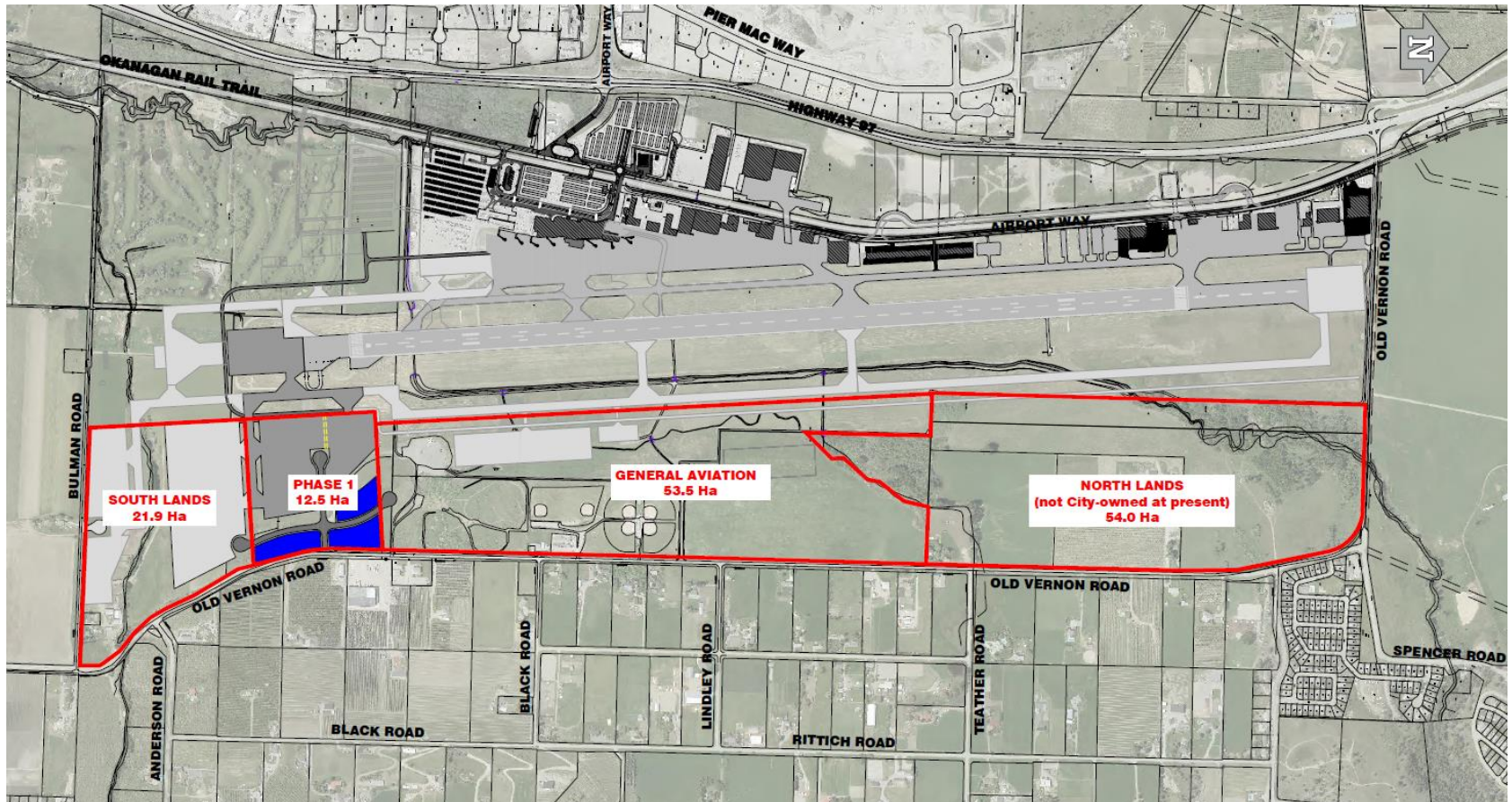


Domestic Baggage Hall looking West

A propeller airplane is parked on a runway in the middle section of the slide. The tail of the aircraft features a large graphic of a man's face, characteristic of Alaskan Airlines. The word 'Alaska' is visible on the side of the fuselage. The background shows a line of trees and a clear sky.

East Lands Development

East Lands Development





Y.L.W.

Kelowna International Airport

Fiscal Update

Fiscal Update

► Statement of Financial Position

	<u>Actual 2018</u>	<u>Actual 2017</u>
Financial Assets		
Cash and cash equivalents	\$ 1,000	\$ 62,110
Accounts receivable		
Due from government	256,762	968,810
Trade receivables	3,709,463	3,432,032
Portfolio investments	26,367,839	26,659,727
	<u>30,335,064</u>	<u>31,122,679</u>
Liabilities		
Accounts payable		
Trade	2,987,032	2,503,952
Regional government	136,237	276,883
Performance deposits	305,948	283,421
Deferred revenue	158,604	319,541
Mortgage payable (Note 3)	2,700,000	3,600,000
Debenture debt (Note 4)	18,177,948	22,035,751
	<u>24,465,769</u>	<u>29,019,548</u>
Net Financial Assets	<u>5,869,295</u>	<u>2,103,131</u>
Non-Financial Assets		
Prepaid expenses	96,808	85,318
Inventory	365,186	192,256
Work in progress (Note 5)	2,929,193	7,417,552
Tangible capital assets (Note 6)	143,724,445	128,694,388
	<u>147,115,632</u>	<u>136,389,514</u>
Accumulated Surplus (Note 7)	<u>\$ 152,984,927</u>	<u>\$ 138,492,645</u>

Fiscal Update

► Statement of Operations and Accumulated Surplus

	Budget 2018	Actual 2018	Actual 2017
Revenue			
Sale of services (Note 11)	\$ 19,090,014	\$ 21,157,839	\$ 18,978,599
Interest earned	158,000	543,587	303,422
Government transfers (Note 2)	3,520,160	1,034,936	2,053,830
Other capital contributions	-	787,956	513,551
	<u>22,768,174</u>	<u>23,524,318</u>	<u>21,849,402</u>
Airport Improvement Fee (Note 10)	13,220,000	14,017,034	12,926,606
	<u>35,988,174</u>	<u>37,541,352</u>	<u>34,776,008</u>
Expenses (Note 12)			
Administration	3,308,892	3,525,811	2,767,325
Interest	956,250	815,603	1,268,372
Terminal operations	4,947,331	5,664,945	4,599,832
Airport improvement fee	325,964	46,868	563,674
Airport policing	188,716	188,716	181,846
Groundside operations	2,377,919	2,345,550	2,200,315
Airside operations	3,324,134	3,251,572	3,078,240
Amortization	-	7,209,942	6,081,320
Write down of tangible capital assets	-	63	-
	<u>15,429,206</u>	<u>23,049,070</u>	<u>20,740,924</u>
Annual Surplus	<u>\$ 20,558,968</u>	<u>14,492,282</u>	14,035,084
Accumulated Surplus, beginning of year		<u>138,492,645</u>	124,457,561
Accumulated Surplus, end of year		<u>\$ 152,984,927</u>	<u>\$ 138,492,645</u>

Fiscal Update

► Cash Flow

	<u>Actual 2018</u>	<u>Actual 2017</u>
Net inflow (outflow) of cash and cash equivalents related to the following activities:		
Operating		
Annual surplus	\$ 14,492,282	\$ 14,035,084
Adjustment for non-cash items		
Amortization of tangible capital assets	7,209,942	6,081,320
Actuarial adjustment on debenture debt	(627,956)	(513,551)
Write down of tangible capital assets	63	-
Decrease (increase) in assets		
Accounts receivable	434,617	(368,138)
Inventory and prepaid expenses	(184,420)	71,630
Increase (decrease) in liabilities		
Accounts payable	342,433	(608,884)
Performance deposits	22,527	(96,516)
Deferred revenue	(160,937)	185,926
	<u>21,528,551</u>	<u>18,786,871</u>
Capital		
Acquisition of tangible capital assets	<u>(17,751,703)</u>	<u>(22,354,182)</u>
Investing		
Change in investments	<u>291,888</u>	<u>(995,721)</u>
Financing		
Proceeds from issuance of debenture debt	-	8,000,000
Repayment of mortgage payable	(900,000)	(900,000)
Repayment of debenture debt	(3,229,846)	(2,532,002)
	<u>(4,129,846)</u>	<u>4,567,998</u>
Net increase in cash and cash equivalents	(61,110)	4,966
Cash and cash equivalents, beginning of year	<u>62,110</u>	<u>57,144</u>
Cash and cash equivalents, end of year	<u>\$ 1,000</u>	<u>\$ 62,110</u>

Fiscal Update

▶ Debt Repayment Schedule

	2019-2025	2026	2027	Total
Principal	2,213,333	1,258,000	698,000	15,236,000
Interest	584,000	333,000	112,000	4,533,000
Total	2,797,333	1,591,000	810,000	19,769,000

▶ Repaid in 2018

- ▶ Principal: \$3,230,000
- ▶ Interest: \$956,000

▶ Municipal Financing Authority Loans

- ▶ \$7.5M – October 2015
- ▶ \$3.5M – April 2016
- ▶ \$3.0M – October 2016
- ▶ \$8.0M – April 2017



Questions?

For more information, visit ylw.kelowna.ca.